

Stock Code: 600320 900947

Stock Name: Zhenhua Heavy Zhenhua B-share

Shanghai Zhenhua Heavy Industries Co., Ltd. Annual Report 2020

CONTENTS

Section I	Definitions	03
Section II	Company Profile and Principal Financial Indexes	04
Section III	Business Profile	08
Section IV	Discussion and Analysis of the Performance	10
Section V	Important Events	19
Section VI	Changes in Ordinary Shares and Shareholders' Situation	34
Section VII	Preferred Shares	38
Section VIII	Directors, Supervisors, Senior Executives and Employees	39
Section IX	Corporate Governance	45
Section X	Related Information on Corporate Bonds	47
Section XI	Financial Report	48
Section XII	List of Reference Documents	199

Important Notice

- 1** The Board of Directors, Board of Supervisors, directors, supervisors and senior executives of the Company hereby guarantee the truthfulness, accuracy and completeness of the contents carried in this annual report, guarantee no false record, serious misleading statement or great omission carried in this annual report and guarantee to assume the legal responsibilities jointly and separately.
- 2** All directors of the Company are present at the board meeting.
- 3** Ernst & Young LLP. (Special General Partnership) issues the standard audit report without qualified opinion for the Company.
- 4** Liu Chengyun, the chairman of the Company, Zhu Xiaohuai, person in charge of accounting work, and Sun Guangbo, person in charge of accounting agency (accountant in charge) hereby declare that the financial statements in this Annual Report are true, accurate and complete.
- 5** Proposal for profit distribution or common reserves capitalizing during the reporting period reviewed by the board of directors
Considering the Company's business plan and the capital demand in 2021, in order to ensure the Company's long-term healthy and sustainable development, the profit distribution proposal for 2020 is as follows: the Company will neither distribute the profits nor transfer the capital public reserves into the paid-in capital.
- 6** Risk declaration of forward-looking statements
Applicable Not Applicable
- 7** Does the Company have non-operating funds occupied by the holding shareholder and its related parties?
No
- 8** Does the Company provide the external guarantees in breach of the stipulated decision-making procedure?
No
- 9** Whether more than half of the directors cannot guarantee the authenticity, accuracy and completeness of the annual report disclosed by the Company?
No
- 10** Major Risk Warning
The company has described the related potential risks in this annual report. Investors may pay attention to the same. Please refer to discussion and analysis of the performance and related chapters for the risks the company may be confronted with in the future development.
- 11** Others
Applicable Not Applicable

Section I | Definitions

I. Definitions

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

Definitions of high frequency terms		
Company, the Company	Refers to	Shanghai Zhenhua Heavy Industries Co., Ltd.
CCCC	Refers to	China Communications Construction Company Ltd.
CCCG	Refers to	China Communications Construction Group Co., Ltd.
CCCG HK	Refers to	CCCG (HK) Holding Limited
Reporting period	Refers to	From Jan. 1, 2020 to Dec. 31, 2020



Section II | Company Profile and Principal Financial Indexes

1 Company Information

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

2 Contact Information

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

3 Basic Information

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

4 Information disclosure and placement location

Newspaper designated by the Company for information disclosure	Shanghai Securities News, Hong Kong Wen Wei Po
Website designated by China Securities Regulatory Commission (CSRC) for publishing the annual report of the Company	www.sse.com.cn
Placement location of the annual report of the Company	Securities Affairs Office

5 Stock information

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

6 Other relevant information

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

7 Main accounting data and financial indexes in recent three years

(I) Main accounting data

Unit: Yuan Currency: CNY

Main accounting data	2020	2019	Year-on-year change (%)	2018
Operating revenue	22,655,141,652	24,595,587,883	-7.89	21,812,389,644
Operating revenue after deducting the business income unrelated to primary business and the income without commercial substance	22,396,639,375	/	/	/
Net profit attributable to the shareholders of the listed company	422,240,299	514,930,143	-18.00	443,005,092
Net profit attributable to the shareholders of the listed company after deducting the non-recurring profits and losses	-58,462,207	311,117,615	-118.79	121,335,528
Net cash flows from operating activities	819,389,020	1,290,213,109	-36.49	553,943,979
	At the end of 2020	At the end of 2019	Year-on-year change (%)	At the end of 2018
Net assets attributable to the shareholders of the listed company	14,570,822,140	15,543,404,014	-6.26	15,185,861,952
Total assets	79,320,644,540	74,410,783,300	6.60	70,598,364,627

(II) Major financial indexes

Major financial indexes	2020	2019	Year-on-year change (%)	2018
Basic earnings per share (RMB/share)	0.080	0.098	-18.37	0.084
Diluted earnings per share (RMB/share)	0.080	0.098	-18.37	0.084
Basic earnings per share after deducting non-recurring profits and losses (RMB/share)	-0.011	0.059	-118.64	0.023
Weighted average ROE (%)	3.04	3.39	-0.35	2.92
Weighted average ROE after deducting non-recurring profits and losses (%)	-0.43	2.06	-2.49	0.80



Notes to the main accounting data and financial indexes in the past 3 years before the end of the reporting period

Applicable Not Applicable

8 Differences in accounting data under domestic and overseas accounting standards

1. Difference in net profits and net assets attributable to the shareholders of the listed company in the financial statement synchronously disclosed under the international and national accounting standards

Applicable Not Applicable

2. Difference in net profits and net assets attributable to the shareholders of the listed company in the financial statement synchronously disclosed under the domestic and overseas accounting standards

Applicable Not Applicable

3. Explanation for differences between the domestic and overseas accounting standards:

Applicable Not Applicable

9 Main financial data in 2020 by quarters

Unit: Yuan Currency: CNY

	Q1 (Jan. to Mar.)	Q2 (Apr. to Jun.)	Q3 (Jul. to Sep.)	Q4 (Oct. to Dec.)
Operating revenue	4,415,427,928	4,715,971,907	5,341,644,401	8,182,097,416
Net profit attributable to the shareholders of the listed company	-92,971,034	109,610,761	175,488,612	230,111,960
Net profit attributable to the shareholders of the listed company after deducting the non-recurring profits and losses	100,767,019	28,640,017	-58,544,317	-129,324,926
Net cash flows from operating activities	-375,004,585	419,553,753	23,089,584	751,750,268

Notes to differences between the quarterly data and the data in periodically disclosed reports

Applicable Not Applicable

10 Non-recurring profit and loss items and amount

Applicable Not Applicable

Unit: Yuan Currency: CNY

Non-recurring profit and loss items	Amount in 2020	Note (if applicable)	Amount in 2019	Amount in 2018
Profit or loss from disposal of non-current assets	36,620,758		49,091,913	155,557,716
Government subsidies included in current profits and losses except for government subsidies closely related to the Company business, in line with national policies and obtained by quota or quantity at unified state standards	97,849,026		93,271,980	114,412,517
Profit or loss on changes in fair values of held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities and derivative financial liabilities, and investment income obtained from disposal of held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities, derivative financial liabilities and other credit investment, except for effective hedging operations associated with the company's normal operations	356,116,979		146,517,397	74,200,750
Reversal of provision for impairment of receivables subject to separate impairment test	78,007,100			150,327,138
Other non-operating revenue and expenses except for the above-mentioned items	4,718,614		-18,553,180	-67,069,856
Affected amount of minority equity	-15,226,311		-23,013,076	-30,908,588
Affected amount of income tax	-77,383,660		-43,502,506	-74,850,113
Total	480,702,506		203,812,528	321,669,564

11 Items measured at fair value

√ Applicable □ Not Applicable

Unit: Yuan Currency: CNY

Item	December 31, 2019	December 31, 2020	Current change	Impact on current profits
Jiangxi Huawu Brake Co., Ltd.	132,211,332	228,142,450	95,931,118	81,991,399
Qingdao Port International Co., Ltd.	510,671,771	415,582,601	-95,089,170	-58,710,297
China Railway Signal & Communication Corporation Limited	479,560,537	269,294,333	-210,266,204	-150,959,680
Shenwan Hongyuan Group Co., Ltd.	1,119,345	1,154,324	34,979	47,226
COSCO Shipping Holdings Co., Ltd.	585,555,555	679,011,665	93,456,110	423,923,787
Derivative financial assets	22,235,244	0	-22,235,244	3,153,419
Derivative financial liabilities	-7,312,741	-458,882	6,853,859	5,825,780
Equity instrument investment	8,438,278	8,438,278	0	0
Hunan Fengri Power & Electric Co., Ltd.	24,348,689	22,685,894	-1,662,795	0
CCCC Highway Bridges National Engineering Research Centre Co., Ltd.	17,649,136	19,319,276	1,670,140	0
CCCC National Engineering Research Center of Dredging Technology and Equipment Co., Ltd.	9,005,378	8,000,908	-1,004,470	0
Shenyang Weichen Crane Equipment Co., Ltd. (Former name: Shanghai Zhenhua Port Machinery (Group) Shenyang Elevator Co., Ltd.)	2,865,664	4,197,036	1,331,372	938,696
Ningbo Weilong Port Machinery Co., Ltd. (Former name: ZPMC Ningbo Transmission Machinery Co., Ltd)	7,241,610	6,565,227	-676,383	5,108,263
ZPMC Longchang Lifting Equipment Co., Ltd (Former name: Shanghai Zhenhua Port Machinery (Group) Longchang Lifting Equipment Co., Ltd.)	870,791	737,410	-133,381	125,025
CCCC Tianhe Mechanical Equipment Manufacturing Co.,Ltd.	-	330,094,057	330,094,057	3,627,322
Total	1,794,460,589	1,992,764,577	198,303,988	315,070,940

12 Others

□ Applicable √ Not Applicable



Section III | Business Profile

I. Main business, business model of the Company and the industrial profile during the reporting period

The Company is a famous heavy-duty equipment manufacturer, and a state-owned listed company on A and B shares, with the headquarters in Shanghai and multiple production bases in Shanghai and Nantong. It is also the biggest port heavy-duty machinery equipment manufacturer in the world. The business scope of ZPMC mainly covers: marine heavy industry, heavy special steel structure, marine transportation and installation, system integration, engineering general contracting, electrical product, software development and integration, investment and financing business, integrated services. While constantly consolidating its traditional business advantages, it is also actively expanding smart industries, livelihood consumption, integrated development and digital industries.

The business scope of the Company covers: design, construction, installation and contracting of large port loading and unloading system and equipment, offshore heavy equipment, engineering machinery, engineering vessels and large metal structural parts and their parts and components; ship repair; leasing of equipment; leasing of self-owned houses; leasing of self-produced crane; sales of the products made by the sales company; international sea transportation by special purpose vessels that can be transported with the whole equipment; specialized contracting of steel structure engineering; construction of electric construction engineering; and construction of electromechanical installation and construction engineering; research and development, installation and sales of oil and gas exploration equipment and mechanical engineering equipment; design of marine engineering buildings; technology development, technical consulting, technical services, and technology transfer in the fields of computer software and information, computer network, mechanical technology, environmental protection technology, new energy technology, intelligent technology; installation and maintenance of railway and urban rail transportation equipment and accessories; property management; loading, unloading, handling and storage; parking lot (warehouse) operation and management; import and export business of goods and technologies (In case of quota, license management, special regulations, quality inspection, safety inspection and construction qualification requirements involved, it shall not carry out the business activities before obtaining the corresponding qualifications or licenses in accordance with the relevant national regulations).[Items subject to approval according to law can be carried out only after such approval is granted by the competent authorities]

In recent years, the traditional ports are gradually upgraded towards automation, digitization and intelligence, and are transforming to the new operation mode of “smart port” and “green port”. Accordingly, the port machinery and equipment are also developing towards high efficiency, automation, digitization, intelligence, “green” model and environmental protection. By increasing the investment in scientific and technological research and development, deepening the cooperation with strategic customers and cross-industry cooperation, ZPMC has actively expanded new business fields and further strengthened its competitive advantage while consolidating its leading position in the industry.

II. Explanation for major changes in prime assets of the Company during the reporting period

Applicable Not Applicable

III. Analysis of the core competitiveness during the reporting period

Applicable Not Applicable

1 Leading R & D capability

The Company has adhered to the top-level design of scientific and technological innovation and made overall planning of the science and technology innovation system. The design and R&D center of the Company has been building a scientific and technological innovation system with the ZPMC characteristics from many aspects, actively expanded the cooperation space of open innovation alliance, focused on the key technical challenges in the development, strengthened the organic connection of innovation chain and industrial chain with the market demand, and has built an open technology innovation alliance or collaborative innovation platform with many domestic and foreign universities, scientific research institutions and enterprises.

In 2020, the Company applied for 231 patents, including 99 invention patents and 132 utility models, and was granted 186 patents, including 39 invention patents and 140 utility models; it was also granted 5 international patents, 41 software copyright registrations, and 2 drawing works registrations. In 2020, the “Research and Application of Key Technologies for Yangshan Phase IV Super-Large Automated Container Terminal” won the Grand Prize of the Award for Progress in Science and Technology of Shanghai City, and the “Research and Application of Key Technologies of Super-Large Quayside Bridge for 3E Container Ships” won the Second Prize of the Award for Progress in Science and Technology of Shanghai City. Furthermore, the Company has actively participated in national, industrial and local standardization activities and undertook 63 international, national, industrial, local and group standards, of which 40 have been issued.

2 Intelligent manufacturing capability in continuous upgrading

In order to improve the product quality and production efficiency, with intelligent equipment and intelligent workshop as the breakthrough points, the Company has carried out pilot transformation and upgrading of intelligent manufacturing in several production bases. The automation and intelligent manufacturing were firstly implemented in the key manufacturing of standardized parts, such as box girder components related steel structure and mechanical accessories in query-side container crane which was the main product of the Company. In the way of promotion, the Company took the construction of intelligent workshop as the starting point to make experiments in building the automated, information-based and efficient production process for quayside bridge box girder components; through the introduction of advanced processing equipment with data acquisition function such as built-in PLC, intelligent welding robot, RGV unmanned transport vehicle and other intelligent equipment, as well as in combination with information integration technology, it realized the interconnection between equipment and the visual management of production site. Through the preliminary building of intelligent workshop, it solved the problem of low automation level in large-scaled lifting equipment manufacturing industry, greatly reduced the over dependence on workers, reduced labor cost, and provided guarantee for the control of the quality stability of products, which was of great reference significance for promoting the adjustment and upgrading of related industrial structure in the same industry.

3 Global marketing network and digital supply chain platform

The Company has always focused on global development, actively explored the world market, and constantly strengthened the global network layout of overseas branches. It has established 28 overseas branches in the world, established good partnership and solid cooperation foundation with local enterprises and upstream and downstream enterprises of the industry, and continuously exerted its localization advantages. Based on its global operation and service network, the Company has provided integrated and lean operation and lifecycle service for global customers in a fast, accurate and comprehensive way. The Company has a service team composed of more than 1000 high-quality professionals on the site all over the world, which can provide efficient solutions and perfect spare parts service support and supply goods to the world in the shortest time. Terminexus, a wholly-owned subsidiary of the Company, has built the first digital supply chain platform in port machinery industry.

Section IV | Discussion and Analysis of the Performance

I. Discussion and Analysis of the Performance

In 2020, under the guidance of the long-term goal of building a world excellent company with international competitiveness and the established strategies, the Company has overcome COVID-19 and other unfavorable factors, enhanced the confidence in development, persisted in reform and innovation, and promoted the epidemic prevention and control, production and capacity resume, market extension, reform and innovation, environmental protection construction, risk resolution, poverty alleviation and Party building, which ensured the stable development of the Company.

During the reporting period, the port machinery business of the Company went on expanding and stabilized the basic development of the Company. The Company products have entered 104 nations and regions, and the Company has won the bidding for some key projects including Adani, Maersk (Ivory Coast), COSCO Haikou and Xiuying Port. Intelligent straddle carrier, ship loader and reach stacker development by the Company have achieved “zero” breakthrough in the market. In offshore business, inventory elimination and new signing of projects were advanced simultaneously, and the sales of core accessories such as shield machine gearbox were good. In steel structure business, it has implemented many high-quality projects, including Ivory Coast Bridge, Vanuatu Bridge, Guangdong Jieyang wind power pipe pile, Xiamen Second Passage, etc. The offshore service business has actively expanded the business in the field of offshore wind power general contracting. The electrical business has been promoted in an orderly manner, and EZ electronic control has entered 83 nations and regions; the advantages of PV brand are gradually emerging; the intelligent manufacturing project has made great progress. The integrated service business directly faced the challenge of the spread of overseas epidemic, and completed the main tasks of comprehensive production and operation objectives. In investment business, the secondary operation of existing project has achieved remarkable results.

Emerging business made new progress. In smart parking business, it won Hengyang smart parking project and the multi-storey parking project of Shanghai Shuguang Hospital, and the economic benefits gradually improved. In the livelihood consumption business, it has actively explored such fields as old residential area renovation, smart campus construction, and the leasing and sales of prefabricated construction modules, among which the scale of service car business in Xiong'an area further increased. The integrated development business continued to improve the qualification, the transformation advantages of main business continued to show, and the key projects are implemented and progressing orderly. The digital business is gradually expanding, and the operation quality and efficiency of Terminexus e-commerce platform continues to be optimized.

II. Performance during the reporting period

During the reporting period, the Company realized the operating revenue amounting to RMB 22,655,000,000, representing a year-on-year decrease of 7.89%; the net profit attributable to the shareholders of the listed company was RMB 422,000,000, with a year-on-year decrease of 18%; the basic earnings per share was RMB 0.08, with a year-on-year decrease of 18.37%.

1 Analysis of the performance

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

Unit: Yuan Currency: CNY			
Item	Amount in the current period	Amount in the same period of the last year	Change (%)
Operating revenue	22,655,141,652	24,595,587,883	-7.89
Operating cost	19,413,265,254	20,590,531,322	-5.72
Selling and distribution expenses	105,763,639	122,517,036	-13.67
General and administrative expenses	937,700,839	1,095,131,287	-14.38
Research and development expenditures	737,468,137	887,096,178	-16.87
Financial expenses	1,117,741,864	1,496,586,414	-25.31
Investment income	413,517,783	174,600,552	136.84
Credit impairment loss	-138,083,561	-38,761,593	N/A
Assets impairment loss	-213,647,223	-52,494,284	N/A
Income from disposal of assets	6,755,688	49,091,913	-86.24
Net cash flows from operating activities	819,389,020	1,290,213,109	-36.49
Net cash flows from investing activities	-1,204,413,136	-1,547,161,450	N/A
Net cash flows from financing activities	349,410,948	141,933,820	146.18

2. Analysis of revenue and cost

√ Applicable □ Not Applicable

The decrease in operating revenue was mainly caused by the delay of some foreign projects affected by the epidemic.

The decrease in operating cost was mainly caused by the decrease in operating revenue.

The decrease in selling and distribution expenses was mainly caused by the decrease in travel expenses affected by the epidemic.

The decrease in general and administrative expenses was mainly caused by the decrease in employee compensation.

The decrease in the research and development expenditures was mainly caused by the decrease in the expensed expenditures for research and development projects of the Company.

The decrease in financial expenses was mainly caused by the decrease in interest expense on bank loans of the Company.

The increase in the investment income was mainly caused by the increase in the investment income from the disposal of held-for-trading financial assets of the Company.

The change in credit impairment loss was mainly caused by the increase in the Company's provision for bad debts of accounts receivable.

The change in asset impairment loss was mainly caused by the increase in the Company's provision for inventory depreciation.

The decrease in the income from disposal of assets was mainly caused by the decrease in the net gains from the disposal of fixed assets.

The changes in the net cash flows from operating activities were mainly caused by the decrease of tax returns received by the Company.

The changes in the net cash flows from investing activities were mainly caused by the investment recovery by the Company and the increase in the cash received from investment income.

The changes in the net cash flows from financing activities were mainly caused by the increase in cash received by the Company from bank borrowings.

(1) Main businesses by sectors, products and regions

Unit: Yuan Currency: CNY

Main business by products						
Product	Operating revenue	Operating cost	Gross profit rate (%)	Year-on-year change in operating revenue (%)	Year-on-year change in operating cost (%)	Year-on-year change in gross profit rate (%)
Port machinery	14,457,042,916	11,813,606,078	18.28	-12.16	-10.78	-1.27
Heavy-duty equipment	1,062,669,195	994,642,219	6.40	-28.76	-18.35	-11.93
"Building-Transfer" project and engineering construction	2,365,760,874	2,220,603,949	6.14	-7.74	-8.58	+0.87
Steel structure and related income	3,277,507,651	3,170,269,443	3.27	20.97	23.29	-1.82
Marine transport and others	1,233,658,739	1,106,003,124	10.35	24.72	15.27	+7.36
Main business by regions						
Region	Operating revenue	Operating cost	Gross profit rate (%)	Year-on-year change in operating revenue (%)	Year-on-year change in operating cost (%)	Year-on-year change in gross profit rate (%)
Chinese Mainland	12,945,383,848	11,967,807,784	7.55	4.85	6.85	-1.73
Chinese Mainland (export sales)	1,061,063,332	760,474,241	28.33	52.22	117.67	-21.55
Europe	2,604,103,174	2,329,595,327	10.54	-23.78	-22.06	-1.97
Asia (excluding Chinese Mainland)	3,289,553,492	2,404,009,133	26.92	-5.20	-3.18	-1.52
North America	1,345,494,819	948,458,084	29.51	-39.01	-44.78	+7.37
South America	444,522,956	451,059,902	-1.47	-53.85	-47.20	-12.77
Africa	468,958,316	264,264,072	43.65	-38.41	-48.55	+11.10
Oceania	237,559,438	179,456,270	24.46	-32.66	-42.45	+12.85

Notes to the main business by sectors, products and regions

1)The amount listed in "Mainland China (export sales)" in "Main business by regions" was the main operation income



from the export sales of this Company to the overseas subsidiaries of the Company and then sales to the related projects of the domestic customers.

2) Affected by the outbreak of COVID-19, the Company's overseas projects were delayed, resulting in the decrease in overseas operating revenue by regions.

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

Applicable Not Applicable

(3) Cost analysis table

Unit: Yuan

By products							Notes
Product	Items of cost structure	Amount in the current period	Proportion in total cost in the current period (%)	Amount in the same period of the last year	Proportion of the one in the same period of the last year in total costs (%)	Year-on-year change (%)	
Port machinery	Raw material cost, labor cost and production cost	11,813,606,078	61.19	13,240,912,286	64.85	-10.78	Normal operating fluctuations
Heavy-duty equipment	Raw material cost, labor cost and production cost	994,642,219	5.15	1,218,182,031	5.97	-18.35	Normal operating fluctuations
Engineering construction projects	Raw material cost, labor cost and production cost	2,220,603,949	11.50	2,428,961,159	11.90	-8.58	Normal operating fluctuations
Steel structure and related income	Raw material cost, labor cost and production cost	3,170,269,443	16.42	2,571,473,994	12.59	23.29	Normal operating fluctuations
Marine transport and others	Raw material cost, labor cost and production cost	1,106,003,124	5.73	959,513,561	4.70	15.27	Normal operating fluctuations

Other information about cost analysis

None

(4) Particulars about main customers and suppliers

Applicable Not Applicable

The sales volume of top 5 customers was RMB 4.18657 billion, accounting for 19% of total annual sales volume; the sales volume of the related parties in that of top 5 customers was RMB 897.72 million, accounting for 4% of total annual sales volume.

The purchase amount of top 5 suppliers was RMB 2.95671 billion, accounting for 12% of total annual purchase amount; the purchase of the related parties in that of top 5 suppliers was RMB 645.33 million, accounting for 3% of total annual purchase amount.

Other description

None

3. Expenses

Applicable Not Applicable

The decrease in selling and distribution expenses was mainly caused by the decrease in travel expenses affected by the epidemic.

The decrease in general and administrative expenses was mainly caused by the decrease in employee compensation.

The decrease in the research and development expenditures was mainly caused by the decrease in the expensed expenditures for research and development projects of the Company.

The decrease in financial expenses was mainly caused by the decrease in interest expense on bank loans of the Company.

4. Investment in R&D

(1) Detail table of investment in R&D

Applicable Not Applicable

Unit: Yuan

Current expensed investment in R&D	737,468,137
Current capitalized investment in R&D	111,203,919
Total investment in R&D	848,672,056
Proportion of total investment in R&D in operating revenue (%)	3.75
Number of R&D employees in the Company	1,617
Proportion of number of R&D employees in the total employees of the Company (%)	18.6
Proportion of capitalized investment in R&D (%)	13.10

(2) Explanation

Applicable Not Applicable

5. Cash flow

Applicable Not Applicable

The net cash flows from operating activities were RMB 819 million, mainly caused by the decrease of tax returns received by the Company. The net cash flows from investing activities were RMB -1.204 billion, mainly caused by the investment recovery and the increase in cash received from investment income. The net cash flows from financing activities were RMB 349 million, mainly caused by the increase in the cash received from borrowings by the Company.

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

Applicable Not Applicable

3 Analysis of assets and liabilities

Applicable Not Applicable

1. Assets and liabilities

Unit: Yuan

Item	Amount at the end of the current period	Proportion of the amount at the end of the current period in total assets (%)	Amount at the end of the previous period	Proportion of the amount at the end of the previous period in the total assets (%)	Year-on-year change (%)	Notes
Accounts receivable	7,227,065,255	9.11	4,966,175,528	6.67	45.53	
Inventories	22,325,839,116	28.15	8,561,251,580	11.51	160.78	
Outstanding payments for construction completed	—	0.00	12,434,158,624	16.71	-100	
Contract assets	2,063,296,890	2.60	—	0.00	N/A	
Non-current assets due within one year	1,884,370,444	2.38	1,313,203,581	1.76	43.49	
Deferred income tax assets	752,960,672	0.95	486,197,635	0.65	54.87	
Other non-current assets	837,004,289	1.06	161,337,287	0.22	418.79	
Other non-current financial assets	330,094,057	0.42	—	0.00	N/A	
Advances to suppliers	4,893,675	0.01	822,987,986	1.11	-99.41	
Contract liabilities	11,195,309,083	14.11	—	0.00	N/A	
Amount settled for uncompleted work	—	0.00	1,679,950,879	2.26	-100	
Payroll payable	188,799,969	0.24	329,978,281	0.44	-42.78	
Other payables	481,065,700	0.61	711,389,996	0.96	-32.38	
Non-current liabilities due within one year	1,374,465,319	1.73	7,287,484,513	9.79	-81.14	
Long-term borrowings	16,850,299,742	21.24	8,413,339,986	11.31	100.28	
Estimated liabilities	261,072,318	0.33	484,000,772	0.65	-46.06	

Other description

The increase in accounts receivable was mainly caused by the adjustment of the beginning amount under new revenue standard.

The increase in inventories was mainly caused by the reclassification of outstanding payments for construction completed under new revenue standard implemented by the Company.

The decrease in outstanding payments for construction completed was mainly caused by the reclassification of outstanding payments for construction completed under new revenue standard implemented by the Company.

The increase in contract assets was mainly caused by the reclassification of outstanding payments for construction completed under new revenue standard implemented by the Company.

The increase in the non-current assets due within one year was mainly caused by the increase in the long-term receivables due within one year.

The increase in deferred income tax assets was mainly caused by the impact of the adjustment of undistributed profits at the beginning of the year under new revenue standard on enterprise income tax.



The increase in other non-current assets was mainly caused by the reclassification of the contract warranty balance under new revenue standard implemented by the Company.

The increase in other non-current financial assets was mainly caused by the fair value of the remaining equity after the Company lost the control of Tianhe Mechanical Equipment Manufacturing Co., Ltd.

The decrease in advances from customers was mainly caused by the reclassification of advances from customers under new revenue standard implemented by the Company.

The increase in contract liabilities was mainly caused by the reclassification of amount settled for uncompleted work and advances from customers under new revenue standard implemented by the Company.

The decrease in amount settled for uncompleted work was mainly caused by the reclassification of amount settled for uncompleted work under new revenue standard implemented by the Company.

The decrease in payroll payable was mainly caused by the decrease in the accrued bonus of the Company.

The decrease in other payables was mainly caused by the Company's payment of investment funds and other funds to CCCC.

The decrease in the non-current liabilities due within one year was mainly caused by the decrease in the long-term bank borrowings due within one year.

The increase in long-term borrowings was mainly caused by the increase in long-term bank borrowings of the Company.

The decrease in estimated liabilities was mainly caused by the decrease in estimated after-sales service cost of the products.

2. Particulars about main restricted assets by the end of the reporting period

Applicable Not Applicable

Item	Book value at the end of the period	Reason for restriction
Monetary funds	50,332,396	Special fund, letter of guarantee from the bank and guarantee fund for L/C collected from the overseas projects and deposited in the overseas supervision account
Fixed assets	2,821,018,550	Collateral for loan
Long-term receivables	5,614,309,162	Hypothecation for loan
Total	8,485,660,108	/

3. Other description

Applicable Not Applicable

4 Analysis of operational information of the industry

Applicable Not Applicable

During the reporting period, the value of the newly concluded contracts by the Company on the port machinery was USD 2.933 billion, which was basically the same as that in 2019. The value of the newly concluded contracts on marine engineering products and steel structure was USD 1.041 billion, with a year-on-year decrease of 28.84%, among which the one on steel structure was USD 503 million. The value of the newly concluded contracts on investment business was RMB 2.886 billion, with a year-on-year increase of 41.7%.

In the port machinery industry, affected by COVID-19, the investment progress of overseas customers is slowing down, and the number of overseas orders is decreasing. Due to the development needs, domestic customers have increased their investments in port machinery and equipment, and the proportion of newly signed domestic orders has increased. The increase in market demand for traditional new equipment has slowed down. Businesses such as the construction of automated terminals, after-sales maintenance and renovation of existing equipment have become new bright spots in the market. With the official commercialization of 5G technology, the cutting-edge technologies such as 5G, artificial intelligence and big data will accelerate the transformation and upgrading of the port and shipping industry.

In the offshore industry, as the country attaches more importance to the development of the marine economy, the demand for offshore supporting services such as energy exploitation, transportation, and installation will increase to a certain extent, but the trend of international oil prices still brings uncertainty to the recovery time of the offshore industry.

The steel structure industry benefited from the increase in investment in infrastructure, and the overall situation of the industry is more optimistic. At present, the Company focuses on the development of large, heavy and special steel structure business, and the development trend is sound. However, due to the low access threshold, the competition is fiercer, and the efficiency needs to be further improved.

The investment industry continues to be optimized, driving the entire industry chain to a new development track. Domestic investment in industries such as manufacturing, infrastructure, and green energy has entered a stage of high-quality development. For a long period of time in the future, funds will continue to be biased towards the common benefit of

supply and demand, advanced manufacturing and livelihood construction with multiplier effects, infrastructure construction, and other fields.

For emerging industries, the exploration and application of 5G and digital technologies will continue to empower manufacturing. The reconstruction of old communities, the construction of prefabricated buildings, and the construction of smart cities are in line with the needs of the times and present strong development potential. With the support of national policies, the integrated development industry has gradually optimized its market environment, gradually consolidated its industrial foundation and integrated its content.

5 Analysis of investment

1. Overall analysis of external equity investment

Applicable Not Applicable

Investment amount by the end of reporting period	5,027,018,064
Changes in investment amount (RMB)	382,244,511
Investment amount in the same period of the last year	4,644,773,553
Change in investment amount (%)	8.23

(1) Significant equity investment

Applicable Not Applicable

(2) Significant non-equity investment

Applicable Not Applicable

(3) Financial assets measured at fair value

Applicable Not Applicable

Stock equity held in other listed companies

Stock code	Stock abbreviation	Initial investment cost	Initial shareholding ratio (%)	Final shareholding ratio (%)	Book value at the end of the period	Profit or loss in reporting period	Changes in owners' equity during the reporting period	Accounting subject	Source of shares
03969	CRSC	617,854,000	1.16	1.16	269,294,333	-150,959,680	-150,959,680	Held-for-trading financial assets	Purchase on market
06198	Qingdao Port	308,515,588	1.59	1.59	415,582,601	-58,710,297	-58,710,297	Held-for-trading financial assets	Purchase on market
300095	Huawu Stock	11,071,606	5.88	5.88	228,142,450	81,991,399	81,991,399	Held-for-trading financial assets	Contribution
601919	COSCO SHIPPING HOLDINGS	420,000,000	0.91	0.45	679,011,665	423,923,787	423,923,787	Held-for-trading financial assets	Subscription

Stock equity held in financial enterprises

Object name	Initial investment cost	Initial shareholding ratio	Final shareholding ratio	Book value at the end of the period	Profit or loss in reporting period	Changes in owners' equity during the reporting period	Accounting subject	Source of shares
Shenwan Hongyuan	200,000	<0.01	<0.01	1,154,324	47,226	47,226	Held-for-trading financial assets	Subscription

6 Sales of significant assets and equities

Applicable Not Applicable

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

√ Applicable □ Not Applicable

Unit: Yuan

Company Name	Main product or services	Registered capital	Assets size	Net profit/ (loss)
Shanghai Zhenhua Heavy Industries Group (Nantong) Transmitter Co., Ltd.	Construction and installation of large-scale port equipment, engineering vessels, offshore heavy equipment, mechanical equipment, gear box for wind power generation equipment; large-sized reverse branch, transmission mechanism, dynamic positioning, large-sized anchor windlass, offshore oil platform lifting device and components; design and manufacturing of the accessories.	738,878,329	1,833,587,488	89,433,610
Nanjing Ninggao New Channel Construction Co., Ltd	Engaged in the construction, investment and management of Nanjing-Gaochun new channel project.	100,000,000	595,688,068	26,778,436
Shanghai Zhenhua Shipping Co., Ltd	Operation of international offshore sea transportation; ordinary cargo liner traffic in the middle and lower reaches of Yangtze River; transportation of port machinery.	120,000,000	1,775,588,202	59,592,964
Shanghai Zhenhua Port Machinery (Hong Kong) Co., Ltd.	Design, manufacturing and sales of port machinery, engineering vessel, steel structure and other parts	HKD 50,000,000	10,870,885,678	35,397,463
Shanghai Zhenhua Heavy Industries Port Machinery General Equipment Co., Ltd.	Sales of port loading and unloading machine, bulk cargo and container machine, port engineering vessels (including floating engineering crane), material handling mechanical products and parts, sales and technical services, installation and maintenance, technical consultation of all types of machine and equipment, key parts of the raw materials and accessories equipment.	2,184,730,000	3,225,607,726	48,936,687
Nantong Zhenhua Heavy Equipment Manufacturing Co., Ltd.	Installation of heavy port equipment, engineering vessels, heavy metal structure and its parts; manufacturing and installation of gear box, container yard crane, super heavy-duty bridge steel structure, heavy marine machinery equipment; leasing of cranes; specialized contracting of steel structures etc.	2,500,000,000	6,287,765,184	12,140,203
ZPMC Qidong Marine Engineering Co., Ltd.	Machinery manufacturing	303,000,000	2,565,416,604	-188,832,950
Shanghai Zhenhua Ocean Engineering Service Co., Ltd	Agency of international land transport, air transport, ocean shipping and domestic freight; sales of large-scale port equipment, engineering vessel equipment and marine materials at home and abroad; construction of ocean engineering and leasing of engineering vessels; import and export of goods and technologies, transit trade, trade between enterprises and trade agency within the free trade zone.	100,000,000	871,685,063	17,615,479
Zhenhua Pufeng Wind Energy (HongKong) Co., Ltd.	Installation of offshore wind turbine	USD 16,326,531	186,954	-2,207,576
CCCC Financial Leasing Co., Ltd.	Finance lease	5,000,000,000	47,306,443,892	526,789,103
China Communications constructionUSA, Inc	Construction of port, waterway, highway and bridge.	USD 50,000,000	235,069,766	-7,042,723
CCCC Estate Yixing Co., Ltd.	Real estate development	900,000,000	1,460,500,234	29,913,101
Jiangsu Longyuan Zhenhua Marine Engineering Co., Ltd	Fabrication and installation of steel structure; construction of the foundation for offshore wind power facilities, installation and maintenance of equipment; construction and maintenance of submarine cable system, construction of marine engineering; installation and maintenance of equipment and leasing of equipment.	260,000,000	3,471,495,984	30,359,575
Greenland Heavylift (Hongkong) Limited	Marine transport	USD 91,975,158	2,074,726,597	-54,103,269

8 Particulars about structured entities controlled by the Company

□ Applicable √ Not Applicable

III. Discussion and analysis of the future development of the Company**1 Industrial structure and trend**

√ Applicable □ Not Applicable

The development of port machinery industry is closely related to the development of shipping industry. The recovery and high-quality development of shipping industry will further promote the port construction, in particular, the trend of digital

development and the demand for epidemic prevention and control will speed up the intelligent development of ports.

