

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

# **CIMC VEHICLES**

## **CIMC Vehicles (Group) Co., Ltd.**

### **中集車輛(集團)股份有限公司**

*(A joint stock company incorporated in the People's Republic of China with limited liability)*  
**(Stock Code: 1839)**

## **ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2023**

### **I. IMPORTANT NOTICE**

- (1) The Board, the Supervisory Committee, the Directors, the Supervisors and senior management of the Company warrant the truthfulness, accuracy and completeness of the contents of the annual results announcement for the year ended December 31, 2023 (the “**Announcement**”), and guarantee there are no false representations, misleading statements contained in, or material omissions from, and jointly and severally accept legal responsibility for the Announcement.
- (2) All the Directors attended the Board meeting in relation to, among others, approval of the annual results for the year ended December 31, 2023.
- (3) The financial statements of the Company and its subsidiaries (the “**Group**”) have been prepared in accordance with China Accounting Standards for Business Enterprises (“**CASBE**”). The financial statements of the Group for the year ended December 31, 2023, which have been prepared in accordance with CASBE, have been audited by PricewaterhouseCoopers Zhong Tian LLP (“**PricewaterhouseCoopers Zhong Tian**”), who has issued an audit report with unqualified opinions on the financial statements. The figures in respect of the Announcement of the Group’s consolidated balance sheet, consolidated income statement and the related notes thereon for the year ended December 31, 2023 have been agreed by the PricewaterhouseCoopers Zhong Tian to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers Zhong Tian in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers Zhong Tian on the Announcement.
- (4) The person in charge of the Company, Mr. Li Guiping, the person in charge of accounting affairs and the head of the accounting department (chief accounting), Mr. Zhan Rui, hereby warrant the truthfulness, accuracy and completeness of the financial statements as set out in the Announcement.

- (5) The forward-looking statements in the Announcement regarding future development plans do not constitute a material commitment by the Company to investors. Investors and the relevant persons are advised to be fully aware of the risks involved and understand the differences between plans, forecasts and commitments. The Company reminds investors to carefully read the full text of the Announcement and pay special attention to the risk factors faced by the Company, details of which are set out in “VIII. Future Development Prospect of the Company” under Section IV “Management Discussion and Analysis” in the Announcement.
- (6) The proposed profit distribution plan for 2023 of the Company as considered and approved by the Board meeting is that no cash dividend will be distributed, no bonus shares will be issued and shares will not be converted from capital reserve into share capital.
- (7) The Announcement is published in English and Chinese. In the event of any inconsistency between the two versions, the Chinese version shall prevail.

## II. COMPANY PROFILE AND KEY FINANCIAL INDICATORS

### (1) Company Information

<b>Stock abbreviation</b>	<b>CIMC Vehicles Stock code</b>	<b>301039 (A Shares) 01839 (H Shares)</b>
Legal name in Chinese of the Company	中集車輛(集團)股份有限公司	
Legal short name in Chinese of the Company	中集車輛	
Legal name in English of the Company (if any)	CIMC Vehicles (Group) Co., Ltd.	
Legal short name in English of the Company (if any)	CIMC VEHICLES	
Legal representative of the Company	Li Guiping	
Registered address	No. 2, Gangwan Avenue, Shekou, Nanshan District, Shenzhen, the PRC	
Postal code of registered address	518067	
Changes in the registered address of the Company	Not applicable	
Office address	No. 2, Gangwan Avenue, Shekou, Nanshan District, Shenzhen, the PRC	
Postal code of office address	518067	
Company website	<a href="https://www.cimcvehiclesgroup.com/">https://www.cimcvehiclesgroup.com/</a>	
Email address	ir_vehicles@cimc.com	
Investor relations contact telephone number	(86) 0755-26802116	

**(2) Contact Persons and Means of Communication**

	<b>Secretary to the Board</b>	<b>Representative of Securities Affairs</b>
Name	Mao Yi	Xiong Dan
Contact address	No.2, Gangwan Avenue, Shekou, Nanshan District, Shenzhen, the PRC	No.2, Gangwan Avenue, Shekou, Nanshan District, Shenzhen, the PRC
Telephone	(86) 0755-26802598	(86) 0755-26802598
Facsimile	(86) 0755-26802700	(86) 0755-26802700
Email address	ir_vehicles@cimc.com	ir_vehicles@cimc.com

**(3) Information Disclosure and Locations for Documents for Inspection**

Websites of the Stock Exchanges on which the Annual Report of the Company is Disclosed	A Shares: <a href="http://www.szse.cn">http://www.szse.cn</a> H Shares: <a href="http://www.hkexnews.hk">http://www.hkexnews.hk</a>
Media Names and Website on which the Annual Report of the Company is Disclosed	“China Securities Journal”, “Securities Times”, “Shanghai Securities News” and “Securities Daily”; Cninfo ( <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> )
Places at which the Annual Report of the Company is Available	Office of the Matters Concerning the General Meetings, the Board of Directors and the Supervisory Committee of CIMC Vehicles, No. 2, Gangwan Avenue, Shekou, Nanshan District, Shenzhen, the PRC

**(4) Other Relevant Information**

***Accounting Firm engaged by the Company***

Name of the Accounting Firm	PricewaterhouseCoopers Zhong Tian LLP
Office Address of the Accounting Firm	11/F, PricewaterhouseCoopers Center, 2 Corporate Avenue 202 Hu Bin Road, Huangpu District, Shanghai, the PRC
Names of the Certified Public Accountants as the Signatories:	Chen Zhiming, Liu Yufeng

## (5) Major Accounting Data and Financial Indicators for the Last Five Years

Whether retrospective adjustments or restatements would be made by the Company to the accounting data for prior years

Yes  No

*Unit: RMB*

Consolidated Income Statement Items	2023	2022	For the year ended December 31, Changes from the previous year to this year			
				2021	2020	2019
Revenue	<b>25,086,577,013.05</b>	23,620,612,415.36	6.21%	27,647,762,501.46	26,498,964,653.25	23,386,908,687.91
Operating profit	<b>3,264,673,614.58</b>	1,472,638,520.24	121.69%	1,173,596,875.71	1,498,875,772.12	1,553,806,989.25
Profit before income tax	<b>3,260,764,615.46</b>	1,474,779,017.88	121.10%	1,176,166,310.16	1,517,700,367.89	1,570,742,601.43
Income tax expenses	<b>813,003,671.70</b>	361,171,952.63	125.10%	188,502,861.95	248,353,595.63	244,281,583.53
Net profit	<b>2,447,760,943.76</b>	1,113,607,065.25	119.80%	987,663,448.21	1,269,346,772.26	1,326,461,017.90
Net profit attributable to shareholders of the Company	<b>2,455,670,702.61</b>	1,117,958,345.49	119.66%	900,749,340.13	1,131,544,435.11	1,210,643,016.08
Net profit attributable to shareholders of the Company after deducting non-recurring profit or loss	<b>1,553,393,232.96</b>	915,504,724.28	69.68%	635,803,868.16	850,012,330.82	911,838,715.45

*Unit: RMB*

Consolidated Balance Sheet Items	2023	2022	As at December 31, Changes from the previous year to this year			
				2021	2020	2019
Total current assets	<b>16,521,521,170.98</b>	14,673,352,881.19	12.60%	14,233,856,026.37	12,965,531,089.98	12,362,552,131.31
Total non-current assets	<b>7,316,306,708.93</b>	7,543,877,182.81	-3.02%	7,547,477,198.07	6,859,628,513.66	6,318,532,064.56
Total assets	<b>23,837,827,879.91</b>	22,217,230,064.00	7.29%	21,781,333,224.44	19,825,159,603.64	18,681,084,195.87
Total current liabilities	<b>7,740,453,766.95</b>	8,128,158,784.11	-4.77%	8,623,414,465.10	8,558,977,854.63	7,979,217,979.76
Total non-current liabilities	<b>650,280,656.08</b>	728,590,380.60	-10.75%	771,344,798.96	817,482,971.02	481,191,934.27
Total liabilities	<b>8,390,734,423.03</b>	8,856,749,164.71	-5.26%	9,394,759,264.06	9,376,460,825.65	8,460,409,914.03
Total shareholders' equity	<b>15,447,093,456.88</b>	13,360,480,899.29	15.62%	12,386,573,960.38	10,448,698,777.99	10,220,674,281.84
Equity attributable to shareholders of the Company	<b>14,808,858,146.86</b>	12,699,782,738.40	16.61%	11,738,895,400.14	9,962,233,215.04	9,750,514,866.53
Minority interests	<b>638,235,310.02</b>	660,698,160.89	-3.40%	647,678,560.24	486,465,562.95	470,159,415.31

Unit: RMB

Consolidated Cash Flow Statement Items	For the year ended December 31,					
	2023	2022	Changes from the previous year to this year	2021	2020	2019
Net cash flow from operating activities	<b>1,790,203,646.24</b>	1,153,907,516.02	55.14%	174,428,262.61	2,746,937,975.27	1,908,701,959.51
Net cash flow from investing activities	<b>347,332,731.86</b>	-265,964,869.87	230.59%	-735,080,784.36	-759,827,551.85	-909,495,598.17
Net cash flow from financing activities	<b>-974,309,034.44</b>	-954,102,423.06	-2.12%	1,015,615,330.82	-1,399,200,617.05	133,347,679.21

Unit: RMB

Key Financial Indicators	For the year ended December 31,					
	2023	2022	Changes from the previous year to this year	2021	2020	2019
Basic earnings per share (RMB/share)	<b>1.22</b>	0.55	121.82%	0.48	0.64	0.75
Diluted earnings per share (RMB/share)	<b>1.22</b>	0.55	121.82%	0.48	0.64	0.75
Weighted average return on net assets	<b>17.93%</b>	9.18%	8.75%	8.29%	11.48%	14.40%
Gross profit margin	<b>18.96%</b>	13.28%	5.68%	11.02%	13.09%	13.91%
Operating profit margin	<b>13.01%</b>	6.23%	6.78%	4.24%	5.66%	6.64%
Net profit margin	<b>9.76%</b>	4.71%	5.05%	3.57%	4.79%	5.67%
Current ratio (note 1)	<b>2.13</b>	1.81	17.68%	1.65	1.51	1.55
Quick ratio (note 2)	<b>1.47</b>	1.13	30.09%	1.08	1.07	1.07
Return on total assets (note 3)	<b>10.63%</b>	5.06%	5.57%	4.75%	6.59%	7.53%

Note 1. Equal to total current assets divided by total current liabilities.

Note 2. Equal to current assets excluding inventories divided by total current liabilities.

Note 3. Equal to annual net profit divided by the average balance of total assets for the beginning and the end of the year.

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

Yes  No

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

Yes  No

**(6) Key Financial Indicators by Quarter**

*Unit: RMB*

	Q1	Q2	Q3	Q4
Revenue	6,583,965,447.49	6,885,664,774.09	6,098,595,953.96	5,518,350,837.51
Net profit attributable to shareholders of the Company	479,487,282.59	1,417,044,954.85	380,767,625.18	178,370,839.99
Net profit attributable to shareholders of the Company after deducting non-recurring profit or loss	478,841,575.44	556,623,997.65	368,306,870.76	149,620,789.11
Net cash flow from operating activities	748,943,315.18	496,537,469.75	31,420,388.12	513,302,473.19

Whether the above indicators or their aggregated amounts have any material difference with the respective amounts as disclosed in the quarterly report or interim report

Yes  No

**(7) Differences in Accounting Data Under Domestic and Overseas Accounting Standards**

**1. Differences in net profits and net assets in the financial statements as disclosed under International Accounting Standards and CASBE**

Applicable  Not applicable

There was no difference between the net profit and net assets in the financial statements as disclosed under international accounting standards and CASBE during the Reporting Period.

**2. Differences in net profits and net assets in the financial statements as disclosed under overseas accounting standards and CASBE**

Applicable  Not applicable

There was no difference between the net profit and net assets in the financial statements as disclosed under overseas accounting standards and CASBE during the Reporting Period.

## (8) Non-recurring Profit or Loss Items and Amounts

√ Applicable □ Not applicable

*Unit: RMB*

Items	Amounts for 2023	Amounts for 2022	Amounts for 2021	Note
Gains or losses from disposal of non-current assets (including elimination of provision for impairment of assets)	<b>3,997,426.56</b>	220,986,001.61	175,056,325.63	
Except for those that are closely related to normal business operations, in line with national policies and in accordance with defined criteria, and have a sustained impact on the Company's profit or loss, government subsidies recognized in profit or loss for the current period	<b>66,647,000.09</b>	81,550,034.72	144,395,663.75	Various government grants
Gains and losses on changes in fair values of held for trading financial assets, other non-current financial assets, held for trading financial liabilities and derivative financial instruments, gains and losses on changes in fair values of investment properties subject to subsequent measurement in the mode of fair value, and investment gains from disposal of held for trading financial assets, held for trading financial liabilities and derivative financial instruments	<b>-18,758,504.29</b>	-26,914,107.34	396,590.25	Financial assets held for trading, changes in fair value of derivative financial assets and liabilities; investment income from holding financial assets held for trading; investment gain or loss on disposal of derivative financial assets and liabilities; and gain or loss on changes in fair value of investment properties
The cost of investments in subsidiaries, associates and joint ventures acquired by an enterprise is less than its share of the gain arising from the fair value of the investee's identifiable net assets at the time of investment acquisition	<b>3,999,081.31</b>	–	–	
Other non-operating income and expenses other than the above items	<b>4,412,261.16</b>	5,336,216.43	4,637,291.81	
Net gains and losses from disposal of long-term equity investment	<b>1,108,855,449.64</b>	-3,322.91	-375,851.02	Mainly net gain on disposal of equity interest in Shenzhen CIMC Special Vehicle
Reorganization costs on disposal of long-term equity investments	<b>-35,371,122.00</b>	–	–	Reorganization costs arising from disposal of equity interest in Shenzhen CIMC Special Vehicle
Gains and losses on debt restructuring	<b>-12,800.00</b>	–	–	
Less: Effect of income tax	<b>222,743,747.47</b>	69,612,814.33	47,536,078.84	
Effect of minority interests (after tax)	<b>8,747,575.35</b>	8,888,386.97	11,628,469.61	
	<b>902,277,469.65</b>	202,453,621.21	264,945,471.97	

Details of other gain or loss items within the definition of non-recurring gain or loss:

Applicable  Not applicable

The Company did not have other gain or loss items that are within the definition of non – recurring gain or loss.

Explanations on defining the non-recurring gain or loss items set out in the Explanatory Announcement No. 1 on Information Disclosure by Companies Offering Securities to the Public – Non-Recurring Gains or Losses as recurring gain or loss items

Applicable  Not applicable

The Company did not define the non-recurring gain or loss items set out in the Explanatory Announcement No. 1 on Information Disclosure by Companies Offering Securities to the Public – Non-Recurring Gains or Losses as recurring gain or loss items during the Reporting Period.



### III. INFORMATION ON SHAREHOLDERS AND DE FACTO CONTROLLERS

#### 1. Number of Shareholders and the Shareholding

Unit: Share

Total number of ordinary Shareholders as at the end of the Reporting Period	Total number of Shareholders: 39,892 (of which, holders of A Shares: 39,851, and holders of H Shares: 41)	Total number of ordinary Shareholders as at the end of the month prior to the publication of the Announcement	Total number of Shareholders: 42,158 (of which, holders of A Shares: 42,117, and holders of H Shares: 41)	Total number of preferred Shareholders whose voting rights were restored as at the end of the Reporting Period (if any)	0	Total number of preferred Shareholders whose voting rights were restored as at the end of the month prior to the publication date of the Announcement (if any)	0	Total number of Shareholders holding shares with special voting rights (if any)	0
---	---	---	---	---	---	--	---	---	---

#### Shareholdings of the Shareholders holding more than 5% of the shares or the top ten Shareholders (Excluding shares holding by the margin refinancing business)

Name of Shareholder	Nature of Shareholder	Shareholding percentage	Number of Shares held as at the end of the Reporting Period	Changes during the Reporting Period	Number of Shares held subject to trading restrictions	Number of Shares held not subject to trading restrictions	Pledged, charged or frozen shares Status	Number
CIMC Group	Domestic non-state-owned legal person	36.10%	728,443,475	0	728,443,475	0		
CIMC Hong Kong (note 1)	Overseas legal person	20.68%	417,190,600	13,935,000	284,985,000	132,205,600		
HKSCC NOMINEES LIMITED (香港中央結算(代理人)有限公司) (note 2)	Overseas legal person	7.27%	146,669,932	-13,932,000	0	146,669,932		
Ping An Capital Co., Ltd. (平安資本有限責任公司) - Shanghai Tai Fu Xiang Zhong Equity Investment Fund Partnership (Limited Partnership) (上海太富祥中股權投資基金 合夥企業(有限合夥))	Others	3.53%	71,184,088	-55,045,500	0	71,184,088		
Ping An Capital Co., Ltd. (平安資本有限責任公司) - Taizhou Tai Fu Xiang Yun Equity Investment Partnership (Limited Partnership) (台州太富祥雲股權投資合夥企 業(有限合夥))	Others	3.44%	69,483,605	-52,201,900	0	69,483,605		

**Shareholdings of the Shareholders holding more than 5% of the shares or the top ten Shareholders  
(Excluding shares holding by the margin refinancing business)**

<b>Name of Shareholder</b>	<b>Nature of Shareholder</b>	<b>Shareholding percentage</b>	<b>Number of Shares held as at the end of the Reporting Period</b>	<b>Changes during the Reporting Period</b>	<b>Number of Shares held subject to trading restrictions</b>	<b>Number of Shares held not subject to trading restrictions</b>	<b>Pledged, charged or frozen shares Status Number</b>
Xiang Shan Hua Jin	Domestic non-state-owned legal person	3.39%	68,336,400	-7,541,100	0	68,336,400	
Hong Kong Securities Clearing Company Ltd (香港中央結算有限公司)	Overseas legal person	2.16%	43,537,265	41,731,462	0	43,537,265	
Hainan Longyuan	Domestic non-state-owned legal person	1.03%	20,710,000	-2,450,000	0	20,710,000	
Abu Dhabi Investment Authority	Overseas legal person	0.85%	17,081,857	17,081,857	0	17,081,857	
Bank of China – Invesco Great Wall Strategy Select Flexible Allocation of Hybrid Securities Investment Funds (中國銀行－景順長城策略精選靈活配置混合型證券投資基金)	Others	0.72%	14,591,071	14,591,071	0	14,591,071	
<b>Strategic investors or ordinary legal persons becoming top ten Shareholders by way of placing of new Shares (if any)</b>	Not applicable						

**Shareholdings of the Shareholders holding more than 5% of the shares or the top ten Shareholders  
(Excluding shares holding by the margin refinancing business)**

Name of Shareholder	Nature of Shareholder	Shareholding percentage	Number of Shares held as at the end of the Reporting Period	Changes during the Reporting Period	Number of Shares held subject to trading restrictions	Number of Shares held not subject to trading restrictions	Pledged, charged or frozen shares Status Number
<b>Description of connected relationships or concerted actions of the above shareholders</b>			<p>1. CIMC Hong Kong is a wholly-owned subsidiary of CIMC Group;</p> <p>2. Each of Ping An Capital Co., Ltd. (平安資本有限責任公司) – Shanghai Tai Fu Xiang Zhong Equity Investment Fund Partnership (Limited Partnership) (上海太富祥中股權投資基金合夥企業(有限合夥)) and Ping An Capital Co., Ltd. (平安資本有限責任公司) – Taizhou Tai Fu Xiang Yun Equity Investment Partnership (Limited Partnership) (台州太富祥雲股權投資合夥企業(有限合夥)) is a partnership private equity investment fund. The executive partner of Ping An Capital Co., Ltd. (平安資本有限責任公司) – Shanghai Tai Fu Xiang Zhong Equity Investment Fund Partnership (Limited Partnership) (上海太富祥中股權投資基金合夥企業(有限合夥)) is Ping An Capital Co., Ltd. (平安資本有限責任公司), and the executive partner of Ping An Capital Co., Ltd. (平安資本有限責任公司) – Taizhou Tai Fu Xiang Yun Equity Investment Partnership (Limited Partnership) (台州太富祥雲股權投資合夥企業(有限合夥)) is Ping An Decheng. Both Ping An Decheng and Ping An Capital Co., Ltd. (平安資本有限責任公司) are enterprises whose equity interests are indirectly owned as to 100% by Ping An Group (a listed company, 601318.SH/02318. HK).</p> <p>Ping An Capital Co., Ltd. (平安資本有限責任公司) – Shanghai Tai Fu Xiang Zhong Equity Investment Fund Partnership (Limited Partnership) (上海太富祥中股權投資基金合夥企業(有限合夥)) and Ping An Capital Co., Ltd. (平安資本有限責任公司) – Taizhou Tai Fu Xiang Yun Equity Investment Partnership (Limited Partnership) (台州太富祥雲股權投資合夥企業(有限合夥)) are under the control of the same entity and are persons acting in concert.</p> <p>Saved as disclosed above, the Company is not aware of any other related relationship among the above shareholders, or whether they are persons acting in concert.</p>				
<b>Description of entrusting/being entrusted voting rights or waiving voting rights of the above Shareholders</b>			Not applicable				
<b>Special description of the special accounts for repurchase held by the top ten Shareholders (if any)</b>			Not applicable				

## Shareholding of the Top 10 Shareholders not Subject to Selling Restrictions

Name of Shareholder	Number of Shares Held not Subject to Selling Restrictions as at the End of Reporting Period	Class of Shares	
		Class of Shares	Number
HKSCC NOMINEES LIMITED (香港中央結算(代理人)有限公司) (note 2)	146,669,932	Overseas-listed foreign shares	146,669,932
CIMC Hong Kong (note 1)	132,205,600	Overseas-listed foreign shares	132,205,600
Ping An Capital Co., Ltd. (平安資本有限責任公司) – Shanghai Tai Fu Xiang Zhong Equity Investment Fund Partnership (Limited Partnership) (上海太富祥中股權投資基金合夥企業(有限合夥))	71,184,088	RMB ordinary shares	71,184,088
Ping An Capital Co., Ltd. (平安資本有限責任公司) – Taizhou Tai Fu Xiang Yun Equity Investment Partnership (Limited Partnership) (台州太富祥雲股權投資合夥企業(有限合夥))	69,483,605	RMB ordinary shares	69,483,605
Xiang Shan Hua Jin	68,336,400	RMB ordinary shares	68,336,400
Hong Kong Securities Clearing Company Ltd (香港中央結算有限公司)	43,537,265	RMB ordinary shares	43,537,265
Hainan Longyuan	20,710,000	RMB ordinary shares	20,710,000
Abu Dhabi Investment Authority	17,081,857	RMB ordinary shares	17,081,857
Bank of China – Invesco Great Wall Strategy Select Flexible Allocation of Hybrid Securities Investment Funds (中國銀行 – 景順長城策略精選靈活配置混合型證券投資基金)	14,591,071	RMB ordinary shares	14,591,071
Invesco Great Wall Fund – China Life Insurance Company Limited – Dividend Insurance – Invesco Great Wall Fund Guoshou Equity Balanced Equity Portfolio Single Asset Management Plan (available for sale) (景順長城基金 – 中國人壽保險股份有限公司 – 分紅險 – 景順長城基金國壽股份均衡股票型組合單一資產管理計劃(可供出售))	7,810,306	RMB ordinary shares	7,810,306

**Description of the connected relationship or concerted actions between the top 10 Shareholders of tradable shares not subject to selling restrictions, and between the top 10 Shareholders of tradable shares not subject to selling restrictions and the top 10 Shareholders**

1. CIMC Hong Kong is a wholly-owned subsidiary of CIMC Group;
2. Each of Ping An Capital Co., Ltd. (平安資本有限責任公司) – Shanghai Tai Fu Xiang Zhong Equity Investment Fund Partnership (Limited Partnership) (上海太富祥中股權投資基金合夥企業(有限合夥)) and Ping An Capital Co., Ltd. (平安資本有限責任公司) – Taizhou Tai Fu Xiang Yun Equity Investment Partnership (Limited Partnership) (台州太富祥雲股權投資合夥企業(有限合夥)) is a partnership private equity investment fund. The executive partner of Ping An Capital Co., Ltd. (平安資本有限責任公司) – Shanghai Tai Fu Xiang Zhong Equity Investment Fund Partnership (Limited Partnership) (上海太富祥中股權投資基金合夥企業(有限合夥)) is Ping An Capital Co., Ltd. (平安資本有限責任公司), and the executive partner of Ping An Capital Co., Ltd. (平安資本有限責任公司) – Taizhou Tai Fu Xiang Yun Equity Investment Partnership (Limited Partnership) (台州太富祥雲股權投資合夥企業(有限合夥)) is Ping An Decheng. Both Ping An Decheng and Ping An Capital Co., Ltd. (平安資本有限責任公司) are enterprises whose equity interests are indirectly owned as to 100% by Ping An Group (a listed company, 601318.SH/02318. HK).

Ping An Capital Co., Ltd. (平安資本有限責任公司) – Shanghai Tai Fu Xiang Zhong Equity Investment Fund Partnership (Limited Partnership) (上海太富祥中股權投資基金合夥企業(有限合夥)) and Ping An Capital Co., Ltd. (平安資本有限責任公司) – Taizhou Tai Fu Xiang Yun Equity Investment Partnership (Limited Partnership) (台州太富祥雲股權投資合夥企業(有限合夥)) are under the control of the same entity and are persons acting in concert.

Saved as disclosed above, the Company is not aware of any other connected relationship between the above Shareholders or whether they are persons acting in concert.

**Information on Shareholders participating in the margin trading and securities lending business (if any)**      Not applicable

*Note 1:* As at the end of the Reporting Period, 132,205,600 H Shares of the Company held by CIMC Hong Kong were registered under HKSCC NOMINEES LIMITED (香港中央結算(代理人)有限公司). The number of shares held by CIMC Hong Kong and the shareholding percentage in the above table have taken into account the number of such shares.

*Note 2:* HKSCC NOMINEES LIMITED(香港中央結算(代理人)有限公司) is the nominee holder on behalf of the non-registered shareholders of the H Shares. As at the end of the Reporting Period, 278,875,532 H Shares were registered under HKSCC NOMINEES LIMITED(香港中央結算(代理人)有限公司). The number of Shares held and the shareholding percentage of HKSCC NOMINEES LIMITED(香港中央結算(代理人)有限公司) in the above table do not take into account the 132,205,600 H Shares registered thereunder and held by CIMC Hong Kong.

Participation of the top 10 shareholders in shares lent under the margin refinancing business

Applicable  Not applicable

Changes in the top 10 shareholders from the previous period

Applicable  Not applicable

Unit: Share

Name of Shareholder (full name)	Addition/Exit during the Reporting Period	Number of Shares Lent under the Margin Refinancing at the End of the Period and not yet Returned		Number of Shares Held in the General Account and Credit Account of Shareholders at the End of the Period and Shares Lent under the Margin Refinancing and not yet Returned	
		Percentage of		Percentage of	
		Total Number	Total Share Capital	Total Number	Total Share Capital
Central Enterprises Poor Regions Industry Investment Fund Co., Ltd. (中央企業鄉村產業投資基金股份有限公司)	Exit	0	0%	0	0%
Guangzhou Gongkong Capital Management Co., Ltd.(廣州工控資本管理有限公司)	Exit	0	0%	392,796	0.02%
China Insurance Investment Co., Ltd. – China Insurance Investment Fund (Limited Partnership) (中保投資有限責任公司 – 中國保險投資基金(有限合夥))	Exit	0	0%	0	0%
Hong Kong Securities Clearing Company Ltd (香港中央結算有限公司)	Addition	0	0%	43,537,265	2.16%
Abu Dhabi Investment Authority	Addition	0	0%	17,081,857	0.85%
Bank of China – Invesco Great Wall Strategy Select Flexible Allocation of Hybrid Securities Investment Funds (中國銀行 – 景順長城策略精選靈活配置混合型證券投資基金)	Addition	0	0%	14,591,071	0.72%

Whether the Company had voting rights difference arrangement

Applicable  Not applicable

Whether any agreed repurchase transaction was entered into by the Company's top ten ordinary Shareholders and the top ten ordinary Shareholders not subject to trading restrictions during the Reporting Period

Yes  No

There was no agreed repurchase transaction entered into by the Company's top ten ordinary Shareholders and the top ten ordinary Shareholders not subject to trading restrictions during the Reporting Period.

## 2. Controlling Shareholders of the Company

Nature of the Controlling Shareholders: unclear

Type of the Controlling Shareholders: legal person

Name of Controlling Shareholder	Legal representative/ Company leader	Date of establishment	Organization code	Main business
China International Marine Containers (Group) Co., Ltd.	Mai Boliang	January 14, 1980	91440300618869509J	The general business items include container manufacture and repair and related businesses, processing and manufacture of various parts, structural components and relevant equipment by using existing equipment of the Company, as well as provision of the following processing services: cutting, press forming, riveting, surface treatment (including sandblast painting, welding and assembly). Addition: container leasing.

Shareholdings of Controlling Shareholders who have control or hold shares in other domestic or overseas listed companies during the Reporting Period	<p>As at December 31, 2023, the shareholdings of Controlling Shareholders who have control or hold shares in other domestic or overseas listed companies is as follows:</p> <ol style="list-style-type: none"> <li>1,371,016,211 shares of CIMC Enric, a company listed on the Hong Kong Stock Exchange (stock code: 03899);</li> <li>459,000,000 shares of CIMC Safeway Technologies Co., Ltd., a company listed on the Shenzhen Stock Exchange (stock code: 301559) held by WIN SCORE INVESTMENTS LIMITED, a non-wholly owned subsidiary of CIMC Group;</li> <li>185,600,000 shares of CMIC Ocean En-Tech Holding Co., Ltd., a company listed on the Hong Kong Stock Exchange (stock code: 00206);</li> <li>13,520,833 shares of Otto Energy Limited, a company listed on the Australian Securities Exchange (stock code: OEL);</li> <li>209,586,211 shares of Shoucheng Holdings Limited, a company listed on the Hong Kong Stock Exchange (stock code: 00697);</li> <li>794,656 shares of Novogene Co., Ltd., a company listed on the Shanghai Stock Exchange (stock code: 688315);</li> <li>40,000,000 shares of China Railway Special Cargo Logistics Co., Ltd., a company listed on the Shenzhen Stock Exchange (stock code: 001213);</li> <li>10,335,757 shares of CSG Holding Co., Ltd., a company listed on the Shenzhen Stock Exchange (stock code: 000012);</li> <li>64,972,927 shares of Jade Bird Fire Co., Ltd., a company listed on the Shenzhen Stock Exchange (stock code: 002960);</li> <li>3,200,000 shares of Shandong Linglong Tire Co., Ltd., a company listed on the Shanghai Stock Exchange (stock code: 601966).</li> </ol>			
--	---	--	--	--



## Changes in Controlling Shareholders during the Reporting Period

Applicable  Not applicable

There was no change in the Controlling Shareholders of the Company during the Reporting Period.

### 3. De Facto Controller of the Company and Persons Acting in Concert

Nature of the de facto controller: Nil

Type of the de facto controller: Nil

Description of the fact that the Company had no de facto controller

As at the end of the Reporting Period, CIMC Group directly held 36.10% of the Company's shares, and held 20.68% of the Company's shares through CIMC Hong Kong, a wholly-owned subsidiary of CIMC Group. CIMC Group held a total of 56.78% of the Company's shares with CIMC Hong Kong and was the Controlling Shareholder of the Company. CIMC Group had a relatively scattered shareholding with no de facto controller. Therefore, the Company had no de facto controller.

