

Stock Code: 600320 900947

Stock Name: Zhenhua Heavy Zhenhua B-share

Shanghai Zhenhua Heavy Industries Co., Ltd. Annual Report 2021

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



Important Notice

- 1** The Board of Directors, Board of Supervisors, directors, supervisors and senior executives of the Company hereby guarantee the truthfulness, accuracy and completeness of the contents carried in this annual report, guarantee no false record, serious misleading statement or great omission carried in this annual report and guarantee to assume the legal responsibilities jointly and separately.
- 2** All directors of the Company are present at the board meeting.
- 3** Ernst & Young LLP. (Special General Partnership) issues the standard audit report without qualified opinion for the Company.
- 4** Liu Chengyun, the chairman of the Company, Zhu Xiaohuai, person in charge of accounting work, and Sun Guangbo, person in charge of accounting agency (accountant in charge) hereby declare that the financial statements in this annual report are true, accurate and complete.
- 5** Proposal for profit distribution or common reserves capitalizing during the reporting period reviewed by the board of directors
Profit distribution proposal for 2021: based on the total share capital registered on the registration date of the implementation of equity distribution, a cash dividend of RMB 0.5 (tax-included) per 10 shares will be distributed to all shareholders from the undistributed profit as at December 31, 2021. The total cash dividend to be distributed will be RMB 263,417,675.05 based on the total share capital of 5,268,353,501 shares as at December 31, 2021. The Company will neither distribute the bonus shares nor transfer the capital public reserves into the paid-in capital.
- 6** Risk declaration of forward-looking statements
Applicable Not Applicable
- 7** Does the Company have non-operating funds occupied by the holding shareholder and its related parties?
No
- 8** Does the Company provide the external guarantees in breach of the stipulated decision-making procedure?
No
- 9** Whether more than half of the directors cannot guarantee the authenticity, accuracy and completeness of the annual report disclosed by the Company?
No
- 10** Major Risk Warning
The company has described the related potential risks in this annual report. Investors may pay attention to the same. Please refer to “Management Discussion and Analysis” and related chapters for the risks the company may be confronted with in the future development.
- 11** Others
Applicable Not Applicable

Section I | Definitions

I. Definitions

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

Definitions of high frequency terms		
Company, the Company	Refers to	Shanghai Zhenhua Heavy Industries Co., Ltd.
CCCC	Refers to	China Communications Construction Company Ltd.
CCCG	Refers to	China Communications Construction Group Co., Ltd.
CCCG HK	Refers to	CCCG (HK) Holding Limited
Reporting period	Refers to	From Jan. 1, 2021 to Dec. 31, 2021



Section II | Company Profile and Principal Financial Indexes

1 Company Information

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

2 Contact Information

Secretary of the Board of Directors	
Name	Sun Li
Address	No. 3261, Dongfang Road, Shanghai
Telephone	021-50390727
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3 Basic Information

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

4 Information disclosure and placement location

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

5 Stock information

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

6 Other relevant information

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

7 Main accounting data and financial indexes in recent three years**(I) Main accounting data**

Unit: Yuan Currency: CNY

Main accounting data	2021	2020	Year-on-year change (%)	2019
Operating revenue	25,977,976,968	22,655,141,652	14.67	24,595,587,883
Operating revenue after deducting the business income unrelated to primary business and the income without commercial substance	25,663,919,104	22,396,639,375	14.59	/
Net profit attributable to the shareholders of the listed company	439,839,245	422,240,299	4.17	514,930,143
Net profit attributable to the shareholders of the listed company after deducting the non-recurring profits and losses	-440,186,675	-58,462,207	N/A	311,117,615
Net cash flows from operating activities	2,119,639,518	819,389,020	158.69	1,290,213,109
	At the end of 2021	At the end of 2020	Year-on-year change (%)	At the end of 2019
Net assets attributable to the shareholders of the listed company	14,990,218,631	14,570,822,140	2.88	15,543,404,014
Total assets	78,332,081,199	79,320,644,540	-1.25	74,410,783,300

(II) Major financial indexes

Major financial indexes	2021	2020	Year-on-year change (%)	2019
Basic earnings per share (RMB/share)	0.08	0.08	—	0.10
Diluted earnings per share (RMB/share)	0.08	0.08	—	0.10
Basic earnings per share after deducting non-recurring profits and losses (RMB/share)	-0.09	-0.01	N/A	0.06
Weighted average ROE (%)	2.90	3.04	-0.14	3.39
Weighted average ROE after deducting non-recurring profits and losses (%)	-3.48	-0.43	-3.05	2.06



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

Applicable Not Applicable

8 Differences in accounting data under domestic and overseas accounting standards

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

Applicable Not Applicable

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

Applicable Not Applicable

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

Applicable Not Applicable

9 Main financial data in 2021 by quarter

Unit: Yuan Currency: CNY

	Q1 (Jan. to Mar.)	Q2 (Apr. to Jun.)	Q3 (Jul. to Sep.)	Q4 (Oct. to Dec.)
Operating revenue	4,255,861,636	5,972,946,849	5,759,331,394	9,989,837,089
Net profit attributable to the shareholders of the listed company	27,371,827	58,410,445	54,992,374	299,064,599
Net profit attributable to the shareholders of the listed company after deducting the non-recurring profits and losses	-99,078,679	-287,729,799	29,136,692	-82,514,889
Net cash flows from operating activities	21,625,922	-518,018,683	575,465,166	2,040,567,113

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

Applicable Not Applicable

10 Non-recurring profit and loss items and amount

Applicable Not Applicable

Unit: Yuan Currency: CNY

Non-recurring profit and loss items	Amount in 2021	Note (if applicable)	Amount in 2020	Amount in 2019
Profit or loss from disposal of non-current assets	240,161,569		36,620,758	49,091,913
Government subsidies included in current profits and losses except for government subsidies closely related to the Company business, in line with national policies and obtained by quota or quantity at unified state standards	81,153,206		97,849,026	93,271,980
Profit or loss on changes in fair values of held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities and derivative financial liabilities, and investment income obtained from disposal of held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities, derivative financial liabilities and other credit investment, except for effective hedging operations associated with the Company's normal operations	643,903,925		356,116,979	146,517,397
Reversal of provision for impairment of receivables subject to separate impairment test	94,986,600		78,007,100	-
Other non-operating revenue and expenses except for the above-mentioned items	12,089,008		4,718,614	-18,553,180
Less: Affected amount of income tax	179,212,457		77,383,660	43,502,506
Affected amount of minority equity (after tax)	13,055,931		15,226,311	23,013,076
Total	880,025,920		480,702,506	203,812,528

Description of the recurring profit or loss items defined by the non-recurring profit or loss items listed in "Explanatory Announcement on Information Disclosure of Companies Offering Securities to the Public No. 1 – Non-recurring Profit or Loss"

Applicable Not Applicable

11 Items measured at fair value

Applicable Not Applicable

Unit: Yuan Currency: CNY

Item	December 31,2020	December 31,2021	Current change	Impact on current profits
Jiangxi Huawu Brake Co., Ltd.	228,142,450	420,227,264	192,084,814	164,384,982
Qingdao Port International Co., Ltd.	415,582,601	364,099,519	-51,483,082	-15,959,486
China Railway Signal & Communication Corporation Limited	269,294,333	286,756,480	17,462,147	39,193,493
Shenwan Hongyuan Group Co., Ltd.	1,154,324	1,119,345	-34,979	-7,870
COSCO Shipping Holdings Co., Ltd.	679,011,665	72,893,036	-606,118,629	350,162,385
Derivative financial liabilities	-458,882	0	458,882	0
Equity instrument investment	8,438,278	8,438,278	0	0
Hunan Fengri Power & Electric Co., Ltd.	22,685,894	27,201,190	4,515,296	0
CCCC Highway Bridges National Engineering Research Centre Co., Ltd.	19,319,276	20,644,018	1,324,742	0
CCCC National Engineering Research Center of Dredging Technology and Equipment Co., Ltd.	8,000,908	8,673,049	672,141	0
Shenyang Weichen Crane Equipment Co., Ltd. (Former name: Shanghai Zhenhua Port Machinery (Group) Shenyang Elevator Co., Ltd.)	4,197,036	6,003,344	1,806,308	0
Ningbo Weilong Port Machinery Co., Ltd. (Former name: ZPMC Ningbo Transmission Machinery Co., Ltd)	6,565,227	2,809,856	-3,755,371	0
ZPMC Longchang Lifting Equipment Co., Ltd (Former name: Shanghai Zhenhua Port Machinery (Group) Longchang Lifting Equipment Co., Ltd.)	737,410	948,588	211,178	7,835,826
CCCC Tianhe Mechanical Equipment Manufacturing Co., Ltd.	330,094,057	0	-330,094,057	12,361,262
Total	1,992,764,577	1,219,813,967	-772,950,610	557,970,592

12 Others

Applicable Not Applicable



Section III | Management Discussion and Analysis

I. Discussion and analysis of the performance

In 2021, when the global COVID-19 epidemic was still rampant, the international environment was highly uncertain, the domestic economy was undergoing high-quality transformation and the Company focused on the internal reform, the Company established the working guideline of “stability, readjustment and improvement”, took effective measures, focused on production and operation, kept the development stable and got the 14th Five-Year Plan off to a good start.

During the reporting period, the Company realized the operating revenue amounting to RMB 25.978 billion, representing a year-on-year increase of 14.67%; the net profit attributable to the parent company was RMB 0.44 billion, with a year-on-year increase of 4.17%; the new contract value of port machinery business was USD 3.209 billion, with an increase of 9.4% over the same period last year. New contract value of offshore engineering and steel structure-related businesses amounted to USD 1.145 billion, with an increase of 10% over the same period last year, of which the new orders for steel structure business amounted to USD 349 million, maintaining a steady and progressive development trend.

The Company centered on the business development concept of “steel-oriented”, “focusing on the primary business and paying attention to the specialization” and “limited related diversification”, established a large “customer-oriented” marketing system through readjusting the structure, establishing the systems and strengthening the teams, continuously improved the marketing system and further optimized and integrated five business clusters. During the reporting period, the core primary business of the Company, including port machinery, offshore engineering and shipping, went into the stable development, the growth business and the after-market services, including steel bridge and wind power, were developing rapidly, other supporting business and the emerging business were promoted in a well-planned way and the overall scale and benefit kept steady growth.

In 2021, the port machinery was successfully sold to 105th country and region in the world; the global market share of the shore bridge rose further, the products such as the new-type environmental protection screw ship unloader, unmanned staddle truck and reach stacker, were accepted by the market, the advantages of the port machinery of all kinds were further enhanced and the signing rate kept the industrial leaders. It had the purchase orders for the important port machinery projects at home and abroad, such as Xiamen Port, Ningbo Port, Beibu Gulf Port, Long Beach in U.S.A, CHEC Nigeria and Maersk and the value of the newly signed contracts rose steadily.

The market competitive advantages of the offshore engineering business in the field of wind power service operation vessel and crane vessels had been continuously consolidated, and the orders had been signed for major projects such as two wind power service operation mother vessels of Shanghai Electric Group Co., Ltd, cranes and lifting systems of Three Gorges Group and 4,000-ton full-resolving crane vessels of Jiangsu Longsheng Ocean Engineering Co., Ltd. Several on-hand offshore platforms were successfully leased to the external enterprises. New breakthroughs were made in the shipping market expansion.

The bridge business maintained rapid development. The main bridge of Jinsha River Bridge, a montanic suspension bridge with the largest span in the world undertaken by the Company, was opened to traffic; the main line of Zhoushan Trunk Channel of the world's longest island-linked expressway, was linked up, the overall installation of Hong Kong Tseung Kwan O Bridge, the first bridge that was wholly manufactured in the factory and installed with floating supports on site, was completed, and the largest cooperation project between China and Croatia, Pereza, Croatia, was successfully closed up.

The offshore wind power business suddenly rose. The Company seized opportunity of “rush to install the wind power market” and vigorously expanded the offshore construction equipment business. The value of the newly signed contracts on cranes, offshore installation platforms and wind-power-related steel structures achieved good results. The Company completed the manufacturing, transportation and installation of the world's largest and Asia's first offshore converter station, Three Gorges Rudong Offshore Converter Station, and signed a large number of high value-added offshore booster station projects. The parking business fostered the characteristic advantages, and the signing and commencement of the tiered automation warehouse project for the commercial vehicles in Shanghai Port marked the first successful application of the Company's tiered parking solution in the domestic automobile logistics and storage field. The sky steel-structure bus parking lot in Shenzhen Nanshan Science and Technology Park, as a pilot project, was completed and accepted as the first batch of domestic sky bus parking lot landing project and was recognized by the users.

A breakthrough was made in the after-market services, which gave the initial effect of empowering the principal machine with services and the business developed in order in the emerging fields. As to the investment, the risk management of the projects in progress made remarkable achievements in quality and efficiency, and the projects were steadily accelerated. In terms of people's livelihood, the new orders for the additional installation of elevator exceeded 100, which innovated the “Pudong Mode” for extending the full-life cycle of the additional installation of elevator and became the benchmark of Pudong. As to the new energy business, the projects increased in a sustainable manner and the Company was awarded the prizes of “Star of Year 2020 of Distributed Photovoltaic” and “Outstanding Investor in Industry and Commerce in Distributed Photovoltaic in China in 2020”.

II. Industrial situation of the Company during the reporting period

In 2021, the Company was confronted with a global complex and severe economic environment, in which the epidemic continuously spread, the overall economic growth slowed down and the inflation was increasingly prominent. The world's steady development and the construction of global supply chains were facing heavy obstacles, and increasing risks were imposed to the export-oriented enterprises in overseas market development, ocean transportation, territorial development and information security. The globalization of Chinese state-owned enterprises was facing more and more challenges. Meanwhile, China was more attractive to foreign capital in terms of security development, business environment and market capacity due to fast and efficient epidemic prevention and control and other advantages, and the China-proposed Belt and Road Initiative would continue to be further accelerated advance.

Meanwhile, China's economy was changing from scale expansion to quality improvement, imposing higher requirements on the operation quality of enterprise development, industrial transformation, technical research and development, and supply chain construction. China was accelerating the establishment of a new development pattern in which domestic economic cycle plays a leading role while international economic cycle remains its extension and supplement, as a result, the key domestic regional market would have greater opportunities.

The market demand for port machinery remained steady but the competition was fierce. In the context of intelligent operation and green development, the demand for new construction and reconstruction of automated terminals further increased, the demand for purchasing the complete machine would be gradually released, the upgrading and reconstruction of the ports met with the opportunities, and the scale and space of the after-market service were significant. The market segments of the offshore equipment were different and it was predicted in a short term the equipment for traditional drilling platform was still oversupplied. In the future, the overall trend of the offshore equipment industry is to develop towards the direction of deep water, green, unmanned operation and intelligentization, production equipment, LNG equipment, dredging vessels and crane barge had a certain market space. The demand for modules of the offshore engineering, steel structure, wind-power equipment, small-sized auxiliary vessels and other special equipment increased step by step. With the acceleration of the strategy of "a country with strong transportation network", the successive commencement of large-scale infrastructure projects and the transformation of the "new infrastructure construction", the application scenes and market opportunities of steel structures in bridges, ocean engineering, highways, cross-sea tunnels and buildings increased. Under the leadership of the national "3060" strategy, the offshore wind power market would still have greater development potential, offshore wind power would continue to go deep into the sea, and intelligentization had become the road to wind power development. Parking equipment market gradually transformed from the traditional mechanical equipment to the intelligent unmanned equipment, the intensive use of land resources had given rise to the demand for the sky parking lot for the special vehicles such as trucks, semi-trailers, electric logistics vehicles and other special vehicles.

III. Business of the Company during the reporting period

The Company was a world-famous heavy equipment manufacturer, a state owned company listed on A and B shares on Shanghai Stock Exchange. Headquartered in Shanghai, with several production bases in Shanghai and Nantong, the Company was the largest port machinery manufacturer in the world. The main business of the Company covered port machinery and services, marine heavy industry, large and heavy special steel structure, marine transport and installation and emerging industries and other sectors.

During the reporting period, the Company gave full play to its existing advantages, actively established a "customer-oriented marketing system", readjusted the structure, set up the systems, strengthened the team, and continuously improved the marketing system and mechanism. It actively responded to the environmental changes, The Company centered on the business development concept of "steel-oriented", "focusing on the primary business and paying attention to the specialization" and "limited related diversification", and optimized and integrated five business clusters. At present, the primary business of the Company develops steadily. The market share of the port machinery of the Company further rose, the products were successfully sold to 105 countries and regions in the world and the market territory was continuously expanded. The market competitive advantages of the offshore engineering business in the field of wind power service operation vessel and crane vessels had been continuously consolidated. New breakthroughs were made in the shipping market expansion. The growth business including steel bridge and wind power and the after-market services, were developing rapidly, other supporting business and the emerging business were promoted in a well-planned way and the overall scale and benefit kept steady growth.

IV. Analysis of the core competitiveness during the reporting period

Applicable Not Applicable

1 Leading market position

Shanghai Zhenhua Heavy Industries Co., Ltd. (ZPMC) was the world's leader in the port crane industry and a well-known enterprise in manufacturing the offshore engineering equipment. The Company's products were sold to 105 countries and regions around the world, covering more than 300 ports, and the market share of the shore bridge had ranked first in the world for more than 20 years. The Company had a national enterprise technology center, a national engineering research center of core equipment for offshore lifting and pipe-laying, a national postdoctoral research center, a provincial and



ministerial academician and expert workstation, a provincial and ministerial key laboratory and a provincial and ministerial engineering research and development center.

The Company had independently developed new products and technologies such as the world's first double 40-foot container shore bridge, full-auto double-trolley shore bridge and two-way anti-swing system, which had promoted the technical upgrade of the automated container terminals in the world and become the global trendsetter of port machinery development; it had successfully built China's first automated terminal --- Xiamen Ocean Gate Automated Terminal of COSCO, Asia's first full-auto terminal ---Qingdao Port Full-auto Terminal, and the world's largest single-berth full-auto terminal - Yangshan Full-auto Terminal (Phase IV) of Shanghai Port. The automated terminal equipment and systems provided by the Company had been popularized in Vado Gateway in Italy, ABU Dhabi Khalifa Port, Adani Port in India, Nansha Port in Guangdong and Qinzhou Port in Guangxi and realized the historic leap of the port machinery in China from single machine manufacture to the intelligent integration of the complete system. It manufactured the world's strongest 12,000-ton full-revolving crane vessel, namely "Zhenhua 30" Vessel, helping the construction of Hong Kong-Zhuhai-Macao Bridge; it also fabricated all of the steel structure for San Francisco-Oakland Bay Bridge, which was regarded as a highly difficult project by the bridge industry in the world. "Tiankun" manufactured by the Company made a breakthrough in the core technology of the large-sized self-propelled cutter suction dredger, making China's design and construction technology of the dredger rank the forefront in the world. The Company had followed the national strategy of manufacturing power, maritime power and traffic power, built the brand "ZPMC" which was well known at home and abroad, and set up a banner of national industrial development.

2 Leading R&D and innovation capability

The Company firmly grasped the development direction of "high-end, intelligence, green" for the equipment manufacture, and constantly developed new technologies, new products and new services that led the industrial development, accelerated the leap from a single equipment manufacture to overall integration services, formed the integrated solution of "equipment as the guide, service as the support and technology as the foundation", accelerated the breakthrough in core technologies, disruptive technologies and digital transformation in key businesses and further enhanced product competitiveness. It had successfully developed the third generation super low profile shore bridge and new-type environmental protection screw ship unloader, etc., made breakthroughs in stockyard automation and remote centralized control technology, and further consolidated the advantages in the port machinery of all kinds; it had established a new generation automated terminal handling system, strengthened the integration and application of 5G, artificial intelligence, Beidou and other new technologies, and deepened the integration development of information technology and intelligent equipment; the advantages in manufacture of offshore equipment, wind power equipment, steel structure were further enhanced, the core supporting equipment for the offshore engineering gradually had the independent intellectual property right, engineering ships and wind power platforms gradually realized high-end, special-purpose and serialization development; the innovation gene and characteristics of ZPMC continued to penetrate into the whole industrial chain of offshore wind power, smart parking, e-commerce cloud platform and other emerging industries, which effectively helped the Company's transformation and upgrading.

In 2021, the Company applied for 295 patents, including 1 international patent, 145 patents for invention, 147 patents of utility model and 2 industrial design patents; 190 patents were granted, including 4 international patents, 25 patents for invention, 158 patents of utility model and 3 industrial design patents; 24 software copyrights were registered. The Company took the lead for the first time to be responsible for the formulation and revision of three ISO international standards, and hosted or participated in the release of 11 external standards. The "Research and Application of Key Technologies of Super-Large Quayside Bridge for 3E Container Ships" won the Second Prize of the Award for Progress in Science and Technology of Shanghai City, the "Research and Application of Key Technologies for Yangshan Phase IV Super-Large Automated Container Terminal" the Company participated in won the Grand Prize of the Award for Progress in Science and Technology of Shanghai City, and the "Key Technology and Application of Multi-dimensional Perception and Independent Control of Robot" won the first prize of the Award for Progress in Science and Technology of Shanghai City, and the "Main Beam of Truss Shore Bridge and Truss Shore Bridge" won the 22nd China Patent Excellence Award.

3 Intelligent manufacturing capability in continuous upgrading

In order to improve the product quality and upgrade the production efficiency, the Company independently developed data-driven industrial software for intelligent application of the design process for the port machinery, established a new digital business process that could meet the integration of design process, realized the digitalization and intelligence of design process preparation of the port machinery, and improved the efficiency of customized design and process preparation of the port machinery; it developed a dynamic simulation and analysis system for the shore bridge structure, realized parametric modeling, flexible calling and simulation calculation of each working condition model and provided data support for research, design and optimization of new projects; it independently developed the intelligent spraying equipment, applied it to the steel box girder structure of the large bridge for the first time, and improved the quality and efficiency of surface coating of the steel box girder; it adopted the intelligent welding technology for steel box girder plate unit and improved the welding quality; firstly probed into the automatic and intelligent upgrading of the production process of core components of

the shore bridge, built the intelligent workshop and improved the automation and intelligence level of the manufacture of the large-sized hoisting equipment, effectively upgraded the production efficiency and guaranteed the stability of the product quality, which was of reference and guidance significance for promoting the readjustment and upgrading of the relevant industrial structure in the same industry.

4 Global marketing network and digital supply chain platform

ZPMC has a global leading market position, market popularity and influence in the field of port machinery. The company gives full play to its advantages in relevant regions at home and abroad and builds a “customer-centered marketing system”, attracting many customers at home and abroad with quality products and services. The Company has constantly strengthened the global network layout of overseas branches and has established 8 overseas branches in the world, established good partnership and solid cooperation foundation with local internationally renowned enterprises and upstream and downstream enterprises of the industry, and continuously exerted its localization advantages. Based on its global operation and service network, the Company has provided integrated and lean operation and lifecycle service for global customers in a fast, accurate and comprehensive way. The Company has a service team composed of more than 1000 high-quality professionals on the site all over the world, which can provide efficient solutions and perfect spare parts service support and supply goods to the world in the shortest time. Terminexus, a wholly-owned subsidiary of the Company, has built the first digital supply chain platform in port machinery industry.

V. Performance during the reporting period

During the reporting period, the Company's operating revenue increased steadily and its profitability was steadily rising. The Company realized the operating revenue amounting to RMB 25.978 billion, representing a year-on-year increase of 14.67%; the net profit attributable to the shareholders of the listed company was RMB 0.44 billion, with a year-on-year increase of 4.17%; the basic earnings per share was RMB 0.08, the same as that of the previous year.

1 Analysis of the performance

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

Unit: Yuan Currency: CNY

Item	Amount in the current period	Amount in the same period of the last year	Change (%)
Operating revenue	25,977,976,968	22,655,141,652	14.67
Operating cost	23,498,271,033	19,413,265,254	21.04
Selling and distribution expenses	115,347,438	105,763,639	9.06
General and administrative expenses	869,195,529	937,700,839	-7.31
Financial expenses	663,827,522	1,117,741,864	-40.61
Research and development expenditures	883,154,222	737,468,137	19.75
Net cash flows from operating activities	2,119,639,518	819,389,020	158.69
Net cash flows from investing activities	2,491,026,605	-1,204,413,136	N/A
Net cash flows from financing activities	-2,979,168,361	349,410,948	-952.63
Investment income	1,286,473,690	413,517,783	211.10
Credit impairment loss	-155,561,886	-138,083,561	N/A
Assets impairment loss	-294,180,123	-213,647,223	N/A
Income from disposal of assets	71,278,254	6,755,688	955.09

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

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

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

The change in general and administrative expenses was mainly due to the decrease in the compensation and travel expenses of the management personnel of the Company.

The change in financial expenses was mainly due to the decrease in interest expenses on the bank borrowings of the Company and the increase in exchange gains caused by fluctuations in the exchange rate of RMB against USD.

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

The change in the net cash flows from operating activities was mainly due to the increase in payment for sales of goods and rendering of services and project funds received by the Company.



The change in net cash flows from investing activities was mainly due to the investment recovery by the Company and the increase in the cash received from investment income.

The change in net cash flows from financing activities was mainly due to the net decrease in bank borrowings of Company.

The change in investment income was mainly due to the increase in the investment income from the disposal of held-for-trading financial assets of the Company.

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

The change in income from disposal of assets was mainly due to the increase in the net gains from the disposal of fixed assets.

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

Applicable Not Applicable

2. Analysis of revenue and cost

Applicable Not Applicable

During the reporting period, the Company realized the operating revenue amounting to RMB 25.978 billion, representing a year-on-year increase of 14.67%; the operating cost was RMB 23.498 billion, representing a year-on-year increase of 21.04%.

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

Unit: Yuan Currency: CNY

Main business by product						
Product	Operating revenue	Operating cost	Gross profit rate (%)	Year-on-year change in operating revenue (%)	Year-on-year change in operating cost (%)	Year-on-year change in gross profit rate (%)
Port machinery	17,480,944,149	15,623,751,962	10.62	20.92	32.25	-7.66
Heavy-duty equipment	760,120,955	731,403,000	3.78	-28.47	-26.47	-2.62
Engineering construction	2,216,802,462	2,273,212,756	-2.54	-6.30	2.37	-8.68
Steel structure and related income	3,754,693,300	3,570,148,974	4.92	14.56	12.61	+1.65
Marine transport and others	1,451,358,238	1,146,871,542	20.98	17.65	3.70	+10.63
Main business by regions						
Region	Operating revenue	Operating cost	Gross profit rate (%)	Year-on-year change in operating revenue (%)	Year-on-year change in operating cost (%)	Year-on-year change in gross profit rate (%)
Chinese Mainland	13,507,906,097	11,886,243,283	12.01	4.35	-0.68	+4.46
Chinese Mainland (export sales)	718,960,209	591,532,283	17.72	-32.24	-22.22	-10.61
Europe	2,038,120,499	1,886,019,773	7.46	-21.73	-19.04	-3.08
Asia (excluding Chinese Mainland)	4,459,069,862	4,200,135,252	5.81	35.55	74.71	-21.11
North America	3,226,645,406	3,075,275,158	4.69	139.81	224.24	-24.82
South America	206,298,856	190,052,501	7.88	-53.59	-57.87	+9.35
Africa	1,394,212,611	1,369,539,272	1.77	197.30	418.25	-41.88
Oceania	112,705,564	146,590,712	-30.07	-52.56	-18.31	-54.52

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

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

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

Applicable Not Applicable

(3) Fulfillment of major purchasing contracts and sales contracts

Applicable Not Applicable

Fulfillment of major sales contracts signed by the reporting period

Applicable Not Applicable

Subject-matter of contract	The opposite party	Total contracted value	Total amount performed	Amount performed during the reporting period	Amount to be performed	Normally performed or not	Explanation for abnormal performance of the contract
Contract for ECT Terminal of East Port, Sri Lanka	Chairman of Sri Lanka Ports Authority	2.8256	0	0	2.8256	Yes	
General Contract for Intelligent Handling System of No. 9-10 Berth in Dalanping South Port Operation Section, Dalanping Port Area, Qinzhou Port	Honggang Wharf Co., Ltd in Guangxi Qinzhou Tariff Free Port Area Legal representative: Wen Furong	14.3734	4.31202	4.31202	10.06138	Yes	

Note: Unit of contracted value of Sri Lanka Project: USD 10⁹; Unit of contracted value of Qinzhou Port Project: RMB 10⁹.
Fulfillment of major purchasing contracts signed by the reporting period

Applicable Not Applicable

(4) Cost analysis table

Unit: Yuan

By product							
Product	Items of cost structure	Amount in the current period	Proportion in total cost in the current period (%)	Amount in the same period of the last year	Proportion of the one in the same period of the last year in total costs (%)	Year-on-year change (%)	Notes
Port machinery	Raw material cost, labor cost and production cost	15,623,751,962	66.92	11,813,606,078	61.19	32.25	Normal operating fluctuations
Heavy-duty equipment	Raw material cost, labor cost and production cost	731,403,000	3.13	994,642,219	5.15	-26.47	Normal operating fluctuations
Engineering construction	Raw material cost, labor cost and production cost	2,273,212,756	9.74	2,220,603,949	11.50	2.37	Normal operating fluctuations
Steel structure and related income	Raw material cost, labor cost and production cost	3,570,148,974	15.29	3,170,269,443	16.42	12.61	Normal operating fluctuations
Marine transport and others	Raw material cost, labor cost and production cost	1,146,871,542	4.91	1,106,003,124	5.73	3.70	Normal operating fluctuations

Other information about cost analysis

The material cost accounts for the highest proportion in the primary business cost this year.

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

Applicable Not Applicable

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

Applicable Not Applicable

(7) Particulars about main customers and suppliers

A. Main customers of the Company

The sales to the top 5 customers were RMB 4,620.1 million, accounting for 17.78% of the total annual sales; the sales to the related parties among the top 5 customers were RMB 1,076.13 million, accounting for 4.14% of the total annual sales.

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

Applicable Not Applicable

B. Main suppliers of the Company

The purchases from the top 5 suppliers were RMB 3,191,847,400, accounting for 13.24% of total annual purchases; the purchases from the related parties among the top 5 suppliers were RMB 381,457,500, accounting for 1.58% of total annual purchases.

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

Applicable Not Applicable

Other description

None



3. Expenses

Applicable Not Applicable

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

The change in general and administrative expenses was mainly due to the decrease in the compensation and travel expenses of the management personnel of the Company.

The change in financial expenses was mainly due to the decrease in interest expenses on the bank borrowings of the Company and the increase in exchange gains caused by fluctuations in the exchange rate of RMB against USD.

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

4.R&D investments

(1) Detail table of R&D investments

Applicable Not Applicable

Unit: Yuan

Current expensed R&D investments	883,154,222
Current capitalized R&D investments	9,107,734
Total R&D investments	892,261,956
Proportion of total R&D investments in operating revenue (%)	3.43
Proportion of capitalized R&D investments (%)	1.02

(2) Detail table of R&D employees

Applicable Not Applicable

Number of R&D employees in the Company	1,446
Proportion of number of R&D employees in the total employees of the Company (%)	17.5

Educational structure of R&D employees

Educational structure category	Number
Doctor	13
Master	319
Undergraduate	1,012
Junior College	90
Senior high school and below	12

Age structure of R&D employees

Age structure category	Number
Under 30 (exclusive)	212
30-40 (inclusive of 30 and exclusive of 40)	766
40-50 (inclusive of 40 and exclusive of 50)	391
50-60 (inclusive of 50 and exclusive of 60)	77
60 and above	0

(3) Explanation

Applicable Not applicable

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

Applicable Not applicable

5. Cash flows

Applicable Not applicable

The change in cash flows from operating activities was mainly due to the increase in payment for sales of goods and rendering of services and project funds received by the Company.

The change in net cash flows from investing activities was mainly due to the investment recovery by the Company and the increase in the cash received from investment income.

The change in net cash flows from financing activities was mainly due to the net decrease in bank borrowings of Company.

2 Explanation for the significant changes in profits due to non-main business

□ Applicable √ Not Applicable

3 Analysis of assets and liabilities

√ Applicable □ Not Applicable

1. Assets and liabilities

Unit: Yuan

Item	Amount at the end of the current period	Proportion of the amount at the end of the current period in total assets (%)	Amount at the end of the previous period	Proportion of the amount at the end of the previous period in the total assets (%)	Year-on-year change (%)	Notes
Monetary funds	4,571,837,584	5.84	2,948,074,736	3.72	55.08	
Accounts receivable	6,448,850,756	8.23	7,227,065,255	9.11	-10.77	
Notes receivable	3,979,800	0.01	753,000	0.00	428.53	
Receivables financing	245,408,260	0.31	362,006,319	0.46	-32.21	
Advances to suppliers	1,159,427,850	1.48	767,426,147	0.97	51.08	
Assets held for sale	15,167,288	0.02	-	-	N/A	
Other current assets	359,805,348	0.46	708,484,102	0.89	-49.21	
Long-term receivables	2,674,407,383	3.41	5,077,114,342	6.40	-47.32	
Long-term equity investments	1,841,721,259	2.35	3,042,232,884	3.84	-39.46	
Other non-current financial assets	-	-	330,094,057	0.42	-100.00	
Other non-current assets	3,756,942,210	4.80	837,004,289	1.06	348.86	
Short-term borrowings	5,977,692,367	7.63	17,795,076,565	22.43	-66.41	
Advances from customers	-	-	4,893,675	0.01	-	
Payroll payable	35,641,840	0.05	188,799,969	0.24	-81.12	
Non-current assets due within one year	2,523,964,018	3.22	1,374,465,319	1.73	83.63	
Long-term borrowings	24,943,760,955	31.84	16,850,299,742	21.24	48.03	
Long-term payables	2,163,591,149	2.76	1,632,757,932	2.06	32.51	
Other non-current liabilities	292,297,881	0.37	430,372,502	0.54	-32.08	

Other description

The monetary fund increased primarily driven by the increased cash from the sales of goods of the Company.

The receivables decreased primarily driven by the increased receivables paid for the Company.

Notes receivable increased primarily driven by the increased commercial acceptance received by the Company.

Receivables financing decreased primarily driven by the decreased bank acceptance receivable of the Company.

Advances to suppliers increased primarily driven by the increased payment in advance for procurement of the production materials of the Company.

The assets held for sale increased primarily driven by non-delivery of the fixed assets with sales contracts signed.

Other current assets decreased primarily driven by the decrease in the deductible VAT input tax of the Company.

The long-term receivables decreased primarily driven by the reclassification into other non-current assets of the Company in accordance with Accounting Standards for Enterprises No.14.

The long-term equity investment decreased primarily driven by the transfer of some equity from CCCC Financial Leasing Co., Ltd by the Company.

Other non-current financial assets decreased primarily driven by the transfer of the rest equity from CCCC Tianhe by the Company.

Other non-current assets increased primarily driven by the reclassification of the long-term receivables by the Company in accordance with Accounting Standards for Enterprises No.14.

The short-term borrowings decreased primarily driven by the decreased short-term borrowings of the Company from banks in the current period.

The payroll payable decreased primarily driven by the payment for the employees' year-end bonus by the Company.

Non-current liabilities due within one year increased primarily driven by the increase in the long-term bank borrowings of the Company within a year.

The long-term borrowings increased primarily driven by the increase in the Company's bank borrowings over one year.

The long-term payable increased primarily driven by the Company's increased payable due over one year.



Other non-current liabilities decreased primarily driven by the decrease in the Company's output tax to be carried forward.

2. Overseas assets

Applicable Not Applicable

(1) Asset size

Including: overseas assets of 13,025,896,775 (Unit: Yuan, Currency: CNY), accounting for 16.63% of the total assets.

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

Applicable Not Applicable

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

Applicable Not Applicable

Unit: Yuan Currency: CNY

Item	Book value at the end of the period	Reason for restriction
Monetary funds	121,999,707	Special fund, letter of guarantee from the bank and guarantee fund for L/C collected from the overseas projects and deposited in the overseas supervision account
Fixed assets	4,025,131,400	Collateral for loan
Long-term receivables	2,177,499,634	Hypothecation for loan
Other non-current assets	2,827,154,241	Hypothecation for loan
Contract assets	38,384,855	Hypothecation for loan
Accounts receivable	107,145,406	Hypothecation for loan

4. Other description

Applicable Not Applicable

4 Analysis of operational information of the industry

Applicable Not Applicable

The market demand for port machinery remained steady but the competition was fierce. In the context of intelligent operation and green development, the demand for new construction and reconstruction of automated terminals further increased, the demand for purchasing the complete machine would be gradually released, the upgrading and reconstruction of the ports met with the opportunities, and the scale and space of the after-market service were significant. However, the Company should pay great attention to the subversive intervention of the innovators outside the industry, unfair competition of some peers and merger and reorganization of the international peers. The market segments of the offshore equipment were different situations and it was predicted in a short term the equipment for traditional drilling platform was still oversupplied. In the future, the overall trend of the offshore equipment industry is to develop towards the direction of deep water, green, unmanned operation and intelligentization, production equipment, LNG equipment, dredging vessels and crane barge had a certain market space. The demand for modules of the offshore engineering, steel structure, wind-power equipment, small-sized auxiliary vessels and other special equipment increased step by step. With the acceleration of the strategy of "a country with strong transportation network", the successive commencement of large-scale infrastructure projects and the transformation of the "new infrastructure construction", the application scenes and market opportunities of steel structures in bridges, ocean engineering, highways, cross-sea tunnels and buildings increased. Under the leadership of the national "3060" strategy, the offshore wind power market would still have greater development potential, offshore wind power would continue to go deep into the sea, and intelligentization had become the road to wind power development. Parking equipment market gradually transformed from the traditional mechanical equipment to the intelligent unmanned equipment, the intensive use of land resources had given rise to the demand for the sky parking lot for the special vehicles such as trucks, semi-trailers, electric logistics vehicles and other special vehicles.

5 Analysis of investment**Overall analysis of external equity investment**√ Applicable Not Applicable

Unit: Yuan Currency: CNY

Investment amount by the end of reporting period	3,053,096,948
Changes in investment amount	-1,973,921,116
Investment amount in the same period of the last year	5,027,018,064
Change in investment amount (%)	-39

1. Significant equity investment Applicable Not Applicable**2. Significant non-equity investment** Applicable Not Applicable**3. Financial assets measured at fair value**√ Applicable Not Applicable

Stock equity held in other listed companies

Unit: Yuan Currency: CNY

Stock code	Stock abbreviation	Initial investment cost	Initial shareholding ratio (%)	Final shareholding ratio (%)	Book value at the end of the period	Profit or loss in reporting period	Changes in owners' equity during the reporting period	Accounting subject	Source of shares
06198	Qingdao Port	308,515,588	1.59	1.59	364,099,519	-15,959,486	-15,959,486	Held-for-trading financial assets	Purchase on market
03969	CRSC	617,854,000	1.16	1.16	286,756,480	39,193,493	39,193,493	Held-for-trading financial assets	Purchase on market
300095	Huawu Stock	11,071,606	5.88	5.30	420,227,264	164,384,982	164,384,982	Held-for-trading financial assets	Contribution
601919	COSCO SHIPPING HOLDINGS	420,000,000	0.45	0.02	72,893,036	350,162,385	350,162,385	Held-for-trading financial assets	Subscription

Stock equity held in financial enterprises

Unit: Yuan Currency: CNY

Stock code	Stock abbreviation	Initial investment cost	Initial shareholding ratio (%)	Final shareholding ratio (%)	Book value at the end of the period	Profit or loss in reporting period	Changes in owners' equity during the reporting period	Accounting subject	Source of shares
000166	Shenwan Hongyuan	200,000	<0.001	<0.001	1,119,345	-7,870	-7,870	Held-for-trading financial assets	Subscription

4. Progress on the major assets restructuring during the reporting period Applicable Not Applicable**6 Sales of significant assets and equities**√ Applicable Not Applicable

On June 28, 2021, the Company held the first meeting of the 8th board of directors, discussed and approved the "Proposal for Approving of Selling the Stock Assets at the Right Time". The board of directors agreed to sell 55,611,111 shares of COSCO Shipping Holdings Co., Ltd held by the Company in manner of call auction or block trading at the right time. The duration of authorization spanned from the date of authorization of the competent organization of the Company to the date when the shares of COSCO Shipping Holdings Co., Ltd was traded off. This proposal was approved by the second extraordinary general meeting of shareholders in 2021.



7 Analysis of the primary holding companies and the joint-stock companies

√ Applicable □ Not Applicable

Unit: Yuan

Company Name	Main product or services	Registered capital	Assets size	Net profit/(loss)
Shanghai Zhenhua Heavy Industries Group (Nantong) Transmitter Co., Ltd.	Construction and installation of large-scale port equipment, engineering vessels, offshore heavy equipment, mechanical equipment, gear box for wind power generation equipment; large-sized reverse branch, transmission mechanism, dynamic positioning, large-sized anchor windlass, offshore oil platform lifting device and components; design and manufacturing of the accessories.	738,878,329	1,943,638,802	114,899,184
Nanjing Ninggao New Channel Construction Co., Ltd	Engaged in the construction, investment and management of Nanjing-Gaochun new channel project	100,000,000	576,960,856	23,780,024
Shanghai Zhenhua Shipping Co., Ltd	Operation of international offshore sea transportation; ordinary cargo liner traffic in the middle and lower reaches of Yangtze River; transportation of port machinery	120,000,000	1,792,032,013	6,381,050
Shanghai Zhenhua Port Machinery (Hong Kong) Co., Ltd.	Design, manufacturing and sales of port machinery, engineering vessel, steel structure and other parts	HKD 50,000,000	11,215,952,281	54,340,531
Shanghai Zhenhua Heavy Industries Port Machinery General Equipment Co., Ltd.	Sales of port loading and unloading machine, bulk cargo and container machine, port engineering vessels (including floating engineering crane), material handling mechanical products and parts, sales and technical services, installation and maintenance, technical consultation of all types of machine and equipment, key parts of the raw materials and accessories equipment	2,184,730,000	2,698,123,976	19,674,374
Nantong Zhenhua Heavy Equipment Manufacturing Co., Ltd.	Installation of heavy port equipment, engineering vessels, heavy metal structure and its parts; manufacturing and installation of gear box, container yard crane, super heavy-duty bridge steel structure, heavy marine machinery equipment; leasing of cranes; specialized contracting of steel structures	2,500,000,000	6,542,753,385	16,781,784
ZPMC Qidong Marine Engineering Co., Ltd.	Machinery manufacturing	303,000,000	2,521,078,255	-165,411,107
Shanghai Zhenhua Ocean Engineering Service Co., Ltd	Agency of international land transport, air transport, ocean shipping and domestic freight; sales of large-scale port equipment, engineering vessel equipment and marine materials at home and abroad; construction of ocean engineering and leasing of engineering vessels; import and export of goods and technologies, transit trade, trade between enterprises and trade agency within the free trade zone	100,000,000	1,053,536,002	26,788,550
Zhenhua Pufeng Wind Energy (HongKong) Co., Ltd.	Installation of offshore wind turbine	USD 16,326,531	184,151	11
CCCC Financial Leasing Co., Ltd.	Finance lease	5,700,000,000	51,591,217,057	748,652,808
China Communications construction USA. Inc	Construction of port, waterway, highway and bridge	USD 50,000,000	228,951,873	1,185,108.86
CCCC Estate Yixing Co., Ltd.	Real estate development	900,000,000	1,770,602,790	56,869,604
Jiangsu Longyuan Zhenhua Marine Engineering Co., Ltd	Fabrication and installation of steel structure; construction of the foundation for offshore wind power facilities, installation and maintenance of equipment; construction and maintenance of submarine cable system, construction of marine engineering; installation and maintenance of equipment and leasing of equipment	260,000,000	4,009,168,159	103,946,480
Greenland Heavylift (Hongkong) Limited	Marine transport	USD 91,975,158	2,691,804,518	71,064,460

8 Particulars about structured entities controlled by the Company

□ Applicable √ Not Applicable

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

1 Industrial structure and trend

√ Applicable □ Not Applicable

1. International political and economic situation

The global economic situation was still complex and severe, the epidemic continued to spread, the overall economic growth slowed down, de-globalization, unilateralism and protectionism were becoming more and more striking, inflation was becoming more and more prominent, and the debt crisis was continuously escalating. The geopolitical changes were becoming more and more severe, the smooth development of the world and the construction of global supply chains were facing heavy obstacles, and the export-oriented enterprises were facing increased risks in overseas market development, ocean transportation, territorial development and information security. The globalization development of Chinese state-owned enterprises was facing more challenges. Meanwhile, China is more attractive to foreign investors in terms of security development, business environment and market capacity due to fast and efficient epidemic prevention and control and other advantages, and the China-proposed Belt and Road Initiative would continue to be further accelerated advance.

2. Domestic economic growth

China's economic growth rate had entered the range of 5%-6% and China's economy was changing from scale expansion to quality improvement, imposing higher requirements on the operation quality of enterprise development, industrial transformation, technical research and development, and supply chain construction. China was accelerating the establishment of a new development pattern in which domestic economic cycle plays a leading role while international economic cycle remains its extension and supplement, as a result, the key domestic regional market would have greater opportunities. Meanwhile, we must be aware that China's economic development was facing "triple pressure" from demand contraction, supply shocks and weakening expectations, enterprise development factor costs continued to grow, but the China's economy, was hugely resilient and its fundamentals would sustain stable and long-term growth.

3. Industrial development

According to the Central Economic Working Conference, furthering the supply-side structural reform should focus on a greater domestic circulation, elimination of the bottlenecks in supply, and smooth flow of production, allocation, distribution, and consumption; should upgrade the core competitiveness of the manufacturing industry, launch a number of reconstruction projects for the industrial foundation, and stimulate the emergence of a large number of specialized and sophisticated enterprises that produced new and unique products. We should be aware that the transformation and upgrading of the manufacturing industry was the fundamental of establishing a new "dual circulation" development of China's economy, and China proposed to maintain a reasonable proportion of manufacturing industry. At present, China's manufacturing industry was developing towards the direction of advanced industrial base and modernize industrial chain, and would further rely on high-quality enterprises to establish innovation association or strategic alliances for technical innovation, carry out collaborative innovation, and increase the research and application of core technologies, improve the stability and efficiency of the industrial chain and supply chain and foster new economic growth points.

2 Development strategy of the Company

Applicable Not Applicable

1. Overall development strategy

With "1544" overall development strategy as a strategic guide, gradually build the Company into a globally competitive technology-oriented, management-oriented and quality-oriented world-class equipment manufacturing enterprise. "1" refers to firmly anchoring the goal of building a technology-oriented, management-oriented and quality-oriented world-class enterprise, seizing the global and national development opportunities, consolidating and bringing into full play the enterprise's own advantages, and fully achieving the goal. "5" refers to working hard on "five types of business", continuously consolidating the traditional primary business of port machinery, offshore engineering and shipping and installation, accelerating the development of growth business such as steel structure, offshore wind power, sky parking and so on, multiplying the service innovation and after-market services, moderately developing the financial investment, making efforts to explore new businesses with broad prospects and competitive advantages in the industry. "4" refers to solidly promoting "four main lines", continuing to strengthen innovation-driven leadership, deepen the enterprise reform, accelerate the management upgrade and strengthen the Party building. "4" refers to focusing on improving the "four-thinking" ability, improving the ability of strategic thinking, market thinking, innovative thinking, and risk control thinking.

2. Measures for industrial development

(1) Firmly making the primary business stronger, better and bigger. The port machinery business will focus on high-end, intelligent and green development, expand the product lines of port machinery, accelerate the application of modern technologies such as 5G and artificial intelligence, increase the efforts in tackling "bottleneck" technologies, consolidate the long-term partnership with major customers at home and abroad, and transform and upgrade from product services and technical services to full-life services, and continue to consolidate the position of "global special champion" and gains-to-scale in port machinery. It will hold up the banner of "chain head of automated terminal industry chain" and further



upgrade the Company's leadership in the automated terminal construction. The offshore engineering business will pay close attention to the development trend of the marine economy, synchronously accelerate the market promotion and the technical innovation of offshore engineering products, seize the opportunities of cooperation with important customers, continue to implement various projects such as engineering vessels, crane vessels, wind power installation (service operation) vessels and so on, and improve the level of production performance and cost control of offshore engineering projects. In terms of shipping business, based on upgrading the fleet management and guaranteeing the transportation of the Company's products, it will seize the opportunities of shipping recovery, offshore wind power construction and overseas industrialized infrastructure construction to improve the industrial competitiveness and the scale efficiency of the enterprise.

(2) Increase resources investment to develop the mature new business. Seize the opportunities of "new infrastructure construction", "double-carbon" action and urban transformation, and increase resources investment to develop mature new business such as steel structure, offshore wind power and sky parking. Bring into play the Company's advantages in fabrication and transportation of steel structure, increase the layout of internal and external production and manufacturing resources and accelerate the implementation of the benchmark projects in national strategic regions and overseas steel structure markets such as Australia and Japan. Seize the opportunity of national new energy development, give full play to the Company's unique competitiveness in the field of transportation and installation of offshore wind power equipment, strengthen the professional cooperation with outstanding enterprises in the industry, further excavate the potential of wind power market in important national regions such as Guangdong and overseas regions and strive for winning more general contracting projects for the representative wind power projects, and explore the wind farm service operation market. Bring into full play the demonstration effects of the benchmark parking projects built or in progress, further give play to the advantages in equipment and technology, and gradually explore the construction of intelligent parking full-scene solutions and the whole industry chain service model.

(3) Actively explore new tracks related to the primary business. Seize the opportunity of renewal and reconstruction of old port machinery in global ports and terminals, plan ahead and operate it comprehensively, strive to obtain the paid value-added services with a higher market share in the field of renewal and reconstruction of port machinery, and improve the scale benefit of after-market services. Based on the renewal and renovation of port machinery, with Terminexus online spare parts service platform as the foundation, gradually build a comprehensive digital service platform integrating design, consultation, procurement and service, and construct a new business growth pole with digital service as the main carrier.

(4) Moderate development of investment and financing business related to the primary business. Take advantage of the Company's brand, resources, low financing cost, etc., focus on the primary business, find the right time, and grasp the specific advantages, specific regions and specific partners to carry out investment and financial business. Actively participate in the equity investment of important customers of domestic ports and listed suppliers of supporting parts related to the Company's primary business; invest the projects with low risk and stable benefits such as offshore wind power, steel structure, parking garage, etc.

(5) Accelerate other businesses in a steady and orderly manner. Focus on national strategy, market demand, development advantages, input-output factors, further explore and accelerate the emerging businesses such as assembled building in a steady and orderly manner. As to the assembled building business, give full play to the Company's advantages in design and fabrication of steel structure manufacturing, and actively implement the assembled steel structure benchmark projects. In the fields of marine economy, people's livelihood engineering and new energy, strengthen the situation analysis, accelerate the cultivation of the Company's differentiated advantages, upgrade the business qualification, and actively follow up and implement the projects with obvious advantages and considerable benefits.

3 Operation plan

√ Applicable □ Not Applicable

(1) Strengthen the market advantage of core primary business. Continuously consolidate the market advantages of traditional core primary business such as port machinery and offshore engineering. Strengthen and further the business cooperation with the users in various fields such as automated terminals, port mobile machinery and after-market services, provide professional solutions and further consolidate the market share. Promote the solid implementation of the string-bag one-stop customer service to continuously enhance customer viscosity. Focus on the market development of the Company's advantageous offshore engineering products, and increase efforts to track the related projects such as crane vessels, wind power installation vessels and so on. Continue to do a good job in destocking of offshore engineering, and do well in business development such as the semi-submersible vessel market, relocation market of port machinery and offshore installation market, focus on the special vessel market along "the Belt and Road". On the basis of ensuring the transportation of products in the main business, improve the operation efficiency of the fleet and raise the profitability through careful planning.

(2) Accelerate the expansion of the scale of growth business. Increase the resources investment, practically prevent risks, accelerate the development of the growth business such as "large, heavy and special" steel structure, offshore wind power, smart parking and so on, and strive to rapidly expand the scale and get greater gains. Focus on the Group's advantages in large traffic, rivers, lakes and seas at home and abroad, strengthen the tracking of national key projects and famous bridge projects, undertake highways, bridges and maritime engineering projects with competitive advantages, and upgrade the Company's popularity and market recognition in the steel structure industry. Integrate the Company's resources related to wind power industry, rely on the relevant advantages of China Communications Construction Company Ltd and make efforts to expand the market, focus on the large, important and special high-quality spot market such as converter station and Japanese wind power market, and strive to make the wind power business become an important pole of the Company's development. Take intelligent sky parking garage as the breakthrough point, promote the integration of the whole

industrial chain in the parking market, focus on developing integrated projects integrating parking, investment, construction and operation in the first and second-tier cities, further focus on the parking equipment market segments and take a differentiated route.

(3) Strengthen the expansion of after-market service business. Innovate models, increase incentives, and strive to achieve geometric multiplication of after-market services and innovative business. Further collaborate the spare parts business inside the Company, focus on the domestic weak market, and continue to expand the good growth trend in Bohai Bay, Yangtze River Delta and the Greater Bay Area; explore and build Terminexus products with independent brands, and establish the core competitiveness with the "Xiaomi" model + "Apple" quality control concept; put the "T-Mall" (online mall) into operation as soon as possible, and provide the platform-based big data services to the customers in time. Improve the construction of distribution centers in South Asia and North Africa and Israel Service Center, and implement the construction of domestic distribution centers in the Greater Bay Area and Bohai Bay.

(4) Make new business reserves in a steady and orderly manner. Make efforts to explore new businesses such as assembly type structure, people's livelihood projects and new energy. Create a business model of additional elevator installation with core competitiveness, strive to become the first brand of additional elevator installation in Shanghai, create the innovative elevators with independent intellectual property rights, and strive to lead the development of the additional elevator installation market. Accelerate the expansion of comprehensive energy business, explore equity-participation financing and strive for general contracting of projects, and actively develop the internal photovoltaic base construction market of CCCC. Explore the business of electric control equipment and marine farming equipment with market competitiveness and a certain scale.

4 Potential risks

Applicable Not Applicable

Market risk: it mainly includes macroeconomic and industry cycle fluctuation risk. The main business of the Company is closely related to the operation and development of macro economy and the industry cycle of the shipping industry. The slowdown of global economy, the trade friction between China and USA and the challenges from the deglobalization trend on the global economy impose some uncertainties on the development of the Company. Although the shipping industry is slightly resuscitative, the recovery speed is still uncertain, and the Company's upstream customers are still cautious about the new capital investment in ports and terminals.

Countermeasures: the Company will establish a management system for the scientific study and judgment of the macro political and economic situation, identify the systematic risks in time, and make risk response plans in advance. In the meanwhile, the Company will focus on user needs, optimize products, improve services, look for increment from the stock, and continuously optimize its business structure and profit model.

Financial risk: it mainly includes interest rate and exchange rate change risk. The Company's interest rate risk mainly comes from interest-bearing liabilities. In addition, a certain proportion of overseas business brings a certain scale of foreign exchange revenue and expenditure to the Company.

Countermeasures: the Company will strengthen the dynamic study and judgment of capital situation, further strengthen the overall capital management, broaden financing channels and rationalize financing costs. For exchange rate risk control, the Company will control exchange rate risks through locking in the forward exchange rate, gradually reduce the foreign exchange liabilities, pay attention to the research on policies and strategies of foreign exchange risk management, closely concern the changes in exchange rates, and regularly analyze the trend of exchange rate.

5 Others

Applicable Not applicable

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

Applicable Not applicable



Section IV | Corporate Governance

I. Related information about corporate governance

Applicable Not applicable

During the reporting period, the Company strictly followed the regulations specified in the Company law, Securities Law, Stock Listing Rules, Articles of Association and the legal requirements of China Securities Regulatory Commission to standardize the Company's daily operation, further established and improved the internal control system, improved the internal control management and corporate governance structure, strengthened the insider information management, strengthened the information disclosure, continuously improved the company governance, made efforts to improve the construction of legal person governance structure, and gradually established a modern enterprise system, earnestly protected the legal rights and interests of the Company and all the shareholders, ensuring the sustainable and stable development.

After self-inspection, the staffs who know the insider information didn't trade the stocks of the Company before major price information is disclosed. There is no difference between the company governance and the regulations of China Securities Regulatory Commission.

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

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

III. Brief introduction to the general meeting of shareholders

Session of meeting	Convening date	Query index of the website specified for publishing resolutions	Date of disclosure for publishing resolutions	Resolutions
The first extraordinary general meeting of shareholders in 2021	March 19, 2021	www.sse.com.cn; enter the stock code to search	March 20, 2021	Reviewed and approved the "Proposal of Additionally Electing Mr. Liu Chengyun as A Director of the Company" (See No. 2021-009 Extraordinary Announcement for details)
General Meeting of Shareholders in 2020	June 28, 2021	www.sse.com.cn; enter the stock code to search	June 29, 2021	Reviewed and approved the proposals including "Working Report of Board of Directors in 2020" and "Working Report of Independent Directors in 2020" and so on (see No. 2021-024 Extraordinary Announcement for details)
The second extraordinary general meeting of shareholders in 2021	August 25, 2021	www.sse.com.cn; enter the stock code to search	August 26, 2021	Reviewed and approved the proposals including "Proposal of Additionally Electing Mr. Wang Cheng as A Director of the Company" and "Proposal of Electing Mr. Zhang Lijie as A Supervisor of the Company" (see No. 2021-034 Extraordinary Announcement for details)
The third extraordinary general meeting of shareholders in 2021	December 22, 2021	www.sse.com.cn; enter the stock code to search	December 23, 2021	Reviewed and approved the proposals including "Proposal of Transferring Some Stock Equity of CCCC Financial Leasing Co., Ltd to CCCC Capital Co., Ltd & Related Transactions" and "Proposal of Additionally Electing Mr. Yu Jingjing as A Director of the Company" (see No. 2021-050 Extraordinary Announcement for details)

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

Applicable Not applicable

Particulars about the general meeting of shareholders

Applicable Not applicable

In 2021, the Company convened 4 general meetings of shareholders, which were convened and held in accordance with the laws and rules including “Company Law of the People’s Republic of China”, the “Rules for the General Assemblies of Shareholders of Listed Companies” and “Articles of Association”; the qualifications of the attendees and the convener were lawful and effective; the voting procedures and results of the meetings were lawful and effective; and the resolutions of the general meetings of shareholders were lawful and effective.

IV. Directors, Supervisors and Senior Executives

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

Applicable Not applicable

Unit: Share

Name	Post (Note)	Sex	Age	Starting date of tenure	Expiry date of tenure	Number of shares held at the beginning of the year	Number of shares held at the end of the year	Change in shares in the year	Reason of change	Total remuneration before tax from the Company during the reporting period (RMB'0,000)	Remuneration received from any of the Company's related parties or not
Liu Chengyun	Director, chairman of the board	Male	53	June 28, 2021	June 27, 2024	0	0	0		43.88	Yes
	General manager (president)			July 12, 2021	June 27, 2024						
Liu Qizhong	Director	Male	58	June 28, 2021	June 27, 2024	0	0	0		115.13	No
	Vice president			July 12, 2021	June 27, 2024						
Zhu Xiaohuai	Director	Male	53	June 28, 2021	June 27, 2024	0	0	0		87.23	No
	CFO			July 12, 2021	June 27, 2024						
Wang Cheng	Director, chairman of labor union	Male	49	August 25, 2021	June 27, 2024	0	0	0		94.47	No
	Supervisor, chief supervisor			June 28, 2021	July 12, 2021						
Yu Jingjing	Director	Male	47	December 22, 2021	June 27, 2024	0	0	0		0	Yes
Sheng Leiming	Independent director	Male	52	June 28, 2021	June 27, 2024	0	0	0		12	No
Zhang Hua	Independent director	Male	49	June 28, 2021	June 27, 2024	0	0	0		12	No
Zhao Zhanbo	Independent director	Male	46	June 28, 2021	June 27, 2024	0	0	0		12	No
Bai Yunxia	Independent director	Female	49	June 28, 2021	June 27, 2024	0	0	0		12	No
Zhang Lijie	Supervisor	Male	52	August 25, 2021	June 27, 2024	0	0	0		43.78	Yes
	Chief supervisor			August 30, 2021	June 27, 2024						
Wei Wei	Employee supervisor	Male	50	June 28, 2021	June 27, 2024	0	0	0		53.25	No
You Hua	Supervisor	Male	59	June 28, 2021	June 27, 2024	0	0	0		0	Yes
Wang Baihuan	Vice president	Male	58	July 12, 2021	June 27, 2024	0	0	0		25.78	Yes
Liu Feng	Vice president	Male	51	October 29, 2021	June 27, 2024	0	0	0		11.38	No



Name	Post (Note)	Sex	Age	Starting date of tenure	Expiry date of tenure	Number of shares held at the beginning of the year	Number of shares held at the end of the year	Change in shares in the year	Reason of change	Total remuneration before tax from the Company during the reporting period (RMB'0,000)	Remuneration received from any of the Company's related parties or not
Shan Jianguo	Vice president	Male	58	July 12, 2021	June 27, 2024	0	0	0		115.13	No
Zhang Jian	Vice president	Male	53	July 12, 2021	June 27, 2024	0	0	0		115.13	No
Fei Guo	Chief engineer	Male	60	July 12, 2021	June 27, 2024	0	0	0		115.13	No
Li Ruixiang	Chief economist	Male	47	July 12, 2021	June 27, 2024	0	0	0		115.13	No
Sun Li	Chief legal counsel, secretary of the board, chief compliance officer	Male	50	July 12, 2021	June 27, 2024	0	0	0		115.13	No
Zhu Lianyu	Director and chairman of the board (resigned)	Male	52	June 26, 2018	March 19, 2021	427,200	427,200	0		102.29	No
Huang Qingfeng	Director and president (resigned)	Male	47	June 26, 2018	February 26, 2021	0	0	0		102.49	No
Yang Jun	Independent director (resigned)	Male	65	June 26, 2018	June 28, 2021	0	0	0		6	No
Ji Linhong	Independent director (resigned)	Male	60	June 26, 2018	June 28, 2021	0	0	0		6	No
Xiang Xudong	Supervisor (resigned)	Male	46	June 26, 2018	June 28, 2021	0	0	0		54.83	No
Liu Jianbo	Vice president (resigned)	Male	59	July 12, 2021	July 28, 2021	0	0	0		27.52	No
Zhou Qi	Vice president (resigned)	Male	50	July 12, 2021	March 14, 2022	0	0	0		115.13	No
Chen Bin	Vice president (resigned)	Male	48	July 12, 2021	July 28, 2021	107,328	107,328	0		27.22	No
Total	/	/	/	/	/	534,528	534,528	0	/	1,540.03	/

Remark: the remuneration received by the senior executives of the Company from related parties during the reporting period is the performance incentive income prior to their employment with the Company.