The proposal of “building a maritime power” has brought new opportunities for the development of offshore industry. As one of the new energy sources, offshore wind power will attract enterprises to increase resource investment and construction, and further promote the collaborative development of offshore engineering equipment manufacturing and marine economy.

Under the background of rapid development of 5G and other emerging technologies, “new infrastructure” has become an important driving force for the transformation of traditional infrastructure and the development of digital economy in China and even in the world. The new integrated development mode of public transport and urban construction fields such as railway, highway and airport will bring opportunities for the transformation and upgrading of traditional infrastructure industry.

The “Belt and Road” initiative has been recognized and supported by the countries along the line. It is in the deep development period and brings new dynamic to the adjustment of regional planning, the optimization of industrial layout and the reconstruction of supply value. The new development pattern of “Mutual promotion of domestic and international dual circulation, with domestic grand circulation being the mainstay” will accelerate the construction and development of important national strategic areas, and will also bring huge market opportunities for the transformation and upgrading of manufacturing industry, the development of smart industry, people’s livelihood consumption business, and digital industry, etc.

2 Development strategy of the Company

Applicable Not Applicable

By taking “equipment manufacturing” as the entity, “capital operation” and “Internet” as two wings, it aims to build “Flag + Flagship” of Chinese national industry. “One Entity with Two Wings” strategy is a new strategy for transformation and upgrade of the Company after objectively analyzing the development stage and orientation of the Company, based on national and industrial development trend at present and in future, around “Industry 4.0” and “Made in China 2025”, by firmly seizing the development opportunities of the reform of state-owned enterprises “Double Hundred Action”, in combination with the development features of equipment manufacturing industry. “Capital operation” will help the Company to extend the industrial chain of the port machine business and create the whole industrial chain of marine heavy industry and offshore wind power; help the Company and the customers as well as the partners to form a community of a shared future with the capital as the tie. The digitized transformation and upgrade of the Company under “Internet” can accelerate the upgrade of the information system in an all-round way and create the cloud platform through the top information-oriented design of the Company to offer more convenient, efficient, intelligent and integrated service to the global customers. Meanwhile, by using 5G technology as a carrier, we continue to enrich the concept of “Internet” and use smart port construction as a breakthrough to further expand the rich connotation of “+ 5G” and apply 5G technology to various fields such as strategy, design, manufacturing, products, services, etc. to promote the quality revolution, efficiency revolution, power revolution of the Company.

3 Operation plan

Applicable Not Applicable

Guided by the new development concept for businesses, the Company will closely follow the national development strategy, seize the new market opportunities brought by the new development pattern, and continuously enhance its core competitiveness through scientific market research, comprehensive deepening of reform, and increasing scientific and technological innovation.

For port machinery business of the Company, it will aim to maintain the leading position in the industry, and seize the global intelligent terminal development opportunity to popularize the intelligent terminal; in the meanwhile, it will pay close attention to the new changes in the industry, the new needs of users and the new trends of competitors brought by the domestic port integration; make overall arrangement of the internal resources, innovate the business model, increase the communication with users, and implement high-end differentiated competition. Offshore business will adhere to differentiated development and promote the implementation of high-quality offshore projects based on the industry development trend while improving the performance ability and promoting the resolution of offshore asset risks. Steel structure business will focus on the opportunities such as economic dual circulation, aim at key areas, expand business channels and enhance the added value of steel structure products. The marine service business will rationalize the allocation of resources on the premise of ensuring the competitive advantage of the Company’s primary business, and will pay great attention to the latest policies of the state on offshore wind power business, and achieve economic benefits with professional industrial chain through strategic cooperation and differentiated competition. Electrical business will systematically summarize and analyze the existing business, steadily promote electrical related business, and continue to promote EZ brand. For general contracting business, it will give full play to the advantages of the existing projects, actively expand other projects in the region and improve the business scale. For investment business, it will further highlight the main business, strengthen the lifecycle management of investment projects, and improve the scientificity and rate of return of the investment.

In emerging industries, the smart industry should take advantage of the development trend of artificial intelligence, big data, cloud computing and other technologies, and continue to march into the field of intelligent transportation and smart city construction. People’s livelihood consumption should seize the mass market and promote differentiated development. Integrated development should follow the national policy, identifies the market position, and fully embodies the corporate



social responsibility. Digital industry should grasp the development trend of 5G, continuously accumulate data, and take the advantages of data to create scale and efficiency.

4 Potential risks

Applicable Not Applicable

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

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

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

Countermeasures: the Company will strengthen the dynamic study and judgment of capital situation, further strengthen the overall capital management, broaden financing channels and rationalize financing costs. For exchange rate risk control, the Company will control exchange rate risks through locking in the forward exchange rate, gradually reduce the foreign exchange liabilities, pay attention to the research on policies and strategies of foreign exchange risk management, closely concern the changes in exchange rates, regularly analyze the trend of exchange rate, strictly conduct the approval procedure related to the transaction of the financial derivatives, do well in statistics of the products, currencies and exchange rates, further tamp the basic work of the foreign exchange management and reduce the Company's exchange rate risk.

Since its outbreak, COVID-19 has had a certain impact on the Company's production and operation. The company is deeply aware of the arduousness, complexity and long-term nature of epidemic prevention and control, and will always take epidemic prevention and control as the primary guarantee for promoting the daily production and operation of the enterprise. The Company will pay close attention to and analyze the epidemic situation at home and abroad, and carry out normalized epidemic prevention and control.

5 Others

Applicable Not applicable

V. Explanation for non-disclosure in accordance with the accounting standard due to being not applicable to the provisions of the standard or state secret and business secrete and other special reasons

Applicable Not applicable

Section V | Important Events

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

1 Formulation, implementation or adjustment of cash dividend distribution policies

Applicable Not applicable

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

On August 18, 2020, the A-share profit distribution plan of the Company for 2019 was completed by distributing dividends in cash.

On August 27, 2020, the B-share profit distribution plan of the Company for 2019 was completed by distributing dividends in cash.

2 The Company's plan or proposal for profit distribution of ordinary shares, plan or proposal for the convention of capital reserves into bonus shares in recent 3 years (including the reporting period)

Unit: Yuan Currency: CNY

Year for dividend distribution	Bonus shares for every 10 shares (share)	Dividend for every 10 shares (Yuan) (tax included)	Shares converted for every 10 shares (share)	Amount of cash dividend (tax included)	Net profit attributable to the ordinary shareholders of the listed company in the consolidated statement in the year for dividend distribution	Ratio of the net profit attributable to the ordinary shareholders of the listed company in the consolidated statements (%)
2020	0	0	0	0	422,240,299	0
2019	0	0.5	0	263,417,675	514,930,143	51.16
2018	0	0.5	0	263,417,675	443,005,092	59.46

3 Shares repurchased by offer in cash and included in cash dividends

Applicable Not applicable

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

Applicable Not applicable

The reason for not representing the plan or proposal for profit distribution of ordinary shares in cash though the profit is positive and the profit of the parent company available for distribution to the ordinary shareholders is positive in the reporting period	Purpose and use plan of the undistributed profit
According to the relevant provisions of the Circular on Further Implementation of Relevant Matters Concerning Cash Dividend Distribution of Listed Companies and the Regulatory Guidelines for Listed Companies No. 3 - Cash Dividends of Listed Companies issued by the CSRC, and the articles of association, in order to ensure the long-term healthy and sustainable development of the Company and safeguard the shareholders' long-term interests, the Company will not distribute profits or transfer capital reserve to share capital in view of the business performance in 2020.	For business development.

**II. Fulfillment of commitments****1 Commitments of the actual controller, shareholders, related parties, acquirer, companies of the Company in the reporting period or ongoing at the period-end**Applicable Not applicable**2 If there is earnings forecast for the assets or projects of the Company and the reporting period is still in the earnings forecast period, the Company shall explain whether the asset or project reaches the original earnings forecast and give the reasons**Reached Failing to reach Not applicable**3 Fulfillment of commitments on the performance and its impacts on goodwill impairment test**Applicable Not applicable**III. Fund occupation and progress in returning scheme during the reporting period**Applicable Not applicable**IV. Explanation of the Company for Accounting Firm's "auditors' report with nonstandard opinions"**Applicable Not applicable**V. Analysis and explanation of the Company of the causes and the impacts of the major changes in accounting policies and accounting estimates or correction of significant accounting errors****1 Analysis and explanation of the Company on the causes and the impacts of the changes in accounting policies and accounting estimates**Applicable Not applicable
See V.44 in Section XI for details.**2 Analysis and explanation of the cause of correction of significant accounting errors and their impacts by the Company**Applicable Not applicable**3 Communication with former CPA firm**Applicable Not applicable**4 Other description**Applicable Not applicable**VI. Engagement and dismissal of the public accounting firm**

Unit: Yuan Currency: CNY

	Now engaging	
Name of the domestic accounting firm	Ernst & Young LLP. (Special General Partnership)	
Remuneration of domestic accounting firm	4,700,000	
Audit term of the domestic accounting firm	5	
	Name	Remuneration
Accounting firm performing internal control audit	Ernst & Young LLP. (Special General Partnership)	450,000

Particulars about the engagement and dismissal of the accounting firm

Applicable Not applicable

Particulars about reappointment of the accounting firm in the auditing period

Applicable Not applicable

VII. Risk of suspension of the listing

1 Cause for shares suspended from listing

Applicable Not applicable

2 Countermeasures to be taken by the Company

Applicable Not applicable

VIII. Termination of the listing and its reasons

Applicable Not applicable

IX. Events related to bankruptcy and reorganization

Applicable Not applicable

X. Major lawsuit and arbitration issues

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

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

Applicable Not applicable

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

Applicable Not applicable

Unit: 10,000Yuan Currency: CNY

In the reporting period:

Plaintiff (applicant)	Defendant (respondent)	Party bearing joint liabilities	Type of lawsuit and arbitration	Background of the lawsuit (arbitration)	Amount involved in lawsuit (arbitration)	Estimated liabilities and amount caused by lawsuit (arbitration) or not	Progress in lawsuit (arbitration)	Results of the lawsuit (arbitration) and impacts	Execution of adjudication of lawsuit (arbitration)
Shanghai Zhenhua Heavy Industries Co., Ltd. and ZPMC Qidong Marine Engineering Co., Ltd.	Nantong Huafu Port Co., Ltd, Li Aidong, and Zhao Xiaohua	None	Lawsuit	At the end of February 2014, the Company completed the acquisition of the former Jiangsu Daoda Ocean Engineering Co., Ltd through capital increase and held 67% of the shares. At the same time, it was agreed that the losses of the company, was borne by the former shareholders including Nantong Huafu Port Co., Ltd, Li Aidong and Zhao Xiaohua before February 28, 2014. During the subsequent business process, it was found that the former Daoda Company untruthfully disclosed some matters of lawsuit or debts, resulting in a series of losses of the Company. Through the related audit and readjustment etc., it was deemed that the loss of RMB 368.7222 million Yuan should be in borne in the former shareholders and the lawsuit was prosecuted again after an inconclusive press for payment.	36,872.22	0	The case is still pending	Not yet judged	Not yet judged

3 Other description

Applicable Not applicable

XI. Punishment to the listed Company and its directors, supervisors, senior executives, controlling shareholder, actual controller and acquirer and the rectification

Applicable Not applicable

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

Applicable Not applicable



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

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

Applicable Not applicable

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

Equity incentive

Applicable Not applicable

Other description

Applicable Not applicable

Information about employee stock ownership plan

Applicable Not applicable

Other incentives

Applicable Not applicable

XIV. Material related transactions

1 Related transactions relevant to routine business

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

Applicable Not applicable

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

Applicable Not applicable

3. Events not disclosed in provisional announcements

Applicable Not applicable

Unit: Yuan Currency: CNY

Related party	Relationship	Type of related transaction	Content of related transaction	Pricing principle of related transaction	Price of related transaction	Amount of related transaction	Proportion in the amount of similar transactions (%)	Settlement mode of associated transaction	Market price	Reason for great differences between the bargain price and market price
China Road & Bridge Corporation	Holding subsidiary of parent company	Selling goods/ other inflows	Project income/ lease of assets	Pricing based on market price	897,728,442	897,728,442	0.30	Cash	897,728,442	/
CCCC Third Harbor Engineering Co., Ltd.	Holding subsidiary of parent company	Selling goods/ other inflows	Project income/ lease of assets	Pricing based on market price	424,401,835	424,401,835	0.14	Cash	424,401,835	/
CCCC Second Harbor Engineering Co., Ltd.	Holding subsidiary of parent company	Selling goods/ other inflows	Project income/ lease of assets	Pricing based on market price	283,456,305	283,456,305	0.10	Cash	283,456,305	/
Jiangsu Longyuan Zhenhua Marine Engineering Co., Ltd	Joint venture	Selling goods/ other inflows	Project income/ lease of assets	Pricing based on market price	231,829,678	231,829,678	0.08	Cash	231,829,678	/
Road & Bridge International Co., Ltd.	Holding subsidiary of parent company	Selling goods/ other inflows	Project income/ lease of assets	Pricing based on market price	229,793,506	229,793,506	0.08	Cash	229,793,506	/
CCCC Third Highway Engineering Co., Ltd.	Holding subsidiary of parent company	Selling goods/ other inflows	Project income/ lease of assets	Pricing based on market price	173,821,696	173,821,696	0.06	Cash	173,821,696	/
CCCC Second Highway Engineering Co., Ltd.	Holding subsidiary of parent company	Selling goods/ other inflows	Project income/ lease of assets	Pricing based on market price	138,705,156	138,705,156	0.05	Cash	138,705,156	/
CCCC Electrical and Mechanical Engineering Co., Ltd.	Holding subsidiary of parent company	Selling goods/ other inflows	Project income/ lease of assets	Pricing based on market price	88,938,053	88,938,053	0.03	Cash	88,938,053	/
China Communications Construction Company Ltd.	Holding subsidiary of parent company	Selling goods/ other inflows	Project income/ lease of assets	Pricing based on market price	78,205,835	78,205,835	0.03	Cash	78,205,835	/
CCCC First Harbor Consultants Co., Ltd.	Holding subsidiary of parent company	Selling goods/ other inflows	Project income/ lease of assets	Pricing based on market price	69,444,739	69,444,739	0.02	Cash	69,444,739	/
CCCC Tianjin Industry and Trade Co., Ltd.	Holding subsidiary of parent company	Selling goods/ other inflows	Project income/ lease of assets	Pricing based on market price	50,952,323	50,952,323	0.02	Cash	50,952,323	/
ZPMC-OTL Marine Contractor Limited	Joint venture	Selling goods/ other inflows	Project income/ lease of assets	Pricing based on market price	38,016,390	38,016,390	0.01	Cash	38,016,390	/
ZPMC Southeast Asia Pte. Ltd	Associated company	Selling goods/ other inflows	Project income/ lease of assets	Pricing based on market price	37,632,123	37,632,123	0.01	Cash	37,632,123	/

Related party	Relationship	Type of related transaction	Content of related transaction	Pricing principle of related transaction	Price of related transaction	Amount of related transaction	Proportion in the amount of similar transactions (%)	Settlement mode of associated transaction	Market price	Reason for great differences between the bargain price and market price
The First Construction Company of CCCC Second Harbor Engineering Co., Ltd	Holding subsidiary of parent company	Selling goods/ other inflows	Project income/ lease of assets	Pricing based on market price	36,724,138	36,724,138	0.01	Cash	36,724,138	/
CCCC - SHEC Third Highway Engineering Co., Ltd.	Holding subsidiary of parent company	Selling goods/ other inflows	Project income/ lease of assets	Pricing based on market price	34,008,547	34,008,547	0.01	Cash	34,008,547	/
Installation Engineering Co., Ltd. of CCCC First Harbor Engineering Co. Ltd.	Holding subsidiary of parent company	Selling goods/ other inflows	Project income/ lease of assets	Pricing based on market price	22,123,894	22,123,894	0.01	Cash	22,123,894	/
CCCC First Harbor Engineering Co., Ltd.	Holding subsidiary of parent company	Selling goods/ other inflows	Project income/ lease of assets	Pricing based on market price	20,139,620	20,139,620	0.01	Cash	20,139,620	/
CCCC First Highway Engineering Co., Ltd.	Holding subsidiary of parent company	Selling goods/ other inflows	Project income/ lease of assets	Pricing based on market price	14,921,008	14,921,008	0.01	Cash	14,921,008	/
China Harbor Engineering Co., Ltd.	Holding subsidiary of parent company	Selling goods/ other inflows	Project income/ lease of assets	Pricing based on market price	13,927,295	13,927,295	0.00	Cash	13,927,295	/
CCCC Tunnel Engineering Co., Ltd.	Holding subsidiary of parent company	Selling goods/ other inflows	Project income/ lease of assets	Pricing based on market price	12,218,362	12,218,362	0.00	Cash	12,218,362	/
CCCC Yancheng Construction Development Co., Ltd.	Holding subsidiary of parent company	Selling goods/ other inflows	Project income/ lease of assets	Pricing based on market price	11,855,952	11,855,952	0.00	Cash	11,855,952	/
CCCC Shanghai Equipment Engineering Co., Ltd.	Holding subsidiary of parent company	Selling goods/ other inflows	Project income/ lease of assets	Pricing based on market price	8,761,075	8,761,075	0.00	Cash	8,761,075	/
The Third Engineering Company of CCCC Fourth Harbor Engineering Co., Ltd	Holding subsidiary of parent company	Selling goods/ other inflows	Project income/ lease of assets	Pricing based on market price	6,559,140	6,559,140	0.00	Cash	6,559,140	/
CCCC First Highway Electrification Engineering Co., Ltd	Holding subsidiary of parent company	Selling goods/ other inflows	Project income/ lease of assets	Pricing based on market price	6,129,210	6,129,210	0.00	Cash	6,129,210	/
No.3 Co. of The Second Navigational Engineering Bureau, CCCC	Holding subsidiary of parent company	Selling goods/ other inflows	Project income/ lease of assets	Pricing based on market price	5,053,060	5,053,060	0.00	Cash	5,053,060	/
CCCC - SHEC Electrical Engineering Co., Ltd.	Holding subsidiary of parent company	Selling goods/ other inflows	Project income/ lease of assets	Pricing based on market price	4,731,690	4,731,690	0.00	Cash	4,731,690	/
CCCC Tianhe Mechanical Equipment Manufacturing Co., Ltd	Holding subsidiary of parent company	Selling goods/ other inflows	Project income/ lease of assets	Pricing based on market price	4,698,839	4,698,839	0.00	Cash	4,698,839	/
Beijing Rate Electronic Technology Developing Co., Ltd.	Holding subsidiary of parent company	Selling goods/ other inflows	Project income/ lease of assets	Pricing based on market price	3,550,889	3,550,889	0.00	Cash	3,550,889	/
CCCC Xi'an Road Construction Machinery Co., Ltd.	Holding subsidiary of parent company	Selling goods/ other inflows	Project income/ lease of assets	Pricing based on market price	1,327,434	1,327,434	0.00	Cash	1,327,434	/
CCCC International Shipping Co., Ltd	Holding subsidiary of parent company	Selling goods/ other inflows	Project income/ lease of assets	Pricing based on market price	1,044,785	1,044,785	0.00	Cash	1,044,785	/
Road & Bridge International Co., Ltd.	Holding subsidiary of parent company	Selling goods/ other inflows	Project income/ lease of assets	Pricing based on market price	78,509	78,509	0.00	Cash	78,509	/
No.2 Engineering Co., Ltd. of CCCC Third Harbor Engineering Co., Ltd.	Holding subsidiary of parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	691,422,066	691,422,066	0.32	Cash	691,422,066	/
CCCC Fourth Highway Engineering Co., Ltd.	Holding subsidiary of parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	306,195,275	306,195,275	0.14	Cash	306,195,275	/
CCCC Second Harbor Engineering Co., Ltd.	Holding subsidiary of parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	301,152,978	301,152,978	0.14	Cash	301,152,978	/
CCCC Third Harbor Engineering Co., Ltd.	Holding subsidiary of parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	204,828,721	204,828,721	0.10	Cash	204,828,721	/
CCCC First Highway Engineering Co., Ltd.	Holding subsidiary of parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	201,690,439	201,690,439	0.09	Cash	201,690,439	/
CCCC Tianjin Dredging Co., Ltd.	Holding subsidiary of parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	100,525,545	100,525,545	0.05	Cash	100,525,545	/
CCCC Third Highway Engineering Co., Ltd.	Holding subsidiary of parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	60,479,325	60,479,325	0.03	Cash	60,479,325	/
ZPMC Southeast Asia Pte. Ltd	Associated company	Receipt of services	Consigned processing for the Company	Pricing based on market price	59,340,652	59,340,652	0.03	Cash	59,340,652	/
Shanghai Communications Construction Contracting Co., Ltd.	Holding subsidiary of parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	36,281,828	36,281,828	0.02	Cash	36,281,828	/



Related party	Relationship	Type of related transaction	Content of related transaction	Pricing principle of related transaction	Price of related transaction	Amount of related transaction	Proportion in the amount of similar transactions (%)	Settlement mode of associated transaction	Market price	Reason for great differences between the bargain price and market price
No. 2 Engineering Co., Ltd. of CCCC Fourth Highway Engineering Co., Ltd.	Holding subsidiary of parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	32,430,368	32,430,368	0.02	Cash	32,430,368	/
CCCC Water Transportation Planning and Design Institute Co., Ltd.	Holding subsidiary of parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	26,070,990	26,070,990	0.01	Cash	26,070,990	/
Road & Bridge East China Engineering Co., Ltd.	Holding subsidiary of parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	23,620,159	23,620,159	0.01	Cash	23,620,159	/
CCCC Second Highway Engineering Co., Ltd.	Holding subsidiary of parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	21,674,421	21,674,421	0.01	Cash	21,674,421	/
CCCC First Highway Fifth Engineering Co., Ltd.	Holding subsidiary of parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	17,768,785	17,768,785	0.01	Cash	17,768,785	/
CCCC Worldcom (Chongqing) Heavy Industries Co., Ltd.	Holding subsidiary of parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	14,309,194	14,309,194	0.01	Cash	14,309,194	/
China Road & Bridge Corporation	Holding subsidiary of parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	10,988,748	10,988,748	0.01	Cash	10,988,748	/
CCCC Second Highway Consultants Co., Ltd.	Holding subsidiary of parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	5,420,288	5,420,288	0.00	Cash	5,420,288	/
China Communications Construction Company Ltd.	Holding subsidiary of parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	4,388,549	4,388,549	0.00	Cash	4,388,549	/
CCCC Third Harbor Consultants Co., Ltd.	Holding subsidiary of parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	3,577,982	3,577,982	0.00	Cash	3,577,982	/
ZPMC Mediterranean Liman Makinalari Ticaret Anonim Sirketi	Holding subsidiary of parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	3,690,480	3,690,480	0.00	Cash	3,690,480	/
CCCC Tianhe Mechanical Equipment Manufacturing Co., Ltd	Holding subsidiary of parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	1,834,862	1,834,862	0.00	Cash	1,834,862	/
Shanghai China Communications Water Transportation Design & Research Co., Ltd.	Holding subsidiary of parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	1,748,853	1,748,853	0.00	Cash	1,748,853	/
CCCC First Harbor Consultants Co., Ltd.	Holding subsidiary of parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	1,293,585	1,293,585	0.00	Cash	1,293,585	/
CCCC Xingyu Technology Co., Ltd	Holding subsidiary of parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	1,291,516	1,291,516	0.00	Cash	1,291,516	/
Shanghai Waterway Logistics Co., Ltd	Holding subsidiary of parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	1,009,174	1,009,174	0.00	Cash	1,009,174	/
Installation Engineering Co., Ltd. of CCCC First Harbor Engineering Co. Ltd.	Holding subsidiary of parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	908,257	908,257	0.00	Cash	908,257	/
CCCC Highway Consultants Co., Ltd.	Holding subsidiary of parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	258,180	258,180	0.00	Cash	258,180	/
CCCC Marine Engineering & Technology Research Center Co., Ltd.	Holding subsidiary of parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	207,203	207,203	0.00	Cash	207,203	/
CCCC WuHan Harbour Engineering Design and Research Co., Ltd.	Holding subsidiary of parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	68,807	68,807	0.00	Cash	68,807	/
CCCC Shanghai Harbor Engineering Design & Research Institute Co., Ltd.	Holding subsidiary of parent company	Receipt of services	Consigned processing for the Company	Pricing based on market price	55,046	55,046	0.00	Cash	55,046	/
CCCC Shanghai Equipment Engineering Co., Ltd.	Holding subsidiary of parent company	Purchase of goods	Providing materials for the Company	Pricing based on market price	645,334,160	645,334,160	0.73	Cash	645,334,160	/
ZPMC Changzhou Coatings Co., Ltd	Associated company	Purchase of goods	Providing materials for the Company	Pricing based on market price	83,224,897	83,224,897	0.09	Cash	83,224,897	/
CCCC Tianjin Industry and Trade Co., Ltd.	Holding subsidiary of parent company	Purchase of goods	Providing materials for the Company	Pricing based on market price	66,687,672	66,687,672	0.08	Cash	66,687,672	/

Related party	Relationship	Type of related transaction	Content of related transaction	Pricing principle of related transaction	Price of related transaction	Amount of related transaction	Proportion in the amount of similar transactions (%)	Settlement mode of associated transaction	Market price	Reason for great differences between the bargain price and market price
Installation Engineering Co., Ltd. of CCCC First Harbor Engineering Co. Ltd.	Holding subsidiary of parent company	Purchase of goods	Providing materials for the Company	Pricing based on market price	61,964,860	61,964,860	0.07	Cash	61,964,860	/
Shanghai Jiangnan Industrial Co., Ltd.	Holding subsidiary of parent company	Purchase of goods	Providing materials for the Company	Pricing based on market price	10,044,735	10,044,735	0.01	Cash	10,044,735	/
Chongqing Yongjiang Expressway Investment and Construction Co., Ltd. of FHEC of CCCC	Holding subsidiary of parent company	Purchase of goods	Providing materials for the Company	Pricing based on market price	9,557,213	9,557,213	0.01	Cash	9,557,213	/
CCCC Shanghai Channel Equipment Industry Co., Ltd.	Holding subsidiary of parent company	Purchase of goods	Providing materials for the Company	Pricing based on market price	3,466,483	3,466,483	0.00	Cash	3,466,483	/
China Communications Construction Company Ltd.	Holding subsidiary of parent company	Purchase of goods	Providing materials for the Company	Pricing based on market price	2,254,606	2,254,606	0.00	Cash	2,254,606	/
CCCC National Engineering Research Center of Dredging Technology and Equipment Co., Ltd.	Holding subsidiary of parent company	Purchase of goods	Providing materials for the Company	Pricing based on market price	2,151,725	2,151,725	0.00	Cash	2,151,725	/
CNPC & CCCC Petroleum Sales Co., Ltd.	Holding subsidiary of parent company	Purchase of goods	Providing materials for the Company	Pricing based on market price	2,047,752	2,047,752	0.00	Cash	2,047,752	/
CCCC (Xiamen) Information Co., Ltd.	Holding subsidiary of parent company	Purchase of goods	Providing materials for the Company	Pricing based on market price	20,971	20,971	0.00	Cash	20,971	/
Total				/	/	5,972,066,878		/	/	/
Details of large amount of sales returns										
Explanation for related transactions				The Proposal on Estimating Routine Related Transactions for Years 2019-2021 was approved upon deliberation at the first provisional general meeting in 2019 of the Company. In 2020, the amount of the annual related transactions in the normal business between the Company and its subsidiaries and China Communications Construction Co., Ltd. and its subsidiaries did not exceed RMB 10 billion. The Annual General Meeting had authorized the Company's management to handle the relevant specific matters.						

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

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

Applicable Not applicable

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

Applicable Not applicable

3. Events not disclosed in provisional announcements

Applicable Not applicable

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

Applicable Not applicable

3 Material related transactions with joint external investments

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

Applicable Not applicable

Summary of events	Query index
On August 28, the 16 th meeting of the 7 th board of directors deliberated and passed the Proposal on Capital Increase and Related Party Transactions of CCCC Yancheng Construction Development Co., Ltd.	Website of Shanghai Stock Exchange: www.sse.com.cn, and Shanghai Securities News and Hong Kong Wen Wei Po on August 29, 2020
On August 28, the 16 th meeting of the 7 th board of directors deliberated and passed the Proposal on Giving up the Priority of Capital Increase Right of Subsidiaries and Related Party Transactions	Website of Shanghai Stock Exchange: www.sse.com.cn, and Shanghai Securities News and Hong Kong Wen Wei Po on August 29, 2020

**2. Events disclosed in the provisional announcement, with progress or changes in follow-up implementation**Applicable Not applicable**3. Events not disclosed in provisional announcements**Applicable Not applicable**4 Current associated rights of credit and liabilities****1. Events disclosed in provisional announcement, without progress or changes in follow-up implementation**Applicable Not applicable**2. Events disclosed in the provisional announcement, with progress or changes in follow-up implementation**Applicable Not applicable**3. Events not disclosed in provisional announcements**Applicable Not applicable**5 Others**Applicable Not applicable**XV. Material contracts and their performance****1 Trusteeship, contracting and leasing matters****1. Trusteeship**Applicable Not applicable**2. Contracting**Applicable Not applicable**3. Leasing**Applicable Not applicable

Unit: Yuan Currency: CNY

Name of lessor	Name of lessee	Leased assets	Amount involved in leased assets	Starting date of leasing	Termination date of leasing	Income from leasing	Basis for determining income from leasing	Impacts of income from leasing on the Company	Related transaction or not	Relationship
The Company	Shanghai Zhenlong Asset Management Co., Ltd. and other companies	Lease of houses	240,593,148.00	August 10, 2012	July 9, 2025	47,718,300.00	Agreed	47,718,300.00	No	Other

Leasing explanation

None

2 GuaranteeApplicable Not applicable

Unit: Yuan Currency: CNY

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

Including:	
Amount of guarantee to the shareholders, the actual controller and related parties (C)	
Amount of debt guarantee directly or indirectly provided to the guaranteed party with the asset-liability ratio over 70% (D)	1,446,253,214
Amount of guarantee exceeding 50% of net assets (E)	
Total guarantee amount of the above three items (C+D+E)	1,446,253,214
Explanation for the joint and several repayment liabilities for the undue guarantee	
Description of guarantee	The Proposal for Providing Financing Guarantee to the Subsidiary Shanghai Zhenhua Port Machinery (Hong Kong) Co., Ltd. Was approved upon deliberation by the Company at the 1st provisional general meeting for 2008 held in September 22, 2008, which agreed to provide the financial support to the subsidiary in Hong Kong and provided the guarantee with the upper limit of USD 500 million for the loan it applied for through the bank. Guarantees provided by the Company to subsidiaries during the reporting period refer to the guarantees to subsidiaries in Hong Kong. Other guarantee matters were approved upon deliberation at the 30th meeting of the 5th Board of Directors.

3 Consigned cash assets management

1. Consigned financing

(1) General information of consigned financing

Applicable Not applicable

Other information

Applicable Not applicable

(2) Information on individual consigned financing

Applicable Not applicable

Other information

Applicable Not applicable

(3) Provision for impairment of consigned financing

Applicable Not applicable

2. Consigned loans

(1) General information of consigned loans

Applicable Not applicable

Other information

Applicable Not applicable

(2) Individual consigned loans

Applicable Not applicable

Other information

Applicable Not applicable

(3) Provision for impairment of consigned loans

Applicable Not applicable

3. Other information

Applicable Not applicable

4 Other material contracts

Applicable Not applicable

XVI. Particulars about other important events

Applicable Not applicable

XVII. Particulars about actively performing social responsibilities

1 Poverty alleviation of the listed company

Applicable Not applicable

1. Targeted poverty alleviation program

Applicable Not applicable

According to the requirements of the "Decision of the Central Committee of the Communist Party of China and the State Council on Winning the Battle Against Poverty", in order to implement the enterprise social responsibility, the Company established a leading group for poverty alleviation and development and actively carried out the targeted poverty alleviation, and completed the task of partner assistance in Tue Township, Lanping County, Nujiang Prefecture, Yunnan Province.

2. Summary of annual targeted poverty alleviation

Applicable Not applicable



In 2020, taking the principle of “Poverty Alleviation after Education” as the main working concept, the Company centralized the resource to donate a number of indoor and outdoor facilities for Tue Town Kindergarten, including desks and chairs, siesta bed, all-in-one teaching machine, water dispenser and suspended floor, by which the local education resource lack was improved. In the early stage of the outbreak of COVID-19, the Company donated a batch of materials to Lanping County where Tue Town is located to help them fight against COVID-19. It ordered a batch of work clothes from the clothing companies in Yingjisha County, Xinjiang to create employment and increase income for the filed and registered households, and actively cooperated with the designated poverty alleviation villages and towns to carry out the training on appropriate traditional Chinese medicine technology for rural doctors and the training on industrialization development of plateau characteristic agricultural products. In addition, the Company carried out the poverty alleviation through consumption and employment there, and participated in the free construction project of Nujiang Dukou Bridge, helping the local infrastructure construction. The Company won the title of “Targeted Poverty Alleviation Star Enterprise granted” by Lanpei County Committee of the CPC and Lanping County People’s government in 2020.

3. Effectiveness of targeted poverty alleviation

√Applicable □Not applicable

Unit: 10,000Yuan Currency: CNY

Indicators	Amount and progress
I. General condition	
Including: 1. Funds	178.08
II. Itemized investment	
1. Transfer employment for poverty alleviation	
Including: 1.1 Investment in vocational skills training	2.85
1.2 Number of trainees for vocational skills training (person/time)	28
1.3 Number of employed people from filed and registered poor households (person)	5
2. Poverty alleviation through education	
2.1 Investment in improving the education resources in poor areas	41.74
3. Poverty alleviation through health improvement	
Including: 3.1 investment in medical and health resources in poor areas	2.51
4. Other items	
4.1 Description of other items	Overall poverty alleviation funds of CCGG: RMB 600,000; cost of customized work clothes from Yingjisha County, Xinjiang: RMB 381,200; poverty alleviation funds from external units: RMB 50,000; purchase of agricultural products from poor areas: RMB 206,200; joint investment in poverty alleviation through consumption with external units: RMB 72,400
III. Awards (content and level)	
Targeted Poverty Alleviation Star Enterprise (county-level)	

4. Subsequent targeted poverty alleviation program

√Applicable □Not applicable

In combination with the poverty alleviation requirements of “Continuing to take responsibilities, to implement policies, to provide support and to supervise after overcoming poverty”, the Company will continue to improve its political position, enhance the social responsibility as a central enterprise, strengthen the support and publicity, and help Tue Township in Lanping county to continue to do a good job in compulsory education and labor transfer in the “post poverty alleviation” era, so as to improve its hematopoietic capacity and create a development outlook with high level of labor force and good quality of the whole people.

Based on the investigations of poverty alleviation, the Company plans to carry out the poverty alleviation work in 2021 in the following aspects:

I. Poverty alleviation through Party Building. The Party branch of ZPMC will carry out partner assistance with Yongchang Community Party branch of Lanping County and Tue Township Party branch.

II. Poverty alleviation through education. By using big data and other methods, it will establish a student growth database for Tue Center Primary School and Zhenhua Kindergarten to record the growth status, and will develop new “post poverty alleviation” measures with modern means. At the same time, the Company will strengthen the one-to-one support propaganda in ZPMC and will continue to do well in poverty alleviation education.

III. Poverty alleviation through employment. The Company will provide industrial worker jobs for the surplus labor force in Tue Township and provide relevant training and teaching, so as to help them grow rapidly and to provide assistance for the Company's production base and domestic and foreign port and terminal production operations.

2 Fulfillment of social responsibility

Applicable Not applicable

The Company actively performed the social responsibility, enhanced the responsibility management to create the benefit for shareholders, upgraded the operation quality to create the high quality products for users, responded to the "Belt and Road" initiative and "Made in China 2025 Strategy" with the actual action, implemented the development strategy with equipment manufacturing as the center and capital operation and Internet+ as two wings. In addition to the traditional dominant plates such as port machinery, ocean engineering, system EPC and ocean transportation of heavy cargoes, the Company also developed the intelligent industry, livelihood consumption, integrated development and digital industry, to make contribution to the development of entity economy and the construction of the well-off society.

Adhering to the concept of "open development and all-win harmony", the Company speeded up the pace of "going global", actively promoted the layout of overseas regional centers, and built Terminexus digital intelligent platform, to provide faster and more efficient services to global users. Every year, the Company may hold the forum on intelligent solutions of wharf to discuss the development plan with the global professionals. The Company made full use of the platform of China International Import Expo to achieve mutual benefit and common development with global enterprises.

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

The Company always adhered to the principle of "people-oriented", strengthened the humanistic care for employees, built a career development platform for employees; strengthened the communication with the community where the Company is located through activities such as party building and association building; released the Social Responsibility Report regularly to show the development trend of the enterprise; carried out the targeted poverty alleviation, promoted the poverty alleviation month by month, and implemented fixed-point poverty alleviation tasks.