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

Yes  No

Legal person  Natural person

#### *Shareholding at the ultimate controlling level*

Name of Shareholders at the ultimate controlling level	Legal representative/ Company leader	Date of establishment	Organization code	Main business
Shenzhen Capital (Hong Kong) Container Investment Co., Ltd.	Shi Lan (Designated Representative)	September 22, 2020	-	Investment
China Merchants (CIMC) Investment Limited	Hu Xianfu	January 17, 1995	-	Investment and control

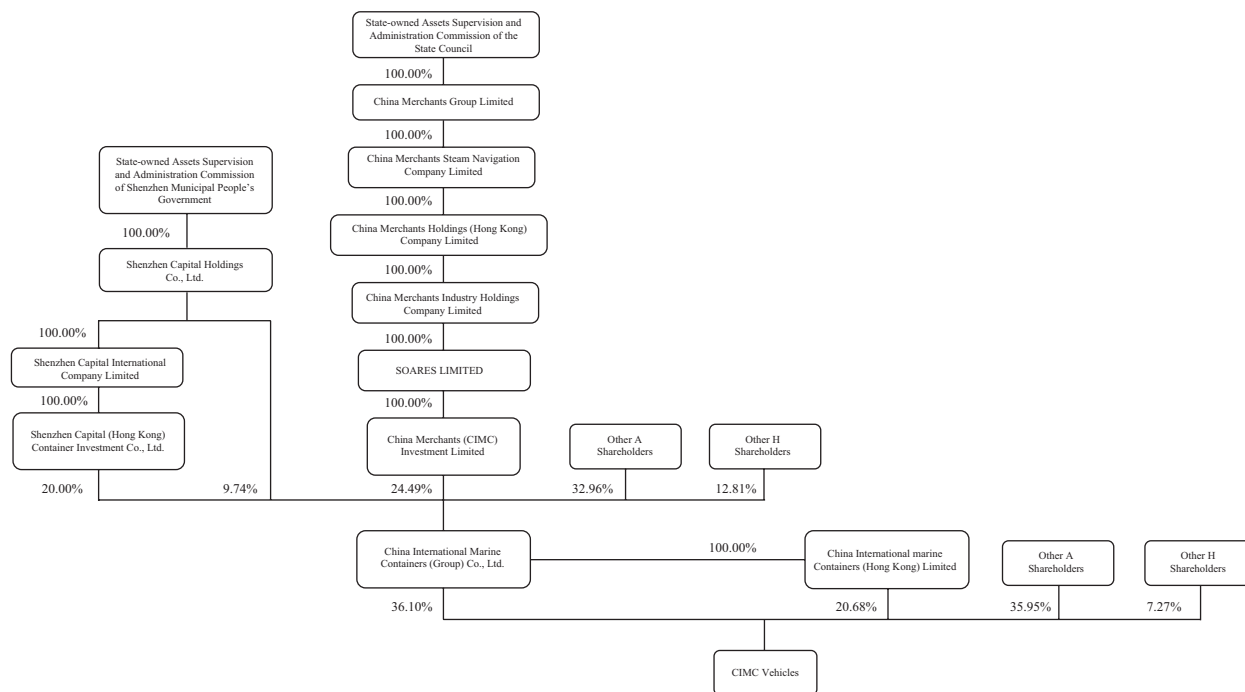
**Shareholdings of Controlling Shareholders at the ultimate controlling level who have control or hold shares in other domestic or overseas listed companies during the Reporting Period** None

## Changes in de facto controller during the Reporting Period

Applicable  Not applicable

There was no change in the de facto controllers of the Company during the Reporting Period.

## Chart of equity and the controlling relationship between the Company and the de facto controllers



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

Applicable  Not applicable

### 4. Disclosure of Shareholdings of the Substantial Shareholders and Other Parties under the SFO of Hong Kong

As of December 31, 2023, to the knowledge of Directors, the following persons other than the Directors, Supervisors and Chief Executive of the Company had interests and/or short positions in the Shares and underlying Shares of the Company which were required to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO and recorded in the register required to be kept pursuant to Section 336 of the SFO:

Name of Shareholder	Nature of Interest	Class of Shares	Number of Shares	Long Position/ Short Position	Approximate Percentage of the Relevant Class of Shares	Approximate Percentage of the Total Issued Share Capital of the Company
CIMC Group	Beneficial owner	A Shares	728,443,475	Long position	50.11%	36.10%
	Interest in controlled corporation (note 1)	H Shares	417,190,600	Long position	73.98%	20.68%

Name of Shareholder	Nature of Interest	Class of Shares	Number of Shares	Long Position/ Short Position	Approximate Percentage of the Relevant Class of Shares	Approximate Percentage of the Total Issued Share Capital of the Company
CIMC Hong Kong	Beneficial owner	H Shares	417,190,600	Long position	73.98%	20.68%
Ping An Life Insurance	Interest in controlled corporation <i>(note 2)</i>	A Shares	140,667,693	Long position	9.68%	6.97%
Shenzhen Pingan Yuanxin Investment Development Holdings Co., Ltd. (深圳市平安遠欣投資發展控股有限公司)	Interest in controlled corporation <i>(note 3)</i>	A Shares	140,667,693	Long position	9.68%	6.97%
Ping An Financial	Interest in controlled corporation <i>(note 3&amp;4)</i>	A Shares	140,667,693	Long position	9.68%	6.97%
Ping An Group	Interest in controlled corporation <i>(note 3,4&amp;5)</i>	A Shares	140,667,693	Long position	9.68%	6.97%
Hong Kong Tiancheng Investment & Trading Co. Limited	Beneficial owner	H Shares	39,948,500	Long position	7.08%	1.98%
Shandong Linglong Tire Co., Ltd.	Interest in controlled corporation <i>(note 6)</i>	H Shares	39,948,500	Long position	7.08%	1.98%
Linglong Group Co., Ltd. (玲瓏集團有限公司)	Interest in controlled corporation <i>(note 6)</i>	H Shares	39,948,500	Long position	7.08%	1.98%
Wang Xicheng	Interest in controlled corporation <i>(note 6)</i>	H Shares	39,948,500	Long position	7.08%	1.98%

*Notes:*

- (1) CIMC Hong Kong is a wholly owned subsidiary of CIMC Group and therefore CIMC Group is deemed to be interested in H Shares held by CIMC Hong Kong. As at December 31, 2023, CIMC Hong Kong held 417,190,600 H Shares.
- (2) Ping An Life Insurance is the limited partner of Taizhou Taifu and Shanghai Taifu, respectively holding 47.62% and 40.36% of their equity interests, and therefore it is deemed to be interested in 69,483,605 A Shares and 71,184,088 A Shares held by Taizhou Taifu and Shanghai Taifu.
- (3) Shenzhen Ping'an Yuanxin Investment Development Holdings Co., Ltd. (深圳市平安遠欣投資發展控股有限公司) owns 100% of the equity interest in Shenzhen Sidao Branch Investment Co., Ltd. (深圳市思道科投資有限公司), which in turn holds 55.12% equity interest in Ping An Health Partnership. Ping An Health Partnership is the limited partner of Taizhou Taifu, holding 38.33% of its equity interests. In addition, Shenzhen Ping'an Yuanxin Investment Development Holdings Co., Ltd. (深圳市平安遠欣投資發展控股有限公司) wholly controls Ping An Capital Co., Ltd., which in turn is the executive partner of Shanghai Taifu. Therefore, Shenzhen Ping'an Yuanxin Investment Development Holdings Co., Ltd. (深圳市平安遠欣投資發展控股有限公司) is deemed to be interested in 69,483,605 A Shares and 71,184,088 A Shares held by Taizhou Taifu and Shanghai Taifu.
- (4) Ping An Decheng (the executive partner of Taizhou Taifu) is wholly-owned by Ping An Financial, and therefore, Ping An Financial is deemed to be interested in 69,483,605 A Shares held by Taizhou Taifu. Meanwhile, Shenzhen Ping'an Yuanxin Investment Development Holdings Co., Ltd. (深圳市平安遠欣投資發展控股有限公司) is wholly-owned by Ping An Financial. Therefore, Ping An Financial is deemed to be interested in 71,184,088 A Shares held by Shanghai Taifu.
- (5) Ping An Financial is ultimately controlled by Ping An Group and therefore Ping An Group is also deemed to be interested in 71,184,088 A Shares and 69,483,605 A Shares held by Shanghai Taifu and Taizhou Taifu, respectively.
- (6) Mr. Wang Xicheng is interested in 51% of the shares of Linglong Group Co., Ltd. (玲瓏集團有限公司) which in turn holds 39.05% of the equity interest of Shandong Linglong Tire Co., Ltd.. Hong Kong Tiancheng Investment & Trading Co. Limited is also a wholly owned subsidiary of Shandong Linglong Tire Co., Ltd., and therefore all of them are deemed to be interested in the H Shares held by Hong Kong Tiancheng Investment & Trading Co. Limited.

## IV. MANAGEMENT DISCUSSION AND ANALYSIS

### (I) Conditions of the Industry in Which the Company Operated During the Reporting Period

In 2023, economic globalization encountered fragmentation risks, and the global economy grappled with volatility, uncertainty, complexity and ambiguity. China was facing profound and complex development environment, with increasing unfavorable factors in the international political and economic environment as well as domestic cyclical and structural contradictions. The Chinese economy showed an upward recovery curve amidst continued pressure. According to the data released by the National Bureau of Statistics, China's GDP reached RMB126.1 trillion in 2023, representing a year-on-year increase of 5.2%, showcasing solid advancement towards high-quality development.

New productive forces became both an intrinsic requirement and a focal point for promoting high-quality development. Standing at a new starting point of China's new development stage, the semi-trailer industry has entered a period of transformation and adjustment with historic reform opportunities. A more certain development path featuring new energy, intelligence and compliance are reshaping the industry. Meanwhile, the transition from "exporting products" to "establishing overseas plants and promoting intercontinental operation" emerges as a new direction for high-quality operations of China's commercial vehicle industry.

#### *Semi-trailer Market in China*

In 2023, the total value of social logistics goods in China reached RMB352.4 trillion, representing a year-on-year increase of 5.2%, reflecting a restorative growth momentum in China's logistics and transportation market. Driven by the ongoing construction of a unified national market, China continued to build new national logistics hubs, thereby fostering a continued improvement in logistics ecosystem across China. In 2023, according to the data of the Ministry of Transport, the road freight volume in China was 40.34 billion tons, representing a year-on-year increase of 8.7%. The overall demand for semi-trailers in China was boosted, with opportunities from structural reform. Against this background, the Company has proactively promoted the deployment of the "Star-chained Manufacturing Network" in China's semi-trailer market, with a view to building a new paradigm for its high-quality development.

### ***Overseas Semi-trailer Market***

According to the data of ACT Research, the production of semi-trailers in the United States was 375,000 units in 2023, representing a year-on-year decrease of 0.4%. As tensions in the supply chain of North American semi-trailer manufacturing eased, the supply and demand relationship in the North American semi-trailer market began to return to normal in the second half of 2023. Relying on its sustained competitive edge in North American operations, the Company achieved connotative growth by prioritizing innovation and closely aligning with customer demand.

In 2023, the European economy slowed down and stagnated due to ongoing geopolitical tensions and tightening monetary policies, so that the European semi-trailer industry was also under pressure from slowing demand. Capitalizing on its advantage of intercontinental operation in European operations, the Company achieved steady growth through pursuing breakthroughs and efficiency improvement and upgrading existing production lines.

According to the data of China Association of Automobile Manufacturers, the export volume of China's commercial vehicles reached 770,000 units in 2023, representing a year-on-year increase of 32.2%. Driven by sustained demand for engineering construction and infrastructure investment in emerging markets, Chinese companies accelerated their overseas expansion for business opportunities. The Company actively captured the potential demand from emerging markets, and gained market recognition relying on its high-quality products.

### ***Specialty Vehicle Market in China***

In 2023, China completed the national fixed asset investment (excluding rural households) of RMB50.3 trillion, representing a year-on-year increase of 3.0%. Among them, the growth rate of infrastructure investment increased by 5.9% year on year, and the investment in real estate development declined by 9.6%. Due to the sluggish issuance of special bonds and the delays in project launch and implementation, the demand in China's specialty vehicle market was suppressed, but the momentum towards high-end transformation remained resilient. The Company actively undertook the structural adjustment of customer groups and seized opportunities from segment markets, accentuating its operational advantages.

According to the data of China Association of Automobile Manufacturers, the sales volume of commercial vehicles in China reached 4.031 million units in 2023, representing a year-on-year increase of 22.1%. Among them, the sales volume of heavy trucks reached 911,000 units, representing a year-on-year increase of 35.6%, with an obvious recovery of the heavy truck market.

In 2023, the Ministry of Industry and Information Technology and other departments have successively issued the Notice on Organizing Pilot Work for Full Electrification of Public Vehicles in Pilot Areas and the Work Plan for Stabilizing the Growth of the Automotive Industry (2023-2024), which propose to carry out the full electrification of public vehicles in pilot areas, further enhance the electrification level of public vehicles and accelerate the development of new energy specialty vehicles in China.

In 2023, the sales of new energy heavy trucks in China reached 35,000 units, representing a year-on-year increase of 35.7%, with a rapid growth in the cumulative sales of new energy heavy trucks. Closely following the national strategic direction, the Company gave full play to its differentiated advantages in hybrid new energy vehicles and intensified the research and development of new products to seize emerging opportunities.

## **(II) Major Businesses of the Company during the Reporting Period**

### **1. Major businesses and products**

The Company is the world's leader in the sophisticated manufacturing of semi-trailers and specialty vehicles, a pioneer in the high-quality development of road transport equipment in China, and an explorer and innovator in new energy specialty vehicles in China. According to the 2023 Global OEM Ranking List published by Global Trailer, the Company ranked first among semi-trailer manufacturers in the world, for the eleventh year in a row.

The Company continued to upgrade and iterate its major businesses or groups, and have established the "Star-Chained Light Tower Pioneer Group", "North American Business", "European Business", "Champion Tanker Business Group" and "Dump Truck and Heavy Cargo Truck Business". The Company conducted the production and sales of truck bodies for semi-trailers and specialty vehicles in four major markets in the world, covering more than 40 countries and regions, and had 21 "Light Tower" Plants at home and abroad.

With focus on semi-trailer markets in China and Belt and Road countries, Star-Chained Light Tower Pioneer Group has established the "Star-chained LTP Group" for specialized production, comprehensively upgraded the organization, brands, products and sales channels of "CIMC Light Tower Semi-trailer Business Group" and "Tonghua Pioneer Semi-trailer Business Group", and operated well-known core brands such as "CIMC Light Tower" and "Tonghua Pioneer". As of 2023, the Company ranked first in terms of market share in the domestic semi-trailer market for the fifth year in a row. North American Business was deeply engaged in refrigerated trailer, van trailer and container chassis trailer products in the North American market, and operated well-known local brands including "Vanguard" and "CIE". North American Business has developed steadily and won long-term recognition from major customers in North America. European Business focused on semi-trailer products in the European market, and operated "SDC" and "LAG" brands. SDC ranked first in the UK market. LAG, an over-70-year-old company, ranked among the best in the European tank trailer market, with its high commercial value, low fuel consumption and low weight. Champion Tanker Business Group produced and sold tank trailers and concrete mixer trucks, and operated brands including "Ruijiang Tanker", "Tonghua Tanker", "Lingyu Vehicles" and "Wanshida Tanker". Champion Tanker Business Group ranked first in terms of sales volume of concrete mixer trucks in China for the seventh year in a row, and maintained a leading position in the global tank trailer market. Dump Truck and Heavy Cargo Truck Business produced and manufactured dump truck and heavy cargo truck products and was a pioneer in the business of retrofitting of truck bodies for specialty vehicles in China. With an innovative spirit and leading technology research and development level, Dump Truck and Heavy Cargo Truck Business provided customers with high-quality products and services.

In the new energy specialty vehicle market, the Company embarked on the path of exploration and innovation in line with the trend of electrification and intelligentization. The Company produced and sold innovative products including new energy lightweight urban dump trucks, pure electric heavy cargo trucks, concrete mixer trucks with battery charging and swapping, and electric concrete semi-trailers. The Company developed innovative business models under new energy and self-driving scenarios. As a result, the Company got ahead in development in the new energy specialty vehicle market.

The Company has deployed and implemented the “Star-chained Manufacturing Network”, which leverages centralized procurement (LTS) to facilitate the transition from full-category production to specialized “Light Tower” Plant production (LTP), from passive inventory to active inventory management (LTL), from order-based production to modular product-driven sales close to customers (LoM), and from point sales to hierarchical management for targeted sales (sales channels). Meanwhile, the Company utilized sophisticated manufacturing production lines and capacity, achieved efficient synergy, realized comprehensive production automation, intelligentization and process digitalization, increased orders and improved the fulfillment, and effectively combined major businesses or groups in the long run, so as to guarantee high-quality development.

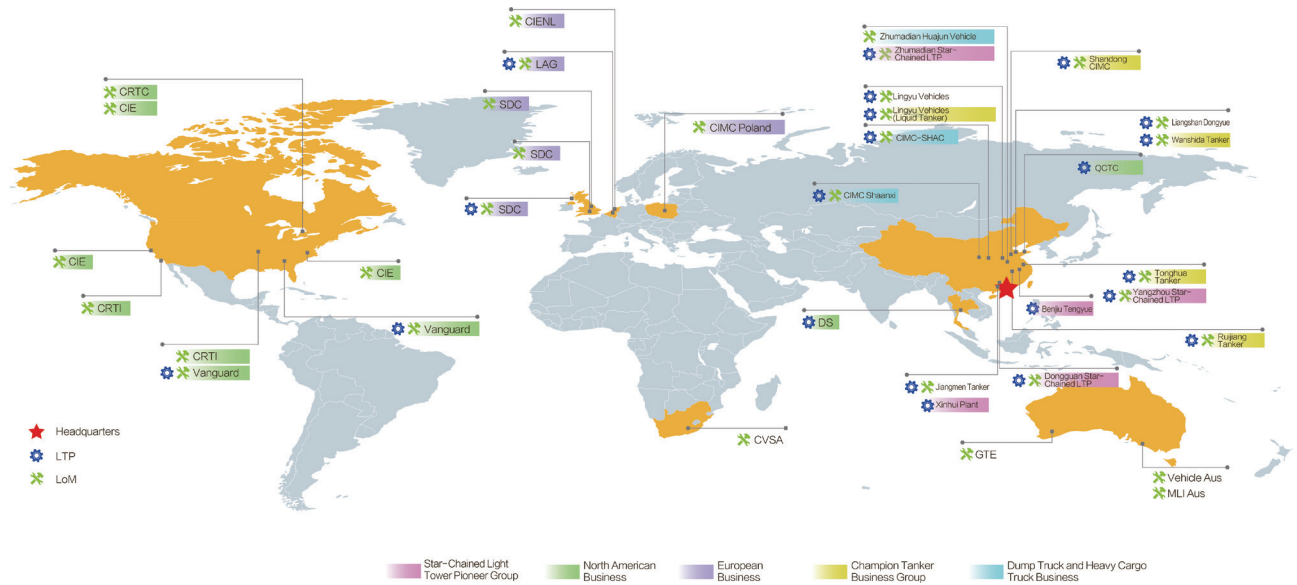
Under the business model of “Intercontinental Operation, Local Manufacturing”, the Company cooperated with many well-known customers. In the domestic market, its main customers included well-known e-commerce logistics and transportation enterprises such as SF Express, JD Logistics, ZTO Express and Deppon Express, as well as major tractors and construction machinery manufacturing enterprises such as Sinotruk, Shaanxi Automobile Group and FAW Jiefang. In overseas markets, major customers included first-class European and American transportation companies and semi-trailer rental companies.

As China’s economy entered a new stage of development, the Company’s top priority in its third venture was to advance the “Star-chained Manufacturing Network”, promote the “Sanhao development”, and explore the models of “excellent in three areas”, namely “excellent tractors with excellent trailers”, “excellent horses with excellent saddles” and “excellent trucks with excellent tanks”. The Company also promoted steady improvement in the product competitiveness, enhanced mass delivery capacity relying on modular inventory, and launched integrated tractor and trailer products, so as to promote the high-quality development of China’s commercial vehicles.

The Company will accelerate the development of new productive forces, steadfastly promote high-quality development, forge resilience to cope with cycle effect, and foster practical actions with new thinking to explore more refined, more resilient and higher-quality growth. While stabilizing the fundamentals of “Intercontinental Operation, Local Manufacturing”, the Company will develop advanced productive forces featuring high-tech, high-efficiency and high-quality, deepen the supply-side structural reform, eliminate supply constraints, and remove barriers in procurement, production, circulation, distribution and consumption. Under the new business model of domestic circulation and international circulation economy, the Company will gradually build a “stable and agile organization” to create a new growth engine for the third venture.



## “Light Tower Manufacturing Network” Layout of Major Businesses or Groups



### Main products of major businesses or groups:

Major businesses or groups:	Global semi-trailer market							Truck bodies for specialty vehicles market		
	① Container chassis trailers	② Flatbed trailers and relevant derivative types	③ Curtain-side trailers	④ Van trailers	⑤ Refrigerated trailers	⑥ Tank trailers	⑦ Other special types of trailers	Concrete mixer truck bodies	Urban dump truck bodies	Heavy cargo truck bodies
Star-Chained Light Tower Pioneer Group	✓	✓	✓	✓			✓			
North American Business	✓			✓	✓					
European Business	✓	✓	✓	✓		✓	✓			
Champion Tanker Business Group						✓		✓		
Dump Truck and Heavy Cargo Truck Business									✓	✓

## 2. Major business models

Under the domestic circulation and international circulation economy and in response to the current globalization landscape, the Company has formed a business model based on “Intercontinental Operation, Local Manufacturing”. In an effort to comprehensively promote the supply-side structural reform, the Company acquires customers and obtains orders by a combination of direct selling and distribution. The Company leverages centralized procurement (LTS) to facilitate the transition from full-category production to specialized “Light Tower” Plant production (LTP), from passive inventory to active inventory management (LTL), from order-based production to modular product-driven sales close to customers (LoM), and from point sales to hierarchical management for targeted sales (sales channels), and finally delivers its products to customers to make profits.

### ① Direct selling model

Direct selling is the main sales method of the Company. The LoM network of major businesses or groups of the Company serves as the main direct selling points to obtain sales orders, promote marketing organization integration, channel organization integration, brand building integration, promotion and delivery integration, implement the marketing policy integration, product development integration and service coordination integration, and directly deliver products and services. Meanwhile, the Company promotes the supply-side structural reform of the commercial vehicle industry under the innovative marketing model and directly provides integrated solutions and services of fully-assembled vehicle installed onto tractor for the customers.

### ② Distribution model

The cooperation model between the Company and its distributors is buyout sales, under which the distributors of the major businesses or groups of the Company are responsible for marketing and sales to customers in the major territories and providing customers with product sales and aftersales service. The major businesses or groups of the Company have established a sound distributor management system, which specifies the admission review, daily management and performance assessment of distributors, and has continuously optimized and improved the service level of distributors by conducting daily management through CRM digital platforms and providing immediate assistance and regular training to sales personnel, so as to improve the quality of distributor network and achieve win-win outcomes for the Company and distributors.

During the Reporting Period, the amount of revenues from direct selling and distribution and their percentages were as follows:

*Unit: RMB in millions*

Sales Model	2023		2022	
	Amount	Percentage	Amount	Percentage
Direct selling	17,142.28	68.33%	16,833.81	71.27%
Distribution	7,944.30	31.67%	6,786.80	28.73%
<b>Total</b>	<b>25,086.58</b>	<b>100.00%</b>	<b>23,620.61</b>	<b>100.00%</b>

The Company had 981 distributors as at the end of 2023, representing an increase of 332 distributors as compared with the end of 2022. The increase in the number of distributors was mainly due to the expansion of distribution channels as a result of the business development of Champion Tanker Business Group and Star-Chained Light Tower Pioneer Group of the Company.

### **3. *Analysis of operation***

In 2023, the world was undergoing accelerated changes unseen in a century. In the midst of turbulent international situation as well as formidable domestic challenges in reform, development and stabilization, the Company has proactively adapted its mindset and seized strategic opportunities to start its third venture, and has achieved a series of unprecedented performance and a significant stride in its development.

During the Reporting Period, the revenue of the Company was RMB25,086.58 million, representing a year-on-year increase of 6.21%; the net profit attributable to shareholders of the Company was RMB2,455.67 million, representing a significant year-on-year increase of 119.66%; and the net profit attributable to shareholders of the Company after deducting non-recurring gains or losses was RMB1,553.39 million, representing a year-on-year increase of 69.68%, hitting a record high.

The significant increase of net profit was mainly due to: (1) North American Business of the Company captured market opportunities, and its profit maintained a sound growth trend as compared with the same period of the previous year. Meanwhile, the Company actively captured development opportunities in other markets. In particular, the Company achieved sound business growth and improved profitability in other overseas markets; and maintained a stable business trend in the domestic market and improved market shares in segment markets. (2) During the Reporting Period, as CIMC Group, the controlling shareholder of the Company, integrated its relevant industrial resources in Shenzhen and enhance the efficiency of resources, the Company and CIMC VEHICLE INVESTMENT HOLDINGS COMPANY LIMITED, a wholly-owned subsidiary of the Company, transferred the total 100% equity of Shenzhen CIMC Special Vehicle held by them to CIMC Group, and generated income from the equity disposal, with non-recurring gains of RMB847.97 million after deducting income tax.

Under the guidance of the intercontinental operation strategy, during the Reporting Period, the Company sold 139,015 units/sets of vehicles of various types worldwide, and the sales volume remained stable. During the Reporting Period, the gross profit margin of the Company increased by 5.68 percentage points to 18.96%, benefiting from the optimization of product structure, the increase in the sales proportion of high-margin products, innovative sales models and the scale effect of the Light Tower Manufacturing Network.

In terms of the major businesses or groups, the Star-Chained Light Tower Pioneer Group promoted the high-quality development and innovative changes in the semi-trailer production organization in China, deployed the “Star-chained Manufacturing Network”, captured opportunities from the strong demand in Belt and Road markets, and enhanced the gross profit margin. The Champion Tanker Business Group recorded a strong performance, explored opportunities in segment markets, and broadened the “going global” strategy, with increase in sales volume and revenue. The North American Business developed steadily and maintained a growth trend in profitability, thus achieving a year-on-year increase in gross profit margin. The European Business promoted the cost reduction and efficiency increase,

and optimized the manufacturing process and supply chain management, thus achieving a year-on-year increase in both revenue and gross profit margin despite unfavorable factors. The Dump Truck and Heavy Cargo Truck Business has been successfully established to integrate resources, promote innovation, explore transformation, and deepen the research and development of new energy products.

From the tenacious fight in the Chinese market, vigorous efforts to turn the tide in the North American market, the successful transformation in the European market, to the establishment of intercontinental operation, the Company launched the third venture. While fully implementing the “2023 Light Tower Manufacturing Network” strategy, the Company adopted newly upgraded production lines and equipment to enhance the production efficiency, reduce the production cost of products and improve the profitability of products, thus significantly enhancing the scale effect.

Scientific and technological innovation serves as a catalyst for the emergence of new industries, models and driving forces, which are core elements for developing new productive forces. The Company was actively engaged in the development and advancement of innovative new energy, lightweight, digital and intelligent products, and promoted quality and efficiency changes through innovative business models to practice high-quality development.

1. *Operation review of the Company for 2023 by major businesses and groups:*

**Star-Chained Light Tower Pioneer Group**

In 2023, the Company launched and implemented the “Star-chained Manufacturing Network” and progressively formed the blueprint for the new development pattern of semi-trailers in China. After the structural reform of production organizations, the Company has established the Star-Chained Light Tower Pioneer Group consisting of “Star-Chained LTP Group”, “CIMC Light Tower Semi-trailer Business Group” and “Tonghua Pioneer Semi-trailer Business Group”.

During the Reporting Period, the Star-Chained Light Tower Pioneer Group consolidated its fundamentals in the domestic market, and vigorously expanded Belt and Road markets. The revenue from the Star-Chained Light Tower Pioneer Group reached RMB4,522.27 million, and the gross profit margin increased by 1.34 percentage points year-on-year.

In line with the “Star-chained Manufacturing Network”, the Company actively integrated the production, circulation, distribution and consumption resources of seven semi-trailer plants in China, and changed end-to-end business models of domestic semi-trailer business: (i) from separate procurement by each plant to centralized “Light Tower” Sourcing model; (ii) from full-category production to “Light Tower” Plant production model (LTP) with specialized production lines and product division; (iii) from passive inventory to “Light Tower” logistics (LTL) with active inventory management; (iv) from order-based production which is close to production to modular product-driven local manufacturing model (LoM) which is close to customers; and (v) from point sales to sales channels under hierarchical management.

In addition, the Star-Chained Light Tower Pioneer Group has comprehensively upgraded the organization, brands, products and sales channels. The Star-Chained Light Tower Pioneer Group accelerated the optimization of its channel structure, built the sales model of “integration of tractors and trailers” under “excellent tractors with excellent trailers”, so as to enhance the overall operation efficiency and promote the high-quality development of “integration of tractors and trailers”.

According to the statistics of Hanyang Specialty Vehicle Institute (漢陽專用汽車研究所), as of 2023, the Company ranked first in terms of market share in the domestic semi-trailer market for the fifth year in a row.

### **Champion Tanker Business Group**

During the Reporting Period, the Champion Tanker Business Group was committed to multi-brand operations, provision of integrated solutions, exploration of new business scenarios and the building of triangle capacity for international business. The Champion Tanker Business Group recorded a strong performance, the sales volume increased significantly by 30.74% and the revenue reached RMB4,908.17 million with a year-on-year increase of 35.00%.

In 2023, the Champion Tanker Business Group promoted the development innovative new products, and completed the research and development of several innovative new products, including multifunctional V-shaped tank, “Push Plate Tank” semi-trailer for bulk material transportation, and “Future Tank”, which provide the market support for business expansion and address customer pain points. In terms of technical manufacturing, the Champion Tanker Business Group continued to optimize the Light Tower production lines for concrete mixer trucks and stainless steel tank trucks to maximize efficiency, and accelerated the construction of production lines for aluminum alloy tank trucks and V-shaped tanks, with a view to promote the modern development of the specialty vehicle industry.

In line with the market trend of new energy vehicles, in 2023, the Champion Tanker Business Group started the pre-research and product development of the integration of new energy tractors and trailers, selected mixer trucks as the first application scenario, and deepened the cooperation with tractor manufacturers to promote the research and development of products featuring the integration of new energy tractors and trailers. The project team has established a preliminary structure of EV-RT platform, completed the design, trial production and test calibration of prototype vehicle, achieved the communication between tractor and trailer, auxiliary trailer drive and energy recovery, and made exploration and breakthroughs in the coordinated control over driving force and braking force of tractors and trailers.

The Champion Tanker Business Group made innovative efforts in marketing and service models, and offered integrated solutions from research and development to customer in line with the model of “excellent trucks with excellent tanks”, thus building an industry-leading business model. Meanwhile, the Champion Tanker Business Group continued to promote the building of organizational capacity to continuously iterate its organizational development.

According to the statistics of Hanyang Specialty Vehicle Institute (漢陽專用汽車研究所), as of 2023, the Company ranked first in terms of sales volume of concrete mixer trucks in China for the seventh year in a row, and maintained a leading position in the global tank trailer market.

## **North American Business**

In the first half of 2023, the North American Business recorded a revenue growth higher than expected, due to the inertial trend of product price increases and ocean freight declines in the second half of 2022. However, as the impact of tightening global supply chains and labor shortages on the North American semi-trailer industry weakened, the demand in the North American semi-trailer market return to normal in the second half of 2023. Through actively adapting to changes in market demand, the North American Business leveraged its advantages in global supply chain management and its local manufacturing and innovation-driven development to optimize product delivery cycles and closely align with customer needs, thus achieving connotative development.

During the Reporting Period, the revenue of North American Business reached RMB10,776.16 million, and the gross profit margin increased year-on-year.

In 2023, the Company has proactively established a new development pattern of “shared narrowband evolution” for the North American Business. Through orderly changes and adjustments in production organizations, the Company has formulated the mechanism and processes for close collaboration, so as to foster the healthy and stable organizational development of North American Business. Currently, the Company has completed the construction plan for the American Business and promoted the transformation and upgrading of its governance structure. The Company is actively implementing the “Deep Space Exploration Plan”, which will share channels and resources and enhance the synergy among product markets.

## **European Business**

Due to the impact of sustained inflation in Europe and ongoing geopolitical conflicts, the demand in the European semi-trailer market slowed down and the prices eased in the second half of the year. Relying on refined management, cost reduction and efficiency improvement, the European Business was committed to making breakthroughs and seeking for incremental space. The European Business continued to optimize the manufacturing process and value stream, gave play to the centralized procurement platform, and improved the Light Tower Manufacturing Network, thus enhancing the production efficiency of local manufacturing.

During the Reporting Period, the revenue of European Business increased by 15.39% year-on-year to RMB3,024.45 million, and the gross profit margin increased by 5.48 percentage points year-on-year, making breakthroughs against the trend and achieving high-quality growth.