Name	Main working experiences
Liu Chengyun	Born in 1969, male, master, senior economist, senior engineer. He began his career in August, 1989 and has successively served as deputy director of CCCC Fourth Harbor Engineering Co., Ltd, vice general manager of CCCC Investment Co., Ltd, secretary of the Party committee, chairman and general manager of CCCC Nansha Investment Development Co., Ltd. and CCCC Urban Investment Holding Co., Ltd, general manager and secretary of CPC Working Committee of CCCC South China regional headquarters, general manager of the Strategic Development Department of China Communications Construction Company Ltd. (CCCC), general manager of the Investment Division of CCCC, director of the board office and general manager of the Strategic Development Department of China Communications Construction Group Co., Ltd. (CCCCG) and CCCC. Currently, he is the assistant to the general manager of CCCG, and chairman and general manager (president) of the Company.
Liu Qizhong	Born in 1964, male, bachelor, senior economist. He started working in August, 1983 and successively served as the manager of Operating Department and the vice president of the Company, and serves as the director of the Company since March 2004. Currently, he is the director and vice president of the Company.
Zhu Xiaohuai	Born in 1969, male, master of MBA, senior accountant. He began his career in July 1991 and successively served as the section member and vice section manager of Financial Division of CCCC Shanghai Dredging Co., Ltd, vice director of Budget and Finance Department, vice manager (in charge of the work) or manager of Finance Department, and member of commission for disciplinary inspection of CCCC Shanghai Dredging Co., Ltd, and the director, chief accountant and Party committee standing member of CCCC Shanghai Dredging Co. Ltd. Currently, he is the director and CFO of the Company.
Wang Cheng	Born in 1973, male, master of engineering, senior political worker. He started working in August, 1994 and successively served as the vice secretary or secretary of league committee, and vice secretary or secretary of Party Branch of No. 2 Engineering Co., Ltd of CCCC Third Harbor Engineering Co., Ltd; vice director and director of Organization Department of CCCC Third Harbor Engineering Co., Ltd; secretary of the Party Committee and vice general manager of No. 2 Engineering Co., Ltd of CCCC Third Harbor Engineering Co., Ltd; chairman of board of supervisors, vice secretary of the Party Committee, secretary of Committee for Discipline Inspection and chairman of labor union of CCCC Third Harbor Engineering Co., Ltd.; secretary of Commission for Disciplinary Inspection, supervisor and chairman of board of supervisors of the Company. Currently, he is the director and chairman of labor union of the Company.

Name	Main working experiences
Yu Jingjing	Born in 1975, male, bachelor degree, senior economist. He started working in July 1998 and successively served as the director of the planning department of China Harbour Engineering Company (Group), the business director of the enterprise development department of CCGG, the deputy director (in charge of the work) and director of the investor relations division of the office of the board of directors of CCCC, the assistant director and deputy director of the office of the board of directors of CCCC. Currently, he is the deputy director (deputy general manager, deputy director and deputy director) of the office of the board of directors (Strategic Development Department, Reform Office and Dispatched Director Office) of CCGG and CCCC, director of China Communications Information Technology Group Co., Ltd., and director of the Company.
Sheng Leiming	Born in 1970, male, doctor of laws, senior lawyer. He successively served as a lawyer assistant and lawyer in Shanghai Foreign Trade Law Firm, a teacher of civil and commercial law in East China University of Political Science and Law, a senior partner and chief lawyer of Shanghai Zhongmao Law Firm, and co-chairman, senior partner and lawyer in the head office management committee of Guantao Law Firm. Currently, he is the independent director of the Company.
Zhang Hua	Born in 1973, male, PhD in Economics, associate professor of finance. He successively served as a researcher, lecturer, assistant professor and associate professor at China Europe International Business School. Currently, he is the independent director of the Company.
Zhao Zhanbo	Born in 1976, male, PhD. He had served as a teacher in School of Software, Peking University since 2005 and now he is a professor. He is mainly engaged in the research in Internet business model innovation and corporate development strategy. Currently, he is the independent director of the Company.
Bai Yunxia	Born in October 1973, female, PhD in accounting from Xiamen University, post-doctor in accounting of Guanghua School of Management, Peking University, professor of accounting, doctoral tutor, engaged in work in 1995. She successively served as the assistant engineer of Kaiyuan Group under Xi'an Jiaotong University, lecturer of School of Economics and Management of Tongji University, research scholar of CKGSB. Currently, she is the director of Department of Accounting, School of Economics and Management, Tongji University and the research scholar of Investment Center of CKGSB, and the independent director of the Company.
Zhang Lijie	Born in April, 1970, male, master, senior engineer and senior political engineer. He started working in August, 1991 and successively served as deputy manager, manager, section chief of Construction Section and manager of Engineering Department of No.6 Engineering Co., Ltd. of CCCC Third Harbor Engineering Co., Ltd. Jiaxing Branch; deputy secretary of the Party committee and secretary of the Discipline Inspection Commission, and deputy general manager of CCCC Third Harbor Engineering Co., Ltd. Xiamen Branch; director of the Party Committee Work Department and general manager of the Corporate Culture Department of CCCC Third Harbor Engineering Co., Ltd.; secretary of the Party committee and deputy general manager of CCCC Third Harbor Engineering Co., Ltd. Xiamen Branch; member of the Party committee of CCCC Third Harbor Engineering Co., Ltd., secretary of the Party committee, general manager and executive director (legal representative) of Xiamen Branch. Currently, he is the chief supervisor of the Company.
Wei Wei	Born in February, 1972, male, bachelor, senior political engineer. He started working in August, 1990, and successively served as secretary of the General Youth League branch of the Technical School of Shanghai Port Machinery Manufacturing Plant, secretary of the Youth League Committee, chairman of the labor union of the metal processing workshop, and secretary of the Party branch of the gearbox workshop of Shanghai Port Machinery Manufacturing Plant; manager of the Human Resources Department, chairman of the Labor Union and Deputy Secretary of the Party branch of ZPMC Nanhui Base, deputy secretary of the temporary general Party branch, chairman of the Labor Union and general office manager of Shanghai Port Machinery Heavy Industry Co., Ltd; head of the first discipline inspection team assigned by the Discipline Inspection Committee of ZPMC, director of the Trade Union Office and deputy general manager (in charge of the work) of the Administrative Affairs Department. Since May 2021, he has been the vice chairman of the Labor Union, director of the Labor Union Office and deputy general manager (in charge of the work) of the Administrative Affairs Department of ZPMC. Since June 2021, he has been the employee supervisor of the Company.
You Hua	Born in 1963, male, bachelor, senior accountant. He successively served as the assistant director and deputy director of Finance Department of China Harbour Engineering Company Limited, and finance manager of CHUWA Bussan Company Limited (Japan); general manager of the Finance Department and director of Capital Settlement Center, deputy chief accountant and general manager of Finance Department of China Harbour Engineering Company(Group); general manager of Capital Department and director of Capital Settlement Center of CCGG; director and chief accountant of China Harbour Engineering Company Limited; director, vice general manager and chief accountant of CCCC Investment Co., Ltd; director, general manager and deputy Secretary of Party Committee of CCCC Finance Co., Ltd. Since December 2019, he has been a full-time outside director of CCGG. He is now a supervisor of the Company.
Wang Baihuan	Born in 1964, male, EMBA master, senior economist and senior engineer. He started working in August, 1984, and successively served as the manager and deputy secretary of the Party committee of No. 2 Engineering Company of CCCC Shanghai Dredging Co. Ltd.; executive director, general manager and deputy secretary of the Party committee of the Waterway Construction Company of CCCC Shanghai Dredging Co. Ltd.; secretary of the Party Committee and deputy general manager of the Waterway Construction Company of CCCC Shanghai Dredging Co. Ltd.; director, general manager and deputy secretary of the Party committee of CCCC Shanghai Dredging Co. Ltd.; chairman (legal representative) and secretary of the Party committee of CCCC Guangzhou Dredging Co., Ltd. Currently, he is the vice president of the Company.
Liu Feng	Born in 1971, male, master, senior economist. He started working in July 1995, and successively served as the deputy director (in charge of the work) and director of the Second Division of the Department of Industry and Trade of CCCC; director and general manager assistant of the Equipment Manufacturing Marine Heavy Industry Department of CCCC; deputy general manager of the Equipment Manufacturing Marine Heavy Industry Department, deputy general manager of Science and Technology Equipment Department, deputy director of Chief Engineer Office of CCCC; deputy general manager (deputy director) of the Department of Science, Technology and Digitalization (Chief Engineer Office) of CCGG and CCCC. Currently, he is the deputy secretary of the Party committee and vice president of the Company.
Shan Jianguo	Born in 1964, male, bachelor, senior engineer. He started working in July, 1988, and successively served as the technician in Shanghai Port Machinery Manufacturing Plant, the engineer and chief engineer of ZPMC Machinery Office, general manager and vice chief engineer of No.4 design office of design company, vice director and director of ZPMC Machinery Office, manager of budget assessment department and the dean of ZPMC Land-based Heavy Industry Research & Design Institute. Currently, he is the vice president of the Company.
Zhang Jian	Born in 1969, male, MBA, senior engineer. He successively served as the technician, production planner and assistant director of No. 2 Panel beater of Shanghai Port Machinery Manufacturing Plant, director of gearbox branch of Shanghai Port Machinery Manufacturing Plant, vice director and member of the Party committee of Shanghai Port Machinery Manufacturing Plant, vice general manager of Shanghai Port Machinery Heavy Industry Co., Ltd, general manager and president assistant of ZPMC Operation Office. Currently, he is the vice president of the Company.



Name	Main working experiences
Fei Guo	Born in 1962, male, EMBA, professor-level senior engineer. He successively served as the engineer of Shanghai Port Machinery Plant, electrical engineer of the Technology Department, director of No. 5 Electrical Office, vice chief engineer, chief engineer, director of Development Office and vice president of ZPMC. Currently, he is the chief engineer of the Company.
Li Ruixiang	Born in 1975, male, bachelor, senior economist. He successively served as the director of Technical Process Department, trainee manager of Manufacturing Department and manager of Quality Assurance Department of Zhangjiagang Base of Shanghai Port Machinery Plant; project leader, office manager, vice director of Quality Safety Office, vice general manager and general manager of mechanical supporting base, secretary of Party Branch, vice chief economist, general manager of budget assessment department, general manager of Material and Equipment Procurement Department and president assistant of ZPMC quality inspection company. Currently, he is the chief economist of the Company.
Sun Li	Born in 1972, male, EMBA, senior engineer. He successively served as the project leader and vice manager of Operation Department, vice director of Operation Office and director of Off-Shore Office, general manager assistant, vice president and director of the Company. Currently, he is the chief legal counsel, secretary of the board and chief compliance officer of the Company.
Zhu Lianyu	Born in 1970, male, PhD, professor-level senior engineer. He began his career in September 1992 and successively served as the engineer, equipment leader of overseas projects, vice chief of Marine Machine Department, manager of Enterprise Development Department of CCCC First Harbor Engineering Co., Ltd; the general manager of CCCC International Shipping Co., Ltd and the vice general manager of the Equipment Manufacturing Marine Heavy Industry Department of China Communications Construction Co., Ltd. He resigned as director and chairman of the board of the Company due to job transfer on March 19, 2021.
Huang Qingfeng	Born in 1975, male, EMBA, senior engineer. He began his career in July 1996 and successively served as the chief of Quality Inspection Department, vice director of Quality Inspection No.2 Department, vice general manager of quality inspection company, vice general manager of after-sales service department, general manager of quality inspection company; vice director of Off-Shore Office, vice director and director of Quality Safety Office, director of Product Service Center, president assistant, vice president and president of the Company. He resigned as the director and president of the Company due to job transfer on Feb. 26, 2021.
Yang Jun	Born in 1957, male, master degree. He successively served as intermediate and senior court judge of Shanghai Court, president and member of the judicial committee member, Property Trade Operation Director of Shanghai United Property Rights Exchange. Now he is the assistant president of Shanghai United Property Rights Exchange, general manager of Beijing HQ, director of Financial Property Rights Trade Center, arbitrator of China International Economic and Trade Arbitration Commission, Shanghai International Economic and Trade Arbitration Commission, arbitrator of Shanghai Arbitration Commission, Shanghai Financial Arbitration Court, expert of China domain name dispute resolution center, director of Intellectual Property Association of China Law Society, director of Company Law Research Society of Shanghai Law Society, director of Shanghai Patent/Trademark/Copyright Association. The term of office of the independent director has expired.
Ji Linhong	Born in 1962, male, PhD. He successively served as the assistant and the lecturer of Department of Precision Instrument of Tsinghua University; assistant professor of Department of Precision Engineering of Faculty of Engineering of the University of Tokyo, the Postdoctoral Researcher in Ministry of Education, Culture, Sports, Science and Technology of Japan. He had acted as vice director of Department of Precision Instrument of Tsinghua University, vice director of Department of Mechanical Engineering of Tsinghua University, director of Design Engineering Research Institute of Tsinghua University, director of Experiment & Teaching Center of Mechanical Engineering, and vice director of State Key Lab of Tribology, Tsinghua University and so on. Now he serves as a professor and a doctoral tutor in Department of Mechanical Engineering, Tsinghua University. He is mainly engaged in digitalized design and system optimization of complicated mechanical system and the intelligent and biological mechanical design. The term of office of the independent director has expired.
Xiang Xudong	Born in 1976, male, bachelor, senior engineer. He successively served as the designer of No.2 Design Institute of Jiangnan Shipyard (Group) Co., Ltd, vice director and vice manager of the Quality Department of ZPMC, and general manager of ZPMC Inspection Co., Ltd. Currently, he is the vice general manager of ZPMC Port Machinery Group, and the secretary of the Party committee and executive vice general manager of Changxing Branch.
Liu Jianbo	Born in 1963, male, bachelor, senior engineer. He successively served as the engineer at technological office of Shanghai Port Machinery Plant; assistant director in engineering technology department of Shanghai Container Dock Co. Ltd., project director of ship operation department and chief engineer of engineering department of Shanghai ZPMC, and vice general manager of and general manager of ZPMC Changxing Base. He resigned as the vice president of the Company for personal reasons on July 28, 2021.
Zhou Qi	Born in 1972, male, EMBA, professor-level senior engineer. He successively served as the technician, manager, deputy chief engineer, general manager of the Electric Appliance Office and chief engineer of the Company. He resigned as the vice president of the Company for personal reasons on March 14, 2022.
Chen Bin	Born in 1974, male, EMBA, senior engineer. He successively served as the project quality leader of Quality Control Division, vice manager of tire crane office of quality control division, manager of quality control division, vice general manager and general manager of quality inspection company, vice director and vice chief engineer of quality safety office, manager of quality safety division, supervisor and president assistant of the Company. He resigned as the vice president and safety director of the Company for personal reasons on July 28, 2021.

Notes to other circumstances

Applicable Not applicable

2 Incumbency of current and resigned directors, supervisors and senior executives during the reporting period**1. Position at the shareholder entity**√Applicable Not applicable

Name of in-service staff	Name of shareholding entity	Position	Starting date of tenure	Expiration date of tenure
Liu Chengyun	China Communications Construction Group Co., Ltd.	General manager assistant	March 5, 2021	
Yu Jingjing	China Communications Construction Group Co., Ltd.	Deputy director (deputy general manager, deputy director and deputy director) of the office of the board of directors (strategic development department, reform office and dispatched director office)	December 2020	

Statement of the position held in shareholding entity

2. Statement of the position held in other entities√Applicable Not applicable

Name of in-service staff	Name of other entities	Position held in other entities	Starting date of tenure	Expiration date of tenure
Zhao Zhanbo	School of Software, Peking University	Professor		
Bai Yunxia	School of Economics and Management of Tongji University, Investment Centre of Cheung Kong Graduate School of Business	Director of Accounting Department, research scholar		
Zhang Hua	China Europe International Business School	Researcher, lecturer, assistant professor and associate professor		
Sheng Leiming	Shanghai Foreign Trade Law Firm, East China University of Political Science and Law, Shanghai Zhongmao Law Firm, Guantao Law Firm.	Senior partner, lawyer, teacher, etc.		

Statement of the position held in other entities

3 Remuneration of directors, supervisors and senior executives√Applicable Not applicable

Decision-making process for the remuneration of directors, supervisors and senior executives	In accordance with the regulations of Articles of Association, the remuneration of directors and supervisors are subject to the general meeting of shareholders and the remuneration of the senior executives are assessed and approved by the chairman and president.
Basis for deciding the remuneration of directors, supervisors and senior executives	The basic salary plus performance bonus are assessed in combination with the quantitative index of production and operation, etc.
Actual payout of remuneration for directors, supervisors and senior executives	All in-service and resigned director, supervisor and senior executives are paid by the Company within the reporting period.
Total remuneration actually obtained by all directors, supervisors and senior executives at the end of reporting period	RMB 15,400,300 (including tenure incentive)

4 Change in directors, supervisors and senior executives√Applicable Not applicable

Name	Post	Change	Reason of change
Liu Chengyun	Director, chairman of the board	Elected	Job adjustment
Liu Chengyun	General manager (president)	Engaged	Job adjustment
Wang Cheng	Director	Elected	Job adjustment
Wang Cheng	Supervisor, chief supervisor	Resigned	Job adjustment
Yu Jingjing	Director	Elected	Job adjustment



Name	Post	Change	Reason of change
Zhang Lijie	Supervisor, chief supervisor	Elected	Job adjustment
Zhu Lianyu	Director, chairman of the board	Resigned	Job adjustment
Huang Qingfeng	Director, president	Resigned	Job adjustment
Yang Jun	Independent director	Resigned	Expiration of the term of office
Ji Linhong	Independent director	Resigned	Expiration of the term of office
Xiang Xudong	Supervisor	Resigned	Expiration of the term of office
Liu Jianbo	Vice president	Resigned	Personal reasons
Zhou Qi	Vice president	Resigned	Personal reasons
Chen Bin	Vice president	Resigned	Personal reasons

5 Punishments by securities regulatory authority in recent three years

Applicable Not applicable

6 Others

Applicable Not applicable

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

Session of meeting	Convening date	Resolutions
18th board meeting of 7th board of directors	Feb. 9, 2021	Reviewed and approved the proposals such as "Proposal of Increasing Capital in Italy Subsidiary" (see No. 2021-002 Extraordinary Announcement for details)
19th board meeting of 7th board of directors	Mar. 3, 2021	Reviewed and approved the proposals such as "Proposal of Convening the First Extraordinary General Meeting of Shareholders in 2021" (see No. 2021-007 Extraordinary Announcement for details)
20th board meeting of 7th board of directors	Mar. 19, 2021	Reviewed and approved the proposals such as "Proposal of Electing the Chairman of the Company and Changing the Legal Representative of the Company" (see No. 2021-011 Extraordinary Announcement for details)
21st board meeting of 7th board of directors	Mar. 30, 2021	Reviewed and approved the proposals such as "Working Report of the Board of Directors in 2020" (see No. 2021-012 Extraordinary Announcement for details)
22nd board meeting of 7th board of directors	Apr. 29, 2021	Reviewed and approved the proposal of "The Full Text and the Text of 1st Quarter Report in 2021"
23rd board meeting of 7th board of directors	June 6, 2021	Reviewed and approved the proposals such as "The Proposal of Amending the Articles of Association" (see No. 2021-019 Extraordinary Announcement for details)
1st board meeting of 8th board of directors	June 28, 2021	Reviewed and approved the proposals such as "The Proposal of Electing the Members of the Specialized Committees under 8th Board of Directors of the Company" (see No. 2021-025 Extraordinary Announcement for details)
2nd board meeting of 8th board of directors	July 12, 2021	Reviewed and approved the proposals such as The Proposal of Engaging the General Manager (President) of the Company (see No. 2021-028 Extraordinary Announcement for details)
3rd board meeting of 8th board of directors	Aug. 9, 2021	Reviewed and approved the proposals such as "The Proposal of Convening 2nd Extraordinary Board Meeting in 2021" (see No. 2021-032 Extraordinary Announcement for details)
4th board meeting of 8th board of directors	Aug. 30, 2021	Reviewed and approved the proposals such as "The Full Text and Summary of Semiannual Report in 2021" (see No. 2021-035 Extraordinary Announcement for details)
5th board meeting of 8th board of directors	Oct. 10, 2021	Reviewed and approved the proposals such as "The Proposal of Amending Regulations on Information Disclosure of ZPMC" (see No. 2021-039 Extraordinary Announcement for details)
6th board meeting of 8th board of directors	Oct. 29, 2021	Reviewed and approved the proposals such as "3rd Quarter Report of the Company in 2021" (see No. 2021-040 Extraordinary Announcement for details)
7th board meeting of 8th board of directors	Dec. 6, 2021	Reviewed and approved the proposals such as "The Proposal of Formulating Regulations on Related Transaction of ZPMC" (see No. 2021-043 Extraordinary Announcement for details)

VI. Duty performance of directors

1 Attendance of the directors at the board meetings and the general meeting of shareholders

Director name	Independent director or not	Attendance at Board Meetings						Attendance at the general meeting of shareholders
		Times of meetings should be attended in this year	Times of personal attendance	Times of attendance by telecommunication	Times of attendance through a proxy	Times of absence	Personal absence for two consecutive times	Times of attendance in the general meeting of shareholder
Liu Chengyun	No	11	11	9	0	0	No	3
Liu Qizhong	No	13	13	11	0	0	No	3
Zhu Xiaohuai	No	13	13	11	0	0	No	3
Wang Cheng	No	4	4	4	0	0	No	1
Yu Jingjing	No	0	0	0	0	0	No	0
Sheng Leiming	Yes	13	12	11	0	0	No	2
Zhang Hua	Yes	13	13	11	0	0	No	4
Zhao Zhanbo	Yes	13	13	11	0	0	No	2
Bai Yunxia	Yes	13	13	11	0	0	No	4
Zhu Lianyu	No	2	2	2	0	0	No	0
Huang Qingfeng	No	1	1	1	0	0	No	0
Yang Jun	Yes	6	6	5	0	0	No	1
Ji Linhong	Yes	6	6	5	0	0	No	1

Explanations for personal absence from the meeting for two consecutive times

Applicable Not applicable

Times of the board meetings convened in current year	13
Including: times of on-site meetings	1
Times of meetings convened through telecommunication	11
Times of meetings convened on-site and through telecommunication	1

2 Objections raised by directors on matters of the Company

Applicable Not applicable

3 Others

Applicable Not applicable

VII. Specialized committees under the Board of Directors

Applicable Not applicable

1 Members of specialized committees under the board of directors

Category of specialized committee	Members
Audit committee	Bai Yunxia, Zhao Zhanbo, Sheng Leiming, Zhang Hua, Liu Qizhong (resigned), Zhu Xiaohuai (resigned), Yang Jun (resigned)
Nominating committee	Liu Chengyun, Wang Cheng, Sheng Leiming, Zhang Hua, Ji Linhong (resigned), Zhu Lianyu (resigned), Huang Qingfeng (resigned), Yang Jun (resigned)
Remuneration and appraisal committee	Zhao Zhanbo, Sheng Leiming, Bai Yunxia, Zhang Hua, Ji Linhong (resigned), Yang Jun (resigned)
Strategy committee	Liu Chengyun, Liu Qizhong, Zhu Xiaohuai, Zhao Zhanbo, Zhu Lianyu (resigned), Huang Qingfeng (resigned), Ji Linhong (resigned)



2 4 meetings convened by the audit committee during the reporting period

Convening date	Contents	Important comments and suggestions	Other performance of duties
Mar. 30, 2021	Reviewed the "Audit Report on Internal Control in 2020", "Full Text and Summary of Annual Report in 2020", "Report on Performance of Duties by Audit Committee in 2020", "Renewal of Domestic Auditing Accounting Firm in 2021" and "Audit Plan of ZPMC in 2021"	All proposals at this meeting were unanimously reviewed and approved.	None
Apr. 28, 2021	Reviewed "The Full Text and Text of 1 st Quarter Report in 2021"	All proposals at this meeting were unanimously reviewed and approved.	None
Aug. 27, 2021	Reviewed "The Full Text and Summary of Semiannual Report in 2021"	All proposals at this meeting were unanimously reviewed and approved.	None
Oct. 27, 2021	Reviewed "3 rd Quarter Report of the Company in 2021"	All proposals at this meeting were unanimously reviewed and approved.	None

3 3 meetings convened by the nominating committee during the reporting period

Convening date	Contents	Important comments and suggestions	Other performance of duties
June 6, 2021	Reviewed the "Proposal of General Election of Board of Directors of the Company and Proposal of Engaging Mr. Wang Baihuan as the Vice General Manager of the Company"	All proposals at this meeting were unanimously reviewed and approved.	None
July 12, 2021	Reviewed "Proposal of Engaging the General Manager (President) of the Company", "Proposal of Engaging the Senior Executives such as Vice General Manager (Vice President) and CFO of the Company" and "Proposal of Additionally Electing Mr. Wang Cheng as A Director of the Company"	All proposals at this meeting were unanimously reviewed and approved.	None
Oct. 29, 2021	Reviewed the "Proposal of Additionally Electing Mr. Yu Jingjing as A Director of the Company" and "Proposal of Engaging Mr. Liu Feng as the Vice General Manager (Vice President) of the Company"	All proposals at this meeting were unanimously reviewed and approved.	None

4 1 meeting convened by the remuneration and appraisal committee during the reporting period

Convening date	Contents	Important comments and suggestions	Other performance of duties
Mar. 30, 2021	Reviewed the "Proposal of Remuneration of the Senior Executives of the Company in 2020".	All proposals at this meeting were unanimously reviewed and approved.	None

5 Particulars about objections

Applicable Not applicable

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

Applicable Not applicable

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

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

1 Particulars about employees

Number of in-service employees of the parent company	2,854
Number of in-service employees of the main subsidiaries	5,396
Total of in-service employees	8,250
Number of retired employees required to be paid by the parent company and its major subsidiaries	44

Functions

Category	Number of staff
Production staff	3,386
Sales staff	424
Technical staff	3,526
Financial staff	160
Administrative staff	754
Total	8,250

Education background

Education level	Number (person)
Doctor	16
Master	697
Undergraduate	4,054
Junior College	1,873
Technical secondary school	451
Senior high school and below	1,159
Total	8,250

2 Remuneration policies

Applicable Not applicable

In line with the Company's development strategy, it improved the remuneration distribution incentive system and performance assessment system and established and improved the performance assessment system based on the different properties and characteristics of each entity and division; promoted the salary incentive system closely linking the performance distribution with the unit or division performance, value contribution, industrial characteristics, growth phase and similar factors, and comprehensively linking the staff performance with position duty and value contribution, and thus initially established the distribution mode integrating with the market.

3 Training plan

Applicable Not applicable

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

4 Labor outsourcing

Applicable Not applicable

Total of labor outsourcing hours	7,414,000 hours
Total of labor outsourcing remuneration	RMB 455,831,000

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

1 Formulation, implementation or adjustment of cash dividend distribution policies

Applicable Not applicable

According to the requirements of the Circular on Further Implementation of Relevant Matters Concerning Cash Dividend Distribution of Listed Companies (ZJF [2012] No. 37) issued by the CSRC, as proposed by the 10th meeting of the Company's Fifth Board of Directors held on August 21, 2012, amendments were made to the Articles of Association of



the Company concerning profit distribution and cash dividends policy, and as a result, the dividend distribution standard and proportion became clearer, related decision making process and mechanism were compete, and the minority shareholders' legal rights and interests were fully protected, giving them the opportunity to fully express their views and demands.

2 Special statement on the cash dividend policy

Applicable Not applicable

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

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

Applicable Not applicable

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

1 Related incentives disclosed in provisional announcement, without progress or change in follow-up implementation

Applicable Not applicable

2 Incentives not disclosed in provisional announcement or with follow-up progress

Equity incentives

Applicable Not applicable

Other description

Applicable Not applicable

Information about employee stock ownership plan

Applicable Not applicable

Other incentives

Applicable Not applicable

3 Equity incentives awarded to the directors and senior executives during the reporting period

Applicable Not applicable

4 Establishment and implementation of the assessment mechanism and incentive mechanism for senior executives during the reporting period

Applicable Not applicable

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

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

Applicable Not applicable

As an important part of the corporate governance system, the board of directors of the Company was responsible for the general meeting of shareholders, the management was responsible for implementing the related resolutions at the board meetings. The audit committee under the board of directors provided the advisory opinions and suggestions on the decision-making about the internal control and risk management to the board of directors.

According to the control requirements, the internal control system of the Company integrated the business systems and the management flow, established the internal control, risk and compliance management systems such as "Regulations on Comprehensive Risk Management", "Measures for Internal Audit Risk Control" and "Regulations on Compliance Management", and formulated a power and responsibility manual to make clear the approval flow of various operation and management matters, and improved the beforehand, intermediate and afterwards risk control mechanisms and established a strict internal control system.

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

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

Applicable Not applicable

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

Applicable Not applicable

During the reporting period, the Company implemented the whole process management of the equity investment before and after investment in strict accordance with Regulatory Regulations on Equity Management. It further standardized the management process of equity investment, strengthened the management and empowerment of the subsidiaries, established effective control mechanisms, and shifted from a single financial evaluation to a multi-dimension in-depth development such as budget control, overall project evaluation, and comprehensive evaluation of each unit's investment capacity. Under the overall guideline and strategic objectives of the Company, the subsidiaries operated independently and carried out the self-management, legally and effectively operated the corporate assets and business activities, and further consolidated the overall risk management capability.

XIV. Particulars about the audit report on internal control

Applicable Not applicable

Ernst & Young LLP (special general partnership), engaged by the Company, had audited the effectiveness of the internal control of the financial statement as of December 31, 2021 and issued a standard internal control audit report with clean opinion (see the attachment to the announcement for details).

Audit report on internal control disclosed or not: Yes

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

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

None

XVI. Others

Applicable Not applicable



Section V | Environmental and Social Responsibility

I. Environmental Information

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

√Applicable □Not applicable

1. Emission information

√Applicable □Not applicable

During the reporting period, the total permitted amount of main pollutants in waste gas of the Company and its major subsidiaries: 0.1447 tons of sulfur dioxide, 1.4396 tons of nitrogen oxide, 70.901 tons of particulate matter, and 332.944 tons of VOCs; annual actual emissions in 2021: 0.0115 tons of sulfur dioxide, 0.1067 tons of nitrogen oxide, 60.481 tons of particulate matter, and 196.7 tons of VOCs. Total permitted amount of main pollutants in wastewater: 629.522 tons of COD, 58.42 tons of ammonia nitrogen, and 121.79 tons of total nitrogen; annual actual emissions in 2021: 318.05 tons of COD, 38.475 tons of ammonia nitrogen, and 34.685 tons of total nitrogen. All indicators were in line with the total emission control indicators of the emission permit.

According to the supervision monitoring by environmental protection department and the self-monitoring of the enterprise, all kinds of pollutants discharged by the Company meet the corresponding emission limits specified in the national "Integrated Emission Standard of Air Pollutants" (GB 16297-1996), "Integrated Wastewater Discharge Standard" (GB8978-1996), "Emission Standards of Pollutants for Shipbuilding Industry" (DB31/934-2015), "Emission Standards for Odor Pollutants" (GB14554-1993), "Integrated Emission Standard of Air Pollutants" (DB31/933-2015), "Emission Standards for Odor Pollutants" (DB31/1025-2016), "Integrated Emission Standard of Air Pollutants" (GB 16297-1996), "Emission Standard of Air Pollutants for Boiler" (DB31/387-2018), and the "Integrated Emission Standard of Air Pollutants" (DB31/933-2015) of Shanghai City, "Emission Standard of Air Pollutants for Industrial Kiln and Furnace" (DB31/860-2014), "Integrated Wastewater Discharge Standard" (DB31/199-2018), "Emission Standard for Industrial Enterprises Noise at Boundary" (GB12348-2008), and "Integrated Emission Standard of Air Pollutants" (DB32 4041-2021) of Jiangsu Province.

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

Name of the company or subsidiary	Name of main pollutant and characteristic pollutant	Emission mode	Number of outlets	Distribution of outlets	Emission concentration	Applicable pollutant emission standards	Total emissions in 2021 (ton)	Permitted emissions in 2021 (ton)	Over-standard emissions in 2021
Shanghai Zhenhua Heavy Industries Co., Ltd. Changxing Branch	SO ₂	Organized emission	60 (3 out of service)	Pretreatment, sand washing, coating and canteen	Meeting relevant standards	Emission Standards of Pollutants for Shipbuilding Industry (DB31/934-2015), Integrated Emission Standard of Air Pollutants (DB31/933-2015) of Shanghai City, Emission Standards for Odor Pollutants (DB31/1025-2016), and Emission Standard of Cooking Fume (DB31-844-2014)	0*	0.066	None
	NO _x					0*	1.046	None	
	Particulate matter					12.745	16.306	None	
	VOCs					127.488	174.047	None	
	COD		2	Wastewater outlet	Integrated Wastewater Discharge Standard (DB31/199-2018)	237.594	338.59	None	
	Ammonia nitrogen					28.713	37.16	None	
	Total nitrogen					34.685	121.79	None	
Shanghai Zhenhua Port Machinery Heavy Industries Co., Ltd.	Particulate matter	Organized emission	10	Sand washing, coating and canteen	Meeting relevant standards	Integrated Emission Standard of Air Pollutants (DB31/933-2015), Emission Standards for Odor Pollutants (DB31/1025-2016), Emission Standard of Air Pollutants for Industrial Kiln and Furnace (DB31/860-2014), and Emission Standard of Cooking Fume (DB31-844-2014) of Shanghai City	6.2772	21.738	None
	VOCs					37.07	63.63	None	
	SO ₂					0.0105	0.0787	None	
	NO _x					0.072	0.3936	None	
Shanghai Zhenhua Heavy Industries Port Machinery General Equipment Co., Ltd.	Particulate matter	Organized emission	7 (2 out of service)	Pretreatment, sand washing and coating	Meeting relevant standards	Integrated Emission Standard of Air Pollutants (DB31/933-2015), and Emission Standards for Odor Pollutants (DB31/1025-2016) of Shanghai City	3.159	30.14	None
	VOCs					7.395	45.56	None	
Shanghai Zhenhua Heavy Industries Co., Ltd. Nantong Branch	Particulate matter	Organized emission	19	Sand washing and coating	Meeting relevant standards	Integrated Emission Standard of Air Pollutants (GB 16297-1996), and Integrated Emission Standard of Air Pollutants (DB32 4041-2021) of Jiangsu Province	2.5122	-	None
	VOCs					3.8211	25.92	None	
	COD		2	Wastewater outlet		Integrated Wastewater Discharge Standard (GB8978-1996), Wastewater Quality Standards for Discharge to Municipal Sewers (GB/T31962-2015)	15.543	139.364	None
	Ammonia nitrogen						0.5841	11.23	None

Name of the company or subsidiary	Name of main pollutant and characteristic pollutant	Emission mode	Number of outlets	Distribution of outlets	Emission concentration	Applicable pollutant emission standards	Total emissions in 2021 (ton)	Permitted emissions in 2021 (ton)	Over-standard emissions in 2021
Nantong Zhenhua Heavy Equipment Manufacturing Co., Ltd.	Particulate matter	Organized emission	23	Pretreatment, sand washing, coating and canteen	Meeting relevant standards	Integrated Emission Standard of Air Pollutants (GB 16297-1996), Integrated Emission Standard of Air Pollutants (DB32 4041-2021) of Jiangsu Province, and Emission Standard of Cooking Fume (GB18483-2001)	34.04	-	None
	VOCs						0.45	17.187	None
	COD		1	Wastewater outlet			11.33326	127.218	None
	Ammonia nitrogen						3.37917	8.64	None
ZPMC Transmission Machinery (Nantong) Co., Ltd.	Particulate matter	Organized emission	5	Pretreatment, sand washing and coating	Meeting relevant standards	Integrated Emission Standard of Air Pollutants (GB 16297-1996), Emission Standard of Air Pollutants for Boiler (GB13271-2014), and Emission Standard of Air Pollutants for Industrial Kiln and Furnace (GB9078-1996), and Integrated Emission Standard of Air Pollutants (DB32 4041-2021) of Jiangsu Province	0.53	-	None
	VOCs						0.76	-	None
	COD		1	Wastewater outlet			9.78	-	None
	Ammonia nitrogen						1.07	-	None
ZPMC Qidong Marine Engineering Co., Ltd.	Particulate matter	Organized emission	12	Pretreatment, sand washing and coating	Meeting relevant standards	Reference standards: Integrated Emission Standard of Air Pollutants (DB31/933-2015) of Shanghai City, Emission Control Standard of Volatile Organic Compounds for Industrial Enterprises (DB12/524-2014) of Tianjin City, Emission Standards for Odor Pollutants (GB14554-1993), and Integrated Emission Standard of Air Pollutants (DB32 4041-2021) of Jiangsu Province	0.956	1.09	None
	VOCs						0.95	6.6	None
	COD		1	Domestic wastewater outlet			12.9	24.35	None
	Ammonia nitrogen						0.825	1.39	None
Shanghai Port Machinery Heavy Industry Co., Ltd	SO ₂	Organized emission	10	Sand washing and coating	Meeting relevant standards	Integrated Emission Standard of Air Pollutants (DB31/933-2015), Emission Standards for Odor Pollutants (DB31/1025-2016), and Emission Standard of Air Pollutants for Boiler (DB31/387-2018)	0.001	-	None
	NO _x						0.0347	-	None
	Particulate matter						0.2616	1.627	None
	VOCs		18.77	-			None		
	COD		1	Wastewater outlet			30.9	-	None
	Ammonia nitrogen						3.904	-	None

Remark: - in the table indicates that the enterprise does not implement total amount control. * indicates that the detection is below the detection limit

2. Construction and operation of pollution control facilities

√Applicable □Not applicable

The Company and its subsidiaries, guided by the national laws and regulations on environmental protection and the requirements on the industrial policy, continued to carry out environmental protection compliance improvement activities, improved the environmental protection system including "Environmental Protection Responsibility System", guided the employees to give full play to their subjective initiative and strengthened supervision to ensure the control objectives were compliant and under control. During the reporting period, the Company and its subsidiaries strengthened the comprehensive management of waste gas, waste water, noise and hazardous waste, and various pollution prevention and control facilities functioned normally.

In 2021, Changxing Base of the Company (including Shanghai Zhenhua Heavy Industries Co., Ltd. Changxing Branch, Shanghai Zhenhua Port Machinery Heavy Industries Co., Ltd. and Shanghai Zhenhua Heavy Industries Port Machinery General Equipment Co., Ltd.) completed the control over the weld fumes in the steel structure workshop and external field, compliant storage of hazardous waste (newly-built hazardous waste warehouse), control over the coating waste gas (newly-built coating workshop B, newly-built large-sized painting workshop and upgrading and reconstruction of existing coating workshops) and control over the noise. Nantong Zhenhua Heavy Equipment Manufacturing Co., Ltd, ZPMC Transmission Machinery (Nantong) Co., Ltd. and Shanghai Zhenhua Heavy Industries Co., Ltd. Nantong Branch completed the upgrading and reconstruction of the end treatment equipment of the existing painting workshop. Shanghai Port Machinery Heavy Industry Co., Ltd completed the upgrading and reconstruction of end treatment equipment of the coating workshop and the waste gas collection and treatment system of the hazardous waste warehouse. ZPMC Qidong Marine Engineering Co., Ltd completed the weld fumes treatment of the hull shop and the upgrading and reconstruction of the end treatment equipment of the pretreatment workshop and was upgrading and reconstructing the end treatment equipment of the coating workshop.



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

√Applicable □Not applicable

During the reporting period, all the new, reconstruction and expansion projects of the Company strictly implemented the relevant management regulations of “Three Simultaneities” for environmental protection of national and local construction projects, and the projects had gone through the procedures of environmental impact assessment and completion acceptance. Among them, Shanghai Port Machinery Heavy Industry Co., Ltd had no new, reconstruction or expansion project during the reporting period.

See the table below for details:

Name of the company or subsidiary	Key projects in 2021	EIA approval / acceptance
Shanghai Zhenhua Heavy Industries Co., Ltd. Changxing Branch	New hazardous wastes warehouse project of Shanghai Zhenhua Heavy Industries Co., Ltd Changxing Branch	Acceptance completed
	New paint shop project of Changxing Base	
	2# Gas Station Project of Shanghai Zhenhua Heavy Industries Co., Ltd Changxing Base	
	Outfield painting environmental protection shed construction project of Changxing Base	
	Innovation and entrepreneurship flexible sheet metal processing production line reconstruction project of Shanghai Zhenhua Heavy Industries Co., Ltd	EIA approval has been obtained
Shanghai Zhenhua Port Machinery Heavy Industries Co., Ltd. Shanghai Zhenhua Heavy Industries Port Machinery General Equipment Co., Ltd.	Intelligent manufacturing workshop for crane box of automated terminal of Shanghai Zhenhua Heavy Industries Co., Ltd	EIA approval has been obtained
	B4 painting workshop of Axle Business Department	Acceptance completed
Shanghai Zhenhua Heavy Industries Co., Ltd. Nantong Branch	Technical improvement project of painting automatic production line	EIA approval has been obtained
	Paint warehouse reconstruction project of Shanghai Zhenhua Heavy Industries Port Machinery General Equipment Co., Ltd.	EIA approval has been obtained
Shanghai Zhenhua Heavy Industries Co., Ltd. Nantong Branch	Supporting project of new A-class warehouse and self-use diesel supply point of Nantong Zhenhua Heavy Equipment Manufacturing Co., Ltd	Construction in batches; partial acceptance has been completed
	Sand washing and painting workshop reconstruction and waste gas treatment upgrading project	EIA registration form filing completed
Nantong Zhenhua Heavy Equipment Manufacturing Co., Ltd.	Expansion of 100,000t/a sand washing paint steel components to 200,000t/a and 2980t stainless steel and nonferrous metal pipe fittings project of Nantong Zhenhua Heavy Equipment Manufacturing Co., Ltd.	EIA approval has been obtained
	Pre-treatment workshop exhaust gas and painting workshop waste gas upgrading project	EIA registration form filing completed
	Painting workshop (13-1/13-2) waste gas treatment facilities upgrading project	EIA registration form filing completed
	Environmental Impact Report Form for new workshop laboratory and wastewater treatment station technical improvement project of Nantong Zhenhua Heavy Equipment Manufacturing Co., Ltd.	Acceptance completed
ZPMC Transmission Machinery (Nantong) Co., Ltd.	5,000t/a marine pile legs and environmental protection equipment upgrading project of ZPMC Transmission Machinery (Nantong) Co., Ltd.	Acceptance completed
	New laboratory project	
ZPMC Qidong Marine Engineering Co., Ltd.	Production project of products under 100,000 tons, including product tanker, chemical tanker, bulk carrier and marine engineering products of ZPMC Qidong Marine Engineering Co., Ltd.	Acceptance completed

According to the requirements of the “Interim Provisions on the Administration of Pollutant Emission Permit” and the “Technical Specification for Application and Issuance of Pollutant Emission Permit” of the state, the Company and its subsidiaries have successively applied for pollutant emission permits and applied for the change of pollutant emission

permits according to the actual discharge changes, and have obtained the "Pollutant Emission Permit" issued by local ecological and environmental protection department. In strict accordance with the requirements of emission permit, the Company continued to discharge pollutant as permitted, carried out self-monitoring, established accounts, reported regularly and made information public.

4. Emergency proposal for environmental incidents

Applicable Not applicable

In order to prevent the occurrence of sudden environmental pollution incidents and to control and deal with them quickly and effectively after the occurrence, in accordance with the "Environmental Protection Law of the People's Republic of China", "Law of the People's Republic of China on the Prevention and Control of Water Pollution", "Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution", "Law of the People's Republic of China on the Prevention and Control of Solid Waste Pollution", "Measures for the Administration of Recording the Emergency Plan for Emergent Environmental Events of Enterprises and Institutions (Trial)", "Guidelines for the Compilation of Risk Assessment Report on Environmental Emergencies in Enterprises (Trial)", the Company assessed the existing environmental risks, prepared the emergency plans for subsidiaries, and filed them with the local ecological and environmental protection department. During the reporting period, all subordinate units revised, reviewed and filed the emergency plan as required, and also actively carried out emergency drills to further prevent and effectively respond to unexpected environmental pollution incidents.

5. Environmental self-monitoring plan

Applicable Not applicable

In accordance with the requirements of the emission permits and technical guidelines for self-monitoring of pollutant discharge units, all subsidiaries have developed their own monitoring programs and carried out regular self-monitoring of environmental protection, and released self-monitoring information on provincial and municipal information disclosure platforms such as national pollution source monitoring information management and sharing platform and Shanghai enterprise information disclosure platform.

During the reporting period, the Company gathered the online monitoring data of VOCs of the waste gas from the subsidiaries and the environmental protection management of the subsidiaries made the data up-to-standard analysis. In case of exceeding the standard, they would investigate, correct and trace it and ensure the out-of-standard problem in control in a closed loop.

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

Applicable Not applicable

Shanghai Zhenhua Heavy Industries Group (Nantong) Transmitter Co., Ltd, subordinate to the Company, was penalized for the inorganized waste gas emission, with the amount of RMB 58,000. Shanghai Port Machinery Heavy Industry Co., Ltd received 3 administrative penalties imposed for environmental issues, such as inorganized waste gas emission, solid and hazardous waste management and unrecorded emergency pre-plan, with the amount of RMB 251,200.

The above-mentioned administrative penalties imposed for the environmental issues were corrected and the Company would strengthen the compliance with the laws and regulations on the environmental protection in each base and reduce the risks in environmental protection.

7. Other environmental information to be disclosed

Applicable Not applicable

2 Environmental protection of companies other than key emission units

Applicable Not applicable

1. Administrative penalties imposed for environmental issues

Applicable Not applicable

Shanghai Zhenhua Shipping Co., Ltd, subordinate to the Company, was penalized for the environmental problems due to food waste discharge, with the amount of RMB 60,000. The shipping company notified this event and publicized and implemented the requirements on the environmental protection to the shipping workers.

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

Applicable Not applicable



ZPMC Zhangjiagang Port Machinery Co., Ltd., subordinate to the Company, had 3 waste gas outlets and 1 waste water outlet, and the main pollutants were wastewater (COD, ammonia nitrogen), waste gas (particles, VOCs), solid waste, noise, etc. Discharge mode: the wastewater was discharged to the sewage treatment plant through pipes; the atmospheric pollutants such as the particulate matter and VOCs in waste gas were discharged in the manner of organized discharge after treatment; and it was promoting the renovation of spraying exhaust gas treatment facilities and the configuration of workshop dust removal devices; the solid wastes and the hazardous wastes were handed over to the qualified entities for treatment; plant boundary noise was discharged up to the standard. During the reporting period, one phase of the project "Paint Booth Project of ZPMC Zhangjiagang Port Machinery Co., Ltd." had obtained EIA approval. At present, it is in the process of upgrading the end treatment equipment of the painting workshop and re-applying for the emission permit.

3. Reasons for not disclosing other environmental information

Applicable Not applicable

3 Information that is conducive to ecological protection, pollution prevention and environmental responsibility performance

Applicable Not applicable

4 Measures taken to reduce carbon emissions during the reporting period and their effects

Applicable Not applicable

The installed capacity of the Company's original distributed PV power system was 29.98MW (installation site: Changxing, Nanhui and Nantong), with a total energy output of 26 million kwh in 2021, reducing carbon dioxide emissions by about 20,000t. In 2021, Nantong Zhenhua Heavy Equipment Manufacturing Co., Ltd. newly built and installed PV power project (Phase II), with the installed capacity of 1.545MW. The project began the grid-connected power generation in September 2021 and the energy output was 576,000 kwh by the end of December, reducing carbon dioxide emissions by 450t. It was expected that the annual energy output was about 1.4 million kwh, reducing carbon dioxide emission by about 1,100t.

II. Fulfillment of social responsibility

Applicable Not applicable

The Company actively performed the social responsibility, adhering to the social responsibility concept of "making beauty for the world", responded to the "Belt and Road" initiative and "Made in China 2025 Strategy" with the actual action, and has made every effort to build a technology-oriented, management-oriented, quality-oriented world-class equipment manufacturing enterprise, so as to make contributions to the development of the real economy and the construction of a well-off society.

The Company attached importance to the management innovation, actively optimized the corporate management mode, continuously deepened the measures for risk prevention and control, and established the corporate culture system matching up the times. Through reducing the management tiers, optimizing personnel structure and innovating the incentive mechanism, the Company gathered the new drivers of the corporate growth.

Adhering to the concept of "open development and all-win harmony", the Company speeded up the pace of "going global", actively promoted the layout of overseas regional centers, and built Terminexus digital intelligent platform, to provide faster and more efficient services to global users. The Company made full use of the platform of China International Import Expo to achieve mutual benefit and common development with global enterprises. The company was enthusiastic about overseas public welfare, and helped each other with overseas users to jointly fight against the COVID-19.

The Company paid more attention to the green and sustainable development, actively invested in the research and development of green products, promoted the "change from oil into electricity" technology of dock equipment, and optimized the environmental protection properties of existing equipment; built intelligent terminals to achieve "zero emission" from terminals and provided equipment support for the development of clean energy such as solar and wind power. The Company further increased the investment in environmental protection, improved the existing production equipment and facilities, and innovate the green production process; strengthened the long-term mechanism for green environmental protection management, created the environmental protection culture with vitality, set up the special training for environmental protection, enhanced the environmental protection awareness of the staff, and laid a green foundation for promoting the high-quality development of the Company.

The Company always adhered to the principle of "people-oriented", built a career development platform for employees and provide them with various benefits; strengthened the communication with the community where the Company is located through activities such as party building and association building; was enthusiastic about public welfare, actively implemented targeted assistance, and assisted the targets to build beautiful villages in accordance with the unified deployment of SASAC and CCG.

The Company attached importance to the communication with the related parties, regularly released "Social Responsibility Report" and actively maintained the communication channels of the related parties. Through the media convergence platform, the corporate development trend was truly transmitted to the related parties in time. The Company received the supervision from all social circles and included the reasonable expectations of the related parties into the corporate governance and jointly accelerated the corporate development with the related parties hand in hand.

III. Particulars about consolidating the fruits of poverty alleviation and eradication and rural revitalization

√Applicable □Not applicable

The Company deeply implemented the decision made by the Central Committee of the Communist Party of China about consolidating the fruits of poverty alleviation and eradication and continuously accelerating rural revitalization, persistently implemented the requirements of the key leaders of CCCC at the working meeting on paired assistance of CCCC in 2021, ZPMC planned the resources of the Company as a whole, seized the arrangement of the tasks and actively drove the paired assistance work to make solid achievements.

1 Investigation

The Company assigned the investigation group to specially investigate the paired assistance and the investigation group successively attended the donation ceremony of the learning and living materials such as electrical pianos and folk costumes in the kindergarten of Yongan Community, Lanping County, investigated the general Party branch of Yongan Community and attended the poverty alleviation symposium. During the investigation, the investigation group witnessed the pairing signing ceremony of party building between the 3rd Party Branch of Party Committee of the Company Headquarters and the General Party Branch of Yongan Community.

2 Capital investment

(I) Transferred RMB 300,000 as a financial pooling from CCCC on schedule.

(II) According to the paired assistance working plan in 2021, Poverty Alleviation Office of ZPMC donated 10 electrical pianos to the kindergarten of Yongan County, with the value of RMB 30,000; 480 folk customs, with the value of RMB 76,800 (including RMB 50,000 from Minjian Foundation). It donated one set of campus broadcasting system to Zhenhua Kindergarten in Tu'e Town, with the value of RMB 42,720.

The Youth League Committee of ZPMC, together with Lanping County Committee of Communist Youth League, carried out the "Making a Small Dream True" for the poor students in CCCC Lanping New Times Hope School and financed and invested RMB 38,115 to make wishes of 300 in-campus students true.

(III) Talents and employment support

According to the actual need of Lanping County, the Company trained 10 grassroots cadres, trained 1 rural revitalization leader and 15 professional technicians for the paired assistance area.

ZPMC Changxing Base employed 25 labor forces from Tu'e Town, Lanping County. Meanwhile, according to the requirements on paired assistance of the local government in Chongming District, Shanghai City, Changxing Base employed 30 labor forces from Lincang City, Yunnan Province. Within this year, ZPMC Changxing Branch carried out the campus recruitment in Lincang Technician College (the former Lincang Senior Technician School) in Lincang City, Yunnan Province and 66 graduates practiced in ZPMC.

(IV) Consumption assistance

1. Purchasing the characteristic agricultural products from the assistance areas, including red soft rice, walnut oil, dendranthema morifolium and black Chinese wolfberry, with the amount of RMB 185,900;

2. Actively contacting the external units and sold the agricultural products such as rose and dendranthema morifolium for consumption assistance, with the amount of RMB 70,000;

3. Actively implementing the action of aiding Xinjiang with work clothes. 5 units under the Company ordered 2808 sets of work clothes from Yengisar County.

(V) Pairing of Party building

On Nov. 17, 2021, during the special investigation on paired assistance, 3rd Party Branch of Party Committee of the Company Headquarters signed an agreement on pairing of Party building with the General Party Branch of Yongan Community. Both parties further understood the work of the Party branch and discussed the work around the joint building of the organizations, joint cultivation of the teams and joint implementation of the activities. They planned to implement them in the subsequent work one by one, strengthen the Party branch building and upgrade the vigor of the branch through the joint building of the Party branch.

(VI) Strengthening propaganda

The Company actively propagandized the progress in assistance work through the Wechat official accounts and Wechat video accounts of the headquarters and the units under it. The Company totally propagandized the assistance theme for 6 times in the whole year, released the video of "Beyond the Mountain", which was independently planned by the Company and focused on the theme of "poverty alleviation through education" and gained great attention.

(VII) Others

In March 2021, ZPMC actively organized the activity of Learn from Lei Feng Day and raised 678 books for the schools in Tu'e Town, Lanping County, including literature, history, geography, environment and safety books, with the converted value of about RMB 7,000.



Section VI | Important Events

I. Fulfillment of commitments

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

Applicable Not applicable

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

Reached Failing to reach Not applicable

3 Fulfillment of commitments on the performance and its impacts on goodwill impairment test

Applicable Not applicable

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

Applicable Not applicable

III. Irregularities in the provision of guarantees

Applicable Not applicable

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

Applicable Not applicable

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

1 Analysis and explanation of the Company on the causes and the impacts of the changes in accounting policies and accounting estimates

Applicable Not applicable
See Note V (44) in Section X for details.