3 Environmental Information

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

Applicable Not applicable

(1) Emission information

Applicable Not applicable

During the reporting period, under the guidance of Xi Jinping's ecological civilization thought, the Company conscientiously implemented the significant national and local decisions and arrangements on eco-environmental protection, and actively promoted the environmental compliance regulation action and took environmental pollution control as the key work in the year-round. The Company implemented the subject responsibility and leadership responsibility at all levels, took the initiative to improve the position and awareness of ecological environmental protection, adhered to the general requirements of "full coverage, zero tolerance, strict law enforcement and practical effect", studied and solved the outstanding problems that restricted the environmental protection work of the Company in accordance with the national laws, regulations and industry standards, and promoted the environmental rectification and improved the environmental management level.

During the reporting period, the total permitted amount of main pollutants in waste gas of the Company and its major subsidiaries: 1.13 tons of sulfur dioxide, 2.41 tons of nitrogen oxide, 71.10 tons of particulate matter (total amount control implemented in some subsidiaries), and 309.27 tons of VOCs; annual actual emissions: 1.09 tons of sulfur dioxide, 2.10 tons of nitrogen oxide, 69.32 tons of particulate matter (actual emissions of the subsidiaries implementing total amount control: 23.89 tons), and 254.92 tons of VOCs; total permitted amount of main pollutants in wastewater: 480.33 tons of COD and 35.51 tons of ammonia nitrogen; annual actual emissions: 178.80 tons of COD and 10.32 tons of ammonia nitrogen. All indicators were in line with the total emission control indicators of the emission permit. According to the supervision monitoring by environmental protection department and the self-monitoring of the enterprise, all kinds of pollutants discharged by the Company meet the corresponding emission limits specified in the national "Integrated Emission Standard of Air Pollutants" (GB 16297-1996), "Integrated Wastewater Discharge Standard" (GB8978-1996), "Emission Standards of Pollutants for Shipbuilding Industry" (DB31/934-2015), "Emission Standards for Odor Pollutants" (GB14554-1993), "Integrated Emission Standard of Air Pollutants" (DB31/933-2015), "Emission Standards for Odor Pollutants" (DB31/1025-2016), "Integrated Emission Standard of Air Pollutants" (GB 16297-1996), "Emission Standard of Air Pollutants for Boiler"



(DB31/387-2018), and the “Integrated Emission Standard of Air Pollutants” (DB31/933-2015) of Shanghai City, “Emission Standard of Air Pollutants for Industrial Kiln and Furnace” (DB31/860-2014), “Integrated Wastewater Discharge Standard” (DB31/199-2018) and “Emission Standard for Industrial Enterprises Noise at Boundary” (GB12348-2008).

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

Name of the company or subsidiary	Name of main pollutant and characteristic pollutant	Emission mode	Number of outlets	Distribution of outlets	Emission concentration	Applicable pollutant emission standards	Total emissions in 2020	Permitted emissions in 2020	Over-standard emissions in 2020
Shanghai Zhenhua Heavy Industries Co., Ltd. Changxing Branch	SO ₂	Organized emission	62	Pretreatment, sand washing and coating	Meeting relevant standards	Emission Standards of Pollutants for Shipbuilding Industry (DB31/934-2015), Integrated Emission Standard of Air Pollutants (DB31/933-2015) of Shanghai City, Emission Standards for Odor Pollutants (DB31/1025-2016), Emission Standard of Air Pollutants for Boiler (DB31/387-2018), and Emission Standard of Air Pollutants for Industrial Kiln and Furnace (DB31/860-2014)	1.09	1.13	None
	NO _x						2.1	2.41	None
	Particulate matter						12.86	18.74	None
	VOCs						142.95	146.5475	None
	COD		22.17	189.4		None			
	Ammonia nitrogen	2	Wastewater outlet	Integrated Wastewater Discharge Standard (DB31/199-2018)	0.22	14.25	None		
Shanghai Zhenhua Port Machinery Heavy Industries Co., Ltd.	Particulate matter	Organized emission	10	Pretreatment, sand washing and coating	Meeting relevant standards	Integrated Emission Standard of Air Pollutants (DB31/933-2015), Emission Standards for Odor Pollutants (DB31/1025-2016), and Emission Standard of Air Pollutants for Industrial Kiln and Furnace (DB31/860-2014) of Shanghai City	3.51	21.133	None
	VOCs						43.68	60.02	None
Shanghai Zhenhua Heavy Industries Port Machinery General Equipment Co., Ltd.	Particulate matter	Organized emission	9	Pretreatment, sand washing and coating	Meeting relevant standards	Integrated Wastewater Discharge Standard (DB31/199-2018)	6.686	30.14	None
	VOCs						30.5144	45.56	None
Shanghai Zhenhua Heavy Industries Co., Ltd. Nantong Branch	Particulate matter	Organized emission	17	Sand washing and coating	Meeting relevant standards	Integrated Emission Standard of Air Pollutants (GB 16297-1996)	4.486	-	None
	VOCs						30.1405	33.36	None
	COD		2	Wastewater outlet		122.613	139.364	None	
	Ammonia nitrogen					2.841	11.23	None	
Nantong Zhenhua Heavy Equipment Manufacturing Co., Ltd.	Particulate matter	Organized emission	18	Pretreatment, sand washing and coating	Meeting relevant standards	Integrated Emission Standard of Air Pollutants (GB 16297-1996)	40.921	-	None
	VOCs						2.668	17.187	None
	COD		1	Wastewater outlet		24.616	127.218	None	
	Ammonia nitrogen					6.624	8.64	None	
ZPMC Transmission Machinery (Nantong) Co., Ltd.	Particulate matter	Organized emission	11	Pretreatment, sand washing and coating	Meeting relevant standards	Integrated Emission Standard of Air Pollutants (GB 16297-1996), Emission Standard of Air Pollutants for Boiler (GB13271-2014), and Emission Standard of Air Pollutants for Industrial Kiln and Furnace (GB9078-1996)	0.0209	-	None
	VOCs						0.7361	-	None
	COD		1	Wastewater outlet		2.95	-	None	
	Ammonia nitrogen					0.2467	-	None	
ZPMC Qidong Marine Engineering Co., Ltd.	Particulate matter	Organized emission	10	Pretreatment, sand washing and coating	Meeting relevant standards	Reference standards: Integrated Emission Standard of Air Pollutants (DB31/933-2015) of Shanghai City, Emission Control Standard of Volatile Organic Compounds for Industrial Enterprises (DB12/524-2014) of Tianjin City, and Emission Standards for Odor Pollutants (GB14554-1993)	0.835	1.09	None
	VOCs						4.227	6.6	None
	COD		1	Wastewater outlet		6.451	24.35	None	
	Ammonia nitrogen					0.384	1.39	None	

Remark: - in the table indicates that the enterprise does not implement total amount control

(2) Construction and operation of pollution control facilities

√Applicable □Not applicable

Based on the existing laws and regulations and the requirements of industrial policies, the Company and its subsidiaries have comprehensively carried out environmental compliance rectification activities, strengthened the performance of duties for ecological environmental protection, guided employees to give full play to their subjective initiative, and strengthened supervision, so as to ensure the compliance and control of the control objectives.

According to the latest environmental protection requirements and the distribution of pollution sources, the Company and its subsidiaries strengthened the comprehensive treatment of waste gas and wastewater pollutants during the reporting period. Changxing Base (including Shanghai Zhenhua Heavy Industries Co., Ltd. Changxing Branch, Shanghai Zhenhua Port Machinery Heavy Industries Co., Ltd., Shanghai Zhenhua Heavy Industries Port Machinery General Equipment Co.,

Ltd.) has mainly implemented the rectification project of waste gas treatment facilities in painting workshop, workshop and outfield welding fume treatment rectification project, non-road mobile machinery renovation project, rainwater and sewage diversion reconstruction project, initial rainwater collection and treatment project, ambient air automatic monitoring system construction project, the upgrading of environmental protection facilities for galvanizing workshop of Changxing Branch, painting shed construction project, hazardous waste warehouse construction project, and paint work construction project, etc. Nantong Zhenhua Heavy Equipment Manufacturing Co., Ltd has focused on the new paint workshop project and installed three VOCs automatic monitoring systems. Shanghai Zhenhua Heavy Industries Co., Ltd Nantong Branch, ZPMC Transmission Machinery (Nantong) Co., Ltd and ZPMC Qidong Marine Engineering Co., Ltd have completed the installation of 5 VOCs automatic monitoring systems, and promoted the renovation of painting line.

The Company has attached great importance to the operation and management of environmental protection facilities, established a complete management system, formulated and improved the management system, and all subsidiaries have worked in strict accordance with ISO14001 environmental management system standards. At present, the environmental control facilities of the Company have fully covered the waste gas, waste water, noise and solid wastes, and all kinds of pollution control facilities are in normal operation.

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

√Applicable □Not applicable

All the new, reconstruction and expansion projects of the Company strictly implement the relevant management regulations of "Three Simultaneities" for environmental protection of national and local construction projects, and the projects have gone through the procedures of environmental impact assessment and completion acceptance. See the table below for details:

Name of the company or subsidiary	Project name	EIA approval / acceptance
Shanghai Zhenhua Heavy Industries Co., Ltd. Changxing Branch	Changxing Island Base construction project of Shanghai Zhenhua Port Machinery Co., Ltd	Acceptance completed
	ZPMC Changxing Island Inland Expansion Project	
	New 0# Outer Terminal Project of Shanghai Zhenhua Heavy Industries Co., Ltd Changxing Production Base	
	3# Outer Terminal Project of ZPMC Changxing Base	
	5# Terminal Project of ZPMC Changxing Island Production Base	
	ZPMC Changxing Hot Dip Galvanizing Project	
	4# Terminal Reconstruction Project of Shanghai Zhenhua Heavy Industries Co., Ltd Changxing Base	EIA approval has been obtained
	Intelligent manufacturing workshop for crane box of automated terminal of Shanghai Zhenhua Heavy Industries Co., Ltd	
	New hazardous wastes warehouse project of Shanghai Zhenhua Heavy Industries Co., Ltd Changxing Branch	
	New paint shop project of Changxing Base	
2# Gas Station Project of Shanghai Zhenhua Heavy Industries Co., Ltd Changxing Base		
Shanghai Zhenhua Port Machinery Heavy Industries Co., Ltd.	Changxing Island Base construction project of Shanghai Zhenhua Port Machinery Co., Ltd	Acceptance completed
	ZPMC Changxing Island Inland Expansion Project	
	Added integrated workshop of Changxing Export Base Land Expansion Project Phase II	
	Intelligent welding line construction project for super large lifting parts	EIA approval has been obtained
	Intelligent production transformation and upgrading of port machinery parts	
	Technical improvement project of painting automatic production line	
B4 painting workshop of Axle Business Department		
Shanghai Zhenhua Heavy Industries Port Machinery General Equipment Co., Ltd.	Changxing Island manufacturing base project of Shanghai Port Machinery Manufacturing Plant	Acceptance completed
	Adjustment of the Changxing Island manufacturing base project of CCCC Shanghai Port Machinery Manufacturing Plant	
	Changxing Island manufacturing base project (extra-heavy shipping terminal and approach bridge) of Shanghai Port Machinery Manufacturing Plant	EIA approval has been obtained
	Paint warehouse reconstruction project of Shanghai Zhenhua Heavy Industries Port Machinery General Equipment Co., Ltd.	



Name of the company or subsidiary	Project name	EIA approval / acceptance
Shanghai Port Machinery Heavy Industry Co., Ltd	New projects of Shanghai Port Machinery Equipment Manufacturing Co., Ltd	Acceptance completed
	Product adjustment project of Shanghai Port Machinery Equipment Manufacturing Co., Ltd	
Shanghai Zhenhua Heavy Industries Co., Ltd. Nantong Branch	Annual output of 75 rail cranes, 8 bridge cranes or ship unloaders project	Acceptance completed
	Annual output of 150 container yard bridges, 20,000t/a extra-heavy bridge steel structure and 10,000t/a offshore heavy machinery and equipment project	
	40 mu living quarter project of Nantong Zhenhua Heavy Equipment Manufacturing Co., Ltd.	
	Supporting project of new A-class warehouse and self-use diesel supply point of Nantong Zhenhua Heavy Equipment Manufacturing Co., Ltd	Construction in batches; partial acceptance has been completed
Nantong Zhenhua Heavy Equipment Manufacturing Co., Ltd.	Nantong new production base project of Nantong Zhenhua Heavy Equipment Manufacturing Co., Ltd.	Acceptance completed
	Sheet pile revetment terminal of Nantong New Production Base of Nantong Zhenhua Heavy Equipment Manufacturing Co., Ltd.	
	Nantong Zhenhua 110kV factory substation project	
	Supporting living quarter project of Nantong Zhenhua Heavy Equipment Manufacturing Co., Ltd.	
	Expansion of 100,000t/a sand washing paint steel components to 200,000t/a and 2980t stainless steel and nonferrous metal pipe fittings project of Nantong Zhenhua Heavy Equipment Manufacturing Co., Ltd.	EIA approval has been obtained
ZPMC Transmission Machinery (Nantong) Co., Ltd.	Gearbox factory project of Shanghai Zhenhua Port Machinery (Group) Co. Ltd (Nantong Zhenhua Heavy Equipment Manufacturing Co., Ltd.) Nantong Base	Acceptance completed
	New large parts processing workshop and 4 # dormitory project of ZPMC Transmission Machinery (Nantong) Co., Ltd.	
	5,000t/a marine pile legs and environmental protection equipment upgrading project of ZPMC Transmission Machinery (Nantong) Co., Ltd.	EIA approval has been obtained
ZPMC Qidong Marine Engineering Co., Ltd.	Production project of products under 100,000 tons, including product tanker, chemical tanker, bulk carrier and marine engineering products of ZPMC Qidong Marine Engineering Co., Ltd.	Acceptance completed

According to the requirements of the "Interim Provisions on the Administration of Pollutant Emission Permit" and the "Technical Specification for Application and Issuance of Pollutant Emission Permit" of the state, the Company and its subsidiaries have successively applied for pollutant emission permits since 2015 and applied for the change of pollutant emission permits according to regulations, and have obtained the "Pollutant Emission Permit" issued by local ecological and environmental protection department. In strict accordance with the requirements of emission permit, the Company continued to discharge pollutant as permitted, carried out self-monitoring, established accounts, reported regularly and made information public.

(4) Emergency proposal for environmental accident

Applicable Not applicable

In order to prevent the occurrence of sudden environmental pollution incidents and to control and deal with them quickly and effectively after the occurrence, in accordance with the "Environmental Protection Law of the People's Republic of China", "Law of the People's Republic of China on the Prevention and Control of Water Pollution", "Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution", "Law of the People's Republic of China on the Prevention and Control of Solid Waste Pollution", "Measures for the Administration of Recording the Emergency Plan for Emergent Environmental Events of Enterprises and Institutions (Trial Implementation)", "Guidelines for the Compilation of Risk Assessment Report on Environmental Emergencies in Enterprises (Trial Implementation)", the Company assessed the existing environmental risks, prepared the emergency plans for subsidiaries, and filed them with the local ecological and environmental protection department. During the reporting period, Shanghai Zhenhua Heavy Industries Co., Ltd. Changxing Branch, Shanghai Zhenhua Port Machinery Heavy Industries Co., Ltd, and Shanghai Zhenhua Heavy Industries Co., Ltd. Nantong Branch started and completed the revision, evaluation and filing of the emergency plan for environmental emergencies.

(5) Self-monitoring scheme for environment

Applicable Not applicable

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

During the reporting period, the Company has built five new boundary environmental monitoring stations in Changxing base (including Shanghai Zhenhua Heavy Industries Co., Ltd. Changxing Branch, Shanghai Zhenhua Port Machinery Heavy Industries Co., Ltd., Shanghai Zhenhua Heavy Industries Port Machinery General Equipment Co., Ltd.), which have been equipped with advanced environmental monitoring equipment to improve the accuracy of monitoring; the Company has changed the monitoring management mode, taken monitoring, over standard analysis, rectification, tracking and supervision as the important functions of environmental monitoring, and realized the closed-loop management of over standard problems. In the meanwhile, it conscientiously carried out self-monitoring and released self-monitoring data and related information in a timely, complete and truthful manner according to national and local requirements. The self-monitoring announcement rate in the reporting period reached 100%.

(6) Other environmental information to be disclosed

Applicable Not applicable

2. Particulars about the environmental protection of the companies other than those defined as key pollutant-discharge entities

Applicable Not applicable

The main pollutants of the subsidiaries other than the key emission entities such as Shanghai Port Machinery Heavy Industry Co., Ltd, subordinate to the Company: wastewater (COD, ammonia nitrogen), waste gas (particulate matter, VOCs), solid waste, noise, etc. Discharge mode: the wastewater was discharged up to the standard after treatment and some units have set up sewage treatment facilities; the atmospheric pollutants such as the particulate matter and VOCs in waste gas were discharged in the manner of organized discharge; it is required to renovate spraying exhaust gas treatment facilities and provide workshop dust removal devices, etc.; the solid wastes and the hazardous wastes were handed over to the qualified entities for treatment; plant boundary noise was discharged up to the standard.

3. Description of the reasons for failing to disclose the environmental information by the companies other than the key pollutant discharge entities

Applicable Not applicable

4. Description of the follow-up progress and changes in the contents of environmental information disclosed during the reporting period

Applicable Not applicable

(IV) Other description

Applicable Not applicable

In August 2020, All-China Environment Federation sued the Company and Shanghai Zhenhua Heavy Industries Co., Ltd. Changxing Branch to Shanghai No. 3 Intermediate People's Court for air pollution liability dispute, with the case No. (2020) H 03 MC 274. Changxing Branch and the Company attached great importance to this event and established a special working group to actively communicate with the Federation. So far, the Court has not arranged any trial procedures.

XVIII. Information about convertible corporate bonds

Applicable Not applicable



Section VI | Changes in Ordinary Shares and Shareholders' Situation

I. Changes in ordinary shares capital

1 Table of changes in ordinary shares

1. Table of changes in ordinary shares

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

2. Notes to changes in ordinary shares

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

2 Changes in shares with restrictive conditions for sales

Applicable Not applicable

II. Issuance and listing of securities

1 Securities issuance by the reporting period

Applicable Not applicable

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

Applicable Not applicable

2 Changes in total ordinary shares of the Company and the shareholder structure, as well as the assets and liabilities

Applicable Not applicable

3 Existing internal employee ownership

Applicable Not applicable

III. Shareholders and actual controller

1 Total number of shareholders

Total of ordinary shareholders by the end of the reporting period	228,621
Total of ordinary shareholders by the end of the month previous to the disclosure date of annual report	232,566

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

Unit: share

Shares held by top 10 shareholders							
Name of shareholder(in full)	Changes in the reporting period	Number of shares held at the end of the period	Ratio (%)	Number of shares with trading limited conditions held	Pledge or freezing condition		Nature of shareholder
					Share status	Number of shares	
CCCG (HK) Holding Limited	0	916,755,840	17.401	0	NA	0	Overseas legal person
China Communications Construction Company Ltd.	0	855,542,044	16.239	0	NA	0	State-owned legal person
China Communications Construction Group Co., Ltd.	0	663,223,375	12.589	0	NA	0	State-owned legal person
Central Huijin Asset Management Co., Ltd.	0	89,378,640	1.70		Unknown		Unknown
Bosera Fund - Agricultural Bank of China - Bosera China Securities Financial Assets Management Plan	0	19,855,920	0.38		Unknown		Unknown
E FUND Management- Agricultural Bank of China - E FUND Management China Securities Financial Assets Management Plan	0	19,855,920	0.38		Unknown		Unknown
Dacheng Fund- Agricultural Bank of China - Dacheng China Securities Financial Asset Management Plan	0	19,855,920	0.38		Unknown		Unknown
Harvest Fund - Agricultural Bank of China - Harvest CSI Asset Management Plan	0	19,855,920	0.38		Unknown		Unknown
GF Fund- Agricultural Bank of China - GF China Securities Financial Assets Management Plan	0	19,855,920	0.38		Unknown		Unknown
Lombarda China Fund- Agricultural Bank of China - Lombarda China Fund China Securities Financial Assets Management Plan	0	19,855,920	0.38		Unknown		Unknown
China Asset Management- Agricultural Bank of China - China Asset Management China Securities Financial Assets Management Plan	0	19,855,920	0.38		Unknown		Unknown
Yinhua Fund- Agricultural Bank of China - Yinhua China Securities Financial Asset Management Plan	0	19,855,920	0.38		Unknown		Unknown
China Southern Asset Management- Agricultural Bank of China - China Southern Asset Management China Securities Financial Asset Management Plan	0	19,855,920	0.38		Unknown		Unknown
ICBC Credit Suisse Fund- Agricultural Bank of China - ICBC Credit Suisse China Securities Financial Asset Management Plan	0	19,855,920	0.38		Unknown		Unknown

Shareholdings of top 10 shareholders without trading limited conditions

Name of shareholder	Number of non-restrictive circulation shares held	Type and number of shares	
		Category	Quantity
CCCG (HK) Holding Limited	916,755,840	Foreign shares listed domestically	
China Communications Construction Company Ltd.	855,542,044	RMB ordinary shares	



Shareholdings of top 10 shareholders without trading limited conditions			
Name of shareholder	Number of non-restrictive circulation shares held	Type and number of shares	
		Category	Quantity
China Communications Construction Group Co., Ltd.	663,223,375	RMB ordinary shares	
Central Huijin Asset Management Co., Ltd.	89,378,640	RMB ordinary shares	
Bosera Fund - Agricultural Bank of China - Bosera China Securities Financial Assets Management Plan	19,855,920	RMB ordinary shares	
E FUND Management- Agricultural Bank of China - E FUND Management China Securities Financial Assets Management Plan	19,855,920	RMB ordinary shares	
Dacheng Fund- Agricultural Bank of China - Dacheng China Securities Financial Asset Management Plan	19,855,920	RMB ordinary shares	
Harvest Fund - Agricultural Bank of China - Harvest CSI Asset Management Plan	19,855,920	RMB ordinary shares	
GF Fund- Agricultural Bank of China - GF China Securities Financial Assets Management Plan	19,855,920	RMB ordinary shares	
Lombarda China Fund- Agricultural Bank of China - Lombarda China Fund China Securities Financial Assets Management Plan	19,855,920	RMB ordinary shares	
China Asset Management- Agricultural Bank of China - China Asset Management China Securities Financial Assets Management Plan	19,855,920	RMB ordinary shares	
Yinhua Fund- Agricultural Bank of China - Yinhua China Securities Financial Asset Management Plan	19,855,920	RMB ordinary shares	
China Southern Asset Management- Agricultural Bank of China - China Southern Asset Management China Securities Financial Asset Management Plan	19,855,920	RMB ordinary shares	
ICBC Credit Suisse Fund- Agricultural Bank of China - ICBC Credit Suisse China Securities Financial Assets Management Plan	19,855,920	RMB ordinary shares	
Notes to the related relation or consistent actions of the above-mentioned shareholders	Among the above top 10 shareholders, CCCG (HK) Holding Limited, China Communications Construction Group Co., Ltd. and China Communications Construction Company Ltd. are related companies. It was unknown to the Company whether there was related relation or concerted actor specified in the Management Method on Information Disclosure for Shareholding Change of the Shareholders of Listed Companies.		
Explanation on preferred stock holders with recovered voting rights and number of stocks held by them			

Shareholding quantity of top ten shareholders with sales restriction and the sales restriction

Applicable Not applicable

3 Strategic investors or legal persons becoming the top 10 shareholders due to placement of new shares

Applicable Not applicable

IV. Controlling shareholders and actual controllers

1 Controlling shareholder

1. Legal person

√Applicable Not applicable

Name	China Communications Construction Group Co., Ltd.
Company principal or legal representative	Wang Tongzhou
Date of Establishment	December 8, 2005
Main business	Construction of overseas projects and international bidding projects at home; general contracting for construction of various special ships, leasing and maintenance of special ship and construction machines; offshore towage and professional services related to the ocean engineering; technical consultant services regarding the ship and the supporting port equipment; engaging in the general contracting of construction projects for ports, channels, highways and bridges both home and abroad (including technical and economic consultation of engineering, feasibility study, survey, design, construction, supervision, procurement and supply for related complete set of equipment or materials, and equipment installation); undertaking the general contracting of the construction of industrial and civil works, railway, metallurgy, petrochemical, tunnel, power, mine, water conservancy, and municipal works; import and export business; real estate development and property management; investment and management of transportation, hotel and tourism industries.
Equities of other domestic and overseas public companies during the reporting period	CCCG holds 57.99% of the stock equity of CCCC (601800.SH) and it is the controlling shareholder. CCCG holds 100% of the stock equity of CCCG Real Estate Group Co., Ltd.; CCCG Real Estate Group Co., Ltd holds 100% of the stock equity of Zhongzhu Real Estate Development Co., Ltd. Zhongzhu Real Estate Development Co., Ltd holds 53.32% of the stock equity of CCCG Real Estate Co., Ltd (name used before: Chongqing Industries, Zhongfang Real Estate) (000726.SZ) and it is the controlling shareholder. CCCG and its controlling subsidiaries totally hold 28.91% of the stock equity of Greentown Holding Co., Ltd (03900.HK) and are the controlling shareholders. CCCG and its subsidiaries hold 29.99% of the stock equity of Shanghai Zhenhua Heavy Industries Co., Ltd (600320.SH) and it is the controlling shareholder.
Notes to other circumstances	

2. Natural persons

Applicable Not applicable

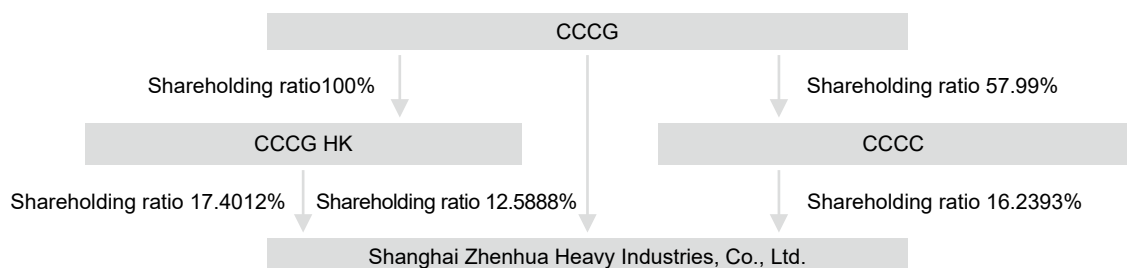
3. Particulars about no controlling shareholder in the Company

Applicable Not applicable

4. Index and date of change in the controlling shareholder during the reporting period

Applicable Not applicable

5. Chart for the property and controlling relationships between the Company and the controlling shareholders

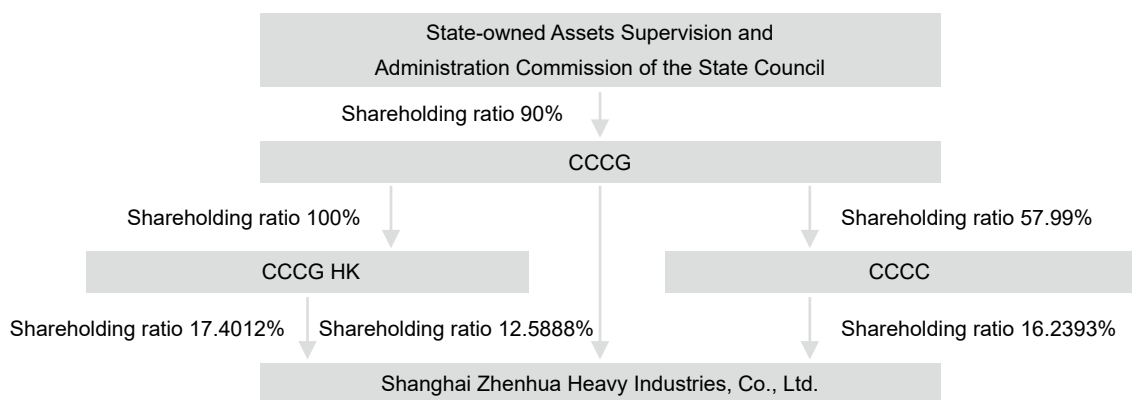
√Applicable Not applicable

2 Actual controller
1. Legal person
Applicable Not applicable

2. Natural person
Applicable Not applicable

3. Particulars about no actual controller in the Company
Applicable Not applicable

4. Index and date of change in the actual controller during the reporting period
Applicable Not applicable

5. Block diagram of ownership and control relation between the Company and the actual controller
Applicable Not applicable

6. Control over the Company by the actual controller via trust or other ways of assets management
Applicable Not applicable

3 Other information about Controlling shareholders and actual controllers
Applicable Not applicable

V. Other legal person shareholder holding more than 10%
Applicable Not applicable

VI. Particulars about restriction on reduction in shares held
Applicable Not applicable

Section VII | Preferred Shares

Applicable Not applicable

Section VIII | Directors, Supervisors, Senior Executives and Employees

I. Shareholding variation and remuneration

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

√Applicable □Not applicable

Unit: share

Name	Post (Note)	Sex	Age	Starting date of tenure	Expiry date of tenure	Number of shares held at the beginning of year	Number of shares held at the end of the year	Change in shares in the year	Reason of change	Total remuneration before tax from the Company during the reporting period (RMB'0,000)	Remuneration from the related party of the Company or not
Liu Chengyun	General manager (president)	Male	52	Mar. 3, 2021	June 25, 2021	0	0	0		0	Yes
	Director, chairman of the board			Mar. 19, 2021	June 25, 2021						
Liu Qizhong	Director, vice president	Male	57	June 26, 2018	June 25, 2021	0	0	0		66.69	No
Zhu Xiaohuai	Director, CFO	Male	52	June 26, 2018	June 25, 2021	0	0	0		69.09	No
Sheng Leiming	Independent director	Male	51	May 28, 2019	June 25, 2021	0	0	0		12	No
Zhang Hua	Independent director	Male	48	May 28, 2019	June 25, 2021	0	0	0		12	No
Yang Jun	Independent director	Male	64	June 26, 2018	June 25, 2021	0	0	0		12	No
Zhao Zhanbo	Independent director	Male	45	June 26, 2018	June 25, 2021	0	0	0		12	No
Ji Linhong	Independent director	Male	59	June 26, 2018	June 25, 2021	0	0	0		12	No
Bai Yunxia	Independent director	Female	48	June 26, 2018	June 25, 2021	0	0	0		12	No
Wang Cheng	Supervisor, chairman of the board of supervisors	Male	48	June 26, 2018	June 25, 2021	0	0	0		69.09	No
Xiang Xudong	Supervisor	Male	45	June 26, 2018	June 25, 2021	0	0	0		75.17	No
You Hua	Supervisor	Male	58	June 29, 2020	June 25, 2021	0	0	0		0	Yes
Liu Jianbo	Vice president	Male	58	Aug. 22, 2018	June 25, 2021	0	0	0		69.09	No
Zhou Qi	Vice president	Male	49	Aug. 22, 2018	June 25, 2021	0	0	0		67.48	No
Chen Bin	Vice president	Male	47	Aug. 22, 2018	June 25, 2021	107,328	107,328	0		67.38	No
Shan Jianguo	Vice president	Male	57	Aug. 22, 2018	June 25, 2021	0	0	0		67.89	No
Zhang Jian	Vice president	Male	52	Aug. 22, 2018	June 25, 2021	0	0	0		69.09	No
Fei Guo	Chief engineer	Male	59	Aug. 22, 2018	June 25, 2021	0	0	0		67.54	No
Li Ruixiang	Chief economist	Male	46	Aug. 22, 2018	June 25, 2021	0	0	0		69.04	No



Name	Post (Note)	Sex	Age	Starting date of tenure	Expiry date of tenure	Number of shares held at the beginning of year	Number of shares held at the end of the year	Change in shares in the year	Reason of change	Total remuneration before tax from the Company during the reporting period (RMB'0,000)	Remuneration from the related party of the Company or not
Sun Li	Chief legal counsel, secretary of the board, chief compliance officer	Male	49	Aug. 22, 2018	June 25, 2021	0	0	0		66.70	No
Zhu Lianyu	Former director and chairman of the board	Male	51	June 26, 2018	Mar. 19, 2021	427,200	427,200	0		86.56	No
Huang Qingfeng	Former director and president	Male	46	June 26, 2018	Feb. 26, 2021	0	0	0		85.84	No
Zhang Hongwen	Former director	Male	61	June 26, 2018	Oct. 30, 2020	0	0	0		0	Yes
Dai Wenkai	Former director, vice president	Male	54	June 26, 2018	Sept. 4, 2020	0	0	0		53.30	No
Zhang Minghai	Former supervisor	Male	59	June 26, 2018	June 1, 2020	24,311	24,311	0		83.61	No
Total	/	/	/	/	/	558,839	558,839	0	/	1,205.56	/

Name	Main working experiences
Liu Chengyuan	Born in 1969, male, master, senior economist, senior engineer. He began his career in August, 1989 and has successively served as deputy director of CCCC Fourth Harbor Engineering Co., Ltd, vice general manager of CCCC Investment Co., Ltd, secretary of the Party committee, chairman and general manager of CCCC Nansha Investment Development Co., Ltd. and CCCC Urban Investment Holding Co., Ltd, general manager and secretary of CPC Working Committee of CCCC South China regional headquarters, general manager of the Strategic Development Department of China Communications Construction Company Ltd. (CCCC), general manager of the Investment Division of CCCC, director of the board office and general manager of the Strategic Development Department of China Communications Construction Group Co., Ltd. (CCCCG) and CCCC. Currently, he is the assistant to the general manager of CCCC, and chairman and general manager (president) of the Company.
Liu Qizhong	Born in 1964, male, bachelor, senior economist. He successively served as the manager of Operating Department and the vice president of the Company, and serves as the director of the Company since March 2004. Currently, he is the director and vice president of the Company.
Zhu Xiaohuai	Born in 1969, male, master of MBA, senior accountant. He began his career in July 1991 and successively served as the section member and vice section manager of Financial Division of CCCC Shanghai Dredging Co., Ltd, vice director of Budget and Finance Department, vice manager (in charge of the work) or manager of Finance Department, and member of commission for disciplinary inspection of CCCC Shanghai Dredging Co., Ltd, and the director, chief accountant and Party committee standing member of CCCC Shanghai Dredging Co. Ltd. Currently, he is the director and CFO of the Company.
Sheng Leiming	Born in 1970, male, doctor of laws, senior lawyer. He successively served as a lawyer assistant and lawyer in Shanghai Foreign Trade Law Firm, a teacher of civil and commercial law in East China University of Political Science and Law, a senior partner and chief lawyer of Shanghai Zhongmao Law Firm, and co-chairman, senior partner and lawyer in the head office management committee of Guantao Law Firm. Currently, he is the independent director of the Company.
Zhang Hua	Born in 1973, male, Ph.D. Economics, associate professor of finance. He successively served as a researcher, lecturer, assistant professor and associate professor at China Europe International Business School. Currently, he is the independent director of the Company.
Yang Jun	Born in 1957, male, master degree. He successively served as intermediate and senior court judge of Shanghai Court, president and member of the judicial committee member, Property Trade Operation Director of Shanghai United Property Rights Exchange. Now he is the assistant president of Shanghai United Property Rights Exchange, general manager of Beijing HQ, director of Financial Property Rights Trade Center, arbitrator of China International Economic and Trade Arbitration Commission, Shanghai International Economic and Trade Arbitration Commission, arbitrator of Shanghai Arbitration Commission, Shanghai Financial Arbitration Court, expert of China domain name dispute resolution center, director of Intellectual Property Association of China Law Society, director of Company Law Research Society of Shanghai Law Society, director of Shanghai Patent/Trademark/Copyright Association. Currently, he is the independent director of the Company.
Zhao Zhanbo	Born in 1976, male, Ph. D. He had served as a teacher in School of Software, Peking University since 2005 and now he is a professor. He is mainly engaged in the research in Internet business model innovation and corporate development strategy. Currently, he is the independent director of the Company.
Ji Linhong	Born in 1962, male, Ph. D. He successively served as the assistant and the lecturer of Department of Precision Instrument of Tsinghua University; assistant professor of Department of Precision Engineering of Faculty of Engineering of the University of Tokyo, the Postdoctoral Researcher in Ministry of Education, Culture, Sports, Science and Technology of Japan. He had acted as vice director of Department of Precision Instrument of Tsinghua University, vice director of Department of Mechanical Engineering of Tsinghua University, director of Design Engineering Research Institute of Tsinghua University, director of Experiment & Teaching Center of Mechanical Engineering, and vice director of State Key Lab of Tribology, Tsinghua University and so on. Now he serves as a professor and a doctoral tutor in Department of Mechanical Engineering, Tsinghua University. He is mainly engaged in digitalized design and system optimization of complicated mechanical system and the intelligent and biological mechanical design. Currently, he is the independent director of the Company.