SDC in the UK under the European Business proactively promoted the cost reduction and efficiency enhancement strategies. Relying on its good relationship with local customers and sound after-sales service system, SDC gave full play to the advantages in efficient operations under global supply chain management. During the Reporting Period, the profit of SDC hit a record high.

LAG in Belgium under the European Business leveraged its brand advantage to tap the incremental market demand, actively promoted the innovative research and development of products, and constantly optimized its product portfolio to capture the market share. During the Reporting Period, LAG recorded a year-on-year increase in revenue and a stable gross profit margin, maintaining a leading market position.

## Dump Truck and Heavy Cargo Truck Business

During the Reporting Period, the domestic dump truck market recovered slowly, the Dump Truck and Heavy Cargo Truck Business was established through reorganization, and the revenue reached RMB707.15 million.

In 2023, under the background of building a unified national market, the Dump Truck and Heavy Cargo Truck Business integrated the production resources across its three plants by way of unified planning. Through aligning product technical standards and supply chains, the Dump Truck and Heavy Cargo Truck Business integrated internal resources for cost reduction and efficiency improvement, and externally built the capacity to deliver products and provide services in the place where customers demand them (LTP+LoM), thereby bolstering its market competitiveness.

In 2023, the Dump Truck and Heavy Cargo Truck Business provided “Royal Nanny” services for all tractor manufacturers in China and cooperated with tractor manufacturers to promote the “excellent horses with excellent saddles” project, with a view to capturing the market share of dump truck business. According to the statistics of Hanyang Specialty Vehicle Institute (漢陽專用汽車研究所), during the Reporting Period, our market share of urban dump trucks in China increased to 15.55%.

Meanwhile, the Dump Truck and Heavy Cargo Truck Business made an early deployment in new energy products. Through expanding the cooperation channels of new energy products, the Dump Truck and Heavy Cargo Truck Business has successfully launched a number of core products with bulk sales and application, including the bodies for electric dump trucks, wide-body mining trucks and electric ballast transport vehicles.

### 2. *Revenue and gross profit margin of core businesses of the Company by product and industry are as follows:*

In terms of global semi-trailers, during the Reporting Period, the global semi-trailer business of the Company recorded an outstanding performance and intensified fundamentals in the domestic market, a stable development in the North American market, a growth in the European market against the general trend, and a strong performance in other markets. The revenue of the global semi-trailer business reached RMB18,805.83 million (2022: RMB18,143.28 million), representing a year-on-year increase of 3.65%, and the gross profit margin increased by 7.55 percentage points year-on-year.

In terms of truck bodies for specialty vehicles, the market demand for specialty vehicles in China recovered slowly, and the Company actively explored overseas markets while consolidating the domestic market. During the Reporting Period, the revenue from the production of truck bodies for specialty vehicles and sales of fully-assembled specialty vehicles reached RMB2,644.69 million (2022: RMB2,367.21 million), representing a year-on-year increase of 11.72%; and the gross profit margin increased by 0.45 percentage points year-on-year.

Manufacturing, production and operations of fully-assembled vehicles during the Reporting Period

Applicable  Not applicable

Production and sales of main products of the Company

*Unit: Unit/Set*

	Production Volume			Sales Volume		
	During the Reporting Period	During the same period of the previous year	Year-on-year Change	During the Reporting Period	During the same period of the previous year	Year-on-year Change
<b>By region</b>						
Domestic regions	<b>104,967</b>	112,590	-6.77%	<b>74,261</b>	80,351	-7.58%
Foreign regions	<b>36,375</b>	47,109	-22.79%	<b>64,754</b>	71,519	-9.46%
<b>By business type</b>						
Global semi-trailers	<b>116,351</b>	123,141	-5.51%	<b>116,677</b>	127,528	-8.51%
Truck bodies for specialty vehicles	<b>21,030</b>	26,340	-20.16%	<b>16,824</b>	15,354	9.57%
Other vehicles	<b>3,961</b>	10,218	-61.24%	<b>5,514</b>	7,696	-28.35%
<b>Total</b>	<b>141,342</b>	159,699	-11.49%	<b>139,015</b>	151,870	-8.46%

\*Note: When the production volume and sales volume of major products based on the region, the production volume is categorized by the place of production and the sales volume is categorized by the place of sale; when the production volume and sales volume of major products based on the business type, the production volume and sales volume of the Company's models in other businesses, such as sanitation trucks, is not included.

During the Reporting Period, the production volume of other vehicles decreased by 61.24% compared with last year, mainly due to the adjustment of product structure.

In terms of the construction of the parts and components supporting system, the Company deepened the construction of the digital supply chain center. LTS serves as the hub of the "Light Tower Manufacturing Network". Relying on the digital supply chain platform, the Company can fully leverage on the advantages of global supply chain procurement in regions, strategies and processes, and realize the digital management of supply resources, thus effectively supporting the procurement needs of major businesses or groups. Meanwhile, the Company can reduce the procurement cost of parts and components relying on the bargaining power of centralized procurement. Currently, the Company has established a unified portal platform for the digital supply chain, with more than 1,000 registered suppliers. Through years of in-depth penetration, the Company has obtained significant advantages in supply chain management and the scale effect in procurement.



Production and operation of auto parts and components during the Reporting Period

Applicable  Not applicable

The Company carried out auto finance business

Applicable  Not applicable

The Company carried out businesses in relation to new energy vehicles

Applicable  Not applicable

*Unit: Unit/Set RMB'0,000*

<b>Product Category</b>	<b>Production Capacity</b>	<b>Production Volume</b>	<b>Sales Volume</b>	<b>Sales Revenue</b>
Concrete mixer truck bodies	Sufficient	1,254	1,210	19,313.02
Dump truck bodies		1,107	1,107	7,099.78
Heavy cargo truck bodies		339	350	3,491.13
Other vehicles		757	757	3,145.71
<b>Total</b>		<b>3,457</b>	<b>3,424</b>	<b>33,049.63</b>

### (III) Analysis of Core Competence

#### 1. Advantages of “Intercontinental Operation, Local Manufacturing”

The Company is the world’s leader in the sophisticated manufacturing of semi-trailers and specialty vehicles, a pioneer in the high-quality development of road transport equipment in China, and an explorer and innovator in new energy specialty vehicles in China. Currently, the Company has formed a business model based on “Intercontinental Operation, Local Manufacturing”. “Intercontinental Operation” refers to transcending geographical boundaries to share product design, innovative technology, supply chain management, and customer resources in global business operations, so as to empower each other and create core value. “Local Manufacturing” refers to reshaping the industrial chain, and leveraging the global procurement and centralized production under the “Light Tower Manufacturing Network” to complete the independent and controllable assembly in the four major markets, so as to enhance the scale effect.

The Company has continuously deepened the business philosophy of “Intercontinental Operation, Local Manufacturing” and established the major businesses or groups that penetrated into four major markets around the world: the Star-Chained Light Tower Pioneer Group, the North American Business, the European Business, the Champion Tanker Business Group and the Dump Truck and Heavy Cargo Truck Business. The Company has 21 “Light Tower” Plants and a sales network covering over 40 countries in the world. The Company gives full play to its LTP production capacity, LoM assembly capacity, LTS global supply chain management capacity and LTL global distribution logistics management capacity worldwide, and has formed a transnational operation arrangement with core competitiveness, which has enhanced business resilience and risk resistance of various businesses and markets around the world.

## **2. *Advantages as industry leader***

According to the 2023 Global OEM Ranking List released by Global Trailer, the Company ranked first among semi-trailer manufacturers in the world for eleven consecutive years. In terms of Star-Chained Light Tower Pioneer Group, according to the statistics of Hanyang Specialty Vehicle Institute (漢陽專用汽車研究所), our sales volume of semi-trailers in China ranked first in China for five consecutive years. In terms of North American Business, the Company operated well-known brands including “Vanguard” and “CIE”, and maintained a stable market share. In terms of European Business, the Company operated “SDC” and “LAG” brands. SDC ranked first in the UK market, and LAG, an over-70-year-old company, ranked first in the tank truck market in Europe. In terms of Champion Tanker Business Group, according to the statistics of Hanyang Specialty Vehicle Institute (漢陽專用汽車研究所), the Company ranked first in terms of the sales volume of concrete mixer trucks in China for seven consecutive years, and maintained a leading position in the global tank trailer market. Dump Truck and Heavy Cargo Truck Business was a pioneer in the retrofitting business in China, and our market share of urban dump trucks reached 15.55%.

In terms of new energy specialty vehicles, the Company followed the trend of electrification and intelligentization, and embarked on the path of exploration and innovation. According to the statistics of Hanyang Specialty Vehicle Institute, the market share of new energy concrete mixer trucks of the Company reached 22.73%.

## **3. *Advantages of innovation***

The Company accelerated the development of new productive forces, and steadfastly promoted high-quality development. The Company has obvious advantages in terms of research and development technology. As at the end of 2023, the Company had more than 600 research and development personnel in the world and over 1,400 registered patents, and participated in the formulation and revision of 35 national and industry standards for semi-trailers and truck bodies for specialty vehicles in China.

In implementing the digitization and informatization process of industrial production, the Company made significant technological innovation achievements. The Company used the refrigerated van truck bodies series of products with pioneering open foaming and color plate materials, to further enhance the competitiveness of the products in terms of environmental protection, energy conservation, light weight, cost reduction and efficiency enhancement. The Company has developed and launched the tank trailer named “Future Tank”, which adopted high-strength steel rear protection, sunken bracket design and the pioneering “cylinder automatic teaming” technology and achieved comprehensive upgrades in efficient transportation, safety, intelligence and other technologies. The Company deepened the cooperation with tractor manufacturers to promote the research and development of products featuring the integration of new energy tractors and trailers, promoted the concept of modular production for new energy products, and incorporated scenario-based modules based on the new energy tractors and trailers, with a view to gaining the first-mover advantage in the electric semi-trailers, overtaking in a different road, and promoting the reform of the industry.

Meanwhile, the Company carried out the development of innovative products including new energy lightweight urban dump trucks, pure electric mining trucks, concrete mixer trucks with battery charging and swapping, and new energy refrigerated vans. The Company actively developed innovative product models under new energy and self-driving scenarios. As a result, the Company got ahead in development in the new energy specialty vehicle market.

#### **4. *Advantages of “Light Tower Manufacturing Network”***

The Company will develop advanced productive forces featuring high-tech, high-efficiency and high-quality, and iteratively upgrade the “Light Tower Manufacturing Network”. Leveraging the centralized procurement (LTS), the Company can facilitate the transition from full-category production to specialized “Light Tower” Plant production (LTP), from passive inventory to active inventory management (LTL), from order-based production to modular product-driven sales close to customers (LoM), and from point sales to hierarchical management for targeted sales (sales channels). Meanwhile, the Company utilized sophisticated manufacturing production lines and capacity, achieved efficient synergy, realized comprehensive production automation, intelligentization and process digitalization, increased orders and improved the fulfillment, and effectively combined major businesses or groups in the long run, so as to guarantee high-quality development.

#### **5. *Advantages of global supply chain management***

LTS serves as the hub of the “Light Tower Manufacturing Network”. Relying on the digital supply chain platform, LTS can fully leverage the advantages of global supply chain procurement in regions, strategies and processes, and realize the digital management of supply resources, thus effectively supporting the procurement needs of major businesses or groups. Meanwhile, the Company can reduce the procurement cost of parts and components relying on the bargaining power of centralized procurement. Currently, the Company has established a unified portal platform for the digital supply chain, with more than 1,000 registered suppliers. Through years of in-depth penetration, the Company has obtained significant advantages in supply chain management and the scale effect in procurement.

#### **6. *Advantages of modular product-driven and “Sanhao Development” sales model***

The Company promoted local manufacturing (LoM manufacturing network), and optimized sales channels from order-based production to product-driven sales and from non-standardized sales to modular product-driven sales, thus shortening the delivery cycle of orders. The Company promoted “seven integrations”, namely marketing organization integration, channel organization integration, brand building integration, promotion and delivery integration, marketing policy integration, product development integration and service coordination integration, so as to create new demand and new kinetic energy for commercial vehicles. The Company adhered to the policy of “Sanhao Development”, and the “customer-oriented” principle. The Company provided commercial vehicle products “excellent in three areas”, namely “excellent horses with excellent saddles”, “excellent tractors with excellent trailers” and “excellent trucks with excellent tanks” in the market, so as to provide customers with more professional, higher quality and more diversified solutions and services integrating tractors, bodies and vehicles, and promoted the supply-side structural reform of the commercial vehicle industry under innovative marketing models.

## **7. *Advantages of organizational development***

As the Company manufactured and sold semi-trailers since 2002, the senior management team led the direction of strategic operation of the Company and has over 20 years of experience in the semi-trailer and specialty vehicle industries. In line with the implementation of the “Star-chained Manufacturing Network” strategy, the Company has strengthened the foundation of Star Chain LTP Production Centers, facilitated the agile development of the CIMC Light Tower Semi-trailer Business Group and the Tonghua Pioneer Semi-trailer Business Group, and improved the construction of middle and back offices and governance structure of the “Star-chained Manufacturing Network”. Furthermore, the Company will adhere to the development concept of the third venture to drive rapid organizational iteration, prepare for and launch the “Plough Program”, and promote the transformation and upgrading of governance structure and senior management team of the Company.

## **(IV) Analysis of Core Businesses**

### **1. *Overview***

See “II. Major Businesses of the Company during the Reporting Period” in Section IV “Management Discussion and Analysis”.

## 2. Revenue and costs

### (1) Composition of revenue

Unit: RMB

	2023	As a percentage of revenue	2022	As a percentage of revenue	Year-on-year change
	Amount		Amount		
<b>Total revenue</b>	<b>25,086,577,013.05</b>	<b>100.00%</b>	23,620,612,415.36	100.00%	6.21%
<b>By industry</b>					
Road transportation industry	25,086,577,013.05	100.00%	23,620,612,415.36	100.00%	6.21%
<b>By product</b>					
Vehicle sales	21,933,398,001.86	87.43%	20,778,578,566.71	87.97%	5.56%
Global semi-trailer	18,805,830,379.90	74.96%	18,143,280,292.25	76.81%	3.65%
Semi-trailer-ordinary semi-trailer	15,548,969,031.41	61.98%	15,916,598,817.24	67.38%	-2.31%
Semi-trailer-tank trailer	3,256,861,348.49	12.98%	2,226,681,475.01	9.43%	46.27%
Truck Bodies for specialty vehicles and chassis and tractor units	2,644,686,724.88	10.54%	2,367,205,778.51	10.02%	11.72%
Chassis and tractor units	1,487,824,247.00	5.93%	1,235,757,513.06	5.23%	20.40%
Truck Bodies for specialty vehicles	1,156,862,477.88	4.61%	1,131,448,265.45	4.79%	2.25%
Lightweight van bodies	413,522,108.05	1.65%	227,657,261.72	0.96%	81.64%
Other vehicles	69,358,789.03	0.28%	40,435,234.22	0.17%	71.53%
Parts and components of semi-trailers and specialty vehicles	2,440,021,387.62	9.73%	2,221,737,967.12	9.41%	9.82%
Others	713,157,623.57	2.84%	620,295,881.53	2.63%	14.97%
<b>By region</b>					
Chinese market	8,629,381,293.29	34.40%	8,335,182,315.08	35.29%	3.53%
North American market	10,854,831,911.05	43.27%	11,038,903,449.26	46.73%	-1.67%
European market	3,063,450,164.31	12.21%	2,421,040,958.94	10.25%	26.53%
Other markets	2,538,913,644.40	10.12%	1,825,485,692.08	7.73%	39.08%
<b>By sales model</b>					
Direct selling	17,142,278,452.20	68.33%	16,833,807,707.23	71.27%	1.83%
Distribution	7,944,298,560.85	31.67%	6,786,804,708.13	28.73%	17.06%

(2) *Industries, products, regions and sales models which generated revenue exceeding 10% of the Company's revenue or profit*

√ Applicable □ Not applicable

Unit: RMB

	Revenue	Operating costs	Gross profit margin	Change in revenue as compared with the same period of last year	Change in operating costs as compared with the same period of last year	Change in gross profit margin as compared with the same period of last year
<b>By industry</b>						
Road transportation industry	25,086,577,013.05	20,330,353,377.21	18.96%	6.21%	-0.75%	+5.68pct
<b>By product</b>						
Global semi-trailer	18,805,830,379.90	14,789,387,545.69	21.36%	3.65%	-5.43%	+7.55pct
Semi-trailer-ordinary semi-trailer	15,548,969,031.41	12,038,817,110.65	22.57%	-2.31%	-12.07%	+8.59pct
Semi-trailer-tank trailer	3,256,861,348.49	2,750,570,435.04	15.55%	46.27%	41.23%	+3.01pct
Truck Bodies for specialty vehicles and chassis and tractor units	2,644,686,724.88	2,534,772,753.03	4.16%	11.72%	11.20%	+0.45pct
Chassis and tractor units	1,487,824,247.00	1,475,170,232.88	0.85%	20.40%	23.01%	- 2.11pct
Truck Bodies for specialty vehicles	1,156,862,477.88	1,059,602,520.15	8.41%	2.25%	-1.91%	+3.88pct
<b>By region</b>						
Chinese market	8,629,381,293.29	7,642,287,571.03	11.44%	3.53%	1.86%	+1.45pct
North American market	10,854,831,911.05	8,058,913,418.05	25.76%	-1.67%	-12.87%	+9.54pct
European market	3,063,450,164.31	2,523,289,862.50	17.63%	26.53%	13.88%	+9.15pct
Other markets	2,538,913,644.40	2,105,862,525.63	17.06%	39.08%	38.88%	+0.12pct
<b>By sales model</b>						
Direct selling	17,142,278,452.20	13,711,239,735.89	20.02%	1.83%	-7.51%	+8.08pct
Distribution	7,944,298,560.85	6,619,113,641.32	16.68%	17.06%	16.96%	+0.07pct

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

□ Applicable √ Not applicable

(3) *Whether revenue of the Company from sales of material objects exceeds service revenue*

Yes  No

Industry	Item	Unit	2023	2022	Year-on-year change
Road transport vehicle	Sales volume	unit/set	<b>139,015</b>	151,870	-8.46%
	Production volume	unit/set	<b>141,342</b>	159,699	-11.49%
	Inventory	unit/set	<b>12,643</b>	14,342	-11.85%

Describe the reasons for a year-on-year change of over 30% in relevant data

Applicable  Not applicable

(4) *Composition of operating costs*

By industry

*Unit: RMB*

Industry	Item	2023		2022		Year-on-year change
		Amount	As a percentage of operating costs	Amount	As a percentage of operating costs	
Road transport vehicle	Raw materials	<b>16,963,897,899.54</b>	<b>83.44%</b>	16,975,924,939.24	82.88%	-0.07%
	Direct labour	<b>1,310,792,469.42</b>	<b>6.45%</b>	1,290,821,168.19	6.30%	1.55%
	Manufacturing expenses	<b>1,643,151,694.31</b>	<b>8.08%</b>	1,728,335,098.68	8.44%	-4.93%
	Freight and handling charges	<b>412,511,313.94</b>	<b>2.03%</b>	488,334,343.26	2.38%	-15.53%
	Total	<b>20,330,353,377.21</b>	<b>100.00%</b>	20,483,415,549.37	100.00%	-0.75%

(1) *Major customers and suppliers*

Information on major customers of the Company

Total sales to top 5 customers (RMB)	3,342,003,590.49
Total sales to top 5 customers as a percentage of total sales for the year	13.32%
Sales to related parties in sales to top 5 customers as a percentage of total sales for the year	0.00%

Information on top 5 customers of the Company

S/N	Name of Customer	Sales (RMB)	As a percentage of total sales for the year
1	Customer A	806,427,562.55	3.21%
2	XTRA LLC	734,995,972.78	2.93%
3	Customer B	719,006,725.10	2.87%
4	Customer C	572,841,827.34	2.28%
5	Shaanxi Heavy Duty AUTOMOBILE Co., Ltd. and its subsidiaries	508,731,502.72	2.03%
<b>Total</b>		<b>3,342,003,590.49</b>	<b>13.32%</b>

Other information on major customers

Applicable  Not applicable

Major suppliers of the Company

Total purchase from top 5 suppliers (RMB)	2,316,154,406.06
Total purchase from top 5 suppliers as a percentage of total purchase for the year	12.93%
Purchase from related parties in purchase from top 5 suppliers as a percentage of total purchase for the year	0.00%

Information on top 5 suppliers of the Company

S/N	Name of Supplier	Purchase (RMB)	As a percentage of total purchase for the year
1	Supplier A	651,132,953.00	3.64%
2	Supplier B	547,104,387.40	3.05%
3	Xuzhou Construction Machinery Group Co., Ltd. (Xcmg) and its subsidiaries	400,540,266.06	2.24%
4	Supplier C	400,050,846.35	2.23%
5	Shaanxi Heavy Duty AUTOMOBILE Co., Ltd. and its subsidiaries	317,325,953.25	1.77%
<b>Total</b>		<b>2,316,154,406.06</b>	<b>12.93%</b>

Other information on major suppliers

Applicable  Not applicable



### 3. Expenses

Unit: RMB

	2023	2022	Year-on-year Change	Description of Major Changes
Selling expenses	<b>677,523,640.09</b>	526,427,065.63	28.70%	The rise in revenue during the reporting period brought about a rise in related administrative expenses and an increase in the remuneration of management personnel
Administrative expenses	<b>1,367,706,555.24</b>	1,033,811,219.18	32.30%	
Finance costs	<b>-68,340,002.54</b>	-90,927,713.09	24.84%	
Research and development expenses	<b>396,517,482.31</b>	305,577,661.69	29.76%	

### 4. Research and Development Investments

Research and development investment of the Company expressed both as an amount and as a percentage of revenue in the past three years

	2023	2022	2021
Research and development investments (RMB)	<b>396,517,482.31</b>	305,577,661.69	397,817,429.52
Research and development investments expressed as a percentage of revenue	<b>1.58%</b>	1.29%	1.44%
Capitalized research and development expenditures (RMB)	<b>0.00</b>	0.00	0.00
Capitalized research and development expenditures as a percentage of research and development investments	<b>0.00%</b>	0.00%	0.00%
Capitalized research and development expenditures as a percentage of net profit for the period	<b>0.00%</b>	0.00%	0.00%

Reasons for the significant change in the total research and development investments as a percentage of revenue, as compared with last year

Applicable  Not applicable

Reasons and description of the reasonability of the significant changes in the capitalization rate of research and development investments

Applicable  Not applicable

## 5. Cash Flow

*Unit: RMB*

Item	2023	2022	Year-on-year Change
Sub-total of cash inflows from operating activities	<b>23,807,638,081.99</b>	27,371,210,804.82	-13.02%
Sub-total of cash outflows from operating activities	<b>22,017,434,435.75</b>	26,217,303,288.80	-16.02%
Net cash flow from operating activities	<b>1,790,203,646.24</b>	1,153,907,516.02	55.14%
Sub-total of cash inflows from investing activities	<b>962,339,742.63</b>	386,352,790.11	149.08%
Sub-total of cash outflows from investing activities	<b>615,007,010.77</b>	652,317,659.98	-5.72%
Net cash outflows from investing activities	<b>347,332,731.86</b>	-265,964,869.87	230.59%
Sub-total of cash inflows from financing activities	<b>494,742,235.81</b>	1,518,373,117.98	-67.42%
Sub-total of cash outflows from financing activities	<b>1,469,051,270.25</b>	2,472,475,541.04	-40.58%
Net cash inflows from financing activities	<b>-974,309,034.44</b>	-954,102,423.06	-2.12%
Net increase in cash and cash equivalents	<b>1,211,234,703.47</b>	-11,886,165.23	10,290.29%

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

Applicable  Not applicable

Net cash flows from operating activities increased by 55.14% compared to the previous year, mainly due to the continuous optimization of the Company's operating cash flow control measures.

Net cash flow from investing activities increased by 230.59% over the previous year, mainly due to the cash inflow from the disposal of equity interest in Shenzhen CIMC Special Vehicle in the current year.

Net cash flows from financing activities were essentially flat year-on-year for both years, with no significant change.

As a result of the combined effect of the above main reasons, the net increase in cash and cash equivalents for the year increased by 10,290.29% compared to the previous year.

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

Applicable  Not applicable

**(V) Analysis of Non-Principal Business**

√ Applicable □ Not applicable

*Unit: RMB*

	<b>Amount</b>	<b>As a Percentage of the Total Profit</b>	<b>Method of Obtaining the Asset</b>	<b>Whether It is Sustainable</b>
Investment gains	1,094,826,678.73	33.58%	Mainly net gain on disposal of equity interest in Shenzhen CIMC Special Vehicle	No
Gains or losses from changes in fair value	-99,441.31	-0.003%	Mainly changes in fair values of investment properties, held for trading financial assets and derivative financial instruments	No
Asset impairment loss	-125,641,525.25	-3.85%	Mainly provision for impairment of inventories	No
Non-operating income	9,159,339.88	0.28%	Mainly forfeiture income and unpayable accounts payable	No
Non-operating expenses	13,068,339.00	0.40%	Mainly fixed asset obsolescence losses	No
Credit impairment loss	-70,585,659.76	-2.16%	Mainly bad debt provision for receivables	No
Gains from disposal of assets	12,318,686.84	0.38%	Mainly gains on the disposal of fixed assets	No
Other income	68,691,039.16	2.11%	Mainly government grants	No

## (VI) Analysis of Assets and Liabilities

### I. Significant Changes in Composition of Assets

Unit: RMB

	End of 2023		Beginning of 2022		Change in the Percentage	Description of Major Changes
	Amount	As a percentage of total assets	Amount	As a percentage of total assets		
Cash at bank and on hand	6,010,493,754.22	25.21%	4,850,527,987.23	21.83%	3.38%	The year-end balance of monetary funds increased as a result of the continuous optimization of operating cash flow control measures and the cash inflow from the disposal of equity interest in Shenzhen CIMC Special Vehicle during the year
Accounts receivables	3,676,322,131.75	15.42%	3,121,505,473.81	14.05%	1.37%	
Inventories	5,126,507,013.11	21.51%	5,514,764,338.69	24.82%	-3.31%	
Investment property	390,311,689.15	1.64%	405,746,795.38	1.83%	-0.19%	
Long-term equity investments	225,783,156.07	0.95%	193,282,252.60	0.87%	0.08%	
Fixed assets	4,755,845,985.93	19.95%	4,933,210,366.18	22.20%	-2.25%	
Construction in progress	173,473,647.19	0.73%	247,577,774.52	1.11%	-0.38%	The “CIMC Intelligent Logistics Equipment Project” has been fully completed and solidified this year
Right-of-use assets	280,460,404.40	1.18%	238,375,993.30	1.07%	0.11%	
Short-term borrowings	177,548,038.46	0.74%	467,995,600.44	2.11%	-1.37%	Continuous optimization of operating cash flow control measures and lower external borrowing requirements during the year
Contract liabilities	706,477,774.21	2.96%	618,541,399.99	2.78%	0.18%	
Long-term borrowings	240,808,622.53	1.01%	331,206,865.99	1.49%	-0.48%	
Lease liabilities	214,636,063.27	0.90%	188,590,165.71	0.85%	0.05%	
Other receivables	811,439,773.35	3.40%	232,452,952.37	1.05%	2.35%	Increase in other receivables at the end of the period due to the share transfer receivable from the sale of equity interest in Shenzhen CIMC Special Vehicle
Tax payable	229,798,198.43	0.96%	331,548,587.53	1.49%	-0.53%	At the end of 2022, the subsidiary Qingdao Cimc Special Vehicles Co., Ltd. incurred a large amount of enterprise income tax due to the gain on compensation for relocation and resettlement and the subsidiary Shenzhen CIMC Special Vehicle incurred a large amount of enterprise income tax due to the gain on disposal of long-term equity investment; the above tax has been paid in the year

Overseas assets accounted for a large percentage

Applicable  Not applicable

*Unit: RMB*

Asset	Method of Obtaining the Asset	Size of the Asset	Location	Operating Model	Control Measures to Ensure the Asset Safety	Revenue	Overseas Assets as a Percentage of Net Assets of the Company	Whether There are Significant Impairment Risks
VANGUARD NATIONAL TRAILER CORPORATION	Acquisition	2,014,777,161.60	United States	Production and operation	Internal controls were carried out continuously and effectively	630,363,191.28	13.61%	No

## II. Assets and Liabilities Measured at Fair Value

Applicable  Not applicable

*Unit: RMB*

Item	Opening Balance	Gains or Losses on Fair Value Change for the Year	Total Fair Value Change Recorded in Equity for the Year	Impairment for the Year	Amount of Increase/Purchase for the Year	Amount of Decrease/Disposal for the Year	Other Changes	Ending Balance
Financial assets								
1. Financial assets held for trading (excluding derivative financial assets)	22,209,407.79	18,054,732.82				46,500,333.84	1,850,626.39	
2. Derivative financial assets	6,161,436.00	-1,164,919.52			1,816,003.76	2,759,947.18		4,052,573.06
Sub-total of financial assets	28,370,843.79	16,889,813.30			1,816,003.76	49,260,281.02	1,850,626.39	4,052,573.06
Investment properties	405,746,795.38	-17,619,000.83					2,183,894.60	390,311,689.15
Receivables financing	258,818,435.64			-52,076.86	3,813,089,583.48	3,835,244,192.21		236,715,903.76
Others non-current financial assets	10,786,384.58							10,786,384.58
Total	703,722,459.39	-729,187.53		-52,076.86	3,814,905,587.24	3,884,504,473.23	4,034,520.99	641,866,550.56
Financial liabilities	5,683,205.67	629,746.22			21,581,895.46	27,853,010.61		41,836.74

### Other changes

Other changes in financial assets held for trading consist of dividends from portfolio investments and the effect of translation in foreign currency statements, while other changes in investment properties consist of the effect of translation in foreign currency statements.

Whether there were significant changes in the measurement attributes of the Company's major assets during the Reporting Period

Yes  No

### **III. Restriction on the Right to Assets as at the End of the Reporting Period**

<b>Item</b>	<b>Closing book value (RMB)</b>	<b>Reason for the restriction</b>
Cash at bank and on hand	116,441,882.40	Deposits for vehicle loans, bills, etc.
Receivables financing	<u>2,000,000.00</u>	Pledged
<b>Total</b>	<b><u><u>118,441,882.40</u></u></b>	

### **(VII) Investment Analysis**

#### **I. Overall conditions**

Applicable  Not applicable

<b>Amount of Investments During the Reporting Period (RMB)</b>	<b>Amount of Investment During the Same Period of Last Year (RMB)</b>	<b>Change</b>
573,542,694.92	652,317,659.98	-12.08%

#### **II. Significant equity investments acquired during the Reporting Period**

Applicable  Not applicable

#### **III. Significant non-equity investment which was ongoing during the Reporting Period**

Applicable  Not applicable

#### IV. Financial Asset Investment

(1) Security investment

Applicable  Not applicable

Unit: RMB

Type of Securities	Stock Code	Stock Abbreviation	Initial Investment Cost	Measurement	Carrying Amount at the Beginning of the Period	Gains or Losses on Fair Value Change for the Period	Total Fair Value Change Recorded in Equity for the Period	Amount of disposals for the Period	Translation of Amounts in Foreign Currencies in Statements	Profit or Loss for the Reporting Period	Carrying Amount at the End of the Period	Source of Fund
Domestic and foreign shares	02418	Deewin (H shares)	41,360,620.99	Measured at fair value	22,209,407.79	18,054,732.82	46,500,333.84	736,231.40	24,488,733.27	0.00	0.00	Financial assets held for trading
Other securities investments held as at the end of the period			0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	-
Total			41,360,620.99		22,209,407.79	18,054,732.82	46,500,333.84	736,231.40	24,488,733.27	0.00	0.00	-
Date of disclosure of Board announcement on securities investment approval		Not applicable										
Date of disclosure of announcement of the general meeting on securities investment approval (if any)		Not applicable										

(2) Derivative investment

✓ Applicable  Not applicable

1) Derivative investment for the purpose of hedging during the Reporting Period

✓ Applicable  Not applicable

Unit: RMB '0,000

Type of Derivatives	Initial Investment Amount	Amount as at the Beginning of the Period	Amount as Gains or Losses on Fair Value Change for the Period	Total Fair Value Change Recorded in Equity	Amount of Purchase for the Reporting Period	Amount of Disposal for the Reporting Period	Amount as at the End of the Period	Investment Amount as at the End of the Period as a Percentage of Net Assets as at the End of the Reporting Period
Foreign exchange forward contract	33,569.37	33,569.37	-53.52	0	175,641.55	180,517.00	28,693.92	1.86%
Total	33,569.37	33,569.37	-53.52	0	175,641.55	180,517.00	28,693.92	1.86%

Description of the accounting policies and specific accounting principles for the hedging business during the Reporting Period, and whether there was a significant change as compared with the previous reporting period

The Company accounted for and disclosed the foreign exchange forward hedging business in accordance with relevant provisions and guidelines of ASBE 22 – Recognition and Measurement of Financial Instruments, ASBE 24 – Hedging, and ASBE 37 – Presentation of Financial Instruments. Consistent with the previous reporting period.