2 Analysis and explanation of the cause of correction of significant accounting errors and their impacts by the Company

Applicable Not applicable

3 Communication with former CPA firm

Applicable Not applicable

4 Other description

Applicable Not applicable

VI. Engagement and dismissal of the public accounting firm

Unit: Yuan Currency: CNY

	Now engaging
Name of the domestic accounting firm	Ernst & Young LLP. (Special General Partnership)
Remuneration of domestic accounting firm	4,750,000
Audit term of the domestic accounting firm	6

	Name	Remuneration
Accounting firm performing internal control audit	Ernst & Young LLP. (Special General Partnership)	450,000

Particulars about the engagement and dismissal of the accounting firm

Applicable Not applicable

Particulars about reappointment of the accounting firm in the auditing period

Applicable Not applicable

VII. Delisting risk

1 Reasons for the delisting risk warning

Applicable Not applicable

2 Countermeasures to be taken by the Company

Applicable Not applicable

3 Termination of the listing and its reasons

Applicable Not applicable

VIII. Events related to bankruptcy and reorganization

Applicable Not applicable

IX. Major lawsuit and arbitration issues

Existence of major lawsuit and arbitration in the year No major lawsuit or arbitration in the year

1 Lawsuit and arbitration already disclosed in provisional announcement, without follow-up progress

Applicable Not applicable

2 Lawsuit and arbitration not disclosed in provisional announcement, or with follow-up progress

Applicable Not applicable

Unit: Yuan Currency: CNY

In the reporting period:									
Plaintiff (applicant)	Defendant (respondent)	Party bearing joint liabilities	Type of lawsuit and arbitration	Background of the lawsuit (arbitration)	Amount involved in lawsuit (arbitration)	Estimated liabilities and amount caused by lawsuit (arbitration) or not	Progress in lawsuit (arbitration)	Results of the lawsuit (arbitration) and impacts	Execution of adjudication of lawsuit (arbitration)
Shanghai Zhenhua Heavy Industries Co., Ltd, and ZPMC Qidong Marine Engineering Co., Ltd.	Nantong Huafu Port Co., Ltd, Li Aidong, and Zhao Xiaohua	None	Lawsuit	At the end of February 2014, the Company completed the acquisition of the former Jiangsu Daoda Ocean Engineering Co., Ltd through capital increase and held 67% of the shares. At the same time, it was agreed that the losses of the company, was borne by the former shareholders including Nantong Huafu Port Co., Ltd, Li Aidong and Zhao Xiaohua before February 28, 2014. During the subsequent business process, it was found that the former Daoda Company untruthfully disclosed some matters of lawsuit or debts, resulting in a series of losses of the Company. Through the related audit and readjustment etc., it was deemed that the loss of RMB 368.7222 million Yuan should be in borne in the former shareholders and the lawsuit was prosecuted again after an inconclusive press for payment.	368,722,055	0	The case is still pending	Final judgment not yet made	Final judgment not yet made

3 Other description

Applicable Not applicable



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

Applicable Not applicable

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

Applicable Not applicable

XII.Material related transactions

1 Related transactions relevant to routine business

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

Applicable Not applicable

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

Applicable Not applicable

3.Events not disclosed in provisional announcements

Applicable Not applicable

Unit: Yuan Currency: CNY

Related party	Relationship	Type of related transaction	Content of related transaction	Pricing principle of related transaction	Price of related transaction	Amount of related transaction	Proportion in the amount of similar transactions (%)	Settlement mode of associated transaction	Market price	Reason for great differences between the bargain price and market price
China Road & Bridge Corporation	Subsidiary of the holding parent company	Sales of goods	Project income/ lease of assets	Pricing based on market price	994,667,412	994,667,412	4.33	Monetary funds	994,667,412	/
CCCC Electrical and Mechanical Engineering Co., Ltd.	Subsidiary of the holding parent company	Sales of goods	Project income/ lease of assets	Pricing based on market price	567,936,071	567,936,071	2.47	Monetary funds	567,936,071	/
CCCC First Harbor Engineering Co., Ltd.	Subsidiary of the holding parent company	Sales of goods	Project income/ lease of assets	Pricing based on market price	466,219,345	466,219,345	2.02	Monetary funds	466,219,345	/
Jiangsu Longyuan Zhenhua Marine Engineering Co., Ltd	Joint venture	Sales of goods	Project income/ lease of assets	Pricing based on market price	335,831,450	335,831,450	1.47	Monetary funds	335,831,450	/
CCCC Third Harbor Engineering Co., Ltd.	Subsidiary of the holding parent company	Sales of goods	Project income/ lease of assets	Pricing based on market price	242,728,248	242,728,248	1.06	Monetary funds	242,728,248	/
CCCC Second Highway Engineering Co., Ltd.	Subsidiary of the holding parent company	Sales of goods	Project income/ lease of assets	Pricing based on market price	220,294,306	220,294,306	0.96	Monetary funds	220,294,306	/
CCCC Second Harbor Engineering Co., Ltd.	Subsidiary of the holding parent company	Sales of goods	Project income/ lease of assets	Pricing based on market price	94,589,146	94,589,146	0.41	Monetary funds	94,589,146	/
CCCC - SHEC Fourth Highway Engineering Co., Ltd.	Subsidiary of the holding parent company	Sales of goods	Project income/ lease of assets	Pricing based on market price	60,379,716	60,379,716	0.26	Monetary funds	60,379,716	/
CCCC Tianhe Mechanical Equipment Manufacturing Co., Ltd	Subsidiary of the holding parent company	Sales of goods	Project income/ lease of assets	Pricing based on market price	57,472,746	57,472,746	0.25	Monetary funds	57,472,746	/
CCCC Third Highway Engineering Co., Ltd.	Subsidiary of the holding parent company	Sales of goods	Project income/ lease of assets	Pricing based on market price	55,241,845	55,241,845	0.24	Monetary funds	55,241,845	/
CCCC Tianjin Industry and Trade Co., Ltd.	Subsidiary of the holding parent company	Sales of goods	Project income/ lease of assets	Pricing based on market price	9,416,830	9,416,830	0.04	Monetary funds	9,416,830	/
ZPMC Southeast Asia Pte. Ltd	Associated company	Sales of goods	Project income/ lease of assets	Pricing based on market price	6,359,136	6,359,136	0.03	Monetary funds	6,359,136	/
CCCC Tianjin Dredging Co., Ltd.	Subsidiary of the holding parent company	Sales of goods	Project income/ lease of assets	Pricing based on market price	3,795,310	3,795,310	0.02	Monetary funds	3,795,310	/
ZPMC Mediterranean Liman Makinalari Ticaret Anonim Sirketi	Joint venture	Sales of goods	Project income/ lease of assets	Pricing based on market price	3,595,115	3,595,115	0.02	Monetary funds	3,595,115	/
CCCC - SHEC Second Highway Engineering Co., Ltd.	Subsidiary of the holding parent company	Sales of goods	Project income/ lease of assets	Pricing based on market price	2,770,866	2,770,866	0.01	Monetary funds	2,770,866	/

Related party	Relationship	Type of related transaction	Content of related transaction	Pricing principle of related transaction	Price of related transaction	Amount of related transaction	Proportion in the amount of similar transactions (%)	Settlement mode of associated transaction	Market price	Reason for great differences between the bargain price and market price
CCCC Fourth Highway Engineering Co., Ltd.	Subsidiary of the holding parent company	Sales of goods	Project income/ lease of assets	Pricing based on market price	2,148,874	2,148,874	0.01	Monetary funds	2,148,874	/
CCCC First Highway Engineering Co., Ltd.	Subsidiary of the holding parent company	Sales of goods	Project income/ lease of assets	Pricing based on market price	1,387,096	1,387,096	0.01	Monetary funds	1,387,096	/
CCCC - SHEC Railway Construction Co., Ltd	Subsidiary of the holding parent company	Sales of goods	Project income/ lease of assets	Pricing based on market price	757,765	757,765	0.00	Monetary funds	757,765	/
CCCC Shanghai Dredging Co., Ltd.	Subsidiary of the holding parent company	Sales of goods	Project income/ lease of assets	Pricing based on market price	753,097	753,097	0.00	Monetary funds	753,097	/
Shanghai Jiangnan Industrial Co., Ltd.	Subsidiary of the holding parent company	Sales of goods	Project income/ lease of assets	Pricing based on market price	744,530	744,530	0.00	Monetary funds	744,530	/
Beijing Rate Electronic Technology Developing Co., Ltd.	Subsidiary of the holding parent company	Sales of goods	Project income/ lease of assets	Pricing based on market price	630,544	630,544	0.00	Monetary funds	630,544	/
Installation Engineering Co., Ltd. of CCCC First Harbor Engineering Co. Ltd.	Subsidiary of the holding parent company	Sales of goods	Project income/ lease of assets	Pricing based on market price	618,376	618,376	0.00	Monetary funds	618,376	/
CCCC (Xiamen) Information Co., Ltd	Subsidiary of the holding parent company	Sales of goods	Project income/ lease of assets	Pricing based on market price	362,697	362,697	0.00	Monetary funds	362,697	/
China Harbor Engineering Co., Ltd.	Subsidiary of the holding parent company	Sales of goods	Project income/ lease of assets	Pricing based on market price	13,183	13,183	0.00	Monetary funds	13,183	/
CCCC Third Harbor Engineering Co., Ltd.	Subsidiary of the holding parent company	Rendering of service	Project income/ lease of assets	Pricing based on market price	221,949,045	221,949,045	0.97	Monetary funds	221,949,045	/
CCCC First Harbor Engineering Co., Ltd.	Subsidiary of the holding parent company	Rendering of service	Project income/ lease of assets	Pricing based on market price	192,235,562	192,235,562	0.84	Monetary funds	192,235,562	/
China Road & Bridge Corporation	Subsidiary of the holding parent company	Rendering of service	Project income/ lease of assets	Pricing based on market price	81,466,053	81,466,053	0.35	Monetary funds	81,466,053	/
Jiangsu Longyuan Zhenhua Marine Engineering Co., Ltd	Joint venture	Rendering of service	Project income/ lease of assets	Pricing based on market price	35,790,922	35,790,922	0.16	Monetary funds	35,790,922	/
China Communications Construction Company Ltd.	Subsidiary of the holding parent company	Rendering of service	Project income/ lease of assets	Pricing based on market price	22,832,895	22,832,895	0.10	Monetary funds	22,832,895	/
CCCC Second Harbor Engineering Co., Ltd.	Subsidiary of the holding parent company	Rendering of service	Project income/ lease of assets	Pricing based on market price	14,293,585	14,293,585	0.06	Monetary funds	14,293,585	/
CCCC Tianjin Dredging Co., Ltd.	Subsidiary of the holding parent company	Rendering of service	Project income/ lease of assets	Pricing based on market price	13,527,462	13,527,462	0.06	Monetary funds	13,527,462	/
Road & Bridge International Co., Ltd.	Subsidiary of the holding parent company	Rendering of service	Project income/ lease of assets	Pricing based on market price	12,612,240	12,612,240	0.05	Monetary funds	12,612,240	/
Friede & Goldman, LLC.	Subsidiary of the holding parent company	Rendering of service	Project income/ lease of assets	Pricing based on market price	2,346,934	2,346,934	0.01	Monetary funds	2,346,934	/
CCCC Second Highway Engineering Co., Ltd.	Subsidiary of the holding parent company	Rendering of service	Project income/ lease of assets	Pricing based on market price	1,962,567	1,962,567	0.01	Monetary funds	1,962,567	/
ZPMC Southeast Asia Pte. Ltd	Associated company	Rendering of service	Project income/ lease of assets	Pricing based on market price	1,557,558	1,557,558	0.01	Monetary funds	1,557,558	/
CCCC Tianhe Mechanical Equipment Manufacturing Co., Ltd	Subsidiary of the holding parent company	Rendering of service	Project income/ lease of assets	Pricing based on market price	1,379,353	1,379,353	0.01	Monetary funds	1,379,353	/
Beijing Rate Electronic Technology Developing Co., Ltd.	Subsidiary of the holding parent company	Rendering of service	Project income/ lease of assets	Pricing based on market price	1,144,300	1,144,300	0.00	Monetary funds	1,144,300	/
Road and Bridge Construction Chongqing Fengfu Expressway Development Co., Ltd	Subsidiary of the holding parent company	Rendering of service	Project income/ lease of assets	Pricing based on market price	934,633	934,633	0.00	Monetary funds	934,633	/
Road and Bridge Construction Chongqing Fengshi Expressway Development Co., Ltd	Subsidiary of the holding parent company	Rendering of service	Project income/ lease of assets	Pricing based on market price	828,665	828,665	0.00	Monetary funds	828,665	/
CCCC - SHEC Railway Construction Co., Ltd	Subsidiary of the holding parent company	Rendering of service	Project income/ lease of assets	Pricing based on market price	531,123	531,123	0.00	Monetary funds	531,123	/



Related party	Relationship	Type of related transaction	Content of related transaction	Pricing principle of related transaction	Price of related transaction	Amount of related transaction	Proportion in the amount of similar transactions (%)	Settlement mode of associated transaction	Market price	Reason for great differences between the bargain price and market price
CCCC Financial Leasing Co., Ltd	Subsidiary of the holding parent company	Rendering of service	Project income/ lease of assets	Pricing based on market price	454,989	454,989	0.00	Monetary funds	454,989	/
CCCC Guangzhou Dredging Co., Ltd.	Subsidiary of the holding parent company	Rendering of service	Project income/ lease of assets	Pricing based on market price	244,956	244,956	0.00	Monetary funds	244,956	/
CCCC First Highway Electrification Engineering Co., Ltd	Subsidiary of the holding parent company	Rendering of service	Project income/ lease of assets	Pricing based on market price	231,707	231,707	0.00	Monetary funds	231,707	/
Chongqing Yongjiang Expressway Investment and Construction Co., Ltd of FHEC of CCCC	Subsidiary of the holding parent company	Rendering of service	Project income/ lease of assets	Pricing based on market price	105,334	105,334	0.00	Monetary funds	105,334	/
Installation Engineering Co., Ltd. of CCCC First Harbor Engineering Co., Ltd.	Subsidiary of the holding parent company	Rendering of service	Project income/ lease of assets	Pricing based on market price	83,707	83,707	0.00	Monetary funds	83,707	/
China Communications Information Technology Group Co., Ltd.	Subsidiary of the holding parent company	Rendering of service	Project income/ lease of assets	Pricing based on market price	66,835	66,835	0.00	Monetary funds	66,835	/
CCCC Shanghai Dredging Co., Ltd.	Subsidiary of the holding parent company	Rendering of service	Consigned processing for the Company	Pricing based on market price	4,151	4,151	0.00	Monetary funds	395,812,379	/
No.2 Engineering Co., Ltd. of CCCC Third Harbor Engineering Co., Ltd.	Subsidiary of the holding parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	395,812,379	395,812,379	0.02	Monetary funds	395,812,379	/
CCCC Tianjin Dredging Co., Ltd.	Subsidiary of the holding parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	300,755,835	300,755,835	0.01	Monetary funds	300,755,835	/
CCCC First Highway Engineering Co., Ltd.	Subsidiary of the holding parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	300,665,193	300,665,193	0.01	Monetary funds	300,665,193	/
CCCC Shanghai Equipment Engineering Co., Ltd.	Subsidiary of the holding parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	267,095,811	267,095,811	0.01	Monetary funds	267,095,811	/
CCCC Third Highway Engineering Co., Ltd.	Subsidiary of the holding parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	166,239,672	166,239,672	0.01	Monetary funds	166,239,672	/
CCCC Third Harbor Engineering Co., Ltd.	Subsidiary of the holding parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	164,243,707	164,243,707	0.01	Monetary funds	164,243,707	/
CCCC Second Harbor Engineering Co., Ltd.	Subsidiary of the holding parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	132,279,839	132,279,839	0.01	Monetary funds	132,279,839	/
Road & Bridge East China Engineering Co., Ltd.	Subsidiary of the holding parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	129,730,802	129,730,802	0.01	Monetary funds	129,730,802	/
ZPMC Southeast Asia Pte. Ltd	Associated company	Receipt of services	Consigned processing for the Company	Pricing based on market price	114,109,010	114,109,010	0.01	Monetary funds	114,109,010	/
CCCC Worldcom (Chongqing) Heavy Industries Co., Ltd.	Subsidiary of the holding parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	19,476,868	19,476,868	0.00	Monetary funds	19,476,868	/
CCCC First Harbor Engineering Co., Ltd.	Subsidiary of the holding parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	10,475,623	10,475,623	0.00	Monetary funds	10,475,623	/
CCCC First Harbor Consultants Co., Ltd.	Subsidiary of the holding parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	7,528,374	7,528,374	0.00	Monetary funds	7,528,374	/
ZPMC Mediterranean Liman Makinalari Ticaret Anonim Sirketi	Joint venture	Receipt of services	Consigned processing for the Company	Pricing based on market price	6,424,633	6,424,633	0.00	Monetary funds	6,424,633	/
China Road & Bridge Corporation	Subsidiary of the holding parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	5,897,691	5,897,691	0.00	Monetary funds	5,897,691	/
CCCC Fourth Highway Engineering Co., Ltd.	Subsidiary of the holding parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	5,299,846	5,299,846	0.00	Monetary funds	5,299,846	/
ZPMC Changzhou Coatings Co., Ltd.	Associated company	Receipt of services	Consigned processing for the Company	Pricing based on market price	2,973,451	2,973,451	0.00	Monetary funds	2,973,451	/
CCCC Xingyu Technology Co., Ltd	Subsidiary of the holding parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	2,049,877	2,049,877	0.00	Monetary funds	2,049,877	/

Related party	Relationship	Type of related transaction	Content of related transaction	Pricing principle of related transaction	Price of related transaction	Amount of related transaction	Proportion in the amount of similar transactions (%)	Settlement mode of associated transaction	Market price	Reason for great differences between the bargain price and market price
CCCC Second Highway Consultants Co., Ltd.	Subsidiary of the holding parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	1,329,962	1,329,962	0.00	Monetary funds	1,329,962	/
CCCC Shanghai Harbor Engineering Design & Research Institute Co., Ltd.	Subsidiary of the holding parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	1,258,302	1,258,302	0.00	Monetary funds	1,258,302	/
CCCC Second Harbor Consultants Co., Ltd.	Subsidiary of the holding parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	1,150,316	1,150,316	0.00	Monetary funds	1,150,316	/
Shanghai Waterway Logistics Co., Ltd.	Subsidiary of the holding parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	856,132	856,132	0.00	Monetary funds	856,132	/
Installation Engineering Co., Ltd. of CCCC First Harbor Engineering Co. Ltd.	Subsidiary of the holding parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	781,386	781,386	0.00	Monetary funds	781,386	/
CCCC Marine Engineering & Technology Research Center Co., Ltd.	Subsidiary of the holding parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	692,025	692,025	0.00	Monetary funds	692,025	/
CCCC Water Transportation Planning and Design Institute Co., Ltd.	Subsidiary of the holding parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	73,943	73,943	0.00	Monetary funds	73,943	/
CCCC Third Harbor Consultants Co., Ltd.	Subsidiary of the holding parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	47,170	47,170	0.00	Monetary funds	47,170	/
China Communications Construction Company Ltd.	Subsidiary of the holding parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	27,080	27,080	0.00	Monetary funds	27,080	/
Shanghai Jiangnan Industrial Co., Ltd.	Subsidiary of the holding parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	8,332	8,332	0.00	Monetary funds	8,332	/
CCCC (Xiamen) Information Co., Ltd.	Subsidiary of the holding parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	5,209	5,209	0.00	Monetary funds	5,209	/
CCCC Shanghai Equipment Engineering Co., Ltd.	Subsidiary of the holding parent company	Purchase of goods	Providing materials for the Company	Pricing based on market price	381,457,531	381,457,531	0.02	Monetary funds	381,457,531	/
ZPMC Changzhou Coatings Co., Ltd.	Associated company	Purchase of goods	Providing materials for the Company	Pricing based on market price	122,100,652	122,100,652	0.01	Monetary funds	122,100,652	/
CCCC National Engineering Research Center of Dredging Technology and Equipment Co., Ltd.	Subsidiary of the holding parent company	Purchase of goods	Providing materials for the Company	Pricing based on market price	22,472,100	22,472,100	0.00	Monetary funds	22,472,100	/
CCCC Shanghai Channel Equipment Industry Co., Ltd.	Subsidiary of the holding parent company	Purchase of goods	Providing materials for the Company	Pricing based on market price	21,777,619	21,777,619	0.00	Monetary funds	21,777,619	/
CNPC & CCCC Petroleum Sales Co., Ltd.	Subsidiary of the holding parent company	Purchase of goods	Providing materials for the Company	Pricing based on market price	21,563,726	21,563,726	0.00	Monetary funds	21,563,726	/
Shanghai Jiangnan Industrial Co., Ltd.	Subsidiary of the holding parent company	Purchase of goods	Providing materials for the Company	Pricing based on market price	11,826,245	11,826,245	0.00	Monetary funds	11,826,245	/
CCCC Second Highway Engineering Co., Ltd.	Subsidiary of the holding parent company	Purchase of goods	Providing materials for the Company	Pricing based on market price	3,161,250	3,161,250	0.00	Monetary funds	3,161,250	/
Friede & Goldman, Llc.	Subsidiary of the holding parent company	Purchase of goods	Providing materials for the Company	Pricing based on market price	2,285,348	2,285,348	0.00	Monetary funds	2,285,348	/
CCCC Tianjin Industry and Trade Co., Ltd.	Subsidiary of the holding parent company	Purchase of goods	Providing materials for the Company	Pricing based on market price	1,866,300	1,866,300	0.00	Monetary funds	1,866,300	/
CCCC (Xiamen) Information Co., Ltd.	Subsidiary of the holding parent company	Purchase of goods	Providing materials for the Company	Pricing based on market price	990,028	990,028	0.00	Monetary funds	990,028	/
CCCC Xingyu Technology Co., Ltd.	Subsidiary of the holding parent company	Purchase of goods	Providing materials for the Company	Pricing based on market price	347,434	347,434	0.00	Monetary funds	347,434	/
Chongqing Yongjiang Expressway Investment and Construction Co., Ltd. of FHCC of CCCC	Subsidiary of the holding parent company	Purchase of goods	Providing materials for the Company	Pricing based on market price	286,716	286,716	0.00	Monetary funds	286,716	/
China Communications Construction Company Ltd.	Subsidiary of the holding parent company	Purchase of goods	Providing materials for the Company	Pricing based on market price	256,441	256,441	0.00	Monetary funds	256,441	/



Related party	Relationship	Type of related transaction	Content of related transaction	Pricing principle of related transaction	Price of related transaction	Amount of related transaction	Proportion in the amount of similar transactions (%)	Settlement mode of associated transaction	Market price	Reason for great differences between the bargain price and market price
CCCC (Xiamen) Information Co., Ltd	Subsidiary of the holding parent company	Purchase of goods	Providing materials for the Company	Pricing based on market price	152,192	152,192	0.00	Monetary funds	152,192	/
Shanghai China Communications Water Transportation Design & Research Co., Ltd.	Subsidiary of the holding parent company	Purchase of goods	Providing materials for the Company	Pricing based on market price	79,565	79,565	0.00	Monetary funds	79,565	/
No.1 Engineering Co., Ltd. of CCCC First Harbor Engineering Co., Ltd.	Subsidiary of the holding parent company	Purchase of goods	Providing materials for the Company	Pricing based on market price	77,324	77,324	0.00	Monetary funds	77,324	/
Shanghai Waterway Logistics Co., Ltd	Subsidiary of the holding parent company	Purchase of goods	Providing materials for the Company	Pricing based on market price	22,697	22,697	0.00	Monetary funds	22,697	/
Shanghai Zhensha Longfu Machinery Co., Ltd.	Subsidiary of the holding parent company	Purchase of goods	Providing materials for the Company	Pricing based on market price	15,863	15,863	0.00	Monetary funds	15,863	/
Total				/	/	6,363,325,779		/	/	/
Details of large amount of sales returns										
Explanation for related transactions				The "Proposal on Estimating Routine Related Transactions for Years 2019-2021" was approved upon deliberation at the first provisional general meeting in 2019 of the Company. In 2021, the amount of the annual related transactions in the normal business between the Company and its subsidiaries and China Communications Construction Co., Ltd. and its subsidiaries did not exceed RMB 12 billion. The Annual General Meeting had authorized the Company's management to handle the relevant specific matters.						

2 Related transactions arising from acquisition or offering of assets or stock equity

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

Applicable Not applicable

Summary of events	Query index
Related transactions concerning the transfer of entire equity interest in CCCC Tianhe to CCCC.	See Provisional Announcement 2021-041 for details
Related transactions concerning the transfer of some shares of CCCC Leasing to CCCC Capital.	See Provisional Announcement 2021-046 for details

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

Applicable Not applicable

3. Events not disclosed in provisional announcements

Applicable Not applicable

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

Applicable Not applicable

3 Material related transactions with joint external investments

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

Applicable Not applicable

Summary of events	Query index
Related transactions concerning the investment in the construction of Hengyang urban smart parking management system and the PPP project for the construction of public parking lots.	See Provisional Announcement 2021-004 for details
Related transactions concerning the increase of registered capital from undistributed profits of CCCC Leasing.	See Provisional Announcement 2021-045 for details

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

□Applicable ✓Not applicable

3. Events not disclosed in provisional announcements

□Applicable ✓Not applicable

4 Current associated rights of credit and liabilities**1. Events disclosed in provisional announcement, without progress or changes in follow-up implementation**

□Applicable ✓Not applicable

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

□Applicable ✓Not applicable

3. Events not disclosed in provisional announcements

□Applicable ✓Not applicable

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

✓Applicable □Not applicable

1. Deposit business

✓Applicable □Not applicable

Unit: Yuan Currency: CNY

Related party	Relationship	Maximum daily deposit limit	Deposit interest rate range	December 31, 2020	Amount incurred in the current period		December 31, 2021
					Total deposit amount in the current period	Total withdrawal amount in the current period	
CCCC Finance Company Ltd.	Subsidiary of the holding parent company	1,600,000,000	0.46%-1.76%	75,000,000	1,525,000,000		1,600,000,000
Total	/	/	/	75,000,000	1,525,000,000		1,600,000,000

2. Loan business

✓Applicable □Not applicable

Unit: Yuan Currency: CNY

Related party	Relationship	Loan limit	Loan interest rate range	December 31, 2020	Amount incurred in the current period		December 31, 2021
					Total loan amount in the current period	Total repayment amount in the current period	
CCCC Finance Company Ltd.	Subsidiary of the holding parent company		2%-3.48%	2,500,000,000	100,055,556	2,500,000,000	100,055,556
CCCC Financial Leasing Co., Ltd	Subsidiary of the holding parent company		5.2200%-5.6550%	413,000,000		413,000,000	
CCCC Financial Leasing (Guangzhou) Co., Ltd	Subsidiary of the holding parent company		4.35%	51,000,000		51,000,000	
CCCC Xiongan Financial Leasing Co., Ltd	Subsidiary of the holding parent company		4%	70,000,000	327,239,444	103,333,333	293,906,111
CCCC Leasing Jiahua No.1 Co., Ltd.	Subsidiary of the holding parent company		1.86%-3.39%	449,285,972		363,564,089	85,721,883
CCCC Leasing Jiahua No.2 Co. Ltd.	Subsidiary of the holding parent company		3.36%-3.39%	123,040,972		123,040,972	
Total	/	/	/	3,606,326,944	427,295,000	3,553,938,394	479,683,550



3. Credit business or other financial business

Applicable Not applicable

4. Other description

Applicable Not applicable

6 Others

Applicable Not applicable

XIII. Material contracts and their performance

1 Trusteeship, contracting and leasing matters

1. Trusteeship

Applicable Not applicable

2. Contracting

Applicable Not applicable

3. Leasing

Applicable Not applicable

Unit: Yuan Currency: CNY

Name of lessor	Name of lessee	Leased assets	Amount involved in leased assets	Starting date of leasing	Termination date of leasing	Income from leasing	Basis for determining income from leasing	Impacts of income from leasing on the Company	Related transaction or not	Relationship
Shanghai Zhenhua Heavy Industries Co., Ltd.	Shanghai Zhenlong Asset Management Co., Ltd, and other companies	Lease of houses	229,657,096.00	August 10, 2012	July 9, 2025	45,446,000.00	Agreed	45,446,000.00	No	Other
Shanghai Zhenhua Heavy Industries Co., Ltd.	Shanghai Changyin Real Estate Development Co., Ltd.	Lease of houses	229,657,096.00	March 1, 2021	February 29, 2024	30,208,333.33	Agreed	30,208,333.33	No	Other
Shanghai Zhenhua Heavy Industries Co., Ltd.	Shanghai Changyi Industrial Co., Ltd	Lease of houses	14,054,040.85	August 15, 2021	August 14, 2031	17,099,166.67	Agreed	17,099,166.67	No	Other

Leasing explanation
None

2 Guarantee

Applicable Not applicable

Unit: Yuan Currency: CNY

External guarantee of the Company (excluding guarantee to the subsidiaries)														
Guarantor	Relation between the guarantor and the listed company	Guaranteed party	Guaranteed amount	Date of guarantee (signing date of agreement)	Starting date of guarantee	Due date of guarantee	Type of guarantee	Collateral (if any)	Fulfillment of the guarantee or not	Overdue or not	Amount of overdue guarantee	Counter guarantee or not	Guarantee by the related party or not	Relationship
Total amount of guarantee incurred during the reporting period (excluding guarantee to the subsidiaries)														
Total balance of guarantee at the end of the reporting period (A) (excluding guarantee to the subsidiaries)														
Guarantee of the Company and its subsidiaries to the subsidiaries														
Total amount of guarantee to the subsidiaries incurred during the reporting period														
Total balance of guarantee to the subsidiaries at the end of the reporting period (B)														
Total amount of guarantee of the Company (including guarantee to the subsidiaries)														
Total amount of guarantee (A+B)														
Proportion of total amount of guarantee in the net assets of the Company (%)														

Including:	
Amount of guarantee to the shareholders, the actual controller and related parties (C)	
Amount of debt guarantee directly or indirectly provided to the guaranteed party with the asset-liability ratio over 70% (D)	774,009,980
Amount of guarantee exceeding 50% of net assets (E)	
Total guarantee amount of the above three items (C+D+E)	774,009,980
Explanation for the joint and several repayment liabilities for the undue guarantee	
Description of guarantee	The "Proposal for Providing Financing Guarantee to the Subsidiary Shanghai Zhenhua Port Machinery (Hong Kong) Co., Ltd." was approved upon deliberation by the Company at the 1st provisional general meeting for 2008, which agreed to provide the financial support to the subsidiary in Hong Kong and provided the guarantee with the upper limit of USD 500 million for the loan it applied for through the bank. Other guarantee matters were also approved upon deliberation at the 18th and 21st meetings of the 7th Board of Directors.

3 Consigned cash assets management

1. Consigned financing

(1) General information of consigned financing

Applicable Not applicable

Other information

Applicable Not applicable

(2) Information on individual consigned financing

Applicable Not applicable

Other information

Applicable Not applicable

(3) Provision for impairment of consigned financing

Applicable Not applicable

2. Consigned loans

(1) General information of consigned loans

Applicable Not applicable

Other information

Applicable Not applicable

(2) Individual consigned loans

Applicable Not applicable

Other information

Applicable Not applicable

(3) Provision for impairment of consigned loans

Applicable Not applicable

3. Other information

Applicable Not applicable

4 Other material contracts

Applicable Not applicable

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

Applicable Not applicable



Section VII | Changes in Shares and Shareholders' Situation

I. Changes in share capital

1 Table of changes in shares

1. Table of changes in shares

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

2. Notes to changes in shares

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

2 Changes in shares with restrictive conditions for sales

Applicable Not applicable

II. Issuance and listing of securities

1 Securities issuance by the reporting period

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

3 Existing internal employee ownership

Applicable Not applicable

III. Shareholders and actual controller

1 Total number of shareholders

Total of ordinary shareholders by the end of the reporting period	218,913
Total of ordinary shareholders by the end of the month previous to the disclosure date of annual report	215,958

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

Unit: share

Shares held by top 10 shareholders							
Name of shareholder(in full)	Changes in the reporting period	Number of shares held at the end of the period	Ratio (%)	Number of shares with trading limited conditions held	Shares in pledge, marked or frozen		Nature of shareholder
					Share status	Number of shares	
CCCG (HK) Holding Limited	0	916,755,840	17.401	0	NA	0	Overseas legal person
China Communications Construction Company Ltd.	0	855,542,044	16.239	0	NA	0	State-owned legal person
China Communications Construction Group Co., Ltd.	0	663,223,375	12.589	0	NA	0	State-owned legal person
Bosera Fund - Agricultural Bank of China - Bosera China Securities Financial Assets Management Plan	0	19,855,920	0.38		Unknown		Unknown
E FUND Management- Agricultural Bank of China - E FUND Management China Securities Financial Assets Management Plan	0	19,855,920	0.38		Unknown		Unknown
Dacheng Fund- Agricultural Bank of China - Dacheng China Securities Financial Asset Management Plan	0	19,855,920	0.38		Unknown		Unknown
GF Fund- Agricultural Bank of China - GF China Securities Financial Assets Management Plan	0	19,855,920	0.38		Unknown		Unknown
Lombarda China Fund- Agricultural Bank of China - Lombarda China Fund China Securities Financial Assets Management Plan	0	19,855,920	0.38		Unknown		Unknown
Yinhua Fund- Agricultural Bank of China - Yinhua China Securities Financial Asset Management Plan	0	19,855,920	0.38		Unknown		Unknown
China Southern Asset Management- Agricultural Bank of China - China Southern Asset Management China Securities Financial Asset Management Plan	0	19,855,920	0.38		Unknown		Unknown
ICBC Credit Suisse Fund- Agricultural Bank of China - ICBC Credit Suisse China Securities Financial Asset Management Plan	0	19,855,920	0.38		Unknown		Unknown



Shareholdings of top 10 shareholders without trading limited conditions

Name of shareholder	Number of non-restrictive circulation shares held	Type and number of shares	
		Type	Quantity
CCCCG (HK) Holding Limited	916,755,840	Foreign shares listed domestically	
China Communications Construction Company Ltd.	855,542,044	RMB ordinary shares	
China Communications Construction Group Co., Ltd.	663,223,375	RMB ordinary shares	
Bosera Fund - Agricultural Bank of China - Bosera China Securities Financial Assets Management Plan	19,855,920	RMB ordinary shares	
E FUND Management- Agricultural Bank of China - E FUND Management China Securities Financial Assets Management Plan	19,855,920	RMB ordinary shares	
Dacheng Fund- Agricultural Bank of China - Dacheng China Securities Financial Asset Management Plan	19,855,920	RMB ordinary shares	
GF Fund- Agricultural Bank of China - GF China Securities Financial Assets Management Plan	19,855,920	RMB ordinary shares	
Lombarda China Fund- Agricultural Bank of China - Lombarda China Fund China Securities Financial Assets Management Plan	19,855,920	RMB ordinary shares	
Yinhua Fund- Agricultural Bank of China - Yinhua China Securities Financial Asset Management Plan	19,855,920	RMB ordinary shares	
China Southern Asset Management- Agricultural Bank of China - China Southern Asset Management China Securities Financial Asset Management Plan	19,855,920	RMB ordinary shares	
ICBC Credit Suisse Fund- Agricultural Bank of China - ICBC Credit Suisse China Securities Financial Assets Management Plan	19,855,920	RMB ordinary shares	
Notes to the related relation or consistent actions of the above-mentioned shareholders	Among the above top 10 shareholders, CCCC (HK) Holding Limited, China Communications Construction Group Co., Ltd. and China Communications Construction Company Ltd. are related companies. It was unknown to the Company whether there was related relation or concerted actor specified in the "Management Method on Information Disclosure for Shareholding Change of the Shareholders of Listed Companies".		
Explanation on preferred stock holders with recovered voting rights and number of stocks held by them			

Shareholdings of the top ten restricted shareholders and the restrictions

Applicable Not applicable

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

Applicable Not applicable

IV. Controlling shareholder and actual controller

1 Controlling shareholder

1. Legal person

Applicable Not applicable

Name	China Communications Construction Group Co., Ltd.
Company principal or legal representative	Wang Tongzhou
Date of Establishment	December 8, 2005

Main business	Construction of overseas projects and international bidding projects at home; general contracting for construction of various special ships, leasing and maintenance of special ship and construction machines; offshore towage and professional services related to the ocean engineering; technical consultant services regarding the ship and the supporting port equipment; engaging in the general contracting of construction projects for ports, channels, highways and bridges both home and abroad (including technical and economic consultation of engineering, feasibility study, survey, design, construction, supervision, procurement and supply for related complete set of equipment or materials, and equipment installation); undertaking the general contracting of the construction of industrial and civil works, railway, metallurgy, petrochemical, tunnel, power, mine, water conservancy, and municipal works; import and export business; real estate development and property management; investment and management of transportation, hotel and tourism industries.
Interests held in other domestically and overseas listed companies in the reporting period	CCCG holds 58.70% of the stock equity of CCCC (601800.SH) and it is the controlling shareholder. CCCG holds 100% of the stock equity of CCCG Real Estate Group Co., Ltd.; CCCG Real Estate Group Co., Ltd holds 100% of the stock equity of Zhongzhu Real Estate Development Co., Ltd. Zhongzhu Real Estate Development Co., Ltd holds 53.32% of the stock equity of CCCG Real Estate Co., Ltd (name used before: Chongqing Industries, Zhongfang Real Estate) (000726.SZ) and it is the controlling shareholder. CCCG and its controlling subsidiaries totally hold 28.91% of the stock equity of Greentown Holding Co., Ltd (03900.HK) and are the controlling shareholders. CCCG and its subsidiaries hold 29.99% of the stock equity of Shanghai Zhenhua Heavy Industries Co., Ltd (600320.SH) and it is the controlling shareholder.
Notes to other circumstances	

2. Natural person

Applicable Not applicable

3. Particulars about no controlling shareholder in the Company

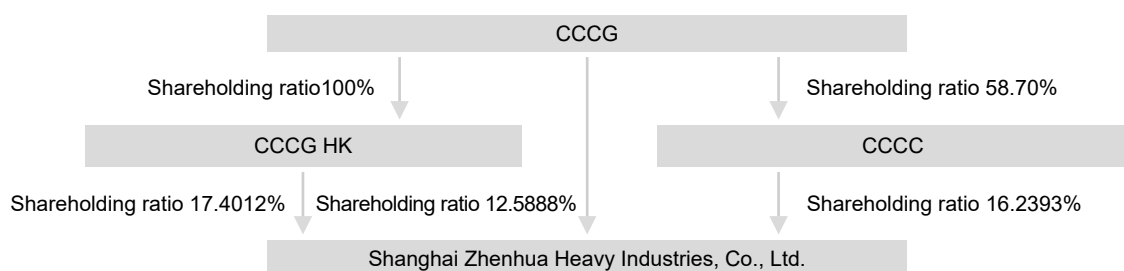
Applicable Not applicable

4. Change of the controlling shareholder in the reporting period

Applicable Not applicable

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

Applicable Not applicable

**2 Actual controller****1. Legal person**

Applicable Not applicable

2. Natural person

Applicable Not applicable

3. Particulars about no actual controller in the Company

Applicable Not applicable

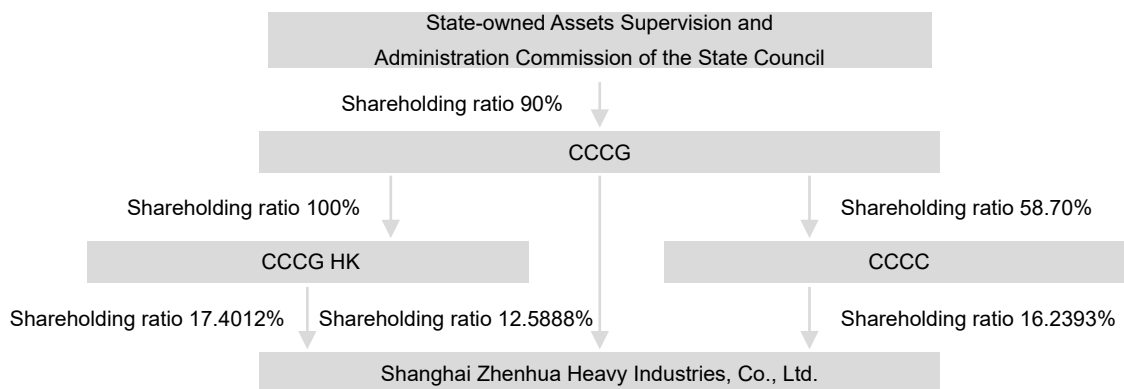


4. Description of the changes in control of the Company during the reporting period

Applicable Not applicable

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

Applicable Not applicable



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

Applicable Not applicable

3 Other information about the controlling shareholder and the actual controller

Applicable Not applicable

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

Applicable Not applicable

VI. Other corporate shareholders holding more than 10%

Applicable Not applicable

VII. Particulars about restrictions on shareholding reduction

Applicable Not applicable

VIII. Specific implementation of share repurchases during the reporting period

Applicable Not applicable

Section VIII | Preference Shares

Applicable Not applicable

Section IX | Bonds

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

Applicable Not applicable

1 Enterprise bonds

Applicable Not applicable

2 Corporate bonds

Applicable Not applicable

3 Interbank bond market debt financing instrument of non-financial enterprises

Applicable Not applicable

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

Unit: Yuan Currency: CNY

Name of bond	Abbreviation	Code	Issue date	Value date	Maturity date	Outstanding balance	Interest rate (%)	Payment method	Trading venue	Investor eligibility arrangements (if any)	Trading mechanism	Risk of termination of listing and trading
Second issue of medium-term notes of Shanghai Zhenhua Heavy Industries Co., Ltd. in the year 2020	20 Zhenhua MTN002	102002348	Dec. 24, 2020	Dec. 28, 2020	Dec. 31, 2099	500,000,000.00	5.1	Interest paid on December 28 every year	Interbank market		Centralized book-entry and centralized placement	N/A

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

Applicable Not applicable

Overdue bonds

Applicable Not applicable

Interest payment and payment of bonds during the reporting period

Applicable Not applicable

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

Applicable Not applicable

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

Agency name	Office address	Signed by the Accountants	Person to contact	Contact number
Bank of Communications Co., Ltd	No.188 Yincheng Middle Road, Pudong New Area, Shanghai, China	-	Liu Lei, Xiong Han	021-38873252, 021-38579212
Industrial Bank Co., Ltd	15/F, Xingye Building, No.20 Chaoyangmen North Street, Chaoyang District, Beijing	-	Lin Chen, Li Fei	010-89926551, 021-62677777
Golden Credit Rating International Co., Ltd	12/F, Tower C, ZhaoTai International Center, No.3 Chaowai Xijie, Chaoyang District, Beijing	-	Ren Zhijuan, Bian Qin	010-62299879, 010-62299871
Shanghai Duan & Duan Law Firm	47/F, Maxdo Center, No. 8 Xingyi Road, Changning District, Shanghai	-	Zhang Ling	18817583398



Changes in the above intermediary agencies

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

Other description

Applicable Not applicable

5. Adjustment of credit rating results

Applicable Not applicable

Other description

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

5 Overdue interest-bearing debts other than bonds at the end of the reporting period

Applicable Not applicable

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

Applicable Not applicable

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

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Main indexes	2021	2020	Year-on-year change (%)	Reason of change
Net profit after deducting the non-recurring profits and losses	-440,186,675	-58,462,207	-	
Current ratio	1.24	0.96	29.17	
Quick ratio	0.45	0.35	28.57	
Asset-liability ratio (%)	77.47	78.47	-1.00	
Proportion of EBITDA to total debts	0.05	0.05	-2.99	
Interest coverage ratio	1.45	1.32	9.80	
Cash interest coverage ratio	1.81	0.59	206.78	
EBITDA interest coverage ratio	2.56	2.28	1.23	
Loan repayment ratio (%)	100	100	0	
Interest coverage ratio (%)	100	100	0	

II. Information about convertible corporate bonds

□Applicable √Not applicable



Section X | Financial Report

I. Auditors' Report

Applicable Not applicable

Auditors' Report

Ernst & Young (2022) SZ No.61249778_B01
Shanghai Zhenhua Heavy Industries Co., Ltd.

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

1 Opinion

We have audited the financial statements of Shanghai Zhenhua Heavy Industries Co., Ltd. (hereinafter referred to as the "Company"), which comprise the consolidated balance sheet and the Company's balance sheet as at December 31, 2021, the consolidated income statement and the Company's income statement, the consolidated statement of changes in shareholders' equity and the Company's statement of changes in owners' equity and the consolidated statement of cash flows and the Company's statement of cash flows for the year then ended as well as the notes to the financial statements.

In our opinion, the financial statements of the Company attached are prepared, in all material respects, in accordance with the Accounting Standards for Business Enterprises, and fairly present the consolidated financial position and the Company's financial position as at December 31, 2021 and the consolidated operating results and cash flows and the Company's operating results and cash flows for the year then ended.

2 Basis for Our Opinions

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

3 Key Audit Matters

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

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

Key Audit Matters:	How our audit addressed the key audit matter:
1. Inventory depreciation reserves	
<p>Shanghai Zhenhua Heavy Industries Co., Ltd. is mainly engaged in manufacturing the port container crane; in addition, it is also engaged in the manufacture of bulk handling machine, offshore heavy-duty machine and large-sized steel structure. Its inventories mainly include engineering raw materials, outsourcing parts and components, products in the process and inventory goods. Since the production cycle of the products is relatively long, the net realizable value of the related inventory may fluctuate with the change in the market demand, resulting in the inventory depreciation risks. The management sets aside the inventory depreciation reserves according to the balance of the inventory cost and the net realizable value. The net realizable value is determined as per the estimated selling price of the inventory minus the cost, the estimated selling expenses and the related taxes that may occur in the completion on the assumption that the management layer adopts a certain estimate and hypothesis in determining the net realizable value. In case of difference between the actual figure and the originally estimated figure, the related balance will affect the book value of the inventory and the depreciation loss in the estimated fluctuation.</p> <p>As of December 31, 2021, in the consolidated financial statements, the balance of inventories was RMB 23.25 billion and the reserve for inventory depreciation was RMB 1.17 billion; in the financial statements of the Company, the balance of inventories was RMB 19.94 billion and the reserve for inventory depreciation was RMB 1.17 billion.</p> <p>The accounting policy and other disclosures regarding the inventory are stated in Note V (15), Note V (43) and Note VII (9) of the financial statement.</p>	<p>Our procedure mainly included knowing and testing the validity of the control related to the provision of inventory depreciation reserves and the method of calculating the net realizable value of the Group. We also implemented the related auditing procedures over the inventory such as supervision of inventory to verify whether the management had marked the inventory with slow turnover and defectives and taken into full account in provision of inventory depreciation reserves. In addition, we obtained the computation sheet of provision of inventory depreciation reserves from the management, rechecked the calculation method and result. As to the key elements taken into consideration by the management in calculating the net realizable value, including the estimated selling price and the cost that may occur till completion, we evaluated the hypothesis and the estimates through analyzing the related historical data and comparing the after-date data of Shanghai Zhenhua Heavy Industries Co., Ltd. We also rechecked the disclosure of inventory depreciation reserves in financial statements</p>
2.Provision for bad debts of accounts receivable	
<p>The accounts receivable of Shanghai Zhenhua Heavy Industries Co., Ltd. is mainly from the business contract on port machine and ocean engineering manufacturing. Since it involves large contracted value, long construction period, relatively complicated technical parameters, the implementation of the contract may be affected by the periodicity of the economic environment. The accounts receivable has certain risk in the recovery in case of any dispute in contract or the industry is in recession. The provisions for bad debts of accounts receivable are recognized on the basis of estimated credit losses, involving major judgment and estimates. The management analyzed the financial position of counter parties, guarantee acquired for accounts receivable, historical repayment records of accounts receivable, as well as the credit rating and future economic situations of counter parties for evaluating the credit risk of accounts receivable.</p> <p>As of December 31, 2021, in the consolidated financial statements, the balance of accounts receivable was RMB 8.48 billion and the provision for bad debts of accounts receivable was RMB 2.03 billion; in the financial statements of the Company, the balance of accounts receivable was RMB 16.93 billion and the provision for bad debts of accounts receivable was RMB 1.89 billion.</p> <p>The accounting policy and other disclosures regarding the provision for bad debts of accounts receivable are stated in Note V (12), Note V (43), Note VII (5) and Note XVII (1) of the financial statements.</p>	<p>Our procedure mainly included the evaluation of the accounting estimate relating to the depreciation reserves, such as the financial status and credit rating of the counterpart; checked the account age of accounts receivable and historical repayment record and evaluated whether the financial problems of the counter party had effects on the recovery of the accounts receivable; for the accounts receivable evaluated based on the portfolio, we rechecked the management's setting of credit risk features portfolio, checked the key information such as account age and credit record of each portfolio by sampling, and rechecked the basis of management's evaluation of credit risk and expected credit loss amount based on the credit risk features portfolio, including testing historical default data and checking the actual credit loss in the current year; rechecked the disclosure of bad debt provision for accounts receivable in financial statements.</p>



Key Audit Matters:	How our audit addressed the key audit matter:
<p>3. Revenue recognition</p> <p>Most of the revenue of Shanghai Zhenhua Heavy Industries Co., Ltd. comes from the one of the construction contracts on the large-sized port equipment, heavy equipment, steel structure and construction projects customized by the customer.</p> <p>Since January 1, 2020, the new revenue standard has been applied, and the management has read and analyzed the contracts of various revenue types according to the requirements of five-step method. The performance obligations included in the manufacturing contract on large-sized port equipment, heavy equipment and some steel structure products did not meet the conditions of performance obligations within a certain period of time, therefore, based on comprehensive consideration of various factors, the revenue was recognized at the time of control transfer of relevant products.</p> <p>In 2021, in the consolidated financial statements, the operating revenue was RMB 25.98 billion; in the financial statements of the Company, the operating revenue was RMB 22.99 billion.</p> <p>The accounting policy and other disclosures regarding the operating revenue are stated in Note V (38), Note V (43), Note VII (74) and Note XVII (4) of the financial statements.</p>	<p>Our procedure mainly included evaluating and testing the management's internal control related to revenue recognition. Selected the sales contract with significant amount, checked the important contract terms related to revenue recognition according to the five step requirements of the new revenue standard, and evaluated the management's accounting judgment and estimate on performance obligations, revenue recognition amount (including variable consideration) and the recognition at a certain time point or within a period of time. Through selecting the samples, we verified whether the contract revenue recognized in the year conformed to the revenue recognition conditions; implemented the cutoff check procedure to validate the revenue was confirmed in the proper accounting period. For the revenue recognized in a certain period of time, we evaluated the judgment and estimate of the total contract cost and total processing amount made by the management, and made sampling to calculate and check the income determined by the occurred contract cost and the expected total contract cost again; implemented the analysis procedure against the changes in revenue and gross profit of various businesses; rechecked the disclosure of revenue recognition in financial statements.</p>

4 Other Information

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

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

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

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

5 Responsibilities of the Management and Those Charged with Governance for the Financial Statements

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

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

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

6 Auditors' Responsibilities for the Audit of the Financial Statements

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

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

(1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

(3) Evaluate the appropriateness of accounting policies used by and the reasonableness of accounting estimates and related disclosures made by the management.

(4) Conclude on the appropriateness of the management's use of the going concern basis of accounting. Based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of Shanghai Zhenhua Heavy Industries Co., Ltd. to continue as a going concern. If we conclude that a material uncertainty exists, we are required to, in our auditors' report, draw attention of the users of statements to the related disclosures in the financial statements; if such disclosures are inadequate, we should modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Shanghai Zhenhua Heavy Industries Co., Ltd. to cease to continue as a going concern.

(5) Evaluate the overall presentation, structure and content (including the disclosures) of the financial statements, and evaluate whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(6) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit, and bear full responsibility for our audit opinion.

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

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

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

Ernst & Young LLP.
(Special General Partnership)

Certified Public Accountant of China:
(Engagement Partner)

Certified Public Accountant of China:

Beijing, China

April 13, 2022



II. Financial Statements

Consolidated Balance Sheet

As at December 31, 2021

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

Unity: Yuan Currency: CNY

Item	Note	As at December 31, 2021	As at December 31, 2020
Current assets:			
Monetary funds	VII (1)	4,571,837,584	2,948,074,736
Settlement provisions			
Lending funds			
Held-for-trading financial assets	VII (2)	1,153,533,922	1,601,623,650
Derivative financial assets			
Notes receivable	VII (4)	3,979,800	753,000
Accounts receivable	VII (5)	6,448,850,756	7,227,065,255
Receivables financing	VII (6)	245,408,260	362,006,319
Advances to suppliers	VII (7)	1,159,427,850	767,426,147
Premiums receivable			
Reinsurance accounts receivable			
Reserves for reinsurance contract receivable			
Other receivables	VII (8)	940,522,896	913,410,163
Including: Interest receivable			
Dividend receivable			
Financial assets purchased under agreements to resell			
Inventories	VII (9)	22,073,774,730	22,325,839,116
Contract assets	VII (10)	1,971,455,850	2,063,296,890
Assets held for sale	VII (11)	15,167,288	
Non-current assets due within one year	VII (12)	1,437,034,591	1,884,370,444
Other current assets	VII (13)	359,805,348	708,484,102
Total current assets		40,380,798,875	40,802,349,822
Non-current assets:			
Disbursement of loans and advances			
Debt investment			
Other debt investments			
Long-term receivables	VII (16)	2,674,407,383	5,077,114,342
Long-term equity investments	VII (17)	1,841,721,259	3,042,232,884
Other equity instrument investment	VII (18)	66,280,045	61,505,751
Other non-current financial assets	VII (19)		330,094,057
Investment properties	VII (20)	461,077,417	467,607,519
Fixed assets	VII (21)	20,018,544,737	19,820,601,397
Construction in progress	VII (22)	4,691,782,000	4,520,147,819
Productive biological assets			
Oil and gas assets			
Right-of-use assets	VII (25)	7,652,250	
Intangible assets	VII (26)	3,400,427,256	3,347,450,714
Development expenditures			
Goodwill	VII (28)	258,638,429	261,072,463
Long-term deferred expenses	VII (29)	103,664	502,811

Consolidated Balance Sheet(Continued)

As at December 31, 2021

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

Unity: Yuan Currency: CNY

Item	Note	As at December 31, 2021	As at December 31, 2020
Deferred income tax assets	VII (30)	773,705,674	752,960,672
Other non-current assets	VII (31)	3,756,942,210	837,004,289
Total non-current assets		37,951,282,324	38,518,294,718
Total assets		78,332,081,199	79,320,644,540
Current liabilities:			
Short-term borrowings	VII (32)	5,977,692,367	17,795,076,565
Borrowings from the Central Bank Borrowing funds			
Held-for-trading financial liabilities	VII (33)		458,882
Derivative financial liabilities			
Notes payable	VII (35)	4,160,666,800	3,600,725,892
Accounts payable	VII (36)	6,966,472,639	7,773,903,147
Advances from customers	VII (37)		4,893,675
Contract liabilities	VII (38)	12,386,142,828	11,195,309,083
Financial assets sold for repurchase			
Deposits from customers and interbank Acting trading securities Acting underwriting securities			
Payroll payable	VII (39)	35,641,840	188,799,969
Tax payable	VII (40)	167,827,388	160,782,931
Other payables	VII (41)	409,527,645	481,065,700
Including: Interest payable			
Dividends payable		6,593	352,598
Fees and commissions payable			
Dividend payable for reinsurance			
Liabilities held for sale			
Non-current liabilities due within a year	VII (43)	2,523,964,018	1,374,465,319
Other current liabilities			
Total current liabilities		32,627,935,525	42,575,481,163
Non-current liabilities:			
Reserve fund for insurance contracts			
Long-term borrowings	VII (45)	24,943,760,955	16,850,299,742
Bonds payable			
Including: preferred stock			
Perpetual bond			
Lease liabilities	VII (47)	736,624	
Long-term payables	VII (48)	2,163,591,149	1,632,757,932
Long-term payroll payable			
Estimated liabilities	VII (50)	188,005,742	261,072,318
Deferred income	VII (51)	388,823,964	388,756,001
Deferred income tax liabilities	VII (30)	76,876,339	106,666,671



Consolidated Balance Sheet(Continued)

As at December 31, 2021

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

Unity: Yuan Currency: CNY

Item	Note	As at December 31, 2021	As at December 31, 2020
Other non-current liabilities	VII (52)	292,297,881	430,372,502
Total non-current liabilities		28,054,092,654	19,669,925,166
Total liabilities		60,682,028,179	62,245,406,329
Owners' equity (or shareholders' equity):			
Paid-in capital (or share capital)	VII (53)	5,268,353,501	5,268,353,501
Other equity instruments	VII (54)	500,000,000	500,000,000
Including: preferred stock			
Perpetual bond		500,000,000	500,000,000
Capital reserves	VII (55)	4,842,515,715	4,834,854,332
Less: treasury stock			
Other comprehensive income	VII (57)	-69,355,058	-62,927,398
Special reserves	VII (58)	1,934,676	1,936,153
Surplus reserves	VII (59)	1,679,258,496	1,651,418,547
General risk preparation			
Undistributed profits	VII (60)	2,767,511,301	2,377,187,005
Total owners' equities attributable to the owners of parent company		14,990,218,631	14,570,822,140
Minority equity		2,659,834,389	2,504,416,071
Total owners' equity (or shareholders' equity)		17,650,053,020	17,075,238,211
Total liabilities and owners' equity (or shareholders' equity)		78,332,081,199	79,320,644,540

Chairman of
the Company:

Person in charge of
accounting work:

Person in charge of
accounting agency:

Balance Sheet of the Parent Company

As at December 31, 2021

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

Unity: Yuan Currency: CNY

Item	Note	As at December 31, 2021	As at December 31, 2020
Current assets:			
Monetary funds		3,701,103,539	1,902,199,066
Held-for-trading financial assets		493,120,301	907,154,115
Derivative financial assets			
Notes receivable		3,979,800	753,000
Accounts receivable	XVII (1)	15,045,002,044	15,333,326,224
Receivables financing		237,823,940	306,365,354
Advances to suppliers		4,674,664,134	4,628,860,061
Other receivables	XVII (2)	3,836,840,864	5,505,896,413
Including: Interest receivable			
Dividend receivable			
Inventories		18,771,744,852	18,950,680,070
Contract assets		1,458,474,386	1,133,865,802
Assets held for sale			
Non-current assets due within one year			16,068,800
Other current assets		127,397,199	320,289,945
Total current assets		48,350,151,059	49,005,458,850
Non-current assets:			
Debt investment			
Other debt investments			
Long-term receivables			274,746,933
Long-term equity investments	XVII (3)	9,046,140,403	8,725,608,053
Other equity instrument investment		66,280,045	61,505,751
Other non-current financial assets			330,094,057
Investment properties		461,077,417	467,607,519
Fixed assets		4,009,766,651	4,016,049,591
Construction in progress		640,751,191	659,009,550
Productive biological assets			
Oil and gas assets			
Right-of-use assets		104,453	
Intangible assets		1,464,690,392	1,507,604,347
Development expenditures			
Goodwill			
Long-term deferred expenses			
Deferred income tax assets		740,925,972	717,095,880
Other non-current assets		818,529,549	533,182,276
Total non-current assets		17,248,266,073	17,292,503,957
Total assets		65,598,417,132	66,297,962,807
Current liabilities:			
Short-term borrowings		4,075,446,557	14,351,318,050
Held-for-trading financial liabilities			
Derivative financial liabilities			
Notes payable		4,260,082,858	3,897,225,892



Balance Sheet of the Parent Company(Continued)

As at December 31, 2021

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

Unity: Yuan Currency: CNY

Item	Note	As at December 31, 2021	As at December 31, 2020
Accounts payable		4,948,441,932	5,364,410,446
Advances from customers			
Contract liabilities		10,907,361,553	10,446,873,026
Payroll payable		29,427,722	173,661,671
Tax payable		29,637,921	26,049,457
Other payables		1,305,581,786	1,083,925,556
Including: Interest payable			
Dividends payable		6,593	352,598
Liabilities held for sale			
Non-current liabilities due within one year		1,844,958,736	709,198,148
Other current liabilities			
Total current liabilities		27,400,939,065	36,052,662,246
Non-current liabilities:			
Long-term borrowings		22,550,175,571	14,777,075,334
Bonds payable			
Including: preferred stock			
Perpetual bond			
Lease liabilities		6,220	
Long-term payables			
Long-term payroll payable			
Estimated liabilities		176,577,960	253,696,912
Deferred income		305,215,630	302,910,467
Deferred income tax liabilities			
Other non-current liabilities			16,723,794
Total non-current liabilities		23,031,975,381	15,350,406,507
Total liabilities		50,432,914,446	51,403,068,753
Owners' equity (or shareholders' equity):			
Paid-in capital (or share capital)		5,268,353,501	5,268,353,501
Other equity instruments		500,000,000	500,000,000
Including: preferred stock			
Perpetual bond		500,000,000	500,000,000
Capital reserves		4,914,468,683	4,914,468,683
Less: treasury stock			
Other comprehensive income		-8,614,560	-22,498,704
Special reserves			
Surplus reserves		1,678,750,223	1,650,910,274
Undistributed profits		2,812,544,839	2,583,660,300
Total owners' equity (or shareholders' equity)		15,165,502,686	14,894,894,054
Total liabilities and owners' equity (or shareholders' equity)		65,598,417,132	66,297,962,807

Chairman of
the Company:

Person in charge of
accounting work:

Person in charge of
accounting agency:

Consolidated Income Statement

January to December in 2021

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

Unity: Yuan Currency: CNY

Item	Note	2021	2020
I. Total operating revenue	VII (61)	25,977,976,968	22,655,141,652
Including: Operating revenue		25,977,976,968	22,655,141,652
Interest income			
Premiums earned			
Fee and commission income			
II. Total operating cost	VII (61)	26,137,975,161	22,418,218,004
Including: operating costs		23,498,271,033	19,413,265,254
Interest expenses			
Fee and commission expense			
Surrender value			
Net amount of compensation payout			
Net reserves for insurance liabilities			
Policy holder dividend expense			
Reinsurance expenses			
Taxes and surcharges	VII (62)	108,179,417	106,278,271
Selling and distribution expenses	VII (63)	115,347,438	105,763,639
General and administrative expenses	VII (64)	869,195,529	937,700,839
Research and development expenditures	VII (65)	883,154,222	737,468,137
Financial expenses	VII (66)	663,827,522	1,117,741,864
Including: interest expenses		1,094,451,482	1,343,245,061
Interest income		356,324,952	369,113,644
Plus: other incomes	VII (67)	75,986,080	93,228,051
Income from investment (loss expressed with "-")	VII (68)	1,286,473,690	413,517,783
Including: Income from investment of joint venture and cooperative enterprise		237,773,613	138,892,946
Income from derecognition of financial assets measured at amortized cost			
Exchange gain (loss expressed with "-")			
Net exposure hedging gain (loss expressed with "-")			
Income from fair value changes (loss expressed with "-")	VII (70)	-235,912,837	94,172,456
Credit impairment losses (loss expressed with "-")	VII (71)	-155,561,886	-138,083,561
Assets impairment losses (loss expressed with "-")	VII (72)	-294,180,123	-213,647,223
Income from disposal of assets (loss expressed with "-")	VII (73)	71,278,254	6,755,688
III. Operating profits (loss expressed with "-")		588,084,985	492,866,842
Plus: non-operating income	VII (74)	26,667,187	17,337,499
Less: non-operating expenditure	VII (75)	9,411,053	7,997,910
IV. Total profits (total loss expressed with "-")		605,341,119	502,206,431
Less: income tax expenses	VII (76)	76,995,542	86,071,000
V. Net profits (net loss expressed with "-")		528,345,577	416,135,431
(I) Classified by business continuity			
1. Net profits from ongoing operation (net loss expressed with "-")		528,345,577	416,135,431
2. Net profits from discontinuing operation (net loss expressed with "-")			
(II) Classified by ownership			
1. Net profit attributable to the shareholders of parent company (net loss expressed with "-")		439,839,245	422,240,299
2. Minority interests (net loss expressed with "-")		88,506,332	-6,104,868



Consolidated Income Statement(Continued)

January to December in 2021

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

Unity: Yuan Currency: CNY

Item	Note	2021	2020
VI. Net of tax of other comprehensive income		-10,934,767	-109,245,376
(I) Net amount of after-tax other comprehensive income attributable to the owners of the parent company		-6,427,660	-86,457,849
1. Other comprehensive income that can't be reclassified into profit and loss		4,058,150	-404,189
(1) Remeasure the variation of net indebtedness or net asset of defined benefit plan			
(2) Other comprehensive income that can't be reclassified into profit and loss in the invested enterprise under equity method			
(3) Fair value change of other equity instrument investments		4,058,150	-404,189
(4) Fair value change of enterprise credit risks			
2. Other comprehensive income that will be reclassified into profit and loss		-10,485,810	-86,053,660
(1) Other comprehensive income that will be reclassified into profit and loss in the invested enterprise under equity method		10,458,625	-28,663,890
(2) Fair value change of other debt investments			
(3) Amount of financial assets reclassified into other comprehensive income			
(4) Provision for credit impairment of other debt investments			
(5) Cash flow hedging reserve			
(6) Translation reserve		-20,944,435	-57,389,770
(7) Others			
(II) Net of tax of other comprehensive income attributable to the minority shareholders		-4,507,107	-22,787,527
VII. Total comprehensive income		517,410,810	306,890,055
(I) Total comprehensive income belonging to parent company		433,411,585	335,782,450
(II) Total comprehensive income belonging to minority shareholders		83,999,225	-28,892,395
VIII. Earnings per share:			
(I) Basic earnings per share (Yuan/share)		0.08	0.08
(II) Diluted earnings per share (Yuan/share)		0.08	0.08

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

Chairman of
the Company:

Person in charge of
accounting work:

Person in charge of
accounting agency:

Income Statement of Parent Company

January to December in 2021

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

Unity: Yuan Currency: CNY

Item	Note	2021	2020
I. Operating revenue	XVII (4)	22,989,491,248	21,792,572,077
Less: operating costs	XVII (4)	21,313,600,636	19,380,258,843
Taxes and surcharges		46,991,429	45,189,858
Selling and distribution expenses		98,488,160	85,994,613
General and administrative expenses		468,393,559	434,987,831
Research and development expenditures		734,454,314	588,658,451
Financial expenses		854,806,739	1,547,343,795
Including: interest expenses		874,447,716	1,050,532,128
Interest income		19,153,277	25,876,907
Plus: other incomes		41,374,241	54,518,751
Income from investment (loss expressed with "-")		1,286,146,576	486,388,303
Including: Income from investment of joint venture and cooperative enterprise		232,454,488	134,225,470
Income from derecognition of financial assets measured at amortized cost			
Net exposure hedging gain (loss expressed with "-")			
Income from fair value changes (loss expressed with "-")		-201,856,923	403,444,667
Credit impairment losses (loss expressed with "-")		-85,087,358	-122,341,214
Assets impairment losses (loss expressed with "-")		-298,095,570	-207,234,914
Income from disposal of assets (loss expressed with "-")		40,410,977	6,340,002
II. Operating profits (loss expressed with "-")		255,648,354	331,254,281
Plus: non-operating income		8,526,790	5,366,069
Less: non-operating expenditure		5,856,604	3,261,214
III. Total profits (total loss expressed with "-")		258,318,540	333,359,136
Less: income tax expenses		-20,080,948	-4,564,696
IV. Net profits (loss expressed with "-")		278,399,488	337,923,832
(I) Net profits from ongoing operation (net loss expressed with "-")		278,399,488	337,923,832
(II) Net profits from discontinuing operation (net loss expressed with "-")			
V. Net of tax of other comprehensive income		13,884,144	-30,846,811
(I) Other comprehensive income that can't be reclassified into profit and loss		4,058,150	-404,189
1. Remeasure the variation of net indebtedness or net asset of defined benefit plan			
2. Other comprehensive income that can't be reclassified into profit and loss in the invested enterprise under equity method			
3. Fair value change of other equity instrument investments		4,058,150	-404,189
4. Fair value change of enterprise credit risks			
(II) Other comprehensive income that will be reclassified into profit and loss		9,825,994	-30,442,622
1. Other comprehensive income that will be reclassified into profit and loss in the invested enterprise under equity method		10,458,625	-28,663,890
2. Fair value change of other debt investments			
3. Amount of financial assets reclassified into other comprehensive income			
4. Provision for credit impairment of other debt investments			
5. Cash flow hedging reserve			
6. Translation reserve		-632,631	-1,778,732
7. Others			
VI. Total comprehensive income		292,283,632	307,077,021
VII. Earnings per share:			
(I) Basic earnings per share (Yuan/share)			
(II) Diluted earnings per share (Yuan/share)			

Chairman of
the Company:

Person in charge of
accounting work:

Person in charge of
accounting agency:



Consolidated Statement of Cash Flows

January to December in 2021

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

Unity: Yuan Currency: CNY

Item	Note	2021	2020
I. Cash flow from operating activities:			
Cash from selling commodities or offering labor		28,080,136,462	24,070,729,586
Net increase of customer deposit and deposit from other banks			
Net increase of borrowings from central bank			
Net increase of borrowing funds from other financial institutions			
Cash from obtaining original insurance contract premium			
Net cash received from reinsurance business			
Net increase in the deposits and investment of insured			
Cash from interest, handling charges and commissions			
Net increase of borrowing funds			
Net increase of repurchase of business funds			
Net cash from acting trading securities			
Refund of tax and levies		727,776,774	851,809,553
Other cash received related to operating activities		308,351,304	338,290,726
Subtotal cash inflows from operating activities		29,116,264,540	25,260,829,865
Cash paid for goods purchased and services received		23,592,910,907	21,342,869,982
Net increase of customer loans and advances			
Net increase of amount due from central bank and interbank			
Cash paid for original insurance contract claims payment			
Net increase of lending funds			
Cash paid for interest, handling charges and commissions			
Cash paid for policy dividend			
Cash paid to and for employees		2,353,107,660	2,178,947,468
Taxes and fees paid		489,545,705	326,093,816
Other cash paid related to operating activities		561,060,750	593,529,579
Subtotal cash outflows from operating activities		26,996,625,022	24,441,440,845
Net cash flows from operating activities		2,119,639,518	819,389,020
II. Cash flows from investment activities:			
Cash from investment withdrawal		2,162,928,251	209,790,000
Cash from investment income		1,012,740,327	267,656,685
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		161,312,919	20,727,181
Net cash from disposal of subsidiaries and other business units			
Other cash received related to investment activities		425,449,726	337,058,520
Subtotal cash inflows from investment activities		3,762,431,223	835,232,386
Cash paid for purchase of fixed assets, intangible assets and other long-term assets		1,265,404,618	1,638,904,437
Cash paid for investments		6,000,000	134,489,526
Net increase in hypothecated loan			
Net cash paid for obtaining subsidiaries and other business units			
Other cash paid related to investment activities			266,251,559
Subtotal cash outflows from investment activities		1,271,404,618	2,039,645,522
Net cash flow from investment activities		2,491,026,605	-1,204,413,136
III. Cash flows from financing activities:			
Cash from absorption of investments		144,759,800	379,445,000

Consolidated Statement of Cash Flows(Continued)

