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CIMC VEHICLES
CIMC Vehicles (Group) Co., Ltd.
中集車輛(集團)股份有限公司
(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 1839)

**ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED
DECEMBER 31, 2022**

I. IMPORTANT NOTICE

- (1) The Board, the Supervisory Committee, the Directors, the Supervisors and senior management of the Company warrant the truthfulness, accuracy and completeness of the contents of the annual results announcement for the year ended December 31, 2022 (the “**Announcement**”), and guarantee there are no false representations, misleading statements contained in, or material omissions from, and jointly and severally accept legal responsibility for the Announcement.
- (2) All the Directors attended the Board meeting in relation to, among others, approval of the annual results for the year ended December 31, 2022.
- (3) The financial statements of the Company and its subsidiaries (the “**Group**”) have been prepared in accordance with China Accounting Standards for Business Enterprises (“**CASBE**”). The financial statements of the Group for the year ended December 31, 2022, which have been prepared in accordance with CASBE, have been audited by PricewaterhouseCoopers Zhong Tian LLP (“**PricewaterhouseCoopers Zhong Tian**”), who has issued an audit report with unqualified opinions on the financial statements. The figures in respect of the Announcement of the Group’s consolidated balance sheet, consolidated income statement and the related notes thereon for the year ended December 31, 2022 have been agreed by the PricewaterhouseCoopers Zhong Tian to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers Zhong Tian in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers Zhong Tian on the Announcement.
- (4) The person in charge of the Company, Mr. Li Guiping, the person in charge of accounting affairs and the head of the accounting department (chief accounting), Mr. Zhan Rui, hereby warrant the truthfulness, accuracy and completeness of the financial statements as set out in the Announcement.

- (5) The forward-looking statements in the Announcement regarding future development plans do not constitute a material commitment by the Company to investors. Investors and the relevant persons are advised to be fully aware of the risks involved and understand the differences between plans, forecasts and commitments. The Company reminds investors to carefully read the full text of the Announcement and pay special attention to the risk factors faced by the Company, details of which are set out in “VIII. Future Development Prospect of the Company” under Section IV “Management Discussion and Analysis” in the Announcement.
- (6) The proposed profit distribution plan of the Company as considered and approved by the Board Meeting is based on 2,017,600,000 Shares. A cash dividend of RMB3 (tax inclusive) per ten shares will be distributed to all Shareholders, no bonus shares will be issued and shares will not be converted from capital reserve into share capital. The proposed dividend is expected to be payable on or before July 24, 2023. The annual dividend-distribution plan for 2022 shall be submitted to the Company’s annual general meeting for consideration and approval.
- (7) The Announcement is published in English and Chinese. In the event of any inconsistency between the two versions, the Chinese version shall prevail.

II. COMPANY PROFILE AND KEY FINANCIAL INDICATORS

(1) Company Information

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

(2) Contact Persons and Means of Communication

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

(3) Information Disclosure and Locations for Documents for Inspection

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

(4) Other Relevant Information

Accounting Firm engaged by the Company

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

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

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

Yes No

Unit: RMB

Consolidated Income Statement Items	For the year ended December 31,					
	2022	2021	Changes from the previous year to this year	2020	2019	2018
Revenue	23,620,612,415.36	27,647,762,501.46	-14.57%	26,498,964,653.25	23,386,908,687.91	24,331,169,082.98
Operating profit	1,472,638,520.24	1,173,596,875.71	25.48%	1,498,875,772.12	1,553,806,989.25	1,619,685,443.76
Profit before income tax	1,474,779,017.88	1,176,166,310.16	25.39%	1,517,700,367.89	1,570,742,601.43	1,605,417,584.60
Income tax expenses	361,171,952.63	188,502,861.95	91.60%	248,353,595.63	244,281,583.53	320,752,463.82
Net profit	1,113,607,065.25	987,663,448.21	12.75%	1,269,346,772.26	1,326,461,017.90	1,284,665,120.78
Net profit attributable to shareholders of the Company	1,117,958,345.49	900,749,340.13	24.11%	1,131,544,435.11	1,210,643,016.08	1,195,586,855.82
Net profit attributable to shareholders of the Company after deducting non-recurring profit or loss	915,504,724.28	635,803,868.16	43.99%	850,012,330.82	911,838,715.45	1,030,622,358.26

Unit: RMB

Consolidated Balance Sheet Items	As at December 31,					
	2022	2021	Changes from the previous year to this year	2020	2019	2018
Total current assets	14,673,352,881.19	14,233,856,026.37	3.09%	12,965,531,089.98	12,362,552,131.31	11,138,657,151.71
Total non-current assets	7,543,877,182.81	7,547,477,198.07	-0.05%	6,859,628,513.66	6,318,532,064.56	5,421,984,873.61
Total assets	22,217,230,064.00	21,781,333,224.44	2.00%	19,825,159,603.64	18,681,084,195.87	16,560,642,025.32
Total current liabilities	8,128,158,784.11	8,623,414,465.10	-5.74%	8,558,977,854.63	7,979,217,979.76	7,746,332,403.13
Total non-current liabilities	728,590,380.60	771,344,798.96	-5.54%	817,482,971.02	481,191,934.27	866,600,621.65
Total liabilities	8,856,749,164.71	9,394,759,264.06	-5.73%	9,376,460,825.65	8,460,409,914.03	8,612,933,024.78
Total shareholders' equity	13,360,480,899.29	12,386,573,960.38	7.86%	10,448,698,777.99	10,220,674,281.84	7,947,709,000.54
Equity attributable to shareholders of the Company	12,699,782,738.40	11,738,895,400.14	8.19%	9,962,233,215.04	9,750,514,866.53	7,487,680,331.44
Minority interests	660,698,160.89	647,678,560.24	2.01%	486,465,562.95	470,159,415.31	460,028,669.10

Unit: RMB

Consolidated Cash Flow Statement Items	For the year ended December 31,					
	2022	2021	Changes from the previous year to this year	2020	2019	2018
Net cash flow from operating activities	1,153,907,516.02	174,428,262.61	561.54%	2,746,937,975.27	1,908,701,959.51	1,084,985,408.87
Net cash flow from investing activities	-265,964,869.87	-735,080,784.36	-63.82%	-759,827,551.85	-909,495,598.17	-10,339,160.87
Net cash flow from financing activities	-954,102,423.06	1,015,615,330.82	-193.94%	-1,399,200,617.05	133,347,679.21	-1,311,274,588.32

Key Financial Indicators	For the year ended December 31,					
	2022	2021	Changes from the previous year to this year	2020	2019	2018
Basic earnings per share (RMB/share)	0.55	0.48	14.58%	0.64	0.75	0.80
Diluted earnings per share (RMB/share)	0.55	0.48	14.58%	0.64	0.75	0.80
Weighted average return on net assets	9.18%	8.29%	0.89%	11.48%	14.40%	17.00%
Gross profit margin	13.28%	11.02%	2.26%	13.09%	13.91%	14.20%
Operating profit margin	6.23%	4.24%	1.99%	5.66%	6.64%	6.66%
Net profit margin	4.71%	3.57%	1.14%	4.79%	5.67%	5.28%
Current ratio (note 1)	1.81	1.65	9.70%	1.51	1.55	1.44
Quick ratio (note 2)	1.13	1.08	4.63%	1.07	1.07	0.97
Return on total assets (note 3)	5.06%	4.75%	0.31%	6.59%	7.53%	7.83%

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

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

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

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

Yes No

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

Yes No

(6) Key Financial Indicators by Quarter

Unit: RMB

	Q1	Q2	Q3	Q4
Revenue	5,132,293,533.68	6,063,548,604.39	6,210,609,130.62	6,214,161,146.67
Net profit attributable to shareholders of the Company	124,462,498.41	241,295,665.30	295,013,611.04	457,186,570.74
Net profit attributable to shareholders of the Company after deducting non-recurring profit or loss	103,741,908.80	244,844,688.16	311,728,484.29	255,189,643.03
Net cash flow from operating activities	-471,024,997.03	677,803,402.91	376,142,577.06	570,986,533.08

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

Yes No

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

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

Applicable Not applicable

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

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

Applicable Not applicable

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

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

Applicable Not applicable

Unit: RMB

Items	Amounts for 2022	Amounts for 2021	Amounts for 2020	Note
Gains or losses from disposal of non-current assets	220,986,001.61	175,056,325.63	54,386,373.66	Disposal of fixed assets and intangible assets as a result of factory demolition
Government subsidies recognized in profit or loss for the current period	81,550,034.72	144,395,663.75	238,697,779.28	Various government grants
Gains and losses on changes in fair values of held for trading financial assets, other non-current financial assets, held for trading financial liabilities and derivative financial instruments, gains and losses on changes in fair values of investment properties subject to subsequent measurement in the mode of fair value, and investment gains from disposal of held for trading financial assets, held for trading financial liabilities and derivative financial instruments	-26,914,107.34	396,590.25	17,615,201.50	Losses on changes in fair values of derivative financial instruments, investment gains and losses from disposal of derivative financial instruments, and gains on changes in fair values of investment properties.
Other non-operating income and expenses other than the above items	5,336,216.43	4,637,291.81	22,384,164.06	
Net gains and losses from disposal of long-term equity investment	-3,322.91	-375,851.02	8,918,977.41	
Less: Effect of income tax	69,612,814.33	47,536,078.84	56,224,391.08	
Effect of minority interests (after tax)	8,888,386.97	11,628,469.61	4,246,000.54	
	202,453,621.21	264,945,471.97	281,532,104.29	

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

Applicable Not applicable

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

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

Applicable Not applicable

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

III. INFORMATION ON SHAREHOLDERS AND DE FACTO CONTROLLERS

1. Number of Shareholders and the Shareholding

Unit: Share

Total number of ordinary Shareholders as at the end of the Reporting Period	Total number of Shareholders: 44,424 (of which, holders of A Shares: 44,377, and holders of H Shares: 47)	Total number of ordinary Shareholders as at the end of the month prior to the publication date of the Announcement	Total number of Shareholders: 39,115 (of which, holders of A Shares: 39,070, and holders of H Shares: 45)	Total number of preferred Shareholders whose voting rights were restored as at the end of the Reporting Period (if any) (see note 9)	0	Total number of preferred Shareholders whose voting rights were restored as at the end of the month prior to the publication date of the Announcement (if any) (see note 9)	0	Total number of Shareholders holding shares with special voting rights (if any)	0
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Shareholdings of the Shareholders holding more than 5% of the shares or the top ten Shareholders

Name of Shareholder	Nature of Shareholder	Shareholding percentage	Number of Shares held as at the end of the Reporting Period	Changes during the Reporting Period	Number of Shares held subject to trading restrictions	Number of Shares held not subject to trading restrictions	Pledged, charged or frozen shares Status	Number
CIMC	Domestic non-state-owned legal person	36.10%	728,443,475	0	728,443,475	0		
CIMC Hong Kong (note 1)	Overseas legal person	19.99%	403,255,600	12,304,100	284,985,000	118,270,600		
HKSCC NOMINEES LIMITED (note 2)	Overseas legal person	7.96%	160,601,932	-12,321,600	0	160,601,932		
Ping An Capital Co., Ltd. - Shanghai Tai Fu Xiang Zhong Equity Investment Fund Partnership (Limited Partnership)	Others	6.26%	126,229,588	-41,606,937	0	126,229,588		
Ping An Capital Co., Ltd. - Taizhou Tai Fu Xiang Yun Equity Investment Partnership (Limited Partnership)	Others	6.03%	121,685,505	-39,916,995	0	121,685,505		
Xiang Shan Hua Jin	Domestic non-state-owned legal person	3.76%	75,877,500	-21,000,000	0	75,877,500		
Central Enterprises Poor Regions Industry Investment Fund Co., Ltd.	State-owned legal person	1.42%	28,735,632	815,000	0	28,735,632		

Shareholdings of the Shareholders holding more than 5% of the shares or the top ten Shareholders

Name of Shareholder	Nature of Shareholder	Shareholding percentage	Number of Shares held as at the end of the Reporting Period	Changes during the Reporting Period	Number of Shares held subject to trading restrictions	Number of Shares held not subject to trading restrictions	Pledged, charged or frozen shares Status Number
Shenzhen Longyuan	Domestic non-state-owned legal person	1.15%	23,160,000	0	0	23,160,000	
Guangzhou Gongkong Capital Management Co., Ltd.	State-owned legal person	0.71%	14,367,816	0	0	14,367,816	
China Insurance Investment Co., Ltd. – China Insurance Investment Fund (Limited Partnership)	Others	0.55%	11,083,868	-14,778,200	0	11,083,868	
Strategic investors or ordinary legal persons becoming top ten Shareholders by way of placing of new Shares (if any) (see note 4)	Central Enterprises Poor Regions Industry Investment Fund Co., Ltd. and China Insurance Investment Co., Ltd. – China Insurance Investment Fund L.P. became top ten Shareholders by way of placing of new Shares. Except for the shares held by them were released from trading restrictions on July 8, 2022, neither the start date nor the end date of the shareholding period has been agreed with these shareholders.						
Description of connected relationships or concerted actions of the above shareholders	<p>1. CIMC Hong Kong is a wholly-owned subsidiary of CIMC;</p> <p>2. Each of Ping An Capital Co., Ltd. - Shanghai Tai Fu Xiang Zhong Equity Investment Fund Partnership (Limited Partnership) and Ping An Capital Co., Ltd. - Taizhou Tai Fu Xiang Yun Equity Investment Partnership (Limited Partnership) is a private investment fund. The executive partner of Ping An Capital Co., Ltd. - Shanghai Tai Fu Xiang Zhong Equity Investment Fund Partnership (Limited Partnership) is Ping An Capital Co., Ltd., and the executive partner of Ping An Capital Co., Ltd. - Taizhou Tai Fu Xiang Yun Equity Investment Partnership (Limited Partnership) is Ping An Decheng. Both Ping An Decheng and Ping An Capital Co., Ltd. are enterprises whose equity interests are indirectly owned as to 100% by Ping An Group (a listed company, 601318.SH/02318.HK).</p> <p>Ping An Capital Co., Ltd. - Shanghai Tai Fu Xiang Zhong Equity Investment Fund Partnership (Limited Partnership) and Ping An Capital Co., Ltd. - Taizhou Tai Fu Xiang Yun Equity Investment Partnership (Limited Partnership) are under the control of the same entity and are persons acting in concert.</p> <p>Saved as disclosed above, the Company is not aware of any other related relationship among the above shareholders, or whether they are persons acting in concert.</p>						
Description of entrusting/being entrusted voting rights or waiving voting rights of the above Shareholders	Not applicable						
Special description of the special accounts for repurchase held by the top ten Shareholders (if any) (see note 10)	Not applicable						

Shareholding of the Top 10 Shareholders not Subject to Selling Restrictions

Name of Shareholder	Number of Shares Held not Subject to Selling Restrictions as at the End of Reporting Period	Class of Shares	
		Class of Shares	Number
HKSCC NOMINEES LIMITED (<i>Note 2</i>)	160,601,932	Overseas-listed foreign shares	160,601,932
Ping An Capital Co., Ltd. – Shanghai Tai Fu Xiang Zhong Equity Investment Fund Partnership (Limited Partnership)	126,229,588	RMB ordinary shares	126,229,588
Ping An Capital Co., Ltd. – Taizhou Tai Fu Xiang Yun Equity Investment Partnership (Limited Partnership)	121,685,505	RMB ordinary shares	121,685,505
CIMC Hong Kong (<i>Note 1</i>)	118,270,600	Overseas listed foreign shares	118,270,600
Xiang Shan Hua Jin Industrial Investment Partnership (Limited Partnership)	75,877,500	RMB ordinary shares	75,877,500
Central Enterprises Poor Regions Industry Investment Fund Co., Ltd.	28,735,632	RMB ordinary shares	28,735,632
Shenzhen Long Yuan Gang Cheng Enterprise Management Center (Limited Partnership)	23,160,000	RMB ordinary shares	23,160,000
Guangzhou Gongkong Capital Management Co., Ltd.	14,367,816	RMB ordinary shares	14,367,816
China Insurance Investment Co., Ltd. – China Insurance Investment Fund (Limited Partnership)	11,083,868	RMB ordinary shares	11,083,868
JPMORGAN CHASE BANK, NATIONAL ASSOCIATION	3,727,292	RMB ordinary shares	3,727,292

<p>Description of the connected relationship or concerted actions between the top 10 Shareholders of tradable shares not subject to selling restrictions, and between the top 10 Shareholders of tradable shares not subject to selling restrictions and the top 10 Shareholders</p>	<ol style="list-style-type: none"> 1. CIMC Hong Kong is a wholly-owned subsidiary of CIMC; 2. Ping An Capital Co., Ltd. – Shanghai Tai Fu Xiang Zhong Equity Investment Fund Partnership (Limited Partnership) and Ping An Capital Co., Ltd. – Taizhou Tai Fu Xiang Yun Equity Investment Partnership (Limited Partnership) are privately-offered partnership investment funds. The executive partner of Ping An Capital Co., Ltd. – Shanghai Tai Fu Xiang Zhong Equity Investment Fund Partnership (Limited Partnership) is Ping An Capital Co., Ltd., and the executive partner of Ping An Capital Co., Ltd. – Taizhou Tai Fu Xiang Yun Equity Investment Partnership (Limited Partnership) is Ping An Decheng. Both Ping An Decheng and Ping An Capital Co., Ltd. are enterprises whose equity interests are indirectly owned as to 100% by Ping An Group (a listed company, 601318.SH/02318.HK). <p>Ping An Capital Co., Ltd. – Shanghai Tai Fu Xiang Zhong Equity Investment Fund Partnership (Limited Partnership) and Ping An Capital Co., Ltd. – Taizhou Tai Fu Xiang Yun Equity Investment Partnership (Limited Partnership) are under common control and are persons acting in concert.</p> <p>Saved as disclosed above, the Company is not aware of any other connected relationship between the above Shareholders, and between the above Shareholders and the top 10 Shareholders or whether they are persons acting in concert.</p>
<p>Information on Shareholders participating in the margin trading and securities lending business (if any) (see note 5)</p>	<p>Not applicable</p>

Note 1: As at the end of the Reporting Period, 118,270,600 H Shares of the Company held by CIMC Hong Kong were registered under HKSCC NOMINEES LIMITED. The number of shares held by CIMC Hong Kong and the shareholding percentage in the above table have taken into account the number of such shares.

Note 2: HKSCC NOMINEES LIMITED is the nominee holder on behalf of the non-registered shareholders of the H Shares. As at the end of the Reporting Period, 278,872,532 H Shares were registered under HKSCC NOMINEES LIMITED. The number of Shares held and the shareholding percentage of HKSCC NOMINEES LIMITED in the above table do not take into account the 118,270,600 H Shares registered thereunder and held by CIMC Hong Kong.

Whether the Company had voting rights difference arrangement

Applicable Not applicable

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

Yes No

2. Controlling Shareholders of the Company

Nature of the Controlling Shareholders: unclear

Type of the Controlling Shareholders: legal person

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

Shareholdings of Controlling Shareholders who have control or hold shares in other domestic or overseas listed companies during the Reporting Period	As at December 31, 2022, the shareholdings of Controlling Shareholders who have control or hold shares in other domestic or overseas listed companies is as follows: <ol style="list-style-type: none"> 67.59% equity interest in CIMC Enric, a company listed on the Hong Kong Stock Exchange (stock code: 03899); 5.72% equity interest in CMIC Ocean En-Tech Holding Co., Ltd., a company listed on the Hong Kong Stock Exchange (stock code: 00206); 0.36% equity interest in Otto Energy Limited, a company listed on the Australian Securities Exchange (stock code: OEL); 2.87% equity interest in Shoucheng Holdings Limited, a company listed on the Hong Kong Stock Exchange (stock code: 00697); 0.35% equity interest in Novogene Co., Ltd., a company listed on the Shanghai Stock Exchange (stock code: 688315); 0.90% equity interest in China Railway Special Cargo Logistics Co., Ltd., a company listed on the Shenzhen Stock Exchange (stock code: 001213); 10,335,757 shares in CSG Holding Co., Ltd., a company listed on the Shenzhen Stock Exchange (stock code: 000012); 49,979,175 shares in Jade Bird Fire Co., Ltd., a company listed on the Shenzhen Stock Exchange (stock code: 002960);
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9. 3,263,403 shares in Shandong Linglong Tire Co., Ltd., a company listed on the Shanghai Stock Exchange (stock code: 601966), with a shareholding percentage of 0.221%;
10. 25,899,000 shares in Deewin Tianxia Co., Ltd, a company listed on the Hong Kong Stock Exchange (stock code: 02418).

Changes in Controlling Shareholders during the Reporting Period

Applicable Not applicable

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

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

Nature of the de facto controller: Nil

Type of the de facto controller: Nil

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

As at the end of the Reporting Period, CIMC directly held 36.10% of the Company's shares, and held 19.99% of the Company's shares through CIMC Hong Kong, a wholly-owned subsidiary of CIMC. CIMC held a total of 56.09% of the Company's shares and was the Controlling Shareholder of the Company. CIMC had a relatively scattered shareholding with no de facto controller. Therefore, the Company had no de facto controller.

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

Yes No

Legal person Natural person

Shareholding at the ultimate controlling level

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

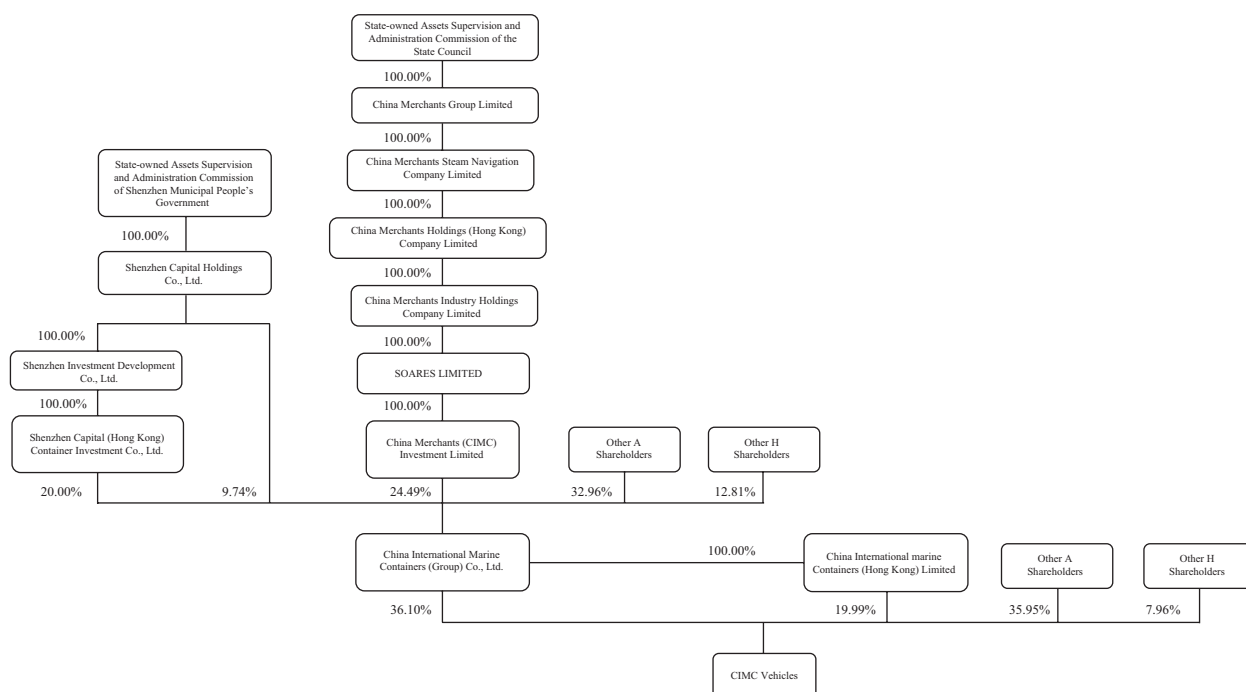
Shareholdings of Controlling Shareholders at the ultimate controlling level who have control or hold shares in other domestic or overseas listed companies during the Reporting Period None

Changes in de facto controller during the Reporting Period

Applicable Not applicable

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

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



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

Applicable Not applicable

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

As of December 31, 2022, to the knowledge of Directors, the following persons other than the Directors, Supervisors and Chief Executive of the Company had interests and/or short positions in the Shares and underlying Shares of the Company which were required to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO and recorded in the register required to be kept pursuant to Section 336 of the SFO:

Name of Shareholder	Nature of Interest	Class of Shares	Number of Shares	Long Position/ Short Position	Approximate Percentage of the Relevant Class of Shares	Approximate Percentage of the Total Issued Share Capital of the Company
CIMC	Beneficial owner	A Shares	728,443,475	Long position	50.11%	36.10%
	Interest in controlled corporation (<i>Note 1</i>)	H Shares	403,255,600	Long position	71.51%	19.99%