Description of actual profit or loss for the Reporting Period

In 2023, the profit or loss on changes in fair value of the Group's derivative financial instruments amounted to RMB-0.5352 million, the investment gains or losses amounted to RMB-25.0931 million, the total profits or losses of the two items amounted to RMB-25.6283 million.

Description of hedging effect

The foreign exchange forward hedging carried out by the Company was closely related to the Company's business. Based on the Company's foreign exchange assets and liabilities, and foreign exchange receipts and payments, foreign exchange forward hedging can further improve the Company's ability to cope with foreign exchange fluctuations, help better avoid and prevent the risks of foreign exchange rate fluctuations to the Company, and enhance the Company's financial stability.

Sources of Derivative Investment Funds

Own funds



Type of Derivatives	Initial Investment Amount	Amount as at the Beginning of the Period	Gains or Losses on Fair Value Change for the Period	Total Fair Value Change Recorded in Equity	Amount of Purchase for the Reporting Period	Amount as at the End of the Reporting Period	Investment Amount as at the End of the Period as a Percentage of Net Assets as at the End of the Reporting Period
---------------------	---------------------------	--	---	--	---	--	---

Description of risk analysis and control measures for derivative positions during the Reporting Period (including but not limited to market, liquidity, credit, operational and legal risks)

As at December 31, 2023, the derivative financial instruments held by the Group were foreign exchange forward contracts. The exposure to foreign currency forwards related to the exchange rate market risk and the certainty of the Group's future cash flows from foreign currency revenue. The Group's control measures for derivative financial instruments are mainly reflected in the following: The Group carried out prudent selection and determination of the types and quantities of derivative financial instruments, and only used foreign exchange forward contracts to hedge exchange rate risk; For derivative transactions, the Group developed strict and standardized internal approval systems and business operation processes, and defined approval and authorization procedures for relevant levels, so as to facilitate the control of relevant risks.

Description of the change in market price or fair value of the derivatives invested during the Reporting Period, and disclosure of the specific method, related assumptions and parameters used in the analysis of the fair value of derivatives

Litigation involved (if applicable)  
Date of disclosure of Board announcement on derivative investment approval (if any)  
Date of disclosure of announcement of the general meeting on derivative investment approval (if any)

Not applicable  
February 21, 2023  
Not applicable

Special opinions of independent Directors on derivative investment and risk control of the Company

The foreign exchange forward hedging business of the Company and its majority-owned subsidiaries was related to the daily global operations, so as to better avoid and guard against the risks of fluctuations in foreign exchange rates and interest rates and to enhance the financial stability of the Company. The Company adhered to the basic principle of hedging and prohibits speculation. The Company formulated the Foreign Exchange Risk Management System and established and improved the corresponding internal control system, which was conducive to strengthening the management and control of transaction risks. The relevant decision-making procedures complied with laws, regulations and other provisions, and there was no damage to the interests of the Company and all shareholders, especially minority shareholders. We unanimously agreed on the matter of the Company in relation to the continuation of the foreign exchange forward hedging business in 2023.

2) Derivative investment for speculation purposes during the Reporting Period

Applicable  Not applicable

The Company did not invest in derivatives for speculation purposes during the Reporting Period.

**V. Use of proceeds**

Applicable  Not applicable

*(1) Overall use of Proceeds from A Shares*

In order to fully explore and utilize the financing channels of the A share capital market, on May 6, 2020, the Board reviewed and approved the proposal on the proposed initial public offering of A Shares and the proposed listing on the ChiNext Market of the Shenzhen Stock Exchange. The application for registration of the Company's IPO was approved in accordance with the Reply in Relation to Approval for Registration of Shares in Initial Public Offering of CIMC Vehicles (Group) Co., Ltd. (ZJXK [2021] No.1719) issued by the China Securities Regulatory Commission on May 18, 2021. With the consent of the Shenzhen Stock Exchange, the Company issued 252.6 million RMB ordinary shares (A Shares) with a par value of RMB1.00 each and the total proceeds of RMB1,758.096 million, at an issue price of RMB6.96 per share, in the IPO. After deducting the issue expenses (including underwriting and sponsorship fees and other issuance expenses exclusive of VAT) of RMB174.3192 million, the net proceeds from A Share offering were RMB1,583.7768 million, and the net issue price was approximately RMB6.27 per A Share. The A Share Offering was conducted through a combination of targeted placement to strategic investors, placement to qualified investors through offline price consultation process and subscription by public investors at a price fixed according to market value. The above proceeds were received on July 5, 2021, in respect of which PricewaterhouseCoopers Zhong Tian LLP verified the payment and issued the Capital Verification Report (PwC Zhong Tian Yan Zi (2021) No.0668).

The Company was listed on the ChiNext Market of the Shenzhen Stock Exchange on July 8, 2021 when the closing price of A Shares was RMB15.49 on the Shenzhen Stock Exchange and HK\$7.13 on the Hong Kong Stock Exchange.

As at December 31, 2023, the actual use of A Share Proceeds of the Company was as follows:

### Overall use of Proceeds from A Shares

√ Applicable □ Not applicable

*Unit: RMB'0,000*

Year of Fund-raising	Fund-raising Method	Total Proceeds	Net Proceeds	Utilized Proceeds During the Period	Total Utilized Proceeds	Total Proceeds with Changed Use During the Reporting Period	Total Proceeds with Changed Use	Proportion of Total Proceeds with Changed Use	Total Unutilized Proceeds	Proposed Use and Investment of Unutilized Proceeds	Proceeds Unutilized for Over Two Years
2021	Initial public offering	175,809.60	158,377.68	13,331.43	86,336.58	46,095.80	46,095.80	29.10%	77,272.01	Deposited in the special account for the proceeds	-
Total	-	175,809.60	158,377.68	13,331.43	86,336.58	46,095.80	46,095.80	29.10%	77,272.01	-	-

### Overall Use of Proceeds

As at December 31, 2023, the proceeds used by the Company in 2023 were RMB133.3143 million, and the total proceeds used were RMB863.3658 million, and the unutilized proceeds were RMB772.7201 million (including net interest income of proceeds of RMB52.3091 million after deducting bank charges and account management fees).

(2) Committed Projects Funded by Proceeds from A Shares

√ Applicable □ Not applicable

Unit: RMB '0,000

Whether the Project was Changed (Including Partial Change)	Total Committed Investment of Proceeds	Adjusted Total Investment (1)	Investment for Reporting Period	Total Investment as at the End of the Period (2)	Investment Progress at the End of the Period (3) = (2)/(1)	Date on Which the Project is Ready for its Intended Use	Total Benefits as at the End of the Reporting Period	Whether the Expected Benefits are Achieved	Whether There are Significant Changes in the Project Feasibility
<b>Committed Investment Projects</b>									
Yes	43,877.68	26,197.91	2,925.62	7,460.37	28%	July 2026	Not applicable	Not applicable	No
Yes	79,500.00	59,203.03	2,348.90	45,819.30	77%	June 2025	Not applicable	Not applicable	No
Yes	10,000.00	-	-	-	Not applicable	Terminated	Not applicable	Not applicable	Terminated
No	25,000.00	25,000.00	-	25,000.00	100%	Not applicable	Not applicable	Not applicable	No
No	37,010.80	37,010.80	5,751.12	5,751.12	16%	August 2025	Not applicable	Not applicable	No
No	8,006.00	8,006.00	2,305.79	2,305.79	29%	August 2026	Not applicable	Not applicable	No
No	1,079.00	1,079.00	-	-	0%	August 2025	Not applicable	Not applicable	No
-	158,377.68	156,496.74	13,331.43	86,336.58	-	-	-	-	-

Whether the Project was Changed (Including Partial Change)	Total Committed Investment of Proceeds	Adjusted Total Investment (1)	Investment for the Reporting Period (2)	Total Investment as at the End of the Period (3) = (2)/(1)	Date on Which the Project is Ready for its Intended Use Period	Total Benefits as at the End of the Reporting Period	Whether the Expected Benefits are Achieved	Whether There are Significant Changes in the Project Feasibility
-	-	-	-	-	-	-	-	-
-	158,377.68	156,496.74	13,331.43	86,336.58	-	-	-	-

**Investment of Surplus Proceeds**  
N/A  
Total  
Information on and reasons for the failure to get ready for the intended use or achieve expected benefits (by project) (including the reasons for selecting “N/A” with “Whether the Expected Benefits are Achieved”)

**I. Digital transformation, research and development project and Light Tower Plant upgrade and construction project**

1. As at December 31, 2023, the sub-project of the digital transformation, research and development project, namely the “project for digital upgrade of core modules of semi-trailers”, failed to progress as scheduled. The main reasons are as follows:

With the full implementation of the External Dimensions, Axle Load and Quality Limit on Vehicles, Trailers and Trains (GB1589-2016), the domestic market demand for semi-trailers changed. Meanwhile, new energy transformation progresses rapidly in commercial vehicles. The design of semi-trailers needs to be comprehensively improved based on the matching performance of tractors, by matching the driving stability and braking efficiency of vehicles and optimizing the design of products in terms of air resistance reduction. Based on the current industrial development trend and in consideration of its development plan, the Company adjusted the product development direction. The Company will continue to orient research and development towards modularization of new-generation semi-trailer products, in consideration of the application of lightweight, Internet of Things technology, etc. The failure of the project to progress as scheduled is due to the time needed for product technology demonstration and integration, and the influence of market objective factors in the early stage and the delay in supply from suppliers over the progress in the product development demonstration. According to Article 6.3.4 of the Guide on Self-supervision of Companies Listed on the Shenzhen Stock Exchange No.2 – Standard Operation of Companies Listed on ChiNext Market, the Company re-demonstrated the project for digital upgrade of core modules of semi-trailers. In order to improve the efficiency of the use of the proceeds, maximize the interests of the Shareholders of the Company and avoid any loss of capital and resources, the project is no longer suitable for the current development plan of the Company after careful study. The Company has terminated the implementation of the project for digital upgrade of core modules of semi-trailers. The matter has been considered and approved at the seventh meeting of the second session of the Board for 2023 and the sixth meeting of the second session of Supervisory Committee for 2023 of the Company held on August 23, 2023, as well as the third extraordinary general meeting for 2023 of the Company held on September 20, 2023.

2. As at December 31, 2023, the sub-project of the digital transformation, research and development project, namely the “project for digital upgrade of core modules of truck bodies for specialty vehicles”, failed to progress as scheduled.

The main reasons are as follows: The slowdown in investment and construction of real estate and infrastructure in China resulted in a decline in the sales volume of dump trucks, mixer trucks, urban dump trucks and other products; According to the changes in market conditions, in terms of dump trucks and urban dump trucks, the Company will further develop U-shaped and V-shaped dump truck body product modules based on light-weight requirements of new energy transformation of vehicle bodies, and further optimize the integrated design of body chassis of commercial vehicle chassis manufacturers and the vehicle performance, and in terms of mixer trucks, the Company will orient research towards electric rotary drives of tanks and vehicle body operation safety inspection, etc. In the process of further overall planning for product technology upgrade and iteration, technical demonstration, test and verification work was difficult and time-consuming, resulting in the failure of the project to progress as scheduled.

Whether the Project was Changed (Including Partial Change)	Total Committed Investment of Proceeds	Adjusted Total Investment	Investment for the Reporting Period (1)	Total Investment as at the End of the Reporting Period (2)	Investment Progress at the End of the Period (3) = (2)/(1)	Date on Which the Project is Ready for its Intended Use	Total Benefits as at the End of the Reporting Period	Whether the Expected Benefits are Achieved	Whether There are Significant Changes in the Project Feasibility
Committed Investment Project and Investment of Surplus Proceeds									

The Company re-demonstrated the sub-projects of the digital transformation, research and development project, namely the “project for digital upgrade of core modules of truck bodies for specialty vehicles”:

- ① Feasibility  
 Since May 2020, relevant national policies have been issued one after another, providing policy support for the digital transformation of enterprises. After years of development, the Company has established modular research and development and design systems for semi-trailers, bodies of light and durable cement mixer trucks, bodies of environmentally-friendly urban dump trucks, and refrigerated van bodies, and explored ways and means for a digital and technical upgrade of semi-trailer products and modules. Meanwhile, the Company’s existing technical team can provide personnel support for the implementation of the projects.
- ② Necessity  
 The Company has a leading position due to its long-term competitive advantage in “global operation”. At present, as the global supply chain is strained, the pursuit of lightweight, reliability and specialty vehicles’ high performance is the technological development trend of semi-trailers and specialty vehicles. With the development of new technologies and new infrastructure, digital transformation of the Company’s existing operation system is required. In order to conform to the development trend of the industry, the Company needs to enhance the competitiveness of the new-generation products through digital upgrade of its core product modules and digital transformation and research and development innovation.
- ③ Conclusions of the re-demonstration  
 The Company believes that it is necessary and feasible to invest in the sub-projects of the digital transformation, research and development project, namely the “project for digital upgrade of core modules of truck bodies for specialty vehicles”, which is in line with the Company’s strategic plan, and the Company will continue to implement the above projects. The Company will pay close attention to relevant environmental changes and make timely arrangements for the proceeds-funded projects.

Whether the Project was Changed (Including Partial Change)	Total Committed Investment of Proceeds	Adjusted Total Investment	Total Investment for the Reporting Period (1)	Total Investment as at the End of the Reporting Period (2)	Investment Progress at the End of the Period (3) = (2)/(1)	Date on Which the Project is Ready for its Intended Use Period (Note 1)	Total Benefits as at the End of the Reporting Period	Whether the Expected Benefits are Achieved	Whether There are Significant Changes in the Project Feasibility
--	--	---------------------------	---	--	--	---	--	--	--

3. As at December 31, 2023, the sub-project of the digital transformation, research and development project, namely the “project for construction of the semi-trailer test center of CIMC Vehicles Group” and “global digital operations center”, as well as the sub-projects of the Light Tower Plant upgrade and construction project, namely “CIMC intelligent logistics equipment project (phase I)” and the “project for upgrade and technical transformation of production lines of refrigerated and intelligent distribution vehicles”, failed to progress as scheduled. The Company has re-demonstrated the projects above. The details are as follows:

① Necessity

The “project for construction of the semi-trailer test center of CIMC Vehicles Group” and “global digital operations center” are sub-projects of the digital transformation, research and development project. The former is an important guarantee for CIMC Vehicle’s continuous leadership in product quality, and the latter is an important support for the digital management platform for the future production organization of the star-chained and the top-level design of the business group. The “CIMC intelligent logistics equipment project (phase I)” and the “project for upgrade and technical transformation of production lines of refrigerated and intelligent distribution vehicles” are the sub-projects of the Light Tower Plant upgrade and construction project. The Light Tower Plant is a new-generation production system, which is necessary for the Company’s transformation to high-end manufacturing and meets the Company’s strategic need for high-quality development. Refrigerated and intelligent distribution vehicles are crucial to the Company’s van truck business segment, and are the Company’s major entry point into the van truck market.

② Feasibility

After years of technical precipitation, CIMC Vehicle Group has established a complete process of virtual simulation and physical testing of semi-trailer products in product development, and its simulation and verification technology has become an important means to support the excellent quality and durability of CIMC Vehicle’s products. In terms of digital management and operation experience, the Company has set up a digital management platform and a strong technical team that bridges the gap between research and development, manufacturing and sales data, and has accumulated rich practical experience in the digitalization and intelligent construction of many major Light Tower Plant. CIMC intelligent logistics equipment project has been implemented for nearly two years, and its production line and production technology have been matured and perfected. CIMC Shandong has been deeply engaged in refrigerated distribution products for many years, and the Company has accumulated rich experience in the construction of Light Tower Plant and has an existing technical team, which can provide technical and talent support for the implementation of the project.

Whether the Project was Changed (Including Partial Change)	Total Committed Investment of Proceeds	Adjusted Total Investment Reporting Period (1)	Total Investment for the Reporting Period (2)	Total Investment Progress as at the End of the Period (3) = (2)/(1)	Date on Which the Project is Ready for its Intended Use Period (Note 1)	Total Benefits as at the End of the Reporting Period	Whether the Expected Benefits are Achieved	Whether There are Significant Changes in the Project Feasibility
--	--	--	---	---	---	--	--	--

③ Conclusions of the re-demonstration  
The Company believes that it is necessary and feasible to invest in the proceeds-funded projects above, which is in line with the Company's strategic plan, and the Company will continue to implement the above projects. The Company will pay close attention to relevant environmental changes and make timely arrangements for the proceeds-funded projects.

The Company convened the third meeting of the second session of the Board of Directors for 2024 and the third meeting of the second session of the Supervisory Committee for 2024 on March 21, 2024, which considered and approved the Resolution on Re-demonstration and Extension of the Terms of A Share Proceeds-funded Projects, so as to extend the dates of getting ready for intended use of the sub-projects of the digital transformation, research and development project, namely the "project for construction of the semi-trailer test center of CIMC Vehicles Group" and the "project for the Global Digital operation Center", the sub-projects for the "project for lighthouse factory upgrade and construction", namely the "CIMC intelligent logistics equipment project (phase I)" and the "project for upgrade and technical transformation of production lines of refrigerated and intelligent distribution vehicles" to December 31, 2025, December 31, 2025, December 31, 2024 and June 30, 2025, respectively.

4. The Company convened the fourth meeting of the second session of the Board of Directors for 2023 and the third meeting of the second session of the Supervisory Committee for 2023 on March 27, 2023, , and convened the 2022 annual general meeting on May 25, 2023, which considered and approved the Resolution on Re-demonstration and Termination of A Share Proceeds-funded Projects and the Resolution on Re-demonstration and Extension of the Terms of A Share Proceeds-funded Projects, authorizing the Company, in accordance to the specific condition of the A Share Proceeds-funded Projects, to terminate the sub-projects of the Light Tower Plant upgrade and construction project, namely the "project for upgrade and technology transformation of coating lines" and the "project for digital upgrade of semi-trailers of Yangzhou Tonghua"; and to extend the periods of the sub-projects of the Light Tower Plant upgrade and construction project, namely "CIMC intelligent logistics equipment project (phase I)", "annual production of 50,000 sets of travelling mechanism products (axle plus suspension project)" and the "project for upgrade and technical transformation of production lines of refrigerated and intelligent distribution vehicles", and to extend the dates of getting ready for intended use to December 31, 2023, December 31, 2024, and April 30, 2024.



Whether the Project was Changed (Including Partial Change)	Total Committed Investment of Proceeds	Adjusted Total Investment	Investment for the Reporting Period (1)	Total Investment as at the End of the Reporting Period (2)	Investment Progress at the End of the Period (3) = (2)/(1)	Date on Which the Project is Ready for its Intended Use	Benefits for the Reporting Period <sup>(Note 1)</sup>	Total Benefits as at the End of the Reporting Period	Whether the Expected Benefits are Achieved	Whether There are Significant Changes in the Project Feasibility
--	--	---------------------------	---	--	--	---	---	--	--	--

On August 23, 2023, the Company held the seventh meeting in 2023 of the second session of the Board of Directors and the sixth meeting in 2023 of the second session of the Supervisory Committee and on September 20, 2023, the Company held the third extraordinary general meeting for 2023, at which the Resolution on Termination and Changes of Certain A Share Proceeds-funded Investment Projects was considered and approved, authorizing the Company to terminate the sub-project of the “digital transformation, research and development project”, namely the “project for digital upgrade of core modules of semi-trailers” and the sub-project for “project for lighthouse factory upgrade and construction”, namely the “annual production of 50,000 sets of travelling mechanism products (axle plus suspension project)”, and use the proceeds from A Share of RMB460,958,000 for “project for upgrade of the sophisticated production lines of Star-chained semi-trailers”, “project for upgrade and transformation of the sophisticated production lines of Champion tankers” and the “project for upgrade of the sophisticated production lines of TB Truck Body”.

The Company convened the third meeting of the second session of the Board of Directors for 2024 and the third meeting of the second session of the Supervisory Committee for 2024 on March 21, 2024, which considered and approved the Resolution on Re-demonstration and Termination of A Share Proceeds-funded Projects, intending to terminate the sub-project of the “project for upgrade of the sophisticated production lines of Star-chained semi-trailers”, namely the “project for upgrade of the sophisticated production lines of Silver Star-chained semi-trailers”, as well as the “project for upgrade of the sophisticated production lines of TB Truck Body”. The resolution is subject to consideration of the general meeting of the Company.

Whether the Project was Changed (Including Partial Change)	Total Committed Investment of Proceeds	Adjusted Total Investment	Investment for the Reporting Period	Total Investment as at the End of the Reporting Period (2)	Investment Progress at the End of the Period (3) = (2)/(1)	Date on Which the Project is Ready for its Intended Use	Benefits for the Reporting Period <sup>(Note 1)</sup>	Total Benefits as at the End of the Reporting Period	Whether the Expected Benefits are Achieved	Whether There are Significant Changes in the Project Feasibility
--	--	---------------------------	-------------------------------------	--	--	---	---	--	--	--

## II. New marketing construction project

During the Reporting Period, the Company convened the fourth meeting of the second session of the Board of Directors for 2023 and the third meeting of the second session of the Supervisory Committee for 2023 on March 27, 2023 and the 2022 annual general meeting on May 25, 2023, which considered and approved the Resolution on Re-demonstration and Termination of A Share Proceeds-funded Projects, authorizing the Company to terminate the new marketing construction project, based on the actual situation of the A Share proceeds-funded projects.

Description of significant changes in the project feasibility N/A

Amount, use and progress in the use of surplus proceeds N/A

Change of location of the raised proceeds-funded projects- During the Reporting Period, there is no change in the location of the raised proceeds-funded projects of the Company.

Adjustments to the implementation method of the raised proceeds-funded projects- During the Reporting Period, there is no change in the implementation method of the raised proceeds-funded projects of the Company.

Whether the Project was Changed (Including Partial Change)	Total Committed Investment of Proceeds	Adjusted Total Investment	Investment for the Reporting Period (1)	Total Investment as at the End of the Reporting Period (2)	Investment Progress at the End of the Period (3) = (2)/(1)	Date on Which the Project is Ready for its Intended Use	Total Benefits as at the End of the Reporting Period	Whether the Expected Benefits are Achieved	Whether There are Significant Changes in the Project Feasibility
--	--	---------------------------	---	--	--	---	--	--	--

Initial investments and fund replacements in raised proceeds-funded projects

On August 25, 2021, the Company convened the tenth meeting of the first session of the Board for 2021 and the fourth meeting of the first session of the Supervisory Committee for 2021, which considered and approved the Resolution on Replacement of Self-raised Funds Invested in the Raised Proceeds-funded Projects and Used to Cover the Issue Expenses in Advance with Raised Proceeds from A Share Offering, authorizing the Company to replace the self-raised funds totaling RMB336,2496 million invested in the proceeds-funded projects and used to cover the issue expenses in advance, with the raised proceeds from A Share offering. The issue expenses of RMB41.4293 million (exclusive of value-added tax) were paid by the Company out of its self-raised funds in advance, while RMB284.8203 million of the self-raised funds was invested in the A Share proceeds-funded projects in advance.

Use of unutilized raised proceeds for temporary replenishment of working capital

During the Reporting Period, there are no unutilized raised proceeds used for temporary replenishment of working capital.

Amount of and reasons for the remaining balance of raised proceeds after the implementation of the project  
Proposed use and investment of the unutilized raised proceeds  
Problems or other matters in the use and disclosure of the raised proceeds

As of December 31, 2023, the raised proceeds of the Company are still in the progress of investing, and therefore the remaining balance of raised proceeds is not available.

As of December 31, 2023, the unutilized raised proceeds of the Company were deposited in the special account for raised proceeds in demand deposits, with a balance of RMB772.7201 million (including net interest income of raised proceeds exclusive of bank charges and account management fees).

On August 23, 2023, the Company convened the seventh meeting of the second session of the Board for 2023 and the sixth meeting of the second session of the Supervisory Committee for 2023, which considered and approved the Proposal on Using Part of the Idle Proceeds from A Shares for Cash Management, it was agreed that on the premise of not affecting the construction of the investment projects of the proceeds from A shares and the use of the proceeds and effectively controlling the risks, the Company and its subsidiaries intend to use part of the unutilized proceeds from A shares not exceeding RMB880.00 million (inclusive) for cash management, which will be used to purchase products that meet the requirements of high security and good liquidity, including agreed deposits, call deposits, large certificates of deposit and capital preservation bank wealth management products. The term of a single investment product shall not exceed 12 months and the use period shall be valid for 12 months from the date of consideration and approval by the Board of the Company. Within the above quota and period of use, the funds can be used on a rolling basis, and the Board authorizes the Chief Executive Officer and President of the Company and their authorized officers to exercise decision-making authority and sign relevant contractual documents. The independent directors expressed their consents and performed the necessary procedures. As of December 31, 2023, the balance of the Company's agreed deposit account was RMB679.7348 million, which did not exceed the deliberation limit and validity period of the Board and the Supervisory Committee of the Company regarding the use of part of the idle proceeds from A Shares for cash management.

- Note 1:* The basis and method of calculating “benefits for the Reporting Period” are the same as those for calculating the committed benefits.
- Note 2:* The Company has terminated the sub-projects of the “Light Tower Plant upgrade and construction project”, namely the “project for upgrade and technology transformation of coating lines”, the “project for digital upgrade of semi-trailers of Yangzhou Tonghua” and the “annual production of 50,000 sets of travelling mechanism products (axle plus suspension project)”, as well as the sub-projects of the “digital transformation, research and development project”, namely the “project for digital upgrade of core modules of semi-trailers” and the “project for digital upgrade of the new generation intelligent refrigerated van body module” in 2023, and extended the “CIMC intelligent logistics equipment project (phase I)” and the “project for upgrade and technical transformation of production lines of refrigerated and intelligent distribution vehicles” in 2023.
- Note 3:* The Company has terminated the project in 2023.
- Note 4:* The remaining proceeds of RMB18.8094 million from the terminated fund-raising projects have not been clearly earmarked for intended use, and the unused proceeds from the original projects were deposited in the Company’s special account for the proceeds.

(3) *Change of use of Proceeds from A Shares*

√ Applicable □ Not applicable

*Unit:RMB'0,000*

Project after Changes	Corresponding Original Committed Projects	Total Proceeds Raised Intended to Invest into Projects after Changes (1)	The Actual Amount Invested during the Reporting Period	Actual Accumulated Amount Invested as of the End of the Period (2)	Investment Progress as of the End of the Period (3)=(2)/(1)	Date when the Project Reaches the Scheduled Usable Status	The Benefit Realized during the Reporting Period	Whether the Expected Benefits are Realized	Whether the Project Feasibility has been Changed Significantly after Changes
Project for upgrading of high-end manufacturing production lines of semi-trailers under Star-chained Semi-trailer Business Group	-	37,010.80	5,751.12	5,751.12	16%	August 2025	N/A	N/A	No
Project for upgrading and improving of high-end production lines of tank trucks under Champion Tanker Business Group	-	8,006.00	2,305.79	2,305.79	29%	August 2026	N/A	N/A	No
Project for upgrading of high-end manufacturing production lines of truck bodies under TB Business Group	-	1,079.00	-	-	0%	August 2025	N/A	N/A	No
<b>Total</b>	<b>-</b>	<b>46,095.80</b>	<b>8,056.91</b>	<b>8,056.91</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Project after Changes	Corresponding Original Committed Projects	Total Proceeds Raised Intended to Invest into Projects after Changes (1)	The Actual Amount Invested during the Reporting Period	Actual Accumulated Amount Invested as of the End of the Period (2)	Investment Progress as of the End of the Period (3)=(2)/(1)	Date when the Project Reaches the Scheduled Usable Status	The Benefit Realized during the Reporting Period	Whether the Expected Benefits are Realized	Whether the Project Feasibility has been Changed Significantly after Changes
		Description of the reason for change, decision-making procedures and information disclosure (by project)	On March 27, 2023, the Company convened the fourth meeting of the second session of the Board for 2023 and the third meeting of the second session of the Supervisory Committee for 2023, and convened the 2022 annual general meeting on May 25, 2023, which considered and approved the Resolution on Re-demonstration and Termination of A Share Proceeds-funded Projects, authorizing the Company to terminate the sub-projects of the Light Tower Plant upgrade and construction project, namely the “project for upgrade and technology transformation of coating lines”, the “project for digital upgrade of semi-trailers of Yangzhou Tonghua” and the new marketing construction project. For details, please refer to the Announcement on Re-demonstration and Termination and Postponement of Certain A Share Proceeds-funded Projects (Announcement No. 2023-031) disclosed by the Company on March 28, 2023 on the website of Cninfo.  The Company convened the seventh meeting of the second session of the Board for 2023 and the sixth meeting of the second session of the Supervisory Committee for 2023 on August 23, 2023, and convened the third extraordinary general meeting for 2023 on September 20, 2023, which considered and approved the Resolution on Termination and Changes of Certain A Share Proceeds-funded Projects, authorizing the Company to terminate the sub-project of the digital transformation, research and development project, namely the “project for digital upgrade of core modules of semi-trailers” and “project for digital upgrade of the new generation intelligent refrigerated van body module” and the sub-projects of the Light Tower Plant upgrade and construction project, namely “annual production of 50,000 sets of travelling mechanism products (axle plus suspension project)” in line with reality of the A Share proceeds-funded projects; authorizing the Company to use the proceeds from A Shares of RMB460.958 million for the “project for upgrading of high-end manufacturing production lines of semi-trailers under Star-chained Semi-trailer Business Group”, “project for upgrading and improving of high-end production lines of tank trucks under Champion Tanker Business Group” and “project for upgrading of high-end manufacturing production lines of truck bodies under TB Business Group”.  Convening the third meeting of the second session of the Board of Directors for 2024 and the third meeting of the second session of the Supervisory Committee for 2024 on March 21, 2024, which considered and approved the Resolution on Re-demonstration and Termination of A Share Proceeds-funded Projects, intending to terminate the sub-project of the “project for upgrade of the sophisticated production lines of Star-chained semi-trailers”, namely the “project for upgrade of the sophisticated production lines of Silver Star-chained semi-trailers”, as well as the “project for upgrade of the sophisticated production lines of TB Truck Body”. The resolution is subject to consideration of the general meeting of the Company.						
Information on and reasons for the failure to get ready for the intended use or achieve expected benefits (by project)	N/A								
Description of significant changes in the project feasibility after changes	N/A								

(4) *Use of Proceeds from H Share*

Since the Listing Date of H Shares, H Shares of the Company have been listed and traded on the Main Board of the Hong Kong Stock Exchange. A total of 265,000,000 H Shares were issued by the Company in the Global Offering. Net proceeds from H Shares, net of underwriting fees and the expenses relating to the Global Offering were approximately HK\$1,591.3 million. The nominal value of the H Shares of the Company was RMB1.00 per H Share.

On December 5, 2019, March 25, 2020, October 12, 2020, and November 20, 2020, the Company announced the changes in the use of the net Proceeds from H Shares. The Company intended to further change the use of Proceeds from H Shares on August 25, 2021, and the proposed change was approved at the first extraordinary general meeting of the Company for 2021 on September 29, 2021. For relevant information, please refer to the Company's related announcements issued on the same dates respectively.