January to December in 2021

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

Unity: Yuan Currency: CNY

Item	Note	2021	2020
Including: cash received from subsidiaries' absorption of minority shareholders' investment		144,759,800	379,445,000
Cash received from issuance of other equity instruments			500,000,000
Cash received from borrowings		35,211,869,191	41,091,924,772
Other cash received related to financing activities		1,309,979,506	698,202,619
Subtotal cash inflows from financing activities		36,666,608,497	42,669,572,391
Cash repayments of amounts borrowed		37,441,150,454	39,243,737,056
Cash paid for distribution of dividends, profits or interest expenses		1,185,819,717	1,666,808,625
Including: dividends and profits paid by subsidiaries to minority shareholders		62,338,380	46,431,030
Other cash paid related to financing activities		1,018,806,687	1,409,615,762
Subtotal cash outflows from financing activities		39,645,776,858	42,320,161,443
Net cash flows from financing activities		-2,979,168,361	349,410,948
IV. Impact of exchange rate movements on cash and cash equivalents		-79,402,225	-134,669,468
V. Net increase of cash and cash equivalents		1,552,095,537	-170,282,636
Plus: beginning balance of cash and cash equivalents		2,897,742,340	3,068,024,976
VI. Ending balance of cash and cash equivalents		4,449,837,877	2,897,742,340

Chairman of
the Company:Person in charge of
accounting work:Person in charge of
accounting agency:



Statement of Cash Flows of the Parent Company

January to December in 2021

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

Unity: Yuan Currency: CNY

Item	Note	2021	2020
I. Cash flow from operating activities:			
Cash from selling commodities or offering labor		20,415,901,796	21,198,017,154
Refund of tax and levies		717,350,885	824,627,008
Other cash received related to operating activities		254,588,745	272,781,596
Subtotal cash inflows from operating activities		21,387,841,426	22,295,425,758
Cash paid for goods purchased and services received		16,874,301,352	20,992,122,517
Cash paid to and for employees		1,260,190,498	1,113,852,152
Taxes and fees paid		90,995,366	71,734,723
Other cash paid related to operating activities		525,166,211	530,324,494
Subtotal cash outflows from operating activities		18,750,653,427	22,708,033,886
Net cash flows from operating activities		2,637,187,999	-412,608,128
II. Cash flows from investment activities:			
Cash from investment withdrawal		2,162,928,251	540,351,396
Cash from investment income		1,017,732,338	289,106,953
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		40,410,977	13,953,970
Net cash from disposal of subsidiaries and other business units			
Other cash received related to investment activities			
Subtotal cash inflows from investment activities		3,221,071,566	843,412,319
Cash paid for purchase of fixed assets, intangible assets and other long-term assets		311,389,255	464,585,090
Cash paid for investments		1,532,363,100	471,062,850
Net cash paid for obtaining subsidiaries and other business units			
Other cash paid related to investment activities			
Subtotal cash outflows from investment activities		1,843,752,355	935,647,940
Net cash flow from investment activities		1,377,319,211	-92,235,621
III. Cash flows from financing activities:			
Cash from absorption of investments			
Cash received from issuance of other equity instruments			500,000,000
Cash received from borrowings		32,323,238,811	34,915,443,955
Other cash received related to financing activities			
Subtotal cash inflows from financing activities		32,323,238,811	35,415,443,955
Cash repayments of amounts borrowed		33,578,947,138	33,153,717,317
Cash paid for distribution of dividends, profits or interest expenses		976,207,930	1,409,748,744
Other cash paid related to financing activities		55,135	203,727,816
Subtotal cash outflows from financing activities		34,555,210,203	34,767,193,877
Net cash flows from financing activities		-2,231,971,392	648,250,078
IV. Impact of exchange rate movements on cash and cash equivalents		-42,758,085	-58,610,469
V. Net increase of cash and cash equivalents		1,739,777,733	84,795,860
Plus: beginning balance of cash and cash equivalents		1,854,866,670	1,770,070,810
VI. Ending balance of cash and cash equivalents		3,594,644,403	1,854,866,670

Chairman of
the Company:

Person in charge of
accounting work:

Person in charge of
accounting agency:

Consolidated Statement of Changes in Owners' Equity

January to December in 2021

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

Unity: Yuan Currency: CNY

Item	Equity attributable to the owners of the parent company											Total owners' equity			
	Paid-in capital (or share capital)	Other equity instruments			Capital reserves	Less: treasury stock	Other comprehensive income	Special reserves	Surplus reserves	General risk preparation	Undistributed profits		Others	Sub-total	Minority equity
		Preferred stock	Perpetual bond	Others											
I. Balance at the end of the last year	5,268,353,501		500,000,000	4,834,854,332		-62,927,398	1,936,153	1,651,418,547		2,377,187,005		14,570,822,140	2,504,416,071	17,075,238,211	
Plus: changes in accounting policies															
Prior period error correction															
Business combination under common control															
Others															
II. Beginning balance in current year	5,268,353,501		500,000,000	4,834,854,332		-62,927,398	1,936,153	1,651,418,547		2,377,187,005		14,570,822,140	2,504,416,071	17,075,238,211	
III. Increase/decrease in the current year ("+" for increase)				7,661,383		-6,427,660	-1,477	27,839,949		390,324,296		419,396,491	155,418,318	574,814,809	
(I) Total comprehensive income						-6,427,660				439,839,246		433,411,585	83,999,225	517,410,810	
(II) Owner's invested and decreased capital															
1. Common stock invested by the owners															
2. Capital invested by other equity instrument holders															
3. Amount of share-based payment included in the owner's equity															
4. Disinvestment by minority shareholders of subsidiaries				7,661,383										144,759,800	
5. Investments received by subsidiaries from minority shareholders														-3,521,850	
6. Others															
(III) Profit distribution															
1. Withdrawal of surplus reserves															
2. Withdrawal of general risk preparation															
3. Distribution of owners (or shareholders)								27,839,949		-49,514,949		-21,675,000	-62,338,380	-84,013,380	
4. Others								27,839,949		-27,839,949			-62,338,380	-62,338,380	
(IV) Internal transfer of owner's equity															
1. Capital surplus transfer to paid-in capital (or capital stock)															
2. Earned surplus transfer to paid-in capital (or capital stock)															
3. Earned surplus covering the deficit															
4. Carryforward retained earnings in variation of defined benefit plan															
5. Carryforward retained earnings of other comprehensive income															
6. Others															
(V) Special reserves															
1. Amount withdrawn in the current year															
2. Amount used in the current year															
(VI) Others															
IV. Balance at the end of the current year	5,268,353,501		500,000,000	4,842,515,715		-69,355,058	1,934,676	1,679,258,496		2,767,511,301		14,990,218,631	2,659,834,389	17,650,053,020	



Consolidated Statement of Changes in Owners' Equity(Continued)

January to December in 2021

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

Unity: Yuan Currency: CNY

Item	Equity attributable to the owners of the parent company										Total owners' equity				
	Paid-in capital (or share capital)	Other equity instruments			Capital reserves	Less: treasury stock	Other comprehensive income	Special reserves	Surplus reserves	General risk preparation		Undistributed profits	Others	Sub-total	Minority equity
		Preferred stock	Perpetual bond	Others											
I. Balance at the end of the last year	5,268,353,501				4,834,854,332	23,530,451	3,615,638	1,761,198,709			3,651,851,383		15,543,404,014	3,027,632,431	18,571,036,445
Plus: changes in accounting policies															
Prior period error correction															
Business combination under common control															
Others															
II. Beginning balance in current year	5,268,353,501				4,834,854,332	23,530,451	3,615,638	1,617,626,164			2,252,156,764		14,000,136,850	2,956,157,303	16,956,294,153
III. Increase/decrease in the current year ("+" for decrease)															
(I) Total comprehensive income															
(II) Owner's invested and decreased capital															
1. Common stock invested by the owners				500,000,000		-86,457,849		33,792,383			422,240,299		335,782,450	-28,892,395	306,890,055
2. Capital invested by other equity instrument holders				500,000,000									500,000,000	237,775,830	737,775,830
3. Amount of share-based payment included in the owner's equity															500,000,000
4. Disinvestment by minority shareholders of subsidiaries															
5. Investments received by subsidiaries from minority shareholders															
6. Others															
(III) Disposal of subsidiaries															
(IV) Profit distribution															
1. Withdrawal of surplus reserves															
2. Withdrawal of general risk preparation															
3. Distribution of owners (or shareholders)															
4. Others															
(V) Internal transfer of owner's equity															
1. Capital surplus transfer to paid-in capital (or capital stock)															
2. Earned surplus transfer to paid-in capital (or capital stock)															
3. Earned surplus covering the deficit															
4. Carryforward retained earnings in variation of defined benefit plan															
5. Carryforward retained earnings of other comprehensive income															
6. Others															
(VI) Special reserves															
1. Amount withdrawn in the current year															
2. Amount used in the current year															
(VII) Others															
IV. Balance at the end of the current year	5,268,353,501			500,000,000	4,834,854,332	-62,927,398	1,936,153	1,651,418,547			2,377,187,005		14,570,822,140	2,504,416,071	17,075,238,211

Chairman of the Company:

Person in charge of accounting work:

Person in charge of accounting agency:

Statement of Changes in Owners' Equity of the Parent Company

January to December in 2021

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

Unity: Yuan Currency: CNY

Item	2021								Total owners' equity		
	Paid-in capital (or share capital)	Other equity instruments			Capital reserves	Less: treasury stock	Other comprehensive income	Special reserves		Surplus reserves	Undistributed profits
		Preferred stock	Perpetual bond	Others							
I. Balance at the end of the last year	5,268,353,501		500,000,000		4,914,468,683			-22,498,704	1,650,910,274	2,583,660,300	14,894,894,054
Plus: changes in accounting policies											
Prior period error correction											
Others											
II. Beginning balance in current year	5,268,353,501		500,000,000		4,914,468,683			-22,498,704	1,650,910,274	2,583,660,300	14,894,894,054
III. Increase/decrease in the current year ("-" for decrease)											
(I) Total comprehensive income											
(II) Owner's invested and decreased capital											
1. Common stock invested by the owner											
2. Capital invested by other equity instrument holders											
3. Amount of share-based payment included in the owner's equity											
4. Others											
(III) Profit distribution											
1. Withdrawal of surplus reserves									27,839,949	-49,514,949	-21,675,000
2. Distribution of owners' (or shareholders)									27,839,949	-27,839,949	
3. Others											
(IV) Internal transfer of owner's equity											
1. Capital surplus transfer to paid-in capital (or capital stock)											
2. Earned surplus transfer to paid-in capital (or capital stock)											
3. Earned surplus covering the deficit											
4. Carryforward retained earnings in variation of defined benefit plan											
5. Carryforward retained earnings of other comprehensive income											
6. Others											
(V) Special reserves											
1. Amount withdrawn in the current year											42,890,523
2. Amount used in the current year											42,890,523
(VI) Others											
IV. Balance at the end of the current year	5,268,353,501		500,000,000		4,914,468,683			-8,614,560	1,678,750,223	2,812,844,839	15,165,502,686



Statement of Changes in Owners' Equity of the Parent Company(Continued)

January to December in 2021

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

Unity: Yuan Currency: CNY

Item	2020				Total owners' equity		
	Paid-in capital (or share capital)	Other equity instruments		Capital reserves			
		Preferred stock	Perpetual bond			Others	
I. Balance at the end of the last year	5,268,353,501			4,914,468,683	1,760,690,436	3,835,099,435	15,786,960,162
Plus: changes in accounting policies					-143,572,545	-1,292,152,909	-1,435,725,454
Prior period error correction							
Others							
II. Beginning balance in current year	5,268,353,501			4,914,468,683	1,617,117,891	2,542,946,526	14,351,234,708
III. Increase/decrease in the current year ("-" for decrease)							
(I) Total comprehensive income			500,000,000	-30,846,811	33,792,383	40,713,774	543,659,346
(II) Owner's invested and decreased capital							
1. Common stock invested by the owner			500,000,000				500,000,000
2. Capital invested by other equity instrument holders			500,000,000				500,000,000
3. Amount of share-based payment included in the owner's equity							
4. Others							
(III) Profit distribution							
1. Withdrawal of surplus reserves					33,792,383	-297,210,058	-263,417,675
2. Distribution of owners (or shareholders)					33,792,383	-33,792,383	
3. Others							
(IV) Internal transfer of owner's equity							
1. Capital surplus transfer to paid-in capital (or capital stock)							
2. Earned surplus transfer to paid-in capital (or capital stock)							
3. Earned surplus covering the deficit							
4. Carryforward retained earnings in variation of defined benefit plan							
5. Carryforward retained earnings of other comprehensive income							
6. Others							
(V) Special reserves							
1. Amount withdrawn in the current year							
2. Amount used in the current year							
(VI) Others							
IV. Balance at the end of the current year	5,268,353,501		500,000,000	4,914,468,683	1,650,910,274	2,583,660,300	14,884,894,054

Chairman of
the Company:

Person in charge of
accounting work:

Person in charge of
accounting agency:

III. Company profile

1 Company profile

Applicable Not applicable

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

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

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

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

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

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

By December 31, 2021, after all issuances of the shares and bonus shares distributed in the past year, the total shares of the Company amounted to 5,268,353,501 shares, par value per share was RMB 1. The share capital totaled up to RMB 5,268,353,501.

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

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

On July 18, 2017, the board of directors of China Communications Construction Co., Ltd. discussed and approved the Proposal for Transfer of Some Shares of Shanghai Zhenhua Heavy Industries (Group) Co., Ltd by Agreement and Associated Transaction and agreed to transfer totally 1,316,649,346 shares of this Company held by it to CCCC and CCCC (Hong Kong) Holdings Co., Ltd. (hereinafter referred to as “CCCCG Hong Kong”), accounting for 29.990% of the total shares of this Company, after that, China Communications Construction Co., Ltd. held 16.239% of the stock equity of this Company. The transfer and registration of shares was accomplished on December 27, 2017. On the date of the transfer of shares, CCCC directly held 552,686,146 A-shares of this Company (accounting for 12.589% of the total shares of this Company), indirectly held 763,963,200 B-shares of this Company through CCCC (Hong Kong) (accounting for 17.401% of the total shares of the Company) and held 712,951,703 A-shares of this Company through China Communications Construction Co., Ltd. (accounting for 16.239% of the total shares of this Company), as a result, it became the controlling shareholder of the Company.

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

The financial statements have been approved by the resolution of the Board of Directors of the Company on April 13, 2022.



2 Scope of consolidated financial statements

Applicable Not applicable

The consolidation scope of the consolidated financial statements is determined based on control. For the changes in the current period and the main subsidiaries included in the scope of consolidation, please see Note IX.

IV. Basis of preparation for financial statements

1 Basis of preparation

The financial statements are prepared on the basis of the Accounting Standards for Business Enterprise– Basic Standards issued by the Ministry of Finance and the subsequently issued and revised specific accounting principles, guidelines, explanations and other related regulations (hereinafter collectively referred to as “Accounting Standards for Business Enterprise”).

2 Going concern

Applicable Not applicable

The financial statements of the Company have been presented on a going concern basis.

While preparing the financial statements, except for some financial instruments, the valuation principle of historical cost shall be adopted. The assets held for sale shall be presented at the lower of the book value and the net amount of the fair value minus the selling expenses. If the assets are impaired, the provision for impairment is made in accordance with relevant provisions.

V. Principal accounting policies and accounting estimates

Specific accounting policies and accounting estimates tips

Applicable Not applicable

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

1 Statement on compliance with the Accounting Standards for Business Enterprises

The financial statements meet the requirements of the Accounting Standards for Business Enterprises, and truly and completely reflect the financial position of the Company and the Group as at December 31, 2021, and the operating results and cash flows for the year then ended.

2 Accounting period

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

3 Operating cycle

Applicable Not applicable

4 Functional currency

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

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

5 Accounting treatment of business combination under common control and not under common control

Applicable Not applicable

Business combination under common control

The business combination under common control is a business combination in which all of the combining enterprises are ultimately controlled by the same party or the same parties both before and after the business combination and on which the control is not temporary. In a business combination under common control, the party which obtains control of other combining enterprise on the combination date is the absorbing party, the other combining enterprise is the combined party. The combination date refers to the date on which the combining party actually obtains control on the combined party.

The assets and liabilities that the combining party obtains in a business combination under common control(including the goodwill formed by the acquisition of the combined party by the ultimate controlling party), are subject to the corresponding accounting treatment in accordance with the carrying amount in the financial statements of the ultimate controlling party on the combination date. The difference between the carrying amount of the net assets obtained from the combination and

the carrying amount of the consideration paid (or total par value of the shares issued) for the combination is treated as an adjustment to capital premium in the capital reserves and the capital reserves carried out under the former system. If the capital premium is not sufficient to absorb the difference, the remaining balance is adjusted against retained earnings.

Business combination not under common control

The business combination not under common control is a business combination in which all of the combining enterprises are not controlled by the same party or the same parties before and after the combination. As for the business combination not under common control, the party which obtains the control of other combining enterprises on the acquisition date is the acquirer, and the other combining enterprises is the acquiree. The acquisition date refers to the date on which the acquirer actually obtains control on the acquiree.

The identifiable assets, liabilities and contingent liabilities obtained of the acquiree in the business combination not under common control shall be measured at fair value on the acquisition date.

The positive balance between the sum of the fair value of the combined consideration paid (or fair value of the issued equity securities) and the fair value of the held stock equity of the acquiree before the acquisition date and the fair value of the identifiable net assets obtained in the combination from the acquiree is confirmed as goodwill, and shall be accounted for subsequent measurement after subtracting the accumulated impairment losses from the cost. If the sum of the fair value of the combined consideration paid (or fair value of the issued equity securities) and the fair value of the held stock equity of the acquiree before the acquisition date is smaller than the fair value of the identifiable net assets of the acquiree obtained in the combination, firstly recheck the measurement of the fair value of the identifiable assets, liabilities and contingent liabilities obtained from the acquiree, and the fair value of the combined consideration paid (or fair value of the issued equity securities), and the fair value of the held stock equity of the acquiree before the acquisition date, after that, if the sum of the fair value of the combined consideration paid (or fair value of the issued equity securities) and the fair value of the held stock equity of the acquiree before the acquisition date is still smaller than the fair value of the identifiable net assets obtained in combination from the acquiree, the balance shall be included in the current profit or loss.

6 Preparation of consolidated financial statements

Applicable Not applicable

The consolidation scope of consolidated financial statements is determined on the basis of control, covering the financial statements of the Company and all the subsidiaries. A subsidiary is a subject which is controlled by the Company (including the enterprise, the separable part of the invested entity, and the structural entity controlled by the Company).

When preparing the consolidated financial statements, the subsidiary adopts the accounting period and the accounting policies consistent with the Company. Assets, liabilities, equity, income, expenses and cash flows arising from all transactions between the Group's internal companies are fully offset at the time of combination.

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

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

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

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

The Group disposes of the equity investment in the subsidiaries step by step through multiple transactions until the loss of control. If the above-mentioned transactions are part of a package transaction, the transactions are treated as a transaction dealing with the equity investment of the subsidiary and losing control. However, before the loss of control, the difference between the disposal price and the book value of the long-term equity investment corresponding to the disposed equity is recognized as other comprehensive income in individual financial statements and transferred to the current profit or loss when the control is lost. If the above-mentioned transactions are not part of a package transaction, accounting treatment shall be carried out for each transaction separately according to whether the control is lost or not. If the control is lost, the remaining equity is re-measured at fair value at the date when control is lost. The difference between the sum of the consideration received on disposal and the fair value of remaining equity and the share of the former subsidiary's net assets cumulatively calculated from the acquisition date according to the original proportion of shareholders' equity, is included in the profit or loss in the period in which control is lost. If goodwill is involved, the amount of the goodwill shall be deducted when calculating and determining the profit or loss on the disposal of the subsidiary. Other comprehensive income related to the equity investment of the original subsidiary shall be accounted on the same basis as the subsidiary's direct disposal of relevant assets or liabilities when the control is lost. The shareholders' equity recognized due to changes in shareholders' equity other than net profit or loss, other comprehensive income and profit distribution related to the original subsidiary shall be transferred to current profit or loss when the control is lost.



7 Classification of joint venture arrangement and methods of joint operation accounting treatment

Applicable Not applicable

8 Recognition criteria of cash and cash equivalents

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

9 Foreign currency transactions and transaction of financial statements denominated in foreign currency

Applicable Not applicable

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

At the time of initial confirmation, the amount of foreign currency transaction shall be translated into the amount of the recording currency at the spot rate of the transaction date. On the date of balance sheet, the currency exchange rate of the currency denominated items shall be translated at the spot rate on the date of balance sheet. The transaction difference of settlement and monetary items arising therefrom, in addition to the difference arising from foreign currency special borrowing relating to the assets of which the purchase and construction conform to the capitalized conditions, which shall be handled in accordance with the principle of capitalization of borrowing costs, shall be included in the current profit or loss. The foreign currency non-monetary items calculated on historical cost basis are still translated at spot rate on the date of transaction, not changing the amount of its recording currency. The foreign currency non-monetary items measured at fair value shall be translated at the spot rate on fair value determination date, and the difference arising therefrom shall be included in the current profit or loss or other comprehensive income according to the nature of the non-monetary items.

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

Foreign currency cash flows shall be translated at the spot exchange rate on the day of occurrence of the cash flow. Cash flow from overseas subsidiaries is translated at the spot exchange rate on the day of occurrence of the cash flow. Effect of changes in exchange rate on cash amount is shown separately in the cash flow statements as an adjustment item.

10 Financial instruments

Applicable Not applicable

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

Recognition and de-recognition of financial instruments

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

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

(1) The right to receive cash flows from financial assets expires;

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

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

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

Classification and measurement of financial assets

At the initial recognition, the Group's financial assets, based on the Group's management model of financial assets and the contract cash flow characteristics of financial assets, are classified as financial assets measured at fair value through the

current profit or loss, financial assets measured at amortized cost, and financial assets measured at fair value through the other comprehensive income.

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

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

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

Investment in debt instruments measured at cost

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

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

If financial assets meet the following conditions at the same time, the Group classifies them as financial assets at fair value through other comprehensive income: the Group's business model for the management of the financial assets is aimed at both the collection of contract cash flow and the sale of the financial assets; the contractual terms of the financial asset stipulate that the cash flow generated at a particular date is only the payment of the principal and interest based on the outstanding principal amount. The interest income of such financial assets is recognized by the effective interest method. At derecognition of financial assets, the accumulated gains or losses previously included in other comprehensive income are transferred from the other comprehensive income to the current profit or loss.

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

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

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

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

Classification and measurement of financial liabilities

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

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

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

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

Other financial liabilities

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

Impairment of financial instruments

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

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

Except for the above financial assets subject to the simplified measurement method, on each balance sheet date,



the Group makes assessment on whether the credit risk in financial assets has had significant increase after the initial recognition. If the credit risk does not significantly increase after the initial recognition, standing at the first level, the Group will measure the loss provision based on the amount of expected credit loss over the next 12 months, and calculate the interest income based on the book balance at the effective interest rate; if the credit risk has significantly increased after the initial recognition without any credit impairment, standing at the second level, the Group will measure the loss provision based on the amount equivalent to the expected credit loss over the whole duration; in case of any credit impairment after the initial recognition, standing at the third level, the Group will measure the loss provision based on the amount of expected credit loss over the whole duration, and calculate the interest income based on the amortized cost at the effective interest rate. For financial instruments only with relatively low credit risk on the balance sheet date, the Group assumes that such credit risk does not significantly increase after the initial recognition.

The Group evaluates the expected credit loss of financial instruments individually and by portfolio. After taking the credit risk characteristics of different customers into account, the Group evaluated the expected credit loss on accounts receivable by the aging portfolio.

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

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

Financial instrument offset

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

Derivative financial instruments

The Group carries out the exchange rate risk hedging by using derivative financial instruments, such as the forward exchange contract and the foreign exchange option contract. Derivative financial instruments are initially measured at their fair values on date of signing relevant derivative transaction contracts and subsequently measured at their fair values. Derivative financial instrument with positive fair value is recognized as an asset, and that with negative fair value is recognized as a liability.

Gains or losses from changes in fair values of derivative instruments are directly included in the current profit or loss, unless they are related to the hedging accounting.

Transfer of financial assets

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

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

11 Notes receivable

Determination and accounting treatment of the expected credit loss of notes receivable

Applicable Not applicable

12 Accounts receivable

Determination and accounting treatment of the expected credit loss of accounts receivable

Applicable Not applicable

13 Receivables financing

Applicable Not applicable

14 Other receivables

Determination and accounting treatment of the expected credit loss of other receivables

Applicable Not applicable

15 Inventories

Applicable Not applicable

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

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

On the balance sheet date, the inventory is measured at its cost or its net realizable value, whichever is lower; if the cost is higher than the net realizable value, the provision for inventory depreciation will be made and included in the current profit or loss. If the previous factor for the provision for inventory depreciation has been eliminated, resulting that the net realizable value of the inventory is higher than the cost of the same, the amount written down will be reversed in the amount of provision for inventory depreciation originally made, and the reversed amount will be included in the current profit or loss.

The net realizable value, in the routine activities, refers to amount of the estimated selling price of inventory minus the estimated cost to completion, estimated selling expense and relevant taxes and surcharges. At the time of making the provision for inventory depreciation, the provision for depreciation of raw materials is made by category, and that of goods in process, stock commodities and contract performance cost is made by each single inventory item.

16 Contract assets

(1) Recognition method and criteria of contract assets

Applicable Not applicable

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

Contract assets

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

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

(2) Determination and accounting treatment of the expected credit loss of contract assets

Applicable Not applicable

17 Assets held for sale

Applicable Not applicable

A non-current asset or disposal group whose book value is recovered principally through sale rather than continuous use is classified as held for sale. When all of the following conditions are met, it is classified as held for sale: the asset or disposal group must be available for immediate sale in its present condition subject to terms that are usual and customary for sales of such assets or disposal groups; its sales must be highly probable, i.e., the Company has made a decision on the sale plan and has obtained a confirmed offer, and the sale is expected to be completed within one year (for the sales subject to approval by relevant authority or regulatory department as required in relevant regulations, it has been approved). If the control over a subsidiary is lost due to the sale of the investment in the subsidiary, regardless of whether part of the equity investment is retained after the sale, as long as the conditions for classification as held for sale are met, the investment in the subsidiary as a whole is classified as held for sale in the individual financial statements, and all the assets and liabilities of the subsidiary are classified as held for sale in the consolidated financial statements.

If the book value of a non-current asset or disposal group (other than financial assets and deferred income tax assets) held for sale is higher than the net amount of the fair value minus the selling expenses, the book value shall be written down to the net amount of the fair value minus the selling expenses, the amount written down shall be recognized as assets impairment losses and included in the current profit or loss, and the provision for impairment of assets held for sale is made at the same time. No depreciation or amortization is made for the non-current assets held for sale or non-current assets in disposal groups.

18 Debt investment

(1) Determination and accounting treatment of the expected credit loss of Debt investment

Applicable Not applicable

19 Other debt investment

(1) Determination and accounting treatment of the expected credit loss of other debt investment

Applicable Not applicable

20 Long-term receivables

(1) Determination and accounting treatment of the expected credit loss of long-term receivables

Applicable Not applicable



21 Long-term equity investments

√Applicable □Not applicable

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

Long-term equity investments are initially measured at the initial investment cost. The initial investment cost of a long-term equity investment acquired through the business combination under common control is recognized at book value of owners' equity acquired from the combinee on the combination date in the consolidated financial statements of the ultimate controller; the difference between the initial investment cost and the book value of the combination consideration is used to adjust the capital reserves (if the capital reserves are insufficient to offset, the retained earnings will be offset); for the other comprehensive income before the combination date, at the disposal of such investment, the accounting treatment identical to that for the direct treatment of relevant assets or liabilities by the investee is adopted; the shareholders' equity recognized on account of the change in other shareholders' equity of the investee other than net profit or loss, other comprehensive income and profit distribution is transferred in the current profit or loss at the disposal of such investment; in which, after such disposal, if such investment is still the long-term equity investment, it will be carried forward in proportion; if it is converted into the financial instrument, it will be carried forward in full.

The initial investment cost of a long-term equity investment acquired through business combination not under common control is recognized at the combination cost (if the business combination not under common control is realized through several transactions by step, the sum of the book value of the equity investment of the acquiree held before the acquisition date and the cost of investment newly added on the acquisition date is recognized as the initial investment cost), and the combination cost includes the asset paid by the acquiree, liability incurred or borne by the acquiree, and the fair values of issued equity securities; for the other comprehensive income held before the acquisition date and recognized due to the accounting under equity method, at the disposal of such investment, the accounting treatment identical to that for the direct treatment of relevant assets or liabilities by the investee is adopted; the shareholders' equity recognized on account of the change in other shareholders' equity of the investee other than net profit or loss, other comprehensive income and profit distribution is transferred in the current profit or loss at the disposal of such investment; in which, after such disposal, if such investment is still the long-term equity investment, it will be carried forward in proportion; if it is converted into the financial instrument, it will be carried forward in full. The accumulated changes in fair values of the equity investments held before the acquisition date, which was included in the other comprehensive income as the financial instruments, are fully transferred in the retained earnings, on the accounting at cost. For long-term equity investments acquired not through business combination, their initial investment costs are determined by the following ways: if the long-term equity investment is acquired through cash payment, the initial investment cost will be the sum of the acquisition price actually paid and the costs, taxes and other necessary costs, which are directly relevant to the long-term equity investment; if the long-term equity investment is acquired by issuing equity securities, the initial investment cost will be the fair value of the equity securities issued.

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

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

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

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

Where the equity method is adopted, after the long-term equity investments are acquired, the Company shall, according to the shares of net profit and loss and other comprehensive income realized by the investee which the Company shall enjoy or bear, recognize the profit and loss on the investments and other comprehensive income and adjust the book value of the long-term equity investments. When recognizing the share of net profit or loss of the investee that the Group shall enjoy, based on fair value of various identifiable assets and others of the investee on acquisition and according to accounting policies and accounting periods of the Group, the Group shall write off the part of incomes from internal transactions with associates and joint ventures which are attributable to the investor according to the shareholding ratio (but the loss from internal transactions is the asset impairment loss, its total amount shall be recognized) and then recognize the profit and loss on investments on such basis, except those assets investments or sale constitute business. The Group shall, in the

light of the profits or cash dividends that the investee declares to distribute, calculate the part it should share and reduce the book value of the long-term equity investment correspondingly. Recognition of the net loss in the investee shall be within the limit that the book value of long-term equity investments and other long-term interests which substantially form the net investment in the investee are reduced to zero, unless the Group is obliged to bear extraneous losses; For other changes in shareholder's equity of the investee excluding net losses or profits, other comprehensive income or profit distribution, the book value of long-term equity investments will be adjusted and included in shareholder's equity.

For disposal of long-term equity investments, the difference between the book value and the actual price shall be included in the current investment income. For long-term equity investments recognized under equity method, when the equity method is no longer adopted due to the disposal, accounting treatment should be made for other comprehensive income previously recognized under the equity method by using the same basis for the investee to directly dispose the relevant assets or liabilities. Shareholder's equity recognized from the investee's changes in other shareholder's equity other than net profit or loss, other comprehensive income and profit distribution should all transferred to the current profits or losses. If the equity method is still adopted, the relevant other comprehensive income accounted by the original equity method shall be accounted on the same basis as the invested entity's direct disposal of relevant assets or liabilities, and shall be transferred to the current profit or loss in proportion. The shareholders' equity recognized due to changes in shareholders' equity of the investee other than net profit or loss, other comprehensive income and profit distribution shall be transferred to the current profit or loss according to corresponding proportion.

The Group disposes of the equity investment in the subsidiaries step by step through multiple transactions until the loss of control. If the above-mentioned transactions are part of a package transaction, the transactions are treated as a transaction dealing with the equity investment of the subsidiary and losing control. However, before the loss of control, the difference between the disposal price and the book value of the long-term equity investment corresponding to the disposed equity is recognized as other comprehensive income in individual financial statements and transferred to the current profit or loss when the control is lost. If the above-mentioned transactions are not part of a package transaction, accounting treatment shall be carried out for each transaction separately. If the control is lost, in the individual financial statements, for the remaining equity, if the remaining equity after disposal can jointly control or has a significant impact on the original subsidiary, it shall be recognized as long-term equity investment, and the accounting treatment shall be carried out according to relevant provisions on the conversion of cost method into equity method; otherwise, it shall be recognized as a financial instrument, and the difference between the fair value and the book value on the date of loss of control is included in the current profit or loss.

22 Investment properties

Investment properties refer to properties that are held for the purposes of earning rental income, capital appreciation, or some combination thereof, including land use rights and buildings that have been leased out.

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

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

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

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

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

23 Fixed assets

(1) Recognition criteria

Applicable Not applicable

Fixed assets will only be recognized when the economic benefits relating to the fixed assets may flow into the Group and the costs of the fixed assets can be measured reliably. If the subsequent disbursements relevant to a fixed asset meet



the recognition conditions, they shall be recorded in the cost of fixed asset, and the book value of the replaced part shall be derecognized; otherwise, they shall be recorded in the current profits and losses.

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

(2) Depreciation method

Except for the fixed assets form by using withdrawn safe production costs, the provisions for the depreciation of fixed assets are made by straight-line method, and the useful lives, expected net salvage value and annual depreciation rates of various fixed assets are as follows:

Applicable Not applicable

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

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

(3) Identification basis, valuation and depreciation method of fixed assets under financing lease

Applicable Not applicable

24 Construction in progress

Applicable Not applicable

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

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

25 Borrowing costs

Applicable Not applicable

Borrowing costs refer to the interest and other relevant costs of the Company due to borrowings, including the interest of borrowings, the amortization of discount or premium, auxiliary expenses, exchange differences incurred by foreign currency borrowings, etc.

The Group capitalizes the borrowing costs of acquisition or construction or production which may directly belong to assets that are eligible for capitalization; and other borrowing costs are included in the current profit or loss. Assets eligible for capitalization refer to fixed assets, investment property, inventories and other assets which may reach their intended use or sale status only after long-time acquisition and construction or production activities.

The borrowing costs shall not be capitalized unless they simultaneously meet the following requirements:

- (1) The asset disbursements have already incurred;
- (2) The borrowing costs have already incurred; and
- (3) Purchase, construction or manufacturing activities that are necessary to prepare the asset for its intended use or sale have already started;

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

During the period of capitalization, the capitalized amount on interest of each accounting period shall be determined in accordance with the following provisions:

- (1) The interest of special borrowings to be capitalized should be determined according to the actually incurred interest expenses in the current period less the interest income on deposits or the investment income;
- (2) The interest of general borrowings to be capitalized should be calculated by multiplying the weighted average of asset disbursements of the part of accumulated asset disbursements exceeding special borrowings by the weighted average rate of used general borrowings.

If the acquisition and construction or production activities of assets eligible for capitalization are abnormally interrupted due to the matters other than necessary procedures for such assets to reach the working conditions for its intended use or sale and such circumstance lasts for more than three months, the capitalization of borrowing costs should be suspended.

Borrowing costs incurred during the interruption are recognized as the current profit or loss and continue to be capitalized until the acquisition, construction or production of the asset restarts.

26 Biological assets

Applicable Not applicable

27 Oil and gas assets

Applicable Not applicable

28 Right-of-use assets

Applicable Not applicable

The right-of-use assets of the Group mainly include buildings and other equipment.

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

When the Group remeasures the lease liability at the present value of the changed lease payments and adjusts the book value of the right-of-use asset accordingly, if the book value of the right-of-use asset has been reduced to zero but the lease liability still needs to be further reduced, the Group recognizes the remaining amount in current profit or loss.

29 Intangible assets

(1) Valuation method, service life and impairment test

Applicable Not applicable

Intangible assets will be recognized only when relevant economic benefits may well flow into the Group and the costs of intangible assets can be measured reliably, and initially measured at costs. However, if the fair value of the intangible assets acquired in the business combination not under common control can be reliably measured, it should be recognized as intangible assets and measured at fair value separately. When the Company reconstructs its corporate system, for the intangible assets invested by the shareholders of the state-owned shares, the evaluation value confirmed by the state-owned assets management department shall be served as the book value.

The useful life of an intangible asset is determined based on the period during which it can bring economic benefits to the Group. If the said period cannot be predicted, it will be recognized as an intangible asset with indefinite useful life.

The useful lives of all kinds of intangible assets are determined as follows:

	Useful life
Land use right	Land useful lives
Software use fees	5 years
Proprietary technology	10 years

The land use rights acquired by the Group are usually accounted as intangible assets. For the plants and other buildings developed and constructed by the Company, relevant land use rights and constructions shall be respectively accounted as intangible assets and fixed assets. For externally purchased land and buildings, the related payments are distributed in the land use right and buildings; those difficult to be distributed shall be all handled as fixed assets.

For the intangible assets with limited useful life, their amount shall be amortized at the straight-line method over its useful life. The Group will reexamine the useful lives and amortization method of intangible assets with limited useful lives, and make adjustments when necessary at the end of each year.

(2) Accounting policy of internal R & D expenditures

Applicable Not applicable

The Group's expenditures for its internal research and development projects are classified into research expenditures and development expenditures. The expenditures in research phase will be included in the current profit or loss on occurrence. The development expenditures will be capitalized only when all of the following conditions are satisfied simultaneously: It is feasible technically to finish intangible assets for use or sale; It is intended to finish and use or sell the intangible assets; The usefulness of methods for intangible assets to generate economic benefits shall be proved, including



being able to prove that there is a potential market for the products manufactured by applying the intangible assets or there is a potential market for the intangible assets itself or the intangible assets will be used internally; It is able to finish the development of the intangible assets, and able to use or sell the intangible assets, with the support of sufficient technologies, financial resources and other resources; and the expenditures attributable to the intangible asset during its development phase can be measured reliably. Development expenditures that do not meet the above conditions are included in the current profit or loss on occurrence.

30 Long-term asset impairment

Applicable Not applicable

The Group recognizes the asset impairment under the following methods except for inventories, contract assets and assets related to contract cost, deferred income tax, financial assets and assets held for sale:

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

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

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

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

When making an impairment test on the relevant asset groups or combination of asset groups containing goodwill, if any indication shows that the asset groups or combinations of asset groups related to the goodwill may be impaired, the Group shall first conduct an impairment test on the asset groups or combinations of asset groups not containing goodwill, calculate the recoverable amount and recognize the corresponding impairment loss. Then, the Group shall conduct an impairment test on the asset groups or asset groups portfolio containing goodwill, and compare it book value and recoverable amount: if the recoverable amount is lower than book value, the amount of impairment losses should be firstly used to deduct book value of goodwill allocated to the asset group or the asset group portfolio, and then deduct book value of other assets according to the proportion of the book value of other assets other than the goodwill in the asset group or the asset group portfolio.

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

31 Long-term deferred expenses

Applicable Not applicable

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

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

32 Contract liabilities

(1) Recognition method of contract liabilities

Applicable Not applicable

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

Contract liabilities

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

33 Employee compensation

Employee compensations refer to multiform remuneration or compensation offered by the Group in order to get services provided by its employees or sever the labor relation. Employee compensation mainly includes short-term employee compensation, post-employment benefits, dismissal benefits and other long-term employee benefits. The welfare provided by the Company to employees' spouses, children, dependents, family dependants of the deceased employee and other beneficial owners also belong to employee compensation.

(1) Accounting treatment of short-term compensation

Applicable Not applicable

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

(2) Accounting treatment of post-employment benefits

Applicable Not applicable

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

(3) Accounting treatment of termination benefits

Applicable Not applicable

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

Applicable Not applicable

34 Lease liabilities

Applicable Not applicable

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

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

35 Estimated liabilities

Applicable Not applicable

Except for contingent consideration and contingent liabilities assumed in business combination not under the same control, when the obligations related to contingencies meet the following conditions, the Group recognizes them as estimated liabilities:

(1) This obligation is a present obligation of the Group;

(2) The performance of such obligation is likely to result in outflow of economic benefits from the Group;

(3) The amount of the obligation can be measured reliably.

The estimated liabilities are initially measured as the best estimate of expenses required for the performance of relevant present obligations by considering comprehensively the risks with respect to contingencies, uncertainties and the time value of money. On each balance sheet date, the Group shall review the book value of estimated liabilities. The Company shall make corresponding adjustments to reflect the current best estimate if there is any conclusive evidence indicating that such book value cannot reflect the current best estimate.

36 Share-based payment

Applicable Not applicable

37 Preferred shares, perpetual bonds and other financial instruments

Applicable Not applicable

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



38 Revenue

(1) Accounting policies for revenue recognition and measurement

√Applicable □Not applicable

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

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

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

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

In addition, based on the terms of sales contracts on individual large-sized port equipment and heavy equipment and the manufacturing contracts on some steel structure products, the Group has the right to collect money for the performance part that has been completed so far during the whole contract period. The Group takes it as the performance obligation to perform in a certain period of time, and recognizes the revenue according to the performance progress. Based on input method, the Group determines the corresponding performance progress of large-sized port equipment and heavy equipment contracts according to the proportion of the cost incurred in the total estimated cost. By output method, the Group determines the performance progress of the steel structure manufacturing contract according to the proportion of the accumulated processing tons to the estimated total processing tons.

Contracts on rendering of shipping and lifting services

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

Material sales contract

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

Rendering of building services

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

Build and transfer contract (BT contract)

Activities under the BT contracts usually include build and transfer. With respect to the building services provided by the Group, during the building period, the revenue of construction service contracts is recognized in accordance with the above accounting policies. The construction contract revenue is measured at the fair value of the consideration receivable, and the "long-term receivables" are recognized and measured at the same time by effective interest rate method and the amortized cost, and offset upon receipt of payment of the project owner.

PPP project contract (Applicable from January 1, 2021)

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

(1) The Group uses PPP project assets to provide public goods and services on behalf of the government party during the contracted operation period;

(2) The Group is compensated for the public goods and services it provides within the contracted period.

PPP project contract (Applicable from January 1, 2021) (continued)

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

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

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

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

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

Variable consideration

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

Warranty obligations

According to the contract and legal provisions, the Group provides quality assurance for the goods sold or the assets built. For the guarantee type quality assurance that the goods sold to customers meet the established standards, the Group shall perform accounting treatment in accordance with Note III (22). For the service quality assurance for a separate service provided in addition to guaranteeing that the goods sold meet the established standards, the Group shall take it as a single performance obligation, allocate part of the transaction price to the service quality assurance according to relative proportion of the single selling price of the goods and service quality assurance, and recognize the revenue when the customer acquires service control right. In assessing whether quality assurance provides a separate service in addition to ensuring that the goods sold meet established standards, the Group shall consider whether the quality assurance is legal requirement, quality assurance period and the nature of the Group's commitment to perform the tasks.

Principal responsible person/agent

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

Contract changes

When there are changes in the sales contract or construction contract between the Group and the customer:

1) If the contract changes increase the clearly distinguishable goods or construction services and contract price, and the added contract price reflects the separate price of the new goods or construction services, the Group will take such contract change as a separate contract for accounting;

2) If the contract change does not fall under the above 1), and there is a clear distinction between the transferred goods or construction services and the non-transferred goods or construction services on the date of contract change, the Group will regard it as the termination of the original contract, in the meanwhile, the non-performance part of the original contract and the changes will be incorporated into a new contract for accounting treatment;



3) If the contract change does not fall under the above 1), and there is no clear distinction between the transferred goods or construction services and the non-transferred goods or construction services on the date of contract change, the Group will take the changes as an integral part of the original contract for accounting treatment. As for the impact on the recognized revenue, the current revenue shall be adjusted on the date of contract change.

(2) Differences in revenue recognition accounting policies caused by different business models of similar businesses

Applicable Not applicable

39 Contract cost

Applicable Not applicable

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

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

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

(1) The cost is directly related to a current or expected contract, including direct labor, direct materials, manufacturing expenses (or similar expenses), costs clearly borne by the customer and other costs incurred solely as a result of the contract;

(2) The cost increases the enterprise's resources for fulfilling its performance obligations in the future;

(3) The cost is expected to be recovered.

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

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

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

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

If the factors of impairment in the previous period change later, so that the difference between (1) and (2) is higher than the book value of the asset, the original provision for impairment of the asset shall be reversed and included in the current profit or loss, but the book value of the asset after reversal shall not exceed the book value of the asset on the reversal date without provision for impairment.

40 Government subsidies

Applicable Not applicable

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

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

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

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

41 Deferred income tax assets/deferred income tax liabilities

Applicable Not applicable

Income tax includes the income tax of the current period and deferred income tax. Except that the adjusted goodwill arising from business combination or the deferred income tax related to transactions or events directly recognized in shareholder's equity shall be included in shareholder's equity, other current income tax and deferred income tax shall be included in current profit and loss as income tax expenses.

The current income tax liabilities or assets incurred in the current period or prior periods shall be measured by the Group in light of the expected payable or refundable amount of income taxes according to the tax law.

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

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

(1) Taxable temporary differences are generated in the following transactions: the initial recognition of goodwill, or the initial recognition of assets or liabilities arising from transactions with the following characteristics: the transaction is not a business combination and will not affect accosting profits, nor affect the taxable income or deductible losses when the transaction occurs.

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

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

(1) The deductible temporary difference is generated in the following transaction: the transaction is not a business combination and it will affect neither accounting profits nor the taxable income (or deductible losses) when occurred.

(2) For the deductible temporary differences arising from investments in subsidiaries, associates and joint ventures, the deferred income tax assets will be accordingly recognized when meeting the following conditions at the same time: the temporary differences may be reversed in the foreseeable future and they can be used to offset the taxable income of deductible temporary differences in the future.

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

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

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

42 Lease

(1) Accounting treatment methods of operating lease

Applicable Not applicable

(2) Accounting treatment methods of finance lease

Applicable Not applicable

(3) Determination and accounting treatment methods of lease under the new lease standard

Applicable Not applicable

Identification of leases

On the beginning date of the contract, the Group assesses whether the contract is a lease or contains a lease, if one party transfers the right to control the use of one or more identified assets for a certain period of time in exchange for consideration, such contract is, or contains, a lease. In order to determine whether the contract has transferred the right to control the use of the identified assets for a certain period of time, the Group assesses whether the customer in the contract has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use and has the right to dominate the use of the identified assets for the period of use.

Identification of separate leases

If the contract contains multiple separate leases, the Group splits the contract and carries out accounting treatment for each separate lease. If the following conditions are met at the same time, the right to use the identified assets constitutes a separate lease under the contract:

(1) The lessee may profit from the use of the asset alone or in conjunction with other readily available resources.

(2) The asset is not highly dependent or highly related to other assets in the contract.



Evaluation of lease term

The lease term is the irrevocable period during which the Group has the right to use the leased assets. The Group has the lease renewal option, that is, the Group has the option to renew the lease of the asset, if it is reasonably determined that the option will be exercised, the lease term also includes the period covered by the lease renewal option. The Group has the lease termination option, that is, the Group has the option to terminate the lease of the asset, but if it is reasonably determined that the option will not be exercised, the lease term includes the period covered by the lease termination option. If a significant event or change occurs within the control of the Group and affects whether the Group reasonably determines that it will exercise the corresponding option, the Group will reassess whether it is reasonably determined that it will exercise the renewal option, the purchase option or not exercise the lease termination option.

As the lessee

For the general accounting treatment of the Group as the lessee, please see Note V (28) and Note V (34).

Short-term lease and low-value asset lease

The Group recognizes the lease with a lease term of no more than 12 months from the commencement date and excluding the purchase option as a short-term lease; a lease with the value of no more than RMB 50,000 when a single leased asset is a new asset is recognized as a low-value asset lease. Where the Group subleases or expects to sublease a leased asset, the original lease is not recognized as a low-value asset lease.

As a lessor

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

As a lessor of operating lease

Rental income from the operating lease in each stage during the lease term should be recognized as the current profit or loss by the straight-line method, and the variable lease payments not included in the lease receipts are recognized in profit or loss when they are actually incurred.

Leaseback

The Group assesses whether the transfer of assets in leaseback transactions is a sale in accordance with Note V (38).

As the lessee

Where asset transfer under the leaseback transactions is a sale, as the lessee, the Group shall measure the right-of-use assets created by the leaseback based on the portion of book value of the original assets related to right of use obtained upon leaseback, and only recognize relevant profit or loss for the right transferred to the lessor. Where asset transfer under leaseback transactions is not a sale, as the lessee, the Group shall continue to recognize the transferred assets while recognizing a financial liability equal to the transfer income, and shall carry out accounting treatment for such financial liability according to Note V (10).

Lease (for 2020)

Lease under which all the risks and rewards related to the ownership of assets are materially transferred is recognized as finance lease, with the rest as operating lease.

As the lessee of operating lease

Rental payment for operating lease in each stage during the rental period should be included into related asset costs or the current profit or loss by the straight-line method.

As a lessor of operating lease

Rental income from the operating lease in each stage during the lease term should be recognized as the current profit or loss by the straight-line method.

As the lessee of finance lease

At the commencement of the lease term, assets acquired under finance lease shall be recorded at the lower of their fair values and the present values of the minimum lease payments, and the Company shall recognize the book value of long-term payables at the minimum lease payments, and shall record the differences between book value of the leased assets and the long-term payables as unrecognized finance charges, which are amortized at the effective interest method in each stage during the lease term. The contingent rental is included in the current profits or losses when actually occurring.

Leaseback

Leaseback for financing purposes will be treated as a whole, which is accounted by mortgage loan, on the condition that asset sale is related to lease transaction and can be repurchased when the lease term expires, that is to say, the accounting treatment shall be conducted as per mortgage loan.

43 Other accounting policies and accounting estimates

Applicable Not applicable

1.Profit distribution

The Company's cash dividends are recognized as liabilities after approval at the general meeting.

2. Work safety expenses

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

3. Fair value measurement

The Group measures the derivative financial instruments and equity instrument investment at fair value on each balance sheet date. Fair value is the price received from sales of an asset or paid for transfer of a liability by a market participant in an orderly transaction on the measurement date. The Group measures the relevant assets or liabilities at fair value, assuming that the sale of assets or transfer of liabilities is orderly carried out in the main market of the relevant assets or liabilities. Where there is no main market, the Group should assume that the transaction is carried out in the most advantageous market related to the assets or liabilities. The main market (or the most advantageous market) is the trading market that can be entered by the Company on the measurement date. The Group adopts the assumption used for realizing its utmost economic benefit when the market participants price the asset or liability.

When the Company measures non-financial assets at fair value, it should consider a market participant's ability to generate economic benefit by using the asset or by selling it to another market participant who will use the asset in its highest and best use.

When the Group uses the valuation techniques, it has considered the valuation techniques that are applicable in the current situation and are supported by enough available data and other information. The Company gives priority to the observable inputs when using valuation techniques, and those unobservable inputs are used only under the circumstance when it is impossible or unobservable inputs to obtain relevant observable inputs.

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

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

4. Significant accounting judgment and estimate

The preparation of financial statements requires the management to make judgments, estimates and assumptions. These judgments, estimates and assumptions will affect the reported amounts and disclosures of income, expenses, assets and liabilities, and the disclosure of contingent liabilities on the balance sheet date. The results from the uncertainties of these assumptions and estimates may lead to significant adjustments to the book amount of assets or liabilities that are affected in the future.

Judgment

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

The Group determines the performance progress of the construction contracts by input method. To be more specific, the Group determines the performance progress according to the proportion of the cumulative actual construction cost to the estimated total cost, while the cumulative actual cost includes the direct cost and indirect cost in the process of transferring goods to customers. The Group believes that the construction contract price with customers is determined on the basis of construction cost, and the proportion of the actual construction cost to the estimated total cost can truly reflect the performance progress of construction services. In view of the long duration of construction contracts, which may span several accounting periods, the Group will recheck and revise the budget with the progress of the construction contracts, and adjust the amount of revenue recognized accordingly.

Uncertainty of estimation

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

Impairment of financial instruments and contract assets

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



Inventory depreciation reserves

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

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

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

Impairment of goodwill

The Group tests whether the goodwill is impaired at least annually. This requires an estimate of the present value of the future cash flows of the asset group or combination of asset groups to which goodwill is allocated. When estimating the present value of future cash flows, the Group needs to estimate the cash flow generated by future asset groups or combination of asset groups, and select the appropriate discount rate to determine the present value of future cash flows. See Note V (22) for details.

Fair value of unlisted equity investments

The valuation of unlisted equity investments is an estimated future cash flow discounted at the current discount rate of other financial instruments with similar contract terms and risk characteristics. This requires the Group to estimate the expected future cash flow, credit risk, fluctuation and discount rate; therefore, there is some uncertainty.

4.4 Changes in significant accounting policies and accounting estimates

(1) Changes in significant accounting policies

√Applicable □Not applicable

The contents and reasons of the changes of accounting policy	Examination and approval procedures	Remarks (the name and amount of the statement items which subject to important influence)
		<p>New lease standard</p> <p>(1) For finance leases prior to the first implementation date, the Group measures the right-of-use assets and lease liabilities respectively according to the original book value of the assets acquired under finance leases and finance lease payables.</p> <p>(2) For operating leases prior to the first implementation date, the Group measures the lease liabilities based on the present value of the remaining lease payments discounted at the incremental borrowing rate as of the first implementation date, and measures the right-of-use assets based on an amount equal to the lease liabilities for each lease, with necessary adjustments for prepaid rentals.</p> <p>(3) The Group conducts impairment tests on right-of-use assets and conducts accounting treatment for them accordingly as per Note III (18) to the Financial Statements.</p> <p>For operating leases where the leased assets are low-value assets prior to the first implementation date or where the operating leases will be completed within 12 months, the Group adopts simplified treatment, and no right-of-use assets and lease liabilities are recognized. In addition, the Group has adopted the following simplified treatment for operating leases prior to the first implementation date:</p> <p>(1) When measuring lease liabilities, the same discount rate can be used for leases with similar characteristics; the measurement of right-of-use assets may not include initial direct costs.</p> <p>(2) Where there is an option to renew or terminate the lease, the Group determines the lease term based on the actual exercise of the renewal option or termination option prior to the first implementation date and other updates.</p> <p>(3) For lease changes prior to the first implementation date, the Group conducts accounting treatment according to the final arrangement for lease changes.</p> <p>For leaseback transactions existing prior to the first implementation date, the Group does not reassess whether the transfer of assets is in conformity with Note III (24) for accounting as a sale. As for the leaseback financing funds that are accounted for as mortgage loans before the first implementation date, the Group will continue to take them as mortgage loans for accounting treatment.</p>

The contents and reasons of the changes of accounting policy	Examination and approval procedures	Remarks (the name and amount of the statement items which subject to important influence)
New lease standard	<p>In 2018, the Ministry of Finance issued the revised "Accounting Standards for Business Enterprises No. 21 – Leases" (the "New Lease Standard"), which adopts a single model similar to the current accounting treatment of finance leases and requires lessees to recognize the right-of-use assets and lease liabilities for all leases other than short-term lease and low-value asset lease, and to recognize depreciation and interest expense separately. The Group has carried out accounting treatment in accordance with the newly revised lease standard from January 1, 2021. For existing contracts prior to the first implementation date, the Group has chosen not to reassess whether they are leases or contain leases and, in accordance with the convergence provisions, no adjustment will be made to the information for comparable periods. The difference between the new lease standard and the existing lease standard at the first implementation date will be retrospectively adjusted to retained earnings at the beginning of 2021.</p>	<p>In addition, from the first implementation date, the Group shall include the cash paid for repayment of the principal and interest of lease liabilities as cash outflows from financing activities in the cash flow statement, and payments made for short-term leases and low-value asset leases under simplified treatment and variable lease payments not included in the measurement of lease liabilities are still included in the cash outflows from operating activities.</p> <p>Accounting treatment of PPP project contract PPP project contract refers to the contract concluded between the Group and the government party on PPP project cooperation in accordance with laws and regulations, which also meets the following characteristics (hereinafter referred to as "dual characteristics"):</p> <p>(1) The Group uses PPP project assets to provide public goods and services on behalf of the government party during the contracted operation period; (2) The Group is compensated for the public goods and services it provides within the contracted period.</p> <p>Since January 1, 2021, the "Interpretation of Accounting Standards for Business Enterprises No. 14" has regulated PPP project contracts that meet the following conditions (hereinafter referred to as "dual control"):</p> <p>(1) The government party controls or regulates the types, objects and prices of public goods and services that must be provided by the social capital party to use the PPP project assets; (2) Upon termination of the PPP project contract, the government party controls the significant residual interests in the PPP project assets through ownership, right to income or other forms.</p> <p>Activities under PPP contracts usually include construction, operation and transfer. During the building period, the Group determines whether the Group is the principal responsible person or the agent in accordance with the accounting policy of the principal responsible person/agent for the revenue generated from contracts with customers as described above. If the Group is the principal responsible person, contract revenue from construction services and contract assets are recognized accordingly, and the revenue of construction contract is measured at the fair value of the consideration received or receivable. During the operating phase, the Group carries out accounting treatment as follows accordingly:</p> <p>(1) Pursuant to the contractual provisions of the PPP project, during the project operation, if the conditions for collection of the cash (or other financial assets) of a definite amount can be met, the amount of consideration of relevant PPP project assets or the recognized amount of construction revenue is recognized as contract assets until the Group has the right to receive the consideration (which depends only on the passage of time). When the Company has the right to collect such consideration (which depends only on the passage of time), the amount of consideration of relevant PPP project assets or the recognized amount of construction revenue is recognized as accounts receivable, and subject to the accounting treatment specified in the accounting policy for financial instruments. When the PPP project assets reach their expected usable conditions, the difference of the amount of consideration of relevant PPP project assets or the recognized amount of construction revenue in excess of the cash (or other financial assets) of a definite amount is recognized as intangible assets.</p> <p>(2) Pursuant to the contractual provisions of the PPP project, the Group has the right to collect payments from the recipient of public goods and services, but such right shall not be an unconditional collection right if the payment amount is uncertain. When the PPP project assets reach their expected usable conditions, the amount of consideration of relevant PPP project assets or recognized amount of construction revenue is recognized as an intangible asset and subject to the accounting treatment specified in the accounting policy for intangible assets above.</p> <p>In accordance with the above provisions, the Group adjusts PPP project assets that have the right to collect the cash (or other financial assets) of a definite amount but do not yet have the unconditional right to collect during the operating period from long-term receivables to other non-current assets.</p>



Other description

The impacts of the implementation of the new lease standard on the balance sheet items as of January 1, 2021 are as follows:

Consolidated Balance Sheet

	Amount in the statement	Assumed as per the original standard	Impact
Advances to suppliers	767,380,147	767,426,147	(46,000)
Long-term deferred expenses	310,991	502,811	(191,820)
Right-of-use assets	16,884,133	-	16,884,133
Non-current liabilities due within a year	(1,384,473,326)	(1,374,465,319)	(10,008,00)
Lease liabilities	(6,638,306)	-	(6,638,306)
	(606,536,361)	(606,536,361)	-

Balance Sheet of the Company

	Amount in the statement	Assumed as per the original standard	Impact
Advances to suppliers	4,628,814,061	4,628,860,061	(46,000)
Right-of-use assets	164,140	-	164,140
Non-current liabilities due within a year	(709,254,933)	(709,198,148)	(56,785)
Lease liabilities	(61,355)	-	(61,355)
	3,919,661,913	3,919,661,913	-

The impacts of the implementation of the new lease standard on the financial statements in 2021 are as follows:

Consolidated Balance Sheet

	Amount in the statement	Assumed as per the original standard	Impact
Advances to suppliers	1,159,427,850	1,159,473,850	(46,000)
Long-term deferred expenses	103,664	295,484	(191,820)
Right-of-use assets	7,652,250	-	7,652,250
Non-current liabilities due within a year	(2,523,964,018)	(2,516,974,830)	(6,989,188)
Lease liabilities	(736,624)	-	(736,624)
Undistributed profits	311,382	-	311,382
	(1,357,205,496)	(1,357,205,496)	-

Consolidated Income Statement

	Amount in the statement	Assumed as per the original standard	Impact
Operating costs	23,498,271,033	23,498,403,590	(132,557)
Financial expenses	663,827,522	663,383,583	443,939
	24,162,098,555	24,161,787,173	311,382

Balance Sheet of the Company

	Amount in the statement	Assumed as per the original standard	Impact
Advances to suppliers	4,674,664,134	4,674,710,134	(46,000)
Right-of-use assets	104,453	-	104,453
Non-current liabilities due within a year	(1,844,958,736)	(1,844,901,412)	(57,324)
Lease liabilities	(6,220)	-	(6,220)
Undistributed profits	5,091	-	5,091
	2,829,808,722	2,829,808,722	-

Income Statement of the Company

	Amount in the statement	Assumed as per the original standard	Impact
Operating costs	21,313,600,636	21,313,602,282	(1,646)
Financial expenses	854,806,739	854,800,002	6,737
	22,168,407,375	22,168,402,284	5,091

In addition, from the first implementation date, the Group shall include the cash paid for repayment of the principal and interest of lease liabilities as cash outflows from financing activities in the cash flow statement, and payments made for short-term leases and low-value asset leases under simplified treatment and variable lease payments not included in the measurement of lease liabilities are still included in the cash outflows from operating activities.

Accounting treatment of PPP project contract

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

(1) The Group uses PPP project assets to provide public goods and services on behalf of the government party during the contracted operation period;

(2) The Group is compensated for the public goods and services it provides within the contracted period.

Since January 1, 2021, the "Interpretation of Accounting Standards for Business Enterprises No. 14" has regulated PPP project contracts that meet the following conditions (hereinafter referred to as "dual control"):

(1) The government party controls or regulates the types, objects and prices of public goods and services that must be provided by the social capital party to use the PPP project assets;

(2) Upon termination of the PPP project contract, the government party controls the significant residual interests in the PPP project assets through ownership, right to income or other forms.

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

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

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



In accordance with the above provisions, the Group adjusts PPP project assets that have the right to collect the cash (or other financial assets) of a definite amount but do not yet have the unconditional right to collect during the operating period from long-term receivables to other non-current assets.

The impacts of the implementation of the above accounting policies on the balance sheet as of January 1, 2021 are as follows:

Consolidated Balance Sheet

	Amount in the statement	Assumed as per the original standard	Impact
Long-term receivables	2,663,620,931	5,077,114,342	(2,413,493,411)
Other non-current assets	3,250,497,700	837,004,289	2,413,493,411
	5,914,118,631	5,914,118,631	-

The implementation of the above accounting policies has no impact on the Company's balance sheet.

The impact of the implementation of the above accounting policies on the financial statements as of 2021 is as follows:

Consolidated Balance Sheet

	Amount in the statement	Assumed as per the original standard	Impact
Long-term receivables	2,674,407,383	5,501,561,624	(2,827,154,241)
Other non-current assets	3,756,942,210	929,787,969	2,827,154,241
Non-current assets due within one year	1,437,034,591	1,582,564,853	(145,530,262)
Accounts receivable	6,448,850,756	6,341,705,350	107,145,406
Contract assets	1,971,455,850	1,933,070,994	38,384,856
	16,288,690,790	16,288,690,790	-

The implementation of the above accounting policies has no impact on the Company's balance sheet.