Name	Main working experiences
Bai Yunxia	Born in October 1973, female, Ph. D from Xiamen University, post-doctor in accounting of Guanghai School of Management, Peking University, professor of accounting, doctoral tutor, engaged in work in 1995. She successively served as the assistant engineer of Kaiyuan Group under Xi'an Jiaotong University, lecturer of School of Economics and Management of Tongji University, research scholar of CKGSB. Now, she acts as the director of Department of Accounting, School of Economics and Management, Tongji University and the research scholar of Investment Center of CKGSB. Currently, she is the independent director of the Company.
Wang Cheng	Born in 1973, male, master of engineering, senior political worker. He successively served as the vice secretary or secretary of league committee, and vice secretary or secretary of Party Branch of No. 2 Engineering Co., Ltd of CCCC Third Harbor Engineering Co., Ltd; vice director and director of Organization Department of CCCC Third Harbor Engineering Co., Ltd; secretary of the Party Committee and vice general manager of No. 2 Engineering Co., Ltd of CCCC Third Harbor Engineering Co., Ltd; chairman of board of supervisors, vice secretary of the Party Committee, secretary of Committee for Discipline Inspection and chairman of labor union of CCCC Third Harbor Engineering Co., Ltd. Currently, he is the vice secretary of the Party Committee, secretary of Commission for Disciplinary Inspection, chairman of labor union and chairman of board of supervisors of the Company.
Xiang Xudong	Born in 1976, male, bachelor, senior engineer. He successively served as the designer of No.2 Design Institute of Jiangnan Shipyard (Group) Co., Ltd, vice director and vice manager of the Quality Department of ZPMC, and general manager of ZPMC Inspection Co., Ltd. Currently, he is the staff representative supervisor of the board of supervisors, vice general manager of ZPMC Port Machinery Group, and the secretary of the Party committee and executive vice general manager of Changxing Branch.
You Hua	Born in 1963, male, bachelor, senior accountant. He successively served as the assistant director and deputy director of Finance Department of China Harbour Engineering Company Limited, and finance manager of CHUWA Bussan Company Limited (Japan); general manager of the Finance Department and director of Capital Settlement Center, deputy chief accountant and general manager of Finance Department of China Harbour Engineering Company(Group); general manager of Capital Department and director of Capital Settlement Center of CCCG; director and chief accountant of China Harbour Engineering Company Limited; director, vice general manager and chief accountant of CCCC Investment Co., Ltd; director, general manager and deputy Secretary of Party Committee of CCCC Finance Co., Ltd. Since December 2019, he has been a full-time outside director of CCCG. He is now a supervisor of the Company.
Liu Jianbo	Born in 1963, male, bachelor, senior engineer. He successively served as the engineer at technological office of Shanghai Port Machinery Plant; assistant director in engineering technology department of Shanghai Container Dock Co. Ltd., project director of ship operation department and chief engineer of engineering department of Shanghai ZPMC, and vice general manager of and general manager of ZPMC Changxing Base. Currently, he is the vice president of the Company.
Zhou Qi	Born in 1972, male, EMBA, professor-level senior engineer. He successively served as the technician, manager, deputy chief engineer, general manager of the Electric Appliance Office and chief engineer of the Company. Currently, he is the vice president of the Company.
Chen Bin	Born in 1974, male, EMBA, senior engineer. He successively served as the project quality leader of Quality Control Division, vice manager of tire crane office of quality control division, manager of quality control division, vice general manager and general manager of quality inspection company, vice director and vice chief engineer of quality safety office, manager of quality safety division, supervisor and president assistant of the Company. Currently, he is the vice president and safety director of the Company.
Shan Jianguo	Born in 1964, male, bachelor, senior engineer. He successively served as the technician in Shanghai Port Machinery Manufacturing Plant, the engineer and chief engineer of ZPMC Machinery Office, general manager and vice chief engineer of No.4 design office of design company, vice director and director of ZPMC Machinery Office, manager of budget assessment department and the dean of ZPMC Land-based Heavy Industry Research & Design Institute. Currently, he is the vice president of the Company.
Zhang Jian	Born in 1969, male, MBA, senior engineer. He successively served as the technician, production planner and assistant director of No. 2 Panel beater of Shanghai Port Machinery Manufacturing Plant, director of gearbox branch of Shanghai Port Machinery Manufacturing Plant, vice director and member of the Party committee of Shanghai Port Machinery Manufacturing Plant, vice general manager of Shanghai Port Machinery Heavy Industry Co., Ltd, general manager and president assistant of ZPMC Operation Office. Currently, he is the vice president of the Company.
Fei Guo	Born in 1962, male, EMBA, professor-level senior engineer. He successively served as the engineer of Shanghai Port Machinery Plant, electrical engineer of the Technology Department, director of No. 5 Electrical Office, vice chief engineer, chief engineer, director of Development Office and vice president of ZPMC. Currently, he is the chief engineer of the Company.
Li Ruixiang	Born in 1975, male, bachelor, senior economist. He successively served as the director of Technical Process Department, trainee manager of Manufacturing Department and manager of Quality Assurance Department of Zhangjiagang Base of Shanghai Port Machinery Plant; project leader, office manager, vice director of Quality Safety Office, vice general manager and general manager of mechanical supporting base, secretary of Party Branch, vice chief economist, general manager of budget assessment department, general manager of Material and Equipment Procurement Department and president assistant of ZPMC quality inspection company. Currently, he is the chief economist of the Company.
Sun Li	Born in 1972, male, EMBA, senior engineer. He successively served as the project leader and vice manager of Operation Department, vice director of Operation Office and director of Off-Shore Office, general manager assistant, vice president and director of the Company. Currently, he is the chief legal counsel, secretary of the board and chief compliance officer of the Company.
Zhu Lianyu	Born in 1970, male, Ph.D., professor-level senior engineer. He began his career in September 1992 and successively served as the engineer, equipment leader of overseas projects, vice chief of Marine Machine Department, manager of Enterprise Development Department of CCCC First Harbor Engineering Co., Ltd; the general manager of CCCC International Shipping Co., Ltd and the vice general manager of the Equipment Manufacturing Marine Heavy Industry Department of China Communications Construction Co., Ltd. He resigned as director and chairman of the board of the Company on March 19, 2021.
Huang Qingfeng	Born in 1975, male, EMBA, senior engineer. He began his career in July 1996 and successively served as the chief of Quality Inspection Department, vice director of Quality Inspection No.2 Department, vice general manager of quality inspection company, vice general manager of after-sales service department, general manager of quality inspection company; vice director of Off-Shore Office, vice director and director of Quality Safety Office, director of Product Service Center, president assistant, vice president and president of the Company. He resigned as the director and president of the Company on Feb. 26, 2021.



Name	Main working experiences
Zhang Hongwen	Born in 1960, male, bachelor, senior engineer; engaged in work in August 1983. He successively served as the vice general manager of CHEC International Engineering Branch, vice general manager of Overseas Division and manager of Integrated Department of CHEC Group, vice general manager of Engineering Management Department and Operation & Management Department of China Communications Construction Co., Ltd, vice general manager and general manager of Capital Construction Department (Dredging Department) and the executive general manager and general manager of Port Dredging Business Department of CCCC, as well as the director, executive general manager, temporary member of the Party committee and non-executive director of CCCC Dredging (Group) Co., Ltd. He resigned as the director of the Company on Oct. 30, 2020.
Dai Wenkai	Born in 1967, male, master of physics, EMBA, senior engineer. He began his career in March 1993 and successively served as the director of Operation Management Office and vice president of the Company. He resigned as the director and vice president of the Company on Sept. 4, 2020.
Zhang Minghai	Born in 1962, male, bachelor, professor-level senior engineer. He successively served as the engineer of Technology Division of Shanghai Port Machinery Plant; mechanical office designer, vice manager and vice chief engineer of Shanghai Zhenhua Heavy Industries Co., Ltd., general manager of Shore Bridge No.1 Company of Mechanical Office, and general manager of Land-based Heavy Industry Co., Ltd. He resigned as the supervisor of the Company on June 1, 2020 and is now serving as the chief designer of the Company.

Notes to other circumstances

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

Name of in-service staff	Name of shareholding entity	Position	Starting date of tenure	Expiration date of tenure
Liu Chengyun	China Communications Construction Group Co., Ltd.	General manager assistant	March 5, 2021	

Statement of the position held in shareholding entity

2 Statement of the position held in other entitiesApplicable Not applicable

Name of in-service staff	Name of other entities	Position held in other entities	Starting date of tenure	Expiration date of tenure
Zhao Zhanbo	School of Software, Peking University	Professor		
Ji Linhong	Department of Mechanical Engineering, Tsinghua University	Professor and doctoral supervisor		
Yang Jun	Shanghai United Assets and Equity Exchange, Financial Assets Exchange, Shanghai International Economic and Trade Arbitration Commission, Shanghai Arbitration Commission, Shanghai Court of Financial Arbitration, Chinese Domain Name Dispute Settlement Center, Intellectual Property Association of China Law Society, Company Law Association of Shanghai Law Society, Shanghai Patent/Trademark/Copyright Association.	Assistant president, general manager, director, arbitrator, expert, director		
Bai Yunxia	School of Economics and Management of Tongji University, Investment Centre of Cheung Kong Graduate School of Business	Director of Accounting Department, research scholar		
Zhang Hua	China Europe International Business School	Researcher, lecturer, assistant professor and associate professor		
Sheng Leiming	Shanghai Foreign Trade Law Firm, East China University of Political Science and Law, Shanghai Zhongmao Law Firm, Guantao Law Firm.	Senior partner, lawyer, teacher, etc.		

Statement of the position held in other entities

III. Remuneration of directors, supervisors and senior executives

Applicable Not applicable

Decision-making process for the remuneration of directors, supervisors and senior executives	In accordance with the regulations of Articles of Association, the remuneration of directors and supervisors are subject to the general meeting of shareholders and the remuneration of the senior executives are assessed and approved by the chairman and president.
Basis for deciding the remuneration of remuneration of directors, supervisors and senior executives	The basic salary plus performance bonus are assessed in combination with the quantitative index of production and operation, etc.
Actual payout of remuneration for directors, supervisors and senior executives	All in-service and resigned director, supervisor and senior executives are paid by the Company within the reporting period.
Total remuneration actually obtained by all directors, supervisors and senior executives at the end of reporting period	RMB 12,055,600.00

IV. Change in directors, supervisors and senior executives

Applicable Not applicable

Name	Post	Change	Reason of change
Liu Chengyun	Director, chairman of the board, general manager (president)	Elected	Job adjustment
Zhu Lianyu	Director, chairman of the board	Resigned	Job adjustment
Huang Qingfeng	Director, president	Resigned	Job adjustment
Zhang Hongwen	Director	Resigned	Age reason
Dai Wenkai	Director, vice president	Resigned	Individual reason
Zhang Minghai	Supervisor	Resigned	Job adjustment

V. Punishments by securities regulatory authority in recent three years

Applicable Not applicable

VI. Particulars about the employees in the parent company and the main subsidiaries

1 Particulars about employees

Number of in-service employees of the parent company	3,109
Number of in-service employees of the main subsidiaries	5,593
Total of in-service employees	8,702
Number of retired employees required to be paid by the parent company and its major subsidiaries	

Specialties

Category	Number of staff
Production staff	3,258
Sales staff	277
Technical staff	4,247
Financial staff	163
Administrative staff	757
Total	8,702

Education background

Education level	Number (person)
Doctor	18
Master	707
Undergraduate	4,220
Junior College	2,001
Technical secondary school	567
High school and below	1,189
Total	8,702

**2 Remuneration policies**Applicable Not applicable

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

3 Training planApplicable Not applicable

In line with the Company's development strategy, the Company gradually established a rigid staff training system with systematic, directional and continuous features. The Company sets up the all-staff annual educational and training plan at the beginning of each year and implements it according to the plan to improve the business skill level and professional quality of staff at various levels.

4 Labor outsourcingApplicable Not applicable

Total of labor outsourcing hours	7,310,088 hours
Total of labor outsourcing remuneration	RMB 392,856,400.00

VII. OthersApplicable Not applicable

Section IX | Corporate Governance

I. Related information about corporate governance

Applicable Not applicable

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

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

Whether there is important difference between corporate governance and the requirements of relevant regulations of China Securities Regulatory Commission; if any, please give the reason.

Applicable Not applicable

II. Brief introduction to the general meeting of shareholders

Session of meeting	Convening date	Query index of the website specified for publishing resolutions	Date of disclosure for publishing resolutions
General Meeting of Shareholders in 2019	June 29, 2020	www.sse.com.cn, enter the stock code to search	June 30, 2020

Particulars about the general meeting of shareholders

Applicable Not applicable

III. Duty performance of directors

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

Director Name	Independent director or not	Attendance at Board Meetings						Attendance at the general meeting of shareholders
		Times of meetings should be attended in this year	Times of personal attendance	Times of attendance by telecommunication	Times of attendance through a proxy	Times of absence	Personal absence for two consecutive times	Times of attendance in the general meeting of shareholder
Zhu Lianyu	No	5	5	5	0	0	No	1
Huang Qingfeng	No	5	5	5	0	0	No	1
Zhang Hongwen	No	4	4	4	0	0	No	0
Liu Qizhong	No	5	5	5	0	0	No	1
Dai Wenkai	No	4	4	4	0	0	No	1
Zhu Xiaohuai	No	5	5	5	0	0	No	1
Sheng Leiming	Yes	5	5	5	0	0	No	1
Zhang Hua	Yes	5	5	5	0	0	No	1
Yang Jun	Yes	5	5	5	0	0	No	1
Zhao Zhanbo	Yes	5	5	5	0	0	No	0



Director Name	Independent director or not	Attendance at Board Meetings						Attendance at the general meeting of shareholders
		Times of meetings should be attended in this year	Times of personal attendance	Times of attendance by telecommunication	Times of attendance through a proxy	Times of absence	Personal absence for two consecutive times	Times of attendance in the general meeting of shareholder
Ji Linhong	Yes	5	5	5	0	0	No	0
Bai Yunxia	Yes	5	5	5	0	0	No	0

Explanations for personal absence from the meeting for two consecutive times

Applicable Not applicable

Times of the board meetings convened in current year	5
Including: times of on-site meetings	0
Times of meetings convened through telecommunication	5
Times of meetings convened on-site and through telecommunication	0

2 Objections from independent directors against related issues of the Company

Applicable Not applicable

3 Others

Applicable Not applicable

IV. As for the important suggestions and advices raised by the special interest committees under the Board of Directors while performing their duties in the reporting period, where there is any objection, the details shall be disclosed

Applicable Not applicable

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

Applicable Not applicable

VI. Particulars about the inability of the Company and its controlling shareholders to guarantee the independence and keep independent operation capacity with regard to business, personnel, assets, institution, finance, etc.

Applicable Not applicable

Where there is horizontal competition, the corresponding solutions, job schedule and follow-up work plan of the Company

Applicable Not applicable

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

Applicable Not applicable

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

VIII. Disclosure of self-evaluation report on internal control or not

Applicable Not applicable

Ernst & Young LLP (special general partnership), engaged by the Company, had audited the effectiveness of the internal control of the financial statement as of December 31, 2020 and issued a standard internal control audit report with clean opinion (see the attachment to the announcement for details).

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

Applicable Not applicable

IX. Particulars about the audit report on internal control

Applicable Not applicable

Ernst & Young LLP (special general partnership), engaged by the Company, had audited the effectiveness of the internal control of the financial statement as of December 31, 2020 and issued a standard internal control audit report with clean opinion (see the attachment to the announcement for details).

Audit report on internal control disclosed or not: Yes

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

X.Others

Applicable Not applicable

Section X | Related Information on Corporate Bonds

Applicable Not applicable



Section XI | Financial Report

I. Auditors' Report

Applicable Not applicable

Auditors' Report

Ernst & Young (2021) SZ No.61249778_B01
Shanghai Zhenhua Heavy Industries Co., Ltd.

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

1 Opinion

We have audited the financial statements of Shanghai Zhenhua Heavy Industries Co., Ltd. (hereinafter referred to as the "Company"), which comprise the consolidated balance sheet and the Company's balance sheet as at December 31, 2020, the consolidated income statement and the Company's income statement, the consolidated statement of changes in shareholders' equity and the Company's statement of changes in owners' equity and the consolidated statement of cash flows and the Company's statement of cash flows for the year then ended as well as the notes to the financial statements.

In our opinion, the financial statements of the Company attached are prepared, in all material respects, in accordance with the Accounting Standards for Business Enterprises, and fairly present the consolidated financial position and the Company's financial position as at December 31, 2020 and the consolidated operating results and cash flows and the Company's operating results and cash flows for the year then ended.

2 Basis for Our Opinions

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

3 Key Audit Matters

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

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

Key Audit Matters:	How our audit addressed the key audit matter:
<p>1. Inventory depreciation reserves</p> <p>Shanghai Zhenhua Heavy Industries Co., Ltd. is mainly engaged in manufacturing the port container crane; in addition, it is also engaged in the manufacture of bulk handling machine, offshore heavy-duty machine and large-sized steel structure. Its inventories mainly include engineering raw materials, outsourcing parts and components, products in the process and inventory goods. Since the production cycle of the products is relatively long, the net realizable value of the related inventory may fluctuate with the change in the market demand, resulting in the inventory depreciation risks. The management sets aside the inventory depreciation reserves according to the balance of the inventory cost and the net realizable value. The net realizable value is determined as per the estimated selling price of the inventory minus the cost, the estimated selling expenses and the related taxes that may occur in the completion on the assumption that the management layer adopts a certain estimate and hypothesis in determining the net realizable value. In case of difference between the actual figure and the originally estimated figure, the related balance will affect the book value of the inventory and the depreciation loss in the estimated fluctuation.</p> <p>As of December 31, 2020, in the consolidated financial statements, the balance of inventories was RMB 23.32 billion and the reserve for inventory depreciation was RMB 990 million; in the financial statements of the Company, the balance of inventories was RMB 19.95 billion and the reserve for inventory depreciation was RMB 1 billion.</p> <p>The accounting policy and other disclosures regarding the inventory are stated in Note V (15), Note V (43) and Note VII (9) of the financial statement.</p>	<p>Our procedure mainly included knowing and testing the validity of the control related to the provision of inventory depreciation reserves and the method of calculating the net realizable value of the Group. We also implemented the related auditing procedures over the inventory such as supervision of inventory to verify whether the management had marked the inventory with slow turnover and defectives and taken into full account in provision of inventory depreciation reserves. In addition, we obtained the computation sheet of provision of inventory depreciation reserves from the management, rechecked the calculation method and result. As to the key elements taken into consideration by the management in calculating the net realizable value, including the estimated selling price and the cost that may occur till completion, we evaluated the hypothesis and the estimates through analyzing the related historical data and comparing the after-date data of Shanghai Zhenhua Heavy Industries Co., Ltd. We also rechecked the disclosure of inventory depreciation reserves in financial statements.</p>
<p>2.Provision for bad debts of accounts receivable</p> <p>The accounts receivable of Shanghai Zhenhua Heavy Industries Co., Ltd. is mainly from the business contract on port machine and ocean engineering manufacturing. Since it involves large contracted value, long construction period, relatively complicated technical parameters, the implementation of the contract may be affected by the periodicity of the economic environment. The accounts receivable has certain risk in the recovery in case of any dispute in contract or the industry is in recession. The provisions for bad debts of accounts receivable are recognized on the basis of estimated credit losses, involving major judgment and estimates. The management of analyzed the financial position of counter parties, guarantee acquired for accounts receivable, historical repayment records of accounts receivable, as well as the credit rating and future economic situations of counter parties for evaluating the credit risk of accounts receivable.</p> <p>As of December 31, 2020, in the consolidated financial statements, the balance of accounts receivable was RMB 9.10 billion and the provision for bad debts of accounts receivable was RMB 1.87 billion; in the financial statements of the Company, the balance of accounts receivable was RMB 17.14 billion and the provision for bad debts of accounts receivable was RMB 1.80 billion.</p> <p>The accounting policy and other disclosures regarding the provision for bad debts of accounts receivable are stated in Note V (12), Note V (43), Note VII (5) and Note XVII (1) of the financial statements.</p>	<p>Our procedure mainly included the evaluation of the accounting estimate relating to the depreciation reserves, such as the financial status and credit rating of the counterpart; checked the account age of accounts receivable and historical repayment record and evaluated whether the financial problems of the counter party had effects on the recovery of the accounts receivable; for the accounts receivable evaluated based on the portfolio, we rechecked the management's setting of credit risk features portfolio, checked the key information such as account age and credit record of each portfolio by sampling, and rechecked the basis of management's evaluation of credit risk and expected credit loss amount based on the credit risk features portfolio, including testing historical default data and checking the actual credit loss in the current year; rechecked the disclosure of bad debt provision for accounts receivable in financial statements.</p>

Key Audit Matters:	How our audit addressed the key audit matter:
<p>3. Revenue recognition</p> <p>Most of the revenue of Shanghai Zhenhua Heavy Industries Co., Ltd. comes from the one of the construction contracts on the large-sized port equipment, heavy equipment, steel structure and construction projects customized by the customer.</p> <p>Since January 1, 2020, the new revenue standard has been applied, and the management has read and analyzed the contracts of various revenue types according to the requirements of five step method. The performance obligations included in the manufacturing contract on large-sized port equipment, heavy equipment and some steel structure products did not meet the conditions of performance obligations within a certain period of time, therefore, based on comprehensive consideration of various factors, the revenue was recognized at the time of control transfer of relevant products.</p> <p>In 2020, in the consolidated financial statements, the operating revenue was RMB 22.66 billion; in the financial statements of the Company, the operating revenue was RMB 21.79 billion.</p> <p>The accounting policy and other disclosures regarding the operating revenue are stated in Note V (38), Note V (43), Note V (44), Note VII (74) and Note XVII (4) of the financial statements.</p>	<p>Our procedure mainly included evaluating and testing the management's internal control related to revenue recognition. Selected the sales contract with significant amount, checked the important contract terms related to revenue recognition according to the five step requirements of the new revenue standard, and evaluated the management's accounting judgment and estimate on performance obligations, revenue recognition amount (including variable consideration) and the recognition at a certain time point or within a period of time. Through selecting the samples, we verified whether the contract revenue recognized in the year conformed to the revenue recognition conditions; implemented the cutoff check procedure to validate the revenue was confirmed in the proper accounting period. For the revenue recognized in a certain period of time, we evaluated the judgment and estimate of the total contract cost and total processing amount made by the management, and made sampling to calculate and check the income determined by the occurred contract cost and the expected total contract cost again; implemented the analysis procedure against the changes in revenue and gross profit of various businesses; rechecked the disclosure of revenue recognition in financial statements.</p>

4 Other Information

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

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

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

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

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

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

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

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

6 Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

Ernst & Young LLP.
(Special General Partnership)

Certified Public Accountant of China: Liu Wei
(Engagement Partner)

Certified Public Accountant of China: Gu Chengli

Beijing, China

March 30, 2021



II. Financial Report

Consolidated Balance Sheet

As at December 31, 2020

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

Unity: Yuan Currency: CNY

Item	Note	As at December 31, 2020	As at December 31, 2019
Current assets:			
Monetary funds	VII (1)	2,948,074,736	3,310,297,451
Settlement provisions			-
Lending funds			-
Held-for-trading financial assets	VII (2)	1,601,623,650	1,739,792,062
Derivative financial assets			-
Notes receivable	VII (4)	753,000	5,650,000
Accounts receivable	VII (5)	7,227,065,255	4,966,175,528
Receivables financing	VII (6)	362,006,319	406,408,604
Advances to suppliers	VII (7)	767,426,147	935,878,777
Premiums receivable			-
Reinsurance accounts receivable			-
Reserves for reinsurance contract receivable			-
Other receivables	VII (8)	913,410,163	1,176,561,508
Including: Interest receivable			-
Dividend receivable			1,072,390
Financial assets purchased under agreements to resell			-
Inventories	VII (9)	22,325,839,116	8,561,251,580
Contract assets	VII (10)	2,063,296,890	-
Outstanding payments for construction completed			12,434,158,624
Assets held for sale			-
Non-current assets due within one year	VII (12)	1,884,370,444	1,313,203,581
Other current assets	VII (13)	708,484,102	720,183,574
Total current assets		40,802,349,822	35,569,561,289
Non-current assets:			
Disbursement of loans and advances			
Debt investment			
Other debt investments			
Long-term receivables	VII (16)	5,077,114,342	5,227,728,420
Long-term equity investments	VII (17)	3,042,232,884	2,873,673,745
Other equity instrument investment	VII (18)	61,505,751	61,981,268
Other non-current financial assets	VII (19)	330,094,057	-
Investment properties	VII (20)	467,607,519	418,425,533
Fixed assets	VII (21)	19,820,601,397	21,454,967,299
Construction in progress	VII (22)	4,520,147,819	4,380,489,888
Productive biological assets			-
Oil and gas assets			-
Right-of-use assets			-
Intangible assets	VII (26)	3,347,450,714	3,506,541,366
Development expenditures			-
Goodwill	VII (28)	261,072,463	268,434,934
Long-term deferred expenses	VII (29)	502,811	1,444,636

Consolidated Balance Sheet(Continued)

As at December 31, 2020

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

Unity: Yuan Currency: CNY

Item	Note	As at December 31, 2020	As at December 31, 2019
Deferred income tax assets	VII (30)	752,960,672	486,197,635
Other non-current assets	VII (31)	837,004,289	161,337,287
Total non-current assets		38,518,294,718	38,841,222,011
Total assets		79,320,644,540	74,410,783,300
Current liabilities:			
Short-term borrowings	VII (32)	17,795,076,565	22,001,319,380
Borrowings from the Central Bank			-
Borrowing funds			-
Held-for-trading financial liabilities	VII (33)	458,882	7,312,741
Derivative financial liabilities			-
Notes payable	VII (35)	3,600,725,892	3,420,945,451
Accounts payable	VII (36)	7,773,903,147	7,869,378,365
Advances from customers	VII (37)	4,893,675	822,987,986
Contract liabilities	VII (38)	11,195,309,083	
Financial assets sold for repurchase			-
Deposits from customers and interbank			-
Acting trading securities			-
Acting underwriting securities			-
Amount settled for uncompleted work			1,679,950,879
Payroll payable	VII (39)	188,799,969	329,978,281
Tax payable	VII (40)	160,782,931	144,506,742
Other payables	VII (41)	481,065,700	711,389,996
Including: Interest payable			-
Dividends payable		352,598	31,701,965
Fees and commissions payable			-
Dividend payable for reinsurance			-
Liabilities held for sale			-
Non-current liabilities due within a year	VII (43)	1,374,465,319	7,287,484,513
Other current liabilities			-
Total current liabilities		42,575,481,163	44,275,254,334
Non-current liabilities:			
Reserve fund for insurance contracts			-
Long-term borrowings	VII (45)	16,850,299,742	8,413,339,986
Bonds payable			-
Including: preferred stock			-
Perpetual bond			-
Lease liabilities			-
Long-term payables	VII (48)	1,632,757,932	1,741,945,636
Long-term payroll payable			-
Estimated liabilities	VII (50)	261,072,318	484,000,772
Deferred income	VII (51)	388,756,001	458,722,579
Deferred income tax liabilities		106,666,671	89,856,727

**Consolidated Balance Sheet(Continued)**

As at December 31, 2020

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

Unity: Yuan Currency: CNY

Item	Note	As at December 31, 2020	As at December 31, 2019
Other non-current liabilities	VII (52)	430,372,502	376,626,821
Total non-current liabilities		19,669,925,166	11,564,492,521
Total liabilities		62,245,406,329	55,839,746,855
Owners' equity (or shareholders' equity):			
Paid-in capital (or share capital)	VII (53)	5,268,353,501	5,268,353,501
Other equity instruments	VII (54)	500,000,000	-
Including: preferred stock			-
Perpetual bond		500,000,000	-
Capital reserves	VII (55)	4,834,854,332	4,834,854,332
Less: treasury stock			-
Other comprehensive income	VII (57)	-62,927,398	23,530,451
Special reserves	VII (58)	1,936,153	3,615,638
Surplus reserves	VII (59)	1,651,418,547	1,761,198,709
General risk preparation			-
Undistributed profits	VII (60)	2,377,187,005	3,651,851,383
Total owners' equities attributable to the owners of parent company		14,570,822,140	15,543,404,014
Minority equity		2,504,416,071	3,027,632,431
Total owners' equity (or shareholders' equity)		17,075,238,211	18,571,036,445
Total liabilities and owners' equity (or shareholders' equity)		79,320,644,540	74,410,783,300

Legal Representative:

Person in charge of
accounting work:Person in charge of
accounting agency:

Balance Sheet of the Parent Company

As at December 31, 2020

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

Unity: Yuan Currency: CNY

Item	Note	As at December 31, 2020	As at December 31, 2019
Current assets:			
Monetary funds		1,902,199,066	2,009,711,462
Held-for-trading financial assets		907,154,115	717,766,887
Derivative financial assets			
Notes receivable		753,000	5,650,000
Accounts receivable	XVII (1)	15,333,326,224	11,188,977,446
Receivables financing		306,365,354	372,373,708
Advances to suppliers		4,628,860,061	2,516,366,730
Other receivables	XVII (2)	5,505,896,413	7,850,320,715
Including: Interest receivable			-
Dividend receivable			-
Inventories		18,950,680,070	8,605,357,557
Contract assets		1,133,865,802	
Outstanding payments for construction completed			7,399,709,689
Assets held for sale			
Non-current assets due within one year		16,068,800	16,068,800
Other current assets		320,289,945	242,069,645
Total current assets		49,005,458,850	40,924,372,639
Non-current assets:			
Debt investment			
Other debt investments			
Long-term receivables		274,746,933	349,516,318
Long-term equity investments	XVII (3)	8,725,608,053	8,748,485,729
Other equity instrument investment		61,505,751	61,981,268
Other non-current financial assets		330,094,057	-
Investment properties		467,607,519	418,425,533
Fixed assets		4,016,049,591	4,484,852,694
Construction in progress		659,009,550	352,334,608
Productive biological assets			
Oil and gas assets			
Right-of-use assets			
Intangible assets		1,507,604,347	1,537,053,308
Development expenditures			
Goodwill			
Long-term deferred expenses			
Deferred income tax assets		717,095,880	461,638,248
Other non-current assets		533,182,276	-
Total non-current assets		17,292,503,957	16,414,287,706
Total assets		66,297,962,807	57,338,660,345
Current liabilities:			
Short-term borrowings		14,351,318,050	16,511,846,099
Held-for-trading financial liabilities			
Derivative financial liabilities			
Notes payable		3,897,225,892	4,115,677,123

**Balance Sheet of the Parent Company(Continued)**

As at December 31, 2020

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

Unity: Yuan Currency: CNY

Item	Note	As at December 31, 2020	As at December 31, 2019
Accounts payable		5,364,410,446	4,097,874,390
Advances from customers			490,409,652
Contract liabilities		10,446,873,026	
Amount settled for uncompleted work			2,053,025,876
Payroll payable		173,661,671	312,443,598
Tax payable		26,049,457	24,536,759
Other payables		1,083,925,556	1,223,412,212
Including: Interest payable			-
Dividends payable		352,598	352,598
Liabilities held for sale			-
Non-current liabilities due within one year		709,198,148	5,454,698,322
Other current liabilities			
Total current liabilities		36,052,662,246	34,283,924,031
Non-current liabilities:			
Long-term borrowings		14,777,075,334	6,446,433,319
Bonds payable			-
Including: preferred stock			-
Perpetual bond			-
Lease liabilities			-
Long-term payables			-
Long-term payroll payable			-
Estimated liabilities		253,696,912	470,724,247
Deferred income		302,910,467	329,345,661
Deferred income tax liabilities			-
Other non-current liabilities		16,723,794	21,272,925
Total non-current liabilities		15,350,406,507	7,267,776,152
Total liabilities		51,403,068,753	41,551,700,183
Owners' equity (or shareholders' equity):			
Paid-in capital (or share capital)		5,268,353,501	5,268,353,501
Other equity instruments		500,000,000.00	-
Including: preferred stock			-
Perpetual bond		500,000,000.00	-
Capital reserves		4,914,468,683	4,914,468,683
Less: treasury stock			-
Other comprehensive income		-22,498,704	8,348,107
Special reserves			-
Surplus reserves		1,650,910,274	1,760,690,436
Undistributed profits		2,583,660,300	3,835,099,435
Total owners' equity (or shareholders' equity)		14,894,894,054	15,786,960,162
Total liabilities and owners' equity (or shareholders' equity)		66,297,962,807	57,338,660,345

Legal Representative:

Person in charge of
accounting work:Person in charge of
accounting agency:

Consolidated Income Statement

January to December in 2020

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

Unity: Yuan Currency: CNY

Item	Note	2020	2019
I. Total operating revenue	VII (61)	22,655,141,652	24,595,587,883
Including: Operating revenue		22,655,141,652	24,595,587,883
Interest income			-
Premiums earned			-
Fee and commission income			-
II. Total operating cost		22,418,218,004	24,299,890,918
Including: operating costs	VII (61)	19,413,265,254	20,590,531,322
Interest expenses			-
Fee and commission expense			-
Surrender value			-
Net amount of compensation payout			-
Net reserves for insurance liabilities			-
Policy holder dividend expense			-
Reinsurance expenses			-
Taxes and surcharges	VII (62)	106,278,271	108,028,681
Selling and distribution expenses	VII (63)	105,763,639	122,517,036
General and administrative expenses	VII (64)	937,700,839	1,095,131,287
Research and development expenditures	VII (65)	737,468,137	887,096,178
Financial expenses	VII (66)	1,117,741,864	1,496,586,414
Including: interest expenses		1,343,245,061	1,702,292,369
Interest income		369,113,644	331,452,183
Plus: other incomes	VII (67)	93,228,051	88,459,588
Income from investment (loss expressed with "-")	VII (68)	413,517,783	174,600,552
Including: Income from investment of joint venture and cooperative enterprise		138,892,946	110,724,316
Income from derecognition of financial assets measured at amortized cost			
Exchange gain (loss expressed with "-")			
Net exposure hedging gain (loss expressed with "-")			
Income from fair value changes (loss expressed with "-")	VII (70)	94,172,456	88,019,844
Credit impairment losses (loss expressed with "-")	VII (71)	-138,083,561	-38,761,593
Assets impairment losses (loss expressed with "-")	VII (72)	-213,647,223	-52,494,284
Income from disposal of assets (loss expressed with "-")	VII (73)	6,755,688	49,091,913
III. Operating profits (loss expressed with "-")		492,866,842	604,612,985
Plus: non-operating income	VII (74)	17,337,499	16,462,710
Less: non-operating expenditure	VII (75)	7,997,910	30,203,498
IV. Total profits (total loss expressed with "-")		502,206,431	590,872,197
Less: income tax expenses	VII (76)	86,071,000	93,750,584
V. Net profits (net loss expressed with "-")		416,135,431	497,121,613
(I) Classified by business continuity			
1. Net profits from ongoing operation (net loss expressed with "-")		416,135,431	497,121,613
2. Net profits from discontinuing operation (net loss expressed with "-")			
(II) Classified by ownership			
1. Net profit attributable to the shareholders of parent company (net loss expressed with "-")		422,240,299	514,930,143
2. Minority interests (net loss expressed with "-")		-6,104,868	-17,808,530

**Consolidated Income Statement(Continued)**

January to December in 2020

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

Unity: Yuan Currency: CNY

Item	Note	2020	2019
VI. Net of tax of other comprehensive income		-109,245,376	22,021,165
(I) Net amount of after-tax other comprehensive income attributable to the owners of the parent company		-86,457,849	15,806,812
1. Other comprehensive income that can't be reclassified into profit and loss		-404,189	5,656,529
(1) Remeasure the variation of net indebtedness or net asset of defined benefit plan			-
(2) Other comprehensive income that can't be reclassified into profit and loss in the invested enterprise under equity method			-
(3) Fair value change of other equity instrument investments		-404,189	5,656,529
(4) Fair value change of enterprise credit risks			-
2. Other comprehensive income that will be reclassified into profit and loss		-86,053,660	10,150,283
(1) Other comprehensive income that will be reclassified into profit and loss in the invested enterprise under equity method		-28,663,890	-2,004,706
(2) Fair value change of other debt investments			
(3) Amount of financial assets reclassified into other comprehensive income			
(4) Provision for credit impairment of other debt investments			
(5) Cash flow hedging reserve			
(6) Translation reserve		-57,389,770	12,154,989
(7) Others			-
(II) Net of tax of other comprehensive income attributable to the minority shareholders		-22,787,527	6,214,353
VII. Total comprehensive income		306,890,055	519,142,778
(I) Total comprehensive income belonging to parent company		335,782,450	530,736,955
(II) Total comprehensive income belonging to minority shareholders		-28,892,395	-11,594,177
VIII. Earnings per share:			
(I) Basic earnings per share (Yuan/share)		0.08	0.10
(II) Diluted earnings per share (Yuan/share)		0.08	0.10