On January 1, 2023, the net proceeds from H Shares carried forward by the Company from the previous year were approximately HK\$79.3 million. The use of the net proceeds from H Shares and the utilization as of December 31, 2023, which are intended to be utilized in the next five years from the Listing Date of our H Shares, are as follows:

Intended Use of Net Proceeds	Original Intended Amount (HK\$ in millions)	Utilized Amount as of December 31, 2022 (HK\$ in millions)	Utilized Amount during the Reporting Period (HK\$ in millions)	Unutilized Amount as of December 31, 2023 (HK\$ in millions)
<b>Develop new manufacturing or assembly plants</b>	<b>1,248.3</b>	<b>1,200.5</b>	<b>29.9</b>	<b>47.7</b>
- Develop a new automated production facility for chassis trailers in the coastline regions along the eastern or southern US	38.8	38.8	-	-
- Develop a new assembly plant for high-end refrigerated semi-trailers in the UK or Poland	32.1	29.1	6.7	3.0
- Develop a new automated production facility for refrigerated semi-trailers in Monon, the US	163.0	159.4	-	3.6
- Develop a new assembly plant for swap bodies and flatbed semi-trailers in the Netherlands	105.2	105.2	-	-
- Develop a new assembly plant for refrigerated semi-trailers in Canada	20.2	20.2	-	-
- Develop a new manufacturing plant in Jiangmen, China	87.0	79.6	-	7.4
- Technical reform and informatization construction for Xi'an plant in China	32.7	14.7	9.6	18.1
- Develop a new manufacturing plant in Baoji City, China	70.0	70.0	-	-
- Build a vehicle park in Kunming, China	78.4	78.4	-	-
- Expand the manufacturing plant for semi-trailers in Dongguan, China	114.8	105.7	1.6	9.1

Intended Use of Net Proceeds	Original Intended Amount <i>(HK\$ in millions)</i>	Utilized Amount as of December 31, 2022 <i>(HK\$ in millions)</i>	Utilized Amount during the Reporting Period <i>(HK\$ in millions)</i>	Unutilized Amount as of December 31, 2023 <i>(HK\$ in millions)</i>
- Expand the manufacturing plant for dry truck bodies and refrigerated truck bodies in Zhenjiang, China	34.4	27.9	12.1	6.6
- Expand the manufacturing and assembly plant for chassis trailers in Rayong, Thailand	193.5	193.5	-	-
- Increase the registered capital and production capacity of subsidiaries in the UK <i>(note)</i>	278.1	278.1	-	-
<b>Research and develop new products</b>	<b>66.6</b>	<b>64.9</b>	<b>-</b>	<b>1.7</b>
- Invest in industrial funds	34.4	34.4	-	-
- Develop high-end refrigerated semi-trailers	26.3	24.6	-	1.7
- Develop other trailer products	5.8	5.8	-	-
<b>Repay the principal amount and interests of bank borrowings</b>	<b>153.8</b>	<b>153.8</b>	<b>-</b>	<b>-</b>
<b>Working capital and general corporate purposes</b>	<b>151.5</b>	<b>151.5</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>1,620.0</b>	<b>1,570.7</b>	<b>29.9</b>	<b>49.4</b>

*Note:* According to the announcement of the Company dated August 25, 2021 in relation to the “Proposed Further Changes in the Use of Proceeds from the Global Offering” and the Company’s circular dated September 13, 2021, the Group determines to use the remaining or unutilized amounts under “develop new manufacturing or assembly plants and upgrade the marketing model”, “research and develop new products”, “repay the principal amount and interests of bank borrowings”, and “working capital and general corporate purposes” and interest accrued in the designated bank account for the proceeds from the Global Offering totalling approximately HK\$278.09 million to increase the registered capital of SDC Trailers Ltd. The interest accrued in the designated bank account for the proceeds from the Global Offering is HK\$28.74 million.



## **(VIII) Future Development Prospect of the Company**

### **1. *Changes in the Macro Situation and Industry Pattern***

In 2024, the global economy will continue to undergo profound changes with significant uncertainties. According to the forecast of the International Monetary Fund, the global economic growth is projected at 3.1% in 2024, and moderating inflation and steady growth will open path to soft landing. In addition, the global economy faces increased fragmentation risks due to geopolitical tensions and other factors, and the supply chain begins to show signs of fragmentation. The global economy will continue to grapple with brittleness, anxiety, non-linearity and incomprehensibility.

In 2024, China's economic recovery is expected to gradually gain momentum in terms of both quality and speed amidst a mix of opportunities and challenges. In face of unsettling uncertainties during the transition from high-speed growth to high-quality growth, companies that have deepened supply-side reforms are poised to seize opportunities. China's commercial vehicle industry will usher in new growth opportunities after painful adjustments.

#### *Semi-trailers in the Chinese market*

The implementation opinions of the National Development and Reform Commission and the Ministry of Transport propose to “further reduce logistics costs and improve the efficiency of logistics to adapt to modern and high-quality development”. The logistics and transportation industry of China will further promote industry integration and large-scale development. As the core carrier of cargo transportation, the high-quality development of semi-trailers will have a direct influence on the efficiency of China's road transportation system.

With the continuous advancement of infrastructure construction and the improvement of residents' consumption in China, semi-trailers are expected to further expand application scenarios and maintain a strong development momentum. In addition, due to the increasing expectation that low-bed trailers will gradually phase out of the bulk cargo transportation market as well as intensified industry supervision and tightening “carbon peaking and carbon neutrality” policies, the semi-trailer industry of China is transitioning towards standardized, new energy and intelligent products.

#### *Semi-trailers in overseas markets*

In 2024, the increasing anticipation of U.S. interest rate cuts may gradually alleviate inflationary pressure. As the impact of tightening global supply chains and labor shortages on the North American semi-trailer industry weakens, the supply and demand in the North American semi-trailer market will return to normal. Furthermore, the North American economy exhibits resilience, and the revitalization of the U.S. manufacturing industry is expected to increase the demand for logistics and transportation.

In 2024, the Europe is expected to experience weak consumer sentiment and sluggish economic growth. As Red Sea tensions lead to delays in shipping logistics, manufacturing companies are grappling with increased shipping costs. Semi-trailer manufacturing companies in the Europe are making breakthroughs and seeking for incremental space relying on refined management, cost reduction and efficiency improvement.

In 2024, the Asia-Pacific region and emerging markets are expected to become the main sources of global economic growth, which will further reinforce the multi-polar development of the global economy. The land-based international logistics channels under the Belt and Road Initiative will further drive the demand of Belt and Road countries for logistics and transportation equipment, so that there is space for the demand growth in the semi-trailer market of emerging countries and regions.

### *Specialty Vehicle Market in China*

In 2024, driven by the transformation and upgrading of the industry, the specialty vehicle industry of China is expected to experience a steady rebound, accelerating the high-quality development of the industry. The steady advancement of infrastructure construction and the vigorous efforts to boost consumption will support the demand in China's specialty vehicle market.

China's new energy specialty vehicles have entered a stage of rapid growth due to favorable policies, with a sharp increase in the penetration of new energy vehicles and a large demand for replacement. Meanwhile, the new energy specialty vehicles show development prospects in terms of intelligent driving, enhanced safety performance, cost reduction and efficiency improvement.

## **2. Development Strategy of the Company**

### *Accelerating the development of new productive forces to traverse the blue ocean of the third venture*

Currently, the world is undergoing accelerated changes unseen in a century. While steadfastly promoting high-quality development, China has shown steady economic improvement, achieved significant progress in the construction of a modern industrial system, and made solid strides towards building China into a great modern socialist country in all respects. Meanwhile, there are bottlenecks in the domestic circulation, as well as rising complexity, severity and uncertainty in the international circulation. The disturbing volatility, uncertainty, complexity and ambiguity (VUCA) is becoming more torturous brittleness, anxiety, non-linear and incomprehensibility (BANI).

In 2024, Chinese companies will face challenges stemming from the transition from high-speed growth to high-quality growth, and withstand the torment and impact of brittleness, anxiety, non-linear and incomprehensibility, which may cause severe challenges to their development and operation environment.

Over the past two decades, the Company has forged ahead against formidable challenges, from the tenacious fight in the Chinese market, to the hardship in turning the tide in the North American market, and to the formidable transformation in the European market, and finally emerged victorious in the pioneering first and second ventures.

The Company started its third venture at the opportune moment to accelerate the development of new productive forces. The essence of the "Star-chained Manufacturing Network" lies in the exploration of more refined, more resilient and higher-quality growth, which is also our main strategy to address the challenges arising from brittleness, anxiety, non-linear and incomprehensibility (BANI) over the next decade.

In 2024, the top priority of CIMC Vehicles is to advance the “Star-chained Manufacturing Network” and promote the “Sanhao development”. The Company will strengthen the foundation of Star Chain LTP Production Centers, facilitate the agile development of the CIMC Light Tower Semi-trailer Business Group and the Tonghua Pioneer Semi-trailer Business Group, and improve the construction of middle and back offices and governance structure of the “Star-chained Manufacturing Network”. Moreover, the Company will promote the transformation and upgrading of the governance structure of American Business, and facilitate the integration of “Champion Tanker” and European liquid tank trailer businesses.

In 2024, the Company will adhere to the development philosophy of the third venture, namely promoting rapid iteration and eliminating redundancy, and make steadfast efforts to optimize its assets and organization.

CIMC Vehicles will forge its resilience with practical actions to traverse the blue ocean of the third venture.

***Firstly, prioritizing the development of “Star-chained Manufacturing Network” to build a benchmark for the supply-side reform, a model of high-quality development and a paradigm of dual-wheel drive***

Since its launch in 2023, the “Star-chained Manufacturing Network” is efficiently promoted based on unique advantages of the Company. Through integrating the resources of seven semi-trailer plants in China, the Company has opened up the processes of procurement, production, circulation, distribution and consumption, and has built a combat organization base on “Star Chain LTP Group” and with “CIMC Light Tower Semi-trailer Business Group” and “Tonghua Pioneer Semi-trailer Business Group” as the front line. Therefore, the Company has achieved a leapfrog improvement in market share, sales and profits.

Firstly, the “Star-chained Manufacturing Network” will promote the distribution of business groups and upgrade the consumer side relying on reforms of production and circulation sides, so as to significantly improve sales and profits and build a benchmark for the supply-side reform. Secondly, the “Star-chained Manufacturing Network” will break through the development bottleneck of semi-trailer business, and obtain core technologies to develop world-class products and support sustainable high-quality development, thus becoming a model of high-quality development. Thirdly, the “Star-chained Manufacturing Network” will seize the great opportunity from industry reform to enhance global resource allocation capabilities, so as to build a paradigm of dual-wheel drive.

In terms of Star-chained Sourcing (LTS), the Company has achieved a significant transformation from inception to execution. Leveraging the modular definition capabilities and precise production forecasts of Star-chained products, the Company has formulated a comprehensive procurement strategy shifting from separate procurement by each plant to centralized procurement, thus steadily enhance the competitiveness of products.

In terms of Light Tower Plant Production (LTP), the Company has realized the iteration from full-category production to specialized production lines and product division. Relying on the Star-chained production line with the work island as the smallest unit, the Company has developed flexible standards and labor allocation adapting to modular production, which improved the overall production efficiency. In addition, the Company integrated the needs of market, R&D and production, and completed the definition of annual modular vehicles.

In terms of Light Tower Logistics (LTL), the Company has integrated separate processes, built an order center to connect the decoupled supply and demand sides, and established an active inventory management model to enhance mass delivery capacity.

In terms of Local Manufacturing (LoM), the Company has successfully shifted from order-based production which is close to production to modular product-driven local manufacturing model, forming significant barriers in delivery cycle.

In terms of distribution (sales channels), the Company promoted the upgrade from a position of weakness to strength. With focus on the adjustment of the top level, the Company can identify key regional growth opportunities in a systematic way to increase sales and expand the second-hand vehicle business.

Currently, the “Star-chained Manufacturing Network” has completed planning stage and construction period. During the planning stage, the Company has established the Star Chain LTP Group, the CIMC Light Tower Semi-trailer Business Group and the Tonghua Pioneer Semi-trailer Business Group, ensuring the new organizational model can meet business requirements. During the construction stage, the Company closely focused on the top-level strategic design of operation models and business planning, and established the Star-chained organization in a unified manner to refine the specific processes, enabling ongoing iteration of the Star-chained organization. Under the leadership of our management, the organization of “Star-chained Manufacturing Network” has achieved organic growth and independent operation.

The Company has completed the top-level design of the “Star-chained Manufacturing Network”, equipped with capabilities for fission and replication. Within the Star-chained architecture, the Company continued to expand the coverage of the “Star-chained Manufacturing Network”, which enhanced the synergy between domestic and foreign markets and significantly expanded incremental space.

The “Star-chained Manufacturing Network” will enter the full implementation stage since 2024. At this stage, the Company will take rigorous measures to undertake existing results and insights of the “Star-chained Manufacturing Network”, ensure the timely and high-quality implementation of the strategic design, shift from defensive to offensive thinking, and achieve the goals of the “Star-chained Manufacturing Network” with flexible mentality and means.

## ***Secondly, promoting “Sanhao Development Centers” and exploring new models for integrated development***

By deepening the cooperation with tractor manufacturers, the Company promoted the in-depth integration in seven aspects, namely product development, marketing organization, channel organization, brand building, marketing policy, promotion and delivery, and service coordination. Through jointly building “Sanhao Development Centers”, the Company and tractor manufacturers can give full play to their own advantages to develop solutions integrating tractors, bodies and vehicles, thus creating sustained value for customers and enhancing both sales and brand recognition. The development of “excellent in three areas”, namely “excellent tractors with excellent trailers”, “excellent horses with excellent saddles” and “excellent trucks with excellent tanks”, has become a valuable strategic exploration for the high-quality development of China’s commercial vehicles.

The Company has bolstered the layout of “Sanhao Development Centers” to increase the market share of its businesses. As at the end of 2023, the Company has established 12 “Sanhao Development Centers” in China, which are located in Xi’an, Dongguan, Guangzhou, Nanning, Zhengzhou, Kunming, Chengdu, Fuyang, Yinchuan, Shijiazhuang, Urumqi and Taiyuan. These “Sanhao Development Centers” have significantly enhanced the brand influence and sales volume of “excellent tractors with excellent trailers”, “excellent horses with excellent saddles” and “excellent trucks with excellent tanks”.



“Excellent tractors with excellent trailers” is a benchmark project for integrated road heavy trucks, which is jointly developed by the Company and tractor manufacturers. Through joint research and development, production and sales, the project will provide customers with the integrated heavy truck and semi-trailer featuring five excellent aspects, and promote the growth in sales and channel integration. “Excellent tractors with excellent trailers” is the first pioneering project for the integrated tractor and trailer in the world, and is undergoing accelerated development with the support of the version 2.0 of integrated tractor and trailer. In the future, the Company will continue to strengthen the technology research and development and the iterative optimization of the integrated tractor and trailer, and provide customers with better integrated tractor and trailer to create value for customers.

“Excellent horses with excellent saddles” focuses on the assemble and supporting business of dump truck and cargo truck bodies. The Company worked with tractor manufacturers in the integrated design of chassis and body, synchronized production scheduling and after-sales linkage. By integrating resources, the Company provided differentiated commercial vehicle products for the global market, which were highly recognized by the market. In face of increasingly stringent emission standards in the domestic market, the in-depth layout of new energy commercial vehicles and the steady improvement of demand in overseas markets, “excellent horses with excellent saddles” project will continue to carry out the innovative exploration of joint product technologies and joint marketing models, consolidate its position in the domestic market, and expand its share in overseas markets. Through enhancing the quality and cost-effectiveness of fully-assembled vehicles, the Company can provide global end users with integrated vehicles featuring 1+1>2.

“Excellent trucks with excellent tanks” is an innovative cooperation between the Company and tractor manufacturers in the tank truck sector, which is primarily engaged in the joint research and development, production, and sales of two core products, namely tank trailers and integrated concrete mixer trucks. Currently, the Company has successfully developed and launched the P2 plug-in hybrid new energy vehicles, and developed “Future Tank”, the first intelligent and safe tank semi-trailer for hazardous chemicals in the industry. In the future, the “excellent trucks with excellent tanks” business will continue to be customer-centric, and closely focus on products of “three excellent areas” and the value concept of “five excellent aspects”. Relying on its leading advantages in the development and sales of cutting-edge tank trucks, the business will pioneer the high-quality development of the specialty tank vehicle industry.

***Thirdly, adhering to intercontinental operation, and promoting “Deep Space Exploration Plan” and “Champion Tanker Growth Program” in North America***

Guided by the ideological framework of the “Star-chained Manufacturing Network” and in the context of the third venture, the Company promoted the “Deep Space Exploration Plan” in North America, advanced the transformation and upgrading of the governance structure, and completed the “shared narrowband evolution” of a series of products. As the North American Business enters uncharted waters, the Company has facilitated the sustainable and high-quality development of the North American Business while ensuring safe operations, by shaping a new development pattern and promoting the structural reforms in production organizations and methods.

Due to increasing competition in the European and Chinese markets, evolving market demands and accelerated technological innovation, many companies need to reassess their competitive edge and strategic positioning. The Champion Tanker Business Group continued to promote the “Champion Tanker Growth Program”, facilitate the integration and synergy of “Champion Tanker” and European liquid tank trailer businesses, step up the construction of the “Light Tower Manufacturing Network”, and enhance the comprehensive competitiveness of the supply chain, so as to adapt to market changes, constantly enhance customer value, secure the leading position of its tank truck business in major global markets, and empower the building of a unified global tank truck market.

***Fourthly, deepening organizational development and reform, and building a “stable and agile” organization***

During the implementation of the “Star-chained Manufacturing Network”, the Company deepened its organizational development and reform, and adopted a design that combines rigidity and softness to inject agile elements into the stable main organization. The Company strengthened the foundation of Star Chain LTP Group, facilitated the agile development of the CIMC Light Tower Semi-trailer Business Group and the Tonghua Pioneer Semi-trailer Business Group, and improved the construction of middle and back offices and governance structure of the “Star-chained Manufacturing Network. Moreover, the Company promoted the second transformation and upgrading of governance structure and senior management team of the Company, with a view to building a “stable and agile” organization.

The Company has established the Star-chained middle and back offices and virtual operation centers, which will provide a sound and unified organizational and institutional foundation for the “Star-chained Manufacturing Network”. The “Star-chained Manufacturing Network” involves a number of legal entities and personnel of the Company. By building a unified governance structure as well as middle and back organizations, the Company defined the governance structure organization and standard procedures to enhance organizational efficiency, which will provide standard services for organizations under the “Star-chained Manufacturing Network” and make meaningful attempts for the integration of subsequent businesses and organizations.

Meanwhile, the Company actively promoted the iterative capability building for the senior management team, and has successfully completed the “Senior Leadership Training Program”. In the future, the Company will prepare for and launch the “Future Leadership Improvement Program”, which aims to cultivate 30 to 50 core members of the senior management team to lead the third venture.

***Fifthly, completing the prototype development of new energy concrete mixer truck and promoting its commercialization***

The Company has a full knowledge of business scenarios of semi-trailers and is capable to define products. Since the launch of EV-RT exploration, the Company continued to deepen innovation to develop the innovation and entrepreneurship platform for the integrated new energy tractor and trailer (EV-RT), and formulate the architecture system and product standards for new-generation integrated new energy tractor and trailer. Currently, the project team has established a preliminary structure of EV-RT platform, completed the design, trial production and test calibration of prototype vehicle, achieved the communication between tractor and trailer, auxiliary trailer drive and energy recovery, and made exploration and breakthroughs in the coordinated control over driving force and braking force of tractors and trailers.

The research and development team started with short-distance scenarios, and gradually expanded to all scenarios and products. In 2023, the Company selected concrete mixer trucks as the first application scenario, and deepened the cooperation with tractor manufacturers to develop P2 plug-in EV-RT mixer trucks, to cater to the needs of “lowering vehicle costs, reducing energy consumption, and registering green license”. The new product has the advantage of stable cost performance, complies with national policies on new energy vehicles, and exhibits a strong economic effectiveness throughout its life cycle.



The Company provides customers with integrated solutions, promotes the concept of modular production for new energy products, and incorporates scenario-based modules based on the new energy tractors and trailers, with a view to gaining the first-mover advantage in the electric semi-trailers, overtaking in a different road, and promoting the reform of the industry.



### **3. *Business Plan for 2024***

The third venture consists of three stages. The first stage is the “Star-chained Manufacturing Network” from 2023 to 2025. The Company will fully promote the implementation of Star-chained sophisticated manufacturing system, significantly improve the semi-trailer business in internal circulation and Belt and Road markets, with substantial increases in revenue and production efficiency. The second stage is the testing phase for integrated new energy tractor and trailer from 2025 to 2027. During this stage, the Champion Tanker Business Group will transition into a phase of high-quality development, and the integrated tractor and trailer will emerge as an incremental business. The third stage spans from 2028 to 2030. The international circulation will usher in high-quality development, and the integrated tractor and trailer will incorporate into the international circulation, leading to a significant growth in international circulation businesses.

#### **1. *Star-Chained Light Tower Pioneer Group***

Under the efficient deployment of the “Star-chained Manufacturing Network”, the Star Chained Light Tower Pioneer Group will implement specialized production in alignment with the business group + LTP business model, gradually improve modular design, finalize modular products, and launch annual models and annual selected models on a regular basis. The Company will promote value marketing, increase the sales proportion of modular products, and enhance increase market sales and share. Meanwhile, the Star-Chained Light Tower Pioneer Group will continue to promote the implementation of the integrated tractor and trailer project, develop fully-assembled vehicle solutions, and promote the high-quality development of the integrated tractor and trailer.

In 2024, the “Star-chained Manufacturing Network” will enter the full implementation stage. The Company will build domestic semi-trailer new productive forces, seize a new round of transportation equipment “old for new” policy opportunities, aiming to achieve breakthroughs in the growth of semi-trailer business in China.

#### **2. *Champion Tanker Business Group***

The Champion Tanker Business Group will continue to promote the reshaping of LTP and LoM, and further expand the market coverage of the tank trailer business. The multi-brand operation will enable the rapid expansion of the scale of chemical logistics equipment, strengthen and refine the media segment. The Champion Tanker Business Group will reposition channel capabilities, optimize and upgrade existing channels, expand the distribution network, and provide a strong support for sales channels.

In terms of new energy vehicles, the Champion Tanker Business Group will promote the concept of modular production for new energy products, and incorporate scenario-based modules based on the new energy tractors and trailers, with a view to gaining the first-mover advantage in the electric semi-trailers, overtaking in a different road, and promoting the reform of the industry.

Meanwhile, on the new journey of the third venture and under the framework of intercontinental operation, the Champion Tanker Business Group will continue to promote the “Champion Tanker Growth Program”, and facilitate the integration and synergy of “Champion Tanker” and European liquid tank trailer businesses. Through building the “Light Tower Manufacturing Network”, the Champion Tanker Business Group will integrate resources, optimize supply chains, improve the quality and efficiency of products and services, and jointly promote the building of a unified global tank truck market. The Champion Tanker Business Group will build the international operation capabilities covering the entire value chain, and enhance the leading position of the Company’s tank truck business in major global markets.

### 3. *North American Business*

In 2024, the North American Business will continue to promote the transformation and upgrading of the governance structure, as well as the development of “shared narrowband evolution” project, so as to expand business scope, break supply bottlenecks and constraints, explore new development paths and achieve high-quality integration, thereby increasing the resilience of the North American Business. Meanwhile, the Company will promote the steady development of the North American Business.

As the demand for semi-trailers in North America returns to normal, the North American Business will continue to accelerate the modular upgrade of products, optimize the product delivery cycle, and reduce costs and increase efficiency through internal and external synergy, so as to adapt to the change of orders resulting from the changes in the market demand in North America and stabilize profitability.

### 4. *European Business*

As the demand in the European semi-trailer market slows down in 2024, the European Business will actively make breakthroughs and seek for incremental space relying on refined management, cost reduction and efficiency improvement.

The European Business will continue to improve the layout of LoM manufacturing plants, promote cost reduction and efficiency increase, and improve the supply of key components based on the global supply chain system, so as to consolidate the high-quality business development and increase the market share. Meanwhile, the European Business will actively explore new products and businesses, and introduce new development patterns with new growth opportunities.

### 5. *Dump Truck and Heavy Cargo Truck Business*

The Dump Truck and Heavy Cargo Truck Business will continue to upgrade its organizational structure and establish a strong market engine. It will maintain a stable market position, enhance the cost performance of products, develop differentiated competition, and ensure the steady improvement in stock businesses. The Dump Truck and Heavy Cargo Truck Business will also increase sales and improve profitability through the cooperation with high-quality channels, create a second growth curve to seek for multiple breakthroughs, and expand and transform towards “manufacturing + service”.

Meanwhile, the Dump Truck and Heavy Cargo Truck Business will capture development opportunities from the accelerated new energy transformation, give full play to the advantages of LTP+LoM delivery, and step up the local layout to seize the market share.

#### **4. *Risks to which the Company may be subject and responsive initiatives***

##### **1. *Macroeconomic fluctuation and industry cyclical risks***

The market demand for specialty vehicles is closely related to the development of national economy, infrastructure investment and construction, and environmental protection policies, etc. Affected by global macroeconomic fluctuations, the degree of industry prosperity and other factors, the industry in which the Company operates is cyclical to a certain extent. Any adverse changes in macro environment, market demand and the environment of competition in the future, which will adversely affect the business growth, product sales or production cost of the Company, will lead to a decline in the results of operations of the Company and adversely affect its sustainable profitability.

**Responsive Initiatives:** The Company is committed to promoting the technological innovation and compliant development of products in the industry, further building and improving the arrangements for major businesses or groups, thus enriching the revenue structure of main businesses of the Company and maintaining the sustainable competitive advantage of the Company in the complex environment. Meanwhile, the Company has always closely monitored the regulatory trend in the places where it operates, adjusted its business strategies in a timely manner, thoroughly studied the industry standards in the places where it operates, and continuously improved its products so as to ensure that the Company meets the conditions of its business licenses, and guarantees the sustainable and healthy development of its business.

##### **2. *Short supply of raw materials and risk of price fluctuations***

The Company's production process depends on the timely and stable supply of several raw materials, and parts and components. Despite stable partnerships established by the Company with major suppliers, sufficient supply of relevant raw materials, parts and components in the market, and relatively stable prices, any sudden and significant changes in production and operation of major suppliers, the quality of goods supplied or the period of supply of goods failing to meet the Company's requirements, any changes in the business relationship with the Company, or significant fluctuations of the supply prices and failure of the Company to adjust the selling price of products proportionally in a timely manner may have an adverse impact on the production and operation of the Company.

**Responsive Initiatives:** The Company will actively use the price and scale advantage created by centralized purchase channels as well as effective control of global supply chain platforms, to reduce purchase costs and the impact of fluctuations of raw material prices.

### 3. *Risks of international trade conflicts*

With the business model of “Intercontinental Operation, Local Manufacturing”, the overseas operation of the Company is subject to many risks and restrictions in relation to business operation in overseas countries and regions, such as overseas regulatory regulations, local industry standards, trade restrictions, technical barriers, protectionism and economic sanctions. During the Reporting Period, CIE, a subsidiary of the Company based in the United States, received a notice from the U.S. Customs and Border Protection (CBP), stating that CBP had initiated the EAPA investigation on whether the container chassis trailers and chassis subassemblies that were shipped by the Company’s DS Plant in Thailand to CIE in the United States evaded U.S. anti-dumping duties and countervailing duties imposed on Chinese-origin chassis and chassis subassemblies. The subject of the investigation was only one of the Company’s legal entities under North American Business. As of now, the relevant matters are in progress and no conclusion has been made to the investigation. Therefore, there is uncertainty about the impact of the EAPA investigation on the Group.

The Company is an A+H-share listed company. Upon receiving notice of CBP’s EAPA investigation, CIE responded swiftly at highest priority, and actively took relevant measures to cope with the EAPA investigation. The Company asserted that the existing business practice does not violate U.S. anti-dumping duties and countervailing duties or EAPA, and will protect the legitimate rights and interests of the Group. CIE recently received a notice from CBP that it has extended the final determination date of the EAPA investigation results from February 18, 2024 to April 18, 2024.

Responsive Initiatives: The Company actively promotes the strategic transformation of “Intercontinental Operation, Local Manufacturing” and will further increase its support for major businesses or groups, increase the layout of “Light Tower” Plants in overseas regions, improve the manufacturing capability of overseas plants and the global supply chain management capability, and enhance the Company’s development resilience under the new normal of the global economy.

### 4. *Risk of exchange rate fluctuations*

The Company’s revenue from sales to overseas customers is mainly quoted and settled in foreign currencies. The Company has hedged against the impact of exchange rate fluctuations through forward foreign exchange contracts and other measures. However, the Company will remain subject to the risk of exchange loss, in case of significant fluctuations in the exchange rate of the domestic currency against any foreign currency in the future as a result of any changes in the domestic and foreign economic environment, political situation, monetary policies and other factors.

Responsive Initiatives: The Company manages its foreign exchange risk by regularly reviewing its net exposure to foreign exchange risk, and carries out risk management by entering into foreign exchange forward contracts. The period of the Company’s hedging activities shall not exceed 12 months or the term of relevant borrowings. The management of the Company continuously monitors the market environment and its own foreign exchange risk profile, and considers taking appropriate hedging measures when necessary.

## 5. *Risks of research and development, and innovation*

The semi-trailer and specialty vehicles industries in the world are experiencing industrial upgrading, with the gradual increase in new energy transition, digitalization, automation and intellectualization, which puts greater demand on the technological innovation capacity and model innovation of semi-trailer and specialty vehicles manufacturing enterprises. If the products developed by the Company are not popular in the market, or if the Company cannot develop and manufacture competitive products according to market demand and industry standards, the Company may be subject to the risk of failure in research and development of new products, which may have a negative impact on its overall development.

**Responsive Initiatives:** In order to maintain its leading edge in the market, enhance its technical strength and core competitiveness, the Company continuously carries out innovation of new technologies and research and development of new products, continuously improves product performance and enriches product functions to meet the diversified needs of customers. The Company has always attached great importance to the role of technology research and development in driving its business development. In order to continuously improve its independent innovation capability and realize innovation-driven development, the Company has established relevant systems and policies that enable the Company to maintain its sustainable innovation capability, and has maintained a pool of core talents and trained core talents according to the needs of its strategic development.

## 6. *Risk from environmental protection policies*

As the philosophy of green development has become a development consensus, China has put greater demands on environmental protection and treatment, thus leading to higher pressure on manufacturing enterprises in terms of environmental protection and an increase in their investment in environmental protection. Manufacturing and transportation are important sectors for implementing the “carbon peaking and carbon neutrality” policy of China. China has also frequently published relevant policies to support green development, which specify the development goals and specific work arrangements, including the continuous decrease in carbon emission intensity, the significant decline in pollutant emission intensity and the steady improvement in energy efficiency. China has improved the green manufacturing system, and built green factories and green industrial parks, thus drawing a new blueprint for the 14th Five-Year Plan for Industrial Green Development. The production for the “Light Tower Manufacturing Network” of the Company is highly automated and intelligent. Occasional publication of policies of temporary power cuts for environmental protection around China in the future may have a negative impact on the realization of the due production capacities of its plants.

**Responsive Initiatives:** In the future, the Company will continuously practise low-carbon and green manufacturing and build the Sophisticated Manufacturing System represented by the “Light Tower Manufacturing Network”, and will apply automated, intelligent and digital environmental protection and emission reduction facilities to all production processes, so as to create a new driving force for the high quality development in China.

## **(IX) Disclosure under the Hong Kong Stock Exchange Listing Rules**

### **1. Significant Investments during the Reporting Period**

During the Reporting Period, the Group did not hold any significant investments including any investment in an investee company with a value of 5% or more of the Group's total assets.

### **2. Details of the Material Acquisitions and Disposals Related to Subsidiaries, Associates and Joint Ventures**

On February 17, 2023, the Company officially entered into the equity transfer agreement with CIMC Group in respect of transfer of equity of Shenzhen CIMC Special Vehicle Co., Ltd. with CIMC VEHICLE INVESTMENT HOLDINGS COMPANY LIMITED, a wholly-owned subsidiary of the Company. Pursuant to the equity transfer agreement, the Company and CIMC VEHICLE INVESTMENT HOLDINGS COMPANY LIMITED will sell their 75% and 25% equity interests in Shenzhen CIMC Special Vehicle, respectively, and CIMC Group will acquire 100% equity interest in Shenzhen CIMC Special Vehicle and all interests, benefits attached and all rights legally entitled, and all obligations assumed in accordance with laws. According to the terms in the equity transfer agreement in respect of transfer of equity of Shenzhen CIMC Special Vehicle Co., Ltd. and confirmed by both parties, the adjusted consideration of equity transfer was RMB1,316,998,600, payable in cash. After the Completion, the Company and CIMC VEHICLE INVESTMENT HOLDINGS COMPANY LIMITED will no longer hold any interest in Shenzhen CIMC Special Vehicle. Shenzhen CIMC Special Vehicle will no longer be a subsidiary of the Company, and Shenzhen CIMC Special Vehicle will no longer be included in the consolidated accounts of the Company. For relevant information, please refer to the announcements of the Company dated February 6, 2023, February 17, 2023 and the circular dated March 6, 2023.