Presentation of funds central management

In accordance with the "Interpretation of the Accounting Standards for Business Enterprises No. 15", where the parent company and member companies adopt funds central and unified management through internal settlement center and financial companies, the member companies shall present the funds collected by the member companies to the group parent company's accounts in "other receivables" of the balance sheet; the parent company shall present it in "other payables" of the balance sheet. For the funds borrowed by member companies from the parent company's account, the member companies should present them in "other payables" of the balance sheet, and the parent company should present them in "other receivables" of the balance sheet. For the funds deposited directly into the finance company by the member companies without being collected into the group parent company's account, the member companies shall present them in "monetary funds" of the balance sheet, and the finance company shall present it in "deposits from customers" of the balance sheet. For the funds borrowed directly from the finance company by the member companies rather than the account of the group parent company, the member companies shall present them in "short-term loans" of the balance sheet, and the finance company shall present them in "disbursement of loans and advances" of the balance sheet. Where the funds central management involves non-current items, enterprises should also present them in current assets and non-current assets, current liabilities and non-current liabilities respectively in accordance with the requirements on liquidity presentation in the "Accounting Standards for Business Enterprises No. 30 - Presentation of Financial Statements". In the balance sheets of the group parent company, member companies and finance companies, except for those items that comply with the provisions on offsetting financial assets and financial liabilities in the "Accounting Standards for Business Enterprises No. 37 - Presentation of Financial Instruments", the financial assets and financial liabilities related to funds central management shall not be offset against each other. The above changes in accounting policies have no impact on the financial statements of the Group and the company.

Accounting treatment of contract or lease changes caused by benchmark interest rate reform

In accordance with the "Interpretation of the Accounting Standards for Business Enterprises No. 14", if the basis for determining the contractual cash flow of financial assets or financial liabilities accounted by the effective interest method is changed only as a direct result of the reform of the benchmark interest rate, and the basis for determining the cash flow before and after the change is economically equivalent, the Group recalculates the effective interest rate according to the

future cash flow after the change, and makes subsequent measurement on this basis. For financial assets or financial liabilities that undergo other changes at the same time, the Group first carries out accounting treatment for the changes resulting from the reform of benchmark interest rate in accordance with the above provisions, and then assesses whether the other changes result in the derecognition of the financial assets or financial liabilities. If the change of lease is directly caused by the reform of benchmark interest rate only, so that the basis for determining the future lease payments is changed, and the basis for determining the future lease payments is economically equivalent before and after the change, the Group, as the lessee, adjusts the discount rate in accordance with the change in the basis for determining the lease payments due to the reform of the benchmark interest rate, discounts the changed lease payments at the adjusted discount rate, and adjusts the book value of the lease liabilities and right-of-use assets accordingly. The Group has carried out accounting treatment in accordance with the above provisions since January 1, 2021. In accordance with the convergence provisions, no adjustment will be made to the information for comparable periods, and the difference between the first implementation of the above provisions and the current standards is included in the retained earnings or other comprehensive income at the beginning of the year. The above changes in accounting policies have no significant impact on the financial statements of the Group and the Company.

(2) Changes in accounting estimates

Applicable Not applicable

(3) The first implementation of new lease standard for the adjustment of the financial statements at the beginning of the first execution year since 2021

Applicable Not applicable

Consolidated Balance Sheet

Unit: Yuan Currency: CNY

Item	December 31, 2020	January 1, 2021	Adjustments
Current assets:			
Monetary funds	2,948,074,736	2,948,074,736	
Settlement provisions			
Lending funds			
Held-for-trading financial assets	1,601,623,650	1,601,623,650	
Derivative financial assets			
Notes receivable	753,000	753,000	
Accounts receivable	7,227,065,255	7,227,065,255	
Receivables financing	362,006,319	362,006,319	
Advances to suppliers	767,426,147	767,380,147	-46,000
Premiums receivable			
Reinsurance accounts receivable			
Reserves for reinsurance contract receivable			
Other receivables	913,410,163	913,410,163	
Including: Interest receivable			
Dividend receivable			
Financial assets purchased under agreements to resell			
Inventories	22,325,839,116	22,325,839,116	
Contract assets	2,063,296,890	2,063,296,890	
Assets held for sale			
Non-current assets due within one year	1,884,370,444	1,884,370,444	
Other current assets	708,484,102	708,484,102	
Total current assets	40,802,349,822	40,802,303,822	-46,000



Item	December 31, 2020	January 1, 2021	Adjustments
Non-current assets:			
Disbursement of loans and advances			
Debt investment			
Other debt investments			
Long-term receivables	5,077,114,342	2,663,620,931	-2,413,493,411
Long-term equity investments	3,042,232,884	3,042,232,884	
Other equity instrument investment	61,505,751	61,505,751	
Other non-current financial assets	330,094,057	330,094,057	
Investment properties	467,607,519	467,607,519	
Fixed assets	19,820,601,397	19,820,601,397	
Construction in progress	4,520,147,819	4,520,147,819	
Productive biological assets			
Oil and gas assets			
Right-of-use assets		16,884,133	16,884,133
Intangible assets	3,347,450,714	3,347,450,714	
Development expenditures			
Goodwill	261,072,463	261,072,463	
Long-term deferred expenses	502,811	310,991	-191,820
Deferred income tax assets	752,960,672	752,960,672	
Other non-current assets	837,004,289	3,250,497,700	2,413,493,411
Total non-current assets	38,518,294,718	38,534,987,031	16,692,313
Total assets	79,320,644,540	79,337,290,853	16,646,313
Current liabilities:			
Short-term borrowings	17,795,076,565	17,795,076,565	
Borrowings from the Central Bank			
Borrowing funds			
Held-for-trading financial liabilities	458,882	458,882	
Derivative financial liabilities			
Notes payable	3,600,725,892	3,600,725,892	
Accounts payable	7,773,903,147	7,773,903,147	
Advances from customers	4,893,675	4,893,675	
Contract liabilities	11,195,309,083	11,195,309,083	
Financial assets sold for repurchase			
Deposits from customers and interbank			
Acting trading securities			
Acting underwriting securities			
Payroll payable	188,799,969	188,799,969	
Tax payable	160,782,931	160,782,931	
Other payables	481,065,700	481,065,700	
Including: Interest payable			
Dividends payable	352,598	352,598	

Item	December 31, 2020	January 1, 2021	Adjustments
Fees and commissions payable			
Dividend payable for reinsurance			
Liabilities held for sale			
Non-current liabilities due within a year	1,374,465,319	1,384,473,326	10,008,007
Other current liabilities			
Total current liabilities	42,575,481,163	42,585,489,170	10,008,007
Non-current liabilities:			
Reserve fund for insurance contracts			
Long-term borrowings	16,850,299,742	16,850,299,742	
Bonds payable			
Including: preferred stock			
Perpetual bond			
Lease liabilities		6,638,306	6,638,306
Long-term payables	1,632,757,932	1,632,757,932	
Long-term payroll payable			
Estimated liabilities	261,072,318	261,072,318	
Deferred income	388,756,001	388,756,001	
Deferred income tax liabilities	106,666,671	106,666,671	
Other non-current liabilities	430,372,502	430,372,502	
Total non-current liabilities	19,669,925,166	19,676,563,472	6,638,306
Total liabilities	62,245,406,329	62,262,052,642	16,646,313
Owners' equity (or shareholders' equity):			
Paid-in capital (or share capital)	5,268,353,501	5,268,353,501	
Other equity instruments	500,000,000	500,000,000	
Including: preferred stock			
Perpetual bond	500,000,000	500,000,000	
Capital reserves	4,834,854,332	4,834,854,332	
Less: treasury stock			
Other comprehensive income	-62,927,398	-62,927,398	
Special reserves	1,936,153	1,936,153	
Surplus reserves	1,651,418,547	1,651,418,547	
General risk preparation			
Undistributed profits	2,377,187,005	2,377,187,005	
Total owners' equities attributable to the owners of parent company	14,570,822,140	14,570,822,140	
Minority equity	2,504,416,071	2,504,416,071	
Total owners' equity (or shareholders' equity)	17,075,238,211	17,075,238,211	
Total liabilities and owners' equity (or shareholders' equity)	79,320,644,540	79,337,290,853	16,646,313

Notes to the adjustment of each item:

Applicable Not applicable



Balance Sheet of the Parent Company

Unit: Yuan Currency: CNY

Item	December 31, 2020	January 1, 2021	Adjustments
Current assets:			
Monetary funds	1,902,199,066	1,902,199,066	
Held-for-trading financial assets	907,154,115	907,154,115	
Derivative financial assets			
Notes receivable	753,000	753,000	
Accounts receivable	15,333,326,224	15,333,326,224	
Receivables financing	306,365,354	306,365,354	
Advances to suppliers	4,628,860,061	4,628,814,061	-46,000
Other receivables	5,505,896,413	5,505,896,413	
Including: Interest receivable			
Dividend receivable			
Inventories	18,950,680,070	18,950,680,070	
Contract assets	1,133,865,802	1,133,865,802	
Assets held for sale			
Non-current assets due within one year	16,068,800	16,068,800	
Other current assets	320,289,945	320,289,945	
Total current assets	49,005,458,850	49,005,412,850	-46,000
Non-current assets:			
Debt investment			
Other debt investments			
Long-term receivables	274,746,933	274,746,933	
Long-term equity investments	8,725,608,053	8,725,608,053	
Other equity instrument investment	61,505,751	61,505,751	
Other non-current financial assets	330,094,057	330,094,057	
Investment properties	467,607,519	467,607,519	
Fixed assets	4,016,049,591	4,016,049,591	
Construction in progress	659,009,550	659,009,550	
Productive biological assets			
Oil and gas assets			
Right-of-use assets		164,140	164,140
Intangible assets	1,507,604,347	1,507,604,347	
Development expenditures			
Goodwill			
Long-term deferred expenses			
Deferred income tax assets	717,095,880	717,095,880	
Other non-current assets	533,182,276	533,182,276	
Total non-current assets	17,292,503,957	17,292,668,097	164,140
Total assets	66,297,962,807	66,298,080,947	118,140
Current liabilities:			
Short-term borrowings	14,351,318,050	14,351,318,050	
Held-for-trading financial liabilities			

Item	December 31, 2020	January 1, 2021	Adjustments
Derivative financial liabilities			
Notes payable	3,897,225,892	3,897,225,892	
Accounts payable	5,364,410,446	5,364,410,446	
Advances from customers			
Contract liabilities	10,446,873,026	10,446,873,026	
Payroll payable	173,661,671	173,661,671	
Tax payable	26,049,457	26,049,457	
Other payables	1,083,925,556	1,083,925,556	
Including: Interest payable			
Dividends payable	352,598	352,598	
Liabilities held for sale			
Non-current liabilities due within one year	709,198,148	709,254,933	56,785
Other current liabilities			
Total current liabilities	36,052,662,246	36,052,719,031	56,785
Non-current liabilities:			
Long-term borrowings	14,777,075,334	14,777,075,334	
Bonds payable			
Including: preferred stock			
Perpetual bond			
Lease liabilities		61,355	61,355
Long-term payables			
Long-term payroll payable			
Estimated liabilities	253,696,912	253,696,912	
Deferred income	302,910,467	302,910,467	
Deferred income tax liabilities			
Other non-current liabilities	16,723,794	16,723,794	
Total non-current liabilities	15,350,406,507	15,350,467,862	61,355
Total liabilities	51,403,068,753	51,403,186,893	118,140
Owners' equity (or shareholders' equity):			
Paid-in capital (or share capital)	5,268,353,501	5,268,353,501	
Other equity instruments	500,000,000.00	500,000,000.00	
Including: preferred stock			
Perpetual bond	500,000,000.00	500,000,000.00	
Capital reserves	4,914,468,683	4,914,468,683	
Less: treasury stock			
Other comprehensive income	-22,498,704	-22,498,704	
Special reserves			
Surplus reserves	1,650,910,274	1,650,910,274	
Undistributed profits	2,583,660,300	2,583,660,300	
Total owners' equity (or shareholders' equity)	14,894,894,054	14,894,894,054	
Total liabilities and owners' equity (or shareholders' equity)	66,297,962,807	66,298,080,947	118,140

Notes to the adjustment of each item:

Applicable Not applicable



(4) Description of the retrospective adjustment of previous comparative data under the initial implementation of new lease standard since 2021

Applicable Not applicable

45 Others

Applicable Not applicable

VI. Taxes

1 Main tax categories and tax rates

Main tax categories and tax rates

Applicable Not applicable

Category of tax	Basis of tax computation	Tax rate
VAT	VAT is applicable to the sales of the Group's products	The taxable income from the sales of the products in domestic market is subject to the output tax as per 13%; the products for export adopt the method of "tax exemption, tax deduction and tax reimbursement" and the applicable tax rate is 13%. The Group's income from the marine transport is applicable to VAT, and the output tax is calculated as per 9%; the income from leasing of the equipment is applicable to VAT and the output tax is calculated as per 13% of the taxable income; the income from the sales of the equipment is applicable to the simple collection measures of VAT and the tax rate is subject to the reduced tax rate of 2%; the Group's income from the leasing of the housing is applicable to the simple collection measures of VAT and the tax rate is 5%; the item "B-T" is applicable to VAT and the output tax on the taxable income is collected at 9%. The above output tax shall calculate and pay VAT after deducting the amount of input tax deductible, except for the applicable VAT's simple collection method.
Consumption tax	/	/
Sales tax	/	/
Urban maintenance and construction tax	VAT paid	Calculated and paid according to 7% and 3% of the actual turnover tax paid respectively.
Enterprise income tax	The enterprise income tax is calculated and paid in accordance with the Enterprise Income Tax Law of People's Republic of China (hereinafter referred to as the "Income Tax Law").	The enterprise income tax is calculated and paid in accordance with the Enterprise Income Tax Law of People's Republic of China (hereinafter referred to as the "Income Tax Law"). In accordance with relevant regulations in the Administrative Measures for Certification of New and High Technology Enterprises (GKFH [2016] No.32), the Guidelines for the Administration of Qualification Accreditation of High-tech Enterprises (GKFH [2016] No.195), and the Circular on Announcing the Recognition List of the Second Batch of High-tech Enterprises of Shanghai in 2017, the Company was awarded the High-tech Enterprise Certificate (Certificate Number: GR201831002345) in November 2017 with the valid term of 3 years. The group was awarded a new High-tech Enterprise Certificate (Certificate Number: GR202031006909) in December 2020 after reexamination, with the valid term of 3 years. The Company actually applied the enterprise income tax rate of 15% this year (2020: 15%).

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

Applicable Not applicable

Name of taxpayer	Income tax rate (%)
The Company	15%
Shanghai Zhenhua Port Machinery Heavy Industries Co., Ltd.	15%
Shanghai Zhenhua Port Machinery (Hong Kong) Co., Ltd.	16.5%
Shanghai Zhenhua Shipping Co., Ltd	25%
Nantong Zhenhua Heavy Equipment Manufacturing Co., Ltd.	25%
Shanghai Zhenhua Heavy Industries Group (Nantong) Transmitter Co., Ltd.	15%
ZPMC Electric Co., Ltd.	15%
Shanghai Zhenhua Ocean Engineering Service Co., Ltd	25%
ZPMC Machinery Equipment Services Co., Ltd.	25%
Shanghai Zhenhua Heavy Industries Port Machinery General Equipment Co., Ltd.	25%

Name of taxpayer	Income tax rate (%)
Shanghai Port Machinery Heavy Industry Co., Ltd	25%
ZPMC Zhangjiagang Port Machinery Co., Ltd.	25%
ZPMC Qidong Marine Engineering Co., Ltd.	25%
Jiahua Shipping Co., Ltd.	16.5%
Zhenhua Pufeng Wind Energy (HongKong) Co., Ltd.	16.5%
Nanjing Ninggao New Channel Construction Co., Ltd	25%
CCCC Investment & Development Qidong Co., Ltd.	25%
CCCC Liyang Urban Investment and Construction Co., Ltd.	25%
CCCC (Huaian) Construction Development Co., Ltd.	25%
CCCC Zhenjiang Investment Construction Management Development Co., Ltd.	25%
CCCC Rudong Construction Development Co., Ltd.	25%
ZPMC Netherlands Coöperatie U.A.	25.8%
ZPMC Netherlands B.V.	25.8%
Verspannen B.V.	25.8%
ZPMC Espana S.L.	25%
ZPMC Italia S.r.l.	24%
ZPMC GmbH Hamburg	32.25%
ZPMC Lanka Company (Private) Limited	24%
ZPMC North America Inc.	15%
ZPMC Korea Co., Ltd.	20%
ZPMC Engineering Africa (Pty) Ltd.	28%
ZPMC Engineering (India) Private Limited	25.17%
ZPMC Southeast Asia Holding Pte. Ltd.	17%
ZPMC Engineering (Malaysia) Sdn. Bhd.	24%
ZPMC Australia Company (Pty) Ltd.	30%
ZPMC Brazil Serviço Portuários LTDA	25%
ZPMC Limited Liability Company	20%
ZPMC NA East Coast Inc.	30%
ZPMC Middle East FZE	0%
ZPMC UK LD	19%
Greenland Heavylift (Hong Kong) Limited	16.5%
GPO Grace Limited	0%
GPO Amethyst Limited	0%
GPO Sapphire Limited	0%
GPO Emerald Limited	0%
GPO Heavylift Limited	0%
GPO Heavylift AS	0%
GPO Heavylift Pte Ltd	17%
ZPMC Latin America Holding Corporation	5%
Terminexus Co., Ltd.	16.5%
CCCC Yongjia Construction Development Co., Ltd.	25%
CCCC Zhenhua Lvjian Technology (Ningbo) Co., Ltd.	25%
ZPMC Hotel Co., Ltd.	25%
Xiong'an Zhenhua Co., Ltd.	25%
ZPMC Fuzhou Offshore Construction Co., Ltd.	25%
CCCC (Dongming) Investment and Construction Co., Ltd.	25%
CCCC Zhenhua Intelligent Parking (Hengyang) Co., Ltd.	25%



Remark 1: Shanghai Zhenhua Heavy Industries Group (Nantong) Heavy Gear Reducer Co., Ltd won the Hi-tech Enterprise Certificate (No. GR201932001426) in 2019, with the valid term of 3 years. Shanghai Zhenhua Port Machinery Heavy Industries Co., Ltd. was recognized as a hi-tech enterprise in December, 2019 and won the Hi-tech Enterprise Certificate (No.: GR201931004259) with the valid term of 3 years. Shanghai Zhenhua Heavy Industries Electric Co., Ltd won the Hi-tech Enterprise Certificate (No.: GR202031001911) after reexamination in November, 2020, with the valid term of 3 years. In accordance with relevant provisions in Article 28 of the Income Tax Law, the actually applicable enterprise income tax rate for these companies in this year was 15% (2020: 15%).

2 Tax preferences

Applicable Not applicable

3 Others

Applicable Not applicable

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

1 Monetary funds

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2021	December 31, 2020
Cash on hand	851,261	1,063,472
Bank deposits	4,448,986,616	2,896,678,868
Other monetary funds	121,999,707	50,332,396
Total	4,571,837,584	2,948,074,736
Including: total amount of overseas deposits	677,986,642	829,760,121

Other description

As at December 31, 2021, the other monetary funds, including the restricted deposit of RMB 121,999,707 (as at December 31, 2020: RMB 50,332,396), were the money appropriated that was collected from the overseas projects and deposited in the overseas regulatory accounts and the cash deposit deposited for application to the bank for the letter of credit and letter of guarantee.

As at December 31, 2021, the overseas monetary fund deposited by the Group was RMB 677,986,642 (as at Dec. 31, 2020: RMB 829,760,121).

As at December 31, 2021, the bank deposits were current deposits. The interest income from current deposits is calculated as per the interest rate of the current deposits.

2 Held-for-trading financial assets

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2021	December 31, 2020
Financial assets measured at fair value through the current profit or loss	1,153,533,922	1,601,623,650
Including:		
Derivative financial assets – equity options(i)	8,438,278	8,438,278
Investments in shares of listed companies (ii)	1,145,095,644	1,593,185,372
Financial assets designated to be measured at fair value through the current profit or loss		
Financial assets designated to be measured at fair value through the current profit or loss		
Including:		
Total	1,153,533,922	1,601,623,650

Other description:

Applicable Not applicable

(i) As at December 31, 2021, the held-for-trading financial assets- derivative financial assets – equity options held by the Group refers to the fair value of the right obtained at the time of acquiring Greenland Heavylift (Hong Kong) Limited to purchase 1% of its equity of at the price of USD 1.

(ii) As at December 31, 2021, the listed company share investments held by the Group include 5.30% equity of Jiangxi Huawu Brake Co., Ltd., 1.59% equity of Qingdao Port International Co., Ltd., 1.16% equity of CRSC, 0.02% equity of COSCO Shipping Holdings Co., Ltd. and 0.001% equity of Shenwan Hongyuan Group Co., Ltd.

3 Derivative financial assets

Applicable Not applicable

4 Notes receivable

(1) Presentation of notes receivable by category

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2021	December 31, 2020
Bank acceptance bill		
Commercial acceptance bill	3,979,800	753,000
Total	3,979,800	753,000

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

Applicable Not applicable

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

Applicable Not applicable

(4) Notes transferred to accounts receivable by the Company at the end of the period due to drawer's failure in performance

Applicable Not applicable

(5) Disclosure by bad debt calculation method

Applicable Not applicable

Individual provision for bad debts:

Applicable Not applicable

Provision for bad debts by portfolio:

Applicable Not applicable

If the provision for bad debts is calculated based on the general model of expected credit loss, please refer to other receivables for disclosure:

Applicable Not applicable

(6) Provision for bad debts

Applicable Not applicable

(7) Notes receivable actually written off in the current period

Applicable Not applicable

Other description

Applicable Not applicable

5 Accounts receivable

(1) Disclosure by aging

Applicable Not applicable

Unit: Yuan Currency: CNY

Aging	December 31, 2021
Within 1 year	
Including: subitem within 1 year	
Sub-total of items within 1 year	3,682,492,746
1- 2 years	2,573,676,032
2- 3 years	710,219,379
Over 3 years	
3- 4 years	201,065,510
4- 5 years	160,142,005
Over 5 years	1,150,072,435
Total	8,477,668,107



(2) Disclosure by bad debt calculation method
√Applicable □Not applicable

Unit: Yuan Currency: CNY

Category	December 31, 2021				
	Book balance		Provision for bad debts		Book value
	Amount	Proportion (%)	Amount	Proportion of provision (%)	
Provision for bad debts accrued on an individual basis	898,273,314	11	655,457,495	73	242,815,819
Including:					
Provision for bad debts by portfolio	7,579,394,793	89	1,373,359,856	18	6,206,034,937
Including					
Total	8,477,668,107	/	2,028,817,351	/	6,448,850,756

Category	December 31, 2020				
	Book balance		Provision for bad debts		Book value
	Amount	Proportion (%)	Amount	Proportion of provision (%)	
Provision for bad debts accrued on an individual basis	660,986,510	7	529,388,510	80	131,598,000
Including:					
Provision for bad debts by portfolio	8,440,850,412	93	1,345,383,157	16	7,095,467,255
Including					
Total	9,101,836,922	/	1,874,771,667	/	7,227,065,255

Individual provision for bad debts:
√Applicable □Not applicable

Unit: Yuan Currency: CNY

Name	December 31, 2021			
	Book balance	Provision for bad debts	Proportion of provision (%)	Reason for provision
Accounts receivable 1	485,631,638	242,815,819	50	Counterparty financial shortage
Accounts receivable 2	169,011,372	169,011,372	100	Contract dispute
Accounts receivable 3	93,954,000	93,954,000	100	Counterparty financial shortage
Accounts receivable 4	51,028,800	51,028,800	100	Contract dispute
Accounts receivable 5	42,979,947	42,979,947	100	Contract dispute
Accounts receivable 6	25,502,864	25,502,864	100	Contract dispute
Accounts receivable 7	9,929,450	9,929,450	100	Contract dispute
Accounts receivable 8	7,289,912	7,289,912	100	Contract dispute
Accounts receivable 9	6,820,756	6,820,756	100	Contract dispute
Accounts receivable 10	3,273,790	3,273,790	100	Contract dispute
Accounts receivable 11	2,032,572	2,032,572	100	Contract dispute
Accounts receivable 12	818,213	818,213	100	Contract dispute
Total	898,273,314	655,457,495	73	/

Description of individual provision for bad debts:
√Applicable □Not applicable

As at December 31, 2020, the accounts receivables with individual provision for bad debts are as follows:

	Book balance	Provision for bad debts	Estimated credit loss ratio %	Reason for provision
Accounts receivable 1	277,613,400	146,015,400	53	Counterparty financial shortage
Accounts receivable 2	187,863,245	187,863,245	100	Contract dispute
Accounts receivable 3	93,954,000	93,954,000	100	Counterparty financial shortage
Accounts receivable 4	42,979,947	42,979,947	100	Contract dispute
Accounts receivable 5	26,099,665	26,099,665	100	Contract dispute
Accounts receivable 6	11,037,000	11,037,000	100	Contract dispute
Accounts receivable 7	8,103,043	8,103,043	100	Contract dispute
Accounts receivable 8	6,980,371	6,980,371	100	Contract dispute
Accounts receivable 9	3,300,179	3,300,179	100	Contract dispute
Accounts receivable 10	2,236,498	2,236,498	100	Contract dispute
Accounts receivable 11	819,162	819,162	100	Contract dispute
Total	660,986,510	529,388,510		

Provision for bad debts by portfolio:

Applicable Not applicable

If the provision for bad debts is calculated based on the general model of expected credit loss, please refer to other receivables for disclosure:

Applicable Not applicable

(3) Provision for bad debts

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

(5) Top 5 accounts receivable in terms of ending balance presented by debtor

Applicable Not applicable

As at December 31, 2021, top 5 accounts receivable in terms of ending balance presented by debtor summarized and analyzed as follows:

	Balance	Provision for bad debts	Proportion in total balance of accounts receivable %
Total accounts receivable of top 5 balances	1,521,031,649	490,608,435	18

As at December 31, 2020, top 5 accounts receivable in terms of ending balance presented by debtor summarized and analyzed as follows:

	Balance	Provision for bad debts	Proportion in total balance of accounts receivable %
Total accounts receivable of top 5 balances	1,810,933,879	432,753,771	20

Other description

None

(6) Accounts receivable derecognized due to the transfer of financial assets

Applicable Not applicable

(7) Amount of assets and liabilities formed by transferring accounts receivable and continuing involvement

Applicable Not applicable

Other description:

Applicable Not applicable



Changes in the provision for bad debts of accounts receivable are as follows:

	December 31, 2020	Adjustments for changes in accounting policies	January 1, 2021	Provision in 2021	Reversal in 2021	Reduction of consolidation scope	December 31, 2021
2021	1,874,771,667	-	1,874,771,667	497,724,257	(343,678,573)	-	2,028,817,351
2020	1,677,451,836	99,044,463	1,776,496,299	416,571,263	(279,106,645)	(39,189,250)	1,874,771,667

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

	2021			2020		
	Book balance of estimated default	Estimated credit loss ratio (%)	Expected credit loss for the entire duration	Book balance of estimated default	Estimated credit loss ratio (%)	Expected credit loss for the entire duration
Within 1 year	3,681,892,745	4	134,291,477	6,154,544,858	5	293,763,096
1-2 years	2,449,354,394	15	366,679,751	965,250,727	20	190,547,180
2-3 years	297,376,432	25	74,906,578	213,806,234	29	61,516,189
3-4 years	164,454,110	45	74,134,811	177,715,234	63	111,926,196
4-5 years	160,142,006	66	104,945,230	177,122,400	42	75,011,044
Over 5 years	826,175,106	75	618,402,009	752,410,959	81	612,619,452
Total	7,579,394,793		1,373,359,856	8,440,850,412		1,345,383,157

6 Receivables financing

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2021	December 31, 2020
Bank acceptance bill	116,644,174	362,006,319
Digital debt voucher of accounts receivable	128,764,086	
Total	245,408,260	362,006,319

Increase or decrease and changes in fair value of receivables financing in the current period:

Applicable Not applicable

If the provision for bad debts is calculated based on the general model of expected credit loss, please refer to other receivables for disclosure:

Applicable Not applicable

Other description:

Applicable Not applicable

Notes receivable that had been endorsed or discounted and not matured on the balance sheet date are as follows:

	2021		2020	
	Amount derecognized	Amount not derecognized	Amount derecognized	Amount not derecognized
Bank acceptance bill	1,075,578,905	-	831,810,701	-
Digital debt voucher of accounts receivable	37,987,378	-	-	-
Total	1,113,566,283	-	831,810,701	-

7 Advances to suppliers

(1) Presentation of advances to suppliers by account age

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Aging	December 31, 2021		December 31, 2020	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	961,833,606	83	486,425,381	64
1-2 years	72,585,749	6	192,424,837	25
2-3 years	39,177,439	4	48,275,668	6
Over 3 years	85,831,056	7	40,254,261	5
Total	1,159,427,850	100	767,380,147	100

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

As at December 31, 2021, the advances to suppliers of the Company with the aging over one year was RMB 197,594,244 (as at December 31, 2020: RMB 280,954,766), mainly the advances to suppliers for the procurement of imported parts, which has not been yet settled because the purchased imported parts have not yet received.

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

√Applicable □Not applicable

As at December 31, 2021, top 5 advances to suppliers in terms of ending balance presented by debtor summarized and analyzed as follows:

	Amount	Proportion in total advances to suppliers %
Total advances to suppliers of top 5 balances	605,483,612	52

As at December 31, 2020, top 5 advances to suppliers in terms of ending balance presented by debtor summarized and analyzed as follows:

	Amount	Proportion in total advances to suppliers %
Total advances to suppliers of top 5 balances	140,561,799	18

Other description

□Applicable √Not applicable

8 Other receivables

Item presentation

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2021	December 31, 2020
Interest receivable		
Dividends receivable		
Other receivables	940,522,896	913,410,163
Total	940,522,896	913,410,163

Other description:

□Applicable √Not applicable

Interest receivable

(1) Classification of interest receivable

□Applicable √Not applicable

(2) Significant overdue interest

□Applicable √Not applicable

(3) Provision for bad debts

□Applicable √Not applicable

Other description:

□Applicable √Not applicable



Dividends receivable

(4) Dividends receivable

Applicable Not applicable

(5) Significant dividends receivable aging over 1 year

Applicable Not applicable

(6) Provision for bad debts

Applicable Not applicable

Other description:

Applicable Not applicable

Other receivables

(7) Disclosure by aging

Applicable Not applicable

Unit: Yuan Currency: CNY

Aging	December 31, 2021
Within 1 year	
Including: subitem within 1 year	
Sub-total of items within 1 year	896,204,720
1-2 years	28,670,182
2-3 years	19,325,618
Over 3 years	
3-4 years	46,967,943
4-5 years	176,843,810
Over 5 years	12,784,764
Total	1,180,797,037

(8) Classification by nature of funds

Applicable Not applicable

Unit: Yuan Currency: CNY

Nature of funds	December 31, 2021	December 31, 2020
Unpaid taxes receivable	504,714,202	558,720,119
Secured repayment	164,124,678	164,124,678
Advance payment receivable on behalf of the third party	104,081,641	84,615,765
Bid and performance bond	70,980,397	88,706,025
Equity disposal receivables	62,210,484	
Customs-related security deposit	61,537,519	33,365,314
Lease payment receivable	33,434,667	33,434,667
Money on call for product field service	23,460,236	33,945,802
Staff borrowings receivable	15,006,084	20,309,050
Export rebates	2,332,792	166,044
Others	138,914,337	134,780,638
Total	1,180,797,037	1,152,168,102

(9) Provision for bad debts
Applicable Not applicable

Unit: Yuan Currency: CNY

Provision for bad debts	Stage I	Stage II	Stage III	Total
	Expected credit losses over the next 12 months	Expected credit loss for the entire duration (no credit impairment)	Expected credit loss for the entire duration (credit impairment has occurred)	
Balance as at January 1, 2021		10,329,850	228,428,089	238,757,939
Balance as at January 1, 2021 in current period				
--Transferred to Stage II				
--Transferred to Stage III				
--Reversal to Stage II				
--Reversal to Stage I				
Provision in the current period			2,336,202	2,336,202
Reversal in the current period		-820,000		-820,000
Write-off in the current period				
Charge-off in the current period				
Other changes				
Balance as at December 31, 2021		9,509,850	230,764,291	240,274,141

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

Applicable Not applicable

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

Applicable Not applicable

(10) Provision for bad debts

Applicable Not applicable

(11) Other receivables actually written off in the current period

Applicable Not applicable

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

Applicable Not applicable

Unit: Yuan Currency: CNY

Name	Nature	December 31, 2021	Aging	Proportion in the total balance of other receivables (%)	Balance of provision for bad debts at the end of the year
Other receivables 1	Secured repayment	164,124,678	4-5 years	14	164,124,678
Other receivables 2	Taxes on outstanding payment receivable	65,644,651	Within 1 year	6	
Other receivables 3	Equity disposal receivables	62,210,484	Within 1 year	5	
Other receivables 4	Customs-related security deposit	61,537,519	Within 1 year	5	
Other receivables 5	Advance payment	54,433,215	1-5 years	5	54,433,215
Total	/	407,950,547	/	35	218,557,893

(13) Receivables involving government subsidies

Applicable Not applicable

(14) Other receivables derecognized due to transfer of financial assets

Applicable Not applicable

(15) Amount of assets and liabilities formed by transferring other receivables and continuing involvement

Applicable Not applicable



Other description:

Applicable Not applicable

9 Inventories

(1) Classification

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2021			December 31, 2020		
	Book balance	Provision for inventory depreciation/ provision for impairment of contract performance cost	Book value	Book balance	Provision for inventory depreciation/provision for impairment of contract performance cost	Book value
Raw materials	2,904,965,379	54,380,282	2,850,585,097	3,118,133,185	54,960,402	3,063,172,783
Goods in process	20,163,020,910	1,119,442,227	19,043,578,683	20,113,138,980	939,360,778	19,173,778,202
Stock commodities	29,428,589		29,428,589	14,573,887		14,573,887
Revolving materials						
Consumptive biological assets						
Contract performance cost	150,182,361		150,182,361	74,314,244		74,314,244
Total	23,247,597,239	1,173,822,509	22,073,774,730	23,320,160,296	994,321,180	22,325,839,116

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

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2020	Increase in the current period		Decrease in the current period		December 31, 2021
		Provision	Other	Reversal or write-off	Other	
Raw materials	54,960,402	8,682,669		9,262,789		54,380,282
Goods in process	939,360,778	266,254,696		86,173,247		1,119,442,227
Stock commodities						
Revolving materials						
Consumptive biological assets						
Contract performance cost						
Total	994,321,180	274,937,365		95,436,036		1,173,822,509

(3) Description of the amount of capitalized borrowing costs included in ending balance of inventories

Applicable Not applicable

(4) Description of the current amortization amount of contract performance cost

Applicable Not applicable

Other description

Applicable Not applicable

Provision for inventory depreciation is as follows:

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

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

	2021	2020
Valid letter of guarantee signed by the bank	12,355,828,402	12,587,156,263
Letter of guarantee not signed by the bank	7,408,487,578	6,717,974,498
Total	19,764,315,980	19,305,130,761

10 Contract assets

(1) Particulars about contract assets

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2021			December 31, 2020		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Warranty balance recognized at the time of control transfer	452,889,676	54,001,996	398,887,680	877,580,462	43,597,676	833,982,786
Outstanding payments for construction completed	1,626,265,619	53,697,449	1,572,568,170	1,272,225,639	42,911,535	1,229,314,104
Total	2,079,155,295	107,699,445	1,971,455,850	2,149,806,101	86,509,211	2,063,296,890

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

Applicable Not applicable

(3) Provision for impairment of contract assets in current period

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Provision in the current period	Reversal in the current period	Write-off/charge-off in the current period	Reason
Warranty balance recognized at the time of control transfer (Remark 1)	59,859,887	49,455,567		
Outstanding payments for construction completed (Remark 2)	10,785,914			
Total	70,645,801	49,455,567		/

If the provision for bad debts is calculated based on the general model of expected credit loss, please refer to other receivables for disclosure:

Applicable Not applicable

Other description:

Applicable Not applicable

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

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



The contract assets with provision for impairment loss by credit risk features portfolio are as follows:

	2021			2020		
	Book balance of estimated default	Estimated credit loss rate (%)	Expected credit loss in the entire duration	Book balance of estimated default	Estimated credit loss rate (%)	Expected credit loss in the entire duration
Within 1 year	1,742,068,619	3	56,239,177	2,089,790,091	3	69,984,114
1-2 years	335,379,230	15	50,918,891	22,579,760	13	3,032,663
2-3 years	1,282,051	27	348,205	15,189,774	24	3,623,174
Over 3 years	425,395	45	193,172	22,246,476	44	9,869,260
Total	2,079,155,295		107,699,445	2,149,806,101		86,509,211

In this year, the number of projects whose warranty period had expired increased, and the warranty balance recognized at the time of control transfer was recovered or transferred to accounts receivable, resulting in the decrease in the book value of contract assets.

11 Assets held for sale

Applicable Not applicable

Other description:

On December 25, 2021, Shanghai Zhenhua Shipping Co., Ltd ("Shipping Company"), a subsidiary of the Group, entered into a ship sales contract with a third party for the sale of a ship, under which the ownership of the ship was transferred to the buyer upon delivery of the ship to and acceptance by the buyer in accordance with the requirements of the contract. The said ship was duly delivered to the buyer on January 12, 2022. On December 31, 2021, the Group classified the ship with a net value of RMB15,167,288 as assets held for sale. As the net amount of the agreed sales price less selling expenses was higher than the book value of the asset, the Group did not make any provision for impairment of the asset held for sale.

12 Non-current assets due within one year

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2021	December 31, 2020
Debt investment due within one year		
Other debt investments due within one year		
Long-term receivables due within one year	1,437,034,591	1,884,370,444
Total	1,437,034,591	1,884,370,444

Important debt investment and other debt investments due at the end of the period:

Applicable Not applicable

Other description

None

13 Other current assets

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2021	December 31, 2020
Contract acquisition cost		
Return cost receivable		
Input tax to be deducted	346,871,563	688,621,455
Prepaid income tax	12,933,785	19,862,647
Total	359,805,348	708,484,102

Other description

None

14 Debt investment

(1) Particulars about debt investment

Applicable Not applicable

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

Applicable Not applicable

(3) Provision for impairment

Applicable Not applicable

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

Applicable Not applicable

Other description

Applicable Not applicable**15 Other debt investments**

(1) Particulars about other debt investments

Applicable Not applicable

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

Applicable Not applicable

(3) Provision for impairment

Applicable Not applicable

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

Applicable Not applicable

Other description:

Applicable Not applicable**16 Long-term receivables**

(1) Long-term receivables

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2021			December 31, 2020			Discount rate range
	Book balance	Provision for bad debt	Book value	Book balance	Provision for bad debt	Book value	
Financing lease							
Including: Unrealized financing income							
Goods sold on installment							
Services provided on installment							
Receivables from "Building – Transfer" project							
- Principal	3,954,505,577		3,954,505,577	4,081,895,588		4,081,895,588	
- Interest receivable	156,936,397		156,936,397	371,433,599		371,433,599	
Accounts receivable from the projects of collection of payment by installment				34,815,733		34,815,733	
Less: Long-term receivables due within one year	1,437,034,591		1,437,034,591	1,824,523,989		1,824,523,989	
Total	2,674,407,383		2,674,407,383	2,663,620,931		2,663,620,931	/

As at December 31, 2021 and December 31, 2020, the account receivable from "Building – Transfer" project was the principal invested in above "Building– Transfer" project by the Group, and the amount of interest receivable was the financing return recognized based on the contract.

As at December 31, 2021, the long-term accounts receivable were RMB 2,177,499,634 (as at December 31, 2020: RMB 5,614,309,162), which had been pledged to the bank as the guarantee for the long-term borrowings of RMB 2,397,403,882 (as at December 31, 2020: Long-term borrowings of RMB 1,947,736,154).



(2) Provision for bad debts

Applicable Not applicable

Description of significant changes in book balance of long-term receivables with changes in loss provision in the current period:

Applicable Not applicable

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

Applicable Not applicable

(3) Long-term receivables derecognized due to transfer of financial assets

Applicable Not applicable

(4) Amount of assets and liabilities formed by transferring long-term receivables and continuing involvement

Applicable Not applicable

Other description

Applicable Not applicable

Aging analysis of long-term receivable is as follows:

Item	2021	2020
Within 1 year	872,444,810	1,499,350,642
1-2 years	290,550,519	1,104,671,995
2-3 years	606,243,813	1,467,238,387
Over 3 years	2,342,202,832	2,890,223,762
Sub-total	4,111,441,974	6,961,484,786
Less: Long-term receivables due within one year	1,437,034,591	1,884,370,444
Total	2,674,407,383	5,077,114,342

17 Long-term equity investments

Applicable Not applicable

Unit: Yuan Currency: CNY

Invested entity	December 31, 2020	Increase/decrease in the current period								December 31, 2021	Provision for impairment at the end of the year
		Further investment	Reduced investment	Profit or loss on investments under the equity method	Adjustment of other comprehensive income	Changes in other equity	Dividends or profit declared to be distributed	Provision for impairment	Other		
I. Joint ventures											
Jiangsu Longyuan Zhenhua Marine Engineering Co., Ltd	276,060,441			51,973,240			-5,000,000			323,033,681	
ZPMC Mediterranean Liman Makinalari Ticaret Anonim Sirketi	569,342			-172,650						396,692	
ZPMC-OTL MARINE CONTRACTOR LIMITED											
Zhenhua Marine Energy (HK) Co., Ltd.											
Cranetech Global Sdn. Bhd.	632,180									632,180	
Sub-total	277,261,963			51,800,590			-5,000,000			324,062,553	
II. Associates											
CCCC Financial Leasing Co., Ltd	1,883,150,758		1,420,657,303	170,236,752	-385,247		-23,686,560			608,658,400	
CCCC Yancheng Construction Development Co., Ltd.	418,516,242									418,516,242	
CCCC Estate Yixing Co., Ltd. [Bian Fuyi1]	186,943,162			11,373,921			-5,400,000			192,917,083	
CCCC South American Regional Company SARL	160,601,231			-4,549,767	11,235,149					167,286,613	
China Communications Construction USA Inc.	55,252,998			284,426	-391,277					55,146,147	
Suzhou Chuanglian Electric Drive Co., Ltd.	17,095,040			4,388,358						21,483,398	
ZPMC Changzhou Coatings Co., Ltd.	15,892,441			3,156,139						19,048,580	
CCCC Marine Engineering & Technology Research Center Co., Ltd.	16,916,482			195,350						17,111,832	
CCCC Xiongan Urban Construction Development Co., Ltd.	1,506,228	6,000,000		6,743						7,512,971	

Invested entity	December 31, 2020	Increase/decrease in the current period							December 31, 2021	Provision for impairment at the end of the year
		Further investment	Reduced investment	Profit or loss on investments under the equity method	Adjustment of other comprehensive income	Changes in other equity	Dividends or profit declared to be distributed	Provision for impairment		
Shanghai Ocean Engineering Equipment Manufacturing Innovation Center Co., Ltd.	5,870,341			-49,666					5,820,675	
ZPMC Southeast Asia Pte. Ltd	1,655,648			1,022,749					2,678,397	
Shanghai Xingyi Construction Technology Co., Ltd.	1,570,350			-91,982					1,478,368	
Sub-total	2,764,970,921	6,000,000	1,420,657,303	185,973,023	10,458,625		-29,086,560		1,517,658,706	
Total	3,042,232,884	6,000,000	1,420,657,303	237,773,613	10,458,625		-34,086,560		1,841,721,259	

Other description

Joint ventures:

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

(ii) On June 4, 2020, CCCC, the controlling shareholder of the Company, increased the investment amounting to RMB 1,000,000,000 to CCCC Tianhe Mechanical Equipment Manufacturing Co., Ltd., the holding subsidiary of the Company. On the same day, the persons acting in concert agreement between CCCC and the Company was terminated. Therefore, on June 4, 2020, the proportion of voting rights enjoyed by the Company was changed to 16.52%, and the Company no longer had control over CCCC Tianhe Mechanical Equipment Manufacturing Co., Ltd. Since June 4, 2020, the Group would no longer include CCCC Tianhe Mechanical Equipment Manufacturing Co., Ltd. into the scope of combination. Therefore, the two joint ventures of CCCC Tianhe Mechanical Equipment Manufacturing Co., Ltd., i.e. CCCC Tianhe Xi'an Equipment Manufacturing Co., Ltd. and CCCC Nanjing Traffic Engineering Management Co., Ltd., are no longer joint ventures of the Group at the end of this year.

Associates:

(i) On December 31, 2021, the Company transferred its 21% equity in CCCC Financial Leasing Co., Ltd to CCCC Capital Holdings Co., Ltd. by way of non-disclosure agreement. Both parties have agreed that the transition period of the aforesaid equity transfer is from July 1, 2021 to December 31, 2021, the profit or loss of the aforesaid equity during the transition period was determined based on the audited financial statements on June 30, 2021 and the audited financial statements of 2021 of CCCC Financial Leasing Co., Ltd., and the profit or loss of the target equity during the transition period shall be enjoyed or borne by the Company. According to relevant provisions of the Articles of Association, after the equity sale, the Company has the right to appoint one director to it, and can exert significant influence on the company.

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

18 Other equity instrument investment

(1) Particulars about other equity instrument investment

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2021	December 31, 2020
Hunan Fengri Power & Electric Co., Ltd.	27,201,190	22,685,894
CCCC Highway Bridges National Engineering Research Centre Co., Ltd.	20,644,018	19,319,276
CCCC National Engineering Research Center of Dredging Technology and Equipment Co., Ltd.	8,673,049	8,000,908
Shenyang Weichen Crane Equipment Co., Ltd.	6,003,344	4,197,036
Ningbo Weilong Port Machinery Co., Ltd.	2,809,856	6,565,227
ZPMC Longchang Lifting Equipment Co., Ltd (Former name: Shanghai Zhenhua Port Machinery (Group) Longchang Lifting Equipment Co., Ltd.)	948,588	737,410
Total	66,280,045	61,505,751



(2) Equity instrument investment not held for trading
√Applicable □Not applicable

Unit: Yuan Currency: CNY

Item	Dividend income recognized in the current period	Accumulated gains	Accumulated losses	Amount of other comprehensive income transferred to retained earnings	Reasons for financial assets designated to be measured at fair value through other comprehensive income	Reasons for transferring other comprehensive income into retained earnings
Hunan Fengri Power & Electric Co., Ltd.		7,203,030			Strategic investment, long-term holding	
CCCC Highway Bridges National Engineering Research Centre Co., Ltd.		7,644,018			Strategic investment, long-term holding	
CCCC National Engineering Research Center of Dredging Technology and Equipment Co., Ltd.		2,273,049			Strategic investment, long-term holding	
Shenyang Weichen Crane Equipment Co., Ltd.		4,503,344			Strategic investment, long-term holding	
Ningbo Weilong Port Machinery Co., Ltd.	7,835,826	1,513,856			Strategic investment, long-term holding	
ZPMC Longchang Lifting Equipment Co., Ltd (Former name: Shanghai Zhenhua Port Machinery (Group) Longchang Lifting Equipment Co., Ltd.)		148,588			Strategic investment, long-term holding	
21st Century Science and Technology Investment Co., Ltd.			30,000,000		Strategic investment, long-term holding	

Other description:
□Applicable √Not applicable

19 Other non-current financial assets

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2021	December 31, 2020
Financial assets measured at fair value through the current profit or loss		330,094,057
Total		330,094,057

Other description:
√Applicable □Not applicable

On December 31, 2020, the Group's financial assets measured at fair value through the current profit or loss are the fair value of the Company's 16.52% equity in CCCC Tianhe Mechanical Equipment Manufacturing Co., Ltd. Relevant equity has been disposed in 2021.

20 Investment properties

Measurement model of investment properties

(1) Investment properties with cost measurement mode

Unit: Yuan Currency: CNY

Item	Buildings and constructions	Land use right	Construction in progress	Total
I. Original book value				
1. Balance as at December 31, 2020	465,885,206	209,845,794		675,731,000
2. Increase in current period	89,737,786			89,737,786
(1) Outsourcing				
(2) Transfer-in of inventories, fixed assets and construction in progress	89,737,786			89,737,786
(3) Increase in business combination				
3. Decrease in current period				
(1) Disposal				
(2) Other transfer-out				
4. Balance as at December 31, 2021	555,622,992	209,845,794		765,468,786
II. Accumulative depreciation and amortization				
1. Balance as at December 31, 2020	136,569,650	71,553,831		208,123,481
2. Increase in current period	90,897,093	5,370,795		96,267,888
(1) Provision or amortization	15,213,348	5,370,795		20,584,143
(2) Transfer-in of inventories, fixed assets and construction in progress	75,683,745			75,683,745
3. Decrease in current period				
(1) Disposal				
(2) Other transfer-out				
4. Balance as at December 31, 2021	227,466,743	76,924,626		304,391,369
III. Provision for impairment				
1. Balance as at December 31, 2020				
2. Increase in current period				
(1) Provision				
3. Decrease in current period				
(1) Disposal				
(2) Other transfer-out				
4. Balance as at December 31, 2021				
IV. Book value				
1. Book value at the end of the period	328,156,249	132,921,168		461,077,417
2. Book value at the beginning of the period	329,315,556	138,291,963		467,607,519

(2) Investment property without certificate of title

Applicable Not applicable

Other description

Applicable Not applicable



21 Fixed assets

Item presentation

Applicable Not applicable

Other description:

Applicable Not applicable

Fixed assets

(1) Particulars about fixed assets

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Buildings and constructions	Machinery equipment	Office and electronic equipment	Transportation facilities (Excluding ship)	Ship	Total
I. Original book value						
1. Balance as at December 31, 2020	11,150,166,623	6,885,057,292	284,049,849	257,065,962	15,011,925,951	33,588,265,677
2. Increase in current period	94,790,742	334,872,609	18,602,316	2,971,118	1,001,036,398	1,452,273,183
(1) Purchase	79,561,740	107,919,109	18,107,134	2,971,118	623,565,422	832,124,523
(2) Transfer-in of construction in progress	15,229,002	226,953,500	495,182		377,470,976	620,148,660
(3) Increase in business combination						
3. Decrease in current period	90,530,786	224,055,590	12,022,728	19,331,472	352,482,938	698,423,514
(1) Disposal or scrap	793,000	222,021,310	10,674,781	19,331,472	175,735,460	428,556,023
(2) Classified as assets held for sale					151,672,871	151,672,871
(3) Transferred to investment properties	89,737,786					89,737,786
(4) Exchange rate changes		2,034,280	1,347,947		25,074,607	28,456,834
4. Balance as at December 31, 2021	11,154,426,579	6,995,874,311	290,629,437	240,705,608	15,660,479,411	34,342,115,346
II. Accumulated depreciation						
1. Balance as at December 31, 2020	4,312,858,260	5,459,091,260	214,326,163	178,098,792	3,603,289,805	13,767,664,280
2. Increase in current period	368,519,919	210,288,512	19,314,208	11,150,848	571,904,303	1,181,177,790
(1) Provision	368,519,919	210,288,512	19,314,208	11,150,848	571,904,303	1,181,177,790
3. Decrease in current period	75,990,716	222,454,084	4,435,629	19,357,917	303,033,115	625,271,461
(1) Disposal or scrap	306,971	221,450,525	4,057,954	19,357,917	158,161,914	403,335,281
(2) Classified as assets held for sale					136,505,583	136,505,583
(3) Transferred to investment properties	75,683,745					75,683,745
(4) Exchange rate changes		1,003,559	377,675		8,365,618	9,746,852
4. Balance as at December 31, 2021	4,605,387,463	5,446,925,688	229,204,742	169,891,723	3,872,160,993	14,323,570,609
III. Provision for impairment						
1. Balance as at December 31, 2020						
2. Increase in current period						
(1) Provision						
3. Decrease in current period						
(2) Disposal or scrap						
4. Balance as at December 31, 2021						

Item	Buildings and constructions	Machinery equipment	Office and electronic equipment	Transportation facilities (Excluding ship)	Ship	Total
IV. Book value						
1. Book value at the end of the period	6,549,039,116	1,548,948,623	61,424,695	70,813,885	11,788,318,418	20,018,544,737
2. Book value at the beginning of the period	6,837,308,363	1,425,966,032	69,723,686	78,967,170	11,408,636,146	19,820,601,397

(2) Temporary idle fixed assets

Applicable Not applicable

(3) Fixed assets acquired under finance leases

Applicable Not applicable

(4) Fixed assets leased out through operating lease

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Book value at the end of the period
Vessel	3,309,462,732

(5) Fixed assets without certificate of title

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Book value	Reasons for pending certificate of title
Buildings and constructions	619,807,452	In process

Other description:

Applicable Not applicable

As at December 31, 2021, the following fixed assets were taken as loan mortgage:

	Original price	Book value	Borrowings	
			Nature	Amount
Vessel	4,593,927,380	4,025,131,400	Long-term payables	1,778,490,134

As at December 31, 2020, the following fixed assets were taken as loan mortgage:

	Original price	Book value	Borrowings	
			Nature	Amount
Vessel	3,329,529,889	2,821,018,550	Long-term payables	1,807,890,037

As at December 31, 2021 and December 31, 2020, the book values of fixed assets for operating lease were as follows:

	2021	2020
Vessel	3,309,462,732	4,314,276,451

As at December 31, 2021, the fixed assets with pending certificate of title were as follows:

	Book value	Reasons for pending certificate of title
Buildings and constructions	619,807,452	In process

Liquidation of fixed assets

Applicable Not applicable

22 Construction in progress

Item presentation

Applicable Not applicable



Other description:

Applicable Not applicable

Construction in progress

(1) Particulars about construction in progress

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2021			December 31, 2020		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Infrastructure construction of Nantong Base	187,156,060		187,156,060	144,172,138		144,172,138
Infrastructure construction of Changxing Base	115,015,195		115,015,195	115,534,831		115,534,831
Large machinery and engineering equipment of the base under construction	4,238,346,367		4,238,346,367	4,127,886,615		4,127,886,615
Infrastructure construction of Nanhui Base	6,700,504		6,700,504	3,451,124		3,451,124
Large mechanical reconstruction and upgrading project	144,563,874		144,563,874	129,103,111		129,103,111
Total	4,691,782,000		4,691,782,000	4,520,147,819		4,520,147,819

(2) Changes of major construction in progress

Applicable Not applicable

Unit: Yuan Currency: CNY

Project	Budget	December 31, 2020	Increase in the current period	Amount transferred into fixed assets in the current period	Other decreases in the current period	December 31, 2021	Proportion of cumulative project investment in budget (%)	Construction progress	Cumulative amount of interest capitalized	Including: capitalization of the interest in the current period	Capitalization rate for the interest in the current period (%)	Fund source
Infrastructure construction of Nantong Base	7,889,176,771	144,172,138	109,993,010	67,009,086		187,156,062	86	86				Self-owned funds
Infrastructure construction of Changxing Base	8,697,560,500	115,534,831	19,841,106	20,360,742		115,015,195	83	83	23,531,836			Self-owned funds and bank borrowings
Large machinery and engineering equipment of the base under construction	9,872,453,390	4,127,886,615	627,940,733	517,214,317	266,667	4,238,346,364	89	89	286,312,619	72,942,943	3.48	Self-owned funds and bank borrowings
Infrastructure construction of Nanhui Base	562,287,425	3,451,124	9,097,783	5,848,402		6,700,505	86	86				Self-owned funds
Large mechanical reconstruction and upgrading project	1,310,766,710	129,103,111	25,176,876	9,716,113		144,563,874	71	71				Self-owned funds
Total	28,332,244,796	4,520,147,819	792,049,508	620,148,660	266,667	4,691,782,000	/	/			/	/

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

Applicable Not applicable

Other description

Applicable Not applicable

Engineering materials

(4) Particulars about engineering materials

Applicable Not applicable

23 Productive biological assets

(1) Productive biological assets with cost measurement model

Applicable Not applicable

(2) Productive biological assets measured by fair value

Applicable Not applicable

Other description

Applicable Not applicable**24 Oil and gas assets**Applicable Not applicable**25 Right-of-use assets**Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Buildings and constructions	Other equipment	Total
I. Original book value			
Balance at the end of the last year			
Changes in accounting policies	14,039,937	2,844,196	16,884,133
1. Balance as at December 31, 2020	14,039,937	2,844,196	16,884,133
2. Increase in current period	1,433,429	775,650	2,209,079
3. Decrease in current period			
4. Balance as at December 31, 2021	15,473,366	3,619,846	19,093,212
II. Accumulated depreciation			
1. Balance as at December 31, 2020			
2. Increase in current period	9,893,798	1,547,164	11,440,962
(1) Provision	9,893,798	1,547,164	11,440,962
3. Decrease in current period			
(1) Disposal			
4. Balance as at December 31, 2021	9,893,798	1,547,164	11,440,962
III. Provision for impairment			
1. Balance as at December 31, 2020			
2. Increase in current period			
(1) Provision			
3. Decrease in current period			
(1) Disposal			
4. Balance as at December 31, 2021			
IV. Book value			
1. Book value at the end of the period	5,579,568	2,072,682	7,652,250
2. Book value at the beginning of the period	14,039,937	2,844,196	16,884,133

Other description:

None



26 Intangible assets

(1) Particulars about intangible assets

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Item	Land use right	Software use fee	Patent right	Nonproprietary technology	Proprietary technology	PPP project contract assets (Remark 1)	Total
I. Original book value							
1. Balance as at December 31, 2020	4,200,351,596	94,425,205			65,296,171		4,360,072,972
2. Increase in current period		3,919,877				144,091,342	148,011,219
(1) Purchase		3,653,210				144,091,342	147,744,552
(2) Internal R & D							
(3) Increase in business combination							
(4) Transfer-in of construction in progress		266,667					266,667
3. Decrease in current period		890,644					890,644
(1) Disposal		890,644					890,644
4. Balance as at December 31, 2021	4,200,351,596	97,454,438			65,296,171	144,091,342	4,507,193,547
II. Accumulated amortization							
1. Balance as at December 31, 2020	890,765,762	58,133,156			63,723,340		1,012,622,258
2. Increase in current period	86,074,794	7,285,884			1,478,467		94,839,145
(1) Provision	86,074,794	7,285,884			1,478,467		94,839,145
3. Decrease in current period		695,112					695,112
(1) Disposal		695,112					695,112
4. Balance as at December 31, 2021	976,840,556	64,723,928			65,201,807		1,106,766,291
III. Provision for impairment							
1. Balance as at December 31, 2020							
2. Increase in current period							
(1) Provision							
3. Decrease in current period							
(1) Disposal							
4. Balance as at December 31, 2021							
IV. Book value							
1. Book value at the end of the period	3,223,511,040	32,730,510			94,364	144,091,342	3,400,427,256
2. Book value at the beginning of the period	3,309,585,834	36,292,049			1,572,831		3,347,450,714

Remark 1: This item represents the portion that recognizes the consideration amount or the recognized construction revenue amount of relevant PPP project assets as intangible assets in accordance with the requirements of "Interpretation of Accounting Standards for Business Enterprises No. 14", and the contract assets recognized during the relevant construction period should be presented in the "Intangible assets" item in the balance sheet. As of December 31, 2021, the Group has two PPP projects under the intangible asset model, both of which are under construction. The total investment of the project is RMB 3.042 billion, and the accumulated investment is RMB 300 million.

At the end of the period, the proportion of intangible assets formed through internal R&D in the balance of intangible assets is 0%.

In 2021, total technology research and development expenses of the Group amounted to RMB 883,154,222 (2020: RMB 737,468,137). These technology research and development expenses are not capitalized.

(2) Land use right without certificate of title

Applicable Not applicable

Other description:

Applicable Not applicable

27 Development expenditures

Applicable Not applicable

28 Goodwill

(1) Original book value of goodwill

Applicable Not applicable

Unit: Yuan Currency: CNY

Name of the invested entity or the matters forming goodwill	December 31, 2020	Increase in current period		Decrease in current period		December 31, 2021
		Formed by business combination	Other	Disposal	Other	
ZPMC Qidong Marine Engineering Co., Ltd.	149,212,956					149,212,956
Verspannen B.V.	5,412,807					5,412,807
Greenland Heavylift (HongKong) Limited	106,446,700				2,434,034	104,012,666
Total	261,072,463				2,434,034	258,638,429

Remark 1: The decrease in the current year was caused by the translation differences of foreign currency statement.

(2) Provision for impairment of goodwill

Applicable Not applicable

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

Applicable Not applicable

(4) Explain the goodwill impairment test process, key parameters (such as the growth rate during forecast period when estimating the present value of future cash flow, growth rate during stable period, profit rate, discount rate, forecast period, if applicable) and the recognition method of goodwill impairment loss

Applicable Not applicable

(5) Impact of goodwill impairment test

Applicable Not applicable

Other description

Applicable Not applicable

As at December 31, 2021, the Group had no provision for the impairment of goodwill. When the impairment test is conducted, the book value of goodwill is amortized to the asset group portfolio expected to benefit from the synergistic effect of business combination.

The goodwill acquired through business combination has been distributed to the following asset groups for impairment test:

- Heavy equipment asset group
- Semi-submerged ship transport assets group of Greenland Heavylift (Hongkong) Limited (GHHL)

Heavy equipment asset group

The recoverable amount of heavy equipment asset group is measured based on the five-year budget approved by the management and shall be measured with cash flow forecast method. Cash flow over 5-year period shall be calculated based on the estimated growth rate.



The main assumptions of the future cash flow discount method:

Growth rate during forecast period	7.48%-28.72%
Perpetual growth rate	2.3%
Gross profit rate	13.57%-16.59%
Pre-tax discount rate	12.90%

GHL semi-submerged ship transport assets group

The recoverable amount of GHL semi-submerged ship transport assets group combination is determined based on the expected future cash flow of the asset group, and the expected future cash flow is determined according to the cash flow forecast based on the transport service contract revenue expected to be obtained within the service life of vessel.

The main assumptions of the future cash flow discount method:

Number of customized short-distance and long-distance transport service contracts expected to be obtained	3 /year/vessel
Vessel utilization rate of general charter party	65%
Charter rate of general charter party	USD 68,000/ day
Pre-tax discount rate	11.9%

The distributions of the book value of goodwill to asset groups are as follows:

	Heavy equipment asset group		GHL semi-submerged ship transport assets group		Total	
	2021	2020	2021	2020	2021	2020
Book amount of goodwill	154,625,763	154,625,763	104,012,666	106,446,700	258,638,429	261,072,463

The perpetual growth rate adopted by management does not exceed the industry's long-term average growth rate. Based on the historical experience and the forecasts of market development, the management determines the budget gross profit rate and adopts the pretax interest rate which can reflect the specific risk of relevant asset group portfolio as the discount rate. The above assumptions are used to analyze the recoverable amount of the asset group portfolio.