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

Legal Representative:

Person in charge of
accounting work:Person in charge of
accounting agency:

Income Statement of Parent Company

January to December in 2020

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

Unity: Yuan Currency: CNY

Item	Note	2020	2019
I. Operating revenue	XVII (4)	21,792,572,077	25,040,304,430
Less: operating costs	XVII (4)	19,380,258,843	22,072,761,466
Taxes and surcharges		45,189,858	46,993,017
Selling and distribution expenses		85,994,613	95,598,294
General and administrative expenses		434,987,831	443,039,394
Research and development expenditures		588,658,451	733,613,874
Financial expenses		1,547,343,795	1,196,403,287
Including: interest expenses		1,050,532,128	1,287,736,007
Interest income		25,876,907	25,417,765
Plus: other incomes		54,518,751	66,222,311
Income from investment (loss expressed with "-")	XVII (5)	486,388,303	107,761,737
Including: Income from investment of joint venture and cooperative enterprise		134,225,470	106,972,779
Income from derecognition of financial assets measured at amortized cost			
Net exposure hedging gain (loss expressed with "-")			
Income from fair value changes (loss expressed with "-")		403,444,667	151,121,780
Credit impairment losses (loss expressed with "-")		-122,341,214	-16,036,863
Assets impairment losses (loss expressed with "-")		-207,234,914	-59,200,823
Income from disposal of assets (loss expressed with "-")		6,340,002	4,536,497
II. Operating profits (loss expressed with "-")		331,254,281	706,299,737
Plus: non-operating income		5,366,069	5,369,991
Less: non-operating expenditure		3,261,214	6,293,977
III. Total profits (total loss expressed with "-")		333,359,136	705,375,751
Less: income tax expenses		-4,564,696	61,014,198
IV. Net profits (loss expressed with "-")		337,923,832	644,361,553
(I) Net profits from ongoing operation (net loss expressed with "-")		337,923,832	644,361,553
(II) Net profits from discontinuing operation (net loss expressed with "-")			-
V. Net of tax of other comprehensive income		-30,846,811	4,035,024
(I) Other comprehensive income that can't be reclassified into profit and loss		-404,189	5,656,529
1. Remeasure the variation of net indebtedness or net asset of defined benefit plan			-
2. Other comprehensive income that can't be reclassified into profit and loss in the invested enterprise under equity method			-
3. Fair value change of other equity instrument investments		-404,189	5,656,529
4. Fair value change of enterprise credit risks			-
(II) Other comprehensive income that will be reclassified into profit and loss		-30,442,622	-1,621,505
1. Other comprehensive income that will be reclassified into profit and loss in the invested enterprise under equity method		-28,663,890	-2,004,706
2. Fair value change of other debt investments			
3. Amount of financial assets reclassified into other comprehensive income			
4. Provision for credit impairment of other debt investments			
5. Cash flow hedging reserve			
6. Translation reserve		-1,778,732	383,201
7. Others			-
VI. Total comprehensive income		307,077,021	648,396,577
VII. Earnings per share:			
(I) Basic earnings per share (Yuan/share)			
(II) Diluted earnings per share (Yuan/share)			

Legal Representative:

Person in charge of
accounting work:Person in charge of
accounting agency:

**Consolidated Statement of Cash Flows**

January to December in 2020

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

Unity: Yuan Currency: CNY

Item	Note	2020	2019
I. Cash flow from operating activities:			
Cash from selling commodities or offering labor		24,070,729,586	23,025,755,641
Net increase of customer deposit and deposit from other banks			-
Net increase of borrowings from central bank			-
Net increase of borrowing funds from other financial institutions			-
Cash from obtaining original insurance contract premium			-
Net cash received from reinsurance business			-
Net increase in the deposits and investment of insured			-
Cash from interest, handling charges and commissions			-
Net increase of borrowing funds			-
Net increase of repurchase of business funds			-
Net cash from acting trading securities			-
Refund of tax and levies		851,809,553	1,271,698,523
Other cash received related to operating activities		338,290,726	329,767,258
Subtotal cash inflows from operating activities		25,260,829,865	24,627,221,422
Cash paid for goods purchased and services received		21,342,869,982	19,942,201,097
Net increase of customer loans and advances			
Net increase of amount due from central bank and interbank			
Cash paid for original insurance contract claims payment			
Net increase of lending funds			
Cash paid for interest, handling charges and commissions			
Cash paid for policy dividend			
Cash paid to and for employees		2,178,947,468	2,190,735,091
Taxes and fees paid		326,093,816	296,562,379
Other cash paid related to operating activities		593,529,579	907,509,746
Subtotal cash outflows from operating activities		24,441,440,845	23,337,008,313
Net cash flows from operating activities		819,389,020	1,290,213,109
II. Cash flows from investment activities:			
Cash from investment withdrawal		209,790,000	50,000,000
Cash from investment income		267,656,685	73,626,236
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		20,727,181	283,066,093
Net cash from disposal of subsidiaries and other business units			-
Other cash received related to investment activities		337,058,520	267,388,460
Subtotal cash inflows from investment activities		835,232,386	674,080,789
Cash paid for purchase of fixed assets, intangible assets and other long-term assets		1,638,904,437	1,735,742,239
Cash paid for investments		134,489,526	485,500,000
Net increase in hypothecated loan			-
Net cash paid for obtaining subsidiaries and other business units			-
Other cash paid related to investment activities		266,251,559	-
Subtotal cash outflows from investment activities		2,039,645,522	2,221,242,239
Net cash flow from investment activities		-1,204,413,136	-1,547,161,450
III. Cash flows from financing activities:			
Cash from absorption of investments		379,445,000	808,250,000

Consolidated Statement of Cash Flows(Continued)

January to December in 2020

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

Unity: Yuan Currency: CNY

Item	Note	2020	2019
Including: cash received from subsidiaries' absorption of minority shareholders' investment		379,445,000	808,250,000
Cash received from issuance of other equity instruments		500,000,000	
Cash received from borrowings		41,091,924,772	31,773,610,203
Other cash received related to financing activities		698,202,619	819,334,975
Subtotal cash inflows from financing activities		42,669,572,391	33,401,195,178
Cash repayments of amounts borrowed		39,243,737,056	29,962,425,560
Cash paid for distribution of dividends, profits or interest expenses		1,666,808,625	2,053,070,224
Including: dividends and profits paid by subsidiaries to minority shareholders		46,431,030	973,150
Other cash paid related to financing activities		1,409,615,762	1,243,765,574
Subtotal cash outflows from financing activities		42,320,161,443	33,259,261,358
Net cash flows from financing activities		349,410,948	141,933,820
IV. Impact of exchange rate movements on cash and cash equivalents		-134,669,468	34,052,125
V. Net increase of cash and cash equivalents		-170,282,636	-80,962,396
Plus: beginning balance of cash and cash equivalents		3,068,024,976	3,148,987,372
VI. Ending balance of cash and cash equivalents		2,897,742,340	3,068,024,976

Legal Representative:

Person in charge of
accounting work:

Person in charge of
accounting agency:

**Statement of Cash Flows of the Parent Company**

January to December in 2020

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

Unity: Yuan Currency: CNY

Item	Note	2020	2019
I. Cash flow from operating activities:			
Cash from selling commodities or offering labor		21,198,017,154	20,652,573,566
Refund of tax and levies		824,627,008	1,240,029,186
Other cash received related to operating activities		272,781,596	311,770,463
Subtotal cash inflows from operating activities		22,295,425,758	22,204,373,215
Cash paid for goods purchased and services received		20,992,122,517	17,781,170,677
Cash paid to and for employees		1,113,852,152	1,045,121,920
Taxes and fees paid		71,734,723	74,252,976
Other cash paid related to operating activities		530,324,494	694,695,689
Subtotal cash outflows from operating activities		22,708,033,886	19,595,241,262
Net cash flows from operating activities		-412,608,128	2,609,131,953
II. Cash flows from investment activities:			
Cash from investment withdrawal		540,351,396	579,983
Cash from investment income		289,106,953	10,538,958
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		13,953,970	59,069,806
Net cash from disposal of subsidiaries and other business units			-
Other cash received related to investment activities		-	9,674,112
Subtotal cash inflows from investment activities		843,412,319	79,862,859
Cash paid for purchase of fixed assets, intangible assets and other long-term assets		464,585,090	121,396,662
Cash paid for investments		471,062,850	453,354,150
Net cash paid for obtaining subsidiaries and other business units			-
Other cash paid related to investment activities			-
Subtotal cash outflows from investment activities		935,647,940	574,750,812
Net cash flow from investment activities		-92,235,621	-494,887,953
III. Cash flows from financing activities:			
Cash from absorption of investments			-
Cash received from issuance of other equity instruments		500,000,000	
Cash received from borrowings		34,915,443,955	23,196,312,114
Other cash received related to financing activities			-
Subtotal cash inflows from financing activities		35,415,443,955	23,196,312,114
Cash repayments of amounts borrowed		33,153,717,317	23,435,344,092
Cash paid for distribution of dividends, profits or interest expenses		1,409,748,744	1,641,001,571
Other cash paid related to financing activities		203,727,816	407,455,030
Subtotal cash outflows from financing activities		34,767,193,877	25,483,800,693
Net cash flows from financing activities		648,250,078	-2,287,488,579
IV. Impact of exchange rate movements on cash and cash equivalents		-58,610,469	12,864,249
V. Net increase of cash and cash equivalents		84,795,860	-160,380,330
Plus: beginning balance of cash and cash equivalents		1,770,070,810	1,930,451,140
VI. Ending balance of cash and cash equivalents		1,854,866,670	1,770,070,810

Legal Representative:

Person in charge of
accounting work:Person in charge of
accounting agency:

Consolidated Statement of Changes in Owners' Equity

January to December in 2020

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

Unity: Yuan Currency: CNY

Item	2020											Total owners' equity		
	Equity attributable to the owners of the parent company										Minority equity			
	Paid-in capital (or share capital)	Preferred stock	Other equity instruments	Capital reserves	Less: treasury stock	Other comprehensive income	Special reserves	Surplus reserves	General risk preparation	Undistributed profits			Others	Sub-total
I. Balance at the end of the last year	5,268,353,501			4,834,854,332		23,530,451	3,615,638	1,761,198,709		3,651,851,383		15,543,404,014	3,027,632,431	18,571,036,445
Plus: changes in accounting policies								-143,572,545		-1,399,694,619		-1,543,267,164	-71,475,128	-1,614,742,292
Prior period error correction														
Business combination under common control														
Others														
II. Beginning balance in current year	5,268,353,501			4,834,854,332		23,530,451	3,615,638	1,617,626,164		2,252,156,764		14,000,136,850	2,956,157,303	16,956,294,153
III. Increase/decrease in the current year ("-" for decrease)			500,000,000			-86,457,849	-1,679,485	33,792,383		422,240,299		335,782,450	-451,741,232	118,944,058
(I) Total comprehensive income						-86,457,849							-28,892,395	306,890,055
(II) Owner's invested and decreased capital			500,000,000									500,000,000	237,775,830	737,775,830
1. Common stock invested by the owners														
2. Capital invested by other equity instrument holders			500,000,000									500,000,000		500,000,000
3. Amount of share-based payment included in the owner's equity														
4. Disinvestment by minority shareholders of subsidiaries														
5. Investments received by subsidiaries from minority shareholders														
6. Others														
(III) Disposal of subsidiaries														
(IV) Profit distribution														
1. Withdrawal of surplus reserves														
2. Withdrawal of general risk preparation														
3. Distribution of owners (or shareholders)														
4. Others														
(V) Internal transfer of owner's equity														
1. Capital surplus transfer to paid-in capital (or capital stock)														
2. Earned surplus transfer to paid-in capital (or capital stock)														
3. Earned surplus covering the deficit														
4. Carryforward retained earnings in variation of defined benefit plan														
5. Carryforward retained earnings of other comprehensive income														
6. Others														
(VI) Special reserves														
1. Amount withdrawn in the current year														
2. Amount used in the current year														
(VII) Others														
IV. Balance at the end of the current year	5,268,353,501		500,000,000	4,834,854,332		-62,927,398	1,936,153	1,651,418,547		2,377,187,005		14,570,822,140	2,504,416,071	17,075,238,211



Consolidated Statement of Changes in Owners' Equity(Continued)

January to December in 2020

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

Unity: Yuan Currency: CNY

Item	Equity attributable to the owners of the parent company										Minority equity	Total owners' equity			
	Paid-in capital (or share capital)	Other equity instruments			Capital reserves	Less: treasury stock	Other comprehensive income	Special reserves	Surplus reserves	General risk preparation			Undistributed profits	Others	Sub-total
		Preferred stock	Perpetual bond	Others											
I. Balance at the end of the last year	5,268,353,501	-	-	-	4,649,919,658	-	223,853,860	3,019,173	1,696,762,554	-	3,344,953,206	-	15,185,851,952	2,426,634,780	17,612,486,732
Plus: changes in accounting policies	-	-	-	-	-	-	-216,130,221	-	-	-	119,821,864	-	-96,308,357	-9,011,824	-105,320,181
Prior period error correction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Business combination under common control	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II. Beginning balance in current year	5,268,353,501	-	-	-	4,649,919,658	-	7,723,639	3,019,173	1,696,762,554	-	3,464,775,070	-	15,089,553,695	2,417,622,956	17,507,176,551
III. Increase/decrease in the current year ("-" for decrease)	-	-	-	-	185,934,674	-	15,806,812	596,465	64,436,155	-	187,076,313	-	453,890,419	610,009,475	1,063,859,894
(I) Total comprehensive income	-	-	-	-	-	-	15,806,812	-	-	-	514,930,143	-	530,736,955	-11,594,177	519,142,778
(II) Owner's invested and decreased capital	-	-	-	-	185,934,674	-	-	-	-	-	-	-	185,934,674	622,315,326	808,250,000
1. Common stock invested by the owners	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Capital invested by other equity instrument holders	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Amount of share-based payment included in the owner's equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5. Investments received by subsidiaries from minority shareholders	-	-	-	-	185,934,674	-	-	-	-	-	-	-	-	-	-
(III) Profit distribution	-	-	-	-	-	-	-	-	64,436,155	-327,853,830	-64,436,155	-	-263,417,675	-973,150	-264,390,825
1. Withdrawal of surplus reserves	-	-	-	-	-	-	-	-	64,436,155	-	-	-	-	-	-
2. Withdrawal of general risk preparation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Distribution of owners (or shareholders)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-	-	-	-263,417,675	-	-	-263,417,675	-973,150	-264,390,825
(IV) Internal carry-forward of owners' equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Capital surplus transfer to paid-in capital (or capital stock)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Earned surplus transfer to paid-in capital (or capital stock)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Earned surplus covering the deficit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Carryforward retained earnings in variation of defined benefit plan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5. Carryforward retained earnings of other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6. Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(V) Special reserves	-	-	-	-	-	-	-	596,465	-	-	-	-	596,465	261,476	857,941
1. Amount withdrawn in the current year	-	-	-	-	-	-	-	71,228,319	-	-	-	-	71,228,319	4,507,523	75,735,842
2. Amount used in the current year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(VI) Others	-	-	-	-	-	-	-	70,631,854	-	-	-	-	70,631,854	4,246,047	74,877,901
IV. Balance at the end of the current year	5,268,353,501	-	-	-	4,834,854,332	-	23,530,451	3,615,638	1,761,198,709	-	3,651,851,383	-	15,543,404,014	3,027,632,431	18,571,036,445

Legal Representative:

Person in charge of accounting work:

Person in charge of accounting agency:

Statement of Changes in Owners' Equity of the Parent Company

January to December in 2020

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

Unity: Yuan Currency: CNY

Item	2020				Less: treasury stock	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profits	Total owners' equity
	Paid-in capital (or share capital)	Preferred stock	Perpetual bond	Others						
I. Balance at the end of the last year	5,268,353,501							1,760,690,436	3,835,099,435	15,786,960,162
Plus: changes in accounting policies								-143,572,545	-1,292,152,909	-1,435,725,454
Prior period error correction										
Others										
II. Beginning balance in current year	5,268,353,501							1,617,117,891	2,542,946,526	14,351,234,708
III. Increase/decrease in the current year ("-" for decrease)			500,000,000					33,792,383	40,713,774	543,659,346
(I) Total comprehensive income										
(II) Owner's invested and decreased capital										
1. Common stock invested by the owner			500,000,000							307,077,021
2. Capital invested by other equity instrument holders			500,000,000							500,000,000
3. Amount of share-based payment included in the owner's equity										
4. Others										
(III) Profit distribution										
1. Withdrawal of surplus reserves								33,792,383	-297,210,058	-263,417,675
2. Distribution of owners (or shareholders)								33,792,383	-33,792,383	
3. Others									-263,417,675	-263,417,675
(IV) Internal transfer of owner's equity										
1. Capital surplus transfer to paid-in capital (or capital stock)										
2. Earned surplus transfer to paid-in capital (or capital stock)										
3. Earned surplus covering the deficit										
4. Carryforward retained earnings in variation of defined benefit plan										
5. Carryforward retained earnings of other comprehensive income										
6. Others										
(V) Special reserves										
1. Amount withdrawn in the current year										46,142,567
2. Amount used in the current year										46,142,567
(VI) Others										
IV. Balance at the end of the current year	5,268,353,501		500,000,000					1,650,910,274	2,563,660,300	14,894,894,054



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

January to December in 2020

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

Unity: Yuan Currency: CNY

Item	2019						Total owners' equity			
	Paid-in capital (or share capital)	Other equity instruments		Capital reserves	Less: treasury stock	Other comprehensive income		Special reserves	Surplus reserves	Undistributed profits
		Preferred stock	Perpetual bond							
I. Balance at the end of the last year	5,268,353,501	-	-	4,914,468,683	-	71,258,509	-	1,696,254,281	3,520,430,440	15,470,765,414
Plus: changes in accounting policies										
Prior period error correction						-63,945,426			-1,838,728	-68,784,154
Others										
II. Beginning balance in current year	5,268,353,501	-	-	4,914,468,683	-	4,313,083	-	1,696,254,281	3,518,591,712	15,401,981,260
III. Increase/decrease in the current year ("-" for decrease)	-	-	-	-	-	4,035,024	-	64,436,155	316,507,723	384,978,902
(I) Total comprehensive income						4,035,024			644,361,553	648,396,577
(II) Owner's invested and decreased capital										
1. Common stock invested by the owner										
2. Capital invested by other equity instrument holders										
3. Amount of share-based payment included in the owner's equity										
4. Others										
(III) Profit distribution										
1. Withdrawal of surplus reserves								64,436,155	-327,853,830	-263,417,675
2. Distribution of owners (or shareholders)								64,436,155	-64,436,155	-
3. Others									-263,417,675	-263,417,675
(IV) Internal transfer of owner's equity										
1. Capital surplus transfer to paid-in capital (or capital stock)										
2. Earned surplus transfer to paid-in capital (or capital stock)										
3. Earned surplus covering the deficit										
4. Carryforward retained earnings in variation of defined benefit plan										
5. Carryforward retained earnings of other comprehensive income										
6. Others										
(V) Special reserves										
1. Amount withdrawn in the current year							43,399,676			43,399,676
2. Amount used in the current year							43,399,676			43,399,676
(VI) Others										
IV. Balance at the end of the current year	5,268,353,501	-	-	4,914,468,683	-	8,348,107	-	1,760,690,436	3,835,099,435	15,786,960,162

Legal Representative:

Person in charge of accounting work:

Person in charge of accounting agency:

III. Company profile

1 Company profile

Applicable Not applicable

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

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

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

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

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

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

By December 31, 2020, after all issuances of the shares and bonus shares distributed in the past year, the total shares of the Company amounted to 5,268,353,501 shares, par value per share was RMB 1. The share capital totaled up to RMB 5,268,353,501.

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

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

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

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

The financial statements have been approved by the resolution of the Board of Directors of the Company on March 30, 2021.



2 Scope of consolidated financial statements

Applicable Not applicable

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

IV. Basis of preparation for financial statements

1 Basis of preparation

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

2 Going concern

Applicable Not applicable

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

As of December 31, 2020, the current liabilities of the Group were about RMB 1.8 billion beyond the current assets. At the time of preparing the financial statements for the current year, in view of the facts that the Group has obtained the bank credit line and the financing record and it has established good cooperation relationship with all banks and financial institutions with good operation status, the Board of Directors of the Company believes that, the Group may continue acquiring sufficient financing sources and operating cash flows to guarantee the funds required for operation, repayment of expired debts and capital expenditures. Therefore, the Board of Directors of the Company firmly believes to prepare the annual financial statements for the current year on a basis of going-concern.

While preparing the financial statements, except for some financial instruments, the valuation principle of historical cost shall be adopted. If the assets are impaired, the provision for impairment is made in accordance with relevant provisions.

V. Principal accounting policies and accounting estimates

Specific accounting policies and accounting estimates tips

Applicable Not applicable

The Company determines the specific accounting policies and accounting estimates based on actual production and operation characteristics, which are mainly reflected in the provision for bad debts receivable, inventory valuation methods, business accounting of construction contracts, depreciation of fixed assets, amortization of intangible assets, measurement model of investment properties and income recognition and measurement and so on.

1 Statement on compliance with the Accounting Standards for Business Enterprises

The financial statements meet the requirements of the Accounting Standards for Business Enterprises, and truly and completely reflect the financial position of the Company and the Group as at December 31, 2020, and the operating results and cash flows for the year then ended.

2 Accounting period

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

3 Operating cycle

Applicable Not applicable

4 Functional currency

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

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

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

Applicable Not applicable

Business combinations are classified into business combination under common control and business combination not under common control.

Business combination under common control

The business combination under common control is a business combination in which all of the combining enterprises

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

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

Business combination not under common control

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

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

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

6 Preparation of consolidated financial statements

Applicable Not applicable

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

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

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

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

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

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

The Group disposes of the equity investment in the subsidiaries step by step through multiple transactions until the loss of control. If the above-mentioned transactions are part of a package transaction, the transactions are treated as a transaction dealing with the equity investment of the subsidiary and losing control. However, before the loss of control, the difference between the disposal price and the book value of the long-term equity investment corresponding to the disposed equity is recognized as other comprehensive income in individual financial statements and transferred to the current profit or loss when the control is lost. If the above-mentioned transactions are not part of a package transaction, accounting treatment shall be carried out for each transaction separately according to whether the control is lost or not. If the control is lost, the remaining equity is re-measured at fair value at the date when control is lost. The difference between the sum of the



consideration received on disposal and the fair value of remaining equity and the share of the former subsidiary's net assets cumulatively calculated from the acquisition date according to the original proportion of shareholders' equity, is included in the profit or loss in the period in which control is lost. If goodwill is involved, the amount of the goodwill shall be deducted when calculating and determining the profit or loss on the disposal of the subsidiary. Other comprehensive income related to the equity investment of the original subsidiary shall be accounted on the same basis as the subsidiary's direct disposal of relevant assets or liabilities when the control is lost. The shareholders' equity recognized due to changes in shareholders' equity other than net profit or loss, other comprehensive income and profit distribution related to the original subsidiary shall be transferred to current profit or loss when the control is lost.

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

Applicable Not applicable

8 Recognition criteria of cash and cash equivalents

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

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

Applicable Not applicable

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

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

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

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

10 Financial instruments

Applicable Not applicable

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

Recognition and de-recognition of financial instruments

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

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

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

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

In the event that the liability of a financial liability has been fulfilled, cancelled or expired, the financial liabilities shall be de-recognized. If the existing financial liability is replaced by the same creditor with another financial liabilities of virtually entirely different terms, or the terms of the existing liabilities are almost entirely modified substantially, such substitutions

or modifications will be handled as the derecognition of the original liability and the recognition of new liabilities, and the difference will be included in current profit or loss.

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

Classification and measurement of financial assets

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

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

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

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

Investment in debt instruments measured at cost

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

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

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

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

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

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

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

Classification and measurement of financial liabilities

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

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

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

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

Other financial liabilities

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

Impairment of financial instruments

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

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

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

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

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

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

Financial instrument offset

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

Financial guarantee contracts

A financial guarantee contract refers to the contract where the issuer shall pay the specific amount to the contract holder suffering losses when the specific debtor fails to repay debts according to the financial guarantee clauses. The financial guarantee contracts are measured at fair value at initial recognition. Financial guarantee contracts other than those the financial liabilities measured at fair value through the current profit or loss are subsequently measured at the higher between the amount of expected credit loss reserve determined on the balance sheet date and the balance of the initially recognized amount deducting the accumulated amortization amount determined in the revenue recognition principle.

Derivative financial instruments

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

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

Transfer of financial assets

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

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

11 Notes receivable

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

Applicable Not applicable

12 Accounts receivable

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

Applicable Not applicable

13 Receivables financing

Applicable Not applicable

14 Other receivables

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

Applicable Not applicable

15 Inventories

Applicable Not applicable

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

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

Perpetual inventory system is adopted for inventories.

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

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

Construction contract (only applicable to year 2019)

For large port equipment, heavy equipment and steel products as well as construction projects customized for customers, as the commencement dates and the completion dates are usually in different accounting years, the Group accounts for their revenue and costs by the construction contract.

(a) If the outcome of a construction contract can be estimated reliably, the revenue and cost of such construction contract will be recognized on the balance sheet date based on the progress of completion by the percentage-of-completion method. The outcome of a construction contract can be estimated reliably means that the economic benefit relevant to the contract is likely to flow in the Group, and the actually incurred contract cost can be clearly distinguished and reliably measured; for fixed price contracts, the following conditions should be also met: The total contract revenue can be reliably measured, and the progress of completion and the cost to complete the contract can be reliably determined. Total contract revenue includes the initial cost specified in the contract and the revenue from contract change, claim and award. The Group determines the progress of contract completion by the following ways:

(i) For large port equipment, the progress of completion is determined at the percentage of completion corresponding to the time-point for recognizing the revenue of the construction contract at the end of the period. The Group has determined the following three revenue recognition time-points:

Time-point 1: The manufacturing of main steel structure has been completed and set upright;

Time-point 2: The product manufacturing, installation and preliminary debugging have been completed, the factory qualification certificates for products have been issued, the bill of loading has been obtained, and the product delivery has been prepared;

Time-point 3: The products have been delivered to the purchaser upon the purchaser's inspection, and the delivery certificate issued by the purchaser has been obtained.

The Group analyzes construction contracts completed in the previous year by the category of product, and determines the percentage of completion to be recognized at each revenue recognition time-point, based on the proportion of the cost at the each revenue recognition time-point mentioned above in the total actual cost, and takes such percentage of completion as that to be recognized at each revenue recognition time-point in the current period.

(ii) For heavy equipment and construction projects, the completion of completion is determined based on the proportion of the contract cost accumulated incurred in the total estimated contract costs. The accumulated incurred contract cost does not include the relevant contract costs in the future activities.

(iii) For steel structure manufacturing, the progress of completion is determined based on the proportion of the accumulatively completed processing tonnage in the total estimated processing tonnage.

(b) If the outcome of an individual construction contract cannot be estimated reliably, the treatment will be taken separately in following situations:

(iv) If the contract cost is recoverable, it will be recognized based on the actual contract cost recoverable as the contract expense in the period when such cost is incurred.

(v) If the contract cost is not recoverable, it will be recognized as contract expense when it is incurred, without contract revenue recognition.

(c) If the total estimated contract cost is more than the total estimated contract revenue, the estimated loss will be immediately recognized as the current profit or loss.

(d) For the contract price by installment, the settled price is presented, and will be reversed based on relevant accumulated incurred cost and the accumulated recognized gross profit after the settlement of construction contract. On the balance sheet date, the difference between the sum of the accumulated incurred cost and the accumulated recognized gross profit and the settled price (the former is larger) is presented as the completed but not settled construction payment in the current assets; in case the latter is larger, such difference will be presented as the settled but not completed construction payment in the current liabilities.

16 Contract assets

(1) Recognition method and criteria of contract assets

Applicable Not applicable

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

Contract assets

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

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

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

Applicable Not applicable

17 Assets held for sale

Applicable Not applicable

18 Debt investment

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

Applicable Not applicable

19 Other debt investment

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

Applicable Not applicable

20 Long-term receivables

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

Applicable Not applicable

21 Long-term equity investments

Applicable Not applicable

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

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

The initial investment cost of a long-term equity investment acquired through business combination not under common control is recognized at the combination cost (if the business combination not under common control is realized through

several transactions by step, the sum of the book value of the equity investment of the acquiree held before the acquisition date and the cost of investment newly added on the acquisition date is recognized as the initial investment cost), and the combination cost includes the asset paid by the acquiree, liability incurred or borne by the acquiree, and the fair values of issued equity securities; for the other comprehensive income held before the acquisition date and recognized due to the accounting under equity method, at the disposal of such investment, the accounting treatment identical to that for the direct treatment of relevant assets or liabilities by the investee is adopted; the shareholders' equity recognized on account of the change in other shareholders' equity of the investee other than net profit or loss, other comprehensive income and profit distribution is transferred in the current profit or loss at the disposal of such investment; in which, after such disposal, if such investment is still the long-term equity investment, it will be carried forward in proportion; if it is converted into the financial instrument, it will be carried forward in full. The accumulated changes in fair values of the equity investments held before the acquisition date, which was included in the other comprehensive income as the financial instruments, are fully transferred in the retained earnings (from 2019) or the current profit or loss (before 2019), on the accounting at cost. For long-term equity investments acquired not through business combination, their initial investment costs are determined by the following ways: if the long-term equity investment is acquired through cash payment, the initial investment cost will be the sum of the acquisition price actually paid and the costs, taxes and other necessary costs, which are directly relevant to the long-term equity investment; if the long-term equity investment is acquired by issuing equity securities, the initial investment cost will be the fair value of the equity securities issued.

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

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

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

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

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

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



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

22 Investment properties

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

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

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

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

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

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

23 Fixed assets

(1) Recognition criteria

Applicable Not applicable

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

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

(2) Depreciation method

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

Applicable Not applicable

Category	Depreciation method	Useful lives	Estimated net residual value rate	Annual depreciation rate
Buildings and constructions	Straight-line method	20-40 years	0%	2.5%-5%
Mechanical equipment	Straight-line method	3-20 years	0%	5%-33.3%
Office and electronic equipment	Straight-line method	3-5 years	0%	20%-33.3%

Category	Depreciation method	Useful lives	Estimated net residual value rate	Annual depreciation rate
Transportation facilities (excluding ship)	Straight-line method	5 years	0%	20%
Ship	Straight-line method	10-30 years	5%/10%	3%-9.5%

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

Applicable Not applicable

The fixed assets acquired under financing leases adopt the same depreciation policies for the provision for the depreciation of leased assets as those of its own fixed assets. Where it can be reasonably certain that the Company will obtain ownership of the leased asset at the expiry of the lease term, the leased assets are depreciated over the useful life; where it cannot be reasonably certain that the Company can obtain ownership of the leased asset at the end of the lease term, the leased assets are depreciated at the shorter of the lease term and the use life of the leased assets.

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

24 Construction in progress

Applicable Not applicable

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

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

25 Borrowing costs

Applicable Not applicable

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

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

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

(1) The asset disbursements have already incurred;

(2) The borrowing costs have already incurred; and

(3) Purchase, construction or manufacturing activities that are necessary to prepare the asset for its intended use or sale have already started;

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

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

(1) The interest of special borrowings to be capitalized should be determined according to the actually incurred interest expenses in the current period less the interest income on deposits or the investment income;

(2) The interest of general borrowings to be capitalized should be calculated by multiplying the weighted average of asset disbursements of the part of accumulated asset disbursements exceeding special borrowings by the weighted average rate of used general borrowings.

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

26 Biological assets

Applicable Not applicable

27 Oil and gas assets

Applicable Not applicable

28 Right-of-use assets

Applicable Not applicable

29 Intangible assets

(1) Valuation method, service life and impairment test

Applicable Not applicable

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

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

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

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

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

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

(2) Accounting policy of internal R & D expenditures

Applicable Not applicable

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

30 Asset impairment

Applicable Not applicable

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

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

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

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

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

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

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

31 Long-term deferred expenses

Applicable Not applicable

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

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

32 Contract liabilities

(1) Recognition method of contract liabilities

Applicable Not applicable

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

Contract liabilities

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

33 Employee compensation

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

Short-term compensation

(1) Accounting treatment of short-term compensation

Applicable Not applicable

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

(2) Accounting treatment of post-employment benefits

Applicable Not applicable

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

(3) Accounting treatment of termination benefits

Applicable Not applicable

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

Applicable Not applicable

34 Lease liabilities

Applicable Not applicable

35 Estimated liabilities

Applicable Not applicable

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

- (1) This obligation is a present obligation of the Group;
- (2) The performance of such obligation is likely to result in outflow of economic benefits from the Group;
- (3) The amount of the obligation can be measured reliably.

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

36 Share-based payment

Applicable Not applicable

37 Preferred shares, perpetual bonds and other financial instruments

Applicable Not applicable

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

38 Revenue

- (1) Accounting policies for revenue recognition and measurement

Applicable Not applicable

Revenue from contracts with customers (applicable from January 1, 2020)

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

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

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

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

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

Contracts on rendering of shipping and lifting services

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

estimated days of transportation. The revenue of shipping service shall be recognized when the service is completed.

Material sales contract

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

Rendering of building services

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

Build and transfer contract (BT contract)

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

Franchise contract ("BOT" contract)

The activities under BOT contract usually include build, operate and transfer. At the build stage, the contract revenue of construction services shall be recognized in accordance with the above accounting policies for providing build service contracts. The revenue of construction contract is measured at the fair value of the consideration received or receivable, and the financial assets or intangible assets are recognized while the revenue is recognized as follows:

(1) Within a certain period after the completion of the infrastructure as stipulated in the contract, if the Group can unconditionally collect a certain amount of monetary funds or other financial assets from the contract awarding party, the financial assets are recognized at the same time as revenue;

(2) According to the contract, the Group has the right to collect fees from the service recipients within a certain period of operation after the completion of the relevant infrastructure. However, if the amount of fees is uncertain, the right does not constitute an unconditional right to receive cash, the Group recognizes the intangible assets while recognizing the revenue, and amortizes it by traffic flow method or straight-line method in the period from the date of completion acceptance of the project to the expiration of operation period and its extension period or the termination of franchise.

If the Group does not provide actual construction services but contracts infrastructure construction to other parties, the revenue from construction services will not be recognized; they are respectively recognized as financial assets or intangible assets according to the project price paid in the construction process as well as the contract provisions.

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

According to the provisions of the contract, in order to maintain a certain service capacity of the relevant infrastructure or maintain a certain state of use before it is handed over to the contract awarding party, the current obligations undertaken by the Group in the estimated expenses are recognized as an estimated liability.

Variable consideration

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

Warranty obligations

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

Principal responsible person/agent

The Group determines whether it is the principal responsible person or the agent in the transaction according to whether

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

Contract changes

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

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

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

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

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

Applicable Not applicable

39 Contract cost

Applicable Not applicable

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

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

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

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

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

(3) The cost is expected to be recovered.

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

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

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

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

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

Revenue (applicable to 2019)

Revenue shall be recognized when related benefits are likely to flow into the Group, the amount can be reliably calculated, and the following conditions are met synchronously.

(a) Revenue from sales of large-scale port equipment, ocean heavy equipment, product of steel structure and construction project is recognized by the percentage-of-completion method. Please refer to Note III. 10.

(b) Revenue from ship transportation is recognized at the completion of the voyage.

(c) Income is recognized at the time of delivery for the sale of spare goods or parts and other materials.

(d) The interest income is recognized based on the time and effective interest rate for others to use the monetary funds of the Group.

(e) The revenue from operating lease is recognized in each period under the straight-line method during the lease term.

(f) Activities under the construction and transfer of contracts usually include construction and transfer. With respect to the construction projects for which the Group is responsible, during the construction period, in accordance with principals of the construction contract, when the outcome can be reliably estimated, the construction contract revenue is measured at the

fair value of the consideration receivable, with long-term receivables recognized at the same time and offset upon receipt of payment of the project owner.

40 Government subsidies

Applicable Not applicable

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

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

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

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

41 Deferred income tax assets/deferred income tax liabilities

Applicable Not applicable

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

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

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

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

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

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

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

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

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

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

On the balance sheet date, the Group reviews the book value of deferred income-tax assets. If it is unlikely to obtain sufficient taxable income to offset the benefit of the deferred income-tax assets, the book value of the deferred income-tax assets will be written down. On the balance sheet date, the Group re-evaluates unrecognized deferred income tax assets,

and deferred income tax assets are recognized to the extent that it is likely to obtain sufficient taxable income for all or part of the deferred income tax assets to be reversed.