Name of Shareholder	Nature of Interest	Class of Shares	Number of Shares	Long Position/ Short Position	Approximate Percentage of the Relevant Class of Shares	Approximate Percentage of the Total Issued Share Capital of the Company
Ping An Decheng	Interest in controlled corporation <i>(Note 2)</i>	A Shares	247,915,093	Long position	17.05%	12.29%
Ping An Financial	Interest in controlled corporation <i>(Note 2)</i>	A Shares	247,915,093	Long position	17.05%	12.29%
Ping An Life Insurance	Interest in controlled corporation <i>(Note 4)</i>	A Shares	247,915,093	Long position	17.05%	12.29%
Ping An Group	Interest in controlled corporation <i>(Note 2)</i>	A Shares	247,915,093	Long position	17.05%	12.29%
CIMC Hong Kong	Beneficial owner	H Shares	403,255,600	Long position	71.51%	19.99%
Shanghai Taifu	Beneficial owner	A Shares	126,229,588	Long position	8.68%	6.26%
Chi Xiao	Interest in controlled corporation <i>(Note 3)</i>	A Shares	126,229,588	Long position	8.68%	6.26%
Nanshan Group	Interest in controlled corporation <i>(Note 3)</i>	A Shares	126,229,588	Long position	8.68%	6.26%
Taizhou Taifu	Beneficial owner	A Shares	121,685,505	Long position	8.37%	6.03%
Ping An Health Partnership	Interest in controlled corporation <i>(Note 4)</i>	A Shares	121,685,505	Long position	8.37%	6.03%
Shenzhen Sidao Branch Investment Co., Ltd. (深圳市思道科技投資有限公司)	Interest in controlled corporation <i>(Note 4)</i>	A Shares	121,685,505	Long position	8.37%	6.03%
Shenzhen Pingan Yuanxin Investment Development Holdings Co., Ltd. (深圳市平安遠欣投資發展控股有限公司)	Interest in controlled corporation <i>(Note 4)</i>	A Shares	121,685,505	Long position	8.37%	6.03%
Xiangshan Huajin	Beneficial owner	A Shares	75,877,500	Long position	5.22%	3.76%
Shenzhen Longhui	Interest in controlled corporation <i>(Note 5)</i>	A Shares	75,877,500	Long position	5.22%	3.76%
Hong Kong Tiancheng Investment & Trading Co. Limited	Beneficial owner	H Shares	42,556,500	Long position	7.55%	2.11%

Name of Shareholder	Nature of Interest	Class of Shares	Number of Shares	Long Position/ Short Position	Approximate Percentage of the Relevant Class of Shares	Approximate Percentage of the Total Issued Share Capital of the Company
Shandong Linglong Tire Co., Ltd.	Interest in controlled corporation <i>(Note 6)</i>	H Shares	42,556,500	Long position	7.55%	2.11%
Linglong Group Co., Ltd. (玲瓏集團有限公司)	Interest in controlled corporation <i>(Note 6)</i>	H Shares	42,556,500	Long position	7.55%	2.11%
Wang Xicheng	Interest in controlled corporation <i>(Note 6)</i>	H Shares	42,556,500	Long position	7.55%	2.11%
Citigroup Inc.	Interest in controlled corporation	H Shares	20,000	Long position	0.004%	0.001%
			20,500	Short Position	0.004%	0.001%
	Approved lending agent	H Shares	37,588,218	Long position	6.67%	1.86%
GIC Private Limited	Investment manager	H Shares	35,588,000	Long position	6.31%	1.76%

Notes:

- (1) CIMC Hong Kong is a wholly owned subsidiary of CIMC and therefore CIMC is deemed to be interested in H Shares held by CIMC Hong Kong. As at December 31, 2022, CIMC Hong Kong held 403,255,600 H Shares.
- (2) Ping An Decheng is the general partner of Shanghai Taifu and Taizhou Taifu and therefore is deemed to be interested in A Shares held by Shanghai Taifu and Taizhou Taifu. Ping An Decheng is wholly owned by Ping An Financial which is ultimately controlled by Ping An Group and therefore both Ping An Financial and Ping An Group are deemed to be interested in A Shares held by Shanghai Taifu and Taizhou Taifu.
- (3) Chi Xiao is a limited partner of Shanghai Taifu which holds a 59.51% equity interest in it and therefore is deemed to be interested in the A Shares held by Shanghai Taifu. Chi Xiao is wholly owned by Nanshan Group and therefore Nanshan Group is also deemed to be interested in A Shares held by Shanghai Taifu in the Company.
- (4) Both Ping An Life Insurance and Ping An Health Partnership are limited partners of Taizhou Taifu, respectively holding 47.62% and 38.33% of their equity interests, and therefore both of them are deemed to be interested in A Shares held by Taizhou Taifu. Shenzhen Sidao Branch Investment Co., Ltd. (深圳市思道科投資有限公司), a wholly owned subsidiary of Shenzhen Pingan Yuanxin Investment Development Holdings Co., Ltd. (深圳市平安遠欣投資發展控股有限公司), holds a 55.12% equity interest in Ping An Health Partnership, and therefore is deemed to be interested in A Shares of the Company held by Taizhou Taifu. Ping An Life Insurance holds a 40.36% equity interest in Shanghai Taifu, and therefore is deemed to be interested in A Shares held by Shanghai Taifu in the Company.

- (5) Shenzhen Longhui is the general partner of Xiangshan Huajin and holds 37.35% of the equity interest of Xiangshan Huajin, and therefore it is deemed to be interested in 75,877,500 A Shares held by Xiangshan Huajin.
- (6) Mr. Wang Xicheng is interested in 51% of the shares of Linglong Group Co., Ltd. (玲瓏集團有限公司) which in turn holds 39.94% of the equity interest of Shandong Linglong Tire Co., Ltd.. Hong Kong Tiancheng Investment & Trading Co. Limited is also a wholly owned subsidiary of Shandong Linglong Tire Co., Ltd., and therefore all of them are deemed to be interested in the H Shares held by Hong Kong Tiancheng Investment & Trading Co. Limited. In addition, Mr. Wang Xicheng holds 51% of the equity interest of Elite Faith Trading Limited.

IV. MANAGEMENT DISCUSSION AND ANALYSIS

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

The Company is mainly engaged in the global production and sale of semi-trailers, truck bodies for specialty vehicles and van bodies. It is the world's leader in the sophisticated manufacturing of semi-trailers and specialty vehicles, a pioneer in the high-quality development of road transport equipment in China, and an explorer and innovator in new energy specialty vehicles in China.

In 2022, the international environment was turbulent. Global economic growth slowed down, due to the escalation of geopolitical conflicts, a 40-year high in global inflation, energy and supply chain crisis and other factors. The U.S. government actively promoted its economic stimulus measures, and the demand for logistics and transportation equipment remained strong; The energy shortage in Europe increased the inflation rate and the cost of living, and decreased the consumption demand, thus lowering the logistics and transportation efficiency in Europe.

In 2022, China was under pressure in terms of economic reform and stability. With the support of the policies to stabilize the economy, the overall economic and social development remained stable. According to the data released by the National Bureau of Statistics, China's GDP reached RMB121.0 trillion in 2022, representing a year-on-year increase of 3.0%. The suppression of logistics demand and the downward cycle of the industry in China greatly affected the semi-trailer and specialty vehicle industries in China.

China's economy entered a new stage of development. High-quality development is the theme of China's economic development in the "14th Five-Year Plan" period and even in a longer period. In the face of historic opportunities, the semi-trailers and specialty vehicles industry in China was undergoing enormous transformation and integration.

Semi-trailer Market in China

In 2022, the total value of social logistics goods in China reached RMB347.6 trillion, representing a year-on-year increase of 3.4%, showing a slowdown. Driven by policies and markets, the transportation and logistics industry underwent a further change. In 2022, according to the data of the Ministry of Transport, the road freight volume in China was 37.12 billion tons, representing a year-on-year decline of 5.5%. The weak demand for logistics and transportation, together with rising costs, suppressed the domestic demand for semi-trailers. In order to increase the transportation demand, China continuously implemented measures such as the "measures to ensure stability in the six areas" and "measures to ensure security in the six areas" at the national level and successively published stimulus policies.

In April 2022, the Opinions of the Central Committee of the Communist Party of China and the State Council on Accelerating the Construction of a National Unified Market was published. Supply-side reform became the way to remove key barriers that restricted the economic cycle, while achieving high-quality supply and building a modern circulation network represented the core. Semi-trailer was the core means of production in logistics and transportation. The long-standing market segmentation and the “small, scattered and chaotic” situation in the industry were gradually changed. Semi-trailer production enterprises with management, technology and brand advantages and nationwide operation arrangements gained scale advantages in full competition.

In this context, the Company promoted the iteration of its organizations and adopted the third-generation of “LTP + LoM” model to change the production model and adapt to the new development paradigm, so as to realize high-quality development.

Overseas Semi-trailer Market

In 2022, the downward pressure on the global economy intensified, and the International Monetary Fund announced that the world economic growth rate was approximately 3.4%. High inflation, high interest rates, high debt and slow growth became new features of the global economy.

In 2022, the GDP of the United States reached US\$25.5 trillion, with an actual growth rate of 2.2% after deducting inflation. However, semi-trailer and logistics and transportation equipment markets remained strong in North America, with robust growth in the import of the United States, the trade deficit of US\$948.1 billion, representing a year-on-year increase of 12.2%, the consumer market showing strong demand, and incomplete recovery of the logistics and transportation efficiency, and the implementation by the U.S. government of a series of economic stimulus measures. According to the data of ACT Research in the United States, in 2022, the production of semi-trailers in the United States reached 374,000 units, representing a year-on-year increase of 25.4%. Due to the forward-looking strategic arrangements and local manufacturing advantages, the Company seized the opportunities from strong demand in the semi-trailer market in North America, thus achieving rapid growth.

The European economy was affected by geopolitical conflicts, energy and supply chain crises. According to the data released by Eurostat, the growth rate of EU GDP in 2022 was 3.6%, which was better than expected, but the EU did not get rid of the risks of recession and inflation. The suppression of the consumer demand of residents affected the logistics equipment manufacturing industry in Europe to some extent. The Company achieved steady development, with its stable global supply chain system and the advantage of intercontinental operation.

Emerging markets were the most urgent demanders in global development, and there was room for high industry growth in emerging markets. The Company focused on advantageous markets, actively paid attention to market opportunities in Southeast Asia, Africa and the Middle East, and promoted the construction of the LoM manufacturing plant to build a sustainable competitive operation system in overseas emerging markets.

Specialty Vehicle Market in China

In 2022, according to the data of the National Bureau of Statistics, the national fixed asset investment reached RMB57.2 trillion, representing a year-on-year increase of 5.1%. The exhaustion of the demand due to the implementation of emission standards, the decline in the domestic freight transport demand had an impact on the specialty vehicle market, and the domestic heavy truck market entered a downward cycle. According to the data of China Association of Automobile Manufacturers, the sales volume of heavy trucks in China in 2022 was 672,000 units, representing a year-on-year decrease of 51.8%. On the contrary, great progress was made in the exploration of new energy development of the industry. In 2022, the total sales volume of new energy heavy trucks reached 25,200 units, representing a year-on-year increase of 140.7%, showing the rapid increase in the penetration rate of new energy heavy trucks in the market in China, and there were development opportunities for high-quality, new energy, lightweight and intelligent specialty vehicle products.

In terms of tank trucks and concrete mixer trucks, in March 2022, the Ministry of Emergency Management issued the “14th Five-Year” Plan for Safe Production of Hazardous Chemicals, which once again standardized the safe development of the industry. Meanwhile, the Work Plan for Regulation of Atmospheric Liquid Dangerous Goods Tank Trucks stipulates that from November 1, 2022, the use of tankers with major safety risks would be completely banned, which will benefit the compliant tank truck manufacturers. The Company actively developed new energy products, thus continuously highlighting the competitive advantages of tank trucks and concrete mixer trucks characterized by new energy, light weight, intelligentization and environmental protection.

In terms of dump trucks and cargo trucks, there was a year-on-year decrease of 10.0% in the total investment in real estate development in China in 2022. Industrial consolidation accelerated with the domestic real estate and infrastructure industries entering the adjustment period, the decline in the demand for engineering transport vehicles, the pressure from inventory digestion, and the intensified channel competition. New energy vehicles became a new point of competition in dump trucks. Environmental-friendly and intelligent urban dump trucks produced and sold by TB Business Group – Dump Truck Business of the Company had a larger market space, and it maintained its competitive advantage in the industry reform.

Lightweight Van Truck Market in China

According to the data of China Association of Automobile Manufacturers, in 2022, the sales volume of lightweight trucks in China was 1.618 million units, representing a year-on-year decrease of 23.4%, due to economic slowdown, freight volume decrease, low freight rate, and the implementation of new regulations on lightweight trucks with blue license plates. For lightweight trucks as an important means of production for urban road transport scenarios, national and local governments successively published relevant regulations and stimulus policies. Meanwhile, the implementation of new regulations on lightweight trucks with blue license plates also promoted the accelerated development of new energy light trucks.

With the diversification of consumer demand, the cold chain logistics industry had great potential. The cold chain logistics and infrastructure construction in China accelerated after the publication of the Notice on the “14th Five-Year” Plan for Development of Cold Chain Logistics and related supporting policies. As a manufacturer of the upstream infrastructure of the cold chain logistics industry chain, the Company continuously provided high-quality and compliant refrigerated van bodies to the market. In addition, TB Business Group – Urban Distribution Van Truck Bodies Business of the Company completed the production capacity arrangements, which promoted the business development of truck bodies for urban cold chain distribution and truck bodies for urban distribution of dry cargoes.

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

1. Major businesses and products

The Company is the world’s leader in the sophisticated manufacturing of semi-trailers and specialty vehicles, a pioneer in the high-quality development of road transport equipment in China, and an explorer and innovator in new energy specialty vehicles in China. According to the 2022 Global OEM Ranking List published by Global Trailer, the Company ranked first among semi-trailer manufacturers in the world, for the tenth year in a row.

The Company had six major businesses or groups, namely “Light Tower Pioneer Business”, “North American Business” and “European Business” engaged in the global semi-trailer market, “Champion Tanker Business Group” with a focus on sophisticated manufacturing of truck bodies for specialty vehicles and van truck bodies, “TB Business Group – Dump Truck Business” and “TB Business Group – Urban Distribution Van Truck Bodies Business”, covering four major markets in the world, more than 40 countries and regions, and had 25 “Light Tower” Plants at home and abroad.

Under the business model of “Intercontinental Operation, Local Manufacturing”, the Company accelerated the construction of the “Light Tower Manufacturing Network”; actively made arrangements for the LTP production center and the LoM manufacturing plant; promoted the digital upgrade of the LTL “Light Tower” logistics, LTS “Light Tower” sourcing center and LoP local procurement; utilized high-end manufacturing production lines and capacity; achieved mutual complementation of superior resources and efficient synergy; enabled industrial upgrading through digitalization; reduced the production costs; realized comprehensive production automation, intelligentization and digitalization of processes; increased orders and improved the fulfillment; effectively combined the six major businesses or groups in the long run, so as to guarantee high-quality development.

In the global semi-trailer market, Light Tower Pioneer Business was deeply engaged in seven series of semi-trailer products in the semi-trailer market, and operated well-known brands including “CIMC Light Tower”, “Pioneer Series”, “Tonghua”, “Huajun”, “Liangshan Dongyue” and “Vanguard Trailer Rental.” Light Tower Pioneer Business continuously increased its share of the domestic semi-trailer market and ranked first in China for the fourth year in a row. North American Business focused on refrigerated trailer, van trailer and container chassis trailer products in the North American market, and operated well-known local brands including “Vanguard” and “CIE”. North American Business developed rapidly and won long-term recognition from major customers in North America. The refrigerated trailer market share in North America had constantly increased. European Business focused on semi-trailer products in the European market, and operated “SDC” and “LAG” brands. SDC ranked first among the market in the UK. LAG, an over-70-year-old company, ranked first in the European tank trailer market, with its high commercial value, low fuel consumption and low weight.

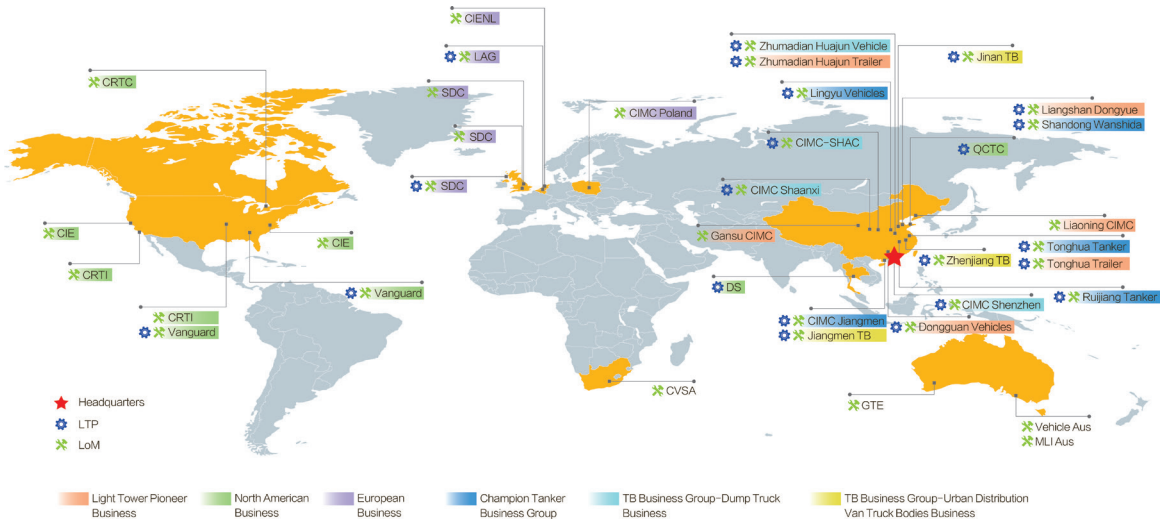
The Company led the development trend of road transport equipment in the market of truck bodies for specialty vehicles and van truck bodies. Champion Tanker Business Group produced and sold tank trailers and concrete mixer trucks, and operated brands including “Ruijiang Tanker”, “Tonghua Tanker”, “Lingyu Vehicles” and “Shandong Wanshida”. Champion Tanker Business Group ranked first in terms of sales volume of concrete mixer trucks in China for the sixth year in a row, and maintained a leading position in the tank trailer market. TB Business Group – Dump Truck Business produced and manufactured dump truck and cargo truck products and was a pioneer in the business of retrofitting of truck bodies for specialty vehicles in China; TB Business Group – Urban Distribution Van Truck Bodies Business produced and manufactured refrigerated van truck bodies, dry van truck bodies, and operated the “TB” brand, with an innovative spirit and leading technology research and development level. TB Business Group provided customers with high-quality products and services that led the development of urban distribution and cold chain logistics industries.

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

In addition, the Company cooperated with many well-known customers. In the domestic market, its main customers included well-known e-commerce logistics and transportation enterprises such as SF Express, JD Logistics, ZTO Express and Deppon Express, as well as major heavy truck and construction machinery manufacturing enterprises such as Sinotruk, Shaanxi Automobile Group and Shaanxi Tonly Heavy Industries. In overseas markets, major customers included first-class European and American transportation companies and semi-trailer rental companies such as JB Hunt, KAL, Direct ChassisLink, Walmart Transportation and TIP. With the innovative marketing model, the Company cooperated with Shaanxi Automobile Group to launch the CIMC-Shaanxi Automobile “Sanhao Development Center”, so as to implement the innovation-driven development strategy in depth, and work with customers to promote the supply-side structural reform for tractors and truck bodies in the commercial vehicle industry.

As China’s economy entered a new stage of development, the Company started a business for the third time; adopted a new development philosophy and constructed a new development paradigm. Under the background of the “national unified market” policy and the domestic smooth circulation, we seized the opportunity from industry reform; deepened the supply side structural reform; eliminated supply constraints; removed barriers in production, circulation, distribution and consumption; realized intensive growth by innovation; achieved the strategy of short-term breakthroughs in sales volume and long-term sustainable growth; and promoted high-quality development.

“Light Tower Manufacturing Network” Arrangement of Six Major Businesses or Groups:



Major products of six major businesses or groups:

Six major businesses or groups	Global semi-trailer market					Market of truck bodies and vans truck bodies for specialty vehicles					
	① Container chassis trailers	② Flatbed trailers and relevant derivative types	③ Curtain-side trailers	④ Van trailers	⑤ Refrigerated trailers	⑥ Tank trailers	⑦ Other special types of trailers	Truck bodies for cement mixer trucks	Truck bodies for dump trucks and cargo trucks	Refrigerated van truck bodies	Dry van truck bodies
Light Tower Pioneer Business	✓	✓	✓	✓	✓		✓				
North American Business	✓				✓						
European Business	✓	✓	✓	✓		✓	✓				
Champion Tanker Business Group						✓		✓			
TB Business Group – Dump Truck Business									✓		
TB Business Group – Urban Distribution Van Truck Bodies Business										✓	✓

2. Major business models

Through continuous exploration and development for years, the Company has formed an operation model based on “Intercontinental Operation, Local Manufacturing” in line with current global conditions. The Company acquires customers and obtains orders by a combination of direct selling and distribution. The Company utilizes the LTL “Light Tower” logistics, the LTS “Light Tower” sourcing center and the LoP local procurement to obtain required raw materials, parts and components by a combination of centralized purchase or independent purchase. Otherwise, the Company organizes efficient production by basing production on sales through the LTP production centers and LoM manufacturing plants under the six major businesses or groups, and actively explores the “Sanhao Development Center” innovative model for sales, and finally delivers its products to customers to make a profit.

① Direct selling model

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

② Distribution model

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

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

Unit: RMB in millions

Sales Model	2022		2021	
	Amount	Percentage	Amount	Percentage
Direct selling	16,833.81	71.27%	16,482.80	59.62%
Distribution	6,786.80	28.73%	11,164.96	40.38%
Total	23,620.61	100.00%	27,647.76	100.00%

The Company had 649 distributors as at the end of 2022, representing a decrease of 84 as compared with the end of 2021. The decrease in the number of distributors was mainly due to the consolidation of high-quality distribution channels by Champion Tanker Business Group of the Company.

3. Analysis of operation

In 2022, the revenue of the Company for the year was RMB23,620.61 million, representing a year-on-year decrease of 14.57%, mainly due to (1) suppression of the domestic semi-trailer market demand as a result of the economic downturn in China, and weak logistics demand and efficiency; (2) a weak specialty vehicle market in China resulting from the exhaustion of the demand for specialty vehicles in China as a result of the implementation of China VI emission standards. During the Reporting Period, the Company sold 151,870 units of vehicles of various types worldwide (2021: 200,069 units), representing a year-on-year decrease of 24.09%.

The Company made a breakthrough in operation, with the coordinated development of the six major businesses or groups. The net profit attributable to shareholders of the Company was RMB1,117.96 million, representing a year-on-year increase of 24.11%, mainly due to (1) a substantial increase in the revenue from overseas markets; (2) a rise in the proportion of revenue from high-quality products as a result of optimization of the product structure; (3) stable prices of bulk raw materials; (4) compensation for relocation and resettlement of Qingdao CIMC Special Vehicles, a wholly-owned subsidiary. In addition, the net profit attributable to shareholders of the Company after deducting non-recurring profit or loss was RMB915.50 million, representing a year-on-year increase of 43.99%.

During the Reporting Period, the Company's Light Tower Pioneer Business promoted the structural reform of semi-trailer production organizations and increased the gross profit margin. North American Business made a breakthrough, with an increase in the sales and price of main products, and profit hitting a record high. European Business was successfully transformed, and put into operation several LoM manufacturing plants, thus achieving quality growth in revenue. Champion Tanker Business Group accelerated the integration of products and production capacity and promoted the development of a unified national market of tankers. TB Business Group – Dump Truck Business actively deepened the strategy of joint development with tractor manufacturers, grasped the trend of the new energy transition; TB Business Group – Urban Distribution Van Truck Bodies Business improved its production capacity arrangements, put into operation Jiangmen LTP Production Center and vigorously developed products in new energy.

The Company launched a new round of reform, implemented the “Light Tower Manufacturing Network” strategy, implemented various strategic arrangements, integrated superior resources, and adopted measures to increase revenue and reduce expenditure, and thus the gross profit margin increased significantly by 2.26 percentage points year-on-year to 13.28%. The net cash flow from operating activities was RMB1,153.91 million, representing a significant increase of 561.54% as compared with the previous year; the weighted average return on net assets increased by 0.89 percentage point, fully demonstrating the operating resilience of the Company against the trend.

The Company actively developed and promoted innovative products which featured new energy, light weight, digitalization and intelligentization, constantly optimized the product structure, promoted quality and efficiency change, and practiced high-quality development.

1. *Operation Review of the Company for the Year by Major Businesses and Groups:*

Light Tower Pioneer Business

Light Tower Pioneer Business is deeply engaged in seven major series of semi-trailer products. During the Reporting Period, due to the economic downturn in China, the domestic market demand for semi-trailers slowed down. The revenue from Light Tower Pioneer Business reached RMB4,980.93 million, representing a year-on-year decrease of 22.14%. The gross profit margin of Light Tower Pioneer Business rebounded by 1.11 percentage points, mainly due to a decrease in raw material costs, the adjustment to the product structure, the improvement in the production efficiency of the Light Tower Manufacturing Network, and the exploration of emerging markets.

Through strategic deployment, Light Tower Pioneer Business re-integrated the semi-trailer business to form a joint force, and built the “LTP + LoM” Light Tower Manufacturing Network. By capitalizing on the third-generation semi-trailer LTP production center and LoM manufacturing plant, Light Tower Pioneer Business achieved a strategic breakthrough in the national unified market and promoted the structural reform of semi-trailer production organizations in China.