29 Long-term deferred expenses

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2020	Changes in accounting policies	Increase in the current period	Amortization in the current period	Other decreases	December 31, 2021
Improvement expenditure of fixed assets under operating lease	310,991			207,327		103,664
Prepaid lease payments						
Total	310,991			207,327		103,664

Other description:
2020

	Beginning balance	Increase in the current year	Amortization in the current year	Reduction of consolidation scope	Ending balance
Improvement expenditure of fixed assets under operating lease	1,444,636	4,976,868	(2,316,922)	(3,793,591)	310,991
Prepaid lease payments	-	767,280	(575,460)	-	191,820
Total	1,444,636	5,744,148	(2,892,382)	(3,793,591)	502,811

30 Deferred income tax assets/liabilities

(1) Deferred income tax assets before offsetting

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2021		December 31, 2020	
	Deductible temporary differences	Deferred income tax assets	Deductible temporary differences	Deferred income tax assets
Provision for impairment of assets	3,204,942,163	482,413,791	2,828,618,698	424,967,341
Unrealized profits of internal transactions	196,019,600	29,402,940	131,655,187	19,748,278
Deductible loss				
Estimated liabilities	176,577,960	26,486,694	253,696,912	38,054,537
Wages and salaries unpaid	29,422,842	4,413,426	29,765,369	4,464,805
Interest unpaid	27,586,758	4,138,014	16,209,697	2,431,454
Deductible loss	1,949,811,238	292,471,684	1,966,910,762	295,036,614
Unrealized contract gross profit	93,383,115	14,007,469	431,033,663	64,655,049
Total	5,677,743,676	853,334,018	5,657,890,288	849,358,078

(2) Deferred income tax liabilities before offsetting

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2021		December 31, 2020	
	Taxable temporary differences	Deferred income tax liabilities	Taxable temporary differences	Deferred income tax liabilities
Asset evaluation increment from business combination not under common control	98,184,464	14,727,670	111,575,168	16,736,275
Changes in fair value of other debt investments				
Changes in fair value of other equity investment	23,285,885	3,492,883	18,511,592	2,776,739
Changes in fair value of held-for-trading financial assets	471,149,451	70,716,525	686,586,358	103,059,339
Depreciation of fixed assets	411,509,499	67,567,605	482,995,412	80,491,724
Total	1,004,129,299	156,504,683	1,299,668,530	203,064,077

(3) Deferred income tax assets or liabilities presented by net amount after offset

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Item	Offset amount of deferred income tax assets and liabilities at the end of the period	Balance of deferred income tax assets and liabilities after offset at the end of the period	Offset amount of deferred income tax assets and liabilities at the beginning of the period	Balance of deferred income tax assets and liabilities after offset at the beginning of the period
Deferred income tax assets	79,628,344	773,705,674	96,397,406	752,960,672
Deferred income tax liabilities	79,628,344	76,876,339	96,397,406	106,666,671

(4) Details of unrecognized deferred income tax assets

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2021	December 31, 2020
Deductible temporary differences	626,136,242	622,711,135
Deductible losses	1,766,772,244	1,676,785,029
Total	2,392,908,486	2,299,496,164



(5) The deductible losses on the unrecognized deferred income tax assets will become due in the following years
√Applicable □Not applicable

Unit: Yuan Currency: CNY

Year	December 31, 2021	December 31, 2020	Remark
2021		69,696,906	
2022	242,730,754	248,507,784	
2023	484,638,866	562,790,591	
2024	362,754,468	374,573,088	
2025	405,492,688	421,216,660	
2026	271,155,468		
Total	1,766,772,244	1,676,785,029	/

Other description:

□Applicable √Not applicable

31 Other non-current assets

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2021			December 31, 2020		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Contract acquisition cost						
Outstanding payments for construction completed	2,938,412,661		2,938,412,661	2,583,244,519		2,583,244,519
Contract performance cost						
Contract warranty balance receivable	822,602,860	37,855,051	784,747,809	551,442,577	18,260,301	533,182,276
Return cost receivable						
Advance payment for vessels				134,070,905		134,070,905
Contact assets						
Advance payment for buildings	33,781,740		33,781,740			
Total	3,794,797,261	37,855,051	3,756,942,210	3,268,758,001	18,260,301	3,250,497,700

Other description:

As at December 31, 2021, other non-current assets of RMB 2,827,154,241 (December 31, 2020: Nil) were pledged to the bank as security for long-term borrowings of RMB 2,397,403,882 (as at December 31, 2020: long-term borrowings of RMB 1,947,736,154).

The changes in the provision for impairment of the contract warranty balance receivable are as follows:

	Balance at the end of last year	Adjustments for changes in accounting policies	Balance at the beginning of the current year	Provision in the current year	Reversal in the current year	Balance at the end of the current year
2021	18,260,301	-	18,260,301	21,985,570	(2,390,820)	37,855,051
2020	-	39,033,628	39,033,628	16,743,103	(37,516,430)	18,260,301

32 Short-term borrowings

(1) Classification of short-term borrowings

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2021	December 31, 2020
Pledged borrowings		
Mortgage borrowings		
Guaranteed borrowings	456,337,004	2,321,035,033
Fiduciary borrowings	5,521,355,363	15,474,041,532
Total	5,977,692,367	17,795,076,565

Description of the classification of short-term borrowings:

As at December 31, 2021, the annual interest rate on the aforesaid borrowings ranges from 0.50% to 4.00% (as at December 31, 2020: 0.50% to 5.66%).

(i) Guaranteed borrowings

As at December 31, 2021, the bank guarantee loan amounting to USD 71,400,000, equivalent to RMB 456,337,004 (as at December 31, 2020: USD 171,651,399, equivalent to RMB 1,120,008,214) was the bank loans borrowed by the subsidiaries of the Company, which was guaranteed by the letter of guarantee issued by the bank for the Company within the scope of credit.

As at December 31, 2021, no bank guarantee loan (as at December 31, 2020: RMB 1,201,026,819) was the bank loans borrowed by the Company, with joint and several liability repayment guarantee provided by its subsidiaries.

(2) Overdue outstanding short-term borrowings

Applicable Not applicable

The important overdue outstanding short-term borrowings are as follows:

Applicable Not applicable

Other description

Applicable Not applicable**33 Held-for-trading financial liabilities**Applicable Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2020	Increase in current period	Decrease in current period	December 31, 2021
Held-for-trading financial liabilities				
Including:				
Financial liabilities measured at fair value through the current profit or loss				
Including:				
Derivative financial liabilities	458,882		458,882	
Total	458,882		458,882	

Other description:

Applicable Not applicable**34 Derivative financial liabilities**Applicable Not applicable



35 Notes payable

(1) Presentation of notes payable
Applicable Not applicable

Unit: Yuan Currency: CNY

Type	December 31, 2021	December 31, 2020
Commercial acceptance bill		
Bank acceptance bill	4,160,666,800	3,600,725,892
Total	4,160,666,800	3,600,725,892

The total amount of notes payable due and unpaid at the end of the period was RMB 0.

36 Accounts payable

(1) Presentation of accounts payable
Applicable Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2021	December 31, 2020
Payables for material purchase and product manufacturing	6,512,175,879	7,293,306,336
Quality guarantee deposit payable	260,671,964	203,484,597
Equipment and vessel purchase payables	123,908,832	236,939,531
Infrastructure payables	65,699,129	36,176,452
Port charge payable	4,016,835	3,996,231
Total	6,966,472,639	7,773,903,147

(2) Important accounts payable aging over 1 year
Applicable Not applicable
 Other description
Applicable Not applicable
 Aging analysis of accounts payable is as follows:

	2021		2020	
	Amount	Proportion in total amount%	Amount	Proportion in total amount%
Within 1 year	5,529,688,500	79	6,313,738,368	81
Over 1 year	1,436,784,139	21	1,460,164,779	19
Total	6,966,472,639	100	7,773,903,147	100

As at December 31, 2021, the accounts payable with the aging over 1 year were mainly the payables for imported parts, which had not been taken for final settlement.

37 Advances from customers

(1) Presentation of advances from customers
Applicable Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2021	December 31, 2020
Advances for lease payment		4,893,675
Total		4,893,675

(2) Important advances from customers with the aging over 1 year
Applicable Not applicable
 Other description
Applicable Not applicable

Aging analysis of advances from customers is as follows:

	2021		2020	
	Amount	Proportion in total amount%	Amount	Proportion in total amount%
Within 1 year	-	-	4,893,675	100

38 Contract liabilities

(1) Particulars about contract liabilities

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2021	December 31, 2020
Advances from customers for goods	12,009,937,041	10,747,054,468
Amount settled for uncompleted work	376,205,787	448,254,615
Total	12,386,142,828	11,195,309,083

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

Applicable Not applicable

Other description:

Applicable Not applicable

In the current year, the products corresponding to the advances from customers for goods by the Group have not been delivered, resulting in an increase in the book value of contract liabilities.

39 Payroll payable

(1) Presentation of payroll payable

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2020	Increase in current period	Decrease in current period	December 31, 2021
I. Short-term compensation	188,799,969	1,877,439,989	2,030,598,118	35,641,840
II. Post-employment benefits - defined contribution plans		327,736,164	327,736,164	
III. Dismissal benefits				
IV. Other benefits due within one year				
Total	188,799,969	2,205,176,153	2,358,334,282	35,641,840

(2) Presentation of short-term compensation

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2020	Increase in current period	Decrease in current period	December 31, 2021
I. Salaries, bonuses, allowances and subsidies	153,486,806	1,468,793,942	1,622,280,748	
II. Employee welfare		65,726,302	65,726,302	
III. Social insurance premium	8,104	148,591,251	148,599,355	
Including: medical insurance premium	7,294	128,299,203	128,306,497	
Work-related injury insurance premium		8,888,633	8,888,633	
Maternity insurance premium	810	11,403,415	11,404,225	
IV. Housing provident funds	8,060	150,289,065	150,292,245	4,880



Item	December 31, 2020	Increase in current period	Decrease in current period	December 31, 2021
V. Union expenditures and employee education expenses	35,296,999	29,327,696	28,987,735	35,636,960
VI. Short-term paid absence		14,711,733	14,711,733	
VII. Short-term profit sharing plan				
Total	188,799,969	1,877,439,989	2,030,598,118	35,641,840

(3) Presentation of defined contribution plans

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2020	Increase in current period	Decrease in current period	December 31, 2021
1. Basic endowment insurance premium		221,141,362	221,141,362	
2. Unemployment insurance premium		6,917,266	6,917,266	
3. Enterprise annuity payment				
4. Supplementary endowment insurance premium		99,677,536	99,677,536	
Total		327,736,164	327,736,164	

Other description:

Applicable Not applicable

40 Tax payable

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2021	December 31, 2020
VAT	48,774,672	31,497,623
Enterprise income tax	73,524,769	85,855,884
Individual income tax	16,587,733	11,361,113
Urban maintenance and construction tax	2,122,019	1,397,325
Education surtax	1,811,882	1,295,006
Others	25,006,313	29,375,980
Total	167,827,388	160,782,931

Other description:

None

41 Other payables

Item presentation

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2021	December 31, 2020
Interest payable		
Dividends payable	6,593	352,598
Other payables	409,521,052	480,713,102
Total	409,527,645	481,065,700

Other description:

Applicable Not applicable

Interest payable

(1) Presentation by category

Applicable Not applicable

Significant overdue interest:

Applicable Not applicable

Other description:

Applicable Not applicable

Dividends payable

(2) Presentation by category

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2021	December 31, 2020
Common stock dividends		
Preferred stock/perpetual debt dividends classified as equity instruments		
Preferred stock/perpetual debt dividends-XXX		
Preferred stock/perpetual debt dividends-XXX		
Dividends payable - Hong Kong Zhenhua Engineering Co., Ltd.		346,005
Dividends payable - Macau Zhenhua Harbour Construction Co., Ltd.	6,593	6,593
Total	6,593	352,598

Other explanations, including important dividends payable that have not been paid for more than one year, the reasons for non-payment shall be disclosed:

As at December 31, 2021, the reason for the dividend payable with the aging over 1 year amounting to RMB 6,593 (as at December 31, 2020: RMB 352,598) was that the shareholders of the Company had not requested for actual payment by the Group.

Other payables

(1) Other payables presented by nature

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2021	December 31, 2020
Engineering deposit and quality guarantee deposit	216,019,465	230,926,693
Amounts due to related parties	49,460,264	84,675,989
Special payables	14,963,440	16,022,785
Others	129,077,883	149,087,635
Total	409,521,052	480,713,102

(2) Important other payables with the aging over 1 year

Applicable Not applicable

Other description:

Applicable Not applicable



Aging analysis of other payables is as follows:

	2021		2020	
	Amount	Proportion %	Amount	Proportion %
Within 1 year	291,728,351	71	349,708,190	73
Over 1 year	117,792,701	29	131,004,912	27
Total	409,521,052	100	480,713,102	100

As at December 31, 2021, the other payables with the aging over 1 year were mainly the payable deposit and quality guarantee deposit collected from outsourcing engineering team and payables to related party.

42 Liabilities held for sale

Applicable Not applicable

43 Non-current liabilities due within one year

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2021	December 31, 2020
Long-term borrowings due within one year	2,167,862,626	914,366,451
Bonds payable due within one year		
Long-term payables due within one year	349,112,204	460,098,868
Lease liabilities due within one year	6,989,188	10,008,007
Total	2,523,964,018	1,384,473,326

Other description:
None

44 Other current liabilities

Other current liabilities

Applicable Not applicable

Increase or decrease of short-term bonds payable:

Applicable Not applicable

Other description:

Applicable Not applicable

45 Long-term borrowings

(1) Classification of long-term borrowings

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2021	December 31, 2020
Pledged borrowings	2,397,403,882	1,947,736,154
Mortgage borrowings		
Guaranteed borrowings (i)	319,142,716	797,215,505
Fiduciary borrowings (ii)	24,395,076,983	15,019,714,534
Less: Long-term borrowings due within one year		
Fiduciary borrowings	-1,844,901,411	-239,762,214
Guaranteed borrowings		-470,970,505
Pledged borrowings	-322,961,215	-203,633,732
Total	24,943,760,955	16,850,299,742

Description of the classification of long-term borrowings:

None

Other description, including interest rate range:

Applicable Not applicable

As at December 31, 2021, the annual interest rate on the aforesaid borrowings ranges from 1.20% to 5.46% (as at December 31, 2020: 1.20% to 5.46%).

(i) As at December 31, 2021, the bank guarantee loan amounting to USD 50,000,000, equivalent to RMB 319,142,716 (as at December 31, 2020: USD 50,000,000, equivalent to RMB 326,245,000), was the bank loan borrowed by the Company's subsidiary Shanghai Zhenhua Port Machinery (Hong Kong) Co., Ltd. and the guarantee was provided by the Company. The interest shall be paid quarterly and the principal shall be repaid on July 10, 2023.

As of December 31, 2021, there were no bank guarantee loans due within one year. As at December 31, 2020, the bank guarantee loan amounting to RMB 470,970,505 was the bank loan borrowed by the Company. The Company's subsidiary ZPMC Port Machinery General Equipment Co., Ltd., provided the joint and several liability repayment guarantee. The interest shall be paid quarterly and the principal will be due on November 10, 2021.

(ii) As at December 31, 2021, the total amount of multiple pledged loans amounting to RMB 2,397,403,882 (as at December 31, 2020: RMB 1,947,736,154) took the long-term accounts receivable of the "building-transfer" project of the Group as pledge. The interest shall be paid quarterly, and the principal shall be repaid between June 15, 2022 and August 27, 2033 (as at December 31, 2020: the principal shall be repaid between July 29, 2021 and August 27, 2033).

46 Bonds payable

(1) Bonds payable

Applicable Not applicable

(2) Increase or decrease of bonds payable: (excluding preferred shares, perpetual bonds and other financial instruments classified as financial liabilities)

Applicable Not applicable

(3) Conditions and time for conversion of convertible bonds

Applicable Not applicable

(4) Description of other financial instruments classified as financial liabilities

Basic information of outstanding preferred shares, perpetual bonds and other financial instruments at the end of the period

Applicable Not applicable

Changes in outstanding preferred shares, perpetual bonds and other financial instruments at the end of the period

Applicable Not applicable

Description of the basis for classifying other financial instruments as financial liabilities:

Applicable Not applicable

Other description:

Applicable Not applicable

47 Lease liabilities

Applicable Not applicable

Item	December 31, 2021	December 31, 2020
Buildings and constructions	49,868	4,952,515
Other equipment	686,756	1,685,791
Total	736,624	6,638,306

Other description:

None



48 Long-term payables

Item presentation
Applicable Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2021	December 31, 2020
Long-term payables		
Special payables		
Leaseback financing fund (i)	1,778,490,134	1,807,890,037
Ship purchase payable	369,790,600	-
"Building - transfer" and PPP project fund (ii)	219,719,005	139,682,456
Project quality guarantee deposit	144,703,614	145,284,307
Less: Leaseback financing fund due within one year	-349,112,204	-460,098,868
Total	2,163,591,149	1,632,757,932

Other description:

Applicable Not applicable

(i) As at December 31, 2021, the long-term payables of RMB 1,778,490,134 (as at December 31, 2020: RMB 1,807,890,037) were obtained from the vessel (Note V (18)) with the book value of RMB 4,025,131,400 (as at December 31, 2020: vessels of RMB 2,821,018,550) in leaseback way from the financial leasing company, with the maturity date from January 24, 2022 to July 24, 2033 (as at December 31, 2020: from January 27, 2021 to September 24, 2031). The Group will pay the leaseback financing fund on schedule each year to the financial leasing company in accordance with the contract terms. The Group takes the above series of transactions as mortgage loans for accounting treatment.

(ii) The Group and the construction party of "building-transfer" and PPP project agreed that part of the project payments would be paid to the construction party after the final acceptance of the "building-transfer" project within a certain term.

Long-term payables

(1) Presentation of long-term payables by nature

Applicable Not applicable

Special payables

(2) Presentation of special payables by nature

Applicable Not applicable

49 Long-term payroll payable

Applicable Not applicable

50 Estimated liabilities

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2020	December 31, 2021	Causes
External guarantee			
Pending litigation			
Product quality guarantee deposit			
Restructuring obligations			
Loss contracts to be executed			
Refund payable			
Others			
Estimated after-sale service cost	261,072,318	188,005,742	
Total	261,072,318	188,005,742	/

Other description, including relevant important assumptions and estimates of important estimated liabilities:
None

51 Deferred income

Deferred income

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2020	Increase in current period	Decrease in current period	December 31, 2021	Causes
Government subsidies	352,838,800	62,437,358	61,369,395	353,906,763	
Land compensation	35,917,201		1,000,000	34,917,201	
Total	388,756,001	62,437,358	62,369,395	388,823,964	/

Items involved in government subsidies :

Applicable Not applicable

Unit: Yuan Currency: CNY

Liability item	December 31, 2020	New subsidy amount in current period	Amount included in non-operating income in current period	Amount included in other income in current period	Other changes	December 31, 2021	Assets related / income related
Hoisting and pipe laying ship R&D project	47,450,000					47,450,000	Income related
Automated dock R&D project	28,050,000	9,405,000		-9,405,000		28,050,000	Income related
Offshore deep water environmental protection intelligent fishing ground construction project in Fujian	20,000,000					20,000,000	Income related
Research and demonstration project of crane boom structure and its test with low cost and large bearing capacity at sea	15,200,000					15,200,000	Income related
Research on the technology and application of marine environmental protection coatings	1,850,000	13,180,000				15,030,000	Income related
Intelligent manufacturing workshop for crane box of automated terminal	14,171,796					14,171,796	Income related
Construction and demonstration application of green supply chain standard system for intelligent large port complete equipment		13,500,000				13,500,000	Income related
Key technology research project of bottom-supported offshore wind power installation platform	12,400,000					12,400,000	Income related



Liability item	December 31, 2020	New subsidy amount in current period	Amount included in non-operating income in current period	Amount included in other income in current period	Other changes	December 31, 2021	Assets related / income related
10,000t semi-submerged ship R&D project	11,946,667			-560,000		11,386,667	Income related
Comprehensive standardization of intelligent manufacturing of marine engineering equipment	11,700,000					11,700,000	Income related
High skill training facilities and equipment funding project	10,964,700					10,964,700	Income related
Transportation emplacement system R&D project	10,000,000					10,000,000	Income related
Deep sea drilling ship and auxiliary equipment research project	16,200,000			-6,700,000		9,500,000	Income related
Architecture design and testing tools development of the next generation of intelligent operation platform for automated container terminals	9,610,000					9,610,000	Income related
Drilling platform R&D project	9,390,000					9,390,000	Income related
Research and development of large-scale underwater robot work-system	8,101,000					8,101,000	Income related
Manufacturing process optimization R&D project in marine engineering field	8,000,000					8,000,000	Income related
R&D and application demonstration project for the intelligent coating system of the main structure of large port machinery	8,000,000					8,000,000	Income related
Floating crane R&D project	9,918,600			-2,740,400		7,178,200	Income related
Intelligent transportation system of Automatic navigation vehicle	16,800,000			-10,000,000		6,800,000	Income related
Self-elevating platform central control system	6,190,000					6,190,000	Income related
Retractable boarding trestle system R&D project	6,000,000					6,000,000	Income related

Liability item	December 31, 2020	New subsidy amount in current period	Amount included in non-operating income in current period	Amount included in other income in current period	Other changes	December 31, 2021	Assets related / income related
Unmanned driving technology piercing and intelligent group control system project	5,850,000					5,850,000	Income related
Development and industrialization of large deep water crane piping ship	5,572,000					5,572,000	Income related
Marine engineering positioning system R&D project	5,429,494			-2,007,383		3,422,111	Income related
Key technology research and development, system integration and application of intelligent horizontal transport vehicle	2,985,000					2,985,000	Income related
Intelligent manufacturing line for crane box	2,280,000	373,900				2,653,900	Income related
Finishing intelligent production line of special gear shaft for port machinery	2,560,000					2,560,000	Income related
Industrial Internet based on Beidou time and space benchmark service	760,500	1,774,500				2,535,000	Income related
Research and application of key technologies for intelligent maintenance system for automatic container handling equipment	2,480,000					2,480,000	Income related
Design and manufacturing technology of stinger for deepwater subsea pipeline laying system	2,112,000					2,112,000	Income related
Soft set hybrid cloud system construction project of the Economic and Information Technology Commission in 2019	1,990,000					1,990,000	Income related
Port outdoor trackless navigation heavy load project	1,750,000					1,750,000	Income related
Automatic transfer equipment and supporting technology	1,540,000	220,000				1,760,000	Income related



Liability item	December 31, 2020	New subsidy amount in current period	Amount included in non-operating income in current period	Amount included in other income in current period	Other changes	December 31, 2021	Assets related / income related
Research on key technologies of new generation automated container terminal based on traditional layout		1,400,000				1,400,000	Income related
Research on the heave motion compensation technology of mining pipe	1,088,000					1,088,000	Income related
Intelligent transportation equipment and supporting technology for multimodal transportation	990,000	150,000				1,140,000	Income related
Research and introduction of key technologies for three-dimensional VOCs observation, traceability and near-zero emission	960,000					960,000	Income related
Eight-wheel 180 degree rotary electric differential AGV	700,000					700,000	Income related
Key technologies for segment intelligent welding manufacturing of the main structure of port crane		672,000				672,000	Income related
Development of HIL test platform for key control system of marine engineering ships	500,000					500,000	Income related
Research on key technologies of 3000t pile-around ind power installation platform		400,000				400,000	Income related
Development of intelligent operation system for dredging vessel	144,123	164,547				308,670	Income related
Research and development of key technology and equipment for long-distance immersed tunnel floating installation integrated ship		300,000				300,000	Income related
Technical consulting service for industrialization research related to intelligent parking		300,000				300,000	Income related

Liability item	December 31, 2020	New subsidy amount in current period	Amount included in non-operating income in current period	Amount included in other income in current period	Other changes	December 31, 2021	Assets related / income related
Precise shape control, performance control, manufacturing and assembly technology for high-speed precision heavy duty herringbone gear	200,000	50,000				250,000	Income related
Industrial Internet based on Beidou time and space benchmark service		250,000				250,000	Income related
Research on fatigue evolution mechanism of lightweight port crane structure		200,000				200,000	Income related
Research on related technologies of urban intelligent parking system		200,000				200,000	Income related
Special equipment research project for the construction of immersed tube tunnel of Shenzhen-Zhongshan Access	180,000					180,000	Income related
Multi-method integration technology development and demonstration application project for innovation chain	126,000					126,000	Income related
Two ISO international standards development projects approved in 2018	60,000					60,000	Income related
Research and demonstration on key technologies of 2000t offshore wind power installation platform		800,000		-800,000			Income related
Collaborative innovation in the industrial chain of core components for high-end marine engineering equipment	3,150,000			-3,150,000			Income related
Others	27,488,920	19,097,411		-20,296,612	-5,710,000	20,579,719	Income related

Other description:

Applicable Not applicable

Among the above government subsidies, the 10000t semi-submerged ship R&D project and the floating crane R&D project are government subsidies related to assets, and the rest are related to income.

Land compensation refers to the land compensation acquired by a subsidiary of the Company, which shall be amortized over the 50 years' land use term.



52 Other non-current liabilities

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2021	December 31, 2020
Contract liabilities		
Output tax to be carried forward	292,297,881	430,372,502
Total	292,297,881	430,372,502

Other description:

On balance sheet date, the revenue of some construction contracts and interest income of “building-transfer” projects of the Company had not reached the time point of the VAT liability.

53 Share capital

√Applicable □Not applicable

Unit: Yuan Currency: CNY

	December 31, 2020	Increase/decrease (+/-)					December 31, 2021
		New shares issued	Share donation	Conversion of reserves into share	Others	Sub-total	
Total shares	5,268,353,501						5,268,353,501

Other description:

None

54 Other equity instruments

(1) Basic information of outstanding preferred shares, perpetual bonds and other financial instruments at the end of the period

√Applicable □Not applicable

As of December 31, 2021 and December 31, 2020, the details of the Group’s outstanding perpetual bonds are as follows:

	Date of issue	Accounting classification	Interest rate	Issue price	Number	Amount	Maturity or renewal
Perpetual medium-term notes Second issue of medium-term notes of Shanghai Zhenhua Heavy Industries Co., Ltd. in the year 2020	December 24, 2020	Equity instrument	5.10%	100	5,000,000	500,000,000	Undue

The Group issued the perpetual notes on December 24, 2020, with a term of 2+N (2) years, which will survive for a long time before the Group redeems in accordance with the terms of issue, and will mature when the issuer redeems in accordance with the terms of issue. The initial coupon of perpetual notes is 5.10%. In accordance with the terms of issue of medium-term notes, the Company has the right to distribute cash interest annually at annual interest rate and has no contractual obligation to repay the principal or pay any interest free of charge. Except for compulsory interest payment, on each interest payment date of medium-term notes, the Group may, at its own option, postpone the payment of current interest and all deferred interest and its fruits in accordance with this clause to the next interest payment date, and is not limited by the number of deferred interest payments. On the reset date of the coupon rate of medium-term notes, the Company has the right to redeem the medium-term notes at face value plus interest payable (including all deferred interest payments). The Group deems that the notes do not meet the definition of financial liabilities and therefore classifies it as other equity instruments.

(2) Changes in outstanding preferred shares, perpetual bonds and other financial instruments at the end of the period
Applicable Not applicable

Unit: Yuan Currency: CNY

Outstanding financial instruments	Beginning		Increase in current period		Decrease in current period		Ending	
	Amount	Book value	Amount	Book value	Amount	Book value	Amount	Book value
Second issue of medium-term notes of Shanghai Zhenhua Heavy Industries Co., Ltd. in the year 2020	5,000,000	500,000,000					5,000,000	500,000,000
Total	5,000,000	500,000,000					5,000,000	500,000,000

Description of the increase and decrease of other equity instruments in the current period, reasons for changes, and basis for relevant accounting treatment:

Applicable Not applicable

Other description:

Applicable Not applicable

55 Capital reserves

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2020	Increase in current period	Decrease in current period	December 31, 2021
Capital premium (Share capital premium)	4,537,774,553			4,537,774,553
Other capital reserves				
Business combination under common control	-16,203,111			-16,203,111
Purchase of minority interest	-711,345	7,661,383		6,950,038
Absorption of minority shareholders' investments by subsidiaries	185,934,674			185,934,674
Transfer-in of capital reserves under the original system	128,059,561			128,059,561
Total	4,834,854,332	7,661,383		4,842,515,715

Other description, including the increase and decrease in the current period and the reasons for changes:
 None

56 Treasury stock

Applicable Not applicable

57 Other comprehensive income

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2020	Amount incurred in the current period						December 31, 2021
		Pre-tax amount	Less: amount previously included in the other comprehensive income and currently transferred to the profit or loss	Less: amount previously included in the other comprehensive income and currently transferred to retained earnings	Less: income tax	Attributable to the parent company after tax	Attributable to the minority equity after tax	
I. Other comprehensive income that can't be reclassified into profit and loss	-14,265,146	4,774,294			716,144	4,058,150		-10,206,996



Item	December 31, 2020	Amount incurred in the current period						December 31, 2021
		Pre-tax amount	Less: amount previously included in the other comprehensive income and currently transferred to the profit or loss	Less: amount previously included in the other comprehensive income and currently transferred to retained earnings	Less: income tax	Attributable to the parent company after tax	Attributable to the minority equity after tax	
Including: Remeasure the variation of net indebtedness or net asset of defined benefit plan								
Other comprehensive income that can't be reclassified into profit and loss in the invested enterprise under equity method								
Fair value change of other equity instrument investments	-14,265,146	4,774,294			716,144	4,058,150		-10,206,996
Fair value change of enterprise credit risks								
II. Other comprehensive income that will be reclassified into profit and loss	-48,662,252	-14,992,917				-10,485,810	-4,507,107	-59,148,062
Including: Other comprehensive income that will be reclassified into profit and loss in the invested enterprise under equity method								
Fair value change of other debt investments	-37,715,582	10,458,625				10,458,625		-27,256,957
Amount of financial assets reclassified into other comprehensive income								
Provision for credit impairment of other debt investments								
Cash flow hedging reserve								
Translation reserve	-10,946,670	-25,451,542				-20,944,435	-4,507,107	-31,891,105
Total other comprehensive income	-62,927,398	-10,218,623			716,144	-6,427,660	-4,507,107	-69,355,058

Other description, including the adjustment of the initial recognition amount of the effective part of profit or loss of cash flow hedging converted into the hedged item:

None

58 Special reserves

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2020	Increase in current period	Decrease in current period	December 31, 2021
Work safety expenses	1,936,153	78,010,442	78,011,919	1,934,676
Total	1,936,153	78,010,442	78,011,919	1,934,676

Other description, including the increase and decrease in current period and the reasons for changes:

According to the relevant requirements of the "Administrative Measures for the Withdrawal and Use of Work Safety Expenses", the enterprises engaged in large-scale machinery manufacture and engineering construction shall withdraw the work safety expenses according to the standards. The increase and decrease in current year was the work safety expenses withdrawn and used by the Group for the reporting year in accordance with relevant requirements.

59 Surplus reserves

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2020	Increase in current period	Decrease in current period	December 31, 2021
Statutory surplus reserves	1,359,039,879	27,839,949		1,386,879,828
Discretionary surplus reserves	292,378,668			292,378,668
Reserve fund				
Enterprise development fund				
Others				
Total	1,651,418,547	27,839,949		1,679,258,496

Description of surplus reserves, including the increase and decrease in current period and the reasons for changes:

In accordance with the Company Law of the People Republic of China, the Company's Article of Association and the resolutions of the Board of Directors, the Company withdrew 10% of its net profit as statutory surplus reserves. When the accumulated amount of statutory surplus reserves reaches 50% or more of the share capital, the Company can stop the withdrawal.

The statutory surplus reserves can be used to compensate loss upon approval, or to increase share capital. The statutory surplus reserves withdrawn by the Company amounted to RMB 27,839,949 in 2021 (2020: RMB 33,792,383).

60 Undistributed profits

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Item	Current period	Previous period
Undistributed profits at the end of previous period before adjustment	2,377,187,005	3,651,851,383
Total undistributed profits at the beginning of the adjustment period (increase +, decrease -)		-1,399,694,619
Undistributed profits at the beginning of the period after adjustment	2,377,187,005	2,252,156,764
Plus: Net profit attributable to owners of the parent company	439,839,245	422,240,299
Less: withdrawal of statutory surplus reserves	27,839,949	33,792,383
Withdrawal of discretionary surplus reserve		
Withdrawal of general risk preparation		
Common stock dividends payable		263,417,675
Common stock dividends converted to share capital		
Distribution of interest on the perpetual medium-term notes	21,675,000	
Undistributed profits at the end of the period	2,767,511,301	2,377,187,005

Details of undistributed profit at the beginning of adjustment period:

1. Due to the retroactive adjustment of "Accounting Standards for Business Enterprises" and related new regulations, the impact on undistributed profits at the beginning of the period was RMB 0.

2. The impact of changes in accounting policies on undistributed profits at the beginning of the period was RMB 0.

3. The impact of correction of major accounting errors on undistributed profits at the beginning of the period was RMB 0.

4. The impact of change of consolidation scope caused by the common control on undistributed profits at the beginning of the period was RMB 0.

5. The total impacts of other adjustment on undistributed profits at the beginning of the period were RMB 0.



61 Operating revenue and operating costs

(1) Operating revenue and operating costs

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period		Amount incurred in the previous period	
	Revenue	Cost	Revenue	Cost
Primary business	25,663,919,104	23,345,388,234	22,396,639,375	19,305,124,813
Other business	314,057,864	152,882,799	258,502,277	108,140,441
Total	25,977,976,968	23,498,271,033	22,655,141,652	19,413,265,254

(2) Statement of operating revenue deductions

Unit: 10,000 Yuan Currency: CNY

Item	2021	Details of deductions	2020	Details of deductions
Operating revenue	2,597,797.6968		2,265,514.1652	
Total amount of operating revenue deductions	31,405.7864		25,850.2277	
Proportion of total amount of operating revenue deductions to operating revenue (%)	1.2%	/	1.1%	/

I. Business income unrelated to primary business

1. Other business income other than normal operation, such as the income from leasing fixed assets, intangible assets, packaging, sales of materials, exchange of non-monetary assets with materials, operation of entrusted management business, as well as the income included in primary business revenue but not included in the normal operation of the listed company.	31,405.7864	Sales of materials and lease income mainly from investment property leasing are not related to the primary business.	25,850.2277	Sales of materials and lease income mainly from investment property leasing are not related to the primary business.
2. Income from non-qualified financial-like business, such as interest income from lending funds; income from new financial-like businesses in the current accounting year and the previous accounting year, such as guarantee, commercial factoring, small loans, finance lease and pawn, except for the financial leasing business carried out for the sale of main products.				
3. Income from new trade business in the current accounting year and the previous accounting year.				
4. Income from related transactions unrelated to the existing normal business of the listed company.				
5. Income of subsidiaries in business combinations under common control from the beginning of the period to the date of consolidation.				
6. Income from businesses that have not formed or are difficult to form a stable business model.				
Sub-total of business income unrelated to primary business	31,405.7864		25,850.2277	

Item	2021	Details of deductions	2020	Details of deductions
II. Income without commercial substance				
1. Income from transactions or events that do not significantly change the risk, time distribution or amount of the future cash flow of the enterprise.				
2. Income from transactions that do not have real business, such as the false income realized by self-trading, and the false income generated by using Internet technology or other means to construct transactions.				
3. Income from businesses with unfair transaction prices.				
4. Income from subsidiaries or businesses acquired in business combination in the current accounting year by means of obviously unfair consideration or non transaction.				
5. Income covered by modified audit opinion in the audit opinions.				
6. Income from other transactions or events that are not commercially reasonable.				
Sub-total of income without commercial substance				
III. Other income unrelated to primary business or without commercial substance				
Amount of operating revenue after deductions	2,566,391.9104		2,239,663.9375	

(3) Income from contracts
Applicable Not applicable

Unit: Yuan Currency: CNY

Classification of Contract	XXX-Division	Total
Type of goods		
Port machinery		17,480,944,149
Steel structures and related revenue		3,754,693,300
Engineering construction projects		2,216,802,462
Shipping and lifting services		1,317,441,453
Heavy equipment		760,120,955
Sales of materials and others		202,310,910
By region of operation		
Chinese Mainland		13,701,916,347
Asia (excluding Chinese Mainland)		4,333,453,737
North America		3,226,645,406
Europe		2,038,120,499
Africa		1,394,212,611
Chinese Mainland (export sales)		718,960,209
South America		206,298,856
Oceania		112,705,564



Classification of Contract	XXX-Division	Total
Market or customer type		
Contract type		
Revenue recognized at a certain point of time		
Port machinery		16,500,894,869
Steel structure and related income		2,030,031,220
Heavy equipment		760,120,955
Lifting services		566,226,742
Sales of materials and others		202,310,910
Revenue recognized in a certain period of time		
Engineering construction projects		2,216,802,462
Steel structure and related income		1,724,662,080
Port machinery		980,049,280
Shipping		751,214,711
By time of goods transfer		
By contract term		
By sales channel		
Total		25,732,313,229

Description of income from contracts:

Applicable Not applicable

(4) Performance obligations

Applicable Not applicable

Sales of port machinery, heavy equipment and steel structure products

For the port machinery production contract that meets the performance obligations within a certain period of time, the Group performs its performance obligations within the time of manufacturing and transferring the port machinery; for the port machinery production contract that does not meet the performance obligations within a certain period of time, the Group performs its obligations when delivering port machinery to customers and obtaining pre-delivery certificate or other relevant delivery certificates. The Group performs its obligations when delivering heavy equipment to customers and obtaining the handover protocol or other relevant delivery certificate. For the steel structure product manufacturing contract that meets the performance obligations within a certain period of time, the Group performs its performance obligations within the time of manufacturing and transferring the steel structure product; for the steel structure product manufacturing contract that does not meet the performance obligation within a certain period of time, the Group performs its performance obligations when the steel structure product is delivered and signed by the owner. The contract price is usually paid according to the payment schedule agreed in the contract. After the delivery of the goods, the customer usually retains a certain proportion of the quality guarantee deposit, which is usually paid after the expiration of the quality guarantee period. The Group provides guaranteed warranty for the above products.

The Group performs its performance obligations within the time of providing services, and the contract price is usually paid within 30 days after the settlement of the project. The customer usually retains a certain proportion of the quality guarantee deposit, which is usually paid after the expiration of the quality guarantee period.

Shipping services

The Group performs its performance obligations within the time of providing transportation services. The contract price is usually paid within the period from 3 days before unloading to 30 days after unloading.

(5) Apportionment to remaining performance obligations

Applicable Not applicable

Other description:

None

62 Taxes and surcharges√Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
Consumption tax		
Sales tax		
Housing property tax	46,626,294	45,516,534
Stamp duty	21,588,309	17,975,543
Land use tax	17,544,472	20,586,848
Urban maintenance and construction tax	11,608,540	10,671,136
Educational surtax	9,664,810	8,659,201
Others	1,146,992	2,869,009
Total	108,179,417	106,278,271

Other description:

None

63 Selling and distribution expenses√Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
Employee compensation	84,827,601	72,513,095
Travel expenses	10,332,549	9,813,222
Office expenses	3,851,601	2,352,391
Advertising and publicity costs	3,234,400	5,750,174
Sales and service fees	2,604,221	3,639,283
Bidding and tendering expenses	2,515,560	2,474,607
Exhibition fees	1,824,011	2,363,964
Others	6,157,495	6,856,903
Total	115,347,438	105,763,639

Other description:

None

64 General and administrative expenses√Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
Employee compensation	409,259,779	447,298,395
Amortization of intangible assets	94,839,145	95,377,979
Depreciation of fixed assets	71,705,340	76,563,986
Travel expenses	39,385,590	59,283,191
Office expenses	57,743,890	53,476,219
Expenses from employment of intermediaries	40,622,616	48,556,452
Management and security fees	23,030,325	23,042,397
Management and cleaning fees	17,126,611	15,830,539



Item	Amount incurred in the current period	Amount incurred in the previous period
Consulting fees	15,042,753	13,457,793
Informatization expenses	15,149,594	12,013,428
Entertainment expenses	8,646,106	11,040,364
Insurance expenses	6,821,519	8,970,976
Maintenance cost	10,539,953	6,972,417
Others	59,282,308	65,816,703
Total	869,195,529	937,700,839

Other description:

None

65 Research and development expenses

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
Employee compensation	406,651,236	391,087,521
Materials expenses	209,143,216	82,490,115
Processing expenses	142,377,157	105,358,575
Depreciation expenses	78,571,508	92,450,574
Product design expenses	1,803,008	1,046,746
Others	44,608,097	65,034,606
Total	883,154,222	737,468,137

Other description:

None

66 Financial expenses

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
Interest expenses	1,173,353,036	1,396,776,727
Less: Capitalized amount of interest	-78,901,554	-53,531,666
Less: interest income	-356,324,952	-369,113,644
Exchange gains/losses	-108,524,119	85,689,295
Others	34,225,111	57,921,152
Total	663,827,522	1,117,741,864

Other description:

The capitalized amounts of borrowing costs have been included in the construction in progress and intangible assets.

67 Other income

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
Fiscal appropriation (i)	54,401,334	68,803,187
Technological subsidy (i)	17,284,346	19,425,763
Fiscal appropriation (ii)	3,300,400	3,300,400
Land compensation (ii)	1,000,000	1,698,701
Total	75,986,080	93,228,051

Other description:

(i) is related to income, while (ii) is related to assets.

68 Investment income

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
Income from long-term equity investment calculated under the equity method	237,773,613	138,892,946
Investment income from disposal of long-term equity investment	167,833,181	27,195,895
Investment income from held-for-trading financial assets during the holding period	52,776,243	45,769,202
Dividend income from other equity instrument investment during holding	7,835,826	6,171,983
Interest income from debt investment during holding		
Interest income from other debt investment during holding		
Investment income from disposal of held-for-trading financial assets	819,204,693	195,487,757
Investment income from disposal of other equity instrument investment		
Investment income from disposal of other non-current financial assets investment	1,050,134	
Investment income from disposal of debt investment		
Investment income from disposal of other debt investment		
Income from debt restructuring		
Total	1,286,473,690	413,517,783

Other description:

None

69 Net exposure hedging gain

□Applicable √Not applicable



70 Income from fair value change

Applicable Not applicable

Unit: Yuan Currency: CNY

Sources of income from fair value change	Amount incurred in the current period	Amount incurred in the previous period
Held-for-trading financial assets		
Including: income from fair value change of derivative financial instruments		
Including: Stock investment of listed companies	-249,220,046	93,856,832
Derivative financial instruments - Forward exchange contract		7,312,741
Derivative financial instruments - Foreign exchange option contract		-11,264,555
Held-for-trading financial assets		
Investment property measured at fair value		
Other non-current financial assets	13,307,209	4,267,438
Total	-235,912,837	94,172,456

Other description:

None

71 Credit impairment loss

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
Loss on bad debts of notes receivable		
Loss on bad debts of accounts receivable	154,045,684	137,464,618
Loss on bad debts of other receivables	1,516,202	618,943
Loss on impairment of debt investment		
Loss on impairment of other debt investment		
Loss on bad debts of long-term receivables		
Loss on impairment of contract assets		
Total	155,561,886	138,083,561

Other description:

None

72 Assets impairment losses

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
I. Bad debt loss		
II. Loss on price falling of inventory and impairment loss of contract performance costs	253,395,139	164,106,800
III. Impairment loss of long-term equity investment		
IV. Impairment loss of investment property		
V. Impairment loss of fixed assets		
VI. Impairment loss of engineering materials		
VII. Impairment loss of construction in progress		

Item	Amount incurred in the current period	Amount incurred in the previous period
VIII. Impairment loss of productive biological assets		
IX. Impairment loss of oil and gas assets		
X. Impairment loss of intangible assets		
XI. Goodwill impairment loss		
XII. Others		
XIII. Impairment loss of contract assets	40,784,984	49,540,423
Total	294,180,123	213,647,223

Other description:

None

73 Income from disposal of assets

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
Income from disposal of fixed assets	71,278,254	6,755,688
Total	71,278,254	6,755,688

Other description:

None

74 Non-operating income

Non-operating income

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period	Amount included in non-recurring profit or loss in current period
Total gains from disposal of non-current assets			
Gains from disposal of fixed assets			
Gains from exchange of non-monetary assets			
Accepting donations			
Government subsidies unrelated to daily activities	5,167,126	4,620,975	5,167,126
Revenue from insurance indemnity	787,337		787,337
Amercement gains	9,717,580	7,667,106	9,717,580
Others	10,995,144	5,049,418	10,995,144
Total	26,667,187	17,337,499	26,667,187

Government subsidies included in current profit or loss

Applicable Not applicable

Other description:

Applicable Not applicable



75 Non-operating expenditure

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period	Amount included in non-recurring profit or loss in current period
Total loss on disposal of non-current assets			
Including: Loss on disposal of fixed assets			
Loss on exchange of non-monetary assets			
Loss on debt restructuring	4,551,760		4,551,760
Overdue fine payment	638,624	3,139,745	638,624
Amercement outlay		2,080,000	
External donations	404,437	768,149	404,437
Others	3,816,232	2,010,016	3,816,232
Total	9,411,053	7,997,910	9,411,053

Other description:

Supplementary information on the classification by nature of the operating costs, selling and distribution expenses, general and administrative expenses, and research and development expenses of the Group is as follows:

	2021	2020
Used raw materials and low-cost consumables	20,021,857,825	17,862,713,728
Employee compensation (Note VII (39))	2,205,176,153	2,034,511,861
Outsourcing expenses	1,476,300,853	1,424,619,572
Depreciation and amortization expenses (Note VII (20), (21), (25), (26), (28))	1,308,249,367	1,335,173,214
Changes in goods in process and inventories	(1,704,323,646)	(3,512,723,296)
Transportation expenses	596,391,014	576,522,583
Rental fees	274,193,298	264,369,240
On-site installation expenses	254,681,587	206,431,154
Energy cost	233,453,421	216,052,124
After-sale cost	179,801,690	260,202,215
Office expenses	61,595,491	55,828,610
Travel expenses	49,718,139	69,096,413
Expenses from employment of intermediaries	40,622,616	48,556,452
Informatization expenses	15,149,594	12,013,428
Entertainment expenses	8,646,106	11,040,364
Bidding and tendering expenses	2,515,560	2,474,607
Other expenses	341,939,154	327,315,600
Total	25,365,968,222	21,194,197,869

76 Income tax expenses

(1) Table of income tax expenses

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the current period
Current income tax expenses	124,422,021	84,990,560
Deferred income tax expenses	-47,426,479	1,080,440
Total	76,995,542	86,071,000

(2) Accounting profit and income tax expenses adjustment process

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period
Total profits	605,341,119
The income tax expenses calculated based on statutory/applicable tax rates	90,801,168
Influences caused by different tax rates adopted by subsidiaries	38,498,901
Influences caused by adjustment on income tax of previous periods	
Influences on non-taxable income	
Influences caused by non-deductible cost, expenses and losses	2,945,850
Influences caused by non-confirmation of deductible losses of deferred income tax assets	
Influences caused by non-confirmation of deductible temporary differences or deductible losses in current period	46,930,367
Profit or loss attributable to joint ventures and associates	-35,666,042
Tax-free income	-9,091,813
Adjustment to final settlement in previous years	11,044,631
Use of deductible losses in previous years	-22,574,910
Additional deduction of technological development expenses	-45,892,610
Income tax expenses	76,995,542

Other description:

□Applicable √Not applicable

77 Other comprehensive income

√Applicable □Not applicable

Refer to Note VII (57) for details.

78 Cash flow statement items

(1) Other cash received related to operating activities

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
Customs deposit recovered	186,204,657	198,238,436
Cash received from government subsidies and rewards	86,931,169	117,022,985
Employee loan recovered	5,302,967	3,248,010
Cash received from the revenue from fines	9,717,580	7,667,106
Others	20,194,931	12,114,189
Total	308,351,304	338,290,726

Description of other cash received related to operating activities:

None



(2) Other cash paid related to operating activities

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
Customs deposit paid	214,376,861	193,361,873
Expenditures on selling and distribution expenses, general and administrative expenses, and research and development expenses	284,557,883	231,503,637
Financial expenses and handling charges	34,225,153	45,869,065
Subsidy for research and development paid to cooperative units	5,710,000	17,217,242
Others	22,190,853	105,577,762
Total	561,060,750	593,529,579

Description of other cash paid related to operating activities:

None

(3) Other cash received related to investing activities

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
Interest income	425,449,726	337,058,520
Total	425,449,726	337,058,520

Description of other cash received related to investing activities:

None

(4) Other cash paid related to investing activities

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
Net cash outflows from disposal of subsidiaries		243,269,060
Others		22,982,499
Total		266,251,559

Description of Other cash paid related to investing activities:

None

(5) Other cash received related to financing activities

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
Restricted bank deposits recovered	208,159,986	265,853,823
Loan recovered from related parties	200,000,000	343,565,000
Leaseback payments received	901,819,520	88,783,796
Total	1,309,979,506	698,202,619

Description of other cash received related to financing activities:

None

(6) Other cash paid related to financing activities

Applicable Not applicable

79 Further information on cash flow statement

(1) Further information on cash flow statement

Applicable Not applicable

Unit: Yuan Currency: CNY

Further information	Current amount	Previous amount
1. Reconciliation from net profits to cash flows from operating activities:		
Net profit	528,345,577	416,135,431
Plus: provision for impairment of assets	294,180,123	213,647,223
Credit impairment loss	155,561,886	138,083,561
Depreciation of fixed assets, oil and gas assets and productive biological assets	1,201,761,933	1,236,902,853
Amortization of right-of-use assets	11,440,962	
Amortization of intangible assets	95,046,472	98,270,361
Amortization of long-term deferred expenses		
Losses on disposal of fixed assets, intangible assets and other long-term assets (gains expressed with "-")	-71,278,254	-6,755,688
Loss on retirement of fixed assets (gains expressed with "-")		
Loss from fair value change (gains expressed with "-")	235,912,837	-94,172,456
Financial expenses (gains expressed with "-")	706,501,743	888,739,777
Investment losses (gains expressed with "-")	-1,286,473,690	-413,517,783
Decrease in deferred income tax assets (increase expressed with "-")	-16,920,002	-15,800,832
Increase in deferred income tax liabilities (decrease expressed with "-")	-30,506,477	16,881,272
Decrease in inventories (increase expressed with "-")	-502,309,148	-3,780,048,380
Decrease in construction contract payment (increase expressed with "-")	-671,839,885	-766,839,149
Decrease in operating receivables (increase expressed with "-")	452,311,814	288,132,036
Increase in operating payables (decrease expressed with "-")	1,017,905,104	2,601,410,279
Increase in special reserves (decrease expressed with "-")	-1,477	-1,679,485
Others		
Net cash flow from operating activities	2,119,639,518	819,389,020
2. Significant investment and financing activities not involving cash deposit and withdrawal:		
Conversion of debt into capital		
Convertible bonds due within one year		
Fixed assets under financing lease		
3. Net changes in cash and cash equivalents:		
Ending balance of cash	4,449,837,877	2,897,742,340
Less: Beginning balance of cash	2,897,742,340	3,068,024,976
Plus: Ending balance of cash equivalents		
Less: Beginning balance of cash equivalents		
Net increase of cash and cash equivalents	1,552,095,537	-170,282,636
Endorsement transfer of notes:		
	2021	2020
Endorsement transfer of bank acceptance bill received from sales of goods and rendering of services	2,537,611,014	2,339,442,721

(2) Net cash paid to acquire subsidiaries in current period

Applicable Not applicable



(3) Net cash received from disposal of subsidiaries in current period

Applicable Not applicable

(4) Composition of cash and cash equivalents

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2021	December 31, 2020
I. Cash	4,449,837,877	2,897,742,340
Including: cash on hand	851,261	1,063,472
Bank deposit readily available for payment	4,448,986,616	2,896,678,868
Other monetary capital readily available for payment		
Deposits with central bank available for payment		
Deposits in other banks		
Borrowings from other banks		
II. Cash equivalents		
Including: bond investment due within three months		
III. Balance of cash and cash equivalents at the end of period		
Including: restricted cash and cash equivalents of parent company or subsidiaries within the Group		

Other description:

Applicable Not applicable

80 Notes to items in statement of owner's equity

State the name of "other" items and the amount of adjustment to the ending balance of previous year:

Applicable Not applicable

81 Assets with ownership or use rights restricted

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Book value at the end of the period	Reason of restriction
Monetary funds	121,999,707	Remark 1
Fixed assets	4,025,131,400	Remark 1
Long-term receivables	2,177,499,634	Remark 3
Other non-current assets	2,827,154,241	Remark 4
Contract assets	38,384,855	Remark 5
Accounts receivable	107,145,406	Remark 6
Total	9,297,315,243	/

Other description:

Remark 1: As at December 31, 2021, other monetary funds, including the restricted monetary fund of RMB 121,999,707 (as at December 31, 2020: RMB 50,332,396), were the special payment collected for overseas project and deposited in overseas supervision account and the margin deposit deposited by the Group for applying to the bank for letter of credit and bank guarantee.

Remark 2: As at December 31, 2021, the vessel with the book value of RMB 4,025,131,400 (as at December 31, 2020: the vessel of RMB 2,821,018,550) had been used for leaseback with the financial leasing company, with the financing term of 3 - 12 years.

Remark 3: As at December 31, 2021, the long-term receivables of "building-transfer" project with the book value of RMB 2,177,499,634 (as at December 31, 2020: RMB 5,614,309,162) were used as the pledge for obtaining bank loans.

Remark 4: As at December 31, 2021, the other non-current assets with the book value of RMB 2,827,154,241 (as at December 31, 2020: nil) were used as the pledge for obtaining bank loans.

Remark 5: As at December 31, 2021, the contract assets with the book value of RMB 38,384,855 (as at December 31, 2020: nil) were used as the pledge for obtaining bank loans.

Remark 6: As at December 31, 2021, the accounts receivable with the book value of RMB 107,145,406 (as at December 31, 2020: nil) were used as the pledge for obtaining bank loans.

82 Foreign currency monetary items

(1) Foreign currency monetary items

√Applicable □Not applicable

Unit: Yuan

Item	Ending foreign currency balance	Conversion exchange rate	Ending balance, converted into RMB
Monetary fund	-	-	
Including: USD	264,732,634	6.3757	1,687,855,858
EUR	45,589,817	7.2197	329,144,799
RUB	1,150,878,793	0.0855	98,400,137
GBP	6,309,011	8.6064	54,297,874
KRW	8,733,633,149	0.0054	47,161,619
INR	193,516,500	0.0857	16,584,364
ZAR	40,828,295	0.4004	16,347,649
AED	6,631,345	1.7361	11,512,678
AUD	2,369,629	4.6220	10,952,423
LKR	106,111,677	0.0314	3,331,907
BRL	2,111,275	1.1443	2,415,932
HKD	2,793,748	0.8176	2,284,168
SGD	431,947	4.7179	2,037,881
JPY	1,020,102	0.0554	56,514
CAD	272	5.0046	1,362
NZD	5	4.3553	22
Accounts receivable	-	-	
Including: USD	293,557,582	6.3757	1,871,635,076
EUR	105,681,739	7.2197	762,990,451
GBP	5,780,203	8.6064	49,746,739
QAR	19,468,669	1.7516	34,101,321
AED	12,280,293	1.7361	21,319,817
CAD	4,160,024	5.0046	20,819,256
HKD	20,926,122	0.8176	17,109,197
SAR	6,132,628	1.6983	10,415,042
INR	111,763,471	0.0857	9,578,129
AUD	1,633,241	4.6220	7,548,840
SGD	1,550,143	4.7179	7,313,420
LKR	187,700,228	0.0314	5,893,787
KRW	734,323,975	0.0054	3,965,349
RUB	35,355,816	0.0855	3,022,922
ZAR	6,940,229	0.4004	2,778,868



Item	Ending foreign currency balance	Conversion exchange rate	Ending balance, converted into RMB
Other receivables	-	-	
Including: USD	6,111,881	6.3757	38,967,520
RUB	116,425,673	0.0855	9,954,395
EUR	1,063,563	7.2197	7,678,606
ZAR	7,746,146	0.4004	3,101,557
INR	24,630,362	0.0857	2,110,822
OMR	106,456	16.5600	1,762,911
AUD	312,896	4.6220	1,446,205
KRW	259,234,259	0.0054	1,399,865
IDR	2,131,340,000	0.0005	1,065,670
HKD	594,395	0.8176	485,977
SGD	1,699	4.7179	8,016
Accounts payable	-	-	
Including: USD	132,556,440	6.3757	845,140,095
EUR	37,731,229	7.2197	272,408,154
GBP	1,911,076	8.6064	16,447,484
KRW	2,390,860,799	0.0054	12,910,648
SGD	2,343,565	4.7179	11,056,705
INR	85,932,392	0.0857	7,364,406
HKD	8,312,188	0.8176	6,796,045
ZAR	10,482,972	0.4004	4,197,382
CAD	494,928	5.0046	2,476,917
RUB	26,960,386	0.0855	2,305,113
BRL	748,374	1.1443	856,364
AUD	27,427	4.6220	126,768
JPY	1,727,744	0.0554	95,717
Other payables	-	-	
Including: USD	7,715,093	6.3757	49,189,118
EUR	2,456,908	7.2197	17,738,139
KRW	429,143,097	0.0054	2,317,373
HKD	15,000	0.8176	12,264
Short-term borrowings	-	-	
Including: USD	177,586,482	6.3757	1,132,238,133
EUR	80,872,947	7.2197	583,878,415
Long-term borrowings due within one year	-	-	
Including: USD	100,061,772	6.3757	637,963,840
Long-term payables due within one year	-	-	
Including: USD	44,300,318	6.3757	282,445,537
Long-term borrowings	-	-	
Including: USD	50,056,106	6.3757	319,142,715
Long-term payables	-	-	
Including: USD	266,450,866	6.3757	1,698,810,786

Other description:
None

(2) Description of overseas business entities, including the disclosure of main overseas business locations, recording currency and selection basis for important overseas business entities, as well as the reasons for changes in recording currency

Applicable Not applicable

83 Hedging

Applicable Not applicable

84 Government subsidies

(1) Basic information of government subsidies

Applicable Not applicable

(2) Return of government subsidies

Applicable Not applicable

Other description:

None

85 Others

Applicable Not applicable

VIII. Changes in consolidation scope

1 Business combination not under common control

Applicable Not applicable

2 Business combination under common control

Applicable Not applicable

3 Counter purchase

Applicable Not applicable

4 Disposal of subsidiaries

Whether there is loss of control over subsidiaries on a single disposal

Applicable Not applicable

Other description:

Applicable Not applicable

Whether there is disposal of the investment in a subsidiary in stages through multiple transactions and loss of control during the period

Applicable Not applicable

Package transaction

Applicable Not applicable

Reasons why the transactions in the disposal of equity in stages to loss of control constitute a package transaction:

Applicable Not applicable

Other description:

Applicable Not applicable

Non-package transaction

Applicable Not applicable



Reasons why the transactions in the disposal of equity in stages to loss of control do not constitute a package transaction:

Applicable Not applicable

Other description:

Applicable Not applicable

5 Changes in consolidation scope due to other reasons

Description of the changes (such as new subsidiary, liquidation of subsidiary) in consolidation scope due to other reasons and relevant information:

Applicable Not applicable

6 Others

Applicable Not applicable

IX. Interests in other entities

1 Interests in subsidiaries

(1) Subsidiaries of the Group:

Applicable Not applicable

Name of subsidiary	Principal place of business	Registration place	Business nature	Shareholding ratio (%)		Way of acquisition
				Direct	Indirect	
Shanghai Zhenhua Port Machinery Heavy Industries Co., Ltd.	Chongming, Shanghai	Chongming, Shanghai	Machine manufacturing	94.76%		Establishment by investing
Shanghai Zhenhua Port Machinery (Hong Kong) Co., Ltd.	Hong Kong	Hong Kong	Shipping	100%		Establishment by investing
Shanghai Zhenhua Shipping Co., Ltd.	Pudong New Area, Shanghai	Pudong New Area, Shanghai	Shipping	55.00%		Establishment by investing
Nantong Zhenhua Heavy Equipment Manufacturing Co., Ltd.	Nantong City, Jiangsu Province	Nantong City, Jiangsu Province	Machine manufacturing	100.00%		Establishment by investing
ZPMC Transmission Machinery (Nantong) Co., Ltd.	Nantong City, Jiangsu Province	Nantong City, Jiangsu Province	Machine manufacturing	50.75%		Establishment by investing
ZPMC Electric Co., Ltd.	Pudong New Area, Shanghai	Pudong New Area, Shanghai	Electric equipment research and development	100.00%		Establishment by investing
Shanghai Zhenhua Ocean Engineering Service Co., Ltd	Yangshan Bonded Port Area, Shanghai	Yangshan Bonded Port Area, Shanghai	Shipping	100.00%		Establishment by investing
ZPMC Machinery Equipment Services Co., Ltd.	Pudong New Area, Shanghai	Pudong New Area, Shanghai	Technical consultancy	100.00%		Establishment by investing
ZPMC Netherlands Coöperatie U.A.	Rotterdam, Netherlands	Rotterdam, Netherlands	Trade sales	100.00%		Establishment by investing
ZPMC Netherlands B.V.	Rotterdam, Netherlands	Rotterdam, Netherlands	Trade sales	100.00%		Establishment by investing
Verspannen B.V.	Rotterdam, Netherlands	Rotterdam, Netherlands	Machine manufacturing		100.00%	Business combination not under common control
ZPMC Espana S.L.	Los Barrios, Spain	Los Barrios, Spain	Trade sales		100.00%	Establishment by investing
ZPMC Italia S.r.l.	Vado Ligure Port, Italy	Vado Ligure Port, Italy	Trade sales		100.00%	Establishment by investing

Name of subsidiary	Principal place of business	Registration place	Business nature	Shareholding ratio (%)		Way of acquisition
				Direct	Indirect	
ZPMC GmbH Hamburg	Hamburg, Germany	Hamburg, Germany	Trade sales	100.00%		Establishment by investing
ZPMC Lanka Company (Private) Limited	Colombo, Sri Lanka	Colombo, Sri Lanka	Trade sales	70.00%		Establishment by investing
ZPMC North America Inc.	Delaware, USA	Delaware, USA	Trade sales	100.00%		Establishment by investing
ZPMC Korea Co., Ltd.	Pusan, Korea	Pusan, Korea	Trade sales	100.00%		Establishment by investing
ZPMC Engineering Africa (Pty) Ltd.	Kwazulu-Natal Province, Republic of South Africa	Kwazulu-Natal Province, Republic of South Africa	Trade sales	100.00%		Establishment by investing
ZPMC Engineering (India) Private Limited	Maharashtra State, India	Maharashtra State, India	Trade sales	100.00%		Establishment by investing
ZPMC Southeast Asia Holding Pte. Ltd.	Singapore	Singapore	Trade sales	100.00%		Establishment by investing
ZPMC Engineering (Malaysia) Sdn. Bhd.	Malaysia	Malaysia	Trade sales		70.00%	Establishment by investing
ZPMC Australia Company (Pty) Ltd.	New South Wales, Australia	New South Wales, Australia	Trade sales	100.00%		Establishment by investing
Shanghai Zhenhua Heavy Industries Port Machinery General Equipment Co., Ltd.	Pudong New Area, Shanghai	Pudong New Area, Shanghai	Machine manufacturing	100.00%		Business combination under common control
Shanghai Port Machinery Heavy Industry Co., Ltd	Pudong New Area, Shanghai	Pudong New Area, Shanghai	Machine manufacturing		74.02%	Business combination under common control
ZPMC Zhangjiagang Port Machinery Co., Ltd.	Zhangjiagang City, Jiangsu Province	Zhangjiagang City, Jiangsu Province	Machine manufacturing	90.00%		Business combination under common control
Nanjing Ninggao New Channel Construction Co., Ltd	Nanjing City, Jiangsu Province	Nanjing City, Jiangsu Province	Engineering construction	100.00%		Establishment by investing
ZPMC Qidong Marine Engineering Co., Ltd.	Nantong City, Jiangsu Province	Nantong City, Jiangsu Province	Machine manufacturing	67.00%		Business combination not under common control
Jiahua Shipping Co., Ltd.	Hong Kong	Hong Kong	Shipping		70.00%	Establishment by investing
Zhenhua Pufeng Wind Energy (HongKong) Co., Ltd.	Hong Kong	Hong Kong	Shipping		51.00%	Establishment by investing
ZPMC Brazil Serviço Portuários LTDA	Rio DE Janeiro, Brazil	Rio DE Janeiro, Brazil	Trade sales	80.00%		Establishment by investing
ZPMC Limited Liability Company	Moscow, Russia	Moscow, Russia	Trade sales	85.00%		Establishment by investing
ZPMC NA East Coast Inc.	Virginia	Delaware, USA	Trade sales		100.00%	Establishment by investing
CCCC Investment & Development Qidong Co., Ltd.	Nantong City, Jiangsu Province	Nantong City, Jiangsu Province	Engineering construction	49.49%		Establishment by investing
CCCC Liyang Urban Investment and Construction Co., Ltd.	Liyang City, Jiangsu Province	Liyang City, Jiangsu Province	Engineering construction	48.00%		Establishment by investing
ZPMC UK LD	Cardiff, UK	Cardiff, UK	Trade sales	100.00%		Establishment by investing



Name of subsidiary	Principal place of business	Registration place	Business nature	Shareholding ratio (%)		Way of acquisition
				Direct	Indirect	
ZPMC Middle East Fze	Dubai, UAE	Dubai, UAE	Trade sales	100.00%		Establishment by investing
CCCC (Huaian) Construction Development Co., Ltd.	Huaian City, Jiangsu Province	Huaian City, Jiangsu Province	Engineering construction		71.57%	Establishment by investing
CCCC Zhenjiang Investment Construction Management Development Co., Ltd.	Zhenjiang City, Jiangsu Province	Zhenjiang City, Jiangsu Province	Engineering construction	70.00%		Establishment by investing
CCCC Yongjia Construction Development Co., Ltd.	Wenzhou City, Zhejiang Province	Wenzhou City, Zhejiang Province	Engineering construction	80.00%		Establishment by investing
CCCC Zhenhua Lvjian Technology (Ningbo) Co., Ltd.	Ningbo City, Zhejiang Province	Ningbo City, Zhejiang Province	Engineering construction	40.00%		Establishment by investing
ZPMC Hotel Co., Ltd.	Pudong New Area, Shanghai	Pudong New Area, Shanghai	Hotel and catering		100.00%	Business combination not under common control
CCCC Rudong Construction Development Co., Ltd.	Rudong City, Jiangsu Province	Rudong City, Jiangsu Province	Engineering construction	8.04%	58.46%	Establishment by investing
ZPMC Latin America Holding Corporation	Panama	Panama	Trade sales	100.00%		Establishment by investing
Terminexus Co., Ltd.	Hong Kong	Hong Kong	Technical consultancy		100.00%	Establishment by investing
Greenland Heavylift (Hong Kong) Limited	Hong Kong	Hong Kong	Shipping		50.00%	Business combination not under common control
GPO Grace Limited	Marshall Islands	Marshall Islands	Shipping		100.00%	Business combination not under common control
GPO Amethyst Limited	Marshall Islands	Marshall Islands	Shipping		100.00%	Business combination not under common control
GPO Sapphire Limited	Marshall Islands	Marshall Islands	Shipping		100.00%	Business combination not under common control
GPO Emerald Limited	Marshall Islands	Marshall Islands	Shipping		100.00%	Business combination not under common control
GPO Heavylift Limited	Cayman Islands	Cayman Islands	Shipping		60.00%	Business combination not under common control
GPO Heavylift AS	Oslo, Norway	Oslo, Norway	Shipping		100.00%	Business combination not under common control
GPO Heavylift Pte Ltd	Singapore	Singapore	Shipping		100.00%	Business combination not under common control

Name of subsidiary	Principal place of business	Registration place	Business nature	Shareholding ratio (%)		Way of acquisition
				Direct	Indirect	
Xiong'an Zhenhua Co., Ltd.	Baoding City, Hebei Province	Baoding City, Hebei Province	Intelligent service	100.00%		Establishment by investing
ZPMC Fuzhou Offshore Construction Co., Ltd.	Fuzhou City, Fujian Province	Fuzhou City, Fujian Province	Maritime engineering construction	100.00%		Establishment by investing
CCCC (Dongming) Investment and Construction Co., Ltd.	Heze City, Shandong Province	Heze City, Shandong Province	Engineering construction	70.00%		Establishment by investing
CCCC Zhenhua Intelligent Parking (Hengyang) Co., Ltd.	Hengyang City, Hunan Province	Hengyang City, Hunan Province	Engineering construction	55.00%		Establishment by investing
Zhenhai No. 2 Drilling Limited	Hong Kong	Hong Kong	Drilling services		100.00%	Establishment by investing
Zhenhai No.3 Drilling Limited	Hong Kong	Hong Kong	Drilling services		100.00%	Establishment by investing
Zhenhai No. 5 Drilling Limited	Hong Kong	Hong Kong	Drilling services		100.00%	Establishment by investing
Zhenhai No. 6 Drilling Limited	Hong Kong	Hong Kong	Drilling services		100.00%	Establishment by investing

The shareholding ratio in subsidiaries is different from the proportion of voting rights:

None

The basis for holding half or less of the voting rights but still controlling the invested entity, and the basis for holding more than half of the voting rights but not controlling the invested entity:

None

The basis for control of the important structured entities included in the consolidation scope:

None

Basis for determining whether the Company is an agent or a principal:

None

Other description:

Remark 1: By signing the agreement for concerted action with CCCC Tianjin Dredging Co., Ltd., the Group had obtained 95% voting power in the board of shareholders and 100% voting power in the board of directors of CCCC Investment & Development Qidong Co., Ltd. In accordance with the regulations of the articles of association of such company, the Group had obtained the control right thereof, thus, such company was included in the Group's consolidation scope.