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

42 Lease

(1) Accounting treatment methods of operating lease

Applicable Not applicable

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

As the lessee of operating lease

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

As a lessor of operating lease

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

(2) Accounting treatment methods of finance lease

Applicable Not applicable

As the lessee of finance lease

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

Leaseback

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

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

Applicable Not applicable

43 Other accounting policies and accounting estimates

Applicable Not applicable

1. Profit distribution

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

2. Work safety expenses

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

3. Fair value measurement

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

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

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

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

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

4. Significant accounting judgment and estimate

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

Judgment

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

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

Uncertainty of estimation

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

Impairment of financial instruments and contract assets

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

Inventory impairments

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

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

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

Impairment of goodwill

The Group tests whether the goodwill is impaired at least annually. This requires an estimate of the present value of the future cash flows of the asset group or combination of asset groups to which goodwill is allocated. When estimating the present value of future cash flows, the Group needs to estimate the cash flow generated by future asset groups or combination of asset groups, and select the appropriate discount rate to determine the present value of future cash flows. See Note VII (28) for details.

Fair value of unlisted equity investments

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

44 Changes in significant accounting policies and accounting estimates

(1) Changes in significant accounting policies

√Applicable □Not applicable

The contents and reasons of the changes of accounting policy	Examination and approval procedures	Remarks (the name and amount of the statement items which subject to important influence)
New revenue standard	In 2017, the Ministry of Finance issued the revised "Accounting Standard for Business Enterprises No. 14 – Revenue" (hereafter referred to as "new revenue standard"). The Group has been made accounting treatment according to the new standards since January 1, 2020. According to the convergence provisions, the information of the comparable period will not be adjusted, and the difference between the first day implementation of the new standards and the current standards is retroactively adjusted to the retained earnings at the beginning of 2020.	The new revenue standard establishes a new revenue recognition model for regulating the revenue generated by contracts with customers. According to the new revenue standard, the way of revenue recognition should reflect the mode of the entity transferring goods or providing services to customers, and the amount of revenue should reflect the amount of consideration that the entity is expected to be entitled to due to the transfer of such goods and services to customers. In the meanwhile, the new revenue standard also regulates the judgment and estimation of every link of revenue recognition. The new revenue standard requires that, on the enforcement date of the contract, the subject should evaluate the contract, identify the individual performance obligations contained in the contract, and determine whether the individual performance obligations are performed within a certain period of time or at a certain point of time. If one of the following conditions is met, the performance obligation shall be performed within a certain period of time; otherwise, the performance obligation shall be performed at a certain point of time: (I) The customer acquires and consumes the economic benefits brought by the enterprise's performance at the same time of the enterprise's performance; (II) The customer can control the goods or services under construction during the performance of the contract by the enterprise; (III) The goods or services produced in the process of performance have irreplaceable uses, and the enterprise has the right to collect payment for the performance part that has been completed so far throughout the contract period. The Group only adjusts the cumulative impact of contracts not yet completed on January 1, 2020. For the contract changes before January 1, 2020, the Group shall adopt the simplified treatment method for accounting treatment according to the final arrangement after the contract change and the relevant provisions of the new standard. For large-sized port machinery, heavy equipment and steel structure products manufacturing business, the Group recognized the revenue by the completion percentage of construction contract before January 1, 2020. From January 1, 2020, after analysis by the Group, the performance obligations contained in the contracts of large-sized port machinery, heavy equipment and some steel structure products manufacturing did not meet the above conditions for performance obligations within a certain period of time, therefore, based on the comprehensive consideration of various factors, the revenue was recognized at the time of control transfer of related products. The above changes resulted in the adjustment of the balance sheets of the Group and the Company as at January 1, 2020.

Other description

The main impacts of the adjustments caused by the above changes in accounting policies on the financial statements are as follows:

The Group
2020

	Book value December 31, 2019	Impact of new revenue standard		Book value January 1, 2020
		Reclassification	Remeasurement	
Accounts receivable	4,966,175,528	-	3,539,747,960	8,505,923,488
Other receivables	1,176,561,508	-	34,480,793	1,211,042,301
Inventories	8,561,251,580	12,434,158,624	76,838,858	21,072,249,062
Outstanding payments for construction completed	12,434,158,624	(12,434,158,624)	-	-
Contract assets	-	-	987,717,554	987,717,554
Deferred income tax assets	486,197,635	-	282,425,445	768,623,080
Other non-current assets	161,337,287	-	899,448,701	1,060,785,988
Advances from customers	(822,987,986)	656,237,558	-	(166,750,428)
Contract liabilities	-	(2,336,188,437)	(7,404,631,245)	(9,740,819,682)
Amount settled for uncompleted work	(1,679,950,879)	1,679,950,879	-	-
Other current liabilities	-	-	(30,770,358)	(30,770,358)
Surplus reserves	(1,761,198,709)	-	143,572,545	(1,617,626,164)
Undistributed profits	(3,651,851,383)	-	1,399,694,619	(2,252,156,764)
Minority equity	(3,027,632,431)	-	71,475,128	(2,956,157,303)

The Company
2020

	Book value December 31, 2019	Impact of new revenue standard		Book value January 1, 2020
		Reclassification	Remeasurement	
Accounts receivable	11,188,977,446	-	3,208,920,449	14,397,897,895
Other receivables	7,850,320,715	-	34,480,793	7,884,801,508
Inventories	8,605,357,557	7,399,709,689	99,402,083	16,104,469,329
Outstanding payments for construction completed	7,399,709,689	(7,399,709,689)	-	-
Contract assets	-	-	817,100,259	817,100,259
Deferred income tax assets	461,638,248	-	250,834,238	712,472,486
Other non-current assets	-	-	899,448,701	899,448,701
Advances from customers	(490,409,652)	490,409,652	-	-
Contract liabilities	-	(2,543,435,528)	(6,745,911,977)	(9,289,347,505)
Amount settled for uncompleted work	(2,053,025,876)	2,053,025,876	-	-
Surplus reserves	(1,760,690,436)	-	143,572,545	(1,617,117,891)
Undistributed profits	(3,835,099,435)	-	1,292,152,909	(2,542,946,526)

(2) Changes in accounting estimates

Applicable Not applicable

(3) The first implementation of new revenue standard and new lease standard for the adjustment of the financial statements at the beginning of the first execution year since 2020

Applicable Not applicable



Consolidated Balance Sheet

Unit: Yuan Currency: CNY

Item	December 31, 2019	January 1, 2020	Adjustments
Current assets:			
Monetary funds	3,310,297,451	3,310,297,451	
Settlement provisions			
Lending funds			
Held-for-trading financial assets	1,739,792,062	1,739,792,062	
Derivative financial assets			
Notes receivable	5,650,000	5,650,000	
Accounts receivable	4,966,175,528	8,505,923,488	3,539,747,960
Receivables financing	406,408,604	406,408,604	
Advances to suppliers	935,878,777	935,878,777	
Premiums receivable			
Reinsurance accounts receivable			
Reserves for reinsurance contract receivable			
Other receivables	1,176,561,508	1,211,042,301	34,480,793
Including: Interest receivable	-		-
Dividend receivable	1,072,390	1,072,390	
Financial assets purchased under agreements to resell			
Inventories	8,561,251,580	21,072,249,062	12,510,997,482
Outstanding payments for construction completed	12,434,158,624	-	-12,434,158,624
Contract assets		987,717,554	987,717,554
Assets held for sale			
Non-current assets due within one year	1,313,203,581	1,313,203,581	
Other current assets	720,183,574	720,183,574	
Total current assets	35,569,561,289	40,208,346,454	4,638,785,165
Non-current assets:			
Disbursement of loans and advances			
Debt investment			
Other debt investments			
Long-term receivables	5,227,728,420	5,227,728,420	
Long-term equity investments	2,873,673,745	2,873,673,745	
Other equity instrument investment	61,981,268	61,981,268	
Other non-current financial assets			
Investment properties	418,425,533	418,425,533	
Fixed assets	21,454,967,299	21,454,967,299	
Construction in progress	4,380,489,888	4,380,489,888	
Productive biological assets			
Oil and gas assets			
Right-of-use assets			
Intangible assets	3,506,541,366	3,506,541,366	
Development expenditures			
Goodwill	268,434,934	268,434,934	
Long-term deferred expenses	1,444,636	1,444,636	

Item	December 31, 2019	January 1, 2020	Adjustments
Deferred income tax assets	486,197,635	768,623,080	282,425,445
Other non-current assets	161,337,287	1,060,785,988	899,448,701
Total non-current assets	38,841,222,011	40,023,096,157	1,181,874,146
Total assets	74,410,783,300	80,231,442,611	5,820,659,311
Current liabilities:			
Short-term borrowings	22,001,319,380	22,001,319,380	
Borrowings from the Central Bank			
Borrowing funds			
Held-for-trading financial liabilities	7,312,741	7,312,741	
Derivative financial liabilities			
Notes payable	3,420,945,451	3,420,945,451	
Accounts payable	7,869,378,365	7,869,378,365	
Advances from customers	822,987,986	166,750,428	-656,237,558
Contract liabilities		9,740,819,682	9,740,819,682
Amount settled for uncompleted work	1,679,950,879	-	-1,679,950,879
Financial assets sold for repurchase			
Deposits from customers and interbank			
Acting trading securities			
Acting underwriting securities			
Payroll payable	329,978,281	329,978,281	
Tax payable	144,506,742	144,506,742	
Other payables	711,389,996	711,389,996	
Including: Interest payable			
Dividends payable	31,701,965	31,701,965	
Fees and commissions payable			
Dividend payable for reinsurance			
Liabilities held for sale			
Non-current liabilities due within a year	7,287,484,513	7,287,484,513	
Other current liabilities		30,770,358	30,770,358
Total current liabilities	44,275,254,334	51,710,655,937	7,435,401,603
Non-current liabilities:			
Reserve fund for insurance contracts			
Long-term borrowings	8,413,339,986	8,413,339,986	
Bonds payable			
Including: preferred stock			
Perpetual bond			
Lease liabilities			
Long-term payables	1,741,945,636	1,741,945,636	
Long-term payroll payable			
Estimated liabilities	484,000,772	484,000,772	
Deferred income	458,722,579	458,722,579	
Deferred income tax liabilities	89,856,727	89,856,727	
Other non-current liabilities	376,626,821	376,626,821	



Item	December 31, 2019	January 1, 2020	Adjustments
Total non-current liabilities	11,564,492,521	11,564,492,521	
Total liabilities	55,839,746,855	63,275,148,458	7,435,401,603
Owners' equity (or shareholders' equity):			
Paid-in capital (or share capital)	5,268,353,501	5,268,353,501	
Other equity instruments			
Including: preferred stock			
Perpetual bond			
Capital reserves	4,834,854,332	4,834,854,332	
Less: treasury stock			
Other comprehensive income	23,530,451	23,530,451	
Special reserves	3,615,638	3,615,638	
Surplus reserves	1,761,198,709	1,617,626,164	-143,572,545
General risk preparation			
Undistributed profits	3,651,851,383	2,252,156,764	-1,399,694,619
Total owners' equities attributable to the owners of parent company	15,543,404,014	14,000,136,850	-1,543,267,164
Minority equity	3,027,632,431	2,956,157,303	-71,475,128
Total owners' equity (or shareholders' equity)	18,571,036,445	16,956,294,153	-1,614,742,292
Total liabilities and owners' equity (or shareholders' equity)	74,410,783,300	80,231,442,611	5,820,659,311

Notes to the adjustment of each item:

□Applicable √Not applicable

Balance Sheet of the Parent Company

Unit: Yuan Currency: CNY

Item	December 31, 2019	January 1, 2020	Adjustments
Current assets:			
Monetary funds	2,009,711,462	2,009,711,462	
Held-for-trading financial assets	717,766,887	717,766,887	
Derivative financial assets			
Notes receivable	5,650,000	5,650,000	
Accounts receivable	11,188,977,446	14,397,897,895	3,208,920,449
Receivables financing	372,373,708	372,373,708	
Advances to suppliers	2,516,366,730	2,516,366,730	
Other receivables	7,850,320,715	7,884,801,508	34,480,793
Including: Interest receivable			
Dividend receivable			
Inventories	8,605,357,557	16,104,469,329	7,499,111,772
Outstanding payments for construction completed	7,399,709,689	-	-7,399,709,689
Contract assets		817,100,259	817,100,259
Assets held for sale			
Non-current assets due within one year	16,068,800	16,068,800	
Other current assets	242,069,645	242,069,645	
Total current assets	40,924,372,639	45,084,276,223	4,159,903,584

Item	December 31, 2019	January 1, 2020	Adjustments
Non-current assets:			
Debt investment			
Other debt investments			
Long-term receivables	349,516,318	349,516,318	
Long-term equity investments	8,748,485,729	8,748,485,729	
Other equity instrument investment	61,981,268	61,981,268	
Other non-current financial assets			
Investment properties	418,425,533	418,425,533	
Fixed assets	4,484,852,694	4,484,852,694	
Construction in progress	352,334,608	352,334,608	
Productive biological assets			
Oil and gas assets			
Right-of-use assets			
Intangible assets	1,537,053,308	1,537,053,308	
Development expenditures			
Goodwill			
Long-term deferred expenses			
Deferred income tax assets	461,638,248	712,472,486	250,834,238
Other non-current assets		899,448,701	899,448,701
Total non-current assets	16,414,287,706	17,564,570,645	1,150,282,939
Total assets	57,338,660,345	62,648,846,868	5,310,186,523
Current liabilities:			
Short-term borrowings	16,511,846,099	16,511,846,099	
Held-for-trading financial liabilities			
Derivative financial liabilities			
Notes payable	4,115,677,123	4,115,677,123	
Accounts payable	4,097,874,390	4,097,874,390	
Advances from customers	490,409,652	-	-490,409,652
Contract liabilities		9,289,347,505	9,289,347,505
Amount settled for uncompleted work	2,053,025,876	-	-2,053,025,876
Payroll payable	312,443,598	312,443,598	
Tax payable	24,536,759	24,536,759	
Other payables	1,223,412,212	1,223,412,212	
Including: Interest payable	-	-	
Dividends payable	352,598	352,598	
Liabilities held for sale			
Non-current liabilities due within one year	5,454,698,322	5,454,698,322	
Other current liabilities			
Total current liabilities	34,283,924,031	41,029,836,008	6,745,911,977
Non-current liabilities:			
Long-term borrowings	6,446,433,319	6,446,433,319	
Bonds payable			
Including: preferred stock			
Perpetual bond			



Item	December 31, 2019	January 1, 2020	Adjustments
Lease liabilities			
Long-term payables			
Long-term payroll payable			
Estimated liabilities	470,724,247	470,724,247	
Deferred income	329,345,661	329,345,661	
Deferred income tax liabilities			
Other non-current liabilities	21,272,925	21,272,925	
Total non-current liabilities	7,267,776,152	7,267,776,152	
Total liabilities	41,551,700,183	48,297,612,160	6,745,911,977
Owners' equity (or shareholders' equity):			
Paid-in capital (or share capital)	5,268,353,501	5,268,353,501	
Other equity instruments			
Including: preferred stock			
Perpetual bond			
Capital reserves	4,914,468,683	4,914,468,683	
Less: treasury stock			
Other comprehensive income	8,348,107	8,348,107	
Special reserves			
Surplus reserves	1,760,690,436	1,617,117,891	-143,572,545
Undistributed profits	3,835,099,435	2,542,946,526	-1,292,152,909
Total owners' equity (or shareholders' equity)	15,786,960,162	14,351,234,708	-1,435,725,454
Total liabilities and owners' equity (or shareholders' equity)	57,338,660,345	62,648,846,868	5,310,186,523

Notes to the adjustment of each item:

Applicable Not applicable

(4) Description of the retrospective adjustment of previous comparative data under the initial implementation of new revenue standard and new lease standard since 2020

Applicable Not applicable

45 Others

Applicable Not applicable

VI. Taxes

1 Main tax categories and tax rates

Main tax categories and tax rates

Applicable Not applicable

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

Category of tax	Basis of tax computation	Tax rate
Consumption tax	/	/
Sales tax	/	/
Urban maintenance and construction tax	VAT paid	Calculated and paid according to 7% and 3% of the actual turnover tax paid respectively.
Enterprise income tax	The enterprise income tax is calculated and paid in accordance with the Enterprise Income Tax Law of People's Republic of China (hereinafter referred to as the "Income Tax Law").	The enterprise income tax is calculated and paid in accordance with the Enterprise Income Tax Law of People's Republic of China (hereinafter referred to as the "Income Tax Law"). In accordance with relevant regulations in the Administrative Measures for Certification of New and High Technology Enterprises (GKFH [2016] No.32), the Guidelines for the Administration of Qualification Accreditation of High-tech Enterprises (GKFH [2016] No.195), and the Circular on Announcing the Recognition List of the Second Batch of High-tech Enterprises of Shanghai in 2017, the Company was awarded the High-tech Enterprise Certificate (Certificate Number: GR201831002345) in November 2017 with the valid term of 3 years. The application for new certificate in 2020 has been publicized. The Company actually applied the enterprise income tax rate of 15% this year (2019: 15%).

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

Applicable Not applicable

Name of taxpayer	Income tax rate (%)
The Company	15%
Shanghai Zhenhua Port Machinery Heavy Industries Co., Ltd.	25%
Shanghai Zhenhua Port Machinery (Hong Kong) Co., Ltd.	16.50%
Shanghai Zhenhua Shipping Co., Ltd.	25%
Nantong Zhenhua Heavy Equipment Manufacturing Co., Ltd.	25%
Shanghai Zhenhua Heavy Industries Group (Nantong) Transmitter Co., Ltd.	15%
ZPMC Electric Co., Ltd.	15%
Shanghai Zhenhua Ocean Engineering Service Co., Ltd.	25%
ZPMC Machinery Equipment Services Co., Ltd.	25%
Shanghai Zhenhua Heavy Industries Port Machinery General Equipment Co., Ltd.	25%
Shanghai Port Machinery Heavy Industry Co., Ltd.	25%
ZPMC Zhangjiagang Port Machinery Co., Ltd.	25%
ZPMC Qidong Marine Engineering Co., Ltd.	25%
Jiahua Shipping Co., Ltd.	16.50%
Zhenhua Pufeng Wind Energy (HongKong) Co., Ltd.	16.50%
CCCC Tianhe Mechanical Equipment Manufacturing Co., Ltd.	15%
Nanjing Ninggao New Channel Construction Co., Ltd.	25%
CCCC Investment & Development Qidong Co., Ltd.	25%
CCCC Liyang Urban Investment and Construction Co., Ltd.	25%
CCCC (Huaian) Construction Development Co., Ltd.	25%
CCCC Zhenjiang Investment Construction Management Development Co., Ltd.	25%
CCCC Rudong Construction Development Co., Ltd.	25%
ZPMC Netherlands Coöperatie U.A.	25%
ZPMC Netherlands B.V.	25%
Verspannen B.V.	25%
ZPMC Espana S.L.	30%
ZPMC Italia S.r.l	24%
ZPMC GmbH Hamburg	32.25%
ZPMC Lanka Company (Private) Limited	24%



Name of taxpayer	Income tax rate (%)
ZPMC North America Inc.	8.84%
ZPMC Korea Co., Ltd.	20%
ZPMC Engineering Africa (Pty) Ltd.	28%
ZPMC Engineering (India) Private Limited	22%
ZPMC Southeast Asia Holding Pte. Ltd.	17%
ZPMC Engineering (Malaysia) Sdn. Bhd.	24%
ZPMC Australia Company (Pty) Ltd.	30%
ZPMC Brazil Serviço Portuários LTDA	25%
ZPMC Limited Liability Company	20%
ZPMC NA East Coast Inc.	8.84%
ZPMC Middle East FZE	0%
ZPMC UK LD	20%
Greenland Heavylift (Hong Kong) Limited	16.5%
GPO Grace Limited	0%
GPO Amethyst Limited	0%
GPO Sapphire Limited	0%
GPO Emerald Limited	0%
GPO Heavylift Limited	0%
GPO Heavylift AS	0%
GPO Heavylift Pte Ltd	17%
ZPMC Latin America Holding Corporation	25%
Terminexus Co., Ltd.	16.5%
CCCC Yongjia Construction Development Co., Ltd.	25%
CCCC Zhenhua Lvjian Technology (Ningbo) Co., Ltd.	25%
ZPMC Hotel Co., Ltd.	25%
Xiong'an Zhenhua Co., Ltd.	25%
ZPMC Fuzhou Offshore Construction Co., Ltd.	25%
CCCC (Dongming) Investment and Construction Co., Ltd.	25%

Remark 1: Shanghai Zhenhua Heavy Industries Group (Nantong) Heavy Gear Reducer Co., Ltd won the Hi-tech Enterprise Certificate (No. GR201932001426) in 2019, with the valid term of 3 years. Shanghai Zhenhua Port Machinery Heavy Industries Co., Ltd. was recognized as a hi-tech enterprise in December, 2019 and won the Hi-tech Enterprise Certificate (No.: GR201931004259) with the valid term of 3 years. The company's tax rate was 15% last year and 15% this year. Shanghai Zhenhua Heavy Industries Electric Co., Ltd was recognized as a hi-tech enterprise in November, 2017 and won the Hi-tech Enterprise Certificate (No.: GR202031001911) after reexamination in November, 2020, with the valid term of 3 years. CCCC Tianhe Mechanical Equipment Manufacturing Co., Ltd. was recognized as hi-tech enterprise in August, 2015 and won the Hi-tech Enterprise Certificate (No. GR201832001451) after reexamination in 2018, with the valid term of 3 years. In accordance with relevant provisions in Article 28 of the Income Tax Law, the actually applicable enterprise income tax rate for these companies in this year was 15% (2019: 15%).

2 Tax preferences

Applicable Not applicable

3 Others

Applicable Not applicable

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

1 Monetary funds

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2020	December 31, 2019
Cash on hand	1,063,472	1,469,655
Bank deposits	2,896,678,868	3,066,555,321
Other monetary funds	50,332,396	242,272,475
Total	2,948,074,736	3,310,297,451
Including: total amount of overseas deposits	829,760,121	888,185,684

As at December 31, 2020, the other monetary funds, including the restricted deposit of RMB 50,332,396 (as at December 31, 2019: RMB 242,272,475), were the money appropriated that was collected from the overseas projects and deposited in the overseas regulatory accounts and the cash deposit deposited for application to the bank for the letter of credit and letter of guarantee.

As at December 31, 2020, the overseas monetary fund deposited by the Group was RMB 829,760,121 (Dec. 31, 2019: RMB 888,185,684).

As at December 31, 2020, the bank deposits were current deposits. The interest income from current deposits is calculated as per the interest rate of the current deposits.

2 Held-for-trading financial assets

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2020	December 31, 2019
Financial assets measured at fair value through the current profit or loss	1,601,623,650	1,739,792,062
Including:		
Equity instrument investment		
Derivative financial assets – equity options	8,438,278	8,438,278
Investments in shares of listed companies	1,593,185,372	1,709,118,540
Derivative financial assets – forward foreign exchange contracts and options		22,235,244
Financial assets designated to be measured at fair value through the current profit or loss		
Including:		
Total	1,601,623,650	1,739,792,062

Other description:

Applicable Not applicable

(i) As at December 31, 2020, the held-for-trading financial assets - derivative financial assets – equity options held by the Group refers to the fair value of the right obtained at the time of acquiring Greenland Heavylift (Hong Kong) Limited to purchase 1% of its equity of at the price of USD 1.

(ii) As at December 31, 2020, the listed company share investments held by the Group include 5.88% equity of Jiangxi Huawu Brake Co., Ltd., 1.59% equity of Qingdao Port International Co., Ltd., 1.16% equity of CRSC, 0.45% equity of COSCO Shipping Holdings Co., Ltd. and 0.001% equity of Shenwan Hongyuan Group Co., Ltd.

3 Derivative financial assets

Applicable Not applicable

4 Notes receivable

(1) Presentation of notes receivable by category

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2020	December 31, 2019
Commercial acceptance bill	753,000	5,650,000
Total	753,000	5,650,000



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

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

(5) Disclosure by bad debt calculation method

Applicable Not applicable

Individual provision for bad debts:

Applicable Not applicable

Provision for bad debts by portfolio:

Applicable Not applicable

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

Applicable Not applicable

(6) Provision for bad debts

Applicable Not applicable

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

Applicable Not applicable

Other description

Applicable Not applicable

5 Accounts receivable

(1) Disclosure by aging

Applicable Not applicable

Unit: Yuan Currency: CNY

Aging	December 31, 2020
Within 1 year	
Including: subitem within 1 year	
Sub-total of items within 1 year	6,178,309,160
1- 2 years	1,012,042,953
2- 3 years	314,526,234
Over 3 years	
3- 4 years	177,871,594
4- 5 years	334,395,800
Over 5 years	1,084,691,181
Total	9,101,836,922

(2) Disclosure by bad debt calculation method

Applicable Not applicable

Unit: Yuan Currency: CNY

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

Category	December 31, 2019				
	Book balance		Provision for bad debts		Book value
	Amount	Proportion (%)	Amount	Proportion of provision (%)	
Provision for bad debts accrued on an individual basis	753,396,385	7	591,042,385	78	162,354,000
Including:					
Provision for bad debts by portfolio	9,529,023,401	93	1,185,453,913	12	8,343,569,488
Including					
Total	10,282,419,786	/	1,776,496,298	/	8,505,923,488

Individual provision for bad debts:

Applicable Not applicable

Unit: Yuan Currency: CNY

Name	December 31, 2020			
	Book balance	Provision for bad debts	Proportion of provision (%)	Reason for provision
Accounts receivable 1	277,613,400	146,015,400	53	Counterparty financial shortage
Accounts receivable 2	187,863,245	187,863,245	100	Contract dispute
Accounts receivable 3	93,954,000	93,954,000	100	Counterparty financial shortage
Accounts receivable 4	42,979,947	42,979,947	100	Contract dispute
Accounts receivable 5	26,099,665	26,099,665	100	Contract dispute
Accounts receivable 6	11,037,000	11,037,000	100	Contract dispute
Accounts receivable 7	8,103,043	8,103,043	100	Contract dispute
Accounts receivable 8	6,980,371	6,980,371	100	Contract dispute
Accounts receivable 9	3,300,179	3,300,179	100	Contract dispute
Accounts receivable 10	2,236,498	2,236,498	100	Contract dispute
Accounts receivable 11	819,162	819,162	100	Contract dispute
Total	660,986,510	529,388,510	80	/

Description of individual provision for bad debts:

Applicable Not applicable

As at December 31, 2019, the accounts receivables with individual provision for bad debts are as follows:

	Book balance	Provision for bad debts	Estimated credit loss ratio %	Reason for provision
Accounts receivable 1	324,708,000	162,354,000	50	Counterparty financial shortage
Accounts receivable 2	182,958,900	182,958,900	100	Contract dispute
Accounts receivable 3	158,184,500	158,184,500	100	Counterparty financial shortage
Accounts receivable 4	27,904,870	27,904,870	100	Contract dispute
Accounts receivable 5	26,911,147	26,911,147	100	Contract dispute
Accounts receivable 6	10,748,869	10,748,869	100	Contract dispute
Accounts receivable 7	7,815,500	7,815,500	100	Contract dispute
Accounts receivable 8	7,463,174	7,463,174	100	Contract dispute
Accounts receivable 9	3,582,135	3,582,135	100	Contract dispute
Accounts receivable 10	2,224,013	2,224,013	100	Contract dispute
Accounts receivable 11	895,277	895,277	100	Contract dispute
Total	753,396,385	591,042,385		



Provision for bad debts by portfolio:

Applicable Not applicable

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

Applicable Not applicable

(3) Provision for bad debts

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

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

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

As at December 31, 2019, top 5 accounts receivable in terms of ending balance presented by debtor summarized and analyzed as follows:

	Balance	Provision for bad debts	Proportion in total balance of accounts receivable %
Total accounts receivable of top 5 balances	1,305,425,250	367,432,657	20

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

Applicable Not applicable

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

Applicable Not applicable

Other description:

Applicable Not applicable

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

	December 31, 2019	Adjustments for changes in accounting policies	January 1, 2020	Provision in 2020	Reversal in 2020	Reduction of consolidation scope	December 31, 2020
2020	1,677,451,836	99,044,463	1,776,496,299	416,571,263	(279,106,645)	(39,189,250)	1,874,771,667
2019	1,529,308,221	111,908,301	1,641,216,522	206,632,546	(170,397,232)	-	1,677,451,836

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

	2020			2019		
	Book balance of estimated default	Estimated credit loss ratio (%)	Expected credit loss for the entire duration	Book balance of estimated default	Estimated credit loss ratio (%)	Expected credit loss for the entire duration
Within 1 year	6,154,544,858	5	293,763,096	3,725,543,945	2	91,032,730
1-2 years	965,250,727	20	190,547,180	602,231,607	13	80,579,861
2-3 years	213,806,234	29	61,516,189	449,964,072	20	89,520,636
3-4 years	177,715,234	63	111,926,196	246,662,162	29	70,797,046
4-5 years	177,122,400	42	75,011,044	175,572,099	68	119,983,513
Over 5 years	752,410,959	81	612,619,452	690,257,094	92	634,495,665
Total	8,440,850,412		1,345,383,157	5,890,230,979		1,086,409,451

6 Receivables financing

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2020	December 31, 2019
Bank acceptance bill	362,006,319	406,408,604
Total	362,006,319	406,408,604

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

□Applicable √Not applicable

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

□Applicable √Not applicable

Other description:

√Applicable □Not applicable

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

	2020		2019	
	Amount derecognized	Amount not derecognized	Amount derecognized	Amount not derecognized
Bank acceptance bill	571,531,799	-	738,496,754	-

7 Advances to suppliers

(1) Presentation of advances to suppliers by account age

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Account age	December 31, 2020		December 31, 2019	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	486,471,381	64	603,532,662	64
1-2 years	192,424,837	25	267,030,956	29
2-3 years	48,275,668	6	54,362,644	6
Over 3 years	40,254,261	5	10,952,515	1
Total	767,426,147	100	935,878,777	100

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

As at December 31, 2020, the advances to suppliers of the Company with the aging over one year was RMB 280,954,766 (as at December 31, 2019: RMB 332,346,115), mainly the advances to suppliers for the procurement of imported parts, which has not been yet settled because the purchased imported parts have not yet received.

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

√Applicable □Not applicable

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

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

As at December 31, 2019, top 5 advances to suppliers in terms of ending balance presented by debtor summarized and analyzed as follows:

	Amount	Proportion in total advances to suppliers %
Total advances to suppliers of top 5 balances	354,954,218	38



Other description
Applicable Not applicable

8 Other receivables

Item presentation
Applicable Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2020	December 31, 2019
Interest receivable		
Dividends receivable		1,072,390
Other receivables	913,410,163	1,209,969,911
Total	913,410,163	1,211,042,301

Other description:
Applicable Not applicable
 Interest receivable
 (1) Classification of interest receivable
Applicable Not applicable
 (2) Significant overdue interest
Applicable Not applicable
 (3) Provision for bad debts
Applicable Not applicable
 Other description:
Applicable Not applicable
 Dividends receivable
 (4) Dividends receivable
Applicable Not applicable

Unit: Yuan Currency: CNY

Item (or invested entity)	December 31, 2020	December 31, 2019
CCCC Nanjing Traffic Engineering Management Co., Ltd.		1,072,390
Total		1,072,390

(5) Significant dividends receivable aging over 1 year
Applicable Not applicable
 (6) Provision for bad debts
Applicable Not applicable
 Other description:
Applicable Not applicable
 Other receivables
 (7) Disclosure by aging
Applicable Not applicable

Unit: Yuan Currency: CNY

Aging	December 31, 2020
Within 1 year	
Including: subitem within 1 year	
Sub-total of items within 1 year	836,659,903
1-2 years	26,116,212
2-3 years	82,447,437
Over 3 years	
3-4 years	193,114,103
4-5 years	1,556,265
Over 5 years	12,274,182
Total	1,152,168,102

(8) Classification by nature of funds

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Nature of funds	December 31, 2020	December 31, 2019
Unpaid taxes receivable	558,720,119	410,468,098
Secured repayment	164,124,678	164,124,678
Bid and performance bond	88,706,025	291,599,548
Advance payment receivable on behalf of the third party	84,615,765	95,480,544
Money on call for product field service	33,945,802	43,035,827
Lease payment receivable	33,434,667	33,434,668
Customs-related security deposit	33,365,314	38,241,878
Staff borrowings receivable	20,309,050	23,557,060
Export rebates	166,044	214,352,290
Deposit receivable	10,000	2,946,042
Others	134,770,638	130,868,274
Total	1,152,168,102	1,448,108,907

(9) Provision for bad debts

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Provision for bad debts	Stage I	Stage II	Stage III	Total
	Estimated credit losses over the next 12 months	Expected credit loss for the entire duration (no credit impairment)	Expected credit loss for the entire duration (credit impairment has occurred)	
Balance as at January 1, 2020		9,710,907	228,428,089	238,138,996
Balance as at January 1, 2020 in current period				
--Transferred to Stage II				
--Transferred to Stage III				
--Reversal to Stage II				
--Reversal to Stage I				
Provision in the current period		1,281,361		1,281,361
Reversal in the current period		-662,418		-662,418
Write-off in the current period				
Charge-off in the current period				
Other changes				
Balance as at December 31, 2020		10,329,850	228,428,089	238,757,939

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

□Applicable √Not applicable

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

□Applicable √Not applicable

(10) Provision for bad debts

□Applicable √Not applicable

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

□Applicable √Not applicable



(12) Top 5 other receivables in terms of ending balance presented by debtor
Applicable Not applicable

Unit: Yuan Currency: CNY

Name	Nature	December 31, 2020	Aging	Proportion in the total balance of other receivables (%)	Balance of provision for bad debts at the end of the year
Other receivables 1	Secured repayment	164,124,678	3-4 years	14	164,124,678
Other receivables 2	Advance payment	54,318,681	4-5 years	5	52,427,770
Other receivables 3	Performance bond	34,800,000	2-3 years	3	
Other receivables 4	Lease payment receivable	33,434,668	Within 1 year	3	
Other receivables 5	Customs-related security deposit	33,365,315	Within 1 year	3	
Total	/	320,043,342	/	28	216,552,448

(13) Receivables involving government subsidies

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

Other description:

Applicable Not applicable

9 Inventories

(1) Classification

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2020			December 31, 2019		
	Book balance	Provision for inventory depreciation/ Provision for impairment of contract performance cost	Book value	Book balance	Provision for inventory depreciation/ Provision for impairment of contract performance cost	Book value
Raw materials	3,118,133,185	54,960,402	3,063,172,783	3,370,311,931	76,456,971	3,293,854,960
Goods in process	20,113,138,980	939,360,778	19,173,778,202	18,795,106,546	1,021,070,136	17,774,036,410
Stock commodities	14,573,887	-	14,573,887	4,357,692	-	4,357,692
Revolving materials						
Consumptive biological assets						
Contract performance cost	74,314,244	-	74,314,244			
Total	23,320,160,296	994,321,180	22,325,839,116	22,169,776,169	1,097,527,107	21,072,249,062

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

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2019	Increase in the current period		Decrease in the current period		December 31, 2020
		Provision	Other	Reversal or write-off	Other	
Raw materials	76,456,971	20,717,774		42,214,343		54,960,402
Goods in process	1,021,070,136	358,911,278		440,620,636		939,360,778

Item	December 31, 2019	Increase in the current period		Decrease in the current period		December 31, 2020
		Provision	Other	Reversal or write-off	Other	
Stock commodities						
Revolving materials						
Consumptive biological assets						
Contract performance cost						
Total	1,097,527,107	379,629,052		482,834,979		994,321,180

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

Applicable Not applicable

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

Applicable Not applicable

Other description

Applicable Not applicable

Provision for inventory depreciation is as follows:

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

The write-off of provision for depreciation of goods in process mainly included the drilling platforms and floating cranes originally planned for sale, which were changed for self-use according to the resolution of the Company's management.