During the Reporting Period, Light Tower Pioneer Business actively planned the construction of the “CIMC Light Tower” business group, promoted the “Black Land Project” and started the preparation for the establishment of the “Tonghua Pioneer” Business Group at the right time. Meanwhile, Light Tower Pioneer Business accelerated the progress in new retail changes and vigorously acquired large and end customers. In 2022, despite a decline in market sales, according to the statistics of China Association of Automobile Manufacturers, the market share of semi-trailers of the Company in China increased to 14.45%, and the Company ranked first in China for the fourth year in a row.

North American Business

Despite the economic uncertainty in the North America, the Company actively implemented strategic measures of North American Business. During the Reporting Period, North American Business of the Company made achievements, with an increase in sales volumes and prices of its three main products, and profit hitting a record high. The revenue from North American Business was RMB10,760.03 million, representing a year-on-year increase of 122.28%, and its gross profit margin increased by 6.03 percentage points year-on-year.

The semi-trailer market in North America was in short supply due to stimulation by economic policies, the rapid growth in the multimodal transport business, and the slowdown in logistics and transportation efficiency. The Company made a forward-looking arrangement. Through the arrangement for four LTP production centers and seven LoM manufacturing plants, the Company could alleviate the supply chain shortage to the greatest extent, realize cost optimization, accelerate the release of the production capacity, give play to scale effect and improve the fulfillment of orders.

In terms of refrigerated trailers in North America, the Company made a breakthrough, with product design improvement, the commencement of new energy exploration, and profit hitting a record high. During the Reporting Period, the Company's revenue from refrigerated trailers in North America increased significantly by 164.05% to RMB4,003.38 million, and its share of the refrigerated trailer market in North America continued to increase.

Meanwhile, the Company optimized the product pricing and sales strategy of van trailers in North America, thus increasing its revenue by 60.13% to RMB3,127.02 million, and maintaining a leading position in the van trailer market in North America.

European Business

Geopolitical conflicts and energy crises continuously affected the European economy, and the energy and supply chain shortage suppressed the production capacity of the manufacturing industry in Europe. European Business of the Company forged ahead despite difficulties, completing the construction of the LoM manufacturing plants in Southampton and Mansfield in the UK, and Pijnacker in the Netherlands, which helped fully release the production capacity. SDC optimized the manufacturing process and value stream, established the LTS production center for Light Tower parts, and carried out re-planning and re-arrangements for products and production lines, thus greatly improving production efficiency. Meanwhile, the Company promoted the improvement in corporate governance of SDC and successfully transformed SDC, with profits hitting a five-year high. LAG actively explored new energy products and controlled the risk of supply chain shortage. During the Reporting Period, the revenue from European Business reached RMB2,620.99 million, representing a year-on-year increase of 10.48%, but the gross profit margin declined.

Under the guidance of the intercontinental operation strategy, the Company gave full play to the intercontinental competitive advantage and completed the "Light Tower Manufacturing Network" arrangement of European Business, thus consolidating its market share.

Champion Tanker Business Group

Champion Tanker Business Group manufactures and sells two core products, namely tank trailers, and concrete mixer trucks. The terminal demand in the heavy truck market was sluggish, due to the emission standard transition, the early release of market demand and the intensified homogeneous competition in the industry. During the Reporting Period, Champion Tanker Business Group of the Company turned challenges into opportunities, identified opportunities in market segments, and actively explored the international market. The revenue from Champion Tanker Business Group was RMB3,635.75 million, representing a year-on-year decrease of 66.61%. Through product structure optimization and integration of upstream and downstream resources to reduce costs and expenses, the gross profit margin increased by 0.60 percentage point.

Champion Tanker Business Group developed industry-leading lightweight and green products; reduced the self-weights of concrete mixer trucks and led the market trend of concrete mixer trucks. Meanwhile, Champion Tanker Business Group actively explored new energy products, launched more than 10 types of concrete mixer trucks with battery charging and swapping, and developed integrated innovative products suitable for the market. During the Reporting Period, the sales volume of new energy concrete mixer trucks increased significantly by 500.00%. According to the data of China Association of Automobile Manufacturers, the Company ranked first in China in terms of the sales volume of concrete mixer trucks for the sixth year in a row, and had 26.32% of the market in China.

In addition, Champion Tanker Business Group paid attention to market segment research and development; launched innovative products such as “alloy-steel liquid tank trailers” and multi-purpose “alloy-steel V-shaped dry bulk tank trailers” with mixed loading; expanded channels and acquired customers; and launched a new online marketing platform “Home of Champions” to form a leading edge of tank truck products.

TB Business Group – Dump Truck Business

With China’s acceleration of the construction of a “unified national market”, the Company established TB Business Group – Dump Truck Business, to further improve the efficiency of resource allocation and give play to the effect of industrial agglomeration. In 2022, the revenue from TB Business Group – Dump Truck Business was RMB881.02 million, representing a year-on-year decrease of 53.35%, due to a slowdown in domestic heavy truck demand and insufficient infrastructure project construction.

Meanwhile, TB Business Group – Dump Truck Business carried out organizational marketing reform, deepened cooperation with tractor manufacturers, vigorously developed new energy products, expanded the wide-body mining truck market, and established overseas businesses, and occupied a leading position in the dump truck retrofitting industry, with its product research and development innovation and “Light Tower Manufacturing Network”. According to the data on compulsory insurance for motor vehicle traffic accident liabilities, the market share of the Company’s new energy dump trucks increased to 37.2%.

TB Business Group – Urban Distribution Van Truck Bodies Business

In 2022, the domestic lightweight truck market remained sluggish, and the market demand for urban distribution logistics was weak. The revenue from TB Business Group – Urban Distribution Van Truck Bodies Business of the Company was RMB365.52 million, representing a year-on-year decrease of 21.43%.

During the Reporting Period, the Jiangmen LTP Production Center of TB Business Group – Urban Distribution Van Truck Bodies Business was put into operation. It actively adjusted its target market and product structure, seized opportunities from the increment in new energy products, and reached strategic cooperation with a number of well-known and leading new energy vehicle companies to establish various pre-LoM manufacturing plants, in the market downturn. TB Business Group – Urban Distribution Van Truck Bodies Business achieved an 18.83% growth in sales of new energy products, with the TB KG hydrogen-energy refrigerated trucks winning the honor of the “No.1 Hydrogen-energy Refrigerated Truck in 2022”.

Meanwhile, TB Business Group – Urban Distribution Van Truck Bodies Business will accelerate the development and expansion of overseas businesses, fulfill orders in Africa, Southeast Asia, the Middle East and other regions, and actively make arrangements for assembly plants to continuously improve overseas market sales and product launch capabilities.

Other Businesses

With regard to semi-trailers in other markets, the Company actively built branches of LoM manufacturing plants in overseas emerging markets, and successively built LoM manufacturing plants in key market areas such as Southeast Asia, to improve product assembly efficiency and product quality, thus realizing the long-distance delivery from LTP production centers. During the Reporting Period, the Company made achievements in overseas emerging markets, with growth in the results of operations and continuous increase in its market share.

With regard to parts and components of semi-trailers and specialty vehicles, the Company enhanced its competitive advantage in the global parts and components business through digital management of the supply chain and new retail transformation and upgrading, under the background of the increase in global commodity price and shortage in the supply chain, thus our revenue increased year-over-year.

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

Global semi-trailers

During the Reporting Period, the revenue from the Company's global semi-trailer business increased to RMB18,143.28 million (2021: RMB15,275.85 million), representing a year-on-year increase of 18.77%, and the gross profit margin increased by 2.57 percentage points year-on-year, mainly due to the strong performance of overseas markets and the increase in volume and price of the main products in the North American semi-trailer market, which drove the revenue and profitability of the global semi-trailer business.

Truck bodies for specialty vehicles

During the Reporting Period, the revenue from the Company's business of production of truck bodies for specialty vehicles and sales of fully-assembled specialty vehicles was RMB2,367.21 million (2021: RMB9,209.61 million), representing a year-on-year decrease of 74.30%, mainly due to the continued sluggish end-use demand in the heavy truck market. The gross profit margin of the Company's business of production of truck bodies for specialty vehicles and sales of fully-assembled specialty vehicles declined by 3.00 percentage points year-on-year due to intensified homogeneous competition in the industry.

Lightweight van truck bodies

During the Reporting Period, due to the slowdown in demand for light trucks and product restructuring, the revenue from the business of production and sales of lightweight van truck bodies in China was RMB227.66 million (2021: RMB311.36 million), representing a year-on-year decrease of 26.88%, with the gross profit margin decreasing by 9.18 percentage points year-on-year.

Production management of fully-assembled vehicles during the Reporting Period

Applicable Not applicable

Production and sales of main products of the Company

Unit: Unit/Set

	Production Volume			Sales Volume		
	2022	2021	Year-on-year Change	2022	2021	Year-on-year Change
By region						
Domestic regions	112,590	175,195	-35.7%	80,351	154,745	-48.1%
Foreign regions	47,109	19,053	147.3%	71,519	45,324	57.8%
By business type						
Global semi-trailers	123,141	129,186	-4.7%	127,528	138,166	-7.7%
Truck bodies for specialty vehicles	26,340	54,419	-51.6%	15,354	52,703	-70.9%
Lightweight van truck bodies	10,218	10,643	-4.0%	7,696	9,115	-15.6%
Total	159,699	194,248	-17.8%	151,870	200,069	-24.1%

* *Note:* The production volume and sales volume of major products based on the business type do not include the production volume and sales volume of vehicles based on other businesses of the Company, such as sanitation vehicles.

During the Reporting Period, the Company produced a total of 159,699 units/sets, representing a year-on-year decrease of 17.8%; the Company sold a total of 151,870 units/sets, representing a year-on-year decrease of 24.1%. In terms of production capacity, the Company had the capacity to produce a total of 297,750 units/sets in 2022, representing a year-on-year decrease of 7.3%. The main changes in production capacity are as follows: (1) The construction of the LTP production center of the Company in Thailand was completed, thus fully releasing the production capacity and increasing the capacity to produce container chassis trailers by 20,000 sets; (2) Due to the sharp increase in demand for refrigerated trailers in North America, the QCTC plant of North American Business of the Company increased the capacity to produce refrigerated trailers by 5,000 sets, representing a year-on-year increase of 100.0%; (3) Zhenjiang TB Plant of TB Business Group – Urban Distribution Van Truck Bodies Business of the Company optimized its production capacity and adjusted the capacity to produce dry and refrigerated van truck bodies to 11,000 sets; (4) The construction of Jiangmen LTP production center of TB Business Group – Urban Distribution Van Truck Bodies Business of the Company was completed, thus increasing the capacity to produce dry and refrigerated truck bodies by 20,000 sets; (5) The production capacities of the Zhumadian LTP production center and the Liaoning LoM manufacturing plant of the Company’s Light Tower Pioneer Business were optimized, and their semi-trailer production capacities were changed to 15,700 units and 1,100 units respectively, representing a year-on-year decrease of 47.7% and 78.0%; (6) The production capacities of Shandong Wanshida Plant and Luoyang Lingyu Vehicles Plant of Champion Tanker Business Group of the Company were changed to 4,000 sets and 8,050 sets respectively, representing a year-on-year decrease of 50.0% and 32.9%.

In terms of capacity utilization rate, the comprehensive capacity utilization rate of the Company was 53.6% in 2022, representing a year-on-year decrease of 6.8 percentage points. The main changes in the capacity utilization rate are as follows: (1) Due to the significant increase in the demand for refrigerated trailers in North America, the QCTC plant of the Company increased the capacity to produce refrigerated trailer products by 5,000 sets, and its capacity utilization rate decreased from 163.2% in the same period of the previous year to 107.5% in 2022; (2) The capacity utilization rates of the Tonghua Tanker Plant and Ruijiang Tanker Plant of Champion Tanker Business Group of the Company decreased by 41.3% and 48.4% respectively as compared with the same period of the previous year, due to the slowdown in domestic heavy truck demand; (3) The capacity utilization rate of Jinan TB Plant of TB Business Group – Urban Distribution Van Truck Bodies Business of the Company decrease by 54.6% as compared with the same period of the previous year, due to the slowdown in the domestic logistics demand.

In terms of the construction of the parts and components supporting system, the Company deepened the construction of the EPS digital supply chain center as the hub of the “Light Tower Manufacturing Network”, and the EPS platform supported and promoted the core processes of LTS and LTP business models. In 2022, the Company established a unified EPS portal platform, thus achieving online management of more than 1,000 suppliers, and allowing the six major businesses or groups of the Company to share a rich pool of supplier resources, effectively optimizing resource allocation and improving cost space, and removing barriers between LTP and LoM through EPS.

Production management of auto parts and components during the Reporting Period

Applicable Not applicable

The Company carried out auto finance business

Applicable Not applicable

The Company carried out businesses in relation to new energy vehicles

Applicable Not applicable

Unit: Unit/Set RMB’0,000

Product Category	Production Capacity	Production Volume	Sales Volume	Sales Revenue
Concrete mixer truck bodies	Sufficient	162	108	1,082
Dump truck and cargo truck bodies		2,235	2,253	16,735
Dry van truck bodies		3,530	3,530	2,963
Refrigerated van truck bodies		187	187	458
Total		6,114	6,078	21,238

(III) Analysis of Core Competence

1. *Advantages of intercontinental operation*

The Company is the world's leader in the sophisticated manufacturing of semi-trailers and specialty vehicles, a pioneer in the high-quality development of road transport equipment in China, and an explorer and innovator in new energy specialty vehicles in China. The Company has continuously deepened the business philosophy of "Intercontinental Operation, Local Manufacturing" and established six major businesses or groups that penetrated four major markets around the world: Light Tower Pioneer Business, North American Business, European Business, Champion Tanker Business Group, TB Business Group – Dump Truck Business and TB Business Group – Urban Distribution Van Truck Bodies Business. The Company has 25 "Light Tower" Plants and a sales network covering over 40 countries. The Company gives full play to its production capacity, assembly capacity, global supply chain management capacity and global distribution logistics management capacity, and has formed a transnational operation arrangement with core competitiveness, which has enhanced business resilience and risk resistance of various businesses and markets around the world.

2. *Leading edge in the market*

According to the 2022 Global OEM Ranking List released by Global Trailer, the Company ranked first for ten consecutive years. In terms of Light Tower Pioneer Business, according to the statistics of China Association of Automobile Manufacturers, the Company has occupied a market share of 14.45% in China's semi-trailer market, which has continued to rise, ranking first in China for four consecutive years. In terms of North American Business, the Company operated well-known brands including "Vanguard" and "CIE", and the market share of refrigerated semi-trailers in North America market continued to rise. In terms of European Business, the Company operated "SDC" and "LAG" brands. SDC ranked ahead in the market in the UK. LAG, an over-70-year-old company, ranked first in the tank truck market in Europe.

The Company led the development trend of road transport equipment in the market of truck bodies for specialty vehicles and van bodies. In terms of Champion Tanker Business Group, according to the statistics of the Special Purpose Vehicle Branch of China Association of Automobile Manufacturers, the Company ranked first in terms of the sales volume of concrete mixer trucks in China for the sixth year in a row, and had a market share of 26.32%. In terms of TB Business Group – Dump Truck Business, the Company was a pioneer in the urban dump truck retrofitting business. In terms of TB Business Group – Urban Distribution Van Truck Bodies Business the Company was an innovative and advanced technology research and development manufacturer of refrigerated and dry van truck bodies.

In new energy specialty vehicles, the Company followed the trend of electrification and intelligentization, and embarked on the path of exploration and innovation. According to the data of mandatory traffic incident insurance for motor vehicles, the Company had 37.2% of the market of new energy dump trucks.

3. *Advantages of innovation and development*

The Company always adheres to the innovation-driven development strategy and promotes industrial transformation and development under the guidance of “innovation as driving force, and high-quality supply.” The Company has obvious advantages in terms of research and development technology. As at the end of 2022, the Company had more than 600 research and development personnel in the world and over 1,400 registered patents, and participated in the formulation and revision of 30 national and industry standards for semi-trailers and truck bodies for specialty vehicles in China.

In implementing the digitization and informatization process of industrial production, the Company made significant technological innovation achievements. The Company used the refrigerated van truck bodies series of products with pioneering open foaming and color plate materials, to further enhance the competitiveness of the products in terms of environmental protection, energy conservation, light weight, cost reduction and efficiency enhancement. The Company carried out the development of innovative products including new energy lightweight urban dump trucks, pure electric mining trucks, concrete mixer trucks with battery charging and swapping, and new energy refrigerated vans. The Company actively developed innovative product models under new energy and self-driving scenarios. As a result, the Company got ahead in development in the new energy specialty vehicle market.

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

The Company accelerated the construction of the “Light Tower Manufacturing Network”; actively made an arrangement for the LTP production center and the LoM manufacturing plant; promoted the digital upgrade of the LTL “Light Tower” logistics, LTS “Light Tower” sourcing center and LoP local procurement; utilized high-end manufacturing production lines and capacity; achieved mutual complementation of superior resources and efficient synergy; digitally enabled industrial upgrading; reduced the production costs; realized comprehensive production automation, intelligentization and process digitalization; increased orders and improved the fulfillment; effectively combined the six major businesses or groups in the long run, so as to guarantee high-quality development.

5. *Advantages of global supply chain management*

As the hub of the “Light Tower Manufacturing Network”, the EPS Center of the Company can give full play to the advantages of the EPS platform in terms of region, strategy and process, realize the digital management of supply resources, and effectively support the purchase needs of various businesses or groups. Meanwhile, the EPS Center of the Company reduces the purchase cost of parts, with its bargaining power in centralized purchasing. The Company has established an EPS unified portal platform, with more than 1,000 registered suppliers. Through years of deep engagement, the Company has formed significant supply chain management advantages and scale effect of purchase.

6. *Advantages of the new retail model*

The Company promotes “seven integrations”, namely marketing organization integration, channel organization integration, brand building integration, promotion and delivery integration, marketing policy integration, product development integration and service coordination integration, so as to create new demand and new kinetic energy for commercial vehicles. The Company launched the “Sanhao Development Center”, and adhered to the “customer-oriented” principle. The Company provided commercial vehicle products “excellent in three areas”, namely “excellent horses with excellent saddles”, “excellent tractors with excellent trailers” and “excellent trucks with excellent tanks” in the market, so as to provide customers with more professional, higher quality and more diversified solutions and services integrating tractors, bodies and vehicles, and promoted the supply-side structural reform of the commercial vehicle industry under innovative marketing models.

7. *Advantages of organizational development*

Since 2002, the Company has manufactured and sold semi-trailers. The senior management team leads the direction of strategic operation of the Company, the management team was experienced in the semi-trailer and specialty vehicle industries. In order to support the strategic implementation of the “Light Tower Manufacturing Network”, the Company further reviewed the underlying management structure and logic, and optimized management efficiency. The Company have successfully held three senior leadership training programs to build a core team consisting of DE/ME technical experts and MBA talents. With innovative thinking, aggressiveness and practical actions, the young management team constantly promotes the high-quality and sustainable development of the Company, and bravely undertakes their roles in the sophisticated manufacturing industry in China.

(IV) Analysis of Core Businesses

1. *Overview*

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

2. Revenue and costs

(1) Composition of revenue

Unit: RMB

	2022	As a	2021	As a	Year-on-year
	Amount	percentage	Amount	percentage	change
		of revenue		of revenue	
Total revenue	23,620,612,415.36	100.00%	27,647,762,501.46	100.00%	-14.57%
By industry					
Road transportation industry	23,620,612,415.36	100.00%	27,647,762,501.46	100.00%	-14.57%
By product					
Vehicle sales	20,778,578,566.71	87.97%	24,825,306,757.71	89.79%	-16.30%
Global semi-trailer	18,143,280,292.25	76.81%	15,275,851,992.36	55.25%	18.77%
Semi-trailer-ordinary semi-trailer	15,916,598,817.24	67.38%	11,685,460,419.68	42.27%	36.21%
Semi-trailer-tank trailer	2,226,681,475.01	9.43%	3,590,391,572.69	12.99%	-37.98%
Truck Bodies for specialty vehicles and chassis and tractor units	2,367,205,778.51	10.02%	9,209,614,673.77	33.31%	-74.30%
Chassis and tractor units	1,235,757,513.06	5.23%	5,452,490,694.24	19.72%	-77.34%
Truck Bodies for specialty vehicles	1,131,448,265.45	4.79%	3,757,123,979.53	13.59%	-69.89%
Lightweight van bodies	227,657,261.72	0.96%	311,356,512.72	1.13%	-26.88%
Other vehicles	40,435,234.22	0.17%	28,483,578.86	0.10%	41.96%
Parts and components of semi-trailers and specialty vehicles	2,221,737,967.12	9.41%	2,000,011,100.91	7.23%	11.09%
Others	620,295,881.53	2.63%	822,444,642.84	2.97%	-24.58%
By region					
Chinese market	8,335,182,315.08	35.29%	18,637,757,934.76	67.41%	-55.28%
North American market	11,038,903,449.26	46.73%	5,041,888,369.23	18.24%	118.94%
European market	2,421,040,958.94	10.25%	2,455,208,525.02	8.88%	-1.39%
Other markets	1,825,485,692.08	7.73%	1,512,907,672.45	5.47%	20.66%
By sales model					
Direct selling	16,833,807,707.23	71.27%	16,482,798,807.17	59.62%	2.13%
Distribution	6,786,804,708.13	28.73%	11,164,963,694.29	40.38%	-39.21%

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

√ Applicable □ Not applicable

Unit: RMB

	Revenue	Operating costs	Gross profit margin	Change in revenue as compared with the same period of last year	Change in operating costs as compared with the same period of last year	Change in gross profit margin as compared with the same period of last year
By industry						
Road transportation industry	23,620,612,415.36	20,483,415,549.37	13.28%	-14.57%	-16.74%	+ 2.26pct
By product						
Global semi-trailer	18,143,280,292.25	15,638,657,634.07	13.80%	18.77%	15.33%	+ 2.57pct
Semi-trailer-ordinary semi-trailer	15,916,598,817.24	13,691,123,839.45	13.98%	36.21%	30.88%	+ 3.50pct
Semi-trailer-tank trailer	2,226,681,475.01	1,947,533,794.62	12.54%	-37.98%	-37.15%	-1.15pct
Truck Bodies for specialty vehicles and chassis and tractor units	2,367,205,778.51	2,279,424,369.85	3.71%	-74.30%	-73.47%	-3.00pct
Chassis and tractor units	1,235,757,513.06	1,199,194,741.00	2.96%	-77.34%	-77.57%	+ 1.01pct
Truck Bodies for specialty vehicles	1,131,448,265.45	1,080,229,628.85	4.53%	-69.89%	-66.72%	-9.08pct
By region						
Chinese market	8,335,182,315.08	7,502,468,933.46	9.99%	-55.28%	-54.61%	-1.33pct
North American market	11,038,903,449.26	9,248,884,406.47	16.22%	118.94%	105.30%	+ 5.57pct
European market	2,421,040,958.94	2,215,773,357.04	8.48%	-1.39%	29.71%	-0.03pct
By sales model						
Direct selling	16,833,807,707.23	14,824,004,699.97	11.94%	2.13%	2.88%	-0.64pct
Distribution	6,786,804,708.13	5,659,410,849.40	16.61%	-39.21%	-44.47%	+ 7.89pct

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

□ Applicable √ Not applicable

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

Yes No

Industry	Item	Unit	2022	2021	Year-on-year Change
Road transport vehicle	Sales volume	unit/set	151,870	200,069	-24.09%
	Production volume	unit/set	159,699	194,248	-17.79%
	Inventory	unit/set	14,342	12,293	16.67%

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

Applicable Not applicable

(4) *Composition of operating costs*

By industry

Unit: RMB

Industry	Item	2022		2021		Year-on-year Change
		Amount	As a percentage of operating costs	Amount	As a percentage of operating costs	
Road transport vehicle	Raw materials	16,975,924,939.24	82.88%	21,263,545,129.94	86.43%	-20.16%
	Direct labour	1,290,821,168.19	6.30%	1,420,124,608.18	5.77%	-9.11%
	Manufacturing expenses	1,728,335,098.68	8.44%	1,602,935,571.19	6.52%	7.82%
	Freight and handling charges	488,334,343.26	2.38%	314,172,135.49	1.28%	55.44%
	Total	20,483,415,549.37	100.00%	24,600,777,444.80	100.00%	-16.74%

(5) *Major customers and suppliers*

Information on major customers of the Company

Total sales to top 5 customers (RMB)	3,666,030,298.15
Total sales to top 5 customers as a percentage of total sales for the year	15.52%
Sales to related parties in sales to top 5 customers as a percentage of total sales for the year	0.00%

Information on top 5 customers of the Company

S/N	Name of Customer	Sales (RMB)	As a percentage of total sales for the year
1	Customer A	1,012,269,753.45	4.29%
2	Customer B	801,689,878.01	3.39%
3	Direct ChassisLink Inc.	650,832,222.00	2.76%
4	Customer C	613,931,492.64	2.60%
5	Customer D	587,306,952.05	2.49%
Total		<u>3,666,030,298.15</u>	<u>15.52%</u>

Other information on major customers

Applicable Not applicable

Major suppliers of the Company

Total purchase from top 5 suppliers (RMB)	2,316,521,557.64
Total purchase from top 5 suppliers as a percentage of total purchase for the year	13.11%
Purchase from related parties in purchase from top 5 suppliers as a percentage of total purchase for the year	2.18%

Information on top 5 suppliers of the Company

S/N	Name of Supplier	Purchase (RMB)	As a percentage of total purchase for the year
1	Supplier A	645,651,668.35	3.65%
2	Supplier B	515,004,734.09	2.92%
3	Supplier C	405,450,337.79	2.30%
4	CIMC TSD Supply Chain Services Co., LTD.	385,791,778.44	2.18%
5	Meritor Inc.	364,623,038.97	2.06%
Total		<u>2,316,521,557.64</u>	<u>13.11%</u>

Other information on major suppliers

Applicable Not applicable

Among the top five suppliers, CIMC TSD Supply Chain Services Co., LTD. is a wholly-owned subsidiary of CIMC, the Controlling Shareholder of the Company, and a related party of the Company.