Remark 2: By signing the agreement for concerted action with CCCC Shanghai Dredging Co. Ltd. and CCCC East China Investment Co., Ltd., the Group had obtained 76% voting power in the board of shareholder and 71% voting power in the board of directors of CCCC Liyang Urban Investment and Construction Co., Ltd. In accordance with the regulations of the articles of association of such company, the Group had obtained the control rights thereof, thus, such company was included in the Groups' consolidation scope.

Remark 3: By signing the agreement for concerted action with CCCC Highway Consultants Co. Ltd. and CCCC Equipment Manufacturing Marine Heavy Industry Division, the Group had obtained 50% voting power in the board of shareholders and 60% voting power of the board of directors of CCCC Zhenhua Lvjian Technology (Ningbo) Co., Ltd. In accordance with the regulations of the articles of association of such company, the Group had obtained the control right thereof, thus, such company was included in the Group's consolidation scope.

Remark 4: In accordance with the acquisition agreement, the Group held two of the four seats in the board of directors of Greenland Heavylift (Hong Kong) Limited, including chairman of the board. As required in the articles of association of such company, the chairman of the board has super voting power when the voting of the board is deadlocked. In addition, Group also has the right to buy 1% equity of such company at USD 1 at any time in the future. Therefore, the Group has the substantial control over such company, and such company was included in the Group's consolidation scope for the financial statements.



(2) Major non-wholly-owned subsidiaries

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Name of subsidiary	Shareholding ratio of minority shareholder	Profit or loss attributable to the minority shareholder in current period	Dividends declared to minority shareholders in current period	Balance of minority shareholders' equity at the end of the period
ZPMC Transmission Machinery (Nantong) Co., Ltd.	49.25%	56,584,861	54,980,822	827,805,641
CCCC Zhenjiang Investment Construction Management Development Co., Ltd.	30.00%	3,929,426		207,921,262
Greenland Heavylift (Hong Kong) Limited	50.00%	36,540,074	7,357,558	277,209,331

Description of the difference between the shareholding ratio of minority shareholders and the proportion of voting right ratio in subsidiaries:

□Applicable √Not applicable

Other description:

√Applicable □Not applicable

Subsidiaries with significant minority equity:

2021

	Shareholding ratio of minority shareholder	Capital contributed / (withdrawn) by minority shareholder	Profit or loss attributable to the minority shareholder	Dividends paid to minority shareholder	Special reserves withdrawn by minority shareholder	Accumulated minority equity at the end of the year
ZPMC Transmission Machinery (Nantong) Co., Ltd.	49.25%	-	56,584,861	(54,980,822)	-	827,805,641
CCCC Zhenjiang Investment Construction Management Development Co., Ltd.	30.00%	-	3,929,426	-	-	207,921,262
Greenland Heavylift (Hong Kong) Limited	50.00%	-	36,540,074	(7,357,558)	-	277,209,331

2020

	Shareholding ratio of minority shareholder	Capital contributed / (withdrawn) by minority shareholder	Profit or loss attributable to the minority shareholder	Dividends paid to minority shareholder	Special reserves withdrawn by minority shareholder	Accumulated minority equity at the end of the year
ZPMC Transmission Machinery (Nantong) Co., Ltd.	49.25%	200,000,000	44,043,728	(31,907,452)	-	826,201,602
CCCC Zhenjiang Investment Construction Management Development Co., Ltd.	30.00%	(141,669,170)	9,907,132	(14,523,578)	-	203,991,836
Greenland Heavylift (Hong Kong) Limited	50.00%	-	(44,329,031)	-	-	248,026,815

(3) Main financial information of major non-wholly-owned subsidiaries

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Name of subsidiary	December 31, 2021					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Zhenjiang Investment Construction Management Development Co., Ltd.	378,618,007	337,518,789	716,136,796	-23,065,919		-23,065,919
Greenland Heavylift (Hong Kong) Limited	239,297,217	2,452,507,301	2,691,804,518	-255,234,882	-1,890,456,264	-2,145,691,146
ZPMC Transmission Machinery (Nantong) Co., Ltd.	1,533,617,163	394,881,198	1,928,498,361	-246,864,532	-1,483,975	-248,348,507

Name of subsidiary	December 31, 2020					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Zhenjiang Investment Construction Management Development Co., Ltd.	733,178,647	14,701	733,193,348	-53,220,561		-53,220,561
Greenland Heavylift (Hong Kong) Limited	121,027,739	1,953,698,858	2,074,726,597	-455,304,675	-1,130,294,502	-1,585,599,177
ZPMC Transmission Machinery (Nantong) Co., Ltd.	1,439,325,230	394,262,258	1,833,587,488	-156,331,859		-156,331,859

Name of subsidiary	Amount incurred in the current period			
	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities
Zhenjiang Investment Construction Management Development Co., Ltd.		13,098,086	13,098,086	-994,679
Greenland Heavylift (Hong Kong) Limited	445,755,436	71,064,460	55,606,866	64,084,615
ZPMC Transmission Machinery (Nantong) Co., Ltd.	731,440,163	114,899,184	114,899,184	125,724,458

Name of subsidiary	Amount incurred in the previous period			
	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities
Zhenjiang Investment Construction Management Development Co., Ltd.		33,023,773	33,023,773	517,498,836
Greenland Heavylift (Hong Kong) Limited	261,736,949	-54,103,269	-88,658,061	6,619,732
ZPMC Transmission Machinery (Nantong) Co., Ltd.	736,059,047	89,433,610	89,433,610	66,499,450

Other description:

None

(4) Major restrictions on the use of assets of enterprise group and the repayment of debts of enterprise group

□Applicable √Not applicable

(5) Financial support or other supports provided to structured entities included in the scope of consolidated financial statements

□Applicable √Not applicable

Other description:

□Applicable √Not applicable



2 Transactions in which the owner's equity share of a subsidiary changes and the subsidiary is still under control

Applicable Not applicable

3 Equity in joint ventures and associates

Applicable Not applicable

(1) Major joint ventures or associates

Applicable Not applicable

Unit: Yuan Currency: CNY

Name of joint venture or associate	Principal place of business	Registration place	Business nature	Shareholding ratio (%)		Accounting treatment
				Direct	Indirect	
Joint ventures						
Jiangsu Longyuan Zhenhua Marine Engineering Co., Ltd	Jiangsu	Nantong, Jiangsu	Marine engineering construction	50.00%		Equity method
ZPMC Mediterranean Liman Makinalari Ticaret Anonim Sirketi	Istanbul, Turkey	Istanbul, Turkey	Technical service for port equipment	50.00%		Equity method
Zhenhua Marine Energy (HK) Co., Ltd.	Hong Kong	Hong Kong	Shipping		51.00%	Equity method
Cranetech Global Sdn.Bhd	Malaysia	Malaysia	Technical service for port equipment		49.99%	Equity method
ZPMC-OTL MARINE CONTRACTOR LIMITED	Hong Kong	Hong Kong	Shipping		50.00%	Equity method
Associates						
CCCC Marine Engineering & Technology Research Center Co., Ltd.	Shanghai	Pudong New Area, Shanghai	Marine technology development and consulting	25.00%		Equity method
CCCC Estate Yixing Co., Ltd.	Jiangsu	Wuxi, Jiangsu	Real estate development	20.00%		Equity method
ZPMC Changzhou Coatings Co., Ltd	Jiangsu	Changzhou, Jiangsu	Paint manufacture	20.00%		Equity method
CCCC Financial Leasing Co., Ltd	Shanghai	Pudong New Area, Shanghai	Finance lease	9.00%		Equity method
CCCC Yancheng Construction Development Co., Ltd.	Jiangsu	Yancheng, Jiangsu	Engineering project construction	25.00%		Equity method
Suzhou Chuanglian Electric Drive Co., Ltd.	Jiangsu	Suzhou, Jiangsu	Electric equipment manufacturing	20.00%		Equity method
China Communications Construction USA Inc.	USA	USA	Port, channel, highway and bridge construction	24.00%		Equity method
CCCC South American Regional Company SARL	USA	USA	Port, channel, highway and bridge construction	17.00%		Equity method
ZPMC Southeast Asia Pte. Ltd.	Singapore	Singapore	Trade sales		40.00%	Equity method
Shanghai Ocean Engineering Equipment Manufacturing Innovation Center Co., Ltd.	Shanghai	China	Development of ocean engineering technology	8.97%		Equity method
Shanghai Xingyi Construction Technology Co., Ltd.	Shanghai	Shanghai	Building engineering		30.00%	Equity method
CCCC Xiongan Urban Construction Development Co., Ltd.	Hebei	Xiongan, Hebei	Engineering project construction	15.00%		Equity method

Description of the difference between shareholding ratio and proportion of voting rights in joint venture or associates:

None

Basis for holding less than 20% of voting rights but having significant influence, or holding 20% or more of voting rights but not having significant influence:

None

(2) Main financial information of major joint ventures:

Applicable Not applicable

(3) Main financial information of major associates:

Applicable Not applicable

Unit: Yuan Currency: CNY

	December 31, 2021/Amount incurred in the current period		December 31, 2020/Amount incurred in the previous period	
	CCCC Financial Leasing Co., Ltd	CCCC Financial Leasing Co., Ltd	CCCC Financial Leasing Co., Ltd	CCCC Financial Leasing Co., Ltd
Current assets	22,914,185,259		22,819,943,898	
Non-current assets	28,677,031,798		24,486,499,994	
Total assets	51,591,217,057		47,306,443,892	
Current liabilities	-19,964,704,415		-20,424,045,460	
Non-current liabilities	-20,832,581,252		-16,947,008,625	
Total liabilities	-40,797,285,667		-37,371,054,085	
Minority equity	3,105,521,230		2,697,430,648	
Other equity instrument - Perpetual bond	998,000,000		998,000,000	
Shareholders' equity attributable the parent company	6,690,410,160		6,239,959,159	
Share of net assets held based on shareholding ratio	608,658,400		1,883,150,758	
Adjustments				
--Goodwill				
--Unrealized profits of internal transactions				
--Others				
Book value of equity investment in associates	608,658,400		1,883,150,758	
Fair value of equity investment in associates with public offer				
Operating revenue		3,366,005,756		2,740,010,098
Financial expenses-interest income		18,371,285		17,688,700
Financial expenses - interest expenses		3,384,524		52,265,036
Income tax expenses		253,999,095		214,170,405
Net profit		748,652,808		526,789,103
Net profit from discontinuing operation				
Net of tax of other comprehensive income		-1,549,636		-4,238,920
Total comprehensive income		747,103,172		522,550,183
Total comprehensive income attributable to the parent company		565,906,200		390,537,074
Dividends distributed		115,455,199		102,210,808
Including: dividends distributed to investors of other equity instruments		36,500,000		36,500,000

Other description

None



(4) Summary of financial information of insignificant joint ventures and associates

Applicable Not applicable

Unit: Yuan Currency: CNY

	December 31, 2021/Amount incurred in the current period	December 31, 2020/Amount incurred in the previous period
Joint ventures:		
Total book value of investment	324,062,553	277,261,963
Total number of following items by shareholding ratio		
-- Net profit	51,800,590	11,542,459
-- Other comprehensive income		
-- Total comprehensive income	51,800,590	11,542,459
Associates:		
Total book value of investment	909,000,306	881,820,163
Total number of following items by shareholding ratio		
-- Net profit	15,736,271	8,917,689
-- Other comprehensive income	10,843,872	-27,392,214
-- Total comprehensive income	26,580,143	-18,474,525

Other description

None

(5) Description of the significant restrictions on the ability of joint ventures or associates to transfer funds to the Company

Applicable Not applicable

(6) Excess loss of joint ventures or associates

Applicable Not applicable

(7) Unrecognized commitments related to joint venture investment

Applicable Not applicable

(8) Contingent liabilities related to investment in joint ventures or associates

Applicable Not applicable

4 Significant joint operation

Applicable Not applicable

5 Equity in structured entities not included in the scope of consolidated financial statements

Description of structured entities not included in the scope of consolidated financial statements:

Applicable Not applicable

6 Others

Applicable Not applicable

X. Risks related to financial instruments

Applicable Not applicable

1 Classification of financial instruments

The book values of various financial instruments on the balance sheet date:

2021

Financial assets

	Financial assets measured at fair value through the current profit or loss		Measured at amortized cost	Financial assets measured at fair value through the other comprehensive income		Total
	Standard	Designated		Standard	Designated	
Monetary funds	-	-	4,571,837,584	-	-	4,571,837,584
Held-for-trading financial assets	1,153,533,922	-	-	-	-	1,153,533,922
Notes receivable	-	-	3,979,800	-	-	3,979,800
Receivables financing	-	-	-	245,408,260	-	245,408,260
Accounts receivable	-	-	6,448,850,756	-	-	6,448,850,756
Other receivables	-	-	940,522,896	-	-	940,522,896
Non-current assets due within one year	-	-	1,437,034,591	-	-	1,437,034,591
Investment in other equity instruments	-	-	-	-	66,280,045	66,280,045
Long-term receivables	-	-	2,674,407,383	-	-	2,674,407,383
	1,153,533,922	-	16,076,633,010	245,408,260	66,280,045	17,541,855,237

Financial liabilities

	Financial liabilities measured at fair value through the current profit or loss		Financial liabilities measured at amortized cost	Total
	Standard	Designated		
Short-term borrowings	-	-	5,977,692,367	5,977,692,367
Notes payable	-	-	4,160,666,800	4,160,666,800
Accounts payable	-	-	6,966,472,639	6,966,472,639
Other payables	-	-	394,564,205	394,564,205
Non-current liabilities due within one year	-	-	2,516,974,830	2,516,974,830
Long-term borrowings	-	-	24,943,760,955	24,943,760,955
Long-term payables	-	-	2,163,591,149	2,163,591,149
	-	-	47,123,722,945	47,123,722,945



2020
Financial assets

	Financial assets measured at fair value through the current profit or loss		Measured at amortized cost	Financial assets measured at fair value through the other comprehensive income		Total
	Standard	Designated		Standard	Designated	
Monetary funds	-	-	2,948,074,736	-	-	2,948,074,736
Held-for-trading financial assets	1,601,623,650	-	-	-	-	1,601,623,650
Notes receivable	-	-	753,000	-	-	753,000
Receivables financing	-	-	-	362,006,319	-	362,006,319
Accounts receivable	-	-	7,227,065,255	-	-	7,227,065,255
Other receivables	-	-	913,410,163	-	-	913,410,163
Non-current assets due within one year	-	-	1,884,370,444	-	-	1,884,370,444
Investment in other equity instruments	-	-	-	-	61,505,751	61,505,751
Long-term receivables	-	-	5,077,114,342	-	-	5,077,114,342
Other non-current financial assets	330,094,057	-	-	-	-	330,094,057
	1,931,717,707	-	18,050,787,490	362,006,319	61,505,751	20,406,017,717

Financial liabilities

	Financial liabilities measured at fair value through the current profit or loss		Financial liabilities measured at amortized cost	Total
	Standard	Designated		
Short-term borrowings	-	-	17,795,076,565	17,795,076,565
Held-for-trading financial liabilities	458,882	-	-	458,882
Notes payable	-	-	3,600,725,892	3,600,725,892
Accounts payable	-	-	7,773,903,147	7,773,903,147
Other payables	-	-	465,042,915	465,042,915
Non-current liabilities due within one year	-	-	1,374,465,319	1,374,465,319
Long-term borrowings	-	-	16,850,299,742	16,850,299,742
Long-term payables	-	-	1,632,757,932	1,632,757,932
	458,882	-	49,492,271,512	49,492,730,394

2 Transfer of financial assets

Transferred financial assets derecognized as a whole but involved continuously

As at December 31, 2021, the book value of the bank acceptance bill given by the Group upon endorsement to the supplier for accounts payable settlement amounted to RMB 1,075,578,905 (December 31, 2020: RMB 831,810,701). As at December 31, 2021, the maturity term of such bill was 1 - 12 months. In accordance with the relevant provisions of the Negotiable Instruments Law, if the acceptance bank refuses to pay, the bill holder shall be entitled to recourse to the Group ("continue to be involved"). The Group considered that it had transferred almost all risks and rewards of such bill, therefore, the aforesaid book value and the book value of relevant settled accounts payable should be derecognized as a whole. The maximum losses and undiscounted cash flows that continue to be involved were equal to the book value. The Group considered that the fair value with continuous involvement was insignificant.

In 2021, the Group recognized the loss of RMB 3,407,760 on the date of transfer of the above financial assets (2020: loss of RMB 2,606,175). The Group had no income or expense which had been recognized for the current year or accumulatively as it had been derecognized as a whole but continued to be involved in the financial assets. The endorsement of bank acceptance bill receivable happened in this year evenly.

3 Financial instrument risks

Various financial instrument risks the Group faces during the routine activities mainly include the credit risk, liquidity risk and market risk (including the exchange rate risk and interest rate risk). Main financial instruments of the Group include the monetary funds, equity investment, borrowings, notes receivable, accounts receivable, accounts receivable financing, contract assets, long-term receivables, notes payable and accounts payable.

The Group's overall risk management plan is targeted at the unpredictability of financial market, trying to minimize the potential adverse influence on the Group's financial results.

Credit risk

The Group manages the credit risks by the classification of portfolios. The credit risk is mainly from accounts receivable financing, accounts receivable, other receivables and long-term receivables.

Other financial assets of the Group include monetary funds, held-for-trading financial assets, other equity investment instruments and other non-current financial assets, of which credit risks are from the counterpart's default, and the maximum exposure is equal to the book amount of these instruments.

The Group only trade with the authorized third parties in good standing. Credit risks are managed in a centralized manner by customer/counterpart, geographic region and industry. As the Group's customers of accounts receivable and long-term receivables are widely dispersed across sectors and industries, there is no significant credit risk concentration within the Group. The Group did not hold any collateral or other credit enhancements for the balance of accounts receivable and long-term receivables, but did the same for the balance of long-term receivables.

As the counterparts of monetary funds, receivables financing and derivative financial instruments are banks in good standing and having relatively higher credit rating, these financial instruments have low credit risk.

In addition, as for the receivables financing, accounts receivable financing, accounts receivable, other receivables, and long-term accounts receivable, the Group has set relevant policies to control the credit risk exposure. The Group, based on the customers' financial positions, the possibility of obtaining guarantees from the third party, credit records and other factors such as the current market conditions, evaluates the credit qualifications of customers and set the credit period accordingly. The Group will monitor customers' credit records periodically; as for the customers with bad credit records, the Group will take measures, such as requesting a payment in writing, shortening the credit period or canceling the credit term, to ensure that the Group's overall credit risks are within the controllable scope.

Judgment criteria for significant increase in credit risk

On each balance sheet date, the Group will evaluate the credit risks of relevant financial instruments to confirm whether they have had significant increase or not after the initial recognition. On such confirmation, the Group will consider the reasonable and well-founded information which can be obtained without paying unnecessary surcharge or effort, including the information on qualitative and quantitative analysis based on the Group's historical date, external credit risk rating and perspectiveness. Based on the individual financial instrument or portfolio of financial instruments with similar credit risk characteristics, the Group determines the changes in default risk in financial instruments during the estimated duration by comparing the default risks in financial instruments on the balance sheet date with those on the initial recognition date.

In case of one or more quantitative or qualitative standards, the Group will consider that the credit risk of a financial instrument has had significant increase:

- (1) The quantitative standard mainly refers to the situation that the reporting date is overdue for certain days.
- (2) The qualitative standard mainly refers to the situation that the debtor encounters any significant and adverse operating or financial change, or prepares the list of warning customers.

Definition of assets with credit impairment

In order to determine whether there is credit impairment, the Group adopts a definition standard to keep pace with the internal credit risk management target regarding relevant financial instruments, and takes the quantitative and qualitative indicators into account. The Group mainly considers the following factors on evaluating whether the debtor has had credit impairment:

- (1) The issuer or the debtor suffers significant financial difficulties;
- (2) The debtor violates any contract, such as default or delay in repayment of interest or principal;
- (3) Considering the economic or contractual reasons relevant to the debtor's financial difficulty, the debtor makes concession which it will not make in any other circumstance;
- (4) The debtor is likely to go bankrupt or carry out other financial reorganization;
- (5) The active market of such financial assets disappears due to the issuer's or the debtor's financial difficulty;
- (6) A financial asset is purchased or generated through the substantial discount, and such discount reflects the fact of credit loss.

The credit impairment of financial assets may be caused by several events, not just one event which can be individually identified.



Parameters for the measurement of expected credit loss

Based on the information whether the credit risk has had significant increase or there is credit impairment, the Group makes the provision for impairment of expected credit losses of various assets for 12 months or the entire duration. Key parameters for the measurements of expected credit loss include the probability of default, loss given default and exposure at default. Considering the quantitative analysis on historical statistical data (including the rating of the counterpart, way of guarantee and category of collateral) and prospective information, the Group builds models for probability of default, loss given default and exposure at default.

Relevant definitions:

Relevant definitions:

(1) The probability of default refers to the probability that the debtor may fail to perform the payment obligation over the next 12 months or the entire duration. The Group's probability of default is adjusted based on the credit loss model, adding the prospective information to reflect the debtor's probability of default in the current macroeconomic environment;

(2) The loss given default refers to the expectation made by the Group regarding the degree of loss on default risk exposure. As the type of counterpart, way of recourse and priority as well as collateral may be different, the loss given default may also be different. The loss given default refers to the percentage of the risk exposure loss at default, calculated based on the term over the next 12 months or the entire duration;

(3) The exposure at default refers to the amount paid by the Group at default over the next 12 months or the entire remaining duration.

The prospective information is involved in the evaluation on significant change in credit risk and the calculation of expected credit loss. Through the historical data analysis, the Group identifies the key economic indicators affecting the credit risks in various types of business and the expected credit loss.

The impact of these economic indicators on the probability of default and the loss given default is different for different type of business. In such course, the Group makes the reference to the authoritative predictive values, expect these economic indicators based on results of those values, and determine the impact of these economic indicators on the probability of default and the loss given default.

2021

The maximum risk exposure and the year-end classification of credit risk degrees regarding the Group's financial assets and contract assets are as follows:

	Expected credit loss over the next 12 months	Expected credit loss in the entire lifecycle			Total
	Stage I	Stage II	Stage III	Simple method	
Monetary funds	4,571,837,584	-	-	-	4,571,837,584
Held-for-trading financial assets	1,153,533,922	-	-	-	1,153,533,922
Notes receivable	3,979,800	-	-	-	3,979,800
Accounts receivable	-	-	-	6,448,850,756	6,448,850,756
Contract assets	-	-	-	1,971,455,850	1,971,455,850
Receivables financing	245,408,260	-	-	-	245,408,260
Other receivables	896,204,722	44,318,174	-	-	940,522,896
Non-current assets due within one year	1,437,034,591	-	-	-	1,437,034,591
Other non-current assets	-	-	-	3,723,160,470	3,723,160,470
Long-term receivables	2,674,407,383	-	-	-	2,674,407,383
	10,982,406,262	44,318,174	-	12,143,467,076	23,170,191,512

2020

	Estimated credit loss in future 12 months	Estimated credit loss in the entire lifecycle			Total
	Stage I	Stage II	Stage III	Simple method	
Monetary funds	2,948,074,736	-	-	-	2,948,074,736
Held-for-trading financial assets	1,601,623,650	-	-	-	1,601,623,650
Notes receivable	753,000	-	-	-	753,000
Accounts receivable	-	-	-	7,227,065,255	7,227,065,255
Contract assets	-	-	-	2,063,296,890	2,063,296,890
Receivables financing	362,006,319	-	-	-	362,006,319
Other receivables	836,659,904	76,750,259	-	-	913,410,163
Non-current assets due within one year	1,884,370,444	-	-	-	1,884,370,444
Other non-current financial assets	330,094,057	-	-	-	330,094,057
Other non-current assets	-	-	-	702,933,384	702,933,384
Long-term receivables	5,077,114,342	-	-	-	5,077,114,342
	13,040,696,452	76,750,259	-	9,993,295,529	23,110,742,240

Liquidity risk

Subsidiaries within the Group are responsible for their own cash-flow prospects. The financial section of the head office continues to monitor the short-term and long-term capital demands at the group level after collecting the cash flows prospects of all subsidiaries, to guarantee the sufficient cash reserve and cashable securities. Meanwhile, the financial section of the head office continues to monitor the financial and non-financial indicators prescribed in credit-granting agreements and loan agreements, to ensure that the Group can get sufficient line of credit from major financial institutions, so as to satisfy the short-term and long-term capital demands of all subsidiaries of the Group.

As at December 31, 2021, the various financial liabilities of the Group are listed as follows by due dates based on undiscounted contracted cash flows (including principal and interest):

2021

	2021				Total
	Within 1 year	1-2 years	2-5 years	Over 5 years	
Short-term borrowings	6,039,107,924	-	-	-	6,039,107,924
Notes payable	4,160,666,800	-	-	-	4,160,666,800
Accounts payable	6,966,472,639	-	-	-	6,966,472,639
Other payables	409,527,645	-	-	-	409,527,645
Non-current liabilities due within one year	2,629,217,287	-	-	-	2,629,217,287
Long-term borrowings	-	11,094,362,064	13,679,165,744	1,483,886,999	26,257,414,807
Long-term payables	-	1,094,905,975	619,424,936	1,055,544,185	2,769,875,096
	20,204,992,295	12,189,268,039	14,298,590,680	2,539,431,184	49,232,282,198



2020

2020					
	Within 1 year	1-2 years	2-5 years	Over 5 years	Total
Short-term borrowings	18,041,418,617	-	-	-	18,041,418,617
Held-for-trading financial liabilities	458,882	-	-	-	458,882
Notes payable	3,600,725,892	-	-	-	3,600,725,892
Accounts payable	7,773,903,147	-	-	-	7,773,903,147
Other payables	481,065,700	-	-	-	481,065,700
Non-current liabilities due within one year	1,480,593,478	-	-	-	1,480,593,478
Long-term borrowings	-	2,448,871,944	14,087,369,245	1,621,865,690	18,158,106,879
Long-term payables	-	555,681,491	579,063,124	805,440,349	1,940,184,964
	31,378,165,716	3,004,553,435	14,666,432,369	2,427,306,039	51,476,457,559

Market risk

Interest rate risk

The Group's interest rate risk is mainly from such long-term interest-bearing liabilities as long-term bank borrowings and long-term payables. Floating-rate financial liabilities expose the Group to cash flow interest rate risk while fixed-rate financial liabilities expose the Group to fair value interest rate risk. The Group determines the relative proportion of contracts with fixed interest rate and contracts with floating interest rate according to the current market environment. As at December 31, 2021, the Group's long-term interest-bearing liabilities mainly were the floating rate contracts priced in USD, and the fixed rate contracts priced in RMB.

The market interest rate fluctuating risks that the Group encounters are mainly relevant to the long-term liabilities where the interest is calculated at the floating interest rate.

The finance department in the headquarters of the Group continues monitoring and controlling the interest rate level of the Group. The increase in interest rate will increase the costs of the new interest-bearing debts and the interest expenses of interest-bearing debts failing to be paid up by the Group and subject to the interest calculation at floating interest rate, and will, significantly and adversely, affect the Group's financial results; the management will control partial interest rate risk based on the newest market situation through the swap contract and other interest rate swap arrangements. In 2021 and 2020, the Group had no interest rate swap arrangement.

The following table shows the sensitivity analysis of the interest rate risk, reflecting the effect of the reasonable and possible changes in the interest rate on net profit or loss (through the impact on loan with floating interest rate) and the net amount of other comprehensive income after tax, based on the assumption of no change in other variables.

2021

	Base point Increase / (Decrease)	Net profit or loss Increase / (Decrease)	Net of tax of other comprehensive income Increase / (Decrease)	Total shareholders' equity Increase / (Decrease)
RMB	100	(28,254,774)	-	(28,254,774)
RMB	(100)	28,254,774	-	28,254,774

2020

	Base point Increase / (Decrease)	Net profit or loss Increase / (Decrease)	Net of tax of other comprehensive income Increase / (Decrease)	Total shareholders' equity Increase / (Decrease)
RMB	100	(34,223,642)	-	(34,223,642)
RMB	(100)	34,223,642	-	34,223,642

Exchange rate risk

The Group is exposed to transactional exchange rate risk. Such risks are due to sales or purchases made by the operating entity in currencies other than its functional currency. The Group's main production is within the territory of China, but its sales and purchase is settled in USD. However, there still were foreign exchange risks in the foreign currency assets and liabilities and future foreign currency transactions that have been recognized by the Group (foreign currency assets and liabilities and foreign currency transactions are priced mainly in USD). The finance department of the Headquarters of the Group is responsible for supervising the scale of the Group's foreign currency transactions and foreign currency assets and liabilities to minimize the foreign exchange risks.

The following table is a sensitivity analysis of exchange rate risk, reflecting the assumption that all other variables will remain the same, when the USD exchange rate changes reasonably and possibly, it will affect the net profit or loss (due to the change in fair value of monetary assets and liabilities) and other comprehensive income, net of tax (due to the change in fair value of forward foreign exchange contract).

2021

	USD exchange rate Increase / (Decrease)	Net profit or loss Increase / (Decrease)	Net of tax of other comprehensive income Increase / (Decrease)	Total shareholders' equity Increase / (Decrease)
RMB appreciation against USD	1%	13,174,484	-	13,174,484
RMB depreciation against USD	(1%)	(13,174,484)	-	(13,174,484)

2020

	USD exchange rate Increase / (Decrease)	Net profit or loss Increase / (Decrease)	Net of tax of other comprehensive income Increase / (Decrease)	Total shareholders' equity Increase / (Decrease)
RMB appreciation against USD	1%	15,995,421	-	15,995,421
RMB depreciation against USD	(1%)	(15,995,421)	-	(15,995,421)

Price risk of equity instrument investment

The price risk of equity instrument investment refers to the risk that the fair value of equity securities decreases due to the change of stock index level and individual securities value. As at December 31, 2021, the Group was exposed to the price risk of equity instrument investment arising from the individual equity instrument investment classified as equity instrument investment measured at fair value through the current profit or loss. The listed equity instrument investment held by the Group is listed on the stock exchanges of Shanghai, Shenzhen and Hong Kong, and measured at the market quotation on the balance sheet date.

The market stock indexes of the following stock exchanges at the closing of the trading day closest to the balance sheet date, as well as their respective highest and lowest closing points in the year:

	At the end of 2021	Highest / lowest in 2021	At the end of 2020	Highest / lowest in 2020
Shanghai - A-share index	3,814	3,912/3,472	3,640	3,642/2,774
Shenzhen - A-share index	2,648	2,691/2,229	2,438	2,442/1,683
Hong Kong - Hang Seng Index	23,398	31,183/22,665	27,231	29,175/21,139

The following table shows the sensitivity of the Group's net profit or loss to the change of 1% of the fair value of equity instrument investment (based on the book value on the balance sheet date) under the assumption that all other variables remain unchanged.

2021

	Book value of equity instrument investment	Increase / (decrease) in net profit or loss	Increase / (decrease) in net of tax of other comprehensive income	Increase / (decrease) in total shareholders' equity
Equity instrument investment				
Shanghai - equity instrument investment measured at fair value through the current profit or loss	72,893,037	619,591	-	619,591
Shenzhen - equity instrument investment measured at fair value through the current profit or loss	421,346,608	3,581,446	-	3,581,446
Hong Kong - equity instrument investment measured at fair value through the current profit or loss	650,855,999	5,434,648	-	5,434,648
Investment in unlisted equity instruments measured at fair value				
- Equity instrument investment measured at fair value through the other comprehensive income	66,280,045	-	563,380	563,380



2020

	Book value of equity instrument investment	Increase / (decrease) in net profit or loss	Increase / (decrease) in net of tax of other comprehensive income	Increase / (decrease) in total shareholders' equity
Equity instrument investment				
Shanghai - equity instrument investment measured at fair value through the current profit or loss	679,011,665	5,771,599	-	5,771,599
Shenzhen - equity instrument investment measured at fair value through the current profit or loss	229,296,774	1,949,023	-	1,949,023
Hong Kong - equity instrument investment measured at fair value through the current profit or loss	684,876,933	5,718,722	-	5,718,722
Investment in unlisted equity instruments measured at fair value				
- Equity instrument investment measured at fair value through the current profit or loss	330,094,057	2,805,799	-	2,805,799
- Equity instrument investment measured at fair value through the other comprehensive income	61,505,751	-	522,799	522,799

4 Capital management

The Group's objectives of capital management policy are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The total capital of the Group is the shareholders' equity as listed in the consolidated balance sheet. The Group is not subject to external mandatory capital requirements and makes use of the asset-liability ratio to monitor capital. This ratio is calculated by the net debt divided by total capital. The net debt is the total borrowing (including short-term borrowings listed in the consolidated balance sheet, other non-current liabilities due within one year (excluding lease liabilities), long-term borrowings, other payables and interest-bearing liabilities in long-term payables minus cash and cash equivalents). The total capital is the total shareholders' equity plus net debt.

As at December 31, 2021 and December 31, 2020, the debt ratio of the Group is listed as follows:

	2021	2020
Debt ratio	64%	67%

XI. Fair value disclosure

1 Ending fair value of assets and liabilities measured at fair value

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Ending fair value			Total
	Fair value measurement at level 1	Fair value measurement at level 2	Fair value measurement at level 3	
I. Continuous fair value measurement				
(I) Held-for-trading financial assets	1,145,095,644		8,438,278	1,153,533,922
1. Financial assets measured at fair value through the current profit or loss	1,145,095,644		8,438,278	1,153,533,922
(1) Debt instrument investment				
(2) Equity instrument investments				
(3) Derivative financial assets			8,438,278	8,438,278
(4) Equity of listed companies	1,145,095,644			1,145,095,644

Item	Ending fair value			
	Fair value measurement at level 1	Fair value measurement at level 2	Fair value measurement at level 3	Total
2. Financial assets designated to be measured at fair value through the current profit or loss				
(1) Debt instrument investment				
(2) Equity instrument investments				
(II) Other debt investment				
(III) Investment in other equity instruments			66,280,045	66,280,045
(IV) Investment property				
1. Land use right for lease				
2. Buildings for lease				
3. Land use right held for transfer after appreciation				
(V) Biological assets				
1. Consumptive biological assets				
2. Productive biological assets				
(VI) Receivables financing		245,408,260		245,408,260
Total assets measured with continuous fair value continuously	1,145,095,644	245,408,260	74,718,323	1,465,222,227
(VI) Held-for-trading financial liabilities				
1. Financial liabilities measured at fair value through current profit or loss				
Including: Trading bonds issued				
Derivative financial liabilities				
Others				
2. Financial liabilities designated to be measured at fair value through the current profit or loss				
Total liabilities measured with continuous fair value continuously				
II. Non-continuous fair value measurement				
(I) Assets held for sale				
Total assets not continuously measured at fair value				
Total liabilities not continuously measured at fair value				

2 The basis for determining the market value of continuous and non-continuous fair value measurement items at level 1

Applicable Not applicable

3 Valuation techniques and the qualitative and quantitative information of important parameters for continuous and non-continuous fair value measurement items at level 2

Applicable Not applicable

The Group recognizes the date when the conversion of levels occurs as the time point of the conversion of all levels. There was no conversion among levels in this year.

Where there is an active market traded for a financial instrument, the Group shall adopt the quoted price in the active market to determine the fair value thereof; where there is no active market traded for a financial instrument, the Group shall adopt value appraisal techniques to determine its fair value. The valuation models used are discounted cash flow model and market comparable company model. The input value of valuation techniques mainly includes the weighted average cost of capital, liquidity discount, price to book ratio of comparable companies.

Relevant information about the measurement of fair value at level 2 is as follows:

	2021 Fair value	Valuation technique	Observable input value	
			Name	Scope
Receivables financing	245,408,260	Discounted cash flow model	Similar open market lending rate	4.4%



4 Valuation techniques and the qualitative and quantitative information of important parameters for continuous and non-continuous fair value measurement items at level 3

Applicable Not applicable

The significant and unobservable input value of fair value measurement at Level 3 is as follows:

	2021 Fair value	Valuation technique	Unobservable input value	
			Name	Weighted average/ scope
Held-for-trading financial assets-- equity instrument investments	8,438,278	Discounted cash flow model	Weighted average capital cost	11%
Investment in other equity instruments	66,280,045	Market comparable company model	Liquidity discount	30%-35%
			P/B ratio of comparable company	1.7-2.4

5 For continuous fair value measurement items at level 3, the adjustment information between beginning and ending book value and the sensitivity analysis of unobservable parameters

Applicable Not applicable

6 For continuous fair value measurement items, if there is conversion between different levels in the current period, the reasons for conversion and the policies for determining the conversion time

Applicable Not applicable

7 Changes in valuation technology in the current period and reasons for changes

Applicable Not applicable

8 Fair values of financial assets and financial liabilities not measured at fair value

Applicable Not applicable

9 Others

Applicable Not applicable

The management has evaluated the monetary funds, accounts receivables, notes payable and accounts payable, and the fair value is equal to the book value due to short remaining term.

The long-term receivables of the Group are the receivables with floating rate, and the difference between the book value and fair value is small.

As for the long-term borrowings and long-term payables, the book value shall be determined by the future cash flow specified in the contract after discounting according to the interest rate which has comparable credit rating on the market and provides almost the same cash flow under the same conditions, and the difference between the book value and such fair value is small.

In this year, there was no transfer of fair value measurement of financial assets and financial liabilities between level 1 and level 2, and there was no transfer into or out of the level 3.

XII Related parties and related party transactions

1 Parent company

Applicable Not applicable

Unit: Yuan Currency: CNY

Parent company	Registration place	Business nature	Registered capital	Shareholding ratio in the Company (%)	Voting ratio in the Company (%)
China Communications Construction Group Co., Ltd.	Beijing City	Port project contracting and related business	5,855,423,830	46.229	46.229

Description of the parent company of the Company

None

The final controlling party of the Company is the China Communications Construction Group Co., Ltd.

Other description:

None

2 Subsidiaries

For details of subsidiaries of the Company, please refer to Note IX (1)

Applicable Not applicable

For details of subsidiaries, please refer to Note IX (1).

3 Joint ventures and associates

For details of major joint ventures and associates, please refer to Note IX (2).

Applicable Not applicable

Other joint ventures or associates that have related party transactions with the Company in the current period or formed balance in the previous period are as follows

Applicable Not applicable

Other description

Applicable Not applicable

4 Other related parties

Applicable Not applicable

Name of other related parties	Relationship with related party
China Communications Construction Company Ltd.	Controlled by the same parent company
China Harbour Engineering Co., Ltd.	Controlled by the same parent company
CCCC Finance Company Ltd.	Controlled by the same parent company
CCCC Second Highway Engineering Co., Ltd.	Controlled by the same parent company
CCCC Second Highway Consultants Co., Ltd.	Controlled by the same parent company
CCCC Second Harbor Engineering Co., Ltd.	Controlled by the same parent company
CCCC Second Harbor Consultants Co., Ltd.	Controlled by the same parent company
CCCC Third Highway Engineering Co. Ltd.	Controlled by the same parent company
CCCC Third Harbor Engineering Co., Ltd.	Controlled by the same parent company
CCCC Third Harbor Consultants Co., Ltd.	Controlled by the same parent company
CCCC Fourth Highway Engineering Co., Ltd.	Controlled by the same parent company
CCCC Fourth Harbor Engineering Co., Ltd	Controlled by the same parent company
CCCC Fourth Harbor Consultants Co., Ltd.	Controlled by the same parent company
CCCC First Highway Engineering Co., Ltd.	Controlled by the same parent company
CCCC First Highway Consultants Co., Ltd.	Controlled by the same parent company
CCCC First Harbor Engineering Co., Ltd.	Controlled by the same parent company
CCCC-FHEC Urban Traffic Engineering Co., Ltd.	Controlled by the same parent company
CCCC First Harbor Consultants Co., Ltd.	Controlled by the same parent company
CCCC - SHEC Second Highway Engineering Co., Ltd.	Controlled by the same parent company
CCCC - SHEC Third Highway Engineering Co., Ltd.	Controlled by the same parent company
CCCC - SHEC Fourth Highway Engineering Co., Ltd.	Controlled by the same parent company
CCCC - SHEC Railway Construction Co., Ltd	Controlled by the same parent company
CCCC - SHEC Electrical Engineering Co., Ltd.	Controlled by the same parent company
CCCC SHEC Chengdu Urban Construction Engineering Co., Ltd.	Controlled by the same parent company
No.2 Engineering Co., Ltd. of CCCC Second Harbor Engineering Co., Ltd.	Controlled by the same parent company
No.3 Co. of The Second Navigational Engineering Bureau, CCCC	Controlled by the same parent company
No.4 Engineering Co., Ltd. of CCCC Second Harbor Engineering Co., Ltd.	Controlled by the same parent company
The First Construction Company of CCCC Second Harbor Engineering Co., Ltd	Controlled by the same parent company
CCCC-SHEC Construction Engineering Co., Ltd	Controlled by the same parent company
Zhen Hwa Harbour Construction Co., Ltd.	Controlled by the same parent company
Beijing Rate Electronic Technology Developing Co., Ltd.	Controlled by the same parent company
CCCC Guidu Highway Construction Co., Ltd.	Controlled by the same parent company
Road & Bridge International Co., Ltd.	Controlled by the same parent company
Shanghai Waterway Logistics Co., Ltd	Controlled by the same parent company



Name of other related parties	Relationship with related party
Shanghai Jiangtian Industrial Co., Ltd.	Controlled by the same parent company
Shanghai Communications Construction Contracting Co., Ltd.	Controlled by the same parent company
Shanghai Interlink Road & Bridge Engineering Co., Ltd.	Controlled by the same parent company
Shanghai Zhensha Longfu Machinery Co., Ltd.	Controlled by the same parent company
Shanghai China Communications Water Transportation Design & Research Co., Ltd.	Controlled by the same parent company
CCCC Tianjin Dredging Co., Ltd.	Controlled by the same parent company
Wuhan Hangke Logistics Company Limited	Controlled by the same parent company
Hong Kong Marine Construction Limited	Controlled by the same parent company
Zhenhua Engineering Co., Ltd.	Controlled by the same parent company
Xiangtan CCCC Infrastructure Investment and Construction Co., Ltd.	Controlled by the same parent company
Yueyang Chenglingji New Port Co., Ltd.	Controlled by the same parent company
China Communications Materials & Equipment Co., Ltd.	Controlled by the same parent company
China Road & Bridge Corporation	Controlled by the same parent company
China Highway Engineering Consultants Corporation	Controlled by the same parent company
Chuwa Risheng (Beijing) International Trade Co., Ltd	Controlled by the same parent company
Chuwa Bussan Co., Ltd.	Controlled by the same parent company
CCCC (Xiamen) Information Co., Ltd	Controlled by the same parent company
CCCC (Zhoushan) Dredging Co., Ltd.	Controlled by the same parent company
CCCC North Industrial Co., Ltd.	Controlled by the same parent company
CCCC Highway Consultants Co., Ltd.	Controlled by the same parent company
CCCC Highway Bridges National Engineering Research Centre Co., Ltd.	Controlled by the same parent company
CCCC Guangzhou Dredging Co., Ltd.	Controlled by the same parent company
CCCC International (Hong Kong) Holdings Limited	Controlled by the same parent company
CCCC International Shipping Co., Ltd	Controlled by the same parent company
CCCC Marine Engineering & Technology Research Center Co., Ltd.	Controlled by the same parent company
CCCC East China Investment Co., Ltd.	Controlled by the same parent company
CCCC Electrical and Mechanical Engineering Co., Ltd.	Controlled by the same parent company
CCCC Infrastructure Maintenance Group Co., Ltd.	Controlled by the same parent company
Road & Bridge East China Engineering Co., Ltd.	Controlled by the same parent company
Road & Bridge South China Engineering Co., Ltd	Controlled by the same parent company
Road & Bridge International Co., Ltd.	Controlled by the same parent company
CCCC Nanjing Traffic Engineering Management Co., Ltd.	Controlled by the same parent company
CCCC Financial Leasing (Guangzhou) Co., Ltd	Controlled by the same parent company
CCCC Financial Leasing Co., Ltd	Controlled by the same parent company
No.2 Engineering Co., Ltd. of CCCC Third Harbor Engineering Co., Ltd.	Controlled by the same parent company
No.3 Engineering Co., Ltd. of CCCC Third Harbor Engineering Co., Ltd.	Controlled by the same parent company
Construction Materials Co., Ltd, CCCC Third Harbor Engineering Co., Ltd.	Controlled by the same parent company
Xing An Ji Engineering Co., Ltd. of CCCC Third Harbor Engineering Co., Ltd.	Controlled by the same parent company
CCCC Shanghai Harbor Engineering Design & Research Institute Co., Ltd.	Controlled by the same parent company
CCCC Shanghai Dredging Co., Ltd.	Controlled by the same parent company
CCCC Shanghai Channel Equipment Industry Co., Ltd.	Controlled by the same parent company
CCCC Shanghai Equipment Engineering Co., Ltd.	Controlled by the same parent company
CCCC Worldcom (Chongqing) Heavy Industries Co., Ltd.	Controlled by the same parent company
CCCC National Engineering Research Center of Dredging Technology and Equipment Co., Ltd.	Controlled by the same parent company
CCCC Water Transportation Planning and Design Institute Co., Ltd.	Controlled by the same parent company
No. 2 Engineering Co., Ltd. of CCCC Fourth Highway Engineering Co., Ltd.	Controlled by the same parent company
No.2 Engineering Co., Ltd. of CCCC Fourth Harbor Engineering Co., Ltd.	Controlled by the same parent company

Name of other related parties	Relationship with related party
The Third Engineering Company of CCCC Fourth Harbor Engineering Co., Ltd	Controlled by the same parent company
CCCC Tunnel Engineering Company Limited	Controlled by the same parent company
Hainan Industry Co., Ltd. of CCCC Tianjin Dredging Co., Ltd.	Controlled by the same parent company
Binhai Environmental Protection Dredging Co., Ltd. of CCCC Tianjin Dredging Co., Ltd.	Controlled by the same parent company
CCCC Tianhe Mechanical Equipment Manufacturing Co., Ltd	Controlled by the same parent company
CCCC Tianhe Xi'an Equipment Manufacturing Co., Ltd.	Controlled by the same parent company
CCCC Tianjin Port Waterway Prospection & Design Research Institute Co., Ltd.	Controlled by the same parent company
CCCC Tianjin Industry and Trade Co., Ltd.	Controlled by the same parent company
CCCC Tianjin Dredging Co., Ltd.	Controlled by the same parent company
CCCC WuHan Harbour Engineering Design and Research Co., Ltd.	Controlled by the same parent company
CCCC Xi'an Road Construction Machinery Co., Ltd.	Controlled by the same parent company
CCCC Xingyu Technology Co., Ltd	Controlled by the same parent company
CCCC Xiongan Financial Leasing Co., Ltd	Controlled by the same parent company
CCCC Yancheng Construction Development Co., Ltd.	Controlled by the same parent company
No.8 Engineering Co., Ltd. of CCCC First Highway Engineering Co., Ltd.	Controlled by the same parent company
No. 6 Engineering Co., Ltd. of CCCC First Highway Engineering Co., Ltd.	Controlled by the same parent company
No. Three Engineering Co., Ltd. of CCCC First Highway Engineering Co., Ltd.	Controlled by the same parent company
CCCC First Highway Fifth Engineering Co., Ltd.	Controlled by the same parent company
CCCC First Highway Electrification Engineering Co., Ltd	Controlled by the same parent company
Haiwei Engineering Construction Co., Ltd., of FHEC of CCCC	Controlled by the same parent company
Chongqing Yongjiang Expressway Investment and Construction Co., Ltd of FHEC of CCCC	Controlled by the same parent company
Installation Engineering Co., Ltd. of CCCC First Harbor Engineering Co. Ltd.	Controlled by the same parent company
No.2 Engineering Co., Ltd. of CCCC First Harbor Engineering Co., Ltd.	Controlled by the same parent company
No.1 Engineering Co., Ltd. of CCCC First Harbor Engineering Co., Ltd.	Controlled by the same parent company
CCCC Leasing Jiahua No.2 Co. Ltd.	Controlled by the same parent company
CCCC Leasing Jiahua No.1 Co., Ltd.	Controlled by the same parent company
CNPC & CCCC Petroleum Sales Co., Ltd.	Controlled by the same parent company
Hainan CCCC Fourth Harbor Construction Co., Ltd.	Controlled by the same parent company
Electrification Co., Ltd. of CCCC Tunnel Engineering Company Limited	Controlled by the same parent company
CTTIC Shanghai Co., Ltd.	Controlled by the same parent company
Friede & Goldman, Llc.	Controlled by the same parent company
CCCC (Xiamen) Information Co., Ltd	Controlled by the same parent company
China Communications Information Technology Group Co., Ltd.	Controlled by the same parent company
Road and Bridge Construction Chongqing Fengfu Expressway Development Co., Ltd	Controlled by the same parent company
Road and Bridge Construction Chongqing Fengshi Expressway Development Co., Ltd	Controlled by the same parent company
CCCC Chenzhou Road Construction Machinery Co., Ltd.	Controlled by the same parent company
SanYa Phoenix Island International Cruise Terminal Development Co., Ltd.	Controlled by the same parent company
CCCC Capital Holdings Co., Ltd.	Controlled by the same parent company
CCCC (Tianjin) Ecological and Environmental Protection Design Institute Co., Ltd.	Controlled by the same parent company
Beijing BLDJ Landscape Architecture Institute Co., LTD.	Controlled by the same parent company
Shanghai Donghua Construction Co., Ltd.	Controlled by the same parent company

Other description

None



5 Related party transactions

(1) Purchase and sales of goods, and rendering and receipt of labor services

Purchase of goods/receipt of labor services

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Related party	Content of transaction	Amount incurred in the current period	Amount incurred in the previous period
No.2 Engineering Co., Ltd. of CCCC Third Harbor Engineering Co., Ltd.	Receipt of labor services	395,812,379	691,422,066
CCCC Tianjin Dredging Co., Ltd.	Receipt of labor services	300,755,835	100,525,545
CCCC First Highway Engineering Co., Ltd.	Receipt of labor services	300,665,193	201,690,439
CCCC Shanghai Equipment Engineering Co., Ltd.	Receipt of labor services	267,095,811	
CCCC Third Highway Engineering Co. Ltd.	Receipt of labor services	166,239,672	60,479,325
CCCC Third Harbor Engineering Co., Ltd.	Receipt of labor services	164,243,707	204,828,721
CCCC Second Harbor Engineering Co., Ltd.	Receipt of labor services	132,279,839	301,152,978
Road & Bridge East China Engineering Co., Ltd.	Receipt of labor services	129,730,802	23,620,159
ZPMC Southeast Asia Pte. Ltd	Receipt of labor services	114,109,010	59,340,652
CCCC Worldcom (Chongqing) Heavy Industries Co., Ltd.	Receipt of labor services	19,476,868	14,309,194
CCCC First Harbor Engineering Co., Ltd.	Receipt of labor services	10,475,623	
CCCC First Harbor Consultants Co., Ltd.	Receipt of labor services	7,528,374	1,293,585
ZPMC Mediterranean Liman Makinalari Ticaret Anonim Sirketi	Receipt of labor services	6,424,633	3,690,480
China Road & Bridge Corporation	Receipt of labor services	5,897,691	10,988,748
CCCC Fourth Highway Engineering Co., Ltd.	Receipt of labor services	5,299,846	306,195,275
ZPMC Changzhou Coatings Co., Ltd.	Receipt of labor services	2,973,451	
CCCC Xingyu Technology Co., Ltd	Receipt of labor services	2,049,877	1,291,516
CCCC Second Highway Consultants Co., Ltd.	Receipt of labor services	1,329,962	5,420,288
CCCC Shanghai Harbor Engineering Design & Research Institute Co., Ltd.	Receipt of labor services	1,258,302	55,046
CCCC Second Harbor Consultants Co., Ltd.	Receipt of labor services	1,150,316	
Shanghai Waterway Logistics Co., Ltd	Receipt of labor services	856,132	1,009,174
Installation Engineering Co., Ltd. of CCCC First Harbor Engineering Co. Ltd.	Receipt of labor services	781,386	908,257
CCCC Marine Engineering & Technology Research Center Co., Ltd.	Receipt of labor services	692,025	207,203
CCCC Water Transportation Planning and Design Institute Co., Ltd.	Receipt of labor services	73,943	26,070,990
CCCC Third Harbor Consultants Co., Ltd.	Receipt of labor services	47,170	3,577,982
China Communications Construction Company Ltd.	Receipt of labor services	27,080	4,388,549
Shanghai Jiangtian Industrial Co., Ltd.	Receipt of labor services	8,332	
CCCC (Xiamen) Information Co., Ltd	Receipt of labor services	5,209	
Shanghai Communications Construction Contracting Co., Ltd.	Receipt of labor services		36,281,828
No. 2 Engineering Co., Ltd. of CCCC Fourth Highway Engineering Co., Ltd.	Receipt of labor services		32,430,368
CCCC Second Highway Engineering Co., Ltd.	Receipt of labor services		21,674,421
CCCC First Highway Fifth Engineering Co., Ltd.	Receipt of labor services		17,768,785
CCCC Tianhe Mechanical Equipment Manufacturing Co., Ltd	Receipt of labor services		1,834,862
Shanghai China Communications Water Transportation Design & Research Co., Ltd.	Receipt of labor services		1,748,853
CCCC Highway Consultants Co., Ltd.	Receipt of labor services		258,180
CCCC WuHan Harbour Engineering Design and Research Co., Ltd.	Receipt of labor services		68,807

Related party	Content of transaction	Amount incurred in the current period	Amount incurred in the previous period
CCCC Shanghai Equipment Engineering Co., Ltd.	Purchase of goods	381,457,531	645,334,160
ZPMC Changzhou Coatings Co., Ltd.	Purchase of goods	122,100,652	83,224,897
CCCC National Engineering Research Center of Dredging Technology and Equipment Co., Ltd.	Purchase of goods	22,472,100	2,151,725
CCCC Shanghai Channel Equipment Industry Co., Ltd.	Purchase of goods	21,777,619	3,466,483
CNPC & CCCC Petroleum Sales Co., Ltd.	Purchase of goods	21,563,726	2,047,752
Shanghai Jiangtian Industrial Co., Ltd.	Purchase of goods	11,826,245	10,044,735
CCCC Second Highway Engineering Co., Ltd.	Purchase of goods	3,161,250	
Friede & Goldman, Llc.	Purchase of goods	2,285,348	
CCCC Tianjin Industry and Trade Co., Ltd.	Purchase of goods	1,866,300	66,687,672
CCCC (Xiamen) Information Co., Ltd	Purchase of goods	990,028	20,971
CCCC Xingyu Technology Co., Ltd	Purchase of goods	347,434	
Chongqing Yongjiang Expressway Investment and Construction Co., Ltd of FHEC of CCCC	Purchase of goods	286,716	9,557,213
China Communications Construction Company Ltd.	Purchase of goods	256,441	2,254,606
CCCC (Xiamen) Information Co., Ltd	Purchase of goods	152,192	
Shanghai China Communications Water Transportation Design & Research Co., Ltd.	Purchase of goods	79,565	
No.1 Engineering Co., Ltd. of CCCC First Harbor Engineering Co., Ltd.	Purchase of goods	77,324	
Shanghai Waterway Logistics Co., Ltd	Purchase of goods	22,697	
Shanghai Zhensha Longfu Machinery Co., Ltd.	Purchase of goods	15,863	
Installation Engineering Co., Ltd. of CCCC First Harbor Engineering Co. Ltd.	Purchase of goods		61,964,860