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

	2020	2019
Valid letter of guarantee signed by the bank	12,587,156,263	11,500,477,841
Letter of guarantee not signed by the bank	6,717,974,498	7,293,181,242
Total	19,305,130,761	18,793,659,083

10 Contract assets (Applicable since Jan. 1, 2020)

(1) Particulars about contract assets

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2020			December 31, 2019		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Warranty balance recognized at the time of control transfer	877,580,462	43,597,676	833,982,786	435,489,867	16,195,461	419,294,406
Outstanding payments for construction completed	1,272,225,639	42,911,535	1,229,314,104	568,423,148	-	568,423,148
Total	2,149,806,101	86,509,211	2,063,296,890	1,003,913,015	16,195,461	987,717,554

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

Applicable Not applicable



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

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Item	Provision in the current period	Reversal in the current period	Write-off/charge-off in the current period	Reason
Warranty balance recognized at the time of control transfer	35,823,814	4,231,421	-	/
Outstanding payments for construction completed	38,721,357		-	/
Total	74,545,171	4,231,421	-	/

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

□Applicable √Not applicable

Other description:

√Applicable □Not applicable

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

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

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

	2020		
	Book balance of estimated default	Estimated credit loss rate (%)	Estimated credit loss in the entire duration
Within 1 year	2,089,790,091	3	69,984,114
1-2 years	22,579,760	13	3,032,663
2-3 years	15,189,774	24	3,623,174
Over 3 years	22,246,476	44	9,869,260
Total	2,149,806,101		86,509,211

In this year, the performance progress of relevant construction contracts of the Group increased, and some of the performance progress had not been settled, resulting in the increase in the book value of contract assets.

11 Assets held for sale

□Applicable √Not applicable

12 Non-current assets due within one year

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2020	December 31, 2019
Debt investment due within one year		
Other debt investments due within one year		
Long-term receivables due within one year	1,884,370,444	1,313,203,581
Total	1,884,370,444	1,313,203,581

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

Applicable Not applicable

Other description

None

13 Other current assets

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2020	December 31, 2019
Contract acquisition cost	-	-
Return cost receivable	-	-
Input tax to be deducted	688,621,455	704,526,288
Prepaid income tax	19,862,647	15,657,286
Total	708,484,102	720,183,574

Other description

None

14 Debt investment

(1) Particulars about debt investment

Applicable Not applicable

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

Applicable Not applicable

(3) Provision for impairment

Applicable Not applicable

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

Applicable Not applicable

Other description

Applicable Not applicable

15 Other debt investments

(1) Particulars about other debt investments

Applicable Not applicable

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

Applicable Not applicable

(3) Provision for impairment

Applicable Not applicable

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

Applicable Not applicable

Other description:

Applicable Not applicable

16 Long-term receivables

(1) Long-term receivables

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2020			December 31, 2019			Discount rate range
	Book balance	Provision for bad debt	Book value	Book balance	Provision for bad debt	Book value	
Financing lease							
Including: Unrealized financing income							



Item	December 31, 2020			December 31, 2019			Discount rate range
	Book balance	Provision for bad debt	Book value	Book balance	Provision for bad debt	Book value	
Goods sold on installment							
Services provided on installment							
Receivables from "Building – Transfer" project							
- Principal	6,555,235,454		6,555,235,454	6,140,109,748		6,140,109,748	
- Interest receivable	371,433,599		371,433,599	349,937,720		349,937,720	
Accounts receivable from the projects of collection of payment by installment	34,815,733		34,815,733	50,884,533		50,884,533	
Less: Long-term receivables due within one year	-1,884,370,444		-1,884,370,444	-1,313,203,581		-1,313,203,581	
Total	5,077,114,342		5,077,114,342	5,227,728,420		5,227,728,420	/

As at December 31, 2020 and December 31, 2019, the account receivable from "Building – Transfer" project was the principal invested in above "Building– Transfer" project by the Group, and the amount of interest receivable was the financing return recognized based on the contract.

As at December 31, 2020, the long-term accounts receivable were RMB 5,614,309,162 (as at December 31, 2019: RMB 4,482,230,928), which had been pledged to the bank as the guarantee for the long-term borrowings of RMB 1,947,736,154 (as at December 31, 2019: Long-term borrowings of RMB 1,420,127,942).

(2) Provision for bad debts

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

Other description

Applicable Not applicable

Aging analysis of long-term receivable is as follows:

Item	2020	2019
Within 1 year	1,499,350,642	1,189,304,357
1-2 years	1,104,671,995	1,633,251,803
2-3 years	1,467,238,387	1,996,302,110
Over 3 years	2,890,223,762	1,722,073,731
Sub-total	6,961,484,786	6,540,932,001
Less: Long-term receivables due within one year	1,884,370,444	1,313,203,581
Total	5,077,114,342	5,227,728,420

17 Long-term equity investments

Applicable Not applicable

Unit: Yuan Currency: CNY

Invested entity	December 31, 2019	Increase/decrease in the current period								December 31, 2020	Provision for impairment at the end of the year	
		Further investment	Reduced investment	Profit or loss on investments under the equity method	Adjustment of other comprehensive income	Changes in other equity	Cash dividends or profit declared to be distributed	Provision for impairment	Other			
I. Joint ventures												
Jiangsu Longyuan Zhenhua Marine Engineering Co., Ltd	260,880,653			15,179,788							276,060,441	

Invested entity	December 31, 2019	Increase/decrease in the current period								December 31, 2020	Provision for impairment at the end of the year
		Further investment	Reduced investment	Profit or loss on investments under the equity method	Adjustment of other comprehensive income	Changes in other equity	Cash dividends or profit declared to be distributed	Provision for impairment	Other		
CCCC Tianhe Xi'an Equipment Manufacturing Co., Ltd. (ii)	36,170,279			-366,861					-35,803,418		
ZPMC Mediterranean Liman Makinalari Ticaret Anonim Sirketi	3,735,189			-3,165,847						569,342	
ZPMC-OTL MARINE CONTRACTOR LIMITED	-	-	-	-							
Zhenhua Marine Energy (HK) Co., Ltd. (i)	-	-	-	-							
Cranetech Global Sdn. Bhd.	746,700			-114,520						632,180	
CCCC Nanjing Traffic Engineering Management Co., Ltd. (ii)	11,279,238			9,899					-11,289,137		
Sub-total	312,812,059			11,542,459					-47,092,555	277,261,963	
II. Associates											
CCCC Financial Leasing Co., Ltd (iii)	1,785,702,878			118,432,798	-1,271,676		-19,713,242			1,883,150,758	
CCCC Estate Yixing Co., Ltd.	183,660,541			5,982,621			-2,700,000			186,943,162	
CCCC South American Regional Company SARL	186,678,840			-2,462,090	-23,615,519					160,601,231	
China Communications Construction USA Inc.	60,719,949			-1,690,256	-3,776,695					55,252,998	
CCCC Marine Engineering & Technology Research Center Co., Ltd.	16,730,804			185,678						16,916,482	
ZPMC Changzhou Coatings Co., Ltd.	17,635,277			2,241,634			-3,984,470			15,892,441	
ZPMC Southeast Asia Pte. Ltd	1,670,322			-14,674						1,655,648	
CCCC Yancheng Construction Development Co., Ltd.	289,766,242	128,750,000								418,516,242	
Suzhou Chuanglian Electric Drive Co., Ltd.	11,941,407			5,153,633						17,095,040	
Shanghai Ocean Engineering Equipment Manufacturing Innovation Center Co., Ltd.	6,355,426			-485,085						5,870,341	
CCCC Xiongan Urban Construction Development Co., Ltd. (iv)		1,500,000		6,228						1,506,228	
Shanghai Xingyi Construction Technology Co., Ltd.		1,570,350								1,570,350	
Sub-total	2,560,861,686	131,820,350		127,350,487	-28,663,890		-26,397,712			2,764,970,921	
Total	2,873,673,745	131,820,350		138,892,946	-28,663,890		-26,397,712		-47,092,555	3,042,232,884	

Other description

Joint ventures:

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

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



Associates:

(i) On May 31, 2016, the Company and other shareholders increased the capital amounting to RMB 420,000,000 to CCCC Financial Leasing Co., Ltd. in the same proportion. After the capital increase, the investment costs of the Company to CCCC Financial Leasing Co., Ltd. increased to RMB 1,500,000,000 with the unchanged shareholding ratio of 30%.

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

18 Other equity instrument investment

(1) Particulars about other equity instrument investment

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2020	December 31, 2019
Hunan Fengri Power & Electric Co., Ltd.	22,685,894	24,348,689
CCCC Highway Bridges National Engineering Research Centre Co., Ltd.	19,319,276	17,649,136
CCCC National Engineering Research Center of Dredging Technology and Equipment Co., Ltd.	8,000,908	9,005,378
Ningbo Weilong Port Machinery Co., Ltd. (Former name: ZPMC Ningbo Transmission Machinery Co., Ltd)	6,565,227	7,241,610
Shenyang Weichen Crane Equipment Co., Ltd. (Former name: Shanghai Zhenhua Port Machinery (Group) Shenyang Elevator Co., Ltd.)	4,197,036	2,865,664
ZPMC Longchang Lifting Equipment Co., Ltd (Former name: Shanghai Zhenhua Port Machinery (Group) Longchang Lifting Equipment Co., Ltd.)	737,410	870,791
Total	61,505,751	61,981,268

(2) Equity instrument investment not held for trading

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Dividend income recognized in the current period	Accumulated gains	Accumulated losses	Amount of other comprehensive income transferred to retained earnings	Reasons for financial assets designated to be measured at fair value through other comprehensive income	Reasons for transferring other comprehensive income into retained earnings
Hunan Fengri Power & Electric Co., Ltd.		2,687,734			Strategic investment, long-term holding	
CCCC Highway Bridges National Engineering Research Centre Co., Ltd.		6,319,276			Strategic investment, long-term holding	
CCCC National Engineering Research Center of Dredging Technology and Equipment Co., Ltd.		1,600,908			Strategic investment, long-term holding	
Ningbo Weilong Port Machinery Co., Ltd. (Former name: ZPMC Ningbo Transmission Machinery Co., Ltd)		5,269,227			Strategic investment, long-term holding	

Item	Dividend income recognized in the current period	Accumulated gains	Accumulated losses	Amount of other comprehensive income transferred to retained earnings	Reasons for financial assets designated to be measured at fair value through other comprehensive income	Reasons for transferring other comprehensive income into retained earnings
Shenyang Weichen Crane Equipment Co., Ltd. (Former name: Shanghai Zhenhua Port Machinery (Group) Shenyang Elevator Co., Ltd.)		2,697,036			Strategic investment, long-term holding	
ZPMC Longchang Lifting Equipment Co., Ltd (Former name: Shanghai Zhenhua Port Machinery (Group) Longchang Lifting Equipment Co., Ltd.)			62,590		Strategic investment, long-term holding	
21st Century Science and Technology Investment Co., Ltd.			30,000,000		Strategic investment, long-term holding	

Other description:

Applicable Not applicable

19 Other non-current financial assets

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2020	December 31, 2019
Financial assets measured at fair value through the current profit or loss	330,094,057	-
Total	330,094,057	-

Other description:

Applicable Not applicable

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

20 Investment properties

Measurement model of investment properties

(1) Investment properties with cost measurement mode

Unit: Yuan Currency: CNY

Item	Buildings and constructions	Land use right	Construction in progress	Total
I. Original book value				
1. Balance as at December 31, 2019	397,820,689	209,845,794		607,666,483
2. Increase in current period	68,064,517			68,064,517
(1) Outsourcing				
(2) Transfer-in of inventories, fixed assets and construction in progress				
(3) Increase in business combination				
(4) Debt restructuring for debt repayment	68,064,517			68,064,517
3. Decrease in current period				



Item	Buildings and constructions	Land use right	Construction in progress	Total
(1) Disposal				
(2) Other transfer-out				
4. Balance as at December 31, 2020	465,885,206	209,845,794		675,731,000
II. Accumulative depreciation and amortization				
1. Balance as at December 31, 2019	123,057,915	66,183,035		189,240,950
2. Increase in current period	13,511,735	5,370,796		18,882,531
(1) Provision or amortization	13,511,735	5,370,796		18,882,531
3. Decrease in current period				
(1) Disposal				
(2) Other transfer-out				
4. Balance as at December 31, 2020	136,569,650	71,553,831		208,123,481
III. Provision for impairment				
1. Balance as at December 31, 2019				
2. Increase in current period				
(1) Provision				
3. Decrease in current period				
(1) Disposal				
(2) Other transfer-out				
4. Balance as at December 31, 2020				
IV. Book value				
1. Book value at the end of the period	329,315,556	138,291,963		467,607,519
2. Book value at the beginning of the period	274,762,774	143,662,759		418,425,533

(2) Investment property without certificate of title

Applicable Not applicable

Other description

Applicable Not applicable

Remark 1: the newly added property in this year is the property received from customers in debt restructuring for debt repayment. The book value is recognized by the fair value of the abandoned creditor's rights and other costs directly attributable to the assets such as taxes. As of December 31, 2020, the ownership of the property has been changed.

21 Fixed assets

Item presentation

Applicable Not applicable

Other description:

Applicable Not applicable

Fixed assets

(1) Particulars about fixed assets

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Buildings and constructions	Machinery equipment	Office and electronic equipment	Transportation facilities (Excluding ship)	Ship	Total
I. Original book value						
1. Balance as at December 31, 2019	11,569,317,816	8,430,886,826	270,788,319	258,377,194	13,994,101,710	34,523,471,865
2. Increase in current period	30,571,004	734,689,502	30,120,874	16,609,972	1,229,829,911	2,041,821,263
(1) Purchase	11,773,442	228,582,283	27,602,740	16,609,972	3,835,965	288,404,402

Item	Buildings and constructions	Machinery equipment	Office and electronic equipment	Transportation facilities (Excluding ship)	Ship	Total
(2) Transfer-in of construction in progress	18,797,562	506,107,219	2,518,134		1,225,993,946	1,753,416,861
(3) Increase in business combination						
3. Decrease in current period	449,722,197	2,280,519,036	16,859,344	17,921,204	212,005,670	2,977,027,451
(1) Disposal or scrap	458,447	72,668,322	2,853,592	8,113,117	970,879	85,064,357
(2) Reduction of consolidation scope	449,263,750	2,207,850,714	14,005,752	9,808,087		2,680,928,303
(3) Exchange rate changes					211,034,791	211,034,791
4. Balance as at December 31, 2020	11,150,166,623	6,885,057,292	284,049,849	257,065,962	15,011,925,951	33,588,265,677

II. Accumulated depreciation

1. Balance as at December 31, 2019	4,038,333,249	5,539,517,778	207,931,042	184,292,139	3,098,430,358	13,068,504,566
2. Increase in current period	362,200,339	290,031,654	17,748,088	10,952,920	537,087,321	1,218,020,322
(1) Provision	362,200,339	290,031,654	17,748,088	10,952,920	537,087,321	1,218,020,322
3. Decrease in current period	87,675,328	370,458,172	11,352,967	17,146,267	32,227,874	518,860,608
(1) Disposal or scrap	227,588	59,443,047	2,575,139	8,113,117	733,974	71,092,865
(2) Reduction of consolidation scope	87,447,740	311,015,125	8,777,828	9,033,150		416,273,843
(3) Exchange rate changes					31,493,900	31,493,900
4. Balance as at December 31, 2020	4,312,858,260	5,459,091,260	214,326,163	178,098,792	3,603,289,805	13,767,664,280

III. Provision for impairment

1. Balance as at December 31, 2019						
2. Increase in current period						
(1) Provision						
3. Decrease in current period						
(1) Disposal or scrap						
4. Balance as at December 31, 2020						

IV. Book value

1. Book value at the end of the period	6,837,308,363	1,425,966,032	69,723,686	78,967,170	11,408,636,146	19,820,601,397
2. Book value at the beginning of the period	7,530,984,567	2,891,369,048	62,857,277	74,085,055	10,895,671,352	21,454,967,299

(2) Temporary idle fixed assets

Applicable Not applicable

(3) Fixed assets acquired under finance leases

Applicable Not applicable

(4) Fixed assets leased out through operating lease

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Book value at the end of the period
Vessel	4,314,276,451



(5) Fixed assets without certificate of title
Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Book value	Reasons for pending certificate of title
Buildings and constructions	880,944,048	The handling of relevant formalities is still in process.

Other description:

Applicable Not applicable

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

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

As at December 31, 2019, the following fixed assets were taken as loan mortgage:

	Original price	Book value	Borrowings	
			Nature	Amount
Machinery equipment	1,387,867,681	255,113,376	Long-term payables	89,262,318
Vessel	6,634,000,717	5,439,133,909	Long-term payables	2,161,280,894
Total	8,021,868,398	5,694,247,285		2,250,543,212

As at December 31, 2020 and December 31, 2019, the book values of fixed assets for operating lease were as follows:

	2020	2019
Machinery equipment	-	783,490,756
Vessel	4,314,276,451	1,622,945,798
Total	4,314,276,451	2,406,436,554

As at December 31, 2020, the fixed assets with pending certificate of title were as follows:

	Book value	Reasons for pending certificate of title
Buildings and constructions	880,944,048	The handling of relevant formalities is still in process.

Liquidation of fixed assets

Applicable Not applicable

22 Construction in progress

Item presentation

Applicable Not applicable

Other description:

Applicable Not applicable

Construction in progress

(1) Particulars about construction in progress

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2020			December 31, 2019		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Infrastructure construction of Nantong Base	144,172,138		144,172,138	98,623,383		98,623,383

Item	December 31, 2020			December 31, 2019		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Infrastructure construction of Changxing Base	115,534,831		115,534,831	80,973,129		80,973,129
Large machinery and engineering equipment of the base under construction	4,127,886,615		4,127,886,615	4,052,729,743		4,052,729,743
Office building and ancillary facilities				29,401		29,401
Shield machine parts project				28,416,002		28,416,002
Infrastructure construction of Nanhui Base	3,451,124		3,451,124	3,061,744		3,061,744
Large mechanical reconstruction and upgrading project	129,103,111		129,103,111	116,656,486		116,656,486
Total	4,520,147,819		4,520,147,819	4,380,489,888		4,380,489,888

(2) Changes of major construction in progress

Applicable Not applicable

Unit: Yuan Currency: CNY

Project	Budget	December 31, 2019	Increase in the current period	Amount transferred into fixed assets in the current period	Other decreases in the current period	December 31, 2020	Proportion of cumulative project investment in budget (%)	Construction progress	Cumulative amount of interest capitalized	Including: capitalization of the interest in the current period	Capitalization rate for the interest in the current period (%)	Fund source
Infrastructure construction of Nantong Base	7,817,201,771	98,623,383	62,448,765	16,900,010		144,172,138	85	85				Self-owned funds
Infrastructure construction of Changxing Base	8,678,930,500	80,973,129	38,654,498	4,014,003	78,793	115,534,831	83	83	23,531,836			Self-owned funds and bank borrowings
Large machinery and engineering equipment of the base under construction	8,362,817,390	4,052,729,743	970,168,945	463,797,781	431,214,292	4,127,886,615	98	98	213,369,676	53,531,666	3.48	Self-owned funds and bank borrowings
Office building and ancillary facilities	34,798,370	29,401	86,842	116,243			99	99				Self-owned funds
Shield machine parts project	140,796,531	28,416,002	9,431,135	7,701,302	30,145,835		93	93	5,762,616			Self-owned funds and bank borrowings
Infrastructure construction of Nanhui Base	531,736,425	3,061,744	10,207,567	9,818,187		3,451,124	89	89				Self-owned funds
Large mechanical reconstruction and upgrading project	1,200,868,710	116,656,486	105,882,437	48,999,335	44,436,477	129,103,111	76	76				Self-owned funds
Total	26,767,149,697	4,380,489,888	1,196,880,189	551,346,861	505,875,397	4,520,147,819	/	/	242,664,128	53,531,666	/	/

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

Applicable Not applicable

Other description

Applicable Not applicable

Engineering materials

(4) Particulars about engineering materials

Applicable Not applicable

**23 Productive biological assets**

(1) Productive biological assets with cost measurement model

Applicable Not applicable

(2) Productive biological assets measured by fair value

Applicable Not applicable

Other description

Applicable Not applicable**24 Oil and gas assets**Applicable Not applicable**25 Right-of-use assets**Applicable Not applicable**26 Intangible assets**

(1) Particulars about intangible assets

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Land use right	Patent right	Nonproprietary technology	Software use fee	Proprietary technology	Total
I. Original book value						
1. Balance as at December 31, 2019	4,297,078,828			75,619,611	65,296,171	4,437,994,610
2. Increase in current period				18,805,594		18,805,594
(1) Purchase				18,487,863		18,487,863
(2) Internal R & D						
(3) Increase in business combination						
(4) Transfer-in of construction in progress				317,731		317,731
3. Decrease in current period	96,727,232					96,727,232
(1) Disposal						
(2) Reduction of consolidation scope	96,727,232					96,727,232
4. Balance as at December 31, 2020	4,200,351,596			94,425,205	65,296,171	4,360,072,972
II. Accumulated amortization						
1. Balance as at December 31, 2019	818,093,843			51,245,791	62,113,610	931,453,244
2. Increase in current period	86,880,884			6,887,365	1,609,730	95,377,979
(1) Provision	86,880,884			6,887,365	1,609,730	95,377,979
3. Decrease in current period	14,208,965					14,208,965
(1) Disposal						
(2) Reduction of consolidation scope	14,208,965					14,208,965
4. Balance as at December 31, 2020	890,765,762			58,133,156	63,723,340	1,012,622,258
III. Provision for impairment						

Item	Land use right	Patent right	Nonproprietary technology	Software use fee	Proprietary technology	Total
1. Balance as at December 31, 2019						
2. Increase in current period						
(1) Provision						
3. Decrease in current period						
(1) Disposal						
4. Balance as at December 31, 2020						

IV. Book value

1. Book value at the end of the period	3,309,585,834			36,292,049	1,572,831	3,347,450,714
2. Book value at the beginning of the period	3,478,984,985			24,373,820	3,182,561	3,506,541,366

At the end of the period, the proportion of intangible assets formed through internal R&D in the balance of intangible assets is 0.

In 2020, total technology research and development expenses of the Group amounted to RMB 737,468,137 (2019: RMB 887,096,178). These technology research and development expenses are not capitalized.

(2) Land use right without certificate of title
Applicable Not applicable

Other description:
Applicable Not applicable

27 Development expenditures

Applicable Not applicable

28 Goodwill

(1) Original book value of goodwill
Applicable Not applicable

Unit: Yuan Currency: CNY

Name of the invested entity or the matters forming goodwill	December 31, 2019	Increase in current period	Decrease in current period		December 31, 2020
		Formed by Business combination	Disposal	Other	
ZPMC Qidong Marine Engineering Co., Ltd.	149,212,956				149,212,956
Verspannen B.V.	5,412,807				5,412,807
Greenland Heavy lift (HongKong) Limited	113,809,171			7,362,471	106,446,700
Total	268,434,934			7,362,471	261,072,463

Remark 1: The decrease in the current year was caused by the translation differences of foreign currency statement.

(2) Provision for impairment of goodwill
Applicable Not applicable

(3) Information about the asset group or portfolio of the goodwill
Applicable Not applicable

(4) Explain the goodwill impairment test process, key parameters (such as the growth rate during forecast period when estimating the present value of future cash flow, growth rate during stable period, profit rate, discount rate, forecast period, if applicable) and the recognition method of goodwill impairment loss

Applicable Not applicable

(5) Impact of goodwill impairment test

Applicable Not applicable

Other description

Applicable Not applicable

As at December 31, 2020, the Group had no provision for the impairment of goodwill. When the impairment test is conducted, the book value of goodwill is amortized to the asset group portfolio expected to benefit from the synergistic effect of business combination.

The goodwill acquired through business combination has been distributed to the following asset groups for impairment test:

- Heavy equipment asset group
- Semi-submerged ship transport assets group of Greenland Heavylift (Hongkong) Limited (GHHL)

Heavy equipment asset group

The recoverable amount of heavy equipment asset group is measured based on the five-year budget approved by the management and shall be measured with cash flow forecast method. Cash flow over 5-year period shall be calculated based on the estimated growth rate.

The main assumptions of the future cash flow discount method:

Growth rate during forecast period	8.12%-33.44%
Perpetual growth rate	3%
Gross profit rate	15.27%
Pre-tax discount rate	12.9%

GHHL semi-submerged ship transport assets group

The recoverable amount of GHHL semi-submerged ship transport assets group combination is determined based on the expected future cash flow of the asset group, and the expected future cash flow is determined according to the cash flow forecast based on the transport service contract revenue expected to be obtained within the service life of vessel.

The main assumptions of the future cash flow discount method:

Number of customized short-distance and long-distance transport service contracts expected to be obtained	3 /year/vessel
Vessel utilization rate of general charter party	65%
Charter rate of general charter party	USD 68,000/ day
Pre-tax discount rate	11.9%

The distributions of the book value of goodwill to asset groups are as follows:

	Heavy equipment asset group		GHHL semi-submerged ship transport assets group		Total	
	2020	2019	2020	2019	2020	2019
Book amount of goodwill	154,625,763	154,625,763	106,446,700	113,809,171	261,072,463	268,434,934

The perpetual growth rate adopted by management does not exceed the industry's long-term average growth rate. Based on the historical experience and the forecasts of market development, the management determines the budget gross profit rate and adopts the pretax interest rate which can reflect the specific risk of relevant asset group portfolio as the discount rate. The above assumptions are used to analyze the recoverable amount of the asset group portfolio.

29 Long-term deferred expenses

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2019	Increase in the current period	Amortization in the current period	Other decreases	December 31, 2020
Improvement expenditure of fixed assets under operating lease	1,444,636	5,744,148	2,892,382	3,793,591	502,811
Total	1,444,636	5,744,148	2,892,382	3,793,591	502,811

Other description:
2019

	December 31, 2019	Increase in the current year	Amortization in the current year	Other decreases	December 31, 2020
Improvement expenditure of fixed assets under operating lease	5,112,664	-	(3,668,028)	-	1,444,636

30 Deferred income tax assets/liabilities

(1) Deferred income tax assets before offsetting

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2020		December 31, 2019	
	Deductible temporary differences	Deferred income tax assets	Deductible temporary differences	Deferred income tax assets
Provision for impairment of assets	2,828,618,698	424,967,341	4,365,778,693	654,866,804
Unrealized profits of internal transactions	131,655,187	19,748,278	60,082,114	12,012,332
Deductible loss	1,966,910,762	295,036,614	384,592,112	57,688,817
Estimated liabilities	253,696,912	38,054,537	470,724,247	70,608,637
Wages and salaries unpaid	29,765,369	4,464,805	28,462,182	4,269,327
Interest unpaid	16,209,697	2,431,454	37,098,343	5,564,751
Deferred income			63,738,135	9,560,720
Unrealized contract gross profit	431,033,663	64,655,049	202,110,980	30,316,647
Changes in fair value of held-for-trading financial liabilities			7,312,741	1,096,911
Total	5,657,890,288	849,358,078	5,619,899,547	845,984,946

(2) Deferred income tax liabilities before offsetting

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2020		December 31, 2019	
	Taxable temporary differences	Deferred income tax liabilities	Taxable temporary differences	Deferred income tax liabilities
Asset evaluation increment from business combination not under common control	111,575,168	16,736,275	126,855,063	19,028,259
Changes in fair value of other debt investments	-	-	-	-
Changes in fair value of other equity investment	18,511,592	2,776,739	18,987,108	2,848,066
Changes in fair value of held-for-trading financial assets	686,586,358	103,059,339	373,507,095	57,055,388
Depreciation of fixed assets	482,995,412	80,491,724	535,071,991	88,286,880
Total	1,299,668,530	203,064,077	1,054,421,257	167,218,593



(3) Deferred income tax assets or liabilities presented by net amount after offset

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Item	Offset amount of deferred income tax assets and liabilities at the end of the period	Balance of deferred income tax assets and liabilities after offset at the end of the period	Offset amount of deferred income tax assets and liabilities at the beginning of the period	Balance of deferred income tax assets and liabilities after offset at the beginning of the period
Deferred income tax assets	96,397,406	752,960,672	77,361,866	768,623,080
Deferred income tax liabilities	96,397,406	106,666,671	77,361,866	89,856,727

(4) Details of unrecognized deferred income tax assets

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2020	December 31, 2019
Deductible temporary differences	184,855,083	222,990,045
Deductible losses	1,676,785,029	1,671,758,752
Total	1,861,640,112	1,894,748,797

(5) The deductible losses on the unrecognized deferred income tax assets will become due in the following years

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Year	December 31, 2020	December 31, 2019	Remark
2020		368,426,916	
2021	69,696,906	99,087,307	
2022	248,507,784	252,840,194	
2023	562,790,591	576,831,247	
2024	374,573,088	374,573,088	
2025	421,216,660		
Total	1,676,785,029	1,671,758,752	/

Other description:

□Applicable √Not applicable

31 Other non-current assets

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2020			December 31, 2019		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Contract acquisition cost	-	-	-	-	-	-
Return cost receivable	-	-	-	-	-	-
Contract warranty balance receivable	551,442,577	18,260,301	533,182,276	938,482,329	39,033,628	899,448,701
Advance payment for vessels	134,070,905	-	134,070,905	132,563,749	-	132,563,749
Outstanding payments for construction completed	169,751,108	-	169,751,108	-	-	-

Item	December 31, 2020			December 31, 2019		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Advance payment for office buildings	-	-	-	28,773,538		28,773,538
Total	855,264,590	18,260,301	837,004,289	1,099,819,616	39,033,628	1,060,785,988

Other description:

The changes in the provision for impairment of the contract warranty balance receivable are as follows:

	Balance at the end of last year	Adjustments for changes in accounting policies	Balance at the beginning of the current year	Provision in the current year	Reversal in the current year	Balance at the end of the current year
2020	-	39,033,628	39,033,628	16,743,103	(37,516,430)	18,260,301

32 Short-term borrowings

(1) Classification of short-term borrowings

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2020	December 31, 2019
Pledged borrowings		
Mortgage borrowings		
Guaranteed borrowings	2,321,035,033	1,363,293,671
Fiduciary borrowings	15,474,041,532	20,638,025,709
Total	17,795,076,565	22,001,319,380

Description of the classification of short-term borrowings:

As at December 31, 2020, the annual interest rate on the aforesaid borrowings ranges from 0.50% to 5.66% (as at December 31, 2019: 2.7% to 5.66%).

(i) As at December 31, 2020, the bank guarantee loan amounting to USD 171,651,399, equivalent to RMB 1,120,008,214 (as at December 31, 2019: USD 195,420,669, equivalent to RMB 1,363,293,671) was the bank loans borrowed by the subsidiary of the Company, which was guaranteed by the letter of guarantee issued by the bank for the Company within the scope of credit.

As at December 31, 2020, the bank guarantee loan amounting to RMB 1,201,026,819 (as at December 31, 2019: 0) was the bank loans borrowed by the Company, with joint and several liability repayment guarantee provided by its subsidiaries.

(2) Overdue outstanding short-term borrowings

Applicable Not applicable

The important overdue outstanding short-term borrowings are as follows:

Applicable Not applicable

Other description

Applicable Not applicable

33 Held-for-trading financial liabilities

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2019	Increase in current period	Decrease in current period	December 31, 2020
Held-for-trading financial liabilities				



Item	December 31, 2019	Increase in current period	Decrease in current period	December 31, 2020
Financial liabilities measured at fair value through the current profit or loss				
Derivative financial liabilities	7,312,741			458,882
Total	7,312,741			458,882

Other description:

Applicable Not applicable

34 Derivative financial liabilities

Applicable Not applicable

35 Notes payable

(1) Presentation of notes payable

Applicable Not applicable

Unit: Yuan Currency: CNY

Type	December 31, 2020	December 31, 2019
Commercial acceptance bill		
Bank acceptance bill	3,600,725,892	3,420,945,451
Total	3,600,725,892	3,420,945,451

The total amount of notes payable due and unpaid at the end of the period was RMB 0.

36 Accounts payable

(1) Presentation of accounts payable

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2020	December 31, 2019
Payables for material purchase and product manufacturing	7,293,306,336	7,095,705,902
Equipment and vessel purchase payables	236,939,531	361,370,347
Quality guarantee deposit payable	203,484,597	352,114,025
Infrastructure payables	36,176,452	55,685,497
Port charge payable	3,996,231	4,502,594
Total	7,773,903,147	7,869,378,365

(2) Important accounts payable aging over 1 year

Applicable Not applicable

Other description

Applicable Not applicable

Aging analysis of accounts payable is as follows:

	2020		2019	
	Amount	Proportion in total amount%	Amount	Proportion in total amount%
Within 1 year	6,313,738,368	81	6,173,075,498	78
Over 1 year	1,460,164,779	19	1,696,302,867	22
Total	7,773,903,147	100	7,869,378,365	100

As at December 31, 2020, the accounts payable with the aging over 1 year were mainly the payables for imported parts, which had not been taken for final settlement.

37 Advances from customers

- (1) Presentation of advances from customers
Applicable Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2020	December 31, 2019
Advances from customers for goods (i)	-	-
Advances for lease payment	4,893,675	166,750,428
Total	4,893,675	166,750,428

(i) The advances from customers for goods in this year shall be accounted as contract liabilities after the implementation of new revenue standard.

- (2) Important advances from customers with the aging over 1 year
Applicable Not applicable

Other description
Applicable Not applicable

Aging analysis of advances from customers is as follows:

	2020		2019	
	Amount	Proportion in total amount%	Amount	Proportion in total amount%
Within 1 year	4,893,675	100	728,030,570	88
Over 1 year	-	-	94,957,416	12
Total	4,893,675	100	822,987,986	100

38 Contract liabilities (Applicable from January 1, 2020)

- (1) Particulars about contract liabilities
Applicable Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2020	December 31, 2019
Advances from customers for goods	10,747,054,468	9,407,248,317
Amount settled for uncompleted work	448,254,615	333,571,365
Total	11,195,309,083	9,740,819,682

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

Applicable Not applicable

Other description:

Applicable Not applicable

In the current year, the products corresponding to the advances from customers for goods by the Group have not been delivered, resulting in an increase in the book value of contract liabilities.

39 Payroll payable

- (1) Presentation of payroll payable
Applicable Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2019	Increase in current period	Decrease in current period	December 31, 2020
I. Short-term compensation	329,928,711	1,814,781,525	1,955,910,267	188,799,969



Item	December 31, 2019	Increase in current period	Decrease in current period	December 31, 2020
II. Post-employment benefits - defined contribution plans	49,570	219,730,336	219,779,906	-
III. Dismissal benefits				
IV. Other benefits due within one year				
Total	329,978,281	2,034,511,861	2,175,690,173	188,799,969

(2) Presentation of short-term compensation

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2019	Increase in current period	Decrease in current period	December 31, 2020
I. Salaries, bonuses, allowances and subsidies	293,726,618	1,456,926,078	1,597,165,890	153,486,806
II. Employee welfare	15,537	58,302,543	58,318,080	
III. Social insurance premium	30,589	111,962,438	111,984,923	8,104
Including: medical insurance premium	25,794	97,829,362	97,847,862	7,294
Work-related injury insurance premium	2,118	4,535,010	4,537,128	
Maternity insurance premium	2,677	9,598,066	9,599,933	810
IV. Housing provident funds	20,539	147,698,483	147,710,962	8,060
V. Union expenditures and employee education expenses	36,135,428	27,337,248	28,175,677	35,296,999
VI. Short-term paid absence				
VII. Short-term profit sharing plan				
VIII. Other short-term compensation		12,554,735	12,554,735	
Total	329,928,711	1,814,781,525	1,955,910,267	188,799,969

(3) Presentation of defined contribution plans

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2019	Increase in current period	Decrease in current period	December 31, 2020
1. Basic endowment insurance premium	48,140	126,565,169	126,613,309	
2. Unemployment insurance premium	1,430	855,312	856,742	
3. Enterprise annuity payment				
4. Supplementary endowment insurance premium		92,309,855	92,309,855	
Total	49,570	219,730,336	219,779,906	

Other description:

□Applicable √Not applicable

40 Tax payable√Applicable Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2020	December 31, 2019
VAT	31,497,623	19,182,496
Consumption tax		
Sales tax		
Enterprise income tax	85,855,884	84,488,181
Individual income tax	11,361,113	14,648,581
Urban maintenance and construction tax	1,397,325	445,032
Education surtax	1,295,006	381,574
Others	29,375,980	25,360,878
Total	160,782,931	144,506,742

Other description:

Not applicable

41 Other payables

Item presentation

√Applicable Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2020	December 31, 2019
Interest payable		
Dividends payable	352,598	31,701,965
Other payables	480,713,102	679,688,031
Total	481,065,700	711,389,996

Other description:

Applicable Not applicable

Interest payable

(1) Presentation by category

Applicable Not applicable

Dividends payable

(2) Presentation by category

√Applicable Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2020	December 31, 2019
Common stock dividends		
Preferred stock/perpetual debt dividends classified as equity instruments		
Preferred stock/perpetual debt dividends-XXX		
Preferred stock/perpetual debt dividends-XXX		
Dividends payable - CCCC Tianjin Dredging Co., Ltd.		25,079,494
Dividends payable - Chuwa Bussan Co. Ltd.		6,269,873
Dividends payable - Hong Kong Zhenhua Engineering Co., Ltd.	346,005	346,005



Item	December 31, 2020	December 31, 2019
Dividends payable - Macau Zhenhua Harbour Construction Co., Ltd.	6,593	6,593
Total	352,598	31,701,965

Other explanations, including important dividends payable that have not been paid for more than one year, the reasons for non-payment shall be disclosed:

As at December 31, 2020, the reason for the dividend payable with the aging over 1 year amounting to RMB 352,598 (as at December 31, 2019: RMB 31,701,965) was that the shareholders of the Company had not requested for actual payment by the Group.