3. Expenses

Unit: RMB

	2022	2021	Year-on-year Change	Description of Major Changes
Selling expenses	526,427,065.63	729,251,979.27	-27.81%	
Administrative expenses	1,033,811,219.18	873,183,272.45	18.40%	
Finance costs	-90,927,713.09	16,899,370.60	-638.05%	Given the appreciation of US dollar and other major foreign currencies during the year, as well as the Company's effort to strengthen the management of exchange gains and losses, the exchange gains for the year increased compared to the previous year.
Research and development expenses	305,577,661.69	397,817,429.52	-23.19%	

4. Research and Development Investments

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

	2022	2021	2020
Research and development investments (RMB)	305,577,661.69	397,817,429.52	371,412,140.90
Research and development investments expressed as a percentage of revenue	1.29%	1.44%	1.40%
Capitalized research and development expenditures (RMB)	0.00	0.00	0.00
Capitalized research and development expenditures as a percentage of research and development investments	0.00%	0.00%	0.00%
Capitalized research and development expenditures as a percentage of net profit for the period	0.00%	0.00%	0.00%

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

Applicable Not applicable

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

Applicable Not applicable

5. Cash Flow

Unit: RMB

Item	2022	2021	Year-on-year Change
Sub-total of cash inflows from operating activities	27,371,210,804.82	30,870,328,017.19	-11.33%
Sub-total of cash outflows from operating activities	26,217,303,288.80	30,695,899,754.58	-14.59%
Net cash flow from operating activities	1,153,907,516.02	174,428,262.61	561.54%
Sub-total of cash inflows from investing activities	386,352,790.11	596,205,198.89	-35.20%
Sub-total of cash outflows from investing activities	652,317,659.98	1,331,285,983.25	-51.00%
Net cash outflows from investing activities	-265,964,869.87	-735,080,784.36	63.82%
Sub-total of cash inflows from financing activities	1,518,373,117.98	3,023,753,775.97	-49.79%
Sub-total of cash outflows from financing activities	2,472,475,541.04	2,008,138,445.15	23.12%
Net cash inflows from financing activities	-954,102,423.06	1,015,615,330.82	-193.94%
Net increase in cash and cash equivalents	-11,886,165.23	425,327,511.28	-102.79%

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

Applicable Not applicable

Net cash flow from operating activities increased by 561.54% as compared with last year, mainly due to the significant increase in the net cash flow generated from North American operating activities this year as compared with last year.

Net cash flows from investing activities increased by 63.82% as compared with last year, mainly due to the decrease in payment for long term assets this year as compared with last year.

Net cash flows from financing activities decreased by 193.94% as compared with last year, mainly because funds were raised through the initial public offering of A Share in 2021, while there was no such cash inflow this year.

As influenced by the above main factors, cash and cash equivalents generated in the year decreased by 102.79% as compared with last year.

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

Applicable Not applicable

(V) Analysis of Non-Principal Business

√ Applicable □ Not applicable

Unit: RMB

	Amount	As a Percentage of the Total Profit	Method of Obtaining the Asset	Whether It is Sustainable
Investment losses	-23,910,442.91	-1.62%	Mainly the investment losses from the disposal of derivative financial instruments, and losses from discounted notes receivables	No
Gains or losses from changes in fair value	-7,346,053.56	-0.50%	Mainly changes in fair values of investment properties, held for trading financial assets and derivative financial instruments	No
Asset impairment loss	-38,321,104.02	-2.60%	Mainly provision for impairment of inventories	No
Non-operating income	11,946,394.12	0.81%	Mainly penalty income and unpayable payables	No
Non-operating expenses	9,805,896.48	0.66%	Mainly losses on disposals of fixed assets, compensation expenses and penalty expenses	No
Credit impairment loss	-30,571,517.45	-2.07%	Mainly bad debt provision for receivables	No
Gains from disposal of assets	224,181,720.41	15.20%	Mainly gains on the disposal of fixed assets and intangible assets	No
Other income	76,964,384.28	5.22%	Mainly government grants	No

(VI) Analysis of Assets and Liabilities

I. Significant Changes in Composition of Assets

Unit: RMB

	End of 2022		Beginning of 2022		Change in the Percentage	Description of Major Changes
	Amount	As a percentage of total assets	Amount	As a percentage of total assets		
Cash at bank and on hand	4,850,527,987.23	21.83%	5,041,982,475.37	23.15%	-1.32%	
Accounts receivables	3,121,505,473.81	14.05%	2,781,330,860.48	12.77%	1.28%	
Inventories	5,514,764,338.69	24.82%	4,939,195,443.70	22.68%	2.14%	Increase in raw materials and spare parts based on the orders on hand
Investment properties	405,746,795.38	1.83%	393,130,062.84	1.80%	0.03%	
Long-term equity investments	193,282,252.60	0.87%	151,084,643.75	0.69%	0.18%	
Fixed assets	4,933,210,366.18	22.20%	4,626,675,908.82	21.24%	0.96%	
Construction in progress	247,577,774.52	1.11%	516,572,732.14	2.37%	-1.26%	Several projects completed and transferred to fixed assets in this year
Right-of-use assets	238,375,993.30	1.07%	232,392,010.62	1.07%	0.00%	
Short-term borrowings	467,995,600.44	2.11%	889,554,358.43	4.08%	-1.97%	Decrease in unsecured bank borrowings
Contract liabilities	618,541,399.99	2.78%	547,132,006.91	2.51%	0.27%	
Long-term borrowings	331,206,865.99	1.49%	374,823,099.70	1.72%	-0.23%	
Lease liabilities	188,590,165.71	0.85%	185,163,298.60	0.85%	0.00%	
Notes payables	809,432,692.20	3.64%	1,098,475,012.01	5.04%	-1.40%	
Accounts payables	3,740,535,444.53	16.84%	3,558,427,089.39	16.34%	0.50%	
Receivables financing	258,818,435.64	1.16%	510,091,121.74	2.34%	-1.18%	Decrease in bank acceptance notes held
Intangible assets	844,157,433.69	3.80%	892,972,786.18	4.10%	-0.30%	
Other non-current assets	76,389,581.39	0.34%	136,313,442.51	0.63%	-0.29%	Decrease in prepayment for equipment
Tax payable	331,548,587.53	1.49%	186,121,358.83	0.85%	0.64%	Increase in corporate income tax payable
Notes receivables	93,034,550.82	0.42%	109,678,708.95	0.50%	-0.08%	
Advances to suppliers	239,789,397.31	1.08%	221,827,969.94	1.02%	0.06%	
Other receivables	232,452,952.37	1.05%	272,965,193.59	1.25%	-0.20%	
Employee benefits payable	640,955,242.09	2.88%	533,567,985.84	2.45%	0.43%	
Other payables	1,142,928,896.80	5.14%	1,411,093,894.20	6.48%	-1.34%	

Overseas assets accounted for a large percentage

Applicable Not applicable

Unit: RMB

Asset	Method of Obtaining the Asset	Size of the Asset	Location	Operating Model	Control Measures to Ensure the Asset Safety	Revenue	Overseas Assets as a Percentage of Net Assets of the Company	Whether There are Significant Impairment Risks
VANGUARD NATIONAL TRAILER CORPORATION	Acquisition	1,883,382,462.97	United States	Production and operation	Internal controls were carried out continuously and effectively	408,624,304.32	14.83%	No

II. Assets and Liabilities Measured at Fair Value

Applicable Not applicable

Unit: RMB

Item	Opening Balance	Gains or Losses on Fair Value Change for the Year	Total Fair Value Change Recorded in Equity	Impairment for the Year	Amount of Purchase for the Year	Amount of Disposal for the Year	Other Changes	Ending Balance
Financial assets								
1. Financial assets held for trading (excluding derivative financial assets)	0.00	-18,500,587.98			41,360,620.99		-650,625.22	22,209,407.79
2. Derivative financial assets	2,039,603.00	4,100,480.53			101,012.75	101,012.75	21,352.47	6,161,436.00
Sub-total of financial assets	2,039,603.00	-14,400,107.45			41,461,633.74	101,012.75	-629,272.75	28,370,843.79
Investment properties	393,130,062.84	9,956,174.98	182,967.06		2,515,903.43		-38,312.93	405,746,795.38
Receivables financing	510,091,121.74			-775,928.14	3,849,423,143.04	4,099,919,901.00		258,818,435.64
Others non-current financial assets	0.00	2,781,084.58			8,005,300.00			10,786,384.58
Total	905,260,787.58	-1,662,847.89	182,967.06	-775,928.14	3,901,405,980.21	4,100,020,913.75	-667,585.68	703,722,459.39
Financial liabilities	21,100.00	5,683,205.67			19,033,724.35	19,054,824.35		5,683,205.67

Other changes

N/A

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

Yes No

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

Item	Closing book value (RMB)	Reason for the restriction
Cash at bank and on hand	167,710,818.88	Deposits for vehicle loans, bills, etc.
Intangible assets	35,812,917.79	The transfer is subject to the approval by the Shenzhen Municipal People's Government, and they shall not be transferred in part or leased
Bill receivables	3,255,345.28	Pledged
Receivables financing	7,309,187.09	Pledged
Total	<u>214,088,269.04</u>	

(VII) Investment Analysis

I. Overall conditions

Applicable Not applicable

Amount of Investments During the Reporting Period (RMB)	Amount of Investment During the Same Period of Last Year (RMB)	Change
652,317,659.98	1,331,285,983.25	-51.00%

II. Significant equity investments acquired during the Reporting Period

Applicable Not applicable

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

Applicable Not applicable

IV. Financial Asset Investment

(1) Security investment

√ Applicable Not applicable

Unit: RMB

Type of Securities	Stock Code	Stock Abbreviation	Initial Investment Cost	Measurement	Carrying Amount at the Beginning of the Period	Gains or Losses on Fair Value Change for the Period	Total Fair Value Change Recorded in Equity	Amount of Purchase for the Period	Translation of Amounts in Foreign Currencies in Statements	Profit or Loss for the Reporting Period	Carrying Amount at the End of the Period	Source of Fund
Domestic and foreign shares	02418	Deewin Tianxia	41,360,620.99	Measured at fair value	0.00	-18,500,587.98	41,360,620.99	41,360,620.99	-650,625.22	-18,500,587.98	22,209,407.79	Financial assets held for trading
Other securities investments held as at the end of the period			0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Total			41,360,620.99		0.00	-18,500,587.98	41,360,620.99	41,360,620.99	-650,625.22	-18,500,587.98	22,209,407.79	
Date of disclosure of Board announcement on securities investment approval		Not applicable										
Date of disclosure of announcement of the general meeting on securities investment approval (if any)		Not applicable										

(2) *Derivative investment*

✓ Applicable Not applicable

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

✓ Applicable Not applicable

Unit: RMB '0,000

Type of Derivatives	Initial Investment Amount	Gains or Losses on Fair Value Change for the Period	Total Fair Value Change Recorded in Equity	Amount of Purchase for the Reporting Period	Amount of Disposal for the Reporting Period	Amount as at the End of the Reporting Period	Investment Amount as at the End of the Period as a Percentage of Net Assets as at the End of the Reporting Period
Foreign exchange forward contract	0	-158.3	0	1,913.47	1,915.58	33,569.37	2.6%
Total	0	-158.3	0	1,913.47	1,915.58	33,569.37	2.6%

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

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

Description of actual profit or loss for the Reporting Period

The profit or loss on changes in fair value of the Group's derivative financial instruments for 2022 was RMB-1.583 million.

Description of hedging effect

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

Sources of Derivative Investment Funds

Own funds

Type of Derivatives	Description of risk analysis and control measures for derivative positions during the Reporting Period (including but not limited to market, liquidity, credit, operational and legal risks)	Initial Investment Amount	Gains or Losses on Fair Value Change for the Period	Total Fair Value Recorded in Equity	Amount of Purchase for the Reporting Period	Amount of Disposal for the Reporting Period	Amount as at the End of the Reporting Period	Investment Amount as at the End of the Period as a Percentage of Net Assets as at the End of the Reporting Period

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

As at December 31, 2022, the derivative financial instruments held by the Group were foreign exchange forward contracts. The exposure to foreign currency forwards related to the exchange rate market risk and the certainty of the Group's future cash flows from foreign currency revenue. The Group's control measures for derivative financial instruments are mainly reflected in the following: The Group carried out prudent selection and determination of the types and quantities of derivative financial instruments, and only used foreign exchange forward contracts to hedge exchange rate risk; For derivative transactions, the Group developed strict and standardized internal approval systems and business operation processes, and defined approval and authorization procedures for relevant levels, so as to facilitate the control of relevant risks.

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

The profit or loss on changes in fair value of the Group's derivative financial instruments for 2022 was RMB-1.583 million. The fair value of the Group's derivative financial instruments is determined according to the market quotation of external financial institutions.

Litigation involved (if applicable)

Not applicable

Date of disclosure of Board announcement on derivative investment approval (if any)

February 23, 2022

Date of disclosure of announcement of the general meeting on derivative investment approval (if any)

None

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

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

2) Derivative investment for speculation purposes during the Reporting Period

Applicable Not applicable

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

V. Use of proceeds

Applicable Not applicable

(1) Overall use of Proceeds from A Shares

Basic Information on Proceeds from A Shares

In order to fully explore and utilize the financing channels of the A share capital market, on May 6, 2020, the Board reviewed and approved the proposal on the proposed initial public offering of A Shares and the proposed listing on the ChiNext Market of the Shenzhen Stock Exchange. The application for registration of the Company's IPO was approved in accordance with the Reply in Relation to Approval for Registration of Shares in Initial Public Offering of CIMC Vehicles (Group) Co., Ltd. (ZJXK [2021] No.1719) issued by the China Securities Regulatory Commission on May 18, 2021. With the consent of the Shenzhen Stock Exchange, the Company issued 252.6 million RMB ordinary shares (A Shares) with a par value of RMB1.00 each and the total proceeds of RMB1,758.096 million, at an issue price of RMB6.96 per share, in the IPO. After deducting the issue expenses (including underwriting and sponsorship fees and other issuance expenses exclusive of VAT) of RMB174.3192 million, the net proceeds from A Share offering were RMB1,583.7768 million, and the net issue price was approximately RMB6.27 per A Share. The A Share Offering was conducted through a combination of targeted placement to strategic investors, placement to qualified investors through offline price consultation process and subscription by public investors at a price fixed according to market value. The above proceeds were received on July 5, 2021, in respect of which PricewaterhouseCoopers Zhong Tian LLP verified the payment and issued the Capital Verification Report (PwC Zhong Tian Yan Zi (2021) No.0668). The Company was listed on the ChiNext Market of the Shenzhen Stock Exchange on July 8, 2021 when the closing price of A Shares was RMB15.49 on the Shenzhen Stock Exchange and HK\$7.13 on the Hong Kong Stock Exchange.

As at December 31, 2022, the proceeds used by the Company in 2022 were RMB162.6844 million and the total proceeds used were RMB730.0515 million, and the unutilized proceeds were RMB886.5534 million (including net interest income of proceeds of RMB32.8281 million exclusive of bank charges and account management fees).

Management of Proceeds from A Shares

In order to standardize the management and use of the proceeds, the Company has formulated the Management System for Proceeds of CIMC Vehicles (Group) Co., Ltd. (the “**Proceed Management System**”), based on the actual situation, pursuant to which, the proceeds were required to be deposited in a special account by the Company. On August 4, 2021, the Company and the sponsor Haitong Securities Co., Ltd. (“**Haitong Securities**”) respectively signed the Agreement for Tripartite Supervision of Proceeds with China Merchants Bank Co., Ltd., Shekou Branch, Shenzhen, and Industrial and Commercial Bank of China Limited, Shekou Branch; the Company and its subsidiaries CIMC Taizijie Vehicle Body Manufacturing (Jiangmen) Co., Ltd., Yangzhou CIMC Tonghua Special Vehicles Co., Ltd., Wuhu CIMC Ruijiang Automobile Co., Ltd., Jiangsu Baojing Auto Parts Co., Ltd., CIMC Vehicles (Shandong) Co., Ltd., CIMC Vehicle (Jiangmen) Co., Ltd., Guangzhou CIMC Vehicle Sales Services Co., Ltd., and Haitong Securities respectively signed the Agreement for Quadripartite Supervision of Proceeds with China Merchants Bank Co., Ltd., Shekou Branch, Shenzhen, and Industrial and Commercial Bank of China Limited, Shekou Branch. As at December 31, 2022, the actual use of A Share Proceeds of the Company was as follows:

Unit: RMB’0,000

Year of Fund-raising	Fundraising Method	Total Proceeds	Utilized Proceeds During the Period	Total Proceeds with Changed Use		Proportion of Total Proceeds with Changed Use	Proposed Use Total Unutilized Proceeds	Proposed Use and Investment of Unutilized Proceeds	Proceeds Unutilized for Over Two Years
				Total Utilized Proceeds	Total During the Reporting Period				
2021	Initial public offering of A Shares	158,377.68	16,268.44	73,005.15	-	-	88,655.34	Deposited in the special account for the proceeds	-
Total	-	158,377.68	16,268.44	73,005.15	-	-	88,655.34		-

Overall Use of Proceeds

As at December 31, 2022, the proceeds used by the Company in 2022 were RMB162.6844 million, and the total proceeds used were RMB730.0515 million, and the unutilized proceeds were RMB886.5534 million (including net interest income of proceeds of RMB32.8281 million after deducting bank charges and account management fees).

(2) Committed Projects Funded by Proceeds from A Shares

√ Applicable Not applicable

Unit: RMB '0,000

Whether the Project was Changed (Including Partial Change)	Total Committed Investment of Proceeds	Adjusted Total Investment (1)	Investment for the Reporting Period	Total Investment as at the End of the Period (2)	Investment Progress at the End of the Period (3) = (2)/(1)	Date on Which the Project is Ready for its Intended Use	Benefits for the Reporting Period	Total Benefits at the End of the Reporting Period	Whether the Expected Benefits are Achieved	Whether There are Significant Changes in the Project Feasibility
No	43,877.68	43,877.68	2,331.66	4,534.75	10%	July 2026	N/A	N/A	N/A	No
No	79,500.00	79,500.00	13,936.78	43,470.40	55%	January 2023	N/A	N/A	N/A	No
No	10,000.00	10,000.00	-	-	-	July 2024	N/A	N/A	N/A	No
No	25,000.00	25,000.00	-	25,000.00	100%	N/A	N/A	N/A	N/A	No
-	158,377.68	158,377.68	16,268.44	73,005.15	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	158,377.68	158,377.68	16,268.44	73,005.15	-	-	-	-	-	-
I. Digital transformation, research and development project										
1. As at December 31, 2022, the sub-project of the digital transformation, research and development project, namely the “project for digital upgrade of core modules of semi-trailers”, failed to progress as scheduled. The main reasons are as follows: With the full implementation of the External Dimensions, Axle Load and Quality Limit on Vehicles, Trailers and Trains (GB1589-2016), the domestic market demand for semi-trailers changed. Meanwhile, new energy transformation progresses rapidly in commercial vehicles. The design of semi-trailers needs to be comprehensively improved based on the matching performance of tractors, by matching the driving stability and braking efficiency of vehicles and optimizing the design of products in terms of air resistance reduction. Based on the current industrial development trend and in consideration of its development plan, the Company adjusted the product development direction. The Company will continue to orient research and development towards modularization of new-generation semi-trailer products, in consideration of the application of lightweight, Internet of Things technology, etc. The failure of the project to progress as scheduled is due to the time needed for product technology demonstration and integration, and the influence of the delay in supply from suppliers over the progress in the product development demonstration as a result of factors in the early stage										

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

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

2. As at December 31, 2022, the sub-project of the digital transformation, research and development project, namely the “project for digital upgrade of core modules of specialty vehicles”, failed to progress as scheduled. The main reasons are as follows: Weak macro-economy and the slowdown in investment and construction of real estate and infrastructure in China resulted in a decline in the sales volume of dump trucks, mixer trucks, urban dump trucks and other products; According to the changes in market conditions, in terms of dump trucks and urban dump trucks, the Company will further develop U-shaped and V-shaped dump truck body product modules based on light-weight requirements of new energy transformation of vehicle bodies, and further optimize the integrated design of body chassis of commercial vehicle chassis manufacturers and the vehicle performance, and in terms of mixer trucks, the Company will orient research towards electric rotary drives of tanks and vehicle body operation safety inspection, etc. In the process of further overall planning for product technology upgrade and iteration, technical demonstration, test and verification work was difficult and time-consuming, resulting in the failure of the project to progress as scheduled.

3. As at December 31, 2022, the sub-project of the digital transformation, research and development project, namely the “project for construction of the semi-trailer test center of CIMC Vehicles Group”, failed to progress as scheduled. The main reasons are as follows: Due to the impact of the economic downturn, the construction of the civil construction foundation of the project for construction of the semi-trailer test center was delayed. Meanwhile, due to the impact of objective factors, the delivery of the imported equipment was delayed. As a result, the planning for the simulation data management platform and the experimental data cloud platform, and the new planning for the parts/vehicle laboratory were delayed, resulting in the failure of the project to progress as scheduled.

The Company re-demonstrated the above digital transformation and research and development projects:

(I) Feasibility

Since May 2020, relevant national policies have been issued one after another, providing policy support for the digital transformation of enterprises. After years of development, the Company has established modular research and development and design systems for semi-trailers, bodies of light and durable cement mixer trucks, bodies of environmentally-friendly urban dump trucks, and refrigerated van bodies, and explored ways and means for a digital and technical upgrade of semi-trailer products and modules. Meanwhile, the Company’s existing technical team can provide personnel support for the implementation of the projects.

(II) Necessity

The Company has a leading position due to its long-term competitive advantage in “global operation”. At present, as the global supply chain is strained, the pursuit of lightweight, reliability and specialty vehicles’ high performance is the technological development trend of semi-trailers and specialty vehicles. With the development of new technologies and new infrastructure, digital transformation of the Company’s existing operation system is required. In order to conform to the development trend of the industry, the Company needs to enhance the competitiveness of the new-generation products through digital upgrade of its core product modules and digital transformation and research and development innovation.

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

(III) Conclusions of the re-demonstration

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

II. Light Tower Plant upgrade and construction project and new marketing construction project

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

The Resolution on Re-demonstration and Termination of A Share Proceeds-funded Projects remains subject to consideration at the general meeting of the Company.

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

The Resolution on Re-demonstration and Termination of A Share Proceeds-funded Projects remains subject to consideration at the general meeting of the Company.

Amount, use and progress in the use of surplus proceeds

Change of location of the proceeds-funded project

During the year, there is no change in the location of the proceeds-funded project.

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

Adjustments to the implementation method of the proceeds-funded project
Preliminary investment and replacement in the proceeds-funded project

During the year, there is no change in the implementation method of the proceeds-funded project.

On August 25, 2021, the Company held the 10th meeting of the first session of the Board for 2021 and the 4th meeting of the first session of the Supervisory Committee for 2021, which considered and approved the Resolution on Replacement by Proceeds from A Shares of Self-raised Funds Invested in the Proceeds-funded Projects and Used to Cover the Issue Expenses in Advance, authorizing the Company to replace the self-raised funds totaling RMB326.2496 million invested in the proceeds-funded projects and used to cover the issue expenses in advance, with the proceeds. The issue expenses of RMB41.4293 million (exclusive of value-added tax) were paid by the Company out of the self-raised funds in advance, while RMB284.8203 million of the self-raised funds was invested in the A Share proceeds-funded projects in advance.

Use of unutilized proceeds for temporary replenishment of working capital

During the year, there is no unutilized proceeds used for temporary replenishment of working capital.

The amount of and reasons for the balance of the proceeds after the implementation of the project

As of December 31, 2022, the proceeds raised by the Company is still in the progress of investing, and therefore the utilisation of remaining proceeds is not available.

Proposed use and investment of unutilized proceeds

As of December 31, 2022, the unutilized proceeds of the Company were deposited in the special account for proceeds in demand deposits, with a balance of RMB886.5534 million (including net interest income of proceeds exclusive of bank charges and account management fees)

Problems or other matters in the use and disclosure of the proceeds

On August 25, 2022, the Company held the 7th meeting of the second session of the Board for 2022 and the 5th meeting of the second session of the Supervisory Committee for 2022, and reviewed and approved the Proposal on Using Part of the Idle Proceeds from A Shares for Cash Management, it was agreed that on the premise of not affecting the construction of the investment projects of the proceeds from A shares and the use of the proceeds and effectively controlling the risks, the Company and its subsidiaries intend to use part of the unutilized proceeds from A shares not exceeding RMB950.00 million (inclusive) for cash management, which will be used to purchase products that meet the requirements of high security and good liquidity, including agreed deposits, large certificates of deposit and capital preservation bank wealth management products. The term of a single investment product shall not exceed 12 months and the use period shall be valid for 12 months from the date of consideration and approval by the board of directors of the Company. Within the above quota and period of use, the funds can be used on a rolling basis, and the board of directors authorizes the CEO and President of the Company and their authorized officers to exercise decision-making authority and sign relevant contractual documents. The independent directors expressed their consents and performed the necessary procedures. As of December 31, 2022, the balance of the Company's agreed deposit account was RMB886.4626 million, which did not exceed the deliberation limit and validity period of the board of directors and the board of supervisors of the Company regarding the use of some of the idle proceeds from A Shares for cash management.