On August 23, 2023, the Company entered into an equity transfer agreement with Shenzhen CIMC Investment Co., Ltd. and CIMC Vehicles (Group) Co., Ltd. regarding Shenzhen CIMC Tongchuang Supply Chain Co., Ltd. Pursuant to the equity transfer agreement, the Company agrees to sell and Shenzhen CIMC Investment Co., Ltd. agrees to acquire 3.7991% equity interests in Shenzhen CIMC Tongchuang Supply Chain Co., Ltd., at a Consideration of RMB22,286,900, payable in cash. Upon completion of the Disposal, the Company will cease to hold any equity interests in Shenzhen CIMC Tongchuang Supply Chain Co., Ltd. For relevant information, please refer to the announcement of the Company dated August 23, 2023.

Save as disclosed above, the Group has no other details of material acquisitions and disposals of subsidiaries, associates and joint ventures during the Reporting Period.

### **3. Plans for Significant Investment or Purchase of Capital Assets in the Future and its Financing Proposals**

Save as disclosed in "5. Use of Proceeds" in "VII. Investment Analysis" under Section IV "Management Discussion and Analysis" in this report, and the "2024 Regular Investment Plan" set out in the "Announcement on Resolutions of the Third Meeting of the Second Session of the Board of Directors in 2024" issued by the Company on March 21, 2024, as of the Date of the Announcement, the Group had no other plans for significant investment or purchase of capital assets in the future approved by the Board.

#### 4. *Liquidity and Financial Resources*

As at December 31, 2023, the Group had cash and cash equivalents of RMB5,894.1 million (December 31, 2022: RMB4,682.8 million). As at December 31, 2023, the Group had borrowings of RMB639.5 million (December 31, 2022: RMB881.8 million).

	As at December 31, 2023 <i>(RMB in millions)</i>	As at December 31, 2022 <i>(RMB in millions)</i>
<b>Long-term borrowings</b>		
– Bank borrowings	198.8	331.2
– Bank borrowings, guaranteed	42.0	–
<b>Subtotal</b>	<u>240.8</u>	<u>331.2</u>
<b>Current portion of long-term borrowings</b>		
– Bank borrowings	221.1	82.6
– Bank borrowings, guaranteed	–	–
<b>Subtotal</b>	<u>221.1</u>	<u>82.6</u>
<b>Short-term borrowings</b>		
– Bank borrowings	130.2	229.5
– Bank borrowings, guaranteed	40.1	238.4
– Loans from third parties	–	–
– Discounted bills	7.2	–
<b>Subtotal</b>	<u>177.5</u>	<u>468.0</u>
<b>Total borrowings</b>	<u><u>639.5</u></u>	<u><u>881.8</u></u>

*Note:* There is a difference in the mantissa between the the total amount directly added and the total amount. This difference is caused by the unit (RMB ten thousand) and rounding.

The table below sets forth the repayment periods of the Group’s borrowings as below:

	As at December 31, 2023 <i>(RMB in millions)</i>	As at December 31, 2022 <i>(RMB in millions)</i>
Within one year	398.6	550.6
One to two years	202.8	143.0
Two to five years	38.0	188.2
Over five years	–	–
<b>Total</b>	<u><u>639.5</u></u>	<u><u>881.8</u></u>

*Note:* Figures may not sum due to rounding to the nearest ten thousand.

During the Reporting Period, the Group's major cash inflow items are net cash inflow generated from operating activities of RMB1,790.2 million (2022: RMB1,153.9 million).

There is no seasonal variation in the Group's borrowing needs. As at December 31, 2023, the interest rate range for short-term borrowings was 2.8% to 6.4% (December 31, 2022: 0.8% to 6.0%), and the interest rate range for long-term borrowings was 3.1% to 4.7% (December 31, 2022: 4.0% to 4.7%). Borrowings at fixed interest rates were approximately RMB189.2 million (December 31, 2022: RMB355.1 million). It is expected that the Group's short-term borrowings will be repaid by its own funds or bank credit facilities. During the Reporting Period, the Group has maintained sufficient cash at bank and liquidity to repay all borrowings as they fell due, and there was no material default in terms of borrowings.

As at December 31, 2023, the Group had current assets of RMB16,521.5 million (December 31, 2022: RMB14,673.4 million), and current liabilities of RMB7,740.5 million (December 31, 2022: RMB8,128.2 million). As at December 31, 2023, the Group's current ratio was approximately 2.1 times (December 31, 2022: 1.8 times). The current ratio equals to total current assets divided by total current liabilities. The current ratio was improved as compared to 2022.

## **5. Capital Structure**

During the Reporting Period, the Group had been adopting a prudent financial management policy and handling capital expenditures with caution. After the Reporting Period, the Group will continue to monitor its liquidity and financial resources, and manage them to maintain a good gearing ratio. As at December 31, 2023, the Group's gearing ratio (equal to total debt divided by total equity multiplied by 100%) was 4.1% (December 31, 2022: 7.6%). The decrease in gearing ratio was mainly due to the decrease of the Group's total debt as at the end of the Reporting Period.

As at December 31, 2023, the Group's cash and cash equivalents were mainly denominated in Renminbi, HK dollars and US dollars, and borrowings were also mainly denominated in Renminbi, Great Britain Pound and Euro. The Group was exposed to foreign exchange risk primarily through sales and purchases, capital expenditures and other expenses that are denominated in a currency other than the functional currency of the relevant subsidiaries. The Group's foreign exchange exposure mainly arises from the conversion of Renminbi against US dollars, Thailand Baht, Great Britain Pound, HK dollars and Euro. The Group manages our foreign exchange risk by performing regular reviews of net foreign exchange exposure and minimizes these exposures through entering into foreign exchange forward contracts. The effective period of the Group's hedging activities must not exceed 12 months or the term of the relevant borrowings. The management of the Group continues to monitor the market environment and its own foreign exchange risk profile, and considers appropriate hedging measures when necessary. As at December 31, 2023, the notional amount of outstanding foreign exchange forward contracts held by the Group was converted to RMB286.9 million.



## **6. Capital Commitments**

As at December 31, 2023, the Group's capital commitments were approximately RMB13.8 million (December 31, 2022: approximately RMB70.1 million), representing a year-on-year decrease of 80%, mainly due to the gradual completion of purchase contracts which have been entered into but have not been performed in whole or in part in the previous year.

The Group has funded and will continue to fund a substantial portion of its capital commitments from operating cash flow and the proceeds from the Public Offering, and may utilize borrowings to provide required funds if a financing gap still exists. In 2023, our outstanding capital commitments were mainly attributable to the upgrading and improvement of factories and equipment and outward investment.

## **7. Pledge of the Group's Assets**

As at December 31, 2023, except for the guarantees for the pledge of bank deposits as disclosed in "Financial guarantees" in "8. Contingent Liabilities" under this section, the Group had no fixed assets pledged for the guarantees for property preservation in civil procedure (December 31, 2022: nil).

## **8. Contingent Liabilities**

### *Financial guarantees*

The Group entered into financial guarantee contracts relating to customer vehicle mortgage loans mainly with Huishang Bank, Postal Savings Bank of China, Industrial Bank, Sinotruk Auto Finance Co., Ltd. (重汽汽車金融有限公司) and CIMC Finance Company Ltd. (中集集團財務有限公司), etc. to provide guarantees in respect of banking facilities granted to dealers and customers of the Group, who had drawn down loans under banking facilities granted to settle outstanding payables arising from purchasing of vehicles from the Group. As at December 31, 2023, the outstanding balance of the above guarantees provided by the Group to dealers and customers totalled RMB808.1 million (December 31, 2022: RMB1,986.1 million), and the bank deposits pledged for these guarantees were RMB55.3 million (December 31, 2022: RMB113.0 million).

## **9. 2023 Final Dividend**

The Company is currently actively promoting the H Share Buy-back Offer and Withdrawal of Listing plan. Taking into account the scale of funds required for the H Share Buy-back Offer and Withdrawal of Listing plan the Company intends to implement, as well as the production or operation needs of the Company, while ensuring the capital needs of the Company's project construction, research and development, production and other daily operation, the Board of Directors recommended that the proposed profit distribution plan for 2023 is that no cash dividends will be distributed, no bonus shares will be issued and shares will not be converted from capital reserve into share capital.

## **10. Other Significant Events**

On February 19, 2024, the Company announced that CIE, a wholly-owned subsidiary of the Company in the United States, received a notification from the U.S. Customs and Border Protection (“**CBP**”) that it had initiated an investigation under the Enforce and Protect Act (the “**EAPA**”) into whether CIE had evaded U.S. anti-dumping duties (“**AD**”) and countervailing duties (“**CVD**”) by importing Chinese-origin chassis and chassis subassemblies that were transshipped through Thailand via DS Plant (another wholly-owned subsidiary of the Company). Upon receiving notice of CBP's EAPA investigation, the Group responded swiftly at highest priority, attached great importance to and actively took relevant measures to cope with the EAPA investigation, advocated that the existing business practice does not violate U.S. AD/CVD laws or EAPA and to protect both the legal rights and the interests of the Group. The investigation results are expected to be released on April 18, 2024. As of the date of the Report, CBP has not yet made conclusion to the investigation, and it is difficult to accurately estimate the impact this investigation may have on the production, operations, and financial performance of the Group. Therefore, there is uncertainty about the impact of the EAPA investigation on the Group. For details, please refer to the announcement of the Company issued on February 19, 2024.

## **11. Significant Events after the Reporting Period**

At the Ninth Meeting of the Second Session of the Board of Directors of the Company held on November 27, 2023 for the year 2023, the Company agreed to the potential proposal to repurchase all the issued H Shares in the issued share capital of the Company (other than those held by CIMC Group and its parties acting in concert with it) and authorized to carry out the relevant plan and preliminary preparatory work; At the Second Meeting of the Second Session of the Board of Directors for the year 2024 held on March 11, 2024, the Company considered and passed the “Proposal for the Company to Carry Out the H Shares Repurchase Offer and Delisting and Reduction of the Company's Registered Capital” and other related matters, and agreed to repurchase all the issued H Shares (other than those held by CIMC Group and its parties acting in concert with it) of 146,729,400 Shares at the H Shares Repurchase Offer Price of HK\$7.5 per Share, the total funding for the H Share Repurchase Offer is approximately HK\$1,100,470,500, which will be funded by the Company's internal cash resources. If the H Share Repurchase Offer becomes unconditional in all respects, the repurchased H Shares will be canceled, the registered capital of the Company will be reduced accordingly and the Company will apply to the Hong Kong Stock Exchange for withdrawal of the listing status of the H Shares. For details, please refer to the announcements of the Company issued on November 28, 2023, November 29, 2023, December 27, 2023, January 26, 2024, February 26, 2024 and March 11, 2024.

Save as disclosed herein, there were no significant changes subsequent to December 31, 2023 and as of the Date of the Announcement.

## 12. Events after the Balance Sheet Date

- (1) At the Ninth Meeting of the Second Session of the Board of Directors of the Company held on November 27, 2023 for the year 2023, the Company agreed to the potential proposal to repurchase all the issued H Shares in the issued share capital of the Company (other than those held by CIMC Group and its parties acting in concert with it) and authorized to carry out the relevant plan and preliminary preparatory work; At the Second Meeting of the Second Session of the Board of Directors for the year 2024 held on March 11, 2024, the Company considered and passed the “Proposal for the Company to Carry Out the H Shares Repurchase Offer and Delisting and Reduction of the Company’s Registered Capital” and other related matters, and agreed to repurchase all the issued H Shares (other than those held by CIMC Group and its parties acting in concert with it) of 146,729,400 Shares at the H Shares Repurchase Offer Price of HK\$7.5 per Share, the The total funding for the H Share Repurchase Offer is approximately HK\$1,100,470,500, which will be funded by the Company’s internal cash resources. If the H Share Repurchase Offer becomes unconditional in all respects, the repurchased H Shares will be canceled, the registered capital of the Company will be reduced accordingly and the Company will apply to the Hong Kong Stock Exchange for withdrawal of the listing status of the H Shares.
- (2) As the lessor, the Group’s undiscounted lease proceeds receivable after the balance sheet date are as follows:

	<i>Unit: RMB</i>
	<b>December 31, 2023</b>
Within 1 year	170,808,260.34
1 to 2 years	165,800,098.56
2 to 3 years	158,618,912.37
3 to 4 years	154,993,849.08
4 to 5 years	152,936,028.18
Over 5 years	<u>19,324,266.72</u>
<b>Total</b>	<b><u><u>822,481,415.25</u></u></b>

**V FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH CHINA ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES**

**Consolidated Balance Sheet as at December 31, 2023**

(All amounts in RMB unless otherwise stated)

	<i>Notes</i>	<b>December 31, 2023</b>	December 31, 2022
<b>ASSETS</b>			
<b>Current assets</b>			
Cash at bank and on hand		<b>6,010,493,754.22</b>	4,850,527,987.23
Financial assets held for trading		–	22,209,407.79
Derivative financial assets		<b>4,052,573.06</b>	6,161,436.00
Notes receivables	3	<b>116,104,599.18</b>	93,034,550.82
Accounts receivables	4	<b>3,676,322,131.75</b>	3,121,505,473.81
Receivables Financing	5	<b>236,715,903.76</b>	258,818,435.64
Advances to suppliers	6	<b>231,892,127.78</b>	239,789,397.31
Other receivables	7	<b>811,439,773.35</b>	232,452,952.37
Inventories		<b>5,126,507,013.11</b>	5,514,764,338.69
Current portion of non-current assets		<b>88,027,456.00</b>	88,906,160.21
Other current assets		<b>219,965,838.77</b>	245,182,741.32
<b>Total current assets</b>		<b><u>16,521,521,170.98</u></b>	<u>14,673,352,881.19</u>
<b>Non-current assets</b>			
Long-term receivables		<b>23,366,970.40</b>	13,964,818.87
Other non-current financial assets		<b>10,786,384.58</b>	10,786,384.58
Long-term equity investments		<b>225,783,156.07</b>	193,282,252.60
Investment properties		<b>390,311,689.15</b>	405,746,795.38
Fixed assets		<b>4,755,845,985.93</b>	4,933,210,366.18
Construction in progress		<b>173,473,647.19</b>	247,577,774.52
Right-of-use assets		<b>280,460,404.40</b>	238,375,993.30
Intangible assets		<b>771,646,990.03</b>	844,157,433.69
Goodwill		<b>427,569,019.55</b>	402,268,655.29
Long-term prepaid expenses		<b>18,706,855.83</b>	34,258,397.20
Deferred tax assets		<b>172,942,277.67</b>	143,858,729.81
Other non-current assets		<b>65,413,328.13</b>	76,389,581.39
<b>Total non-current assets</b>		<b><u>7,316,306,708.93</u></b>	<u>7,543,877,182.81</u>
<b>TOTAL ASSETS</b>		<b><u><u>23,837,827,879.91</u></u></b>	<u><u>22,217,230,064.00</u></u>

<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<i>Notes</i>	<b>December 31, 2023</b>	December 31, 2022
<b>Current liabilities</b>			
Short-term borrowings	8	177,548,038.46	467,995,600.44
Derivative financial liabilities		41,836.74	5,683,205.67
Notes payables	9	860,905,021.75	809,432,692.20
Accounts payables	10	3,335,563,804.55	3,740,535,444.53
Advances from customers		5,872,578.76	11,619,033.61
Contract liabilities	11	706,477,774.21	618,541,399.99
Employee benefits payable		817,026,253.83	640,955,242.09
Taxes payable		229,798,198.43	331,548,587.53
Other payables	12	1,056,870,944.51	1,142,928,896.80
Current portion of non-current liabilities		278,345,479.18	126,750,345.95
Other current liabilities		272,003,836.53	232,168,335.30
<b>Total current liabilities</b>		<b>7,740,453,766.95</b>	8,128,158,784.11
<b>Non-current liabilities</b>			
Long-term borrowings	13	240,808,622.53	331,206,865.99
Lease liabilities		214,636,063.27	188,590,165.71
Deferred income		72,186,852.46	71,970,975.17
Deferred tax liabilities		106,682,496.32	120,722,396.58
Other non-current liabilities		15,966,621.50	16,099,977.15
<b>Total non-current liabilities</b>		<b>650,280,656.08</b>	728,590,380.60
<b>Total liabilities</b>		<b>8,390,734,423.03</b>	8,856,749,164.71
<b>Shareholders' equity</b>			
Share capital		2,017,600,000.00	2,017,600,000.00
Capital reserve		4,800,640,940.30	4,800,309,693.04
Other comprehensive income		321,673,763.52	72,001,695.05
Special reserves		8,681,390.12	–
Surplus reserve		419,541,717.33	322,977,011.06
Undistributed profits		7,240,720,335.59	5,486,894,339.25
<b>Total equity attributable to shareholders of the Company</b>		<b>14,808,858,146.86</b>	12,699,782,738.40
Non-controlling interests		638,235,310.02	660,698,160.89
<b>Total shareholders' equity</b>		<b>15,447,093,456.88</b>	13,360,480,899.29
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>23,837,827,879.91</b>	22,217,230,064.00

**Balance Sheet of the Company as at December 31, 2023**

(All amounts in RMB unless otherwise stated)

<b>ASSETS</b>	<b>December 31, 2023</b>	<b>December 31, 2022</b>
<b>Current assets</b>		
Cash at bank and on hand	<b>2,469,076,879.88</b>	2,507,272,276.81
Receivables financing	<b>1,860,000.00</b>	289,100.00
Accounts receivables	<b>289,273,377.69</b>	279,253,005.24
Other receivables	<b>1,200,308,806.11</b>	1,044,980,628.00
Other current assets	<b>24,705,415.47</b>	5,818,797.75
<b>Total current assets</b>	<b><u>3,985,224,479.15</u></b>	<u>3,837,613,807.80</u>
<b>Non-current assets</b>		
Other non-current financial assets	<b>10,786,384.58</b>	10,786,384.58
Long-term equity investments	<b>5,848,060,577.62</b>	5,568,418,761.89
Investment properties	<b>2,253,738.26</b>	2,292,131.60
Fixed assets	<b>63,705,945.76</b>	27,868,641.57
Construction in progress	<b>6,782,927.56</b>	17,752,377.88
Right-of-use assets	<b>10,514,071.35</b>	11,775,617.49
Intangible assets	<b>42,178,990.50</b>	18,632,997.26
Long-term prepaid expenses	<b>1,537,726.01</b>	2,074,887.36
Other non-current assets	<b>1,515,000.00</b>	4,719,632.00
<b>Total non-current assets</b>	<b><u>5,987,335,361.64</u></b>	<u>5,664,321,431.63</u>
<b>TOTAL ASSETS</b>	<b><u><u>9,972,559,840.79</u></u></b>	<b><u><u>9,501,935,239.43</u></u></b>

<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>December 31, 2023</b>	December 31, 2022
<b>Current liabilities</b>		
Accounts payables	416,081.34	694,753.25
Contract liabilities	557,456.40	302,352.29
Employee benefits payable	193,263,258.25	138,316,748.67
Taxes payable	2,372,829.42	1,693,006.24
Other payables	1,719,008,487.46	1,664,424,174.78
Current portion of non-current liabilities	7,358,481.72	6,767,201.72
Other current liabilities	2,522,045.48	1,391,369.41
	<hr/>	<hr/>
<b>Total current liabilities</b>	<b>1,925,498,640.07</b>	1,813,589,606.36
	<hr/>	<hr/>
<b>Non-current liabilities</b>		
Lease liabilities	3,454,319.60	5,437,061.90
	<hr/>	<hr/>
<b>Total non-current liabilities</b>	<b>3,454,319.60</b>	5,437,061.90
	<hr/>	<hr/>
<b>Total liabilities</b>	<b>1,928,952,959.67</b>	1,819,026,668.26
	<hr/> <hr/>	<hr/> <hr/>
<b>Shareholders' equity</b>		
Share capital	2,017,600,000.00	2,017,600,000.00
Capital reserve	4,620,483,419.93	4,620,152,172.67
Other comprehensive income	18,436,287.93	18,436,287.93
Special reserves	–	–
Surplus reserve	419,541,717.33	322,977,011.06
Undistributed profits	967,545,455.93	703,743,099.51
	<hr/>	<hr/>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>8,043,606,881.12</b>	7,682,908,571.17
	<hr/>	<hr/>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>9,972,559,840.79</b>	9,501,935,239.43
	<hr/> <hr/>	<hr/> <hr/>

## Consolidated Income Statement for the Year Ended December 31, 2023

(All amounts in RMB unless otherwise stated)

Item	Notes	Year ended December 31,	
		2023	2022
<b>I. Revenue</b>	16	<b>25,086,577,013.05</b>	23,620,612,415.36
Less: Cost of sales	16	(20,330,353,377.21)	(20,483,415,549.37)
Taxes and surcharges		(97,652,124.57)	(90,667,099.09)
Selling expenses		(677,523,640.09)	(526,427,065.63)
Administrative expenses		(1,367,706,555.24)	(1,033,811,219.18)
Research and development expenses		(396,517,482.31)	(305,577,661.69)
Financial income	17	68,340,002.54	90,927,713.09
Including: Interest expenses	17	37,317,913.42	50,325,067.19
Interest income	17	121,707,452.39	73,299,541.36
Add: Other income	20	68,691,039.16	76,964,384.28
Investment income/(losses)	21	1,094,826,678.73	(23,910,442.91)
Including: Share of profit of associates and joint ventures		12,955,250.98	827,837.27
Fair value losses	22	(99,441.31)	(7,346,053.56)
Credit impairment losses	19	(70,585,659.76)	(30,571,517.45)
Asset impairment losses	18	(125,641,525.25)	(38,321,104.02)
Gains on disposals of assets	23	12,318,686.84	224,181,720.41
<b>II. Operating profit</b>		<b>3,264,673,614.58</b>	1,472,638,520.24
Add: Non-operating income	24	9,159,339.88	11,946,394.12
Less: Non-operating expenses	25	(13,068,339.00)	(9,805,896.48)
<b>III. Profit before income tax</b>		<b>3,260,764,615.46</b>	1,474,779,017.88
Less: Income tax expenses	26	(813,003,671.70)	(361,171,952.63)
<b>IV. Profit for the year</b>		<b>2,447,760,943.76</b>	1,113,607,065.25
<b>Classified by business continuity</b>			
Net profit from continuing operations		2,447,760,943.76	1,113,607,065.25
Net profit from discontinued operations		–	–
<b>Classified by ownership</b>			
<b>Net profit attributable to shareholders of the Company</b>		<b>2,455,670,702.61</b>	1,117,958,345.49
Net profit attributable to non-controlling interests		(7,909,758.85)	(4,351,280.24)



Item	Notes	Year ended December 31,	
		2023	2022
<b>V. Other comprehensive income, net of tax</b>		<b><u>249,652,115.55</u></b>	<u>200,901,441.01</u>
Attributable to shareholders of the Company		<b>249,672,068.47</b>	201,007,623.74
Items that may be reclassified subsequently to profit or loss		<b>249,672,068.47</b>	201,007,623.74
Fair value changes on conversion date over the book value for investment property		-	182,967.06
Currency translation differences		<b>249,672,068.47</b>	200,824,656.68
Attributable to non-controlling interests		<b>(19,952.92)</b>	(106,182.73)
<b>VI. Total comprehensive income</b>		<b><u>2,697,413,059.31</u></b>	<u>1,314,508,506.26</u>
Attributable to shareholders of the Company		<b>2,705,342,771.08</b>	1,318,965,969.23
Attributable to non-controlling interests		<b>(7,929,711.77)</b>	(4,457,462.97)
<b>VII. Earnings per share</b>			
Basic earnings per share (RMB)	27	<b>1.22</b>	0.55
Diluted earnings per share (RMB)	27	<b>1.22</b>	0.55

## Income Statement of the Company for the Year Ended December 31, 2023

(All amounts in RMB unless otherwise stated)

	Year ended December 31,	
	2023	2022
<b>I. Revenue</b>	<b>85,800,242.20</b>	71,738,713.30
Less: Cost of sales	–	(363,117.78)
Taxes and surcharges	<b>(563,068.51)</b>	(352,394.92)
Selling expenses	<b>(9,972,168.07)</b>	(8,997,305.10)
Administrative expenses	<b>(265,047,781.02)</b>	(137,425,144.18)
Research and development expenses	<b>(21,871,199.35)</b>	(15,622,551.40)
Financial income	<b>21,453,663.45</b>	26,882,350.12
Including: Interest expenses	<b>33,662,708.15</b>	20,450,779.64
Interest income	<b>60,047,385.23</b>	44,904,541.68
Add: Other income	<b>2,369,511.98</b>	824,129.10
Investment income	<b>1,302,243,349.66</b>	680,614,482.03
Including: investment income in associates and joint ventures	<b>13,382,051.83</b>	3,094,630.52
Fair value (losses)/gains	<b>(38,393.34)</b>	2,813,223.07
Credit impairment losses	<b>(1,365,209.64)</b>	(1,551,707.42)
(Losses)/Gains on disposal of assets	<b>(74,352.73)</b>	1,093.49
<b>II. Operating profit</b>	<b>1,112,934,594.63</b>	618,561,770.31
Add: Non-operating income	<b>249,094.27</b>	126,711.46
Less: Non-operating expenses	<b>(698,146.87)</b>	(570.86)
<b>III. Profit before income tax</b>	<b>1,112,485,542.03</b>	618,687,910.91
Less: Income tax expenses	<b>(146,838,479.34)</b>	–
<b>IV. Profit for the year</b>	<b>965,647,062.69</b>	618,687,910.91
<b>Classified by business continuity</b>		
Net profit from continuing operations	<b>965,647,062.69</b>	618,687,910.91
Net profit from discontinued operations	–	–
<b>V. Other comprehensive income, net of tax</b>	–	–
<b>VI. Total comprehensive income</b>	<b>965,647,062.69</b>	618,687,910.91

## Consolidated Cash Flow Statement for the Year Ended December 31, 2023

(All amounts in RMB unless otherwise stated)

Item	Year ended December 31,	
	2023	2022
<b>I. Cash flows from operating activities</b>		
Cash received from sales of goods or rendering of services	23,243,813,337.04	26,726,930,256.55
Refund of taxes and surcharges	293,399,585.56	286,841,120.73
Cash received relating to other operating activities	270,425,159.39	357,439,427.54
	<u>23,807,638,081.99</u>	<u>27,371,210,804.82</u>
<b>Sub-total of cash inflows from operating activities</b>		
Cash paid for goods and services	(16,539,190,662.78)	(22,320,524,950.56)
Cash paid to and on behalf of employees	(2,476,300,281.95)	(1,906,226,834.10)
Payments of taxes and surcharges	(1,717,365,128.51)	(1,080,982,275.09)
Cash paid relating to other operating activities	(1,284,578,362.51)	(909,569,229.05)
	<u>(22,017,434,435.75)</u>	<u>(26,217,303,288.80)</u>
<b>Sub-total of cash outflows from operating activities</b>		
<b>Net cash generated from operating activities</b>	<u>1,790,203,646.24</u>	<u>1,153,907,516.02</u>
<b>II. Cash flows from investing activities</b>		
Cash received from disposals of investments	63,239,888.31	15,375,458.78
Cash received from returns on investments	20,387,027.68	1,041,792.00
Proceeds from disposal of fixed assets, intangible assets and other long-term assets	88,701,049.27	369,935,539.33
Proceeds from disposal of associates and joint ventures	790,011,777.37	–
	<u>962,339,742.63</u>	<u>386,352,790.11</u>
<b>Sub-total of cash inflows from investing activities</b>		
Payment for fixed assets, intangible assets and other long-term assets	(519,114,791.93)	(537,739,078.21)
Cash paid for investments	(45,000,000.00)	(95,422,744.67)
Payments for acquisition of a subsidiary	(9,427,902.99)	–
Cash paid relating to other investing activities	(41,464,315.85)	(19,155,837.10)
	<u>(615,007,010.77)</u>	<u>(652,317,659.98)</u>
<b>Sub-total of cash outflows from investing activities</b>		
<b>Net cash Generated from/(used in) investing activities</b>	<u>347,332,731.86</u>	<u>(265,964,869.87)</u>

Item	Year ended December 31,	
	2023	2022
<b>III. Cash flows from financing activities</b>		
Cash received from capital injections	7,990,689.12	100,000,000.00
Including: Cash injection from non-controlling interests	7,990,689.12	50,000,000.00
Proceeds from borrowings	486,751,546.69	1,418,373,117.98
<b>Sub-total of cash inflows from financing activities</b>	<b>494,742,235.81</b>	<b>1,518,373,117.98</b>
Repayments of borrowings	(732,683,330.59)	(1,891,636,361.89)
Cash payments for dividends distribution and interest expenses of borrowings	(658,675,960.38)	(508,519,135.53)
Including: dividends paid to non-controlling interests of subsidiaries	(21,534,982.01)	(59,847,285.41)
Cash payments relating to other financing activities	(77,691,979.28)	(72,320,043.62)
<b>Sub-total of cash outflows from financing activities</b>	<b>(1,469,051,270.25)</b>	<b>(2,472,475,541.04)</b>
<b>Net cash used in financing activities</b>	<b>(974,309,034.44)</b>	<b>(954,102,423.06)</b>
<b>IV. Effect of foreign exchange rate changes on cash and cash equivalents</b>	<b>48,007,359.81</b>	<b>54,273,611.68</b>
<b>V. Net increase/(decrease) in cash and cash equivalents</b>	<b>1,211,234,703.47</b>	<b>(11,886,165.23)</b>
Add: Cash and cash equivalents at the beginning of the year	4,682,817,168.35	4,694,703,333.58
<b>VI. Cash and cash equivalents at the end of the year</b>	<b>5,894,051,871.82</b>	<b>4,682,817,168.35</b>

**Cash Flow Statement of the Company for the Year Ended December 31, 2023**

(All amounts in RMB unless otherwise stated)

Item	Year ended December 31,	
	2023	2022
<b>I. Cash flows from operating activities</b>		
Cash received from sales of goods or rendering of services	78,235,829.24	37,258,052.03
Refund of taxes and surcharges	–	13,200,830.31
Cash received relating to other operating activities	88,038,563.54	54,765,873.91
<b>Sub-total of cash inflows from operating activities</b>	<b>166,274,392.78</b>	<b>105,224,756.25</b>
Cash paid to and on behalf of employees	(109,315,253.99)	(101,732,238.10)
Payments of taxes and surcharges	(158,819,565.03)	(3,298,845.63)
Cash paid relating to other operating activities	(127,555,867.35)	(60,521,172.29)
<b>Sub-total of cash outflows from operating activities</b>	<b>(395,690,686.37)</b>	<b>(165,552,256.02)</b>
<b>Net cash used in operating activities</b>	<b>(229,416,293.59)</b>	<b>(60,327,499.77)</b>
<b>II. Cash flows from investing activities</b>		
Cash received from disposals of investments	615,302,580.17	290,397,914.39
Cash received from return on investments	589,429,142.00	599,488,110.16
Proceeds from disposal of fixed assets, intangible assets and other long-term assets	323,301.94	17,118.14
Proceeds from disposal of associates and joint ventures	–	–
Cash received from other investing activities	169,588,727.84	364,734,539.08
<b>Sub-total of cash inflows from investing activities</b>	<b>1,374,643,751.95</b>	<b>1,254,637,681.77</b>
Payment for fixed assets, intangible assets and other long-term assets	(49,699,251.19)	(29,001,127.32)
Cash paid for investments	(356,247,317.12)	(572,255,300.00)
Cash paid relating to other investing activities	(300,000,000.00)	(431,500,000.00)
<b>Sub-total of cash outflows from investing activities</b>	<b>(705,946,568.31)</b>	<b>(1,032,756,427.32)</b>
<b>Net cash generated from investing activities</b>	<b>668,697,183.64</b>	<b>221,881,254.45</b>