Sales of goods/rendering of labor services
Applicable Not applicable

Unit: Yuan Currency: CNY

Related party	Content of transaction	Amount incurred in the current period	Amount incurred in the previous period
China Road & Bridge Corporation	Sales of goods/other inflows	1,076,133,465	897,728,442
CCCC First Harbor Engineering Co., Ltd.	Sales of goods/other inflows	658,454,907	20,139,620
CCCC Electrical and Mechanical Engineering Co., Ltd.	Sales of goods/other inflows	567,936,071	88,938,053
CCCC Third Harbor Engineering Co., Ltd.	Sales of goods/other inflows	464,677,293	424,401,835
Jiangsu Longyuan Zhenhua Marine Engineering Co., Ltd	Sales of goods/other inflows	371,622,372	231,829,678
CCCC Second Highway Engineering Co., Ltd.	Sales of goods/other inflows	222,256,873	138,705,156
CCCC Second Harbor Engineering Co., Ltd.	Sales of goods/other inflows	108,882,731	283,456,305
CCCC - SHEC Fourth Highway Engineering Co., Ltd.	Sales of goods/other inflows	60,379,716	
CCCC Tianhe Mechanical Equipment Manufacturing Co., Ltd	Sales of goods/other inflows	58,852,099	4,698,839
CCCC Third Highway Engineering Co. Ltd.	Sales of goods/other inflows	55,241,845	173,821,696
China Communications Construction Company Ltd.	Sales of goods/other inflows	22,832,895	78,205,835
CCCC Tianjin Dredging Co., Ltd.	Sales of goods/other inflows	17,322,772	
Road & Bridge International Co., Ltd.	Sales of goods/other inflows	12,612,240	229,793,506
CCCC Tianjin Industry and Trade Co., Ltd.	Sales of goods/other inflows	9,416,830	50,952,323
ZPMC Southeast Asia Pte. Ltd	Sales of goods/other inflows	7,916,694	37,632,123
ZPMC Mediterranean Liman Makinalari Ticaret Anonim Sirketi	Sales of goods/other inflows	3,595,115	
CCCC - SHEC Second Highway Engineering Co., Ltd.	Sales of goods/other inflows	2,770,866	
Friede & Goldman, Llc.	Sales of goods/other inflows	2,346,934	



Related party	Content of transaction	Amount incurred in the current period	Amount incurred in the previous period
CCCC Fourth Highway Engineering Co., Ltd.	Sales of goods/other inflows	2,148,874	
Beijing Rate Electronic Technology Developing Co., Ltd.	Sales of goods/other inflows	1,774,844	3,550,889
CCCC First Highway Engineering Co., Ltd.	Sales of goods/other inflows	1,387,096	14,921,008
CCCC - SHEC Railway Construction Co., Ltd	Sales of goods/other inflows	1,288,888	
Road and Bridge Construction Chongqing Fengfu Expressway Development Co., Ltd	Sales of goods/other inflows	934,633	
Road and Bridge Construction Chongqing Fengshi Expressway Development Co., Ltd	Sales of goods/other inflows	828,665	
CCCC Shanghai Dredging Co., Ltd.	Sales of goods/other inflows	757,248	
Shanghai Jiangtian Industrial Co., Ltd.	Sales of goods/other inflows	744,530	
Installation Engineering Co., Ltd. of CCCC First Harbor Engineering Co. Ltd.	Sales of goods/other inflows	702,083	22,123,894
CCCC Financial Leasing Co., Ltd	Sales of goods/other inflows	454,989	
CCCC (Xiamen) Information Co., Ltd	Sales of goods/other inflows	362,697	
CCCC Guangzhou Dredging Co., Ltd.	Sales of goods/other inflows	244,956	
CCCC First Highway Electrification Engineering Co., Ltd	Sales of goods/other inflows	231,707	6,129,210
Chongqing Yongjiang Expressway Investment and Construction Co., Ltd of FHEC of CCCC	Sales of goods/other inflows	105,334	
China Communications Information Technology Group Co., Ltd.	Sales of goods/other inflows	66,835	
China Harbour Engineering Co., Ltd.	Sales of goods/other inflows	13,183	13,927,295
CCCC First Harbor Consultants Co., Ltd.	Sales of goods/other inflows		69,444,739
ZPMC-OTL MARINE CONTRACTOR LIMITED	Sales of goods/other inflows		38,016,390
The First Construction Company of CCCC Second Harbor Engineering Co., Ltd	Sales of goods/other inflows		36,724,138
CCCC - SHEC Third Highway Engineering Co., Ltd.	Sales of goods/other inflows		34,008,547
CCCC Tunnel Engineering Company Limited	Sales of goods/other inflows		12,218,362
CCCC Yancheng Construction Development Co., Ltd.	Sales of goods/other inflows		11,855,952
CCCC Shanghai Equipment Engineering Co., Ltd.	Sales of goods/other inflows		8,761,075
The Third Engineering Company of CCCC Fourth Harbor Engineering Co., Ltd	Sales of goods/other inflows		6,559,140
No.3 Co. of The Second Navigational Engineering Bureau, CCCC	Sales of goods/other inflows		5,053,060
CCCC - SHEC Electrical Engineering Co., Ltd.	Sales of goods/other inflows		4,731,690
CCCC Xi'an Road Construction Machinery Co., Ltd.	Sales of goods/other inflows		1,327,434
CCCC International Shipping Co., Ltd	Sales of goods/other inflows		1,044,785
Road & Bridge International Co., Ltd.	Sales of goods/other inflows		78,509

Description of related party transactions of purchase and sales of goods, rendering and receipt of labor services

Applicable Not applicable

(2) Trusteeship/contracting and entrustment/outsourcing

Trusteeship/contracting of the Company:

Applicable Not applicable

Description of the trusteeship/contracting with related parties

Applicable Not applicable

Entrustment/outsourcing of the Company

Applicable Not applicable

Management/outsourcing with related parties

Applicable Not applicable

(3) Leases with related parties

The Company as the lessor

Applicable Not applicable

The Company as the lessee:

Applicable Not applicable

Description of leases with related parties

Applicable Not applicable

(4) Guarantees with related parties

The Company as the guarantor

Applicable Not applicable

The company as the guaranteed party

Applicable Not applicable

Description of the guarantees with related parties

Applicable Not applicable

(5) Lendings with related parties

Applicable Not applicable

(6) Assets transfer and debt restructuring of related parties

Applicable Not applicable

(7) Remuneration of key management personnel

Applicable Not applicable

Unit: 10,000 Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
Remuneration of key management personnel	1,540	1,206

(8) Other related party transactions

Applicable Not applicable

1) Distribution of dividends to related parties

	2021	2020
CCCC International (Hong Kong) Holdings Limited	-	45,837,792
China Communications Construction Company Ltd.	-	42,777,102
CCCCG	-	33,161,169
CCCC Second Harbor Engineering Co., Ltd.	-	9,682,385
CCCC Highway Consultants Co., Ltd.	-	2,420,596
CCCC East China Investment Co., Ltd.	-	2,420,596
	-	136,299,640

2) Deposits in (withdrawal of deposits from) related parties

	2021	2020
CCCC Finance Company Ltd.	1,524,770,252	(360,641,890)

3) Borrowings from related parties

	2021	2020
CCCC Xiongan Financial Leasing Co., Ltd	326,000,000	70,000,000
CCCC Finance Company Ltd.	100,000,000	2,500,000,000
CCCC Financial Leasing Co., Ltd	-	413,000,000
CCCC Leasing Jiahua No.1 Co., Ltd.	-	338,980,000
CCCC Financial Leasing (Guangzhou) Co., Ltd	-	51,000,000
	426,000,000	3,372,980,000

4) Interest collected from related parties

	2021	2020
CCCC Finance Company Ltd.	229,748	297,806



5) Interest paid to related parties

	2021	2020
CCCC Finance Company Ltd.	20,356,489	13,871,667
CCCC Xiongan Financial Leasing Co., Ltd	13,874,222	834,444
CCCC Leasing Jiahua No.1 Co., Ltd.	8,795,303	8,537,825
CCCC Financial Leasing Co., Ltd	5,918,543	13,795,110
CCCC Leasing Jiahua No.2 Co., Ltd.	4,131,498	8,537,825
CCCC Financial Leasing (Guangzhou) Co., Ltd	1,713,225	482,639
	54,789,280	46,059,510

6 Accounts receivable and payable by related parties

(1) Receivables

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Item	Related parties	Balance as at December 31, 2021		Balance as at December 31, 2020	
		Book balance	Provision for bad debt	Book balance	Provision for bad debt
Accounts receivable	CCCC Third Harbor Engineering Co., Ltd.	182,219,562		175,013,189	
Accounts receivable	CCCC First Harbor Engineering Co., Ltd.	166,044,484		121,988,778	
Accounts receivable	Jiangsu Longyuan Zhenhua Marine Engineering Co., Ltd	151,651,546		162,823,292	
Accounts receivable	CCCC Electrical and Mechanical Engineering Co., Ltd.	138,547,709		29,971,240	
Accounts receivable	CCCC Second Harbor Engineering Co., Ltd.	97,888,662		110,819,885	
Accounts receivable	China Road & Bridge Corporation	97,208,155			
Accounts receivable	No.1 Engineering Co., Ltd. of CCCC First Harbor Engineering Co., Ltd.	52,779,503		59,832,510	
Accounts receivable	CCCC Tianjin Industry and Trade Co., Ltd.	52,046,271		17,469,938	
Accounts receivable	China Communications Construction Company Ltd.	35,437,005		41,920,389	
Accounts receivable	CCCC Marine Engineering & Technology Research Center Co., Ltd.	23,647,274			
Accounts receivable	ZPMC-OTL MARINE CONTRACTOR LIMITED	22,838,856		23,195,911	
Accounts receivable	CCCC First Harbor Consultants Co., Ltd.	22,829,248		28,927,082	
Accounts receivable	CCCC Second Highway Engineering Co., Ltd.	19,461,889		56,896,049	
Accounts receivable	ZPMC Southeast Asia Pte. Ltd	19,345,412		15,550,746	
Accounts receivable	Friede & Goldman, Llc.	17,063,248		15,517,772	
Accounts receivable	CCCC Financial Leasing Co., Ltd	14,888,332		117,643	
Accounts receivable	CCCC Third Harbor Consultants Co., Ltd.	12,771,119		13,766,470	
Accounts receivable	Road & Bridge International Co., Ltd.	11,187,853		21,011,580	
Accounts receivable	ZPMC Mediterranean Liman Makinalari Ticaret Anonim Sirketi	10,799,805		15,791,610	
Accounts receivable	CCCC - SHEC Fourth Highway Engineering Co., Ltd.	10,622,056		29,418,356	
Accounts receivable	Zhenhua Marine Energy (HK) Co., Ltd.	10,510,025		11,235,878	
Accounts receivable	CCCC Tianhe Mechanical Equipment Manufacturing Co., Ltd	9,220,004		1,798,872	
Accounts receivable	Binhai Environmental Protection Dredging Co., Ltd. of CCCC Tianjin Dredging Co., Ltd.	8,160,365		13,550,085	
Accounts receivable	CCCC Fourth Harbor Consultants Co., Ltd.	7,398,000		7,398,000	
Accounts receivable	China Harbour Engineering Co., Ltd.	6,926,061		24,508,151	
Accounts receivable	Chuwa Risheng (Beijing) International Trade Co., Ltd	5,420,000		10,498,227	
Accounts receivable	The First Construction Company of CCCC Second Harbor Engineering Co., Ltd	4,235,276		17,956,828	

Item	Related parties	Balance as at December 31, 2021		Balance as at December 31, 2020	
		Book balance	Provision for bad debt	Book balance	Provision for bad debt
Accounts receivable	Road & Bridge South China Engineering Co., Ltd	3,297,002		232,040	
Accounts receivable	CCCC - SHEC Railway Construction Co., Ltd	2,660,549		727,743	
Accounts receivable	CCCC First Highway Engineering Co., Ltd.	2,391,979			
Accounts receivable	No. 6 Engineering Co., Ltd. of CCCC First Highway Engineering Co., Ltd.	2,000,000		6,098,300	
Accounts receivable	CCCC Third Highway Engineering Co. Ltd.	1,952,749		156,370	
Accounts receivable	Shanghai Interlink Road&Bridge Engineering Co., Ltd.	1,900,000		1,900,000	
Accounts receivable	CCCC Fourth Highway Engineering Co., Ltd.	1,228,228			
Accounts receivable	Beijing Rate Electronic Technology Developing Co., Ltd.	1,155,417		303,954	
Accounts receivable	Installation Engineering Co., Ltd. of CCCC First Harbor Engineering Co. Ltd.	978,404		386,912	
Accounts receivable	Road and Bridge Construction Chongqing Fengfu Expressway Development Co., Ltd	934,633			
Accounts receivable	Road and Bridge Construction Chongqing Fengshi Expressway Development Co., Ltd	828,665			
Accounts receivable	No.3 Co. of The Second Navigational Engineering Bureau, CCCC	747,641		142,296	
Accounts receivable	CCCC Chenzhou Road Construction Machinery Co., Ltd.	531,658			
Accounts receivable	CCCC First Highway Electrification Engineering Co., Ltd	440,118		1,714,091	
Accounts receivable	Shanghai Jiangtian Industrial Co., Ltd.	432,337		340,862	
Accounts receivable	No.2 Engineering Co., Ltd. of CCCC Second Harbor Engineering Co., Ltd.	417,150		499,367	
Accounts receivable	CCCC Shanghai Equipment Engineering Co., Ltd.	232,500			
Accounts receivable	CCCC Xi'an Road Construction Machinery Co., Ltd.	200,000		350,000	
Accounts receivable	Chongqing Yongjiang Expressway Investment and Construction Co., Ltd of FHEC of CCCC	105,334			
Accounts receivable	CCCC - SHEC Second Highway Engineering Co., Ltd.	75,045		3,225,975	
Accounts receivable	CCCC Guidu Highway Construction Co., Ltd.	63,951		63,951	
Accounts receivable	Yueyang Chenglingji New Port Co., Ltd.	48,680		53,121	
Accounts receivable	SanYa Phoenix Island International Cruise Terminal Development Co., Ltd.	33,740			
Accounts receivable	ZPMC ISTANBUL LIMAN MAKINALARI Tic A.S.	3,188			
Accounts receivable	Xiangtan CCCC Infrastructure Investment and Construction Co., Ltd.			15,052,800	
Accounts receivable	CCCC Fourth Harbor Engineering Co., Ltd			10,500,000	
Accounts receivable	CCCC International Shipping Co., Ltd			10,116,795	
Accounts receivable	Road & Bridge International Co., Ltd.			4,343,950	
Accounts receivable	CCCC - SHEC Third Highway Engineering Co., Ltd.			1,015,313	
Accounts receivable	CCCC Shanghai Dredging Co., Ltd.			286,500	
Accounts receivable	Hainan Industry Co., Ltd. of CCCC Tianjin Dredging Co., Ltd.			107,834	
Accounts receivable	CCCC Guangzhou Dredging Co., Ltd.			69,200	
Receivables financing	No.1 Engineering Co., Ltd. of CCCC First Harbor Engineering Co., Ltd.	51,736,656			
Receivables financing	CCCC Third Harbor Engineering Co., Ltd.	34,650,000		1,000,000	
Receivables financing	CCCC First Harbor Engineering Co., Ltd.	32,647,622		500,000	
Receivables financing	Road & Bridge East China Engineering Co., Ltd.	17,500,000			
Receivables financing	CCCC Fourth Harbor Engineering Co., Ltd	10,500,000			
Receivables financing	CCCC Second Highway Engineering Co., Ltd.	3,000,000		8,000,000	



Item	Related parties	Balance as at December 31, 2021		Balance as at December 31, 2020	
		Book balance	Provision for bad debt	Book balance	Provision for bad debt
Receivables financing	CCCC First Highway Electrification Engineering Co., Ltd	599,796			
Receivables financing	Road & Bridge International Co., Ltd.			21,000,000	
Receivables financing	No.4 Engineering Co., Ltd. of CCCC Second Harbor Engineering Co., Ltd.			10,000,000	
Receivables financing	CCCC - SHEC Second Highway Engineering Co., Ltd.			8,000,000	
Receivables financing	CCCC Tianhe Mechanical Equipment Manufacturing Co., Ltd			2,482,170	
Receivables financing	CCCC Third Highway Engineering Co. Ltd.			1,789,772	
Other receivables	Zhenhua Marine Energy (HK) Co., Ltd.	164,124,678	164,124,678	164,124,678	164,124,678
Other receivables	CCCC Capital Holdings Co., Ltd.	62,210,484			
Other receivables	Jiangsu Longyuan Zhenhua Marine Engineering Co., Ltd	23,227,824			
Other receivables	CCCC First Harbor Engineering Co., Ltd.	13,413,065			
Other receivables	China Communications Construction Company Ltd.	4,220,126		518,781	
Other receivables	CCCC Xiongan Financial Leasing Co., Ltd	4,000,000			
Other receivables	CCCC Yancheng Construction Development Co., Ltd.	1,600,000		1,801,634	
Other receivables	CCCC Second Highway Engineering Co., Ltd.	153,605			
Other receivables	CCCC East China Investment Co., Ltd.	132,207			
Other receivables	China Harbour Engineering Co., Ltd.	101,203			
Other receivables	CCCC Electrical and Mechanical Engineering Co., Ltd.	40,000			
Other receivables	ZPMC-OTL MARINE CONTRACTOR LIMITED	14,553			
Other receivables	China Communications Information Technology Group Co., Ltd.	11,713			
Other receivables	CCCC Third Highway Engineering Co. Ltd.	10,000			
Other receivables	CCCC Shanghai Dredging Co., Ltd.	4,400			
Other receivables	ZPMC Changzhou Coatings Co., Ltd.	2,157			
Other receivables	ZPMC Southeast Asia Pte. Ltd			13,890,516	
Other receivables	China Road & Bridge Corporation			215,492	
Other receivables	Shanghai Jiangtian Industrial Co., Ltd.			77,552	
Other receivables	Haiwei Engineering Construction Co., Ltd., of FHEC of CCCC			500	
Advances to suppliers	Road & Bridge East China Engineering Co., Ltd.	14,149,179		23,200,357	
Advances to suppliers	CCCC Third Harbor Consultants Co., Ltd.	11,850,000			
Advances to suppliers	CCCC First Harbor Engineering Co., Ltd.	5,500,000			
Advances to suppliers	CCCC Third Harbor Engineering Co., Ltd.	11,770			
Advances to suppliers	ZPMC Changzhou Coatings Co., Ltd.	4,145			
Advances to suppliers	CCCC Shanghai Channel Equipment Industry Co., Ltd.			9,347,000	
Advances to suppliers	CCCC National Engineering Research Center of Dredging Technology and Equipment Co., Ltd.			8,264,000	
Advances to suppliers	CCCC Second Harbor Consultants Co., Ltd.			731,601	
Advances to suppliers	CCCC Marine Engineering & Technology Research Center Co., Ltd.			717,739	
Advances to suppliers	CCCC-SHEC Construction Engineering Co., Ltd			2,000	
Contract assets	CCCC Second Harbor Engineering Co., Ltd.	58,199,415		21,898,621	
Contract assets	CCCC Electrical and Mechanical Engineering Co., Ltd.	27,477,285		10,050,000	
Contract assets	CCCC First Harbor Engineering Co., Ltd.	16,790,746		12,588,620	
Contract assets	CCCC Second Highway Engineering Co., Ltd.	16,603,220		13,468,405	
Contract assets	China Road & Bridge Corporation	15,314,507			

Item	Related parties	Balance as at December 31, 2021		Balance as at December 31, 2020	
		Book balance	Provision for bad debt	Book balance	Provision for bad debt
Contract assets	CCCC - SHEC Fourth Highway Engineering Co., Ltd.	6,211,400			
Contract assets	CCCC Third Harbor Engineering Co., Ltd.	6,049,547		9,530,062	
Contract assets	CCCC - SHEC Second Highway Engineering Co., Ltd.	3,944,683		10,821,112	
Contract assets	China Communications Construction Company Ltd.	3,067,965			
Contract assets	CCCC Third Highway Engineering Co. Ltd.	2,597,625		973,366	
Contract assets	Road & Bridge International Co., Ltd.	2,131,171		11,001,670	
Contract assets	The First Construction Company of CCCC Second Harbor Engineering Co., Ltd	1,836,207			
Contract assets	CCCC First Harbor Consultants Co., Ltd.	720,513		3,472,237	
Contract assets	Jiangsu Longyuan Zhenhua Marine Engineering Co., Ltd			29,068,026	
Contract assets	CCCC Financial Leasing Co., Ltd			14,770,690	
Contract assets	Road & Bridge South China Engineering Co., Ltd			3,064,962	
Contract assets	CCCC Tianjin Industry and Trade Co., Ltd.			1,528,570	

(2) Payables

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Item	Related parties	Ending book balance	Beginning book balance
Accounts payable	CCCC Third Harbor Engineering Co., Ltd.	237,337,752	190,480,435
Accounts payable	CCCC Fourth Highway Engineering Co., Ltd.	174,746,384	154,901,564
Accounts payable	CCCC Third Highway Engineering Co. Ltd.	171,953,904	176,730
Accounts payable	CCCC Second Harbor Engineering Co., Ltd.	132,281,871	195,112,843
Accounts payable	CCCC First Highway Engineering Co., Ltd.	109,513,338	82,536,113
Accounts payable	CCCC Tianjin Dredging Co., Ltd.	70,685,645	42,519,453
Accounts payable	CCCC Shanghai Equipment Engineering Co., Ltd.	51,172,227	42,317,791
Accounts payable	ZPMC Changzhou Coatings Co., Ltd.	33,794,779	12,809,629
Accounts payable	CCCC Second Highway Consultants Co., Ltd.	18,804,342	24,021,890
Accounts payable	No.1 Engineering Co., Ltd. of CCCC First Harbor Engineering Co., Ltd.	18,318,225	23,818,225
Accounts payable	ZPMC Southeast Asia Pte. Ltd	18,035,599	16,356,162
Accounts payable	Shanghai Jiangtian Industrial Co., Ltd.	17,864,928	16,153,063
Accounts payable	Shanghai Communications Construction Contracting Co., Ltd.	13,844,146	25,385,550
Accounts payable	CCCC Shanghai Dredging Co., Ltd.	13,355,089	7,571,156
Accounts payable	CNPC & CCCC Petroleum Sales Co., Ltd.	10,696,813	821,582
Accounts payable	CCCC First Harbor Engineering Co., Ltd.	10,054,549	517,150
Accounts payable	Xing An Ji Engineering Co., Ltd. of CCCC Third Harbor Engineering Co., Ltd.	10,051,352	4,327,352
Accounts payable	No. 2 Engineering Co., Ltd. of CCCC Fourth Highway Engineering Co., Ltd.	8,581,250	7,089,932
Accounts payable	No.3 Engineering Co., Ltd. of CCCC Third Harbor Engineering Co., Ltd.	7,815,018	7,815,018
Accounts payable	CCCC First Harbor Consultants Co., Ltd.	7,631,212	9,925,376
Accounts payable	China Road & Bridge Corporation	6,251,552	
Accounts payable	CCCC Water Transportation Planning and Design Institute Co., Ltd.	5,907,891	
Accounts payable	CCCC National Engineering Research Center of Dredging Technology and Equipment Co., Ltd.	4,091,155	12,460,428
Accounts payable	Jiangsu Longyuan Zhenhua Marine Engineering Co., Ltd	3,998,467	4,318,500
Accounts payable	CCCC Marine Engineering & Technology Research Center Co., Ltd.	2,874,835	3,325,742
Accounts payable	Friede & Goldman, Llc.	2,582,443	2,582,443
Accounts payable	CCCC Shanghai Channel Equipment Industry Co., Ltd.	2,196,743	20,550,148



Item	Related parties	Ending book balance	Beginning book balance
Accounts payable	CCCC Tianjin Industry and Trade Co., Ltd.	1,952,627	5,449,146
Accounts payable	CCCC Xingyu Technology Co., Ltd	1,259,406	
Accounts payable	CCCC (Tianjin) Ecological and Environmental Protection Design Institute Co., Ltd.	385,000	
Accounts payable	Chongqing Yongjiang Expressway Investment and Construction Co., Ltd of FHEC of CCCC	323,990	323,990
Accounts payable	CCCC Second Highway Engineering Co., Ltd.	121,494	16,875,119
Accounts payable	CCCC Third Harbor Consultants Co., Ltd.	100,000	100,000
Accounts payable	CCCC (Xiamen) Information Co., Ltd	40,990	101,136
Accounts payable	China Communications Information Technology Group Co., Ltd.	40,189	
Accounts payable	Installation Engineering Co., Ltd. of CCCC First Harbor Engineering Co. Ltd.	33,849	24,122,512
Accounts payable	CCCC Worldcom (Chongqing) Heavy Industries Co., Ltd.		15,597,022
Accounts payable	CCCC Tianhe Mechanical Equipment Manufacturing Co., Ltd		2,000,000
Accounts payable	ZPMC Mediterranean Liman Makinalari Ticaret Anonim Sirketi		1,615,788
Accounts payable	No.2 Engineering Co., Ltd. of CCCC Third Harbor Engineering Co., Ltd.		800,000
Accounts payable	Shanghai China Communications Water Transportation Design & Research Co., Ltd.		740,000
Accounts payable	Zhenhua (Singapore) Engineering Co., Ltd		202,231
Accounts payable	CCCC WuHan Harbour Engineering Design and Research Co., Ltd.		75,000
Accounts payable	CCCC Shanghai Harbor Engineering Design & Research Institute Co., Ltd.		60,000
Notes payable	CCCC Shanghai Equipment Engineering Co., Ltd.	73,347,092	41,823,373
Notes payable	CCCC Second Highway Engineering Co., Ltd.	15,123,879	6,750,000
Notes payable	Road & Bridge East China Engineering Co., Ltd.	15,000,000	3,000,000
Notes payable	ZPMC Changzhou Coatings Co., Ltd.	4,000,000	11,800,000
Notes payable	CCCC Third Harbor Engineering Co., Ltd.		15,918,000
Notes payable	CCCC Tianjin Industry and Trade Co., Ltd.		13,100,000
Notes payable	Shanghai China Communications Water Transportation Design & Research Co., Ltd.		432,500
Contract liabilities	China Road & Bridge Corporation	248,581,718	741,065,613
Contract liabilities	No.1 Engineering Co., Ltd. of CCCC First Harbor Engineering Co., Ltd.	175,641,593	30,995,575
Contract liabilities	Friede & Goldman, Llc.	135,518,892	11,830
Contract liabilities	China Harbour Engineering Co., Ltd.	92,397,526	818,899
Contract liabilities	CCCC First Harbor Engineering Co., Ltd.	86,331,637	52,141,593
Contract liabilities	China Communications Construction Company Ltd.	50,000,000	
Contract liabilities	CCCC Third Harbor Engineering Co., Ltd.	25,770,208	4,488,752
Contract liabilities	CCCC Fourth Harbor Engineering Co., Ltd	12,265,487	
Contract liabilities	Zhenhua Engineering Co., Ltd.	11,480,886	
Contract liabilities	The First Construction Company of CCCC Second Harbor Engineering Co., Ltd	11,009,174	
Contract liabilities	No.3 Co. of The Second Navigational Engineering Bureau, CCCC	4,857,786	
Contract liabilities	ZPMC Southeast Asia Pte. Ltd	2,388,488	489,368
Contract liabilities	Jiangsu Longyuan Zhenhua Marine Engineering Co., Ltd	2,155,195	16,871,857
Contract liabilities	CCCC Tianjin Dredging Co., Ltd.	522,000	
Contract liabilities	No.2 Engineering Co., Ltd. of CCCC Second Harbor Engineering Co., Ltd.	303,149	
Contract liabilities	Xing An Ji Engineering Co., Ltd. of CCCC Third Harbor Engineering Co., Ltd.	200,000	200,000
Contract liabilities	CCCC Shanghai Equipment Engineering Co., Ltd.	100,000	100,000
Contract liabilities	Binhai Environmental Protection Dredging Co., Ltd. of CCCC Tianjin Dredging Co., Ltd.	10,280	
Contract liabilities	No.2 Engineering Co., Ltd. of CCCC Fourth Harbor Engineering Co., Ltd.	71	71

Item	Related parties	Ending book balance	Beginning book balance
Contract liabilities	CCCC Electrical and Mechanical Engineering Co., Ltd.		257,469,485
Contract liabilities	Xiangtan CCCC Infrastructure Investment and Construction Co., Ltd.		106,194,690
Contract liabilities	CCCC Financial Leasing Co., Ltd.		41,277,876
Contract liabilities	CCCC Third Highway Engineering Co. Ltd.		13,387,655
Contract liabilities	CCCC Second Harbor Engineering Co., Ltd.		10,492,066
Contract liabilities	Cranetech Global Sdn. Bhd.		217,932
Contract liabilities	No.2 Engineering Co., Ltd. of CCCC First Harbor Engineering Co., Ltd.		188,679
Contract liabilities	CCCC Second Highway Engineering Co., Ltd.		3,706
Other payables	Shanghai Jiangtian Industrial Co., Ltd.	4,586,085	4,586,085
Other payables	CCCC Tianjin Dredging Co., Ltd.	2,000,000	2,000,000
Other payables	No.3 Co. of The Second Navigational Engineering Bureau, CCCC	295,750	
Other payables	CCCCG	243,144	1,649,724
Other payables	CCCC Shanghai Equipment Engineering Co., Ltd.	100,000	100,000
Other payables	ZPMC Changzhou Coatings Co., Ltd.	79,872	107,100
Other payables	Zhen Hwa Harbour Construction Co., Ltd.	6,593	6,593
Other payables	CCCC Third Highway Engineering Co. Ltd.	5,724	4,924,698
Other payables	Beijing BLDJ Landscape Architecture Institute Co., LTD.	3,000	
Other payables	Shanghai Donghua Construction Co., Ltd.	3,000	
Other payables	CCCC Third Harbor Engineering Co., Ltd.		5,365,564
Other payables	CCCC Fourth Highway Engineering Co., Ltd.		5,039,639
Other payables	CCCC East China Investment Co., Ltd.		4,130,000
Other payables	No. 2 Engineering Co., Ltd. of CCCC Fourth Highway Engineering Co., Ltd.		1,491,318
Other payables	CCCC Electrical and Mechanical Engineering Co., Ltd.		665,174
Other payables	Zhenhua Engineering Co., Ltd.		346,005
Other payables	Jiangsu Longyuan Zhenhua Marine Engineering Co., Ltd		335,537
Other payables	CCCC Second Harbor Engineering Co., Ltd.		295,750
Other payables	CCCC Shanghai Harbor Engineering Design & Research Institute Co., Ltd.		30,000
Other payables	China Communications Construction Company Ltd.		116
Short-term borrowings	CCCC Xiongan Financial Leasing Co., Ltd	126,906,111	70,134,444
Short-term borrowings	CCCC Finance Company Ltd.		2,501,498,333
Short-term borrowings	CCCC Financial Leasing Co., Ltd		415,625,023
Short-term borrowings	CCCC Financial Leasing (Guangzhou) Co., Ltd		51,145,242
Long-term payables	CCCC Tianjin Dredging Co., Ltd.	219,719,005	139,682,457
Long-term payables	CCCC Xiongan Financial Leasing Co., Ltd	100,333,333	
Long-term payables	CCCC Leasing Jiahua No.1 Co., Ltd.	85,721,883	217,496,667
Long-term payables	CCCC Second Harbor Engineering Co., Ltd.	60,846,413	60,830,418
Long-term payables	CCCC Fourth Highway Engineering Co., Ltd.	39,558,526	39,558,526
Long-term payables	CCCC Third Harbor Engineering Co., Ltd.	34,665,923	32,345,147
Long-term payables	No. 2 Engineering Co., Ltd. of CCCC Fourth Highway Engineering Co., Ltd.	9,520,885	9,520,885
Long-term payables	CCCC - SHEC Second Highway Engineering Co., Ltd.	125,862	125,862
Long-term payables	CCCC - SHEC Third Highway Engineering Co., Ltd.		2,012,230
Long-term payables	CCCC Tunnel Engineering Company Limited		877,307
Long-term borrowings	CCCC Finance Company Ltd.	100,055,556	



Item	Related parties	Ending book balance	Beginning book balance
Non-current liabilities due within one year	CCCC Xiongan Financial Leasing Co., Ltd	66,666,667	
Non-current liabilities due within one year	CCCC Leasing Jiahua No.1 Co., Ltd.		231,789,305
Non-current liabilities due within one year	CCCC Leasing Jiahua No.2 Co. Ltd.		123,040,972

7 Commitments with related parties

Applicable Not applicable

The Group's commitments related to related party contracted for but not provided in the balance sheet as at the balance sheet date:

Rendering of services for the Group by related parties	2021	2020
CCCC Third Harbor Engineering Co., Ltd.	770,463,672	1,196,441,876
CCCC Tianjin Dredging Co., Ltd.	545,716,613	846,472,448
CCCC First Highway Engineering Co., Ltd.	478,446,746	779,111,939
CCCC First Highway Fifth Engineering Co., Ltd.	388,366,210	388,366,210
No.2 Engineering Co., Ltd. of CCCC Fourth Highway Engineering Co., Ltd.	305,931,400	305,931,400
No.1 Engineering Co., Ltd. of CCCC First Harbor Engineering Co., Ltd.	56,568,996	56,568,996
Shanghai Communications Construction Contracting Co., Ltd.	9,650,296	9,650,296
CCCC Tunnel Engineering Company Limited	158,070	158,070
	2,555,302,003	3,582,701,235

Standby leasing agreement signed with the related parties

On December 16, 2015, the Company signed ship rental standby agreement with CCCC Leasing Jiahua No.1 Co., Ltd and CCCC Leasing Jiahua No.2 Co., Ltd (collectively referred to as "CCCC Jiahua"), with the rental term from March 5, 2016 to December 5, 2021. The contract would come into effect when the ship rental agreement signed by the subsidiary of the Company and CCCC Jiahua couldn't be performed normally. As at December 31, 2021, this contract has been terminated (as at December 31, 2020: the maximum payment amount of the contract was RMB 246,081,944).

Lease assets to related parties	2021	2020
Zhenhua Marine Energy (HK) Co., Ltd.	-	575,994,244

Sales of goods, rendering of labor services or offering lease for related parties

	2021	2020
China Road & Bridge Corporation	785,312,864	588,402,357
China Harbour Engineering Co., Ltd.	770,512,465	-
CCCC First Harbor Engineering Co., Ltd.	390,361,699	160,455,055
CCCC Second Highway Engineering Co., Ltd.	254,806,857	292,697,870
Jiangsu Longyuan Zhenhua Marine Engineering Co., Ltd	103,090,433	399,731,755
CCCC - SHEC Second Highway Engineering Co., Ltd.	101,152,667	-
CCCC Third Highway Engineering Co. Ltd.	89,095,627	179,310,027
CCCC Third Harbor Engineering Co., Ltd.	69,920,757	355,392,406
CCCC Second Harbor Engineering Co., Ltd.	55,563,116	519,496,777
Road & Bridge International Co., Ltd.	-	247,634,918
CCCC Tianjin Industry and Trade Co., Ltd.	-	119,409,937
Road & Bridge International Co., Ltd.	-	89,878,258
China Highway Engineering Consultants Corporation	-	85,327,728
CCCC Fourth Harbor Engineering Co., Ltd	-	56,200,000
Installation Engineering Co., Ltd. of CCCC First Harbor Engineering Co. Ltd.	-	13,919,210

	2021	2020
CCCC Electrical and Mechanical Engineering Co., Ltd.	-	11,561,947
CCCC First Harbor Consultants Co., Ltd.	-	10,594,847
The First Construction Company of CCCC Second Harbor Engineering Co., Ltd	-	5,875,862
China Communications Construction Company Ltd.	-	3,988,354
CCCC Shanghai Equipment Engineering Co., Ltd.	-	1,423,925
	2,619,816,485	3,141,301,233

8 Others

Applicable Not applicable

Monetary funds deposited in the related parties

	2021	2020
CCCC Finance Company Ltd.	1,600,000,000	75,000,000

XIII Share-based payment**1 General of share based payment**

Applicable Not applicable

2 Equity-settled share-based payments

Applicable Not applicable

3 Cash-settled share-based payments

Applicable Not applicable

4 Modification and termination of share-based payment

Applicable Not applicable

5 Others

Applicable Not applicable

XIV Commitments and contingencies**1 Significant commitments**

Applicable Not applicable

Significant external commitments, nature and amount on the balance sheet date

(1) Matters related to capital expenditure commitments

Commitments related to capital expenditure contracted for but not provided in the financial statements as at the balance sheet date:

	2021	2020
Buildings and constructions, machinery equipment	623,727,601	707,709,990

(2) L/C commitments

The Group had entrusted the bank to issue several L/Cs to purchase imported components and parts. As at December 31, 2021, the unpaid amount under the L/Cs was about RMB 2,160,907,314 (as at December 31, 2020: RMB 1,397,778,837).

2 Contingencies

(1) Significant contingencies on the balance sheet date

Applicable Not applicable

(2) If the company has no significant contingencies to be disclosed, it shall also explain:

Applicable Not applicable

3 Others

Applicable Not applicable



XV. Post balance sheet events

1 Significant non-adjustment events

Applicable Not applicable

2 Profit distribution

Applicable Not applicable

3 Sales return

Applicable Not applicable

4 Description of other post balance sheet events

Applicable Not applicable

XVI. Other significant events

1 Correction of previous accounting errors

(1) Retrospective restatement

Applicable Not applicable

(2) Prospective application

Applicable Not applicable

2 Debt restructuring

Applicable Not applicable

3 Assets exchange

(1) Non-monetary assets exchange

Applicable Not applicable

(2) Other assets exchange

Applicable Not applicable

4 Pension plan

Applicable Not applicable

5 Discontinuing operations

Applicable Not applicable

6 Segments

(1) Determination basis and accounting policies of reporting segment

Applicable Not applicable

The Group determines operating segments based on internal organization structure, management requirements and internal reporting system, determines reporting segments based on operating segments, and disclose the information of the segments.

Operating segment refers to the component part of the Group that meet the following requirements: (1) it can generate income and expenses in daily activities; (2) the management of the Group can regularly evaluate its operating results to determine its allocation of resources and to evaluate its performance; (3) the Group is able to obtain its accounting information regarding financial position, operating results and cash flows, etc. If two or more operating segments have similar economic characteristics, and have met a certain conditions, they will be merged into one operating segment.

The Group identified the business as an operating segment for analysis and assessment based on internal organization structure, management requirement and internal report system.

(2) Financial information of reporting segment

Applicable Not applicable

(3) If the Company has no reporting segments or cannot disclose the total assets and liabilities of each reporting segment, the reasons shall be stated

Applicable Not applicable

(4) Other description

Applicable Not applicable

Product and labor information
Income from external transactions

	2021	2020
Port machinery	17,480,944,149	14,457,042,916
Steel structure and related income	3,754,693,300	3,277,507,651
Engineering construction projects	2,216,802,462	2,365,760,874
Shipping and lifting services	1,317,441,452	958,835,554
Heavy equipment	760,120,955	1,062,669,195
Lease income	245,663,740	342,493,883
Sales of materials and others	202,310,910	190,831,579
Total	25,977,976,968	22,655,141,652

Geographic information
Income from external transactions

	2021	2020
Chinese Mainland	13,821,963,961	13,203,886,125
Asia (excluding Chinese Mainland)	4,459,069,862	3,289,553,492
North America	3,226,645,406	1,345,494,819
Europe	2,038,120,499	2,604,103,174
Africa	1,394,212,611	468,958,316
Chinese Mainland (export sales)	718,960,209	1,061,063,332
South America	206,298,856	444,522,956
Oceania	112,705,564	237,559,438
Total	25,977,976,968	22,655,141,652

The income from external transaction is attributable to where the customer is located.

Total non-current assets

	2021	2020
Chinese Mainland	19,258,280,848	18,150,805,488
Asia (excluding Chinese Mainland)	9,267,671,402	9,939,268,779
Others	53,531,410	66,235,993
Total	28,579,483,660	28,156,310,260

The non-current assets are attributable to where they are located, excluding financial assets, long-term equity investment, goodwill, deferred income tax assets and other non-current assets.

7 Other significant transactions and events with impacts on investors' decisions

√Applicable □Not applicable

(1) As a lessor

The Group leases out some buildings and constructions for periods ranging from 10-12 years, forming operating lease. In accordance with the lease agreement, the rental is subject to annual adjustment according to the market rental status. In 2021, the Group's income from the lease of buildings and constructions was RMB 98,983,314, which is detailed in Note VII (61). The buildings and constructions leased out are presented in investment real estate, which is detailed in Note VII (20).

The Group leases out some ships for periods ranging from 2-3 years, forming operating lease. In accordance with the lease agreement, the rental is subject to annual adjustment according to the market rental status. In 2021, the Group's income from the lease of ships was RMB 125,616,125, which is detailed in Note VII (61). The ships leased out are presented in fixed assets, which is detailed in Note VII (21).

The Group leases out some of its machinery and equipment for periods ranging from 10 to 180 days, forming operating lease. In 2021, the Group's income from the lease of machinery and equipment was RMB 21,064,302, which is detailed in Note VII (61).



Operating lease

The profit or loss related to operating leases is presented as follows:

	2021
Lease income	245,663,740

According to the lease agreement signed with the lessee, the minimum lease receipts of non-cancellable leases are as follows:

	2021
Within 1 year (including 1 year)	96,052,177
1 to 2 years (including 2 years)	98,450,801
2 to 3 years (including 3 years)	73,936,063
3 to 4 years (including 4 years)	35,084,850
4 to 5 years (including 5 years)	18,508,663
Over 5 years	84,274,346
Total	406,306,900

(2) As a lessee

	2021
Interest expense of lease liabilities	443,939
Short-term lease expenses with simplified treatment included in the current profit or loss	92,747,477
Total cash outflows related to leases	104,632,378

The leased assets leased by the Group include buildings and constructions, machinery and equipment, transportation equipment and other equipment used in the course of operations, and the lease term is usually 1-3 years. The lease contract usually stipulates that the Group cannot sublet the leased assets. A few lease contracts include the option of renewal.

Major operating leases (for 2020 only)

According to the lease contract signed with the lessor, the minimum lease payments for non-cancelable leases are as follows.

	December 31, 2020
Within 1 year	21,723,707
1-2 years	11,694,538
2-3 years	294,541
Over 3 years	4,500
Total	33,717,286

Leaseback

The Group usually enters into leaseback transactions for the purchase price of large ships or equipment, where the transfer of the assets is not a sale. The Group continues to recognize the transferred assets together with a financial liability equal to the transfer income. The Group takes such leaseback transactions as mortgage loans for accounting treatment. The Group makes annual leaseback financing payments to the finance leasing company in accordance with the terms of the contract.

	2021
Cash inflow from leaseback	732,028,920
Cash outflow from leaseback	662,155,962

Other lease information

Right-of-use assets are detailed in Note (V) 20. The simplified treatment of short-term lease and low-value assets lease is detailed in Note III (29). The lease liabilities are detailed in Note V (37).

8 Others

Applicable Not applicable

XVII. Notes to main items of the financial statements of the parent company

1 Accounts receivable

(1) Disclosure by aging

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Aging	Ending book balance
Within 1 year	
Including: subitem within 1 year	
Sub-total of items within 1 year	12,443,331,694
1-2 years	2,448,568,115
2-3 years	667,260,572
Over 3 years	
3-4 years	130,314,210
4-5 years	130,310,749
Over 5 years	1,114,013,294
Total	16,933,798,634

(2) Disclosure by bad debt calculation method

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Category	December 31, 2021					December 31, 2020				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion (%)	Amount	Proportion of provision (%)		Amount	Proportion (%)	Amount	Proportion of provision (%)	
Provision for bad debts accrued on an individual basis	898,273,314	5	655,457,495	73	242,815,819	660,986,510	4	529,388,510	80	131,598,000
Including:										
Provision for bad debts by portfolio	16,035,525,320	95	1,233,339,095	8	14,802,186,225	16,476,048,946	96	1,274,320,722	8	15,201,728,224
Including:										
Total	16,933,798,634	/	1,888,796,590	/	15,045,002,044	17,137,035,456	/	1,803,709,232	/	15,333,326,224

Individual provision for bad debts:

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Name	December 31, 2021			
	Book balance	Provision for bad debts	Proportion of provision (%)	Reason for provision
Accounts receivable 1	485,631,638	242,815,819	50	Counterparty financial shortage
Accounts receivable 2	169,011,372	169,011,372	100	Contract dispute
Accounts receivable 3	93,954,000	93,954,000	100	Counterparty financial shortage
Accounts receivable 4	51,028,800	51,028,800	100	Contract dispute
Accounts receivable 5	42,979,947	42,979,947	100	Contract dispute
Accounts receivable 6	25,502,864	25,502,864	100	Contract dispute
Accounts receivable 7	9,929,450	9,929,450	100	Contract dispute
Accounts receivable 8	7,289,912	7,289,912	100	Contract dispute
Accounts receivable 9	6,820,756	6,820,756	100	Contract dispute
Accounts receivable 10	3,273,790	3,273,790	100	Contract dispute
Accounts receivable 11	2,032,572	2,032,572	100	Contract dispute
Accounts receivable 12	818,213	818,213	100	Contract dispute
Total	898,273,314	655,457,495	73	/



Description of individual provision for bad debts:

Applicable Not applicable

As at December 31, 2020, the accounts receivables with individual provision for bad debts are as follows:

	Book balance	Provision for bad debts	Estimated credit loss ratio %	Reason for provision
Accounts receivable 1	277,613,400	146,015,399	53	Counterparty financial shortage
Accounts receivable 2	187,863,245	187,863,246	100	Contract dispute
Accounts receivable 3	93,954,000	93,954,000	100	Counterparty financial shortag
Accounts receivable 4	42,979,947	42,979,947	100	Contract dispute
Accounts receivable 5	26,099,665	26,099,665	100	Contract dispute
Accounts receivable 6	11,037,000	11,037,000	100	Contract dispute
Accounts receivable 7	8,103,043	8,103,043	100	Contract dispute
Accounts receivable 8	6,980,371	6,980,371	100	Contract dispute
Accounts receivable 9	3,300,179	3,300,179	100	Contract dispute
Accounts receivable 10	2,236,498	2,236,498	100	Contract dispute
Accounts receivable 11	819,162	819,162	100	Contract dispute
Total	660,986,510	529,388,510		

Provision for bad debts by portfolio:

Applicable Not applicable

If the provision for bad debts is calculated based on the general model of expected credit loss, please refer to other receivables for disclosure:

Applicable Not applicable

(3) Provision for bad debts

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

Write-off of important accounts receivable

Applicable Not applicable

(5) Top 5 accounts receivable in terms of ending balance presented by debtor

Applicable Not applicable

As at December 31, 2021, top 5 accounts receivable in terms of ending balance presented by debtor are summarized and analyzed as follows:

	Balance	Provision for bad debts	Proportion in total balance of accounts receivable %
Total accounts receivable of top 5 balances	11,702,726,987	321,196,592	69

As at December 31, 2020, top 5 accounts receivable in terms of ending balance presented by debtor are summarized and analyzed as follows:

	Balance	Provision for bad debts	Proportion in total balance of accounts receivable %
Total accounts receivable of top 5 balances	9,712,993,888	242,665,746	57

Other description

None

(6) Accounts receivable derecognized due to the transfer of financial assets

Applicable Not applicable

(7) Amount of assets and liabilities formed by transferring accounts receivable and continuing involvement

Applicable Not applicable

Other description:

Applicable Not applicable

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

	2021			2020		
	Book balance of estimated default	Estimated credit loss ratio (%)	Expected credit loss for the entire duration	Book balance of estimated default	Estimated credit loss ratio (%)	Expected credit loss for the entire duration
Within 1 year	12,442,731,692	1	92,165,108	14,580,148,080	2	243,597,549
1-2 years	2,324,246,479	15	350,138,491	736,555,945	30	224,110,942
2-3 years	254,417,625	26	65,236,040	114,949,424	39	44,717,622
3-4 years	93,702,810	45	42,034,900	140,722,707	68	96,047,068
4-5 years	130,310,749	66	85,404,118	176,263,900	36	64,286,079
Over 5 years	790,115,965	76	598,360,438	727,408,890	83	601,561,462
Total	16,035,525,320		1,233,339,095	16,476,048,946		1,274,320,722

Changes in the provision for bad debts of accounts receivable are as follows:

	December 31, 2020	Adjustments for changes in accounting policies	January 1, 2021	Provision in 2021	Reversal in 2021	December 31, 2021
2021	1,803,709,232	-	1,803,709,232	646,175,124	(561,087,766)	1,888,796,590
2020	1,590,733,335	90,547,396	1,681,280,731	400,585,712	(278,157,211)	1,803,709,232

2 Other receivables

Item presentation

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2021	December 31, 2020
Interest receivable		
Dividends receivable		
Other receivables	3,836,840,864	5,505,896,413
Total	3,836,840,864	5,505,896,413

Other description:

Applicable Not applicable

Interest receivable

(1) Classification of interest receivable

Applicable Not applicable

(2) Significant overdue interest

Applicable Not applicable

(3) Provision for bad debts

Applicable Not applicable

Other description:

Applicable Not applicable

Dividends receivable

(4) Dividends receivable

Applicable Not applicable

(5) Significant dividends receivable aging over 1 year

Applicable Not applicable

(6) Provision for bad debts

Applicable Not applicable

Other description:

Applicable Not applicable



Other receivables

(1) Disclosure by aging

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Aging	December 31, 2021
Within 1 year	
Including: subitem within 1 year	
Sub-total of items within 1 year	3,809,760,379
1-2 years	13,616,139
2-3 years	10,411,328
Over 3 years	
3-4 years	3,527,809
4-5 years	140,600
Over 5 years	9,710,216
Total	3,847,166,471

(2) Classification by nature of funds

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Nature of funds	December 31, 2021	December 31, 2020
Current accounts between subsidiaries	3,293,532,451	4,966,655,270
Taxes on outstanding payment receivable	318,884,216	369,871,269
Equity disposal receivables	62,210,484	
Customs deposits	61,537,519	33,365,315
Bid and performance bonds	41,731,603	58,732,928
Lease payment receivable	33,434,668	33,434,668
Money on call of on-site product service	21,040,992	30,242,063
Staff loan receivable	14,644,659	19,913,638
Others	149,879	4,006,869
Total	3,847,166,471	5,516,222,020

(3) Provision for bad debts

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Provision for bad debt	Stage I	Stage II	Stage III	Total
	Expected credit losses over the next 12 months	Expected credit loss for the entire duration (no credit impairment)	Expected credit loss for the entire duration (credit impairment has occurred)	
Balance as at January 1, 2021		4,425,519	5,900,088	10,325,607
Balance as at January 1, 2021 in current period				
--Transferred to Stage II				
--Transferred to Stage III				
--Reversal to Stage II				
--Reversal to Stage I				
Provision in the current period				
Reversal in the current period				
Write-off in the current period				
Charge-off in the current period				
Other changes				
Balance as at December 31, 2021		4,425,519	5,900,088	10,325,607

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

Applicable Not applicable

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

Applicable Not applicable

(4) Provision for bad debts

Applicable Not applicable

(5) Other receivables actually written off in the current period

Applicable Not applicable

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

Applicable Not applicable

Unit: Yuan Currency: CNY

Name	Nature	December 31, 2021	Aging	Proportion in the total balance of other receivables (%)	Balance of provision for bad debts as at December 31, 2021
Other receivables 1	Current accounts of the subsidiaries	2,284,001,858	Within 1 year	59	
Other receivables 2	Current accounts of the subsidiaries	307,122,000	Within 1 year	8	
Other receivables 3	Current accounts of the subsidiaries	214,760,000	Within 1 year	6	
Other receivables 4	Current accounts of the subsidiaries	209,561,325	Within 1 year	5	
Other receivables 5	Current accounts of the subsidiaries	94,517,388	Within 1 year	2	
Total	/	3,109,962,571	/	80	

(7) Receivables involving government subsidies

Applicable Not applicable

(8) Other receivables derecognized due to transfer of financial assets

Applicable Not applicable

(9) Amount of assets and liabilities formed by transferring other receivables and continuing involvement

Applicable Not applicable

Other description:

Applicable Not applicable

3 Long-term equity investments

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2021			December 31, 2020		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Investment in subsidiaries	7,230,010,801		7,230,010,801	5,703,647,701		5,703,647,701
Investment in joint ventures and associates	1,816,129,602		1,816,129,602	3,021,960,352		3,021,960,352
Total	9,046,140,403		9,046,140,403	8,725,608,053		8,725,608,053



(1) Investment in subsidiaries
 Applicable Not applicable

Unit: Yuan Currency: CNY

Invested entity	December 31, 2020	Increase in current period	Decrease in current period	December 31, 2021	Provision for impairment in current period	Balance of provision for impairment as at December 31, 2021
Shanghai Zhenhua Heavy Industries Port Machinery General Equipment Co., Ltd.	2,201,086,744			2,201,086,744		
Nanjing Ninggao New Channel Construction Co., Ltd	100,000,000			100,000,000		
Nantong Zhenhua Heavy Equipment Manufacturing Co., Ltd.	1,154,936,900	1,345,063,100		2,500,000,000		
ZPMC Transmission Machinery (Nantong) Co. Ltd.	506,112,853			506,112,853		
CCCC Zhenjiang Investment Construction Management Development Co., Ltd.	376,438,604			376,438,604		
CCCC Tianhe Mechanical Equipment Manufacturing Co., Ltd						
ZPMC Qidong Marine Engineering Co., Ltd.	203,000,000			203,000,000		
CCCC Liyang Urban Investment and Construction Co., Ltd.	363,000,000			363,000,000		
Shanghai Zhenhua Shipping Co., Ltd.	140,260,673			140,260,673		
Shanghai Zhenhua Ocean Engineering Service Co., Ltd	100,000,000			100,000,000		
ZPMC Electric Co., Ltd.	50,000,000			50,000,000		
CCCC Investment & Development Qidong Co., Ltd.	192,500,000	50,000,000		242,500,000		
ZPMC North America Inc	18,564,520			18,564,520		
ZPMC Netherlands Coöperatie U.A.	29,366,084			29,366,084		
Shanghai Zhenhua Port Machinery Heavy Industries Co., Ltd.	9,964,200			9,964,200		
ZPMC Machinery Equipment Services Co., Ltd.	7,000,000			7,000,000		
ZPMC Lanka Company (Private) Limited	6,183,978			6,183,978		
ZPMC Middle East Fze	5,271,120			5,271,120		
ZPMC Zhangjiagang Port Machinery Co., Ltd.	4,518,000			4,518,000		
ZPMC Limited Liability Company	10,172,070			10,172,070		
ZPMC Southeast Asia Holding Pte. Ltd.	12,513,114			12,513,114		
ZPMC Engineering Africa (Pty) Ltd.	3,084,000			3,084,000		
ZPMC Engineering (India) Private Limited	2,953,200			2,953,200		
ZPMC Brazil Serviço Portuários LTDA	2,936,771			2,936,771		
ZPMC Korea Co. Ltd.	6,398,059			6,398,059		
ZPMC UK LD	2,797,921			2,797,921		
ZPMC Australia Company (Pty) Limited	2,708,500			2,708,500		
CCCC Rudong Construction Development Co., Ltd.	36,664,600			36,664,600		
CCCC Yongjia Construction Development Co., Ltd.	128,000,000	44,000,000		172,000,000		
CCCC Zhenhua Lvjian Technology Co., Ltd.	4,000,000			4,000,000		
ZPMC Latin America Holding Corporation	3,307,850			3,307,850		
ZPMC GmbH Hamburg	207,940			207,940		
ZPMC Fuzhou Offshore Construction Co., Ltd.	5,000,000	5,000,000		10,000,000		
CCCC (Dongming) Investment and Construction Co., Ltd.	14,700,000	34,300,000		49,000,000		
Xiong'an Zhenhua Co., Ltd.		15,000,000		15,000,000		
CCCC Zhenhua Intelligent Parking (Hengyang) Co., Ltd.		33,000,000		33,000,000		
Total	5,703,647,701	1,526,363,100		7,230,010,801		

(2) Investment in joint ventures and associates

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Invested entity	December 31, 2020	Increase/decrease in the current period								December 31, 2021	Balance of provision for impairment as at December 31, 2021
		Further investment	Reduced investment	Profit or loss on investments under the equity method	Adjustment of other comprehensive income	Changes in other equity	Cash dividends or profit declared to be distributed	Provision for impairment	Others		
I. Joint ventures											
Jiangsu Longyuan Zhenhua Marine Engineering Co., Ltd	276,060,441			51,973,240			5,000,000			323,033,681	
ZPMC Mediterranean Liman Makinalari Ticaret Anonim Sirketi	569,342			-172,650						396,692	
Sub-total	276,629,783			51,800,590			5,000,000			323,430,373	
II. Associates											
CCCC Marine Engineering & Technology Research Center Co., Ltd.	16,916,482			195,350						17,111,832	
ZPMC Changzhou Coatings Co., Ltd.	16,573,127			3,156,139						19,729,266	
CCCC Estate Yixing Co., Ltd.	186,943,162			11,373,921			5,400,000			192,917,083	
CCCC Financial Leasing Co., Ltd	1,883,150,758		1,420,657,303	170,236,752	-385,247		23,686,560			608,658,400	
CCCC Yancheng Construction Development Co., Ltd.	418,516,242									418,516,242	
China Communications Construction USA Inc	55,252,998			284,426	-391,277					55,146,147	
CCCC South American Regional Company SARL	160,601,231			-4,549,767	11,235,149					167,286,613	
Shanghai Ocean Engineering Equipment Manufacturing Innovation Center Co., Ltd.	5,870,341			-49,666						5,820,675	
CCCC Xiongan Urban Construction Development Co., Ltd.	1,506,228	6,000,000		6,743						7,512,971	
Sub-total	2,745,330,569	6,000,000	1,420,657,303	180,653,898	10,458,625		29,086,560			1,492,699,229	
Total	3,021,960,352	6,000,000	1,420,657,303	232,454,488	10,458,625		34,086,560			1,816,129,602	

Other description:

None

4 Operating revenue and operating costs

(1) Operating revenue and operating costs

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period		Amount incurred in the previous period	
	Revenue	Cost	Revenue	Cost
Primary businesses	21,041,533,485	19,594,709,968	19,422,614,728	17,180,562,029
Other business	1,947,957,763	1,718,890,668	2,369,957,349	2,199,696,814
Total	22,989,491,248	21,313,600,636	21,792,572,077	19,380,258,843



(2) Income from contracts
Applicable Not applicable

Unit: Yuan Currency: CNY

Classification of Contract	XXX-Division	Total
Type of goods		
Port machinery		15,508,491,552
Steel structure and related income		3,768,968,509
Sales of materials and others		1,842,606,977
Engineering construction project		1,023,895,099
Heavy equipment		740,178,325
By region of operation		
Chinese Mainland		11,733,262,194
Asia (excluding Chinese Mainland)		4,081,695,542
North America		2,987,748,074
Europe		1,850,820,663
Africa		1,247,392,040
Chinese Mainland (export sales)		718,960,209
South America		162,889,392
Oceania		101,372,348
Market or customer type		
Contract type		
Revenue recognized at a certain point of time		
Port machinery		14,637,628,760
Sales of materials and others		1,842,606,977
Heavy equipment		740,178,325
Steel structure and related income		2,053,284,970
Revenue recognized in a certain period of time		
Port machinery		870,862,792
Engineering construction project		1,023,895,099
Steel structure and related income		1,715,683,539
By time of goods transfer		
By contract term		
By sales channel		
Total		22,884,140,462

Description of income from contracts:

Applicable Not applicable

(3) Performance obligations

Applicable Not applicable

(4) Apportionment to remaining performance obligations

Applicable Not applicable

Other description:

None

5 Investment income

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
Income from long-term equity investments calculated under cost method	56,655,365	66,771,535
Income from long-term equity investments calculated under equity method	232,454,488	134,225,469
Investment income from disposal of long-term equity investment	167,833,181	83,283,620
Investment income from held-for-trading financial assets during the holding period	1,112,889	449,951
Dividend income from other equity instrument investment during holding		
Interest income from debt investment during holding		
Interest income from other debt investment during holding		
Investment income from disposal of held-for-trading financial assets	819,204,693	195,487,757
Investment income from disposal of other equity instrument investment	7,835,826	6,169,971
Investment income from disposal of debt investment		
Investment income from disposal of other debt investment		
Income from debt restructuring		
Investment income from disposal of other non-current financial assets	1,050,134	
Total	1,286,146,576	486,388,303

Other description:
None

6 Others

□Applicable √Not applicable

XVIII Supplementary information**1 Items of non-recurring profit or loss in current period**

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Item	Amount	Remarks
Profit or loss from disposal of non-current assets	240,161,569	
Tax refunds, exemptions and reductions with ultra vires approval or without official approval documents		
Government grants included in the current profit or loss (except for the one closely related to the operations of the Company and gained constantly at a fixed amount or quantity according to certain standard)	81,153,206	
Capital occupation fees charged to the non-financial enterprises and included in current profit or loss		
Profit generated when the Company's investment cost in acquiring the subsidiary, affiliated company and joint venture is less than the fair value of the recognizable net assets of the invested unit at the time of acquiring		
Profit or loss from non-monetary assets exchange		
Profit or loss from the assets entrusted to others for investment or management		
Provisions for impairment of assets accrued due to force majeure such as natural disaster		
Profit or loss from debt reorganization		



Item	Amount	Remarks
Cost for enterprise reorganization, such as staffing expenses and integration fees		
Profit or loss in excess of the fair value generated in transaction with unfair price		
Current net profit or loss of the subsidiary generated from the business combination under common control from the beginning of the period to the combination date		
Profit or loss from the contingencies, unrelated to the normal business of the Company		
Profit or loss on changes in fair values of held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities and derivative financial liabilities, and investment income obtained from disposal of held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities, derivative financial liabilities and other credit investment, except for effective hedging operations associated with the company's normal operations	643,903,925	
Reversal of provision for impairment of receivables and contract assets subject to separate impairment test	94,986,600	
Profit or loss from external entrusted loans		
Profit or loss on changes in fair value of investment property by follow-up measurement in fair value mode		
Impact on current profit or loss due to one-off adjustment to current profit or loss according to the requirements of tax and accounting laws and regulations		
Custody fees of entrusted operation		
Other non-operating revenue and expenses except for the above-mentioned items	12,089,008	
Other profit or loss items that conform to the definition of non-recurring profit or loss		
Less: Affected amount of income tax	179,212,457	
Affected amount of minority equity	13,055,931	
Total	880,025,920	

For the non-recurring profit or loss items defined by the Company according to the "Explanatory Announcement on Information Disclosure of Companies Offering Securities to the Public No. 1 - Non-recurring Profit or Loss", and the recurring profit or loss items defined by the non-recurring profit or loss items listed in "Explanatory Announcement on Information Disclosure of Companies Offering Securities to the Public No. 1 – Non-recurring Profit or Loss", reasons shall be explained.

Applicable Not applicable

2 Return on net assets and earnings per share

Applicable Not applicable

Profit in the reporting period	Weighted average rate of return on net assets (%)	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to ordinary shareholders of the Company	2.90	0.08	0.08
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring profits and losses	-3.48	-0.09	-0.09

3 Differences in accounting data under domestic and overseas accounting standards

Applicable Not applicable

4 Others

Applicable Not applicable

Chairman: Liu Chengyun

Date of reporting approved by the Board of Directors: April 13, 2022

Revision information

Applicable Not applicable