Note 1: The basis and method of calculating “benefits achieved during the year” are the same as those for calculating the committed benefits.

Note 2: “Total proceeds invested in the year” includes “amount invested in the year” upon the receipt of the proceeds and the preliminary investment amount that has actually been replaced.

Note 3: Figures may not sum due to rounding to the nearest ten thousand.

Note 4: The Company intends to terminate the sub-projects of the Light Tower Plant upgrade and construction project, namely the “project for upgrade and technology transformation of coating lines” and the “project for digital upgrade of semi-trailers of Yangzhou Tonghua” in 2023 and extend the periods of “CIMC intelligent logistics equipment project (phase I)”, “annual production of 50,000 sets of travelling mechanism products (axle plus suspension project)” and the “project for upgrade and technical transformation of production lines of refrigerated and intelligent distribution vehicles” in 2023.

Note 5: The Company intends to terminate the project in 2023, and relevant resolutions remain subject to consideration at the general meeting of the Company.

(3) Change of use of Proceeds from A Shares

Applicable Not applicable

The use of the proceeds was not changed by the Company during the Reporting Period.

(4) Use of Proceeds from H Shares

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

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

On January 1, 2022, the net proceeds from H Shares carried forward by the Company from the previous year were approximately HK\$432.8 million. The use of the net proceeds from H Shares and the utilization as of December 31, 2022, which are intended to be utilized in the next five years from the Listing Date of our H Shares, are as follows:

Intended Use of Net Proceeds	Original Intended Amount (HK\$ in millions)	Utilized Amount as of December 31, 2022 (HK\$ in millions)	Utilized Amount during the Reporting Period (HK\$ in millions)	Unutilized Amount as of December 31, 2022 (HK\$ in millions)
Develop new manufacturing or assembly plants	1,248.2	1,170.6	345.2	77.6
- Develop a new automated production facility for chassis trailers in the coastline regions along the eastern or southern US	38.8	38.8	-	-
- Develop a new assembly plant for high-end refrigerated semi-trailers in the UK or Poland	32.1	22.4	7.7	9.7
- Develop a new automated production facility for refrigerated semi-trailers in Monon, the US	163.0	159.4	-	3.6
- Develop a new assembly plant for swap bodies and flatbed semi-trailers in the Netherlands	105.2	105.2	2.9	-
- Develop a new assembly plant for refrigerated semi-trailers in Canada	20.2	20.2	-	-
- Develop a new manufacturing plant in Jiangmen, China	87.0	79.6	0.4	7.4
- Technical reform and informatization construction for Xi'an plant in China	32.7	5.1	5.1	27.6
- Develop a new manufacturing plant in Baoji City, China	70.0	70	30.9	-
- Build a vehicle park in Kunming, China	78.4	78.4	3.6	-
- Expand the manufacturing plant for semi-trailers in Dongguan, China	114.8	104.1	10.9	10.7
- Expand the manufacturing plant for dry truck bodies and refrigerated truck bodies in Zhenjiang, China	34.4	15.8	5.6	18.6
- Expand the manufacturing and assembly plant for chassis trailers in Rayong, Thailand	193.5	193.5	-	-
- Increase the registered capital and production capacity of subsidiaries in the UK (note)	278.1	278.1	278.1	-
Research and develop new products	66.5	64.8	8.3	1.7
- Invest in industrial funds	34.4	34.4	-	-
- Develop high-end refrigerated semi-trailers	26.3	24.6	8.3	1.7
- Develop other trailer products	5.8	5.8	-	-
Repay the principal amount and interests of bank borrowings	153.8	153.8	-	-
Working capital and general corporate purposes	151.5	151.5	-	-
Total	1,620.0	1,540.7	353.5	79.3

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

(VIII) Future Development Prospect of the Company

1. *Changes in the macro situation and industry landscape*

In 2023, the global economy will be more uncertain. Economic development varies with countries and regions. The economies of the United States and Europe are under pressure and subject to a risk of “stagflation” recession, while the economies of emerging markets are flexible.

China’s economy enters a new stage of development. With the adjustment of pandemic prevention policies, the macro-environment gradually returns to normal. The Outline of Strategic Plan for Expanding Domestic Demand (2022-2035) supports the accelerated development of a complete domestic demand system, removal of barriers in the domestic economic cycle, accelerated upgrading of consumption, and guidance on focusing various high-quality resource elements on manufacturing industries. China’s economy and commercial vehicle industry are expected to recover in 2023.

Semi-trailers in the market in China

In 2023, the final year of the Three-year Action Plan for National Special Rectification on Production Safety, the regulatory implementation of the new national standard for semi-trailers in the market in China becomes stricter, and there is a need for upgrading and replacement in the industry. Therefore, van-based development and compliance have become mainstream. Driven by the “national unified market”, there is an opportunity for a change of the industry, and the effect of concentration towards leading companies is obvious.

With the expected recovery of the macro-economy, China’s logistics demand will also be released, putting new demands on efficient distribution. The promotion of multi-modal transport, the drop and pull transport model and the trailer rental model significantly stimulates quality and efficiency improvement and high-quality development of domestic semi-trailers.

Semi-trailers in overseas markets

In 2023, the shortage of raw materials and labor in North American market is alleviated, and the turnover efficiency of logistics equipment is improved and returns to normal. With the increasing retail consumption demand of residents in North America, the freight volume of the truckload transportation market will increase, and the demand for semi-trailer equipment will remain strong. Meanwhile, the trend of development of new energy semi-trailers in North America plays out.

In addition, the semi-trailer market in Europe remains subject to challenge, due to the possible continuous impact of geopolitical conflicts and energy crisis on European economic recovery, and continuous suppression of the production capacity in the European market by energy shortage, and the risk of consumption decline, and the tense supply chain situation. Semi-trailer manufacturers with stable supply chain support systems will gain competitive advantages.

Economic activities in emerging markets will gradually return to normal, and domestic and overseas demands will continue to recover, which will contribute to sustained economic growth. With the continuous promotion of the “Belt and Road Initiative”, there are incremental opportunities to be tapped in emerging markets.

Specialty vehicles in the market in China

Since 2022, the central and local governments have continuously released policy signals to stabilize the real estate market. As a pillar industry of the national economy, real estate is expected to improve. Expanding domestic demand, and promoting consumption and infrastructure construction facilitate the demand recovery of the specialty vehicle industry in China. In addition, as the impact of the emission standard transition on the heavy truck industry gradually weakens, the heavy truck industry is expected to recover, which is conducive to the engineering machinery and specialty vehicle markets.

With the deepening of the “dual carbon” strategy, the penetration rate of new energy heavy trucks will gradually increase. In February 2023, eight authorities including the Ministry of Industry and Information Technology, and the Ministry of Transport published the Notice on Organizing Pilot Work for Full Electrification of Public Vehicles in Pilot Areas, which will accelerate the improvement in the electrification level of public vehicles. Development of the new energy specialty vehicles becomes the trend.

Lightweight van trucks in China

With the expiry of the transition period for the new regulations on lightweight trucks with blue license plates, the trend of compliant development of the industry is obvious. This, together with a series of policies to promote consumption and expand domestic demand as well as active consumption in urban scenarios, will give rise to the demand for compliant lightweight van trucks. In November 2022, the Ministry of Public Security issued the Notice on Further Facilitating the Driving of Trucks on Urban Roads. The granting of the right of way for lightweight trucks in regions drives the recovery of the lightweight truck market to a certain extent. In addition, in 2023, the phase-out of China IV-compliant diesel-fuelled vehicles accelerates, and there will be opportunities for the lightweight truck market arising out of upgrading.

Policies and regulations become clear, and the popularization of new energy lightweight trucks accelerates. The Development Plan for New Energy Automobile Industry (2021-2035) issued by the General Office of the State Council specifies that efforts should be made to further strengthen the guidance on electrification in the public sector and accelerate the construction of a green and low-carbon transportation system. New energy lightweight trucks will become the main force of a new round of development.

2. Development strategy of the Company

New stage of development

The year 2023 is the key year for the implementation of the “14th Five-Year” Plan. China’s economy enters a new stage of transition from high-speed growth to high-quality development, and “progressive restart” will become the theme of the industry where the Company operates, in the year. In the new stage of development, the Company will start a business for the third time in line with the trend, maintain its strategic focus, seize the opportunities from the development of the national unified market, identify opportunities in crisis and open up a new prospect in a changing environment.

Adoption of a new development philosophy

In the “new development stage” of China’s economy, under the new development philosophy of innovation, coordination, environmental protection, openness and sharing, the “Sophisticated Manufacturing System” and the “new management infrastructure” constructed by the Company have begun to show results. In the future, the Company will deepen the construction of the “Light Tower Manufacturing Network”. Through the layout of six major businesses or groups, the Company will deepen the new retail and supporting after-sales and financial services, promote the construction of LTP production center, and enhance the economic benefits of scale. In the meantime, the Company will increase the research and development efforts of new energy products, accelerate the digitalization of business models, and realize intensive growth through innovation. The six major businesses or groups of the Company will achieve short-term breakthroughs in sales volume and long-term sustainable growth.

Construction of a new development paradigm

Under the new development paradigm with domestic circulation as the mainstay and domestic and international circulations reinforcing each other, the Company will consolidate the global semi-trailer business and promote the structural reform of semi-trailer production organizations. Based on the unified market of North American Business, the Company will actively expand the business scope in North America including the United States and Canada. With regard to the international semi-trailer business based on European standards, the Company will make efforts in Western Europe, Eastern Europe and other business areas.

In addition, TB Business Group of the Company actively seeks opportunities for breakthroughs, continuously optimizes Champion Tanker Business Group, accelerates innovation in new energy, and actively explores future-oriented innovative business models.

With excellent global operation capability and strong execution, the Company will identify opportunities in crisis and build its new development paradigm.

Promotion of high-quality development

High-quality development is the theme of China's economic and social development in the "14th Five-Year Plan" period and even in a longer period. It features innovation as the primary driving force, coordination as the endogenous characteristic, environmental protection as the prevailing practice, open-up as the only way, and sharing as the fundamental goal.

The Company will promote supply-side reform and remove barriers in supply to achieve high-quality development. In terms of production, the Company will give full play to the advantages of the "Light Tower Manufacturing Network" and promote the construction of intelligent and large-scale LTP production centers. In terms of circulation, the Company will continuously construct LoM manufacturing plant. In terms of distribution, the Company will focus on the new retail, which is oriented towards the "Sanhao Development Center". In terms of consumption, the Company will strengthen the planning of after-sales ability.

Firstly, deepening the construction of the "Light Tower Manufacturing Network" to support the national unified market

The Company continuously constructs the "Sophisticated Manufacturing System" and has 25 "Light Tower" Plants around the world. In the new development stage of starting a business for the third time, under the background of a national unified market, the Company will deepen the construction of the "Light Tower Manufacturing Network", actively make arrangements for the LTP production center and the LoM manufacturing plant; promote the digital upgrade of the LTL "Light Tower" logistics, LTS "Light Tower" sourcing center and LoP local procurement; utilize high-end manufacturing production lines and capacity; achieve mutual complementation of superior resources and efficient synergy. Meanwhile, the Company will enable industrial upgrading through digitalization; reduce product production costs; comprehensively realize production automation and intelligentization to address resource segmentation and geographic restrictions; increase orders and improve fulfillment, so as to guarantee high-quality development.

Secondly, eliminating supply constraints and removing barriers in production, circulation, distribution and consumption

(1) Accelerating the iteration of specialized product modules to create high-quality products (DE)

In terms of product design on the supply side, the Company achieves mutual complementation of superior resources and efficient synergy, based on modular products and processes, driven by high-end manufacturing. The Company is committed to providing customers with higher-quality products, technologies and services.

DE core work will focus on lightweight, specialized and new energy products, etc. and actively explore the supply chain; and will be relevant to customer and market demand, and promote the iteration, optimization and development of core product modules. Meanwhile, DE actively pays attention to the research, development and exploration in terms of the new energy transition, promotes the iteration and optimization of modules, and improves product performance to create high-quality products.

(2) *Upgrading the sophisticated manufacturing production line and creating an intelligent manufacturing model (ME)*

ME actively supports the Company's strategy, carries out the structural reform of production organizations, improves the efficiency of production management, speeds up the arrangement for the third-generation LTP + LoM production model, and improves the construction of the "Light Tower Manufacturing Network."

ME core work will create an intelligent manufacturing model and promote the construction of intelligent and large-scale LTP production centers, and LoM manufacturing plants. In particular, TB Business Group – truck bodies business for urban distribution will rely on the 8 + 2 digital management system platform to continuously improve automation and reduce management costs, thus becoming the best model for the digital transformation of manufacturing. Champion Tanker Business Group enhances its independent research and development, and promotes the project of upgrading aluminum alloy digital production lines.

In addition, the Company will vigorously promote the technical transformation of the coating production line. Through process upgrading, the Company will upgrade the original oil-based coating to environmental-friendly automatic electrostatic powder coating. The Company will install treatment facilities at the end of waste gas pipes to reduce the generation of VOCs at source. The Company will increase the utilization rate of powder raw materials above 99% and improve the utilization rate of raw materials. The Company will also carry out energy-saving transformation and install intelligent power-saving regulators for high-power equipment to reduce power consumption.

(3) *Deepening the "Sanhao Development Center" and promoting the new retail reform (NR)*

Through the CRM platform, the Company strengthened customer relationship management and customer services, paid attention to the demand of product sales channels and end customers, and provided customers with professional solutions and life-cycle services.

The Company actively launched a new series of brands, promoted brands, and brought customers closer.

In addition, the Company will build a new retail network of "Sanhao Development Center" through in-depth joint marketing with tractor manufacturers, and will jointly launch and deliver the vehicle products under "excellent tractors with excellent trailers, excellent horses with excellent saddles, and excellent trucks with excellent tanks", so as to provide customers with integrated solutions and promote the supply-side structural reform of the commercial vehicle industry.

The Company’s first “Sanhao Development Center” has been completed and launched in Xi’an. The Company will actively work with tractor manufacturers to build more “Sanhao Development Center”, so as to expand the new retail segment and increase the market share.



(4) Upgrading the Organizational Development Committee and enabling the development of the six major businesses or groups (OD)

The OD Promotion Committee of the Company has successfully promoted the construction of the Sophisticated Manufacturing System and the organizational change for high-quality development. In order to adapt to the new management model upgrade, the OD Promotion Committee has been upgraded to the Organizational Development Committee, so as to further optimize the process, enhance the organizational development momentum and enable the development of the six major businesses or groups. In terms of investment review, senior management nomination, term management, KPI assessment and performance management, and core processes, the newly established Organizational Development Committee will standardize the processes of mutual adaptation between the six major businesses or groups in strategic transformation.

In addition, the first and second senior leadership training programs were successfully completed in 2022, which led to the establishment of the National Unified Market Promotion Committee, TB Business Group – Dump Truck Business, the LTP production center and other organizations. The third and fourth senior leadership training programs have been continuously promoted. In the new development stage of China, as the Company starts a business for the third time, it will actively build a new organizational development model in response to the trend of the unified national market.

(5) *Removing barriers between LTP and LoM through EPS (EPS)*

As the hub of the “Light Tower Manufacturing Network”, the EPS platform has supported the LTS “Light Tower” sourcing center and the implementation of the core process of the LTP production center, and helped remove barriers between LTP and LoM, and promoted the transformation of production organization methods of the Company.

Through the standardized process of the EPS platform, the Company conveys the value proposition of supply chain management to the six major businesses or groups, unifies differentiated purchasing behaviors, and reduces communication and management costs. Under the unified standard EPS portal management, online sharing management of more than 1,000 suppliers is achieved, thus effectively improving the efficiency of resource allocation and reducing purchase costs.

Meanwhile, the Company promotes the deployment of the EPS platform in overseas enterprises. Based on the LoP business strategy, the Company comprehensively promotes the reshaping and optimization of the global supply chain, thus providing strong support for the supply chain stability of overseas businesses, and ensuring the strong development of overseas businesses.

Thirdly, promoting the construction of the new management infrastructure and establishing a process-based and standardized financial operation system

As an important promoter of the “Light Tower Manufacturing Network” of the Company, the new management infrastructure will promote the third iteration of the MBA Promotion Committee; further enhance the Company’s professional ability in six core areas, namely budget, funds, statements, performance and incentives, through digitalization; build a financial data middle platform and a process-based and standardized financial operating system, so as to realize the opening of the data chain.

Budget 2020 is an important cornerstone of the new management infrastructure of the Company, and the Company will launch the BI system to remove barriers in the data chain between the headquarters and the six major businesses or groups. Money 2021 will help carry out fund management around the strategic and budgetary objectives, realize full coverage over the fund system, remove barriers in bank-enterprise connection for the six major businesses or groups, and improve fund concentration. Accounting 2022 will use the information-based system as a tool to improve the digitization of accounting systems of the six major businesses or groups and improve the efficiency of completion of consolidated statements. Performance 2020 will match the budget system and set KPI systems, mechanisms and guidance for the performance assessment of the six major businesses or groups. Reward 2022 helps identify special talents that are of great significance for the Company and retain core talents with long-term incentives, so as to ensure the sustainable development of the Company.

Fourthly, accelerating innovation and exploration in new energy, focusing on research and development of new energy products, and actively getting ahead in the market

The Company conforms to the general trend of electrification and intelligentization of the automobile industry, and actively promotes the development and innovation of new energy and intelligent products, and the transition of the road transportation equipment industry from high-quality development to low-emission development. In terms of innovation of new energy products, the Company deepens joint research and development which are conducted with tractor manufacturers, and has a leading edge in terms of lightweight, intelligentization and adaptability, with its products recognized by the market.

In terms of semi-trailers, the Company has made efforts in projects of development of new energy semi-trailers. The exploration in new energy for refrigerated trucks in North America is in a key stage. The built-in axle generator and battery pack are used to supply power to the refrigerator, so as to reduce the vehicle weight and achieve long endurance mileage. The Company has started the development and testing of the second-generation prototypes.

In terms of specialty vehicles, the Company launched pure electric mining trucks with long endurance mileage, and developed various new energy concrete mixer truck products with battery charging and swapping, to greatly reduce the self-weights of the vehicles and improve the economy of use by customers. In terms of urban distribution trailers and refrigerated vans, the Company actively cooperates with tractor manufacturers to develop new energy refrigerated truck products.

In terms of intelligentization, the Company has established a platform for monitoring new energy and China VI-compliant enterprises, which can monitor the vehicle status in a real-time manner, form a closed loop of data, and provide a basis for fault diagnosis and after-sales. The Company has also developed a set of intelligent monitoring systems, which allow the monitoring of the temperature, humidity and cargo status in the van body through personal computers or mobile phones, thus comprehensively meeting the needs of users in various scenarios.

In terms of industrial synergy, the Company participates in the investment in and integration of the upstream and downstream industrial chains of new energy heavy trucks, and actively improves the synergy in production, design, mass production and delivery of new energy products, so as to promote the innovation and transformation of the next-generation new energy heavy trucks.

The Company has a deep insight into product demand and development, actively establishes close cooperative relations with end customers, and forms an industrial chain arrangement integrating technology, business and investment, as well as innovative business models. The Company becomes an explorer and innovator in new energy specialty vehicles and gets ahead in the development of the new energy commercial vehicle market.

Fifthly, driving intensive growth through innovation and actively embracing digital transformation and upgrading

In order to support the high-efficiency, low-cost and high-quality construction of the “Light Tower Manufacturing Network”, the Company conforms to the trend of integration of data and reality in the logistics equipment industry. The Company drives intensive growth through innovation, and actively embraces digital transformation and upgrading. Based on the efficiency advantages of digital platforms and the digital foundation of cloud computing, the Company improves the operation quality of organizations, builds a work platform of high-end manufacturing and new management infrastructure featuring a stable “system”, smooth “process” and accurate “data”, thus achieving end-to-end standardization and solidifying main processes of the value chain.

(1) Digital work platform for “Sophisticated Manufacturing System”

The digital work platform of the Sophisticated Manufacturing System will focus on the “Light Tower Manufacturing Network”, support product research and development, marketing management and integrated supply chain, and comprehensively digitize the research, supply, production and sales processes, to ensure that the tools of digital transformation platform adapt to organizational changes.

PLM product life cycle management is carried out to digitize the whole process from creativity to products, cooperate with LTP and LoM technology review, continuously improve the professional ability for product parameterization, configuration and personalized customization, and realize the three-dimensional digital-analog design of products and visual management of processes. Meanwhile, the Company facilitates the establishment of the product research and development system with LoM arrangements, rapidly copies and promotes the system.

CRM customer relationship management is carried out to digitalize the whole process from sales leads to payment collection, cooperate with LTP and LoM sales operation plan and payment collection, achieve zero-distance contact with customers, establish standardized sales toolkits, comprehensively operate big data, artificial intelligence, social media and other technologies to promote the change of communication mode, accurately profile customers, improve the order conversion rate and shorten the delivery cycle of products.

EPS electronic purchase system is carried out to digitalize the whole process from purchasing demand to payment and collection, cooperate with LTP and LoM product price verification, online bidding, production, supply and purchase plan, etc., give full play to the scale advantages of centralized purchasing, provide customers with high-quality core OE parts, and expand the core competitiveness of the global supply chain in depth.

ERP enterprise resource planning is carried out to digitalize the whole process from order placement to payment collection, cooperate with LTP and LoM manufacturing operations, establish an operation management platform integrating business and finance, and comprehensively shape the enterprises’ path of intelligent manufacturing upgrading. The Company copies and promote in the six major businesses or groups to accelerate the application of standardized management systems.

In the future, the Company will continuously build a digital work platform featuring “stable backbone, agile end, intelligent interconnection, safety and credibility”, and expand the integration and collaboration of LTP and LoM value chains longitudinally, and supply chain systems horizontally.

(2) *Digital work platform of “new management infrastructure”*

The digital work platform of “new management infrastructure” will be used to digitize internal budget and implementation, fund allocation, travel expense control, management reports, etc., so as to establish a transparent, visual and multidimensional financial management digitalization system, and improve work efficiency; optimize the allocation of resources such as funds and reduce financial expenses, and enhance the scale effect of funds. The digital work platform of “new management infrastructure” has been launched in the six major businesses or groups at home and abroad, which has realized intelligent analysis of management reports, instant and convenient travel expense control and decision support.

3. *Business plan for 2023*

1. *Light Tower Pioneer Business*

Based on the national unified market, Light Tower Pioneer Business will actively prepare for establishing business groups, start the “Star-chained Manufacturing Network”, construct a new development paradigm of domestic semi-trailers, promote the high-quality development through the structural reform of production organizations of domestic semi-trailer businesses, continuously pay attention to the trend of product upgrading and electrification, and capture the opportunities for making business breakthroughs and innovation. In addition, Light Tower Pioneer Business will implement organization development plans and reform routes, reshape organizations of LTP production centers, actively promote the business development under “excellent tractors with excellent trailers”, and enhance the semi-trailer market share and profitability in China.

2. *North American Business*

North American Business will consolidate its business performance. Through the orderly transformation and adjustment of production organizations, North American Business will develop efficient collaborative mechanisms and processes, share the core resources on the LTL “Light Tower” logistics and the LoM manufacturing plant, optimize the LoM manufacturing network, improve production efficiency and reduce manufacturing costs. Meanwhile, North American Business will actively promote business expansion in the local market, continue the trend of making breakthroughs in businesses, explore room for growth of new energy products, steadily increase the market share, and build a new development paradigm of sharing sales networks and channels.

3. *European Business*

European Business will continuously optimize the manufacturing process and value chain distribution, and improve the arrangements for LoM manufacturing plant. European Business will improve the supply of key parts and components based on the global supply chain system, consolidate the high-quality development of the business and increase the market share. Meanwhile, European Business will actively explore new products and businesses and embrace a new development paradigm with new growth opportunities.

4. *Champion Tanker Business Group*

Champion Tanker Business Group will strengthen its competitive advantage and continuously expand its market share and profitability through innovations in terms of business model, product research and development, business operation, etc.. With a focus on customers, resources and key industries, Champion Tanker Business Group will deepen the customer value chain, actively promote business development under “excellent tractors with excellent tanks”, explore new energy businesses, expand the scope of business, form a new growth curve, and strive to become a global leader in tank logistics equipment.

Meanwhile, Champion Tanker Business Group will continuously build a “Light Tower Manufacturing Network.” Through modular products and low-cost logistics and transportation solutions, Champion Tanker Business Group will use the LTP production center and the LoM manufacturing plant to achieve low costs and fast delivery and improve profitability.

5. *TB Business Group – Dump Truck Business*

Guided by the “Royal Housekeeper” spirit, and with an aim of creating new demand under the guidance of “innovation as driving force, and high-quality supply”, TB Business Group – Dump Truck Business will create a new model of product delivery by the LTP production center + LoM manufacturing plant, realize cost reduction and efficiency increase through resource integration, enhance the capacity to fulfill customer orders, actively promote the business development under “excellent horses with excellent saddles”, and expand the market share of dump truck products.