Item	Year ended December 31,	
	2023	2022
<b>III. Cash flows from financing activities</b>		
Cash received from capital injections	–	–
Cash received relating to other financing activities	<u>2,493,350,297.62</u>	<u>954,941,580.52</u>
<b>Sub-total of cash inflows from financing activities</b>	<u>2,493,350,297.62</u>	<u>954,941,580.52</u>
Cash payments for dividends distribution and interest expenses of borrowings	(605,280,000.00)	(403,520,000.00)
Cash payments relating to other financing activities	<u>(2,365,766,663.09)</u>	<u>(333,425,749.70)</u>
<b>Sub-total of cash outflows from financing activities</b>	<u>(2,971,046,663.09)</u>	<u>(736,945,749.70)</u>
<b>Net cash (used in)/generated from financing activities</b>	<u>(477,696,365.47)</u>	<u>217,995,830.82</u>
<b>IV. Effect of foreign exchange rate changes on cash and cash equivalents</b>	<u>220,078.49</u>	<u>(1,389,932.74)</u>
<b>V. Net (decrease)/increase in cash and cash equivalents</b>	(38,195,396.93)	378,159,652.76
Add: Cash and cash equivalents at the beginning of the year	<u>2,507,272,276.81</u>	<u>2,129,112,624.05</u>
<b>VI. Cash and cash equivalents at the end of the year</b>	<u><u>2,469,076,879.88</u></u>	<u><u>2,507,272,276.81</u></u>

**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED DECEMBER 31, 2022**  
(All amounts in RMB unless otherwise stated)

Item	Attributable to shareholders of the parent						Total shareholders' equity	
	Share capital	Capital surplus	Other comprehensive income	Surplus reserve	Undistributed profits	Sub-total		Non controlling interests
<b>Balance at January 1, 2022</b>	2,017,600,000.00	4,754,868,324.01	(129,005,928.69)	261,108,219.97	4,834,324,784.85	11,738,895,400.14	647,678,560.24	12,386,573,960.38
<b>Movements for the year</b>								
Total comprehensive income	-	-	-	-	1,117,958,345.49	1,117,958,345.49	(4,351,280.24)	1,113,607,065.25
Profit for the year	-	-	201,007,623.74	-	-	201,007,623.74	(106,182.73)	200,901,441.01
Other comprehensive income	-	-	-	-	-	-	-	-
Sub-total	-	-	201,007,623.74	-	1,117,958,345.49	1,318,965,969.23	(4,457,462.97)	1,314,508,506.26
Capital injections by shareholder								
Others	-	20,894,688.06	-	-	-	20,894,688.06	-	20,894,688.06
Appropriation to surplus reserves	-	-	-	61,868,791.09	(61,868,791.09)	-	-	-
Profit distribution to shareholders and non controlling interests	-	-	-	-	(403,520,000.00)	(403,520,000.00)	(63,456,908.14)	(466,976,908.14)
Capital injections from non controlling interests	-	7,240,367.41	-	-	-	7,240,367.41	41,363,510.99	48,603,878.40
Transactions with non controlling interests	-	16,644,560.82	-	-	-	16,644,560.82	39,570,460.77	56,215,021.59
Others	-	661,752.74	-	-	-	661,752.74	-	661,752.74
<b>Balance at December 31, 2022</b>	2,017,600,000.00	4,800,309,693.04	72,001,695.05	322,977,011.06	5,486,894,339.25	12,699,782,738.40	660,698,160.89	13,360,480,899.29

**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED DECEMBER 31, 2023**  
(All amounts in RMB unless otherwise stated)

Item	Attributable to shareholders of the Company							Total shareholders' equity	
	Share capital	Capital surplus	Other comprehensive income	Special reserves	Surplus reserve	Undistributed profits	Sub-total		Non controlling interests
<b>Balance at 1 January 2023</b>	2,017,600,000.00	4,800,309,693.04	72,001,695.05	-	322,977,011.06	5,486,894,339.25	12,699,782,738.40	660,698,160.89	13,360,480,899.29
<b>Movements for the period</b>									
Total comprehensive income	-	-	-	-	-	2,455,670,702.61	2,455,670,702.61	(7,909,758.85)	2,447,760,943.76
Profit for this period	-	-	249,672,068.47	-	-	-	249,672,068.47	(19,952.92)	249,652,115.55
Other comprehensive income	-	-	-	-	-	-	-	-	-
Sub-total	-	-	249,672,068.47	-	-	2,455,670,702.61	2,705,342,771.08	(7,929,711.77)	2,697,413,059.31
Capital injections by shareholder									
Profit sharing	-	-	-	-	96,564,706.27	(96,564,706.27)	-	-	-
Appropriation to surplus reserves	-	-	-	-	-	(605,280,000.00)	(605,280,000.00)	(25,264,275.82)	(630,544,275.82)
Profit distribution to shareholders and non controlling interests	-	-	-	-	-	-	-	9,023,850.12	9,023,850.12
Capital injections from non controlling interests	-	331,247.26	-	-	-	-	331,247.26	-	331,247.26
Others	-	-	-	-	-	-	-	-	-
Withdrawal and use of production safety fee									
- Withdrawal of Special reserves	-	-	-	35,001,165.02	-	-	35,001,165.02	4,900,909.21	39,902,074.23
- Use of Special reserves	-	-	-	(26,319,774.90)	-	-	(26,319,774.90)	(3,193,622.61)	(29,513,397.51)
<b>Balance at 31 December 2023</b>	2,017,600,000.00	4,800,640,940.30	321,673,763.52	8,681,390.12	419,541,717.33	7,240,720,335.59	14,808,858,146.86	638,235,310.02	15,447,093,456.88



**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED  
DECEMBER 31, 2022**

(All amounts in RMB unless otherwise stated)

Item	Share capital	Capital surplus	Other comprehensive income	Surplus reserve	Undistributed profits	Total shareholders' equity
<b>Balance at January 1, 2022</b>	<u>2,017,600,000.00</u>	<u>4,620,483,419.93</u>	<u>18,436,287.93</u>	<u>261,108,219.97</u>	<u>550,443,979.69</u>	<u>7,468,071,907.52</u>
<b>Movements for the year</b>						
Total comprehensive income						
Profit for the year	-	-	-	-	618,687,910.91	618,687,910.91
Other comprehensive income	-	-	-	-	-	-
Sub-total	-	-	-	-	618,687,910.91	618,687,910.91
Appropriation to surplus reserves	-	-	-	61,868,791.09	(61,868,791.09)	-
Profit distribution to shareholders	-	-	-	-	(403,520,000.00)	(403,520,000.00)
Others	-	(331,247.26)	-	-	-	(331,247.26)
<b>Balance at December 31, 2022</b>	<u><u>2,017,600,000.00</u></u>	<u><u>4,620,152,172.67</u></u>	<u><u>18,436,287.93</u></u>	<u><u>322,977,011.06</u></u>	<u><u>703,743,099.51</u></u>	<u><u>7,682,908,571.17</u></u>

**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED  
DECEMBER 31, 2023**

(All amounts in RMB unless otherwise stated)

Item	Share capital	Capital surplus	Other comprehensive income	Surplus reserve	Undistributed profits	Total shareholders' equity
Balance at January 1, 2023	<u>2,017,600,000.00</u>	<u>4,620,152,172.67</u>	<u>18,436,287.93</u>	<u>322,977,011.06</u>	<u>703,743,099.51</u>	<u>7,682,908,571.17</u>
<b>Movements for the year</b>						
Total comprehensive income						
Profit for the year	-	-	-	-	965,647,062.69	965,647,062.69
Other comprehensive income	-	-	-	-	-	-
Sub-total	-	-	-	-	965,647,062.69	965,647,062.69
Appropriation to surplus reserves	-	-	-	96,564,706.27	(96,564,706.27)	-
Profit distribution to shareholders	-	-	-	-	(605,280,000.00)	(605,280,000.00)
Others	-	331,247.26	-	-	-	331,247.26
Balance at December 31, 2023	<u><u>2,017,600,000.00</u></u>	<u><u>4,620,483,419.93</u></u>	<u><u>18,436,287.93</u></u>	<u><u>419,541,717.33</u></u>	<u><u>967,545,455.93</u></u>	<u><u>8,043,606,881.12</u></u>

## 1. GENERAL INFORMATION

CIMC Vehicles (Group) Co., Ltd. (the “**Company**”) is a sino-foreign joint venture approved for incorporation by Wai Jing Mao Shen He Zi Zheng Zi (1996) No. 0861 issued by the People’s Government of Shenzhen on August 29, 1996. The Company was listed and traded on the Main Board of the Stock Exchange of Hong Kong Limited on July 11, 2019. The Company was listed and traded on the ChiNext Market of the Shenzhen Stock Exchange on July 8, 2021. As of December 31, 2023, the total share capital of the company was RMB2,017,600,000.00, each with par value of RMB1.00.

The place of registration of the Company is No. 2, Gangwan Avenue, Shekou, Nanshan District, Shenzhen, Guangdong province, the People’s Republic of China (the “**PRC**”).

The Company and its subsidiaries (hereinafter collectively referred to as the “**Group**”) are mainly engaged in design, manufacturing and sales of an extensive range of semi-trailers and truck bodies for specialty vehicles and provision of relevant services in China, North America, Europe and other regions.

The ultimate holding company of the Company is China International Marine Containers (Group) Co., Ltd. (“**CIMC Group**”), which is established in the PRC and has its H shares and A shares listing on the Stock Exchange of Hong Kong Limited and the Shenzhen Stock Exchange of the PRC, respectively.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

### 2.1 Basis of preparation

The financial statements were prepared in accordance with the Basic Standard and specific standards of the Accounting Standards for Business Enterprises issued by the Ministry of Finance on February 15, 2006, the Application Guidance for Accounting Standards for Business Enterprises, the Interpretations of Accounting Standards for Business Enterprises and other relevant regulations issued by the Ministry of Finance (hereafter collectively referred to as “**the Accounting Standards for Business Enterprises**” or “**CAS**”) and the disclosure requirements in the Preparation Convention of Information Disclosure by Companies Offering Securities to the Public No.15 – General Rules on Financial Reporting issued by the China Securities Regulatory Commission.

The financial statements are prepared on a going concern basis.

Some notes in this financial statement have been disclosed in accordance with requirements of the Hong Kong Companies Ordinance.

### 2.2 Statement of compliance with the Accounting Standards for Business Enterprises

The financial statements of the Company for the year ended December 31, 2023 are in compliance with the Accounting Standards for Business Enterprises, and truly and completely present the financial position of the Consolidated and the Company as at December 31, 2023 and of their financial performance, cash flows and other information for the year then ended.

### 2.3 Accounting year

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

### 2.4 Functional currency

The functional currency of the Company is Renminbi. Subsidiaries of the Company determine their functional currency according to the main economic environment in which they operate. The functional currency of the Company and its domestic subsidiaries is Renminbi. The functional currency of Hong Kong and overseas subsidiaries is the local currency. Currencies other than the functional currency are foreign currencies. Financial statements of the Company are presented in Renminbi.

## 2.5 Preparation of consolidated financial statements

The scope of consolidated financial statements is based on control and the consolidated financial statements comprise the Company and its subsidiaries.

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

When the accounting period or accounting policies of a subsidiary are different from those of the Company, the Company makes necessary adjustments to the financial statements of the subsidiary based on the Company's own accounting period or accounting policies. Where a subsidiary was acquired a business combination involving enterprises not under common control, the Group adjusts its financial statements based on the fair value of identifiable assets and liabilities at the acquisition date.

All significant inter-group balances, transactions and unrealised profits are eliminated in the consolidated financial statements. The portion of a subsidiary's equity and the portion of a subsidiary's net profit and loss for the period as well as comprehensive income not attributable to Company are recognized as minority interests, net profit and loss attributable to minority interests as well as and comprehensive income attributable to minority interests presented separately in the consolidated financial statements within equity and net profit as well as total comprehensive income respectively. If the current loss shared by the minority shareholders of a subsidiary exceeds the minority shareholders' share of the beginning owners' equity of the subsidiary, the balance shall be offset against the minority shareholders' equity. The unrealised profit and loss arising from sales of assets to subsidiaries by the Company are fully eliminated against net profit attributable to owners of the Company. The unrealised profit and loss arising from sales of assets to the Company by subsidiaries are eliminated against net profit attributable to owners of the Company as well as net profit attributable to minority interests respectively according to the Company and minority interests' shareholding on the subsidiaries. The unrealised profit and loss arising from sales of assets between subsidiaries are eliminated against net profit attributable to owners of the Company as well as net profit attributable to minority interests respectively according to the Company and minority interests' share holdings on the subsidiary who sold.

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

## 2.6 Significant changes in accounting policies

The Ministry of Finance ("MOF") issued Interpretation No. 16 of the Accounting Standards for Business Enterprises ("**Interpretation No. 16**") in 2022. The Group and the Company implemented the new leasing standard from January 1, 2021 and recognized deferred income tax on a net basis related to temporary differences in lease liabilities and right-of-use assets. Starting from January 1, 2023, the Group and the Company implemented the accounting treatment in Interpretation No. 16 regarding the non-applicability of the initial recognition exemption for deferred income taxes related to assets and liabilities arising from a single transaction and recognized deferred income tax assets and deferred income tax liabilities for the equivalent deductible temporary differences and taxable temporary differences arising from the above transactions and disclosed them separately in the notes, and the related note disclosure as of December 31, 2022 has been adjusted accordingly. The related note disclosures as of December 31, 2022 have been adjusted accordingly. The above provisions of Interpretation 16 have no impact on the Group's and the Company's current profit or loss for the year 2022, and the items in the statements as of January 1, 2022 and December 31, 2022, respectively.

### 3. NOTES RECEIVABLES

	<b>December 31, 2023</b>	December 31, 2022
Trade acceptance notes	<b>104,805,407.83</b>	36,400,973.57
Bank acceptance notes	<b>13,262,375.28</b>	57,586,756.68
Less: Provision for bad debts	<b>(1,963,183.93)</b>	(953,179.43)
	<b><u>116,104,599.18</u></b>	<b><u>93,034,550.82</u></b>

As of December 31, 2023, the Group has no pledged bankers' acceptances presented as notes receivable (December 31, 2022: RMB3,255,345.28).

As of December 31, 2023 and December 31, 2022, there were no pledged trade acceptance notes.

In fiscal year 2023, the Group endorsed and discounted bankers' acceptances and almost all the risks and rewards of their ownership had been transferred to other parties, the carrying value of bankers' acceptances that were derecognized accordingly amounted to RMB15,788,290.32 and RMB0, respectively, and the amount of the related discounting loss was included in investment income.

As of December 31, 2023, the amount of the Group's endorsed or discounted but not yet due bank acceptance notes and trade acceptance notes as shown in the notes receivable was RMB71,004,778.40 (December 31, 2022: RMB49,369,267.55) and RMB14,397,115.04 (December 31, 2022: 13,000,000.00), respectively.

#### **Provision for bad debts**

Notes receivable of the Group are generated from daily business activities such as selling goods and providing services. No matter whether there is significant financing component or not, the provision for loss is measured

The provision for bad debts of note receivables are as follows:

For bank acceptance notes:

As of December 31, 2023, the Group shall measure the allowance for bad debts in accordance with the expected credit losses during the entire period of existence. The provision for bad debts was RMB66,318.48 (December 31, 2022: RMB172,760.27), Included in revenue of RMB106,441.79 (December 31, 2022:RMB41,301.55) for the period. The Group believes that there is no significant credit risk in the bank acceptance notes held by the Group and no significant loss will occur due to bank default.

For trade acceptance notes:

As of December 31, 2023, the Group shall measure the allowance for bad debts in accordance with the expected credit losses during the entire period of existence. The provision for bad debts was RMB1,896,865.45 (December 31, 2021: RMB780,419.16), Included in losses of RMB1,116,446.29 (December 31, 2022:RMB27,640.33) for the period.

The provisions accrued in 2023 was RMB1,963,183.93 (2022: RMB953,179.43), The provisions collected or reversed in 2023 was RMB953,179.43 (2022: RMB966,840.65).

No notes receivables were written off in 2023 and 2022.

#### 4. ACCOUNTS RECEIVABLES

	December 31, 2023	December 31, 2022
Accounts receivables	3,936,735,654.67	3,294,607,520.44
Less: Provision for bad debts	<u>(260,413,522.92)</u>	<u>(173,102,046.63)</u>
	<b><u>3,676,322,131.75</u></b>	<b><u>3,121,505,473.81</u></b>

The credit terms of trade receivables granted by the Group are generally ranged from 30 days to 180 days.

The ageing analysis of accounts receivables from the date of the initial recognition was as follows:

	December 31, 2023	December 31, 2022
Within 1 year (inclusive)	3,717,772,998.44	3,083,345,472.07
1 to 2 years (inclusive)	110,963,483.60	145,766,591.22
2 to 3 years (inclusive)	53,978,949.08	16,981,204.75
Over 3 years	<u>54,020,223.55</u>	<u>48,514,252.40</u>
	<b><u>3,936,735,654.67</u></b>	<b><u>3,294,607,520.44</u></b>

In 2023 and 2022, the Group has no accounts receivables derecognized due to transfer of financial asset.

#### Provision for bad debts

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

Receivables that are assessed for impairment on a collective group basis are as follows:

	December 31, 2023		
	Book balance	Provision for bad debts	
	Amount	Lifetime Expected credit losses rate	Amount
Not overdue	2,536,713,861.63	2.09%	52,912,312.95
Overdue within 1 year	1,245,492,652.57	8.17%	101,767,472.75
Overdue 1 to 2 years	62,550,956.38	36.80%	23,021,261.92
Overdue 2 to 3 years	40,527,514.75	77.14%	31,261,805.96
Overdue over 3 years	<u>51,450,669.34</u>	100.00%	<u>51,450,669.34</u>
	<b><u>3,936,735,654.67</u></b>		<b><u>260,413,522.92</u></b>
	December 31, 2022		
	Book balance	Provision for bad debts	
	Amount	Lifetime Expected credit losses rate	Amount
Not overdue	2,314,106,991.08	2.11%	48,891,105.80
Overdue within 1 year	817,078,983.64	4.78%	39,091,986.01
Overdue 1 to 2 years	108,661,396.91	29.84%	32,422,846.36
Overdue 2 to 3 years	13,035,538.25	84.17%	10,971,497.90
Overdue over 3 years	<u>41,724,610.56</u>	100.00%	<u>41,724,610.56</u>
	<b><u>3,294,607,520.44</u></b>		<b><u>173,102,046.63</u></b>

The provision for bad debts this year amounted to RMB104,679,684.23 (2022: RMB50,093,473.90). A provision for bad debts amounted to RMB15,961,338.48 has been collected or reversed (2022: RMB17,678,619.18). In 2023 and 2022, the Group had no significant collection or reversal of accounts receivable.

No accounts receivable was written off in current year (2022: RMB7,495,847.35, the provision for bad debts amounted to RMB7,495,847.35). In 2023 and 2022, the Group had no significant written-off of accounts receivable.

As at December 31, 2023 and December 31, 2022, the Group had no accounts receivables pledged to the bank as a guarantee for short-term borrowings.

## 5 RECEIVABLES FINANCING

	<b>December 31, 2023</b>	December 31, 2022
Bank acceptance notes	<b>237,439,755.05</b>	259,594,363.78
Less: provision for bad debts	<b>(723,851.29)</b>	(775,928.14)
	<b><u>236,715,903.76</u></b>	<b><u>258,818,435.64</u></b>

The Group had no bank acceptance notes with single provision for impairment. As at December 31, 2023, the Group have measured provision as lifetime expected credit loss amounted to RMB723,851.29 (December 31, 2022: RMB775,928.14) Included in revenue of RMB52,076.85 (December 31, 2022: RMB811,325.60) for the period. The Group believes there was no significant credit risk of the bank acceptance notes and will not cause significant losses due to bank default.

In fiscal year 2023, some subsidiaries of the Group discounted and endorsed a portion of bankers' acceptances depending on their daily fund management needs and met the conditions for derecognition, and the business model for managing the above notes receivable was based on the collection of contractual cash flows as well as the sale of notes receivable. Therefore, bankers' acceptances meeting the above conditions and business model were classified as financial assets at fair value through other comprehensive income. Financial assets at fair value through other comprehensive income. In fiscal year 2023, the Group endorsed and discounted bankers' acceptances and almost all the risks and rewards of their ownership had been transferred to other parties, and the carrying value of the corresponding derecognized bankers' acceptances amounted to RMB3,321,198,377.98 and RMB514,045,814.23, respectively, and the related discount losses were included in investment income.

The Group pledged some bank acceptance notes for the purpose of issuing bank acceptance notes. As at December 31, 2023, the amount of pledged bank acceptance notes receivable disclosed in receivables financing was RMB2,000,000.00 (December 31, 2022: RMB7,309,187.09),

As at December 31, 2023, the Group's endorsed or discounted but not yet due notes receivable listed in receivables financing are as follows:

	<b>Derecognized</b>	<b>Not Derecognized</b>
Bank acceptance notes	<b><u>2,284,422,072.53</u></b>	<b><u>—</u></b>

There is no actual write-off of accounts receivable financing in 2023 and 2022.

## 6 ADVANCES TO SUPPLIERS

Ageing analysis of advances to suppliers was as follows:

	December 31, 2022		December 31, 2021	
	Amount	% of total balance	Amount	% of total balance
Within 1 year (inclusive)	222,528,576.90	95.96%	232,061,848.59	96.77%
1 to 2 years (inclusive)	8,038,895.62	3.47%	7,333,582.50	3.06%
2 to 3 years (inclusive)	1,105,743.76	0.48%	88,358.00	0.04%
Over 3 years	218,911.50	0.09%	305,608.22	0.13%
	<b>231,892,127.78</b>	<b>100.00%</b>	<b>239,789,397.31</b>	<b>100.00%</b>

As at December 31, 2023, the prepayments aged over one year amounted to RMB9,363,550.88 (December 31, 2022: RMB7,727,548.72), which were mainly prepayments for raw materials. Since the raw materials have not been delivered, the payment has not been settled.

A summary analysis of the top five prepayments with balances aggregated by party owed at December 31, 2023 is presented below:

	Amounts	Percentage of total advances
Total advances with top five balances	86,534,914.98	37.32%

## 7 OTHER RECEIVABLES

	December 31, 2023	December 31, 2022
Amounts due from related parties	552,228,056.61	29,484,444.99
Other receivables from staffs	6,619,764.20	6,133,672.18
Tax refund receivables	60,175.62	5,473,976.92
Rental and other deposits	124,242,326.19	90,975,981.36
Disbursement of vehicle mortgage loans	10,386,008.56	25,253,825.91
Receivable form equity/assets transfer	23,831,481.47	10,902,601.47
Reimbursed expenses	67,037,102.09	60,552,852.44
Vendor rebates	18,541,794.16	18,181,653.37
Others	19,307,352.58	8,373,996.12
	<b>822,254,061.48</b>	<b>255,333,004.76</b>
Less: provision for bad debts	<b>(10,814,288.13)</b>	<b>(22,880,052.39)</b>
	<b>811,439,773.35</b>	<b>232,452,952.37</b>



Ageing analysis of advances to suppliers was as follows:

	<b>December 31, 2023</b>	December 31, 2022
Within 1 year (inclusive)	<b>743,766,292.29</b>	156,751,395.39
1 to 2 years (inclusive)	<b>40,003,939.52</b>	67,856,634.49
2 to 3 years (inclusive)	<b>13,417,165.60</b>	1,875,538.66
Over 3 years	<b>25,066,664.07</b>	28,849,436.22
	<b><u>822,254,061.48</u></b>	<b><u>255,333,004.76</u></b>

As of December 31, 2023 and December 31, 2022, the Group had no individual provision for bad debts.

The provision for bad debts this year amounted to RMB6,810,413.77 (2022: RMB16,704,790.10). A provision for bad debts amounting to RMB9,083,581.54 had been collected or reversed (2022: RMB6,807,305.27).

The other receivables amounting to RMB1,426,632.32 was written off in current year (2022: RMB7,613,608.84), and the provision for bad debts amounted to RMB1,426,632.32 (2022: RMB7,613,608.84). Shenzhen CIMC Special Vehicle was disposed of during the period, resulting in a decrease in the book value of other receivables by RMB8,365,964.17 and a decrease in the provision for bad debts by RMB8,365,964.17.

## 8 SHORT-TERM BORROWINGS

	<b>December 31, 2023</b>	December 31, 2022
Guaranteed		
RMB	<b>40,086,750.68</b>	92,595,662.64
GBP	–	32,796,571.32
THB	–	113,055,174.92
	<b><u>40,086,750.68</u></b>	<b><u>238,447,408.88</u></b>
Unsecured		
RMB	<b>89,065,743.04</b>	30,025,361.07
USD	–	119,414,625.49
EUR	<b>20,828,205.00</b>	19,670,685.00
GBP	<b>20,329,875.00</b>	60,437,520.00
	<b><u>130,223,823.04</u></b>	<b><u>229,548,191.56</u></b>
Pledged		
RMB	<b>7,237,464.74</b>	–
	<b><u>177,548,038.46</u></b>	<b><u>467,995,600.44</u></b>

The Group's short-term guaranteed borrowings include the guaranteed borrowings of CIMC Taizijie Vehicle Body Manufacturing (Jiangmen) Co., Ltd., and Zhumadian CIMC Huajun Casting Co., Ltd (all of which are subsidiaries of the Group) amounted to RMB40,086,750.68, all of which are guaranteed by the Company.

As at December 31, 2023, the pledged bank borrowings of RMB7,237,464.74 (31 December 2022: nil) were short-term borrowings obtained by Discounting of commercial acceptance bills of the Group's subsidiary, Luoyang CIMC Linyu AUTOMOBILE Co., Ltd, and Wuhu CIMC RUIJIANG AUTOMOBILE Co., Ltd.

As of December 31, 2023, the interest rate of short-term borrowing ranged from 2.80% to 6.43% (December 31, 2022: 0.80% to 5.98%).

## 9 NOTES PAYABLES

	<b>December 31, 2023</b>	December 31, 2022
Trade acceptance notes	<b>185,030,103.25</b>	101,965,578.70
Bank acceptance notes	<b>675,874,918.50</b>	707,467,113.50
	<b>860,905,021.75</b>	809,432,692.20

## 10 ACCOUNTS PAYABLES

	<b>December 31, 2023</b>	December 31, 2022
Related parties	<b>173,579,904.82</b>	221,415,018.33
Third parties	<b>3,161,983,899.73</b>	3,519,120,426.20
	<b>3,335,563,804.55</b>	3,740,535,444.53

As at December 31, 2023, accounts payables aged over one year amounted to RMB51,546,044.92 (December 31, 2022: RMB78,645,390.80), mainly for materials payable, which have not yet been settled.

The ageing of accounts payables according to the date of its entry is as follows:

	<b>December 31, 2023</b>	December 31, 2022
Within 30 days	<b>1,919,912,547.12</b>	2,207,910,273.84
31 to 60 days	<b>534,670,049.94</b>	935,903,109.43
61 to 90 days	<b>339,984,368.56</b>	136,928,659.54
Over 90 days	<b>540,996,838.93</b>	459,793,401.72
	<b>3,335,563,804.55</b>	3,740,535,444.53

## 11 CONTRACT LIABILITIES

	December 31, 2023	December 31, 2022
Advances from customers	<u>706,477,774.21</u>	<u>618,541,399.99</u>

In 2023, revenue of RMB593,900,061.43 (2022: RMB531,925,097.04) was recognized for those which was included in the contract liabilities balance at the beginning of the year.

## 12 OTHER PAYABLES

	December 31, 2023	December 31, 2022
Amounts due to related parties	67,391,374.56	96,122,124.09
Dividends due to non controlling interests	7,521,250.00	3,791,956.19
Accrued expenses	401,365,178.89	296,076,966.01
Deposits for quality guarantees and temporary receipts	307,624,017.00	412,161,288.86
Freights expenses payable	58,377,969.78	37,389,419.25
Payables for equipment	105,397,974.01	159,932,835.76
Payables and advance for land use rights	23,934,472.69	23,934,472.69
Payable of acquisitions	10,932,782.29	10,932,782.29
Others	74,325,925.29	102,587,051.66
	<u>1,056,870,944.51</u>	<u>1,142,928,896.80</u>

## 13 LONG-TERM BORROWINGS

	December 31, 2023	December 31, 2022
Guaranteed (i)	60,068,750.00	–
Unsecured	<u>401,838,595.51</u>	<u>413,805,730.98</u>
	<u>461,907,345.51</u>	<u>413,805,730.98</u>
Less: current portion of long-term borrowings		
Guaranteed	(18,020,625.00)	–
Unsecured	<u>(203,078,097.98)</u>	<u>(82,598,864.99)</u>
	<u>(221,098,722.98)</u>	<u>(82,598,864.99)</u>
	<u>240,808,622.53</u>	<u>331,206,865.99</u>

(i) At December 31, 2023, The Group's long-term secured borrowings are secured borrowings provided by the Group to Kunming CIMC Vehicle Industrial Park Development Co., Ltd. (December 31, 2022, the long-term bank guaranteed loan was nil).

As at December 31, 2023, the interest rate of long-term borrowings ranged from 3.05% to 4.65% (December 31, 2022: 4.00% to 4.65%).

14 MONETARY ITEMS DENOMINATED IN FOREIGN CURRENCY

	Functional currency	December 31, 2023 Exchange Rate	In RMB
Monetary fund			
USD	262,568,264.30	7.0936	1,862,554,239.67
EUR	10,150,069.24	7.8597	79,776,499.22
HKD	29,622,605.89	0.9077	26,888,439.37
AUD	7,844,608.95	4.8534	38,073,025.07
GBP	27,692,648.15	9.0355	250,216,922.39
THB	948,496,900.42	0.2073	196,623,407.46
Others			43,642,133.39
			<u>2,497,774,666.57</u>
Accounts receivables			
USD	250,045,586.97	7.0936	1,773,723,375.76
EUR	5,349,155.82	7.8597	42,042,759.99
HKD	2,699,000.00	0.9077	2,449,882.30
AUD	6,808,975.86	4.8534	33,046,683.44
JPY	88,224,610.09	0.0501	4,422,435.03
GBP	26,090,212.89	9.0355	235,738,118.61
THB	42,411,955.76	0.2073	8,791,998.43
Others			39,311,596.61
			<u>2,139,526,850.17</u>
Other receivables			
USD	6,982,282.95	7.0936	49,529,522.35
EUR	3,004,649.25	7.8597	23,615,641.69
HKD	36,760,485.73	0.9077	33,367,492.90
AUD	381,199.82	4.8534	1,850,115.21
THB	210,718,853.55	0.2073	43,682,018.34
Others			3,655,442.71
			<u>155,700,233.20</u>

	Functional currency	December 31, 2023 Exchange Rate	In RMB
Short-term borrowings			
EUR	2,650,000.00	7.8597	20,828,205.00
GBP	2,250,000.00	9.0355	20,329,875.00
			<u>41,158,080.00</u>
Accounts payables			
USD	73,452,229.97	7.0936	521,040,738.49
EUR	4,151,872.14	7.8597	32,632,469.48
HKD	1,859.56	0.9077	1,687.92
AUD	75,921.47	4.8534	368,477.28
GBP	29,757,833.69	9.0355	268,876,906.30
THB	16,219,162.36	0.2073	3,362,232.36
Others			4,349,929.09
			<u>830,632,440.92</u>
Other payables			
USD	3,659,224.40	7.0936	25,957,074.21
EUR	538,882.00	7.8597	4,235,450.86
HKD	39,759,040.29	0.9077	36,089,280.87
AUD	3,793,287.29	4.8534	18,410,340.53
GBP	1,272,301.00	9.0355	11,495,875.69
THB	26,081,340.40	0.2073	5,406,661.87
Others			8,730,276.16
			<u>110,324,960.19</u>

The above-mentioned foreign currency monetary items refer to all currencies except RMB.

## 15 UNDISTRIBUTED PROFITS

	Year ended December 31,	
	2023	2022
Undistributed profits at the beginning of the year	<b>5,486,894,339.25</b>	4,834,324,784.85
Add: Net profit attributable to the shareholder of the Company	<b>2,455,670,702.61</b>	1,117,958,345.49
Less: Appropriation for surplus reserve	<b>(96,564,706.27)</b>	(61,868,791.09)
Dividends paid	<b>(605,280,000.00)</b>	(403,520,000.00)
Undistributed profits at the end of the year	<u><b>7,240,720,335.59</b></u>	<u>5,486,894,339.25</u>

Approved by the shareholders' general meeting on 25 May 2023, the Company distributed cash dividends to the shareholder of the Company, at RMB0.3 per share (tax included). Calculated according to 2,017,600,000 shares issued, totaling to RMB605,280,000.00. The Company has paid the above dividend in July 2023 to all shareholders.