Meanwhile, TB Business Group – Dump Truck Business will actively develop innovative new energy products and properly make plans for the iteration of new energy products in the future.

6. *TB Business Group – Urban Distribution Van Truck Bodies Business*

In the context of the national unified market, TB Business Group – Urban Distribution Van Truck Bodies Business will unify strategic plans, optimize its LTP manufacturing center and the LoM manufacturing plant resources, unify product technology standards, supply chains and manufacturing capacities, promote the business development under “excellent horses with excellent saddles”, and increase the market share of refrigerated van truck bodies and dry van truck bodies.

Meanwhile, TB Business Group – Urban Distribution Van Truck Bodies Business will accelerate the progress in upgrading the green transformation, expand the deep linkage with new energy tractor manufacturers, achieve integrated designs with tractor manufacturers in different scenarios such as light trucks for urban distribution, and cold chain transportation, accelerate the integration of the service network, provide unified high-quality services for users before, during and after sale, and create green intelligent transportation solutions.

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

1. *Macroeconomic fluctuation and industry cyclicality risks*

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

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

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

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

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

3. *Risks of overseas investment and intercontinental operation*

With the business model of "Intercontinental Operation, Local Manufacturing", the overseas operation of the Company is subject to many risks and restrictions in relation to business operation in overseas countries and regions, such as overseas regulatory regulations, local industry standards, trade restrictions, technical barriers, protectionism and economic sanctions. These risks and restrictions may adversely affect the Company's global operations, which may have an adverse impact on the financial position and results of operations of the Company.

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

4. *Risk of exchange rate fluctuations*

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

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

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

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

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

6. *Risk from environmental protection policies*

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

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

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

1. *Significant Investments during the Reporting Period*

During the year ended December 31, 2022, the Group did not have significant investments amounting to 5% or more of the total assets of the Group.

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

On March 24, 2022, the Company entered into the Capital Increase Agreement with other existing shareholders of Shenzhen CIMC Tongchuang Supply Chain Co., Ltd. (深圳中集同創供應鏈有限公司) (“**CIMC Tongchuang**”), namely Shenzhen CIMC Investment Co., Ltd. (深圳市中集投資有限公司) (“**CIMC Investment**”), CIMC Technology Co., Ltd. (中集技術有限公司) (“**CIMC Technology**”), CIMC Enric Investment Holdings (Shenzhen) Ltd. (中集安瑞科投資控股(深圳)有限公司) (“**CIMC Enric (Shenzhen)**”), Cuilian (Shenzhen) Fire-fighting Equipment Co., Ltd. (萃聯(深圳)消防裝備有限公司) (“**Cuilian Fire-fighting**”) and Shenzhen Qili Corporate Management Partnership (Limited Partnership) (深圳齊力企業管理合夥企業(有限合夥)) (“**Qili Corporate**”). Pursuant to which, the Parties agreed to increase the registered capital of CIMC Tongchuang from RMB200,000,000 to RMB362,100,500. On the same day, the Board of the Company resolved to approve to waive the exercise of the preferential subscription right for the capital increase of CIMC Tongchuang. Cuilian Fire-fighting and Qili Corporate also waived the exercise of the preferential subscription right for the capital increase of CIMC Tongchuang. Immediately after the completion of the Capital Increase of CIMC Tongchuang, the shareholding of CIMC Tongchuang held by the Company was diluted from 10% to 5.52%, which remained as a participating shareholding company of the Company. For relevant information, please refer to the announcement of the Company dated March 24, 2022.

On September 8, 2022, in accordance with the overall urban plan and key project construction needs of Qingdao, due to the planned construction of the second subsea tunnel in Jiaozhou Bay in Qingdao, the Huangdao Sub-district Office of Huangdao District of Qingdao and the Qingdao Natural Resources and Planning Bureau (Qingdao Free Trade Zone) expropriated the state-owned land located in the south of Huaihe Road and west of Penghudao Street in Huangdao District, Qingdao, from Qingdao CIMC Special Vehicles Co., Ltd. (“**Qingdao CIMC Special Vehicles**”), a wholly-owned subsidiary of the Company. The total registered area for the above state-owned land use right was 189,715.00 square meters, and the total gross floor area was 53,424.88 square meters. The total expropriation compensation was RMB337,135,576.00, and the expropriation and resettlement compensation obtained by Qingdao CIMC Special Vehicles amounted to RMB336,064,934.00. For relevant information, please refer to the announcement of the Company dated September 8, 2022.

During the Reporting Period, save as disclosed above, the Group did not have other material acquisitions and disposals related to subsidiaries, associates and joint ventures.

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

Save as disclosed in “5. Use of Proceeds” of “VII. Investment Analysis” of “Section IV Management Discussion and Analysis” in this announcement, and the “Investment Plan for 2023” set out in the “Announcement on Resolutions of the Fourth Meeting of the Second Session of the Board of Directors in 2023” issued by the Company on March 27, 2023, as of the date of this announcement, the Group had no other plans for significant investment or purchase of capital assets in the future approved by the Board.

4. *Liquidity and Financial Resources*

As at December 31, 2022, the Group had cash and cash equivalents of RMB4,682.8 million (December 31, 2021: RMB4,694.7 million). As at December 31, 2022, the Group had borrowings of RMB881.8 million (December 31, 2021: RMB1,326.6 million).

	As at December 31, 2022 <i>(RMB in millions)</i>	As at December 31, 2021 <i>(RMB in millions)</i>
Long-term borrowings		
– Bank borrowings	331.2	277.9
– Bank borrowings, guaranteed	–	96.9
Subtotal	<u>331.2</u>	<u>374.8</u>
Current portion of long-term borrowings		
– Bank borrowings	82.6	21.8
– Bank borrowings, guaranteed	–	40.4
Subtotal	<u>82.6</u>	<u>62.2</u>
Short-term borrowings		
– Bank borrowings	229.5	663.4
– Bank borrowings, guaranteed	238.4	226.1
Subtotal	<u>468</u>	<u>889.6</u>
Total borrowings	<u><u>881.8</u></u>	<u><u>1,326.6</u></u>

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

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

	As at December 31, 2022 <i>(RMB in millions)</i>	As at December 31, 2021 <i>(RMB in millions)</i>
Within one year	550.6	951.8
One to two years	143.0	82.6
Two to five years	188.2	292.2
Over five years	–	–
Total	<u><u>881.8</u></u>	<u><u>1,326.6</u></u>

During the Reporting Period, the Group's major cash inflow items are net cash inflow generated from operating activities of RMB1,153.9 million (2021: RMB174.4 million).

There is no seasonal variation in the Group's borrowing needs. As at December 31, 2022, the interest rate range for short-term borrowings was 0.8% to 6.0% (December 31, 2021: 0.8% to 4.7%), and the interest rate range for long-term borrowings was 4.0% to 4.7% (December 31, 2021: 3.3% to 4.7%). Borrowings at fixed interest rates were approximately RMB355.1 million (December 31, 2021: RMB429.7 million). It is expected that the Group's short-term borrowings will be repaid by its own funds or bank credit facilities. During the Reporting Period, the Group has maintained sufficient cash at bank and liquidity to repay all borrowings as they fell due, and there was no material default in terms of borrowings.

As at December 31, 2022, the Group had current assets of RMB14,673.4 million (December 31, 2021: RMB14,233.9 million), and current liabilities of RMB8,128.2 million (December 31, 2021: RMB8,623.4 million). As at December 31, 2022, the Group's current ratio was approximately 1.8 times (December 31, 2021: 1.7 times). The current ratio equals to total current assets divided by total current liabilities. The current ratio was improved as compared to 2021.

5. Capital Structure

During the Reporting Period, the Group had been adopting a prudent financial management policy and handling capital expenditures with caution. After the Reporting Period, the Group will continue to monitor its liquidity and financial resources, and manage them to maintain a good gearing ratio. As at December 31, 2022, the Group's gearing ratio (equal to total debt divided by total equity multiplied by 100%) was 7.6% (December 31, 2021: 11.0%). The decrease in gearing ratio was mainly due to the decrease of the Group's total debt as of the end of the Reporting Period.

As at December 31, 2022, the Group's cash and cash equivalents were mainly denominated in Renminbi, Hong Kong dollar and US dollar, and borrowings were mainly denominated in Renminbi, US dollar and Thailand Baht. The Group was exposed to foreign exchange risk primarily through sales and purchases, capital expenditures and other expenses that are denominated in a currency other than the functional currency of the relevant subsidiaries. The Group's foreign exchange risk exposure mainly arises from risks resulting from the conversion of Renminbi against US dollar, Great Britain Pound, Hong Kong dollar and Euro. The Group manages its foreign exchange risk by regularly reviewing its net exposure to foreign exchange risk, and minimizes these risks by entering into foreign exchange forward contracts. The period of the Group's hedging activities shall not exceed 12 months or the term of relevant borrowings. The management of the Group continuously monitors the market environment and its own foreign exchange risk profile, and considers taking appropriate hedging measures when necessary. As at December 31, 2022, the notional amount of the outstanding foreign exchange forward contracts held by the Group was RMB335.7 million.

6. Capital Commitments

As at December 31, 2022, the Group's capital commitments were approximately RMB70.1 million (December 31, 2021: approximately RMB99.2 million), representing a year-on-year decrease of 29%, mainly due to the gradual completion of construction contracts which had been entered into but had not been performed in whole or in part in the previous year.

The Group has funded and will continue to fund a substantial portion of its capital commitments by the cash flow generated from operating and the proceeds from the public offering, and may provide required funds by borrowings if a financing gap still exists. In 2022, our outstanding capital commitments were mainly attributable to the upgrading and improvement of factories and equipment and outward investment.

7. Pledge of the Group's Assets

As at December 31, 2022, except for the guarantees for the pledge of bank deposits as disclosed in "(1) Financial guarantees" of "8. Contingent Liabilities" under this section, the Group had no other fixed assets used for the guarantees for property preservation in civil procedure (December 31, 2021: RMB0.4 million).

8. Contingent Liabilities

(1) Financial guarantees

The Group entered into financial guarantee contracts relating to customer vehicle mortgage loans mainly with CIMC Finance Company, Huishang Bank, Sinotruk Auto Finance Co., Ltd. (重汽汽車金融有限公司) and Industrial Bank, etc. to provide guarantees in respect of banking facilities granted to dealers and customers of the Group, who had drawn down loans under banking facilities granted to settle outstanding payables arising from purchasing of vehicles from the Group. As at December 31, 2022, the outstanding balance of the above guarantees provided by the Group to dealers and customers totalled RMB1,986.1 million (December 31, 2021: RMB2,849.4 million), and the bank deposits pledged for these guarantees were RMB113.02 million (December 31, 2021: RMB194.4 million).

(2) Outstanding performance bond and letter of credit

As at December 31, 2022, the Group had outstanding performance bond and letter of credit of a total of RMB377.8 million (December 31, 2021: RMB74.8 million).

9. Significant Contracts

During the Reporting Period, there was no significant contract entered into between the Company and CIMC under Appendix 16 of the Hong Kong Stock Exchange Listing Rules, except those set out in the section headed "XIV. Material Connected/Related Transactions" of Section IX "Significant Events".

10. 2022 Final Dividend and Date for the Closure of Register of Members for H Shares

The proposed profit distribution plan for 2022 of the Company as considered and approved by the Board meeting is based on the Company's total share capital of 2,017,600,000 Shares as of the date of this announcement. A cash dividend of RMB3 (tax inclusive) per ten shares (i.e. cash dividend of RMB0.30 (tax inclusive) per share) will be distributed to all shareholders, no bonus shares will be issued and shares will not be converted from capital reserve into share capital (the "**2022 Final Dividend**"). The dividend is expected to be payable on or before July 24, 2023. The proposed profit distribution plan for 2022 shall also be submitted to the 2022 AGM for consideration and approval. The 2022 Final Dividend will be denominated and declared in RMB, and paid to A Share Shareholders and Southbound Shareholders in RMB, and paid to H Share Shareholders in Hong Kong dollar. The actual distribution amount in Hong Kong dollar shall be determined based on the relevant central parity rate published by the People's Bank of China on the first business day after the date of the 2022 AGM. For the purpose of determining the entitlement to attend and vote at the 2022 AGM to be held on Thursday, May 25, 2023, the register of members for H Shares of the Company will be closed from Monday, May 22, 2023 to Thursday, May 25, 2023 (both days inclusive). In order to determine the identity of H Shareholders who are entitled to attend and vote at the 2022 AGM, all Share transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Friday, May 19, 2023.

11. Events after the Balance Sheet Date

(1) Profit distribution

On March 27, 2023, the Board proposed to distribute dividends to all shareholders of the Company, with a cash dividend of RMB0.30 (tax inclusive) per share, and the total amount calculated based on the number of shares as of December 31, 2022 is approximately RMB605,280,000.00 (tax inclusive), no bonus shares will be issued and shares will not be converted from capital reserve into share capital. This proposal is yet to be reviewed and approved at the Company's general meeting, and dividends reviewed and approved after the balance sheet date are not recognized as liabilities in this financial statements.

(2) *Equity Transfer Agreement with CIMC Vehicle and CIMC Group*

On February 17, 2023, the Company officially entered into the Equity Transfer Agreement with CIMC VEHICLE INVESTMENT HOLDINGS COMPANY LIMITED, a wholly-owned subsidiary of the Company (“CIMC Vehicle”) and CIMC Group. Pursuant to the Equity Transfer Agreement, the Company and CIMC Vehicle will sell their 75% and 25% equity interests in the Target Company, respectively, and CIMC Group will acquire 100% equity interest in the Target Company and all interests, benefits attached and all rights legally entitled, and all obligations assumed in accordance with laws, with total consideration of RMB1,355,618,000, payable by cash. After the Completion, the Company and CIMC Vehicle will no longer hold any interest in the Target Company. The Target Company will no longer be a subsidiary of the Company, and the Target Company will no longer be included in the consolidated accounts of the Company. On March 23, 2023, Equity Transfer Agreement was duly passed at the 2023 First Extraordinary General Meeting. For further details, please refer to the announcements or circular of the Company dated February 6, 2023, February 17, 2023, March 6, 2023 and March 23, 2023.

(3) *As the lessor, the Group’s undiscounted lease proceeds receivable after the balance sheet date are as follows:*

	<i>Unit: RMB</i>
	December 31, 2022
Within 1 year	191,780,239.10
1 to 2 years	191,965,549.58
2 to 3 years	198,452,000.30
3 to 4 years	9,754,431.78
4 to 5 years	6,872,207.21
Over 5 years	23,412,654.42
Total	<u>622,237,082.39</u>

Save as disclosed above and in this announcement, since the end of the Reporting Period and up to the date of this announcement, no significant event relevant to the results or financial performance of the Group were required to be disclosed.

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

Consolidated Balance Sheet as at December 31, 2022

(All amounts in RMB unless otherwise stated)

	<i>Notes</i>	December 31, 2022	December 31, 2021
ASSETS			
Current assets:			
Cash at bank and on hand		4,850,527,987.23	5,041,982,475.37
Financial assets held for trading		22,209,407.79	–
Derivative financial assets		6,161,436.00	2,039,603.00
Notes receivables	3	93,034,550.82	109,678,708.95
Accounts receivables	4	3,121,505,473.81	2,781,330,860.48
Receivables Financing	5	258,818,435.64	510,091,121.74
Advances to suppliers	6	239,789,397.31	221,827,969.94
Other receivables	7	232,452,952.37	272,965,193.59
Inventories		5,514,764,338.69	4,939,195,443.70
Current portion of non-current assets		88,906,160.21	41,518,285.14
Other current assets		245,182,741.32	313,226,364.46
Total current assets		<u>14,673,352,881.19</u>	<u>14,233,856,026.37</u>
Non-current assets:			
Long-term receivables		13,964,818.87	26,581,838.37
Other non-current financial assets		10,786,384.58	–
Long-term equity investments		193,282,252.60	151,084,643.75
Investment properties		405,746,795.38	393,130,062.84
Fixed assets		4,933,210,366.18	4,626,675,908.82
Construction in progress		247,577,774.52	516,572,732.14
Right-of-use assets		238,375,993.30	232,392,010.62
Intangible assets		844,157,433.69	892,972,786.18
Goodwill		402,268,655.29	408,521,522.38
Long-term prepaid expenses		34,258,397.20	25,765,480.68
Deferred tax assets		143,858,729.81	137,466,769.78
Other non-current assets		76,389,581.39	136,313,442.51
Total non-current assets		<u>7,543,877,182.81</u>	<u>7,547,477,198.07</u>
TOTAL ASSETS		<u><u>22,217,230,064.00</u></u>	<u><u>21,781,333,224.44</u></u>

LIABILITIES AND SHAREHOLDERS' EQUITY	<i>Notes</i>	December 31, 2022	December 31, 2021
Current liabilities			
Short-term borrowings	8	467,995,600.44	889,554,358.43
Derivative financial liabilities		5,683,205.67	21,100.00
Notes payables	9	809,432,692.20	1,098,475,012.01
Accounts payables	10	3,740,535,444.53	3,558,427,089.39
Advances from customers		11,619,033.61	8,642,080.45
Contract liabilities	11	618,541,399.99	547,132,006.91
Employee benefits payable		640,955,242.09	533,567,985.84
Taxes payable		331,548,587.53	186,121,358.83
Other payables	12	1,142,928,896.80	1,411,093,894.20
Current portion of non-current liabilities		126,750,345.95	104,017,726.41
Other current liabilities		232,168,335.30	286,361,852.63
Total current liabilities		8,128,158,784.11	8,623,414,465.10
Non-current liabilities			
Long-term borrowings	13	331,206,865.99	374,823,099.70
Lease liabilities		188,590,165.71	185,163,298.60
Long-term payables		–	15,464,866.01
Deferred income		71,970,975.17	60,752,790.97
Deferred tax liabilities		120,722,396.58	134,675,106.28
Other non-current liabilities		16,099,977.15	465,637.40
Total non-current liabilities		728,590,380.60	771,344,798.96
Total liabilities		8,856,749,164.71	9,394,759,264.06
Shareholders' equity			
Share capital		2,017,600,000.00	2,017,600,000.00
Capital reserve		4,800,309,693.04	4,754,868,324.01
Other comprehensive income		72,001,695.05	(129,005,928.69)
Surplus reserve		322,977,011.06	261,108,219.97
Undistributed profits		5,486,894,339.25	4,834,324,784.85
Total equity attributable to shareholders of the Company		12,699,782,738.40	11,738,895,400.14
Non-controlling interests		660,698,160.89	647,678,560.24
Total shareholders' equity		13,360,480,899.29	12,386,573,960.38
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		22,217,230,064.00	21,781,333,224.44

Balance Sheet of the Company as at December 31, 2022

(All amounts in RMB unless otherwise stated)

ASSETS	December 31, 2022	December 31, 2021
Current assets		
Cash at bank and on hand	2,507,272,276.81	2,129,112,624.05
Receivables financing	289,100.00	—
Accounts receivables	279,253,005.24	241,858,248.97
Other receivables	1,044,980,628.00	884,335,492.30
Other current assets	5,818,797.75	16,060,979.94
Total current assets	3,837,613,807.80	3,271,367,345.26
Non-current assets		
Other non-current financial assets	10,786,384.58	—
Long-term equity investments	5,568,418,761.89	5,137,876,328.24
Investment properties	2,292,131.60	2,259,993.11
Fixed assets	27,868,641.57	28,550,148.81
Construction in progress	17,752,377.88	8,730,589.30
Right-of-use assets	11,775,617.49	3,669,493.48
Intangible assets	18,632,997.26	16,655,064.68
Long-term prepaid expenses	2,074,887.36	3,348,749.65
Other non-current assets	4,719,632.00	1,915,376.00
Total non-current assets	5,664,321,431.63	5,203,005,743.27
TOTAL ASSETS	9,501,935,239.43	8,474,373,088.53

LIABILITIES AND SHAREHOLDERS' EQUITY	December 31, 2022	December 31, 2021
Current liabilities		
Accounts payables	694,753.25	2,006,121.46
Contract liabilities	302,352.29	293,538.20
Employee benefits payable	138,316,748.67	123,386,680.53
Taxes payable	1,693,006.24	3,279,762.61
Other payables	1,664,424,174.78	872,873,083.72
Current portion of non-current liabilities	6,767,201.72	2,267,411.02
Other current liabilities	1,391,369.41	416,284.69
	<hr/>	<hr/>
Total current liabilities	1,813,589,606.36	1,004,522,882.23
	<hr/>	<hr/>
Non-current liabilities		
Lease liabilities	5,437,061.90	1,778,298.78
	<hr/>	<hr/>
Total non-current liabilities	5,437,061.90	1,778,298.78
	<hr/>	<hr/>
Total liabilities	1,819,026,668.26	1,006,301,181.01
	<hr/> <hr/>	<hr/> <hr/>
Shareholders' equity		
Share capital	2,017,600,000.00	2,017,600,000.00
Capital reserve	4,620,152,172.67	4,620,483,419.93
Other comprehensive income	18,436,287.93	18,436,287.93
Surplus reserve	322,977,011.06	261,108,219.97
Undistributed profits	703,743,099.51	550,443,979.69
	<hr/>	<hr/>
TOTAL SHAREHOLDERS' EQUITY	7,682,908,571.17	7,468,071,907.52
	<hr/>	<hr/>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	9,501,935,239.43	8,474,373,088.53
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Consolidated Income Statement for the Year Ended December 31, 2022

(All amounts in RMB unless otherwise stated)

Item	Notes	Year ended December 31,	
		2022	2021
I. Revenue	16	23,620,612,415.36	27,647,762,501.46
Less: Cost of sales	16	(20,483,415,549.37)	(24,600,777,444.80)
Taxes and surcharges		(90,667,099.09)	(98,183,291.53)
Selling expenses		(526,427,065.63)	(729,251,979.27)
Administrative expenses		(1,033,811,219.18)	(873,183,272.45)
Research and development expenses		(305,577,661.69)	(397,817,429.52)
Financial income/(expenses)	17	90,927,713.09	(16,899,370.60)
Including: Interest expenses	17	50,325,067.19	45,887,270.24
Interest income	17	73,299,541.36	62,039,396.02
Add: Other income	20	76,964,384.28	137,063,977.39
Investment (losses)/income	21	(23,910,442.91)	15,539,933.70
Including: Share of profit of associates and joint ventures		827,837.27	5,182,610.73
Fair value losses	22	(7,346,053.56)	(20,232,463.28)
Credit impairment losses	19	(30,571,517.45)	(24,983,892.84)
Asset impairment losses	18	(38,321,104.02)	(42,564,575.54)
Gains on disposals of assets	23	224,181,720.41	177,124,182.99
II. Operating profit		1,472,638,520.24	1,173,596,875.71
Add: Non-operating income	24	11,946,394.12	12,202,521.37
Less: Non-operating expenses	25	(9,805,896.48)	(9,633,086.92)
III. Profit before income tax		1,474,779,017.88	1,176,166,310.16
Less: Income tax expenses	26	(361,171,952.63)	(188,502,861.95)
IV. Profit for the year		1,113,607,065.25	987,663,448.21
Classified by business continuity			
Net profit from continuing operations		1,113,607,065.25	987,663,448.21
Net profit from discontinued operations		–	–
Classified by ownership			
Net profit attributable to shareholders of the Company		1,117,958,345.49	900,749,340.13
Net profit attributable to non-controlling interests		(4,351,280.24)	86,914,108.08

Item	Notes	Year ended December 31,	
		2022	2021
V. Other comprehensive income, net of tax		<u>200,901,441.01</u>	<u>(121,401,828.56)</u>
Attributable to shareholders of the Company		201,007,623.74	(121,239,417.73)
Items that may be reclassified subsequently to profit or loss		201,007,623.74	(121,239,417.73)
Fair value changes on conversion date over the book value for investment property		182,967.06	—
Currency translation differences		200,824,656.68	(121,239,417.73)
Attributable to non-controlling interests		(106,182.73)	(162,410.83)
VI. Total comprehensive income		<u>1,314,508,506.26</u>	<u>866,261,619.65</u>
Attributable to shareholders of the Company		1,318,965,969.23	779,509,922.40
Attributable to non-controlling interests		(4,457,462.97)	86,751,697.25
VII. Earnings per share			
Basic earnings per share (RMB)	27	0.55	0.48
Diluted earnings per share (RMB)	27	0.55	0.48

Income Statement of the Company for the Year Ended December 31, 2022

(All amounts in RMB unless otherwise stated)

	Year ended December 31,	
	2022	2021
I. Revenue	71,738,713.30	54,382,096.12
Less: Cost of sales	(363,117.78)	(525,786.18)
Taxes and surcharges	(352,394.92)	(296,722.00)
Selling expenses	(8,997,305.10)	(11,679,860.71)
Administrative expenses	(137,425,144.18)	(143,956,510.92)
Research and development expenses	(15,622,551.40)	(15,889,743.17)
Financial income	26,882,350.12	18,574,952.31
Including: Interest expenses	20,450,779.64	18,064,982.29
Interest income	44,904,541.68	38,474,717.32
Add: Other income	824,129.10	631,837.38
Investment income	680,614,482.03	597,939,288.48
Including: investment income in associates and joint ventures	3,094,630.52	5,291,341.64
Fair value gains	2,813,223.07	–
Credit impairment losses	(1,551,707.42)	(2,419,459.09)
Gains on disposal of assets	1,093.49	94,228.53
II. Operating profit	618,561,770.31	496,854,320.75
Add: Non-operating income	126,711.46	5,001.74
Less: Non-operating expenses	570.86	(23,425.07)
III. Profit before income tax	618,687,910.91	496,835,897.42
Less: Income tax expenses	–	–
IV. Profit for the year	618,687,910.91	496,835,897.42
Classified by business continuity		
Net profit from continuing operations	618,687,910.91	496,835,897.42
Net profit from discontinued operations	–	–
V. Other comprehensive income, net of tax	–	–
VI. Total comprehensive income	618,687,910.91	496,835,897.42

Consolidated Cash Flow Statement for the Year Ended December 31, 2022

(All amounts in RMB unless otherwise stated)

Item	Year ended December 31,	
	2022	2021
I. Cash flows from operating activities		
Cash received from sales of goods or rendering of services	26,726,930,256.55	30,433,142,348.96
Refund of taxes and surcharges	286,841,120.73	171,010,720.25
Cash received relating to other operating activities	357,439,427.54	266,174,947.98
Sub-total of cash inflows from operating activities	27,371,210,804.82	30,870,328,017.19
Cash paid for goods and services	(22,320,524,950.56)	(26,316,117,287.32)
Cash paid to and on behalf of employees	(1,906,226,834.10)	(2,534,014,868.77)
Payments of taxes and surcharges	(1,080,982,275.09)	(908,529,457.51)
Cash paid relating to other operating activities	(909,569,229.05)	(937,238,140.98)
Sub-total of cash outflows from operating activities	(26,217,303,288.80)	(30,695,899,754.58)
Net cash generated from operating activities	1,153,907,516.02	174,428,262.61
II. Cash flows from investing activities		
Cash received from disposals of investments	15,375,458.78	354,254,944.35
Cash received from returns on investments	1,041,792.00	10,163,531.14
Proceeds from disposal of fixed assets, intangible assets and other long-term assets	369,935,539.33	217,186,723.40
Proceeds from disposal of associates and joint ventures	–	14,600,000.00
Sub-total of cash inflows from investing activities	386,352,790.11	596,205,198.89
Payment for fixed assets, intangible assets and other long-term assets	(537,739,078.21)	(1,064,625,169.53)
Cash paid for investments	(95,422,744.67)	(266,000,000.00)
Payments for acquisition of a subsidiary	–	(660,813.72)
Cash paid relating to other investing activities	(19,155,837.10)	–
Sub-total of cash outflows from investing activities	(652,317,659.98)	(1,331,285,983.25)
Net cash used in investing activities	(265,964,869.87)	(735,080,784.36)

Item	Year ended December 31,	
	2022	2021
III. Cash flows from financing activities		
Cash received from capital injections	100,000,000.00	1,721,102,075.77
Including: Cash injection from non-controlling interests	50,000,000.00	95,500,000.00
Proceeds from borrowings	1,418,373,117.98	1,302,651,700.20
Sub-total of cash inflows from financing activities	1,518,373,117.98	3,023,753,775.97
Repayments of borrowings	(1,891,636,361.89)	(1,201,521,007.15)
Cash payments for dividends distribution and interest expenses of borrowings	(508,519,135.53)	(704,218,002.94)
Including: dividends paid to non-controlling interests of subsidiaries	(59,847,285.41)	(54,134,438.83)
Cash payments relating to other financing activities	(72,320,043.62)	(102,399,435.06)
Sub-total of cash outflows from financing activities	2,472,475,541.04	(2,008,138,445.15)
Net cash (used in)/generated from financing activities	(954,102,423.06)	1,015,615,330.82
IV. Effect of foreign exchange rate changes on cash and cash equivalents	54,273,611.68	(29,635,297.79)
V. Net (decrease)/increase in cash and cash equivalents	(11,886,165.23)	425,327,511.28
Add: Cash and cash equivalents at the beginning of the year	4,694,703,333.58	4,269,375,822.30
VI. Cash and cash equivalents at the end of the year	4,682,817,168.35	4,694,703,333.58

Cash Flow Statement of the Company for the Year Ended December 31, 2022

(All amounts in RMB unless otherwise stated)

Item	Year ended December 31,	
	2022	2021
I. Cash flows from operating activities		
Cash received from sales of goods or rendering of services	37,258,052.03	59,152,110.81
Refund of taxes and surcharges	13,200,830.31	7,998,054.15
Cash received relating to other operating activities	54,765,873.91	47,162,002.78
Sub-total of cash inflows from operating activities	105,224,756.25	114,312,167.74
Cash paid to and on behalf of employees	(101,732,238.10)	(107,373,213.98)
Payments of taxes and surcharges	(3,298,845.63)	(5,929,591.20)
Cash paid relating to other operating activities	(60,521,172.29)	(74,010,100.31)
Sub-total of cash outflows from operating activities	(165,552,256.02)	(187,312,905.49)
Net cash used in operating activities	(60,327,499.77)	(73,000,737.75)
II. Cash flows from investing activities		
Cash received from disposals of investments	290,397,914.39	–
Cash received from return on investments	599,488,110.16	615,412,662.02
Proceeds from disposal of fixed assets, intangible assets and other long-term assets	17,118.14	325,553.67
Proceeds from disposal of associates and joint ventures	–	14,600,000.00
Cash received from other investing activities	364,734,539.08	208,796,796.09
Sub-total of cash inflows from investing activities	1,254,637,681.77	839,135,011.78
Payment for fixed assets, intangible assets and other long-term assets	(29,001,127.32)	(35,882,097.87)
Cash paid for investments	(572,255,300.00)	(884,178,728.70)
Cash paid relating to other investing activities	(431,500,000.00)	(88,020,000.00)
Sub-total of cash outflows from investing activities	(1,032,756,427.32)	(1,008,080,826.57)
Net cash generated from/(used in) investing activities	221,881,254.45	(168,945,814.79)

Item	Year ended December 31,	
	2022	2021
III. Cash flows from financing activities		
Cash received from capital injections	–	1,625,602,075.77
Cash received relating to other financing activities	<u>954,941,580.52</u>	<u>72,890,574.04</u>
Sub-total of cash inflows from financing activities	<u>954,941,580.52</u>	<u>1,698,492,649.81</u>
Cash payments for dividends distribution and interest expenses of borrowings	(403,520,000.00)	(605,280,000.00)
Cash payments relating to other financing activities	<u>(333,425,749.70)</u>	<u>(114,497,707.59)</u>
Sub-total of cash outflows from financing activities	<u>(736,945,749.70)</u>	<u>(719,777,707.59)</u>
Net cash generated in financing activities	<u>217,995,830.82</u>	<u>978,714,942.22</u>
IV. Effect of foreign exchange rate changes on cash and cash equivalents	<u>(1,389,932.74)</u>	<u>(626,447.39)</u>
V. Net increase in cash and cash equivalents	378,159,652.76	736,141,942.29
Add: Cash and cash equivalents at the beginning of the year	<u>2,129,112,624.05</u>	<u>1,392,970,681.76</u>
VI. Cash and cash equivalents at the end of the year	<u><u>2,507,272,276.81</u></u>	<u><u>2,129,112,624.05</u></u>

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED DECEMBER 31, 2021
(All amounts in RMB unless otherwise stated)

Item	Attributable to shareholders of the parent						Total shareholders' equity	
	Share capital	Capital surplus	Other comprehensive income	Surplus reserve	Undistributed profits	Sub-total		Non controlling interests
Balance at January 1, 2021	1,765,000,000.00	3,405,036,061.31	(7,766,510.96)	211,424,630.23	4,588,539,034.46	9,962,233,215.04	486,465,562.95	10,448,698,777.99
Movements for the year								
Total comprehensive income	-	-	-	-	900,749,340.13	900,749,340.13	86,914,108.08	987,663,448.21
Profit for the year	-	-	(121,239,417.73)	-	-	(121,239,417.73)	(162,410.83)	(121,401,828.56)
Other comprehensive income	-	-	-	-	-	-	-	-
Sub-total	-	-	(121,239,417.73)	-	900,749,340.13	779,509,922.40	86,751,697.25	866,261,619.65
Capital injections by shareholder								
Capital injections from A share IPO	252,600,000.00	1,331,176,753.31	-	-	-	1,583,776,753.31	-	1,583,776,753.31
Appropriation to surplus reserves	-	-	-	49,683,589.74	(49,683,589.74)	-	-	-
Profit distribution to shareholders and non controlling interests	-	-	-	-	(605,280,000.00)	(605,280,000.00)	(57,799,355.61)	(663,079,355.61)
Capital injections from non controlling interests	-	21,019,591.39	-	-	-	21,019,591.39	144,871,474.08	165,891,065.47
Transactions with non controlling interests	-	(2,364,082.00)	-	-	-	(2,364,082.00)	(16,446,562.31)	(18,810,644.31)
Others	-	-	-	-	-	-	3,835,743.88	3,835,743.88
Balance at December 31, 2021	2,017,600,000.00	4,754,868,324.01	(129,005,928.69)	261,108,219.97	4,834,324,784.85	11,738,895,400.14	647,678,560.24	12,386,573,960.38

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

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

**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED
DECEMBER 31, 2021**

(All amounts in RMB unless otherwise stated)

Item	Share capital	Capital surplus	Other comprehensive income	Surplus reserve	Undistributed profits	Total shareholders' equity
Balance at January 1, 2021	<u>1,765,000,000.00</u>	<u>3,289,306,666.62</u>	<u>18,436,287.93</u>	<u>211,424,630.23</u>	<u>708,571,672.01</u>	<u>5,992,739,256.79</u>
Movements for the year						
Total comprehensive income						
Profit for the year	-	-	-	-	496,835,897.42	496,835,897.42
Other comprehensive income	-	-	-	-	-	-
Sub-total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>496,835,897.42</u>	<u>496,835,897.42</u>
Capital injections by shareholder						
Capital injections from A share IPO	252,600,000.00	1,331,176,753.31	-	-	-	1,583,776,753.31
Appropriation to surplus reserves	-	-	-	49,683,589.74	(49,683,589.74)	-
Profit distribution to shareholders	-	-	-	-	(605,280,000.00)	(605,280,000.00)
Balance at December 31, 2021	<u><u>2,017,600,000.00</u></u>	<u><u>4,620,483,419.93</u></u>	<u><u>18,436,287.93</u></u>	<u><u>261,108,219.97</u></u>	<u><u>550,443,979.69</u></u>	<u><u>7,468,071,907.52</u></u>

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

(All amounts in RMB unless otherwise stated)

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

1. GENERAL INFORMATION

CIMC Vehicles (Group) Co., Ltd. (the “**Company**”) is a sino-foreign joint venture approved for incorporation by Wai Jing Mao Shen He Zi Zheng Zi (1996) No. 0861 issued by the People’s Government of Shenzhen on August 29, 1996. The Company was listed and traded on the Main Board of the Stock Exchange of Hong Kong Limited on July 11, 2019. The Company was listed and traded on the ChiNext Market of the Shenzhen Stock Exchange on July 8, 2021. As of December 31, 2022, the total share capital of the company was RMB2,017,600,000.00, each with par value of one yuan.

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

2.1 Basis of preparation

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

The financial statements are prepared on a going concern basis.

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

2.2 Statement of compliance with the Accounting Standards for Business Enterprises

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

2.3 Accounting year

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

2.4 Functional currency

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

2.5 Preparation of consolidated financial statements

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

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

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

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

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

2.6 Significant changes in accounting policies

In 2021, the Ministry of Finance issued the Notice on Printing and Distributing the "Interpretation of Accounting Standards for Business Enterprises No. 15" (hereinafter referred to as "Interpretation No. 15"), and in 2022 and 2023, issued the Notice on Printing and Distributing the "Interpretation of Accounting Standards for Business Enterprises No. 16" (hereinafter referred to as "Interpretation No. 16") and the "Q&A for the Implementation of Accounting Standards for Business Enterprises". The Group and the Company have adopted the above-mentioned notices and implementation Q&A to prepare the financial statements for 2022. The above amendments have no significant impact on the financial statements of the Group and the Company.

3. NOTES RECEIVABLES

	December 31, 2022	December 31, 2021
Trade acceptance notes	36,400,973.57	39,291,608.35
Bank acceptance notes	57,586,756.68	71,353,941.25
Less: Provision for bad debts	(953,179.43)	(966,840.65)
	<u>93,034,550.82</u>	<u>109,678,708.95</u>

For the purpose of issuing bank acceptance notes, the Group pledged part of the notes receivable. As of December 31, 2022, the amount of pledged bank acceptance notes listed on notes receivable was RMB3,255,345.28 (December 31, 2021: RMB4,170,000.00).

As of December 31, 2022 and December 31, 2021, there were no pledged trade acceptance notes.

As of December 31, 2022, the amount of the Group's endorsed or discounted but not yet due bank acceptance notes and trade acceptance notes as shown in the notes receivable was RMB49,369,267.55 (December 31, 2021: RMB30,589,998.40) and RMB13,000,000.00 (December 31, 2021: nil), respectively.

Provision for bad debts

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

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

For bank acceptance notes:

As of December 31, 2022, the Group shall measure the allowance for bad debts in accordance with the expected credit losses during the entire period of existence. The provision for bad debts was RMB172,760.27 (December 31, 2021: RMB214,061.82). The Group believes that there is no significant credit risk in the bank acceptance notes held by the Group and no significant loss will occur due to bank default.

For trade acceptance notes:

As of December 31, 2022, the Group shall measure the allowance for bad debts in accordance with the expected credit losses during the entire period of existence. The provision for bad debts was RMB780,419.16 (December 31, 2021: RMB752,778.83).

The provisions accrued in 2022 was RMB953,179.43 (2021: RMB966,840.65), The provisions collected or reversed in 2022 was RMB966,840.65 (2021: RMB2,655,387.27).

No notes receivables were written off in 2022 and 2021.

4. ACCOUNTS RECEIVABLES

	December 31, 2022	December 31, 2021
Accounts receivables	3,294,607,520.44	2,928,963,909.69
Less: Provision for bad debts	(173,102,046.63)	(147,633,049.21)
	<u>3,121,505,473.81</u>	<u>2,781,330,860.48</u>

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

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

	December 31, 2022	December 31, 2021
Within 1 year (inclusive)	3,083,345,472.07	2,763,792,253.13
1 to 2 years (inclusive)	145,766,591.22	104,228,253.45
2 to 3 years (inclusive)	16,981,204.75	19,694,665.51
Over 3 years	48,514,252.40	41,248,737.60
	<u>3,294,607,520.44</u>	<u>2,928,963,909.69</u>

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

Provision for bad debts

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

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

	December 31, 2022		Amount
	Book balance	Provision for bad debts	
	Amount	Lifetime Expected credit losses rate	
Not overdue	2,314,106,991.08	2.11%	48,891,105.80
Overdue within 1 year	817,078,983.64	4.78%	39,091,986.01
Overdue 1 to 2 years	108,661,396.91	29.84%	32,422,846.36
Overdue 2 to 3 years	13,035,538.25	84.17%	10,971,497.90
Overdue over 3 years	41,724,610.56	100.00%	41,724,610.56
	3,294,607,520.44		173,102,046.63
		December 31, 2021	
	Book balance	Provision for bad debts	
	Amount	Lifetime Expected credit losses rate	Amount
Not overdue	1,937,307,816.25	2.16%	41,847,645.08
Overdue within 1 year	867,047,212.85	3.84%	33,274,675.77
Overdue 1 to 2 years	63,292,788.53	24.42%	15,458,749.56
Overdue 2 to 3 years	21,489,818.10	81.68%	17,553,006.23
Overdue over 3 years	39,826,273.96	99.18%	39,498,972.57
	2,928,963,909.69		147,633,049.21

The provision for bad debts this year amounted to RMB50,093,473.90 (2021: RMB35,036,379.62). A provision for bad debts amounted to RMB17,678,619.18 has been collected or reversed (2021: RMB16,885,294.67). In 2022 and 2021, the Group had no significant collection or reversal of accounts receivable.

The accounts receivables amounted to RMB7,495,847.35 was written off in current year (2021: RMB23,264,595.35), the provision for bad debts amounted to RMB7,495,847.35 (2021: RMB23,264,595.35). In 2022 and 2021, the Group had no significant written-off of accounts receivable.

As at December 31, 2022 and December 31, 2021, the Group had no accounts receivables pledged to the bank as a guarantee for short-term borrowings.

5 RECEIVABLES FINANCING

	December 31, 2022	December 31, 2021
Bank acceptance notes	259,594,363.78	511,678,375.48
Less: provision for bad debts	<u>(775,928.14)</u>	<u>(1,587,253.74)</u>
	<u>258,818,435.64</u>	<u>510,091,121.74</u>

The Group had no bank acceptance notes with single provision for impairment. As at December 31, 2022, the Group have measured provision as lifetime expected credit loss amounted to RMB775,928.14 (December 31, 2021: RMB1,587,253.74). The Group believes there was no significant credit risk of the bank acceptance notes and will not cause significant losses due to bank default.

The Group pledged some bank acceptance notes for the purpose of issuing bank acceptance notes. As at December 31, 2022, the amount of pledged bank acceptance notes receivable disclosed in receivables financing was RMB7,309,187.09 (December 31, 2021: RMB58,622,779.91),

As at December 31, 2022, the Group's endorsed or discounted but not yet due notes receivable listed in receivables financing are as follows:

	Derecognized	Not Derecognized
Bank acceptance notes	<u>1,775,161,874.67</u>	<u>—</u>

6 ADVANCES TO SUPPLIERS

Ageing analysis of advances to suppliers was as follows:

	December 31, 2022		December 31, 2021	
	Amount	% of total balance	Amount	% of total balance
Within 1 year (inclusive)	232,132,615.64	94.62%	218,056,947.61	95.76%
1 to 2 years (inclusive)	7,456,222.32	3.04%	3,064,761.83	1.35%
2 to 3 years (inclusive)	106,643.20	0.04%	293,984.42	0.13%
Over 3 years	<u>5,639,500.32</u>	<u>2.30%</u>	<u>6,288,399.47</u>	<u>2.76%</u>
	<u>245,334,981.48</u>	<u>100.00%</u>	<u>227,704,093.33</u>	<u>100.00%</u>
Less: provision for bad debts	<u>(5,545,584.17)</u>		<u>(5,876,123.39)</u>	
	<u>239,789,397.31</u>		<u>221,827,969.94</u>	

As at December 31, 2022, the prepayments aged over one year amounted to RMB13,202,365.84 (December 31, 2021: RMB9,647,145.72), which were mainly prepayments for raw materials. Since the raw materials have not been delivered, the payment has not been settled.

7 OTHER RECEIVABLES

	December 31, 2022	December 31, 2021
Amounts due from related parties	29,484,444.99	26,392,773.52
Other receivables from staffs	6,133,672.18	8,161,479.68
Tax refund receivables	5,473,976.92	3,507,757.06
Rental and other deposits	90,975,981.36	110,267,785.76
Disbursement of vehicle mortgage loans	25,253,825.91	24,416,510.27
Receivable form equity/assets transfer	10,902,601.47	24,814,225.55
Reimbursed expenses	60,552,852.44	49,643,318.90
Vendor rebates	18,181,653.37	31,586,136.43
Others	8,373,996.12	14,771,382.82
	<u>255,333,004.76</u>	<u>293,561,369.99</u>
Less: provision for bad debts	<u>(22,880,052.39)</u>	<u>(20,596,176.40)</u>
	<u>232,452,952.37</u>	<u>272,965,193.59</u>

Ageing analysis of advances to suppliers was as follows:

	December 31, 2022	December 31, 2021
Within 1 year (inclusive)	156,751,395.39	259,737,404.68
1 to 2 years (inclusive)	67,856,634.49	2,146,186.35
2 to 3 years (inclusive)	1,875,538.66	6,413,163.04
Over 3 years	28,849,436.22	25,264,615.92
	<u>255,333,004.76</u>	<u>293,561,369.99</u>

As of December 31, 2022 and December 31, 2021, the Group had no individual provision for bad debts.

The provision for bad debts this year amounted to RMB16,704,790.10 (2021: RMB10,126,672.87). A provision for bad debts amounting to RMB6,807,305.27 had been collected or reversed (2021: RMB10,688,481.97).

The other receivables amounting to RMB7,613,608.84 was written off in current year (2021: RMB2,423,673.95), and the provision for bad debts amounted to RMB7,613,608.84 (2021: RMB2,423,673.95).

8 SHORT-TERM BORROWINGS

	December 31, 2022	December 31, 2021
Guaranteed ⁽ⁱ⁾		
RMB	92,595,662.64	108,045,208.20
USD	–	60,569,150.00
GBP	32,796,571.32	–
THB	113,055,174.92	57,523,101.36
	<u>238,447,408.88</u>	<u>226,137,459.56</u>
Unsecured		
RMB	30,025,361.07	120,180,605.60
USD	119,414,625.49	205,667,288.27
EUR	19,670,685.00	19,132,205.00
GBP	60,437,520.00	318,436,800.00
	<u>229,548,191.56</u>	<u>663,416,898.87</u>
	<u>467,995,600.44</u>	<u>889,554,358.43</u>

- (i) The Group's short-term guaranteed borrowings include the guaranteed borrowings of CIMC Taizijie Vehicle Body Manufacturing (Zhenjiang) Co., Ltd., CIMC Taizijie Vehicle Body Manufacturing (Jiangmen) Co., Ltd., Liangshan CIMC Dongyue Vehicles Co., Ltd. and Zhumadian CIMC Huajun Casting Co., Ltd (all of which are subsidiaries of the Group) amounted to RMB92,595,662.64, guaranteed borrowings of CIMC Vehicle (Thailand) Co., Ltd amounted to THB561,285,026.93 (equivalent to RMB113,055,174.92), and guaranteed borrowings of CIMC Vehicles UK Limited of GBP3,907,098.00 (equivalent to RMB32,796,571.32), all of which are guaranteed by the Company.

As of December 31, 2022, the interest rate of short-term borrowing ranged from 0.80% to 5.98% (December 31, 2021: 0.80% to 4.65%).

9 NOTES PAYABLES

	December 31, 2022	December 31, 2021
Trade acceptance notes	101,965,578.70	95,680,000.00
Bank acceptance notes	707,467,113.50	1,002,795,012.01
	<u>809,432,692.20</u>	<u>1,098,475,012.01</u>

10 ACCOUNTS PAYABLES

	December 31, 2022	December 31, 2021
Related parties	221,415,018.33	181,212,628.67
Third parties	3,519,120,426.20	3,377,214,460.72
	<u>3,740,535,444.53</u>	<u>3,558,427,089.39</u>

As at December 31, 2022, accounts payables aged over one year amounted to RMB78,645,390.80 (December 31, 2021: RMB23,993,213.37), mainly for materials payable, which have not yet been settled.

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

	December 31, 2022	December 31, 2021
Within 30 days	2,207,910,273.84	1,895,707,492.45
31 to 60 days	935,903,109.43	439,390,266.47
61 to 90 days	136,928,659.54	647,939,676.52
Over 90 days	459,793,401.72	575,389,653.95
	<u>3,740,535,444.53</u>	<u>3,558,427,089.39</u>

11 CONTRACT LIABILITIES

	December 31, 2022	December 31, 2021
Advances from customers	<u>618,541,399.99</u>	<u>547,132,006.91</u>

In 2022, revenue of RMB531,925,097.04 (2021: RMB767,576,931.31) was recognized for those which was included in the contract liabilities balance at the beginning of the year.

12 OTHER PAYABLES

	December 31, 2022	December 31, 2021
Amounts due to related parties	96,122,124.09	116,784,864.38
Dividends due to non controlling interests	3,791,956.19	182,333.46
Accrued expenses	296,076,966.01	494,762,966.22
Deposits for quality guarantees and temporary receipts	412,161,288.86	488,712,798.14
Freights expenses payable	37,389,419.25	13,104,200.99
Payables for equipment	159,932,835.76	169,504,298.03
Payables and advance for land use rights	23,934,472.69	23,934,472.69
Advance for equity transactions	–	4,818,900.00
Payable of acquisitions	10,932,782.29	10,932,782.29
Others	102,587,051.66	88,356,278.00
	<u>1,142,928,896.80</u>	<u>1,411,093,894.20</u>

13 LONG-TERM BORROWINGS

	December 31, 2022	December 31, 2021
Guaranteed(i)	–	137,332,915.06
Unsecured	413,805,730.98	299,700,000.00
	<u>413,805,730.98</u>	<u>437,032,915.06</u>
Less: current portion of long-term borrowings		
Guaranteed	–	(40,409,815.36)
Unsecured	(82,598,864.99)	(21,800,000.00)
	<u>(82,598,864.99)</u>	<u>(62,209,815.36)</u>
	<u>331,206,865.99</u>	<u>374,823,099.70</u>

- (i) As at December 31, 2022, the long-term bank guaranteed loan was nil (December 31, 2021: bank guaranteed loan of RMB137,332,915.06 of China Jiangsu Vanguard Trailer Rental Co., Ltd., a subsidiary of the Group, which were guaranteed by the Company).

As at December 31, 2022, the interest rate of long-term borrowings ranged from 4.00% to 4.65% (December 31, 2021: 3.25% to 4.65%).