Approved by the shareholders' general meeting on 31 May 2022, the Company distributed cash dividends to the shareholder of the Company, at RMB0.2 per share (tax inclusive). Calculated according to 2,017,600,000 shares issued, totaling at RMB403,520,000.00.

16 REVENUE AND COST OF SALES

	Year ended December 31,	
	2023	2022
Revenue from main operations	<b>24,721,795,934.78</b>	23,397,710,446.29
Revenue from other operations	<b>364,781,078.27</b>	222,901,969.07
	<b><u>25,086,577,013.05</u></b>	<b><u>23,620,612,415.36</u></b>

	Year ended December 31,	
	2023	2022
Cost of sales from main operations	<b>20,147,331,502.56</b>	20,401,996,431.49
Cost of sales from other operations	<b>183,021,874.65</b>	81,419,117.88
	<b><u>20,330,353,377.21</u></b>	<b><u>20,483,415,549.37</u></b>

Revenue and cost of sales from main operations

	Year Ended December 31, 2023		Year Ended December 31, 2022	
	Revenue from main operations	Cost of sales from main operations	Revenue from main operations	Cost of sales from main operations
Sales of vehicles	<b>21,933,398,001.86</b>	<b>17,811,075,440.32</b>	20,778,578,566.71	18,189,406,702.53
Sales of parts and components	<b>2,440,021,387.62</b>	<b>2,114,358,597.78</b>	2,221,737,967.12	1,981,475,724.43
Others	<b>348,376,545.30</b>	<b>221,897,464.46</b>	397,393,912.46	231,114,004.53
	<b><u>24,721,795,934.78</u></b>	<b><u>20,147,331,502.56</u></b>	<b><u>23,397,710,446.29</u></b>	<b><u>20,401,996,431.49</u></b>

Revenue and cost of sales from other operations

	Year Ended December 31, 2023		Year Ended December 31, 2022	
	Revenue from other operations	Cost of sales from other operations	Revenue from other operations	Cost of sales from other operations
Sales of scrap	<b>94,870,475.49</b>	<b>1,922,087.31</b>	108,590,393.43	8,529,709.19
Others	<b>269,910,602.78</b>	<b>181,099,787.34</b>	114,311,575.64	72,889,408.69
	<b><u>364,781,078.27</u></b>	<b><u>183,021,874.65</u></b>	<b><u>222,901,969.07</u></b>	<b><u>81,419,117.88</u></b>

Disaggregation of revenue:

	Year ended December 31,	
	2023	2022
Revenue		
— Recognized at a point in time	<b>24,764,821,045.94</b>	23,264,407,681.07
— Recognized over time	<b>154,870,603.69</b>	190,609,948.39
Rental income	<b>166,885,363.42</b>	165,594,785.90
	<b><u>25,086,577,013.05</u></b>	<b><u>23,620,612,415.36</u></b>

The rental income of the Group are from the rental of our own buildings, machinery and equipment, motor vehicles, electronic and other equipment.

**17 FINANCIAL INCOME**

	<b>Year ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
Interest expenses on borrowings	<b>32,284,167.11</b>	46,807,635.68
Add: Interest expense on lease liabilities	<b>11,133,958.11</b>	10,625,764.84
Government grants	<b>(6,100,211.80)</b>	(7,108,333.33)
	<hr/>	<hr/>
Sub-total	<b>37,317,913.42</b>	50,325,067.19
Less: Interest income	<b>(121,707,452.39)</b>	(73,299,541.36)
Exchange losses	<b>11,341,695.51</b>	(76,212,516.26)
Others	<b>4,707,840.92</b>	8,259,277.34
	<hr/>	<hr/>
	<b>(68,340,002.54)</b>	(90,927,713.09)
	<hr/> <hr/>	<hr/> <hr/>

**18 ASSET IMPAIRMENT LOSSES**

	<b>Year ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
Provision for inventories and costs incurred to fulfil a contract	<b>113,280,721.11</b>	38,412,877.63
Losses on impairment of fixed asset	<b>12,271,186.93</b>	–
Others	<b>89,617.21</b>	(91,773.61)
	<hr/>	<hr/>
	<b>125,641,525.25</b>	38,321,104.02
	<hr/> <hr/>	<hr/> <hr/>

**19 CREDIT IMPAIRMENT LOSSES**

	<b>Year ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
(Provision)/reversal of provision for notes receivables	<b>1,010,004.50</b>	(13,661.22)
Provision for accounts receivables	<b>88,718,345.75</b>	32,414,854.72
Reversal of provision for receivables financing	<b>(52,076.85)</b>	(811,325.60)
Provision/(reversal of provision) for other receivables	<b>(2,273,167.77)</b>	9,897,484.83
Provision for long-term receivables (including current portion of non-current assets)	<b>1,251,955.66</b>	3,206,206.23
Reversal of provision for financial guarantee contracts	<b>(18,069,401.53)</b>	(14,122,041.51)
	<hr/>	<hr/>
	<b>70,585,659.76</b>	30,571,517.45
	<hr/> <hr/>	<hr/> <hr/>

**20 OTHER INCOME**

	<b>Year ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
Government grants	<b>60,546,788.29</b>	74,441,701.39
– Asset related	<b>8,641,707.57</b>	12,784,207.92
– Revenue related	<b>51,905,080.72</b>	61,657,493.47
Extra deductible VAT	<b>7,449,312.26</b>	1,164,853.37
Tax refunds	<b>694,938.61</b>	1,357,829.52
	<hr/>	<hr/>
	<b>68,691,039.16</b>	76,964,384.28
	<hr/> <hr/>	<hr/> <hr/>

**21 INVESTMENT INCOME/(LOSSES)**

	<b>Year ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
Share of net profit of associates and joint ventures	<b>12,955,250.98</b>	827,837.27
(Losses)/income from disposals of associates and joint ventures	<b>1,108,855,449.64</b>	(3,322.91)
(Losses)/income from disposals of derivative financial instruments	<b>(25,093,063.43)</b>	(19,155,837.10)
Income from disposals of financial assets held for trading	<b>5,319,605.46</b>	–
Investment losses from financial assets held for trading during the holding period	<b>1,114,394.99</b>	(412,216.68)
Losses from discounted notes receivables	<b>(8,324,958.91)</b>	(5,166,903.49)
	<b><u>1,094,826,678.73</u></b>	<b><u>(23,910,442.91)</u></b>

**22 FAIR VALUE LOSSES**

	<b>Year ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
Fair value gains on investment properties	<b>(17,619,000.83)</b>	9,956,174.98
Fair value change on financial assets held for trading	<b>18,054,732.82</b>	(18,500,587.98)
Fair value change on derivative financial instruments	<b>(535,173.30)</b>	(1,582,725.14)
Fair value change on other non-current financial assets	–	2,781,084.58
	<b><u>(99,441.31)</u></b>	<b><u>(7,346,053.56)</u></b>

**23 GAINS ON DISPOSALS OF ASSETS**

	<b>Year ended December 31, 2023</b>	<b>Year ended December 31, 2022</b>	<b>Amount recognized in non-recurring profit or loss in 2023</b>
Gains on disposals of fixed assets	<b>27,262,100.76</b>	203,128,131.67	<b>27,262,100.76</b>
Loss on disposals of fixed assets	<b>(14,869,061.20)</b>	(13,015,215.40)	<b>(14,869,061.20)</b>
Gains on disposals of intangible assets	<b>(74,352.72)</b>	34,068,804.14	<b>(74,352.72)</b>
	<b><u>12,318,686.84</u></b>	<b><u>224,181,720.41</u></b>	<b><u>12,318,686.84</u></b>



24 NON-OPERATING INCOME

	Year ended December 31, 2023	Year ended December 31, 2022	Amount recognized in non-recurring profit or loss in 2023
Unpayable payables	2,704,417.19	2,635,859.82	2,704,417.19
Penalty income	3,521,102.08	7,580,525.19	3,521,102.08
Compensation income	1,147,551.81	336,962.36	1,147,551.81
Others	1,786,268.80	1,393,046.75	1,786,268.80
	<u>9,159,339.88</u>	<u>11,946,394.12</u>	<u>9,159,339.88</u>

25 NON-OPERATING EXPENSES

	Year ended December 31, 2023	Year ended December 31, 2022	Amount recognized in non-recurring profit or loss in 2023
Losses on disposals of fixed assets	8,321,260.28	3,195,718.80	8,321,260.28
Compensation expenses	1,721,414.52	3,293,507.70	1,721,414.52
Penalty expenses	422,037.80	2,543,711.43	422,037.80
Donations	215,000.00	9,220.00	215,000.00
Others	2,388,626.40	763,738.55	2,388,626.40
	<u>13,068,339.00</u>	<u>9,805,896.48</u>	<u>13,068,339.00</u>

26 INCOME TAX EXPENSES

	Year ended December 31,	
	2023	2022
Current income tax calculated based on tax law and related regulations	856,127,119.82	381,516,622.36
Deferred income tax	(43,123,448.12)	(20,344,669.73)
	<u>813,003,671.70</u>	<u>361,171,952.63</u>

Reconciliation between income tax expense and profit before income tax at applicable tax rates is as follows:

	<b>Year ended December 31, 2023</b>	Year ended December 31, 2022
Profit before income tax	<b>3,260,764,615.46</b>	1,474,779,017.88
Income tax calculated at applicable tax rates	<b>815,191,153.87</b>	368,694,754.47
Effect of different tax rates	<b>(11,454,036.98)</b>	(51,282,750.82)
Effect of tax rate changes	<b>(1,021,552.23)</b>	(301,367.50)
Income not subject to tax	<b>(22,792,493.54)</b>	(2,019,966.80)
Expenses not deductible for tax purposes	<b>13,705,038.68</b>	19,440,819.46
Utilization of previously unrecognized deductible tax losses and temporary differences	<b>(25,088,782.69)</b>	(3,664,824.59)
Adjustment on taxation in previous year	<b>(9,618,152.28)</b>	(7,998,970.30)
Temporary differences for which no deferred income tax asset was recognized	<b>24,241,569.72</b>	1,987,334.24
Tax losses for which no deferred income tax asset was recognized	<b>60,266,201.33</b>	60,495,230.57
Research and development expenses bonus deduction	<b>(30,425,274.18)</b>	(24,178,306.10)
Income tax expenses	<b>813,003,671.70</b>	361,171,952.63

The income tax rates applicable to the Company and major subsidiaries are set out below:

	<b>Year ended December 31, 2023</b>	Year ended December 31, 2022	Taxation basis
The Company	<b>25%</b>	25%	taxable income
Subsidiaries in mainland China	<b>15%-25%</b>	15%-25%	taxable income
Subsidiaries in Hong Kong	<b>16.5%</b>	16.5%	taxable income
Subsidiaries in BVI	-	-	taxable income
Subsidiaries in Australia	<b>30%</b>	30%	taxable income
Subsidiaries in Thailand	<b>20%</b>	20%	taxable income
Subsidiaries in South Africa	<b>28%</b>	28%	taxable income
Subsidiaries in USA	<b>25%-28%</b>	25%-26%	taxable income
Subsidiaries in Netherlands	<b>19%-25.8%</b>	16.5%-25%	taxable income
Subsidiaries in German	<b>15%</b>	15%	taxable income
Subsidiaries in Belgium	<b>25%</b>	25%	taxable income
Subsidiaries in Poland	<b>19%</b>	19%	taxable income
Subsidiaries in UK	<b>25%</b>	19%	taxable income
Subsidiaries in Russia	<b>20%</b>	20%	taxable income
Subsidiaries in Vietnam	<b>20%</b>	20%	taxable income
Subsidiaries in Malaysia	<b>24%</b>	24%	taxable income
Subsidiaries in Bahrain	-	-	taxable income
Subsidiaries in Canada	<b>25%-26.5%</b>	28%	taxable income
Subsidiaries in Djibouti	-	-	taxable income

## 27 EARNINGS PER SHARE

### Basic earnings per share

The basic earnings per share is calculated by dividing profit attributable to the owners of the Company by the weighted average of outstanding ordinary shares.

	<b>Year ended December 31,</b>	
	<b>2023</b>	2022
Consolidated net profit attributable to ordinary shareholders of the Company	<b>2,455,670,702.61</b>	1,117,958,345.49
Weighted average number of ordinary shares outstanding	<b>2,017,600,000.00</b>	2,017,600,000.00
Basic earnings per share (RMB/share)	<b><u>1.22</u></b>	<b><u>0.55</u></b>
Including:		
– Going concern basic earnings per share:	<b><u>1.22</u></b>	<b><u>0.55</u></b>

### Diluted earnings per share

Diluted earnings per share is calculated by dividing net profit attributable to ordinary shareholders of the Company adjusted based on the dilutive potential ordinary shares by the adjusted weighted average number of ordinary shares outstanding. There were no dilutive potential ordinary shares for the year ended December 31, 2023 and 2022, and therefore, diluted earnings per share are the same as the basic earnings per share.

## **VI. OTHER INFORMATION**

### **(1) Purchase, Sale or Redemption of Listed Securities**

At the Ninth Meeting of the Second Session of the Board of Directors of the Company held on November 27, 2023 for the year 2023, the Company agreed to the potential proposal to repurchase all the issued H Shares in the issued share capital of the Company (other than those held by CIMC Group and its parties acting in concert with it) and authorized to carry out the relevant plan and preliminary preparatory work; At the Second Meeting of the Second Session of the Board of Directors for the year 2024 held on March 11, 2024, the Company considered and passed the “Proposal for the Company to Carry Out the H Shares Repurchase Offer and Delisting and Reduction of the Company’s Registered Capital” and other related matters, and agreed to repurchase all the issued H Shares (other than those held by CIMC Group and its parties acting in concert with it) of 146,729,400 Shares at the H Shares Repurchase Offer Price of HK\$7.5 per Share, the total funding for the H Share Repurchase Offer is approximately HK\$1,100,470,500, which will be funded by the Company’s internal cash resources. If the H Share Repurchase Offer becomes unconditional in all respects, the repurchased H Shares will be canceled, the registered capital of the Company will be reduced accordingly and the Company will apply to the Hong Kong Stock Exchange for withdrawal of the listing status of the H Shares. For details, please refer to the announcements of the Company issued on November 28, 2023, November 29, 2023, December 27, 2023, January 26, 2024, February 26, 2024 and March 11, 2024.

As of the date of this Announcement, the Company had not yet started the repurchase of shares.

Save as disclosed above, there was no purchase, sale or redemption of any listed securities by the Company or its subsidiaries during the Reporting Period.

### **(2) Corporate Governance**

#### ***Corporate Governance Practices***

During the Reporting Period, the Company has complied with the applicable code provisions under Part 2 of the Corporate Governance Code set out in Appendix C1 to the Hong Kong Stock Exchange Listing Rules.

#### ***Audit Committee***

The Audit Committee consists of three independent non-executive Directors, namely, Mr. Cheng Hok Kai Frederick, Mr. Feng Jinhua and Mr. Fan Zhaoping. Mr. Cheng Hok Kai Frederick is the chairman of the Audit Committee. The Directors are responsible for the preparation of the financial statements, which give a true and fair view of the condition of the Group. The Audit Committee has reviewed and discussed with the management the annual results and audited financial statements of the Group for the year ended December 31, 2023.

### (3) Securities Transactions by the Directors and Supervisors

The Company has adopted a set of code of conduct on terms no less exacting than the required standards set out in the Model Code in connection with securities transactions by the Directors and Supervisors. Upon the specific enquiries made to all Directors and Supervisors of the Company, save as disclosed below, they confirmed that they have complied with the standards for securities transactions by the directors and supervisors as set out in the Model Code and the code of conduct during the Reporting Period.

Ms. Yu Siwei (“**Ms. Yu**”), the spouse of Mr. He Jin (“**Mr. He**”, a Director of the Company), dealt in A Shares of the Company by way of call auction. Ms. Yu bought 1,000 A Shares on July 17, 2023, sold 1,000 A Shares on July 25, 2023, and bought 1,000 A Shares on July 26, 2023. The above transactions violated the provisions of A.3(a)(ii), A.6 and B.8 of the Model Code, and constitute the short-swing transaction under Article 44 of the Securities Law of the PRC (“**Securities Law**”). As at the end of the Reporting Period, Mr. He is deemed to hold 1,000 A Shares under the Securities and Futures Ordinance.

The Company paid high attention to the incident upon knowing it, and has conducted relevant verification and investigation in a timely manner. Mr. He and his spouse Ms. Yu have actively cooperated with the investigation and made corrections. Upon verification, Ms. Yu made the above transactions due to her insufficient knowledge of relevant laws and regulations, and her dealing in shares of the Company was a discretionary act based on her judgment of the secondary market. Mr. He was not aware of this short-swing transaction, and did not inform Ms. Yu of information on the operations of the Company prior to and following this short-swing transaction. Therefore, there was no insider dealing in shares of the Company, benefit from insider information, or intentional violation of rules. Mr. He has expressed deep remorse for failing to perform his supervision obligations to his spouse in a timely manner, and Ms. Yu was also fully aware of the severity of this non-compliant transaction and has expressed sincere apology for the adverse impact of the above transaction on the Company and the market. Ms. Yu undertook that she will consciously comply with the provisions of the Securities Law, the Several Provisions on the Reduction of Shares Held in a Listed Company by the Shareholders, Directors, Supervisors, and Senior Executives of the Listed Company, the Hong Kong Stock Exchange Listing Rules, the Securities and Futures Ordinance and other relevant laws and regulations, carefully learn the relevant requirements of relevant laws and regulations, strictly abide by the relevant regulations, and avoid the recurrence of such incident in the future.

The Company has adopted the following actions and measures in relation to the incident:

- (1) According to the provisions of Article 44 of the Securities Law and the relevant policies of the Company, the Company has confiscated all earning of RMB630 obtained by Ms. Yu from the short-swing transaction.
- (2) The Company issued the Announcement on Apology for Short-swing Transaction by Relative of Director (《關於董事親屬短線交易的致歉公告》) on the Shenzhen Stock Exchange after the closing of market on July 28, 2023 and an overseas regulatory announcement on the website of the Hong Kong Stock Exchange, and Mr. He has also made a corresponding declaration of interests as to the deemed holding of shares on July 28, 2023 according to the Securities and Futures Ordinance.
- (3) The Company will continue to strengthen the training and publicity on compliance, require Directors, Supervisors, senior management and Shareholders holding more than 5% of Shares to further learn the relevant laws, regulations and normative documents, including the Securities Law, the Rules on the Management of Shares Held by the Directors, Supervisors, and Senior Management of Listed Companies and the Changes Thereof (《上市公司董事、監事和高級管理人員所持本公司股份及其變動管理規則》), the Rules Governing the Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange, the Hong Kong Stock Exchange Listing Rules and the Securities and Futures Ordinance, and to strictly abide by the relevant regulations. The Company will continue to procure relevant personnel to strictly regulate the dealing in shares of the Company, and avoid the recurrence of such incident in the future.

The Board also adopted the Model Code to regulate all dealings in securities of the Company by relevant employees who were likely to be in possession of unpublished inside information of the Company, as specified in Code Provision A.6.4 of the Corporate Governance Code. After making reasonable enquiry, no relevant employees of the Company were found to violate the Model Code during the Reporting Period.

#### **(4) Disclosure of Information**

This announcement will be published on the website of the Hong Kong Stock Exchange at <http://www.hkexnews.hk> and the Company's website at <http://www.cimcvehiclesgroup.com>. The annual report of the Company for the year ended December 31, 2023 will be despatched by the Company to its Shareholders and published on the websites of the Hong Kong Stock Exchange and the Company in due course.

## DEFINITIONS

<b>Items under the definitions</b>	<b>Contents under the definitions</b>
A Share(s)	ordinary share(s) proposed to be issued by the Company pursuant to the A Share offering, with a nominal value of RMB1.00 each, which will be listed on the ChiNext Market of the SZSE and traded in RMB
Articles of Association	the articles of association of CIMC Vehicles (Group) Co., Ltd., as amended from time to time
Audit Committee	the audit committee under the Board
BANI	Brittleness, Anxiety, Nonlinearity and Incomprehensible
Board or Board of Directors	the board of Directors of the Company
China VI	the National Stage VI Motor Vehicle Emission Standard, including the Limits and Measurement Methods for Emissions From Light-duty Vehicles (China VI) and the Limits and Measurement Methods for Emissions from Diesel Fuelled Heavy-duty Vehicles (China VI)
CIE	CIMC Intermodal Equipment, LLC, a subsidiary of the Company
CIMC Enric	CIMC Enric Holdings Limited (中集安瑞科控股有限公司), a company listed on the Main Board of the Hong Kong Stock Exchange (stock code: 03899), and a non-wholly owned subsidiary of CIMC Group
CIMC Financial Institution	CIMC Finance Co., Ltd. (中集集團財務有限公司), a limited liability company established in the PRC on February 9, 2010, a subsidiary of CIMC Group
CIMC Gansu	Gansu CIMC Vehicles Co., Ltd. (甘肅中集車輛有限公司), a subsidiary of the Company
CIMC Group	China International Marine Containers (Group) Co., Ltd. (中國國際海運集裝箱(集團)股份有限公司), a joint stock company incorporated in the PRC on January 14, 1980 and listed on the Main Board of the SZSE (stock code: 000039) and the Main Board of the Hong Kong Stock Exchange (stock code: 02039), and the controlling shareholder of the Company

CIMC Hong Kong	China International Marine Containers (Hong Kong) Limited (中國國際海運集裝箱(香港)有限公司), a limited liability company incorporated in Hong Kong on July 30, 1992, and a wholly owned subsidiary of CIMC Group and the promoter and controlling shareholder of the Company
CIMC RJST Tank Trailer (瑞江罐車)	Wuhu CIMC Ruijiang Automobile Co., Ltd. (蕪湖中集瑞江汽車有限公司), a subsidiary of the Company
CIMC Shaanxi	CIMC Vehicles (Shaanxi) Automobile Co., Ltd. (中集車輛(陝西)汽車有限公司), a subsidiary of the Company
CIMC Shandong	CIMC Vehicles (Shandong) Co., Ltd. (中集車輛(山東)有限公司), a subsidiary of the Company
CIMC Vehicle Group or Group or we	the Company and its subsidiaries (unless the context otherwise requires)
Company or CIMC Vehicles	CIMC Vehicles (Group) Co., Ltd. (中集車輛(集團)股份有限公司) (including our predecessor, CIMC Vehicles (Group) Co., Ltd. (中集車輛(集團)有限公司)), a joint stock company with limited liability established under the laws of the PRC on August 29, 1996, the H Shares and A Shares of which are listed and traded on the Hong Kong Stock Exchange (stock code: 1839) and the SZSE (stock code: 301039), respectively
Controlling Shareholder(s)	has the meaning ascribed to it under the SZSE Listing Rules and the Hong Kong Stock Exchange Listing Rules, unless the context requires otherwise, refers to CIMC Group
Corporate Governance Code	the Corporate Governance Code as set out in Appendix C1 to the Hong Kong Stock Exchange Listing Rules
Date of the Announcement	March 21, 2024
DE	design engineering. Since the Company is committed to promoting digital design models, DE here also refers to the design by means of digital design models
Director(s)	the director(s) of the Company
Dongguan CIMC Special Vehicle	Dongguan CIMC Special Vehicle Co., Ltd. (東莞中集專用車有限公司), a subsidiary of the Company
DS Plant	Dee Siam Manufacturing Co., Ltd. (泰國 DS 製造有限公司), a subsidiary of the Company engaged in manufacturing business in Thailand



EAPA	Enforce and Protect Act
ERP	abbreviation for Enterprise Resource Planning
Global Offering	the offer of H Shares by the Company for subscription by the public in Hong Kong, and in offshore transactions outside the United States and only to Qualified Institutional Buyers (QIBs) in the United States, the details of which are set out in the Prospectus
H Shares	overseas listed foreign ordinary shares in the share capital of the Company with a nominal value of RMB1.00 each, which are listed and traded on the Hong Kong Stock Exchange
Hainan Longyuan	Hainan Long Yuan Gang Cheng Enterprise Management Center (Limited Partnership) (海南龍源港城企業管理中心(有限合夥)), a limited partnership incorporated in the PRC on April 29, 2016, and a Shareholder of the Company
HK\$ or HK dollar(s)	Hong Kong dollars, the lawful currency of Hong Kong
Hong Kong or HK	the Hong Kong Special Administrative Region of the PRC
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
Hong Kong Stock Exchange Listing Rules	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
Jiangmen Tank Trailer (江門罐車)	CIMC Vehicles (Jiangmen) Co., Ltd. (中集車輛(江門市)有限公司), a subsidiary of the Company
Jiangsu Wanjing	Jiangsu Wanjing Technology Co., Ltd., a company incorporated in the PRC with limited liability, with 42.67% of its equity interests held by the Company
KTL	a mature technical process used for applying a thin, strong and corrosion-resistant organic coating on metal surfaces
Liangshan Dongyue	Liangshan CIMC Dongyue Vehicles Co., Ltd. (梁山中集東嶽車輛有限公司), a subsidiary of the Company
“Light Tower” Plants	an automatic and intelligent production plant integrating virtual simulation, big data, Internet of Things and digital technology. With highly automated equipment (such as CNC laser cutting machine, robot welding workstation, KTL and powder coating line), it can realize large-scale automatic and flexible production and solve the problems of backward production equipment, technical lag, increasing labor cost, energy conservation and emission reduction

Listing Date of H Shares	July 11, 2019
Listing of H Shares	listing of H Shares on the Hong Kong Stock Exchange
LoM	abbreviation for Local Manufacturing
Longyuan Investment	Shenzhen Long Yuan Gang Cheng Investment and Development Co., Ltd. (深圳市龍源港城投資發展有限責任公司), a limited liability company established in the PRC on December 14, 2015
LTL	abbreviation for “Light Tower” logistics
LTP	abbreviation for “Light Tower” production
LTS	abbreviation for “Light Tower” sourcing, i.e. external purchases of related items
ME	abbreviation for manufacturing engineering
Model Code	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Hong Kong Stock Exchange Listing Rules
Nanshan Dacheng	Shenzhen Nan Shan Da Cheng New Material Investment Partnership (Limited Partnership) (深圳南山大成新材料投資合夥企業(有限合夥)), a limited liability partnership incorporated in the PRC on December 3, 2015, and a Shareholder of our Company
Nanshan Group	China Nanshan Development (Group) Co., Ltd. (中國南山開發(集團)股份有限公司), a limited liability company established in the PRC
Nomination Committee	the nomination committee under the Board
NR	new retails
OEM	abbreviation for Original Equipment Manufacturer
Ping An Decheng	Shenzhen Ping An Decheng Investment Limited Company (深圳市平安德成投資有限公司), a limited liability company established in the PRC on September 9, 2008 and the general partner of Shanghai Taifu and Taizhou Taifu
Ping An Financial	Shenzhen Ping An Financial Technology Consulting Co., Ltd. (深圳平安金融科技諮詢有限公司), a limited liability company established in the PRC

Ping An Group	Ping An Insurance (Group) Company Ltd. (中國平安保險(集團)股份有限公司), a joint stock company incorporated in the PRC with limited liability and listed on the Shanghai Stock Exchange (stock code: 601318) and the Hong Kong Stock Exchange (stock code: 2318)
Ping An Health Partnership	Shenzhen Ping An Health Technology Equity Investment Partnership (Limited Partnership) (深圳市平安健康科技股權投資合夥企業(有限合夥)), a limited partnership established in the PRC
Ping An Life Insurance	Ping An Life Insurance Company of China, Ltd. (中國平安人壽保險股份有限公司), a limited liability company established in the PRC
PRC or China	the People's Republic of China
Proceeds from H Shares	the proceeds received upon the completion of the Global Offering of H Shares on the Main Board of the Hong Kong Stock Exchange on July 11, 2019
Prospectus	the H Shares prospectus of the Company dated June 27, 2019 in connection with the Global Offering
Reporting Period or Year	the year ended December 31, 2023
RMB or Renminbi	Renminbi, the lawful currency of the PRC
RMB, RMB ten thousand	RMB, RMB ten thousand
Securities and Futures Ordinance or SFO	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
Semi-trailer(s)	any vehicle intended to be coupled to a motor vehicle in such a way that part of it rests on the motor vehicle with a substantial part of its weight and the weight of its load being borne by the motor vehicle, and constructed and equipped for the carriage of goods
Shanghai Taifu	Shanghai Tai Fu Xiang Zhong Equity Investment Fund Partnership (Limited Partnership) (上海太富祥中股權投資基金合夥企業(有限合夥)), a limited liability partnership established in the PRC on December 18, 2015, and a Shareholder of the Company

Share(s)	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, comprising A Share(s) and H Share(s)
Shareholder(s)	holder(s) of our Share(s)
Shenzhen CIMC Special Vehicle	Shenzhen CIMC Special Vehicle Co., Ltd. (深圳中集專用車有限公司), a subsidiary of the Company until April 3, 2023
Shenzhen Longhui	Shenzhen Long Hui Gang Cheng Enterprise Management Center (Limited Partnership) (深圳市龍匯港城企業管理中心(有限合夥)), a limited liability partnership incorporated in the PRC on May 11, 2017, and a Shareholder of Xiangshan Huajin
Strategy and Investment Committee	the strategy and investment committee under the Board
Substantial Shareholder(s)	has the meaning ascribed to it under the Hong Kong Stock Exchange Listing Rules
Supervisor(s)	members of the supervisory committee of the Company
Supervisory Committee	the supervisory committee of the Company
SZSE	the Shenzhen Stock Exchange
SZSE Listing Rules	the Rules Governing the Listing of Securities on the ChiNext Market of the Shenzhen Stock Exchange, as amended, supplemented or otherwise modified from time to time
Taizhou Taifu	Taizhou Tai Fu Xiang Yun Equity Investment Partnership (Limited Partnership) (台州太富祥雲股權投資合夥企業(有限合夥)), a limited liability partnership established in the PRC on November 28, 2017, and a Shareholder of the Company
Tractor manufacturers	the enterprise manufacturing the whole automobile or entire auto assemble is generally referred to as an automobile maker in the industry
Truck body for specialty vehicles/truck body	a type of vehicle body, such as a dump bed or mixer, which can be installed onto a truck chassis to form a fully-assembled specialty vehicle, such as a dump truck or mixer truck
VUCA	Volatility, Uncertainty, Complexity and Ambiguity

Xiangshan Huajin	Xiang Shan Hua Jin Industrial Investment Partnership (Limited Partnership) (象山華金實業投資合夥企業(有限合夥)) (previously known as Xiang Shan Hua Jin Equity Investment Partnership (Limited Partnership) (象山華金股權投資合夥企業(有限合夥))), a limited liability partnership established in the PRC on November 22, 2017, and a Shareholder of the Company
Xi'an CIMC	CIMC-SHAC (Xi'an) Special Vehicles Co., Ltd. (中集陝汽重卡(西安)專用車有限公司), a subsidiary of the Company
Yangzhou Tonghua	Yangzhou CIMC Tonghua Special Vehicles Co., Ltd. (揚州中集通華專用車有限公司), a subsidiary of the Company
Zhumadian CIMC Huajun Vehicle	Zhumadian CIMC Huajun Vehicle Co., Ltd. (駐馬店中集華駿車輛有限公司), a subsidiary of the Company
Zhumadian Huajun Casting	Zhumadian CIMC Huajun Casting Co., Ltd. (駐馬店中集華駿鑄造有限公司), a subsidiary of the Company

By order of the Board  
**CIMC Vehicles (Group) Co., Ltd.**  
**Li Guiping**  
*Executive Director*

Hong Kong, March 21, 2024

*As at the date of this announcement, the Board comprises nine members, being Mr. Mai Boliang\*\*, Mr. Li Guiping\*, Mr. Zeng Han\*\*, Mr. Wang Yu\*\*, Mr. He Jin\*\*, Ms. Lin Qing\*\*, Mr. Feng Jinhua\*\*\*, Mr. Fan Zhaoping\*\*\* and Mr. Cheng Hok Kai Frederick\*\*\*.*

\* *Executive Director*

\*\* *Non-executive Directors*

\*\*\* *Independent non-executive Directors*