14 MONETARY ITEMS DENOMINATED IN FOREIGN CURRENCY

	Functional currency	December 31, 2022 Exchange Rate	In RMB
Monetary fund			
USD	123,198,281.67	6.9646	858,026,752.52
EUR	7,740,470.92	7.4229	57,456,741.57
HKD	16,640,081.72	0.8933	14,864,585.00
AUD	3,921,594.27	4.7138	18,485,611.08
JPY	260,001.91	0.0524	13,613.18
GBP	21,426,360.93	8.3941	179,855,016.29
THB	54,921,152.09	0.2014	11,061,120.03
Others			29,723,175.37
			<u>1,169,486,615.04</u>
Accounts receivables			
USD	208,426,048.66	6.9646	1,451,604,058.52
EUR	3,772,451.02	7.4229	28,002,526.68
HKD	335,188.74	0.8933	299,424.10
AUD	3,078,487.45	4.7138	14,511,374.15
JPY	13,360,800.07	0.0524	699,544.77
GBP	35,287,817.21	8.3941	296,209,466.48
THB	3,364,233.17	0.2014	677,556.56
Others			53,014,807.29
			<u>1,845,018,758.55</u>
Other receivables			
USD	2,131,977.94	6.9646	14,848,373.57
EUR	1,228,428.83	7.4229	9,118,504.38
HKD	3,825,696.55	0.8933	3,417,494.73
AUD	378,421.58	4.7138	1,783,803.65
THB	225,357,889.28	0.2014	45,387,078.90
Others			2,495,188.70
			<u>77,050,443.93</u>

	Functional currency	December 31, 2022 Exchange Rate	In RMB
Short-term borrowings			
USD	17,145,941.69	6.9646	119,414,625.49
EUR	2,650,000.00	7.4229	19,670,685.00
GBP	11,107,098.00	8.3941	93,234,091.32
THB	561,346,449.45	0.2014	113,055,174.92
			<u>345,374,576.73</u>
Accounts payables			
USD	115,871,062.29	6.9646	806,995,600.43
EUR	9,669,249.98	7.4229	71,773,875.66
HKD	446,522.13	0.8933	398,878.22
AUD	2,840,912.28	4.7138	13,391,492.31
GBP	51,071,122.24	8.3941	428,696,107.19
THB	292,178,660.63	0.2014	58,844,782.25
Others			22,751,546.32
			<u>1,402,852,282.38</u>
Other payables			
USD	18,021,791.35	6.9646	125,514,568.07
EUR	3,430,176.89	7.4229	25,461,860.04
HKD	34,336,563.08	0.8933	30,672,851.80
AUD	767,019.25	4.7138	3,615,575.33
GBP	3,265,486.80	8.3941	27,410,822.74
THB	35,469,281.53	0.2014	7,143,513.30
Others			12,845,732.65
			<u>232,664,923.93</u>

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

15 UNDISTRIBUTED PROFITS

	Year ended December 31, 2022	2021
Undistributed profits at the beginning of the year	4,834,324,784.85	4,588,539,034.46
Add: Net profit attributable to the shareholder of the Company	1,117,958,345.49	900,749,340.13
Less: Appropriation for surplus reserve	(61,868,791.09)	(49,683,589.74)
Dividends paid	(403,520,000.00)	(605,280,000.00)
	<u>5,486,894,339.25</u>	<u>4,834,324,784.85</u>
Undistributed profits at the end of the year		

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

On March 27, 2023, the Board of the Company proposed to distribute dividends to all shareholders of the Company, with a cash dividend of RMB0.3 (tax inclusive) per share, and the total amount calculated based on the number of shares as of December 31, 2022 is approximately RMB605,280,000.00 (tax inclusive), no bonus shares will be issued and shares will not be converted from capital reserve into share capital. This proposal is yet to be reviewed and approved at the Company's general meeting, and dividends reviewed and approved after the balance sheet date are not recognized as liabilities in the financial statements.

16 REVENUE AND COST OF SALES

	Year ended December 31,	
	2022	2021
Revenue from main operations	23,397,710,446.29	27,240,577,222.62
Revenue from other operations	222,901,969.07	407,185,278.84
	<u>23,620,612,415.36</u>	<u>27,647,762,501.46</u>

	Year ended December 31,	
	2022	2021
Cost of sales from main operations	20,401,996,431.49	24,401,773,407.85
Cost of sales from other operations	81,419,117.88	199,004,036.95
	<u>20,483,415,549.37</u>	<u>24,600,777,444.80</u>

Revenue and cost of sales from main operations

	Year Ended December 31, 2022		Year Ended December 31, 2021	
	Revenue from main operations	Cost of sales from main operations	Revenue from main operations	Cost of sales from main operations
Sales of vehicles	20,778,578,566.71	18,189,406,702.53	24,825,306,757.71	22,458,287,346.69
Sales of parts and components	2,221,737,967.12	1,981,475,724.43	2,000,011,100.91	1,700,725,117.32
Others	397,393,912.46	231,114,004.53	415,259,364.00	242,760,943.84
	<u>23,397,710,446.29</u>	<u>20,401,996,431.49</u>	<u>27,240,577,222.62</u>	<u>24,401,773,407.85</u>

Revenue and cost of sales from other operations

	Year Ended December 31, 2022		Year Ended December 31, 2021	
	Revenue from other operations	Cost of sales from other operations	Revenue from other operations	Cost of sales from other operations
Sales of scrap	108,590,393.43	8,529,709.19	198,405,416.45	17,490,713.48
Others	114,311,575.64	72,889,408.69	208,779,862.39	181,513,323.47
	<u>222,901,969.07</u>	<u>81,419,117.88</u>	<u>407,185,278.84</u>	<u>199,004,036.95</u>

Disaggregation of revenue:

	Year ended December 31,	
	2022	2021
Revenue		
— Recognized at a point in time	23,264,407,681.07	27,332,004,316.38
— Recognized over time	190,609,948.39	150,500,543.45
Rental income	165,594,785.90	165,257,641.63
	<u>23,620,612,415.36</u>	<u>27,647,762,501.46</u>

The rental income from the rental of our own buildings, machinery and equipment, motor vehicles, electronic and other equipment. No significant lease changes occur in 2022 (2021: nil).

17 FINANCIAL (INCOME)/EXPENSES

	Year ended December 31,	
	2022	2021
Interest expenses on borrowings	46,807,635.68	44,803,564.11
Add: Interest expense on lease liabilities	10,625,764.84	11,118,122.80
Government grants	(7,108,333.33)	(10,034,416.67)
Sub-total	50,325,067.19	45,887,270.24
Less: Interest income	(73,299,541.36)	(62,039,396.02)
Exchange losses	(76,212,516.26)	23,828,658.82
Others	8,259,277.34	9,222,837.56
	(90,927,713.09)	16,899,370.60

18 ASSET IMPAIRMENT LOSSES

	Year ended December 31,	
	2022	2021
Provision for inventories and costs incurred to fulfil a contract	38,412,877.63	29,630,017.58
Losses on impairment of goodwill	-	12,730,802.81
(Reversal of)/losses on impairment of advances to suppliers	(91,773.61)	203,755.15
	38,321,104.02	42,564,575.54

19 CREDIT IMPAIRMENT LOSSES

	Year ended December 31,	
	2022	2021
Reversal of provision for notes receivables	(13,661.22)	(1,688,546.62)
Provision for accounts receivables	32,414,854.72	18,151,084.95
Reversal of provision for receivables financing	(811,325.60)	(989,139.07)
Provision/(reversal of provision) for other receivables	9,897,484.83	(561,809.10)
Provision for long-term receivables (including current portion of non-current assets)	3,206,206.23	474,092.54
(Reversal of provision)/provision for financial guarantee contracts	(14,122,041.51)	9,598,210.14
	30,571,517.45	24,983,892.84

20 OTHER INCOME

	Year ended December 31,	
	2022	2021
Government grants	74,441,701.39	134,361,247.08
Extra deductible VAT	1,164,853.37	2,034,923.42
Tax refunds	1,357,829.52	667,806.89
	76,964,384.28	137,063,977.39

21 INVESTMENT (LOSSES)/INCOME

	Year ended December 31,	
	2022	2021
Share of net profit of associates and joint ventures	827,837.27	5,182,610.73
Losses from disposals of associates and joint ventures	(3,322.91)	(375,851.02)
(Losses)/income from disposals of derivative financial instruments	(19,155,837.10)	8,269,825.30
Income from disposals of financial assets held for trading	-	12,359,228.23
Investment losses from financial assets held for trading during the holding period	(412,216.68)	-
Losses from discounted notes receivables	(5,166,903.49)	(9,895,879.54)
	<u>(23,910,442.91)</u>	<u>15,539,933.70</u>

22 FAIR VALUE LOSSES

	Year ended December 31,	
	2022	2021
Fair value gains on investment properties	9,956,174.98	5,248,735.41
Fair value change on financial assets held for trading	(18,500,587.98)	(26,989,494.68)
Fair value change on derivative financial assets	4,100,480.53	1,420,829.64
Fair value change on derivative financial liabilities	(5,683,205.67)	87,466.35
Fair value change on other non-current financial assets	2,781,084.58	-
	<u>(7,346,053.56)</u>	<u>(20,232,463.28)</u>

23 GAINS ON DISPOSALS OF ASSETS

	Year ended December 31, 2022	Year ended December 31, 2021	Amount recognized in non-recurring profit or loss in 2022
Gains on disposals of fixed assets	203,128,131.67	110,822,183.36	203,128,131.67
Loss on disposals of fixed assets	(13,015,215.40)	(7,287,257.68)	(13,015,215.40)
Gains on disposals of intangible assets	34,068,804.14	73,490,918.46	34,068,804.14
Gains on disposals of other assets	-	98,338.85	-
	<u>224,181,720.41</u>	<u>177,124,182.99</u>	<u>224,181,720.41</u>

24 NON-OPERATING INCOME

	Year ended December 31, 2022	Year ended December 31, 2021	Amount recognized in non-recurring profit or loss in 2022
Unpayable payables	2,635,859.82	5,284,748.00	2,635,859.82
Penalty income	7,580,525.19	3,827,897.00	7,580,525.19
Compensation income	336,962.36	1,654,156.16	336,962.36
Donations	–	240,965.09	–
Others	1,393,046.75	1,194,755.12	1,393,046.75
	<u>11,946,394.12</u>	<u>12,202,521.37</u>	<u>11,946,394.12</u>

25 NON-OPERATING EXPENSES

	Year ended December 31, 2022	Year ended December 31, 2021	Amount recognized in non-recurring profit or loss in 2022
Losses on disposals of fixed assets	3,195,718.80	2,067,857.36	3,195,718.80
Compensation expenses	3,293,507.70	990,397.18	3,293,507.70
Penalty expenses	2,543,711.43	939,456.85	2,543,711.43
Donations	9,220.00	1,000,000.00	9,220.00
Others	763,738.55	4,635,375.53	763,738.55
	<u>9,805,896.48</u>	<u>9,633,086.92</u>	<u>9,805,896.48</u>

26 INCOME TAX EXPENSES

	Year ended December 31,	
	2022	2021
Current income tax calculated based on tax law and related regulations	381,516,622.36	178,446,497.17
Deferred income tax	<u>(20,344,669.73)</u>	<u>10,056,364.78</u>
	<u>361,171,952.63</u>	<u>188,502,861.95</u>

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

	Year ended December 31, 2022	Year ended December 31, 2021
Profit before income tax	<u>1,474,779,017.88</u>	<u>1,176,166,310.16</u>
Income tax calculated at applicable tax rates	368,694,754.47	294,041,577.54
Effect of different tax rates	(51,282,750.82)	(98,385,642.34)
Effect of tax rate changes	(301,367.50)	–
Income not subject to tax	(2,019,966.80)	(14,852,371.44)
Expenses not deductible for tax purposes	19,440,819.46	13,923,257.85
Utilization of previously unrecognized deductible tax losses and temporary differences	(3,664,824.59)	(10,080,373.13)
Adjustment on taxation in previous year	(7,998,970.30)	(16,884,782.70)
Temporary differences for which no deferred income tax asset was recognized	1,987,334.24	2,131,152.75
Tax losses for which no deferred income tax asset was recognized	60,495,230.57	64,543,017.00
Research and development expenses bonus deduction	(24,178,306.10)	(45,932,973.58)
Income tax expenses	<u>361,171,952.63</u>	<u>188,502,861.95</u>

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

	Year ended December 31, 2022	Year ended December 31, 2021	Taxation basis
The Company	25%	25%	taxable income
Subsidiaries in mainland China	15%-25%	15%-25%	taxable income
Subsidiaries in Hong Kong	16.5%	16.5%	taxable income
Subsidiaries in BVI	–	–	taxable income
Subsidiaries in Australia	30%	30%	taxable income
Subsidiaries in Thailand	20%	20%	taxable income
Subsidiaries in South Africa	28%	28%	taxable income
Subsidiaries in USA	25%-26%	25%-26%	taxable income
Subsidiaries in Netherlands	16.5%-25%	16.5%-25%	taxable income
Subsidiaries in Belgium	25%	25%	taxable income
Subsidiaries in Poland	19%	19%	taxable income
Subsidiaries in UK	19%	19%	taxable income
Subsidiaries in Russia	20%	20%	taxable income
Subsidiaries in Vietnam	20%	20%	taxable income
Subsidiaries in Malaysia	24%	24%	taxable income
Subsidiaries in Bahrain	–	–	taxable income
Subsidiaries in Canada	28%	28%	taxable income
Subsidiaries in Djibouti	–	–	taxable income

27 EARNINGS PER SHARE

Basic earnings per share

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

	Year ended December 31,	
	2022	2021
Consolidated net profit attributable to ordinary shareholders of the Company	1,117,958,345.49	900,749,340.13
Weighted average number of ordinary shares outstanding	2,017,600,000.00	1,870,250,000.00
Basic earnings per share (RMB/share)	0.55	0.48
Including:		
– Going concern basic earnings per share:	0.55	0.48

Diluted earnings per share

Diluted earnings per share is calculated by dividing net profit attributable to ordinary shareholders of the Company adjusted based on the dilutive potential ordinary shares by the adjusted weighted average number of ordinary shares outstanding. There were no dilutive potential ordinary shares for the year ended December 31, 2022 and 2021, and therefore, diluted earnings per share are the same as the basic earnings per share.

VI. OTHER INFORMATION

(1) Purchase, Sale or Redemption of Listed Securities

During the Reporting Period, the Company or its subsidiaries did not purchase, sell or redeem its listed securities.

(2) Corporate Governance

Corporate Governance Practices

During the Reporting Period, the Company has complied with the applicable code provisions under Part 2 of the Corporate Governance Code set out in Appendix 14 to the Hong Kong Stock Exchange Listing Rules.

Audit Committee

The Audit Committee consists of three independent non-executive Directors, namely, Mr. Cheng Hok Kai Frederick, Mr. Feng Jinhua and Mr. Fan Zhaoping. Mr. Cheng Hok Kai Frederick is the chairman of the Audit Committee. The Directors are responsible for the preparation of the financial statements, which give a true and fair view of the condition of the Group. The Audit Committee has reviewed and discussed with the management the annual results and audited financial statements of the Group for the year ended December 31, 2022.

(3) Securities Transactions by the Directors and Supervisors

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

According to Code Provision A.3(a)(ii) of the Model Code, a director must not deal in any securities of the Company on any day on which its financial results are published and during the period of 30 days immediately preceding the publication date of the quarterly results or, if shorter, the period from the end of the relevant quarterly period up to the publication date of the results. The period was from October 1, 2022 to October 25, 2022 (both days inclusive) (“**Lock-up Period**”). In addition, pursuant to Code Provision B.8 of the Model Code, a director must not deal in any securities of the Company without first notifying in writing the chairman or a director (otherwise than himself) designated by the Board for the specific purpose and receiving a dated written acknowledgement.

Due to inadvertent oversight, Mr. Li Guiping, an executive Director, CEO and president of the Company, purchased a total of 2,500 H Shares at an average price of HK\$4.93 per share in the market on October 11, 2022 (falling within the Lock-up Period), without notifying of the Board. Therefore, he violated Code Provision A.3(a)(ii) and B.8 of the Model Code.

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

(4) Disclosure of Information

This announcement will be published on the website of the Hong Kong Stock Exchange at <http://www.hkexnews.hk> and the Company’s website at <http://www.cimcvehiclesgroup.com>. The annual report of the Company for the year ended December 31, 2022 will be despatched by the Company to its Shareholders and published on the websites of the Hong Kong Stock Exchange and the Company in due course.

DEFINITIONS

Items under the definitions	Contents under the definitions
2022 AGM	the 2022 annual general meeting or its adjournment to be convened and held by the Company on Thursday, May 25, 2023
A Shares	ordinary share(s) proposed to be issued by the Company pursuant to the A Share Offering, with a nominal value of RMB1.00 each, which will be listed on the ChiNext Market of the SZSE and traded in RMB
Audit Committee	the audit committee under the Board
Automobile makers	the enterprise manufacturing the whole automobile or entire auto assemble is generally referred to as an automobile maker in the industry
Board or Board of Directors	the board of Directors of the Company
China VI	the National Stage VI Motor Vehicle Emission Standard, including the Limits and Measurement Methods for Emissions From Light-duty Vehicles (China VI) and the Limits and Measurement Methods for Emissions from Diesel Fuelled Heavy-duty Vehicles (China VI)
Chi Xiao	Chi Xiao Enterprise Co., Ltd. (赤曉企業有限公司), a limited liability company established in the PRC
CIMC	China International Marine Containers (Group) Co., Ltd. (中國國際海運集裝箱(集團)股份有限公司), a joint stock company incorporated in the PRC on January 14, 1980 and listed on the Main Board of the Shenzhen Stock Exchange (stock code: 000039) and the Main Board of the Hong Kong Stock Exchange (stock code: 2039), and the Controlling Shareholder of the Company
CIMC Enric	CIMC Enric Holdings Limited (中集安瑞科控股有限公司), a company listed on the Main Board of the Hong Kong Stock Exchange (stock code: 03899), and a non-wholly owned subsidiary of CIMC
CIMC Group	CIMC and its subsidiaries
CIMC Hong Kong or CIMC HK	China International Marine Containers (Hong Kong) Limited (中國國際海運集裝箱(香港)有限公司), a limited liability company incorporated in Hong Kong on July 30, 1992, and a wholly owned subsidiary of CIMC and the promoter and Controlling Shareholder of the Company

Company or CIMC Vehicles	CIMC Vehicles (Group) Co., Ltd. (中集車輛(集團)股份有限公司) (including our predecessor, CIMC Vehicles (Group) Co., Ltd. (中集車輛(集團)有限公司)), a joint stock company with limited liability established under the laws of the PRC on August 29, 1996
Controlling Shareholder(s)	has the meaning ascribed to it under the SZSE Listing Rules and the Hong Kong Stock Exchange Listing Rules, unless the context requires otherwise, refers to CIMC
Corporate Governance Code	the Corporate Governance Code as set out in Appendix 14 to the Hong Kong Stock Exchange Listing Rules
CRM	abbreviation for Customer Relationship Management
Date of the Announcement	March 27, 2023
DE	design engineering. Since the Company is committed to promoting digital design models, DE here also refers to the design by means of digital design models
Director(s)	the director(s) of the Company
Dongguan CIMC	Dongguan CIMC Special Vehicle Co., Ltd. (東莞中集專用車有限公司), a limited liability company established in the PRC on July 21, 2014, and a subsidiary of the Company
ERP	abbreviation for Enterprise Resource Planning
Global Offering	the offer of H Shares by the Company for subscription by the public in Hong Kong, and in offshore transactions outside the United States and only to Qualified Institutional Buyers (QIBs) in the United States, the details of which are set out in the Prospectus
Group or we	the Company and its subsidiaries (unless the context otherwise requires)
HK\$ or HK dollar(s)	Hong Kong dollars, the lawful currency of Hong Kong
Hong Kong or HK	the Hong Kong Special Administrative Region of the PRC
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
Hong Kong Stock Exchange Listing Rules	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
H Shares	overseas listed foreign ordinary shares in the share capital of the Company with a nominal value of RMB1.00 each, which are listed and traded on the Hong Kong Stock Exchange

KTL	a mature technical process used for applying a thin, strong and corrosion-resistant organic coating on metal surfaces
“Light Tower” Plants	an automatic and intelligent production plant integrating virtual simulation, big data, Internet of Things and digital technology. With highly automated equipment (such as CNC laser cutting machine, robot welding workstation, KTL and powder coating line), it can realize large-scale automatic and flexible production and solve the problems of backward production equipment, technical lag, increasing labor cost, energy conservation and emission reduction
Listing Date of H Shares	July 11, 2019
LoM	abbreviation for local manufacturing plant
LoP	abbreviation for local procurement
LTL	abbreviation for “Light Tower” logistics
LTP	abbreviation for “Light Tower” production
LTS	abbreviation for “Light Tower” sourcing center
ME	manufacturing engineering
Model Code	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Hong Kong Stock Exchange Listing Rules
Nanshan Group	China Nanshan Development (Group) Co., Ltd. (中國南山開發(集團)股份有限公司), a limited liability company established in the PRC
New Regulations on Light Trucks with Blue License Plates	the Notice on Further Strengthening the Management of Production and Registration of Light Trucks and Small and Mini Passenger Vehicles issued by the Ministry of Industry and Information Technology and the Ministry of Public Security of the People’s Republic of China in January 2022
NR	new retails
OD	organization development
Ping An Decheng	Shenzhen Ping An Decheng Investment Limited Company (深圳市平安德成投資有限公司), a limited liability company established in the PRC on September 9, 2008 and the general partner of Shanghai Taifu and Taizhou Taifu

Ping An Financial	Shenzhen Ping An Financial Technology Consulting Co., Ltd. (深圳平安金融科技諮詢有限公司), a limited liability company established in the PRC
Ping An Group	Ping An Insurance (Group) Company Ltd. (中國平安保險(集團)股份有限公司), a joint stock company incorporated in the PRC with limited liability and listed on the Shanghai Stock Exchange (stock code: 601318) and the Hong Kong Stock Exchange (stock code: 2318)
Ping An Health Partnership	Shenzhen Ping An Health Technology Equity Investment Partnership (Limited Partnership) (深圳市平安健康科技股權投資合夥企業(有限合夥)), a limited partnership established in the PRC
Ping An Life Insurance	Ping An Life Insurance Company of China, Ltd. (中國平安人壽保險股份有限公司), a limited liability company established in the PRC
PLM	abbreviation for Product Lifecycle Management
PRC or China	the People's Republic of China
Proceeds from H Shares	the proceeds received upon the completion of the Global Offering of H Shares on the Main Board of the Hong Kong Stock Exchange on July 11, 2019
Prospectus	the H Shares prospectus of the Company dated June 27, 2019 in connection with the Global Offering
Remuneration Committee	the remuneration committee under the Board
Reporting Period or the Year	the year ended December 31, 2022
RMB or Renminbi	Renminbi, the lawful currency of the PRC
RMB, RMB ten thousand	RMB, RMB ten thousand
Securities and Futures Ordinance or SFO	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
semi-trailer(s)	any vehicle intended to be coupled to a motor vehicle in such a way that part of it rests on the motor vehicle with a substantial part of its weight and the weight of its load being borne by the motor vehicle, and constructed and equipped for the carriage of goods

Shanghai Taifu	Shanghai Tai Fu Xiang Zhong Equity Investment Fund Partnership (Limited Partnership) (上海太富祥中股權投資基金合夥企業(有限合夥)), a limited liability partnership established in the PRC on December 18, 2015, and a Shareholder of the Company
Share(s)	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, comprising A Share(s) and H Share(s)
Shareholder(s)	holder(s) of our Share(s)
Shenzhen Longhui	Shenzhen Long Hui Gang Cheng Enterprise Management Center (Limited Partnership) (深圳市龍匯港城企業管理中心(有限合夥)), a limited liability partnership incorporated in the PRC on May 11, 2017, and a Shareholder of Xiangshan Huajin
Shenzhen Longyuan	Shenzhen Long Yuan Gang Cheng Enterprise Management Center (Limited Partnership) (深圳市龍源港城企業管理中心(有限合夥)), a limited liability partnership incorporated in the PRC on April 29, 2016, and a Shareholder of the Company
Substantial Shareholder(s)	has the meaning ascribed to it under the Hong Kong Stock Exchange Listing Rules
Supervisor(s)	member(s) of the Supervisory Committee
Supervisory Committee	the supervisory committee of the Company
SZSE	the Shenzhen Stock Exchange
SZSE Listing Rules	the Rules Governing the Listing of Securities on the ChiNext Market of the Shenzhen Stock Exchange, as amended, supplemented or otherwise modified from time to time
Taizhou Taifu	Taizhou Tai Fu Xiang Yun Equity Investment Partnership (Limited Partnership) (台州太富祥雲股權投資合夥企業(有限合夥)), a limited liability partnership established in the PRC on November 28, 2017, and a Shareholder of the Company
Truck body for specialty vehicles/truck body	a type of vehicle body, such as a dump bed or mixer, which can be installed onto a truck chassis to form a fully-assembled specialty vehicle, such as a dump truck or mixer truck

Xiangshan Huajin

Xiang Shan Hua Jin Industrial Investment Partnership (Limited Partnership) (象山華金實業投資合夥企業(有限合夥)) (previously known as Xiang Shan Hua Jin Equity Investment Partnership (Limited Partnership) (象山華金股權投資合夥企業(有限合夥))), a limited liability partnership established in the PRC on November 22, 2017, and a Shareholder of the Company

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

Hong Kong, March 27, 2023

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

* *Executive Director*

** *Non-executive Directors*

*** *Independent non-executive Directors*