Other payables

(1) Other payables presented by nature

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2020	December 31, 2019
Engineering deposit and quality guarantee deposit	230,926,693	227,040,148
Investment section payable to CCCC (i)		100,971,833
Amounts due to related parties	84,675,989	77,381,454
Special payables	16,022,785	16,971,821
Others	149,087,635	257,322,775
Total	480,713,102	679,688,031

(2) Important other payables with the aging over 1 year

Applicable Not applicable

Other description:

Applicable Not applicable

(i) The Group completed the cancellation of a subsidiary in 2011. RMB 25,971,833 in the balance was the investment liquidation fund payable by the Group and attributable to CCCC who was another shareholder of the subsidiary; meanwhile, the Group completed the merger and acquisition of the subsidiary of CCCC under the common control in 2015, and RMB 75,000,000 in the balance was the purchase fund payable by the Group to CCCC. As of December 31, 2020, all relevant payments have been completed.

Aging analysis of other payables is as follows:

	2020		2019	
	Amount	Proportion %	Amount	Proportion %
Within 1 year	349,708,190	73	501,239,668	74
Over 1 year	131,004,912	27	178,448,363	26
Total	480,713,102	100	679,688,031	100

As at December 31, 2020, the other payables with the aging over 1 year were mainly the payable deposit and quality guarantee deposit collected from outsourcing engineering team and payables to related party.

42 Liabilities held for sale

Applicable Not applicable

43 Non-current liabilities due within one year

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2020	December 31, 2019
Long-term borrowings due within one year	914,366,451	6,533,318,585
Bonds payable due within one year		

Item	December 31, 2020	December 31, 2019
Long-term payables due within one year	460,098,868	754,165,928
Lease liabilities due within one year		
Total	1,374,465,319	7,287,484,513

Other description:
None

44 Other current liabilities

Other current liabilities
Applicable Not applicable

Increase or decrease of short-term bonds payable:
Applicable Not applicable

Other description:
Applicable Not applicable

45 Long-term borrowings

(1) Classification of long-term borrowings
Applicable Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2020	December 31, 2019
Pledged borrowings	1,947,736,154	1,420,127,942
Mortgage borrowings		
Guaranteed borrowings	797,215,505	3,689,523,034
Fiduciary borrowings	15,019,714,534	9,837,007,595
Less: Long-term borrowings due within one year		
Fiduciary borrowings	-239,762,214	-2,966,074,277
Guaranteed borrowings	-470,970,505	-3,219,523,034
Pledged borrowings	-203,633,732	-347,721,274
Total	16,850,299,742	8,413,339,986

Description of the classification of long-term borrowings:
None

Other description, including interest rate range:
Applicable Not applicable

As at December 31, 2020, the annual interest rate on the aforesaid borrowings ranges from 1.20% to 5.46% (as at December 31, 2019: 2.95% to 5.46%).

(i) As at December 31, 2020, the bank guarantee loan amounting to USD 50,000,000, equivalent to RMB 326,245,000 (as at December 31, 2019: USD 50,518,682, equivalent to RMB 352,428,432), was the bank loan borrowed by the Company's subsidiary Shanghai Zhenhua Port Machinery (Hong Kong) Co., Ltd. and the guarantee was provided by the Company. The interest shall be paid quarterly and the principal shall be repaid on July 10, 2023.

As at December 31, 2020, the bank guarantee loan amounting to RMB 470,970,505 (as at December 31, 2019: RMB 1,973,532,215), was the bank loan borrowed by the Company. The Company's subsidiary ZPMC Port Machinery General Equipment Co., Ltd., provided the joint and several liability repayment guarantee. The interest shall be paid quarterly and the principal will be due on November 10, 2021.

(ii) As at December 31, 2020, the total amount of multiple pledged loans amounting to RMB 1,947,736,154 (as at December 31, 2019: RMB 1,420,127,942) took the long-term accounts receivable of the "building-transfer" project of the Group as pledge. The interest shall be paid quarterly, and the principal shall be repaid between July 29, 2021 and August 27, 2033 (as at December 31, 2019: the principal shall be repaid between December 15, 2020 and December 23, 2029).

**46 Bonds payable**

- (1) Bonds payable
Applicable Not applicable
- (2) Increase or decrease of bonds payable: (excluding preferred shares, perpetual bonds and other financial instruments classified as financial liabilities)
Applicable Not applicable
- (3) Conditions and time for conversion of convertible bonds
Applicable Not applicable
- (4) Description of other financial instruments classified as financial liabilities
 Basic information of outstanding preferred shares, perpetual bonds and other financial instruments at the end of the period
Applicable Not applicable
 Changes in outstanding preferred shares, perpetual bonds and other financial instruments at the end of the period
Applicable Not applicable
 Description of the basis for classifying other financial instruments as financial liabilities:
Applicable Not applicable
 Other description:
Applicable Not applicable

47 Lease liabilities

- Applicable Not applicable

48 Long-term payables

- Item presentation
Applicable Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2020	December 31, 2019
Long-term payables		
Special payables		
Leaseback financing fund (i)	1,807,890,037	2,250,543,212
"Building - transfer" project fund (ii)	139,682,456	139,682,457
Project quality guarantee deposit	145,284,307	105,885,895
Less: Leaseback financing fund due within one year	-460,098,868	-754,165,928
Total	1,632,757,932	1,741,945,636

Other description:

- Applicable Not applicable

(i) As at December 31, 2020, the long-term payables of RMB 1,807,890,037 (December 31, 2019: RMB 2,250,543,212) were obtained from the vessel with the book value of RMB 2,821,018,550 (as at December 31, 2019: vessels of RMB 5,439,133,909, machinery equipment of RMB 255,113,376) in leaseback way from the financial leasing company, with the maturity date from December 5, 2021 to September 24, 2031 (December 31, 2019: from April 11, 2020 to September 24, 2031). The Group will pay the leaseback financing fund on schedule each year to the financial leasing company in accordance with the contract terms. The Group takes the above series of transactions as mortgage loans for accounting treatment.

(ii) The Group and the construction party of "building-transfer" project agreed that part of the project payments would be paid to the construction party after the final acceptance of the "building-transfer" project within a certain term.

Long-term payables

- (1) Presentation of long-term payables by nature

Applicable Not applicable

Special payables

- (2) Presentation of special payables by nature

Applicable Not applicable

49 Long-term payroll payable

- Applicable Not applicable

50 Estimated liabilities

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2019	December 31, 2020	Causes
External guarantee			
Pending litigation			
Product quality guarantee deposit			
Restructuring obligations			
Loss contracts to be executed			
Refund payable			
Estimated after-sale service cost	481,342,622	261,072,318	
Others	2,658,150		
Total	484,000,772	261,072,318	/

Other description, including relevant important assumptions and estimates of important estimated liabilities:
None

51 Deferred income

Deferred income

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2019	Increase in current period	Decrease in current period	December 31, 2020	Causes
Government subsidies	360,656,713	66,115,003	73,932,916	352,838,800	
Land compensation	98,065,866		62,148,665	35,917,201	
Total	458,722,579	66,115,003	136,081,581	388,756,001	/

As at December 31, 2020, liability items involved in government subsidies:

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Liability item	December 31, 2019	New subsidy amount in current period	Amount included in non-operating income in current period	Amount included in other income in current period	Other changes	December 31, 2020	Assets related / income related
Hoisting and pipe laying ship R&D project	47,450,000					47,450,000	Income related
Automated dock R&D project	37,455,000			-9,405,000		28,050,000	Income related
Offshore deep water environmental protection intelligent fishing ground construction project in Fujian		20,000,000				20,000,000	Income related
Intelligent transportation system of Automatic navigation vehicle	16,800,000					16,800,000	Income related



Liability item	December 31, 2019	New subsidy amount in current period	Amount included in non-operating income in current period	Amount included in other income in current period	Other changes	December 31, 2020	Assets related / income related
Deep sea drilling ship and auxiliary equipment research project	14,860,000	1,340,000				16,200,000	Income related
Research and demonstration project of crane boom structure and its test with low cost and large bearing capacity at sea	16,000,000				-800,000	15,200,000	Income related
Intelligent manufacturing workshop for crane box of automated terminal	14,171,796					14,171,796	Income related
Key technology research project of bottom-supported offshore wind power installation platform	12,400,000					12,400,000	Income related
10,000t semi-submerged ship R&D project	12,506,667			-560,000		11,946,667	Income related
Comprehensive standardization of intelligent manufacturing of marine engineering equipment	11,700,000					11,700,000	Income related
High skill training facilities and equipment funding project		10,964,700				10,964,700	Income related
Transportation emplacement system R&D project	10,000,000					10,000,000	Income related
Floating crane R&D project	12,659,000			-2,740,400		9,918,600	Income related
Architecture design and testing tools development of the next generation of intelligent operation platform for automated container terminals	11,210,000				-1,600,000	9,610,000	Income related
Drilling platform R&D project	9,390,000					9,390,000	Income related
Research and development of large-scale underwater robot work-system	8,533,000				-432,000	8,101,000	Income related
Manufacturing process optimization R&D project in marine engineering field	8,000,000					8,000,000	Income related
R&D and application demonstration project for the intelligent coating system of the main structure of large port machinery	8,000,000					8,000,000	Income related

Liability item	December 31, 2019	New subsidy amount in current period	Amount included in non-operating income in current period	Amount included in other income in current period	Other changes	December 31, 2020	Assets related / income related
Self-elevating platform central control system	6,190,000					6,190,000	Income related
Retractable boarding trestle system R&D project	4,448,300	1,551,700				6,000,000	Income related
Unmanned driving technology piercing and intelligent group control system project	5,850,000					5,850,000	Income related
Development and industrialization of large deep water crane piping ship	5,572,000					5,572,000	Income related
Marine engineering positioning system R&D project	4,472,885	4,380,000		-3,423,391		5,429,494	Income related
Collaborative innovation in the industrial chain of core components for high-end marine engineering equipment	2,100,000	1,050,000				3,150,000	Income related
Key technology research and development, system integration and application of intelligent horizontal transport vehicle		2,985,000				2,985,000	Income related
Finishing intelligent production line of special gear shaft for port machinery	2,560,000					2,560,000	Income related
Research and application of key technologies for intelligent maintenance system for automatic container handling equipment	3,280,000				-800,000	2,480,000	Income related
Intelligent manufacturing line for crane box		2,280,000				2,280,000	Income related
Design and manufacturing technology of stinger for deepwater subsea pipeline laying system		2,400,000			-288,000	2,112,000	Income related
Soft set hybrid cloud system construction project of the Economic and Information Technology Commission in 2019		1,990,000				1,990,000	Income related
Research on the technology and application of marine environmental protection coatings		3,960,000			-2,110,000	1,850,000	Income related



Liability item	December 31, 2019	New subsidy amount in current period	Amount included in non-operating income in current period	Amount included in other income in current period	Other changes	December 31, 2020	Assets related / income related
Port outdoor trackless navigation heavy load project	4,070,000				-2,320,000	1,750,000	Income related
Automatic transfer equipment and supporting technology		1,540,000				1,540,000	Income related
Research on the heave motion compensation technology of mining pipe		1,088,000				1,088,000	Income related
Intelligent transportation equipment and supporting technology for multimodal transportation		990,000				990,000	Income related
Research and introduction of key technologies for three-dimensional VOCs observation, traceability and near-zero emission	1,600,000				-640,000	960,000	Income related
Industrial Internet based on Beidou time and space benchmark service		760,500				760,500	Income related
AGV Eight-wheel 180 degree rotary electric differential AGV		860,000			-160,000	700,000	Income related
Development of HIL test platform for key control system of marine engineering ships		500,000				500,000	Income related
Precise shape control, performance control, manufacturing and assembly technology for high-speed precision heavy duty herringbone gear		200,000				200,000	Income related
Special equipment research project for the construction of immersed tube tunnel of Shenzhen-Zhongshan Access		180,000				180,000	Income related
Development of intelligent operation system for dredging vessel		144,123				144,123	Income related
Multi-method integration technology development and demonstration application project for innovation chain		126,000				126,000	Income related
Two ISO international standards development projects approved in 2018		60,000				60,000	Income related

Liability item	December 31, 2019	New subsidy amount in current period	Amount included in non-operating income in current period	Amount included in other income in current period	Other changes	December 31, 2020	Assets related / income related
Intelligent equipment for container yard	1,245,000			-1,245,000			Income related
Others	68,133,065	6,764,980		-38,784,960	-8,624,165	27,488,920	Income related
Total	360,656,713	66,115,003		-56,158,751	-17,774,165	352,838,800	

Other description:

Applicable Not applicable

Remark 1: the government subsidies of RMB 556,923 and land compensation of RMB 60,448,960 in decreases in this year was due to the change of consolidation scope.

The above government subsidies are related to income.

Land compensation refers to the land compensation acquired by a subsidiary of the Company, which shall be amortized over the 50 years' land use term.

52 Other non-current liabilities

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2020	December 31, 2019
Contract liabilities		
Output tax to be carried forward	430,372,502	376,626,821
Total	430,372,502	376,626,821

Other description:

On balance sheet date, the revenue of some construction contracts and interest income of "building-transfer" projects of the Company had not reached the time point of the VAT liability.

53 Share capital

Applicable Not applicable

Unit: Yuan Currency: CNY

	December 31, 2019	Increase/decrease (+/-)					Sub-total	December 31, 2020
		New shares issued	Share donation	Conversion of reserves into share	Others			
Total shares	5,268,353,501						5,268,353,501	

Other description:

None

54 Other equity instruments

(1) Basic information of outstanding preferred shares, perpetual bonds and other financial instruments at the end of the period

Applicable Not applicable

As of December 31, 2020, the details of the Group's outstanding perpetual bonds are as follows:

	Date of issue	Accounting classification	Interest rate	Issue price	Number	Amount	Maturity or renewal
Perpetual medium-term notes							



	Date of issue	Accounting classification	Interest rate	Issue price	Number	Amount	Maturity or renewal
Second issue of medium-term notes of Shanghai Zhenhua Heavy Industries Co., Ltd. in the year 2020	December 24, 2020	Equity instrument	5.06%	100	5,000,000	500,000,000	Undue

The Group issued the perpetual notes on December 24, 2020, with a term of 2+N (2) years, which will survive for a long time before the Group redeems in accordance with the terms of issue, and will mature when the issuer redeems in accordance with the terms of issue. The initial coupon of perpetual notes is 5.06%. In accordance with the terms of issue of medium-term notes, the Company has the right to distribute cash interest annually at annual interest rate and has no contractual obligation to repay the principal or pay any interest free of charge. Except for compulsory interest payment, on each interest payment date of medium-term notes, the Group may, at its own option, postpone the payment of current interest and all deferred interest and its fruits in accordance with this clause to the next interest payment date, and is not limited by the number of deferred interest payments. On the reset date of the coupon rate of medium-term notes, the Company has the right to redeem the medium-term notes at face value plus interest payable (including all deferred interest payments). The Group deems that the notes do not meet the definition of financial liabilities and therefore classifies it as other equity instruments.

(2) Changes in outstanding preferred shares, perpetual bonds and other financial instruments at the end of the period
Applicable Not applicable

Outstanding financial instruments	Beginning		Increase in current period		Decrease in current period		Ending	
	Amount	Book value	Amount	Book value	Amount	Book value	Amount	Book value
Second issue of medium-term notes of Shanghai Zhenhua Heavy Industries Co., Ltd. in the year 2020			5,000,000	500,000,000			5,000,000	500,000,000
Total			5,000,000	500,000,000			5,000,000	500,000,000

Description of the increase and decrease of other equity instruments in the current period, reasons for changes, and basis for relevant accounting treatment:

Applicable Not applicable

Other description:

Applicable Not applicable

55 Capital reserves

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2019	Increase in current period	Decrease in current period	December 31, 2020
Capital premium (Share capital premium)	4,537,774,553			4,537,774,553
Other capital reserves				
Business combination under common control	-16,203,111			-16,203,111
Purchase of minority interest	-711,345			-711,345
Absorption of minority shareholders' investments by subsidiaries	185,934,674			185,934,674

Item	December 31, 2019	Increase in current period	Decrease in current period	December 31, 2020
Transfer-in of capital reserves under the original system	128,059,561			128,059,561
Total	4,834,854,332			4,834,854,332

Other description, including the increase and decrease in the current period and the reasons for changes:
None

56 Treasury stock

Applicable Not applicable

57 Other comprehensive income

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2019	Amount incurred in the current period						December 31, 2020
		Pre-tax amount	Less: amount previously included in the other comprehensive income and currently transferred to the profit or loss	Less: amount previously included in the other comprehensive income and currently transferred to retained earnings	Less: income tax	Attributable to the parent company after tax	Attributable to the minority equity after tax	
I. Other comprehensive income that can't be reclassified into profit and loss	-13,860,957	-475,517			-71,328	-404,189		-14,265,146
Including: Remeasure the variation of net indebtedness or net asset of defined benefit plan								
Other comprehensive income that can't be reclassified into profit and loss in the invested enterprise under equity method								
Fair value change of other equity instrument investments	-13,860,957	-475,517			-71,328	-404,189		-14,265,146
Fair value change of enterprise credit risks								
II. Other comprehensive income that will be reclassified into profit and loss	37,391,408	-108,841,187				-86,053,660	-22,787,527	-48,662,252
Including: Other comprehensive income that will be reclassified into profit and loss in the invested enterprise under equity method								
Fair value change of other debt investments	-9,051,692	-28,663,890				-28,663,890		-37,715,582
Amount of financial assets reclassified into other comprehensive income								
Provision for credit impairment of other debt investments								
Cash flow hedging reserve								



Item	December 31, 2019	Amount incurred in the current period						December 31, 2020
		Pre-tax amount	Less: amount previously included in the other comprehensive income and currently transferred to the profit or loss	Less: amount previously included in the other comprehensive income and currently transferred to retained earnings	Less: income tax	Attributable to the parent company after tax	Attributable to the minority equity after tax	
Translation reserve	46,443,100	-80,177,297				-57,389,770	-22,787,527	-10,946,670
Total other comprehensive income	23,530,451	-109,316,704			-71,328	-86,457,849	-22,787,527	-62,927,398

Other description, including the adjustment of the initial recognition amount of the effective part of profit or loss of cash flow hedging converted into the hedged item:
None

58 Special reserves

Applicable Not applicable
2020

Unit: Yuan Currency: CNY

Item	December 31, 2019	Increase in current period	Decrease in current period	December 31, 2020
Work safety expenses	3,615,638	82,412,828	84,092,313	1,936,153
Total	3,615,638	82,412,828	84,092,313	1,936,153

2019

	December 31, 2019	Increase	Decrease	December 31, 2020
Work safety expenses	3,019,173	71,228,319	(70,631,854)	3,615,638

Other description, including the increase and decrease in current period and the reasons for changes:

According to the relevant requirements of the Administrative Measures for the Withdrawal and Use of Work Safety Expenses, the enterprises engaged in large - scale machinery manufacture and engineering construction shall withdraw the work safety expenses according to the standards. The increase and decrease in current year was the work safety expenses withdrawn and used by the Group for the reporting year in accordance with relevant requirements.

59 Surplus reserves

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Balance at the end of the last year	Changes in accounting policies	December 31, 2019	Increase in current period	Decrease in current period	December 31, 2020
Statutory surplus reserves	1,468,820,041	-143,572,545	1,325,247,496	33,792,383		1,359,039,879
Discretionary surplus reserves	292,378,668	-	292,378,668			292,378,668
Reserve fund						
Enterprise development fund						
Others						
Total	1,761,198,709	-143,572,545	1,617,626,164	33,792,383		1,651,418,547

Description of surplus reserves, including the increase and decrease in current period and the reasons for changes:

In accordance with the Company Law of the People Republic of China, the Company's Article of Association and the resolutions of the Board of Directors, the Company withdrew 10% of its net profit as statutory surplus reserves. When the accumulated amount of statutory surplus reserves reaches 50% or more of the share capital, the Company can stop the withdrawal.

The statutory surplus reserves can be used to compensate loss upon approval, or to increase share capital. The statutory surplus reserves withdrawn by the Company amounted to RMB 33,792,383 in 2020 (2019: RMB 64,436,155).

60 Undistributed profits

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Current period	Previous period
Undistributed profits at the end of previous period before adjustment	3,651,851,383	3,344,953,206
Total undistributed profits at the beginning of the adjustment period (increase +, decrease -)	-1,399,694,619	119,821,864
Undistributed profits at the beginning of the period after adjustment	2,252,156,764	3,464,775,070
Plus: Net profit attributable to owners of the parent company	422,240,299	514,930,143
Less: withdrawal of statutory surplus reserves	33,792,383	64,436,155
Withdrawal of discretionary surplus reserve		
Withdrawal of general risk preparation		
Common stock dividends payable	263,417,675	263,417,675
Common stock dividends converted to share capital		
Undistributed profits at the end of the period	2,377,187,005	3,651,851,383

Details of undistributed profit at the beginning of adjustment period:

1. Due to the retroactive adjustment of Accounting Standards for Business Enterprises and related new regulations, the impact on undistributed profits at the beginning of the period was RMB 0.

2. The impact of changes in accounting policies on undistributed profits at the beginning of the period was RMB -1,399,694,619.

3. The impact of correction of major accounting errors on undistributed profits at the beginning of the period was RMB 0.

4. The impact of change of consolidation scope caused by the common control on undistributed profits at the beginning of the period was RMB 0.

5. The total impacts of other adjustment on undistributed profits at the beginning of the period were RMB 0.

61 Operating revenue and operating costs

(1) Operating revenue and operating costs

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period		Amount incurred in the previous period	
	Revenue	Cost	Revenue	Cost
Primary business	22,396,639,375	19,305,124,813	24,212,854,752	20,419,043,031
Other business	258,502,277	108,140,441	382,733,131	171,488,291
Total	22,655,141,652	19,413,265,254	24,595,587,883	20,590,531,322

Primary business revenue and cost are presented as below:

	2020		2019	
	Primary business revenue	Primary business cost	Primary business revenue	Primary business cost
Port machinery	14,457,042,916	11,813,606,078	16,458,563,164	13,240,912,286
Heavy equipment	1,062,669,195	994,642,219	1,491,597,749	1,218,182,031
"Building-transfer" project and engineering construction	2,365,760,874	2,220,603,949	2,564,145,018	2,428,961,159



	2020		2019	
	Primary business revenue	Primary business cost	Primary business revenue	Primary business cost
Steel structures and related revenue	3,277,507,651	3,170,269,443	2,709,430,977	2,571,473,994
Vessel shipping and others	1,233,658,739	1,106,003,124	989,117,844	959,513,561
Total	22,396,639,375	19,305,124,813	24,212,854,752	20,419,043,031

Other business revenue and cost are presented as below:

	2020		2019	
	Other business revenue	Other business cost	Other business revenue	Other business cost
Sales of materials	71,730,251	68,201,530	84,343,163	76,180,525
Equipment leasing and others	186,772,026	39,938,911	298,389,968	95,307,766
Total	258,502,277	108,140,441	382,733,131	171,488,291

(2) Details of operating revenue

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
Operating revenue	22,655,141,652	/
Less: business income unrelated to primary business	258,502,277	/
Less: income without commercial substance		/
Operating revenue after deducting the business income unrelated to primary business and the income without commercial substance	22,396,639,375	/

(3) Income from contracts

Applicable Not applicable

Unit: Yuan Currency: CNY

Classification of Contract	XXX-Division	Total
Type of goods		
Port machinery		14,457,042,916
Steel structures and related revenue		3,277,507,651
"Building-transfer" project and engineering construction		2,365,760,874
Heavy equipment		1,062,669,195
Vessel shipping and others		966,389,544
Sales of materials and others		183,277,589
By region of operation		
Chinese Mainland		12,861,392,242
Europe		2,604,103,174
Asia (excluding Chinese Mainland)		3,289,553,492
North America		1,345,494,819
Chinese Mainland (export sales)		1,061,063,332
Africa		468,958,316
South America		444,522,956
Oceania		237,559,438
Market or customer type		
Contract type		

Classification of Contract	XXX-Division	Total
Revenue recognized at a certain point of time		
Port machinery		14,457,042,916
Heavy equipment		1,062,669,195
Steel structure and related income		1,704,177,499
Sales of materials and others		547,116,273
Revenue recognized in a certain period of time		
“Building-transfer” project and engineering construction		2,365,760,874
Steel structure and related income		1,573,330,152
Shipping		602,550,860
By time of goods transfer		
By contract term		
By sales channel		
Total		22,312,647,769

Description of income from contracts:

Applicable Not applicable

(4) Performance obligations

Applicable Not applicable

The information about the performance obligations of the Group is as follows:

Sales of port machinery, heavy equipment and steel structure products

The Group performs its obligations when delivering port machinery to customers and obtaining pre-delivery certificate or other relevant delivery certificates. The Group performs its obligations when delivering heavy equipment to customers and obtaining the handover protocol or other relevant delivery certificate. For the steel structure product manufacturing contract that meets the performance obligations within a certain period of time, the Group performs its performance obligations within the time of transferring the steel structure product; for the steel structure product manufacturing contract that does not meet the performance obligation within a certain period of time, the Group performs its performance obligations when the steel structure product is delivered and signed by the owner. The contract price is usually paid according to the payment schedule agreed in the contract. After the delivery of the goods, the customer usually retains a certain proportion of the quality guarantee deposit, which is usually paid after the expiration of the quality guarantee period. The Group provides guaranteed warranty for the above products.

Building services

The Group performs its performance obligations within the time of providing services, and the contract price is usually paid within 30 days after the settlement of the project. The customer usually retains a certain proportion of the quality guarantee deposit, which is usually paid after the expiration of the quality guarantee period.

Shipping services

The Group performs its performance obligations within the time of providing transportation services. The contract price is usually paid within the period from 3 days before unloading to 30 days after unloading.

(5) Apportionment to remaining performance obligations

Applicable Not applicable

Other description:

The revenue recognized in the current year and included in the book value of contract liabilities at the beginning of the year is as follows:

	2020
Advances from customers for goods	5,570,531,698
Amount settled for uncompleted work	289,457,020
Total	5,859,988,718

The revenue recognized in the current year for the performance obligations that have been performed (or partially performed) in the previous period is as follows:



	2020
"Building-transfer" project and engineering construction	2,208,312,044
Steel structure and related income	69,275,266
Total	2,277,587,310

62 Taxes and surcharges√Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
Consumption tax		
Sales tax		
Urban maintenance and construction tax	10,671,136	5,291,413
Educational surtax	8,659,201	4,625,393
Resource tax		
Housing property tax	45,516,534	52,880,028
Land use tax	20,586,848	24,137,152
Vehicle and vessel use tax		
Stamp duty	17,975,543	16,163,330
Others	2,869,009	4,931,365
Total	106,278,271	108,028,681

Other description:

None

63 Selling and distribution expenses√Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
Employee compensation	72,513,095	74,574,647
Travel expenses	9,813,222	20,877,895
Advertising and publicity costs	5,750,174	6,112,880
Sales and service fees	3,639,283	6,028,717
Bidding and tendering expenses	2,474,607	4,381,065
Exhibition fees	2,363,964	2,028,918
Office expenses	2,352,391	1,854,211
Others	6,856,903	6,658,703
Total	105,763,639	122,517,036

Other description:

None

64 General and administrative expenses√Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
Employee compensation	447,298,395	574,875,380

Item	Amount incurred in the current period	Amount incurred in the previous period
Amortization of intangible assets	95,379,020	98,274,728
Depreciation of fixed assets	76,563,986	78,096,567
Travel expenses	59,283,191	79,287,298
Office expenses	53,476,219	66,065,944
Expenses from employment of intermediaries	48,556,452	26,042,989
Management and security fees	23,042,397	23,138,964
Management and cleaning fees	15,830,539	14,822,114
Consulting fees	13,457,793	16,504,530
Informatization expenses	12,013,428	12,571,622
Entertainment expenses	11,040,364	14,982,731
Insurance expenses	8,970,976	13,347,013
Maintenance cost	6,972,417	6,151,691
Others	65,815,662	70,969,716
Total	937,700,839	1,095,131,287

Other description:

Not applicable

65 Research and development expenses

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
Employee compensation	391,087,521	422,157,374
Processing expenses	105,358,575	173,591,786
Depreciation expenses	92,450,574	133,479,779
Materials expenses	82,490,115	97,624,849
Product design expenses	1,046,746	5,968,051
Others	65,034,606	54,274,339
Total	737,468,137	887,096,178

Other description:

None

66 Financial expenses

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
Interest expenses	1,396,776,727	1,746,843,552
Less: Capitalized amount of interest	-53,531,666	-44,551,183
Less: interest income	-369,113,644	-331,452,183
Exchange losses	85,689,295	15,933,055
Others	57,921,152	109,813,173
Total	1,117,741,864	1,496,586,414



Other description:

The capitalized amounts of borrowing costs have been included in the construction in progress.

67 Other income

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
Fiscal appropriation (i)	72,103,587	68,173,798
Technological subsidy (ii)	19,425,763	17,850,797
Land compensation (iii)	1,698,701	2,434,993
Total	93,228,051	88,459,588

Other description:

(i) and (ii) are related to income, while (iii) is related to assets.

68 Investment income

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
Income from long-term equity investment calculated under the equity method	138,892,946	110,724,316
Investment income from disposal of long-term equity investment	27,195,895	
Investment income from held-for-trading financial assets during the holding period	45,769,202	63,766,921
Dividend income from other equity instrument investment during holding	6,171,983	
Interest income from debt investment during holding		
Interest income from other debt investment during holding		
Investment income from disposal of held-for-trading financial assets	195,487,757	109,315
Investment income from disposal of other equity instrument investment		
Investment income from disposal of debt investment		
Investment income from disposal of other debt investment		
Total	413,517,783	174,600,552

Other description:

None

69 Net exposure hedging gain

Applicable Not applicable

70 Income from fair value change

Applicable Not applicable

Unit: Yuan Currency: CNY

Sources of income from fair value change	Amount incurred in the current period	Amount incurred in the previous period
Held-for-trading financial assets Including: income from fair value change of derivative financial instruments		

Sources of income from fair value change	Amount incurred in the current period	Amount incurred in the previous period
Stock investment of listed companies	93,856,832	117,579,147
Derivative financial instruments - Forward exchange contract	7,312,741	-44,481,806
Derivative financial instruments - Foreign exchange option contract	-11,264,555	22,235,244
Held-for-trading financial assets		
Including: Derivative financial instruments - Forward exchange contract		-7,312,741
Investment property measured at fair value		
Other non-current financial assets	4,267,438	
Total	94,172,456	88,019,844

Other description:

None

71 Credit impairment loss

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
Loss on bad debts of notes receivable		
Loss on bad debts of accounts receivable	137,464,618	36,235,314
Loss on bad debts of other receivables	618,943	2,526,279
Loss on impairment of debt investment		
Loss on impairment of other debt investment		
Loss on bad debts of long-term receivables		
Loss on impairment of contract assets		
Total	138,083,561	38,761,593

Other description:

None

72 Assets impairment losses

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
I. Bad debt loss		
II. Loss on price falling of inventory and impairment loss of contract performance costs	164,106,800	-71,619,476
III. Impairment loss of long-term equity investment		
IV. Impairment loss of investment property		
V. Impairment loss of fixed assets		
VI. Impairment loss of engineering materials		
VII. Impairment loss of construction in progress		
VIII. Impairment loss of productive biological assets		
IX. Impairment loss of oil and gas assets		
X. Impairment loss of intangible assets		
XI. Goodwill impairment loss		



Item	Amount incurred in the current period	Amount incurred in the previous period
XII. Others		
XIII. Impairment loss of contract assets	49,540,423	
XIV. Estimated contract losses		124,113,760
Total	213,647,223	52,494,284

Other description:

None

73 Income from disposal of assets√Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
Income from disposal of fixed assets	6,755,688	49,091,913
Total	6,755,688	49,091,913

Other description:

None

74 Non-operating income

Non-operating income

√Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period	Amount included in non-recurring profit or loss in current period
Total gains from disposal of non-current assets			
Including: gains from disposal of fixed assets			
Gains from disposal of intangible assets			
Gains from debt restructuring			
Gains from exchange of non-monetary assets			
Accepting donations			
Government subsidies	4,620,975	4,812,392	4,620,975
Revenue from insurance indemnity		60,000	
Others	12,716,524	11,590,318	12,716,524
Total	17,337,499	16,462,710	17,337,499

Government subsidies included in current profit or loss

Applicable √Not applicable

Other description:

Applicable √Not applicable

75 Non-operating expenditure

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period	Amount included in non-recurring profit or loss in current period
Total loss on disposal of non-current assets			
Including: Loss on disposal of fixed assets			
Loss on disposal of intangible assets			
Loss on debt restructuring			
Loss on exchange of non-monetary assets			
Overdue fine payment	3,139,745	1,213,012	3,139,745
Amercement outlay	2,080,000	5,535,000	2,080,000
External donations	768,149	128,984	768,149
Lawsuit compensation		21,781,220	
Others	2,010,016	1,545,282	2,010,016
Total	7,997,910	30,203,498	7,997,910

Other description:

Supplementary information on the classification by nature of the operating costs, selling and distribution expenses, general and administrative expenses, and research and development expenses of the Group is as follows:

	2020	2019
Used raw materials and low-cost consumables	21,607,174,313	15,704,636,157
Changes in goods in process and inventories	(7,257,183,881)	-
Employee compensation	2,034,511,861	2,216,065,862
Depreciation and amortization expenses	1,335,173,214	1,330,738,630
Outsourcing expenses	1,424,619,572	1,378,775,266
Transportation expenses	576,522,583	589,854,221
On-site installation expenses	206,431,154	257,412,249
Rental fees	264,369,240	218,357,687
After-sale cost	260,202,215	240,972,483
Energy cost	216,052,124	216,602,224
Travel expenses	69,096,413	100,165,193
Office expenses	55,828,610	67,920,155
Expenses from employment of intermediaries	48,556,452	26,042,989
Informatization expenses	12,013,428	12,571,622
Entertainment expenses	11,040,364	14,982,731
Bidding and tendering expenses	2,474,607	2,028,918
Other expenses	327,315,600	318,149,436
Total	21,194,197,869	22,695,275,823

**76 Income tax expenses**

(1) Table of income tax expenses

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
Current income tax expenses	84,990,560	72,527,877
Deferred income tax expenses	1,080,440	21,222,707
Total	86,071,000	93,750,584

(2) Accounting profit and income tax expenses adjustment process

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period
Total profits	502,206,431
The income tax expenses calculated based on statutory/applicable tax rates	75,330,965
Influences caused by different tax rates adopted by subsidiaries	27,065,779
Influences caused by adjustment on income tax of previous periods	
Influences on non-taxable income	
Influences caused by non-deductible cost, expenses and losses	3,672,781
Influences caused by non-confirmation of deductible losses of deferred income tax assets	
Influences caused by non-confirmation of deductible temporary differences or deductible losses in current period	54,361,762
Profit or loss attributable to joint ventures and associates	-20,833,942
Tax-free income	-12,270,940
Adjustment to final settlement in previous years	15,130,141
Use of deductible losses in previous years	-21,891,855
Additional deduction of technological development expenses	-34,493,691
Income tax expenses	86,071,000

Other description:

□Applicable √Not applicable

77 Other comprehensive income

□Applicable √Not applicable

78 Cash flow statement items

(1) Other cash received related to operating activities

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
Customs deposit recovered	198,238,436	215,598,140
Cash received from government subsidies and rewards	117,022,985	99,690,746
Employee loan recovered	3,248,010	4,949,202
Cash received from the revenue from fines	11,083,645	7,820,315
Others	8,697,650	1,708,855
Total	338,290,726	329,767,258

Description of other cash received related to operating activities :

None

(2) Other cash paid related to operating activities

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
Customs deposit paid	193,361,873	190,498,482
Expenditures on selling and distribution expenses, general and administrative expenses, and research and development expenses	231,503,637	480,355,112
Financial expenses and handling charges	45,869,065	72,827,220
Subsidy for research and development paid to cooperative units	17,217,242	6,075,000
Others	105,577,762	157,753,932
Total	593,529,579	907,509,746

Description of other cash paid related to operating activities :

None

(3) Other cash received related to investing activities

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
Interest income	337,058,520	267,388,460
Total	337,058,520	267,388,460

Description of other cash received related to investing activities:

None

(4) Other cash paid related to investing activities

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
Net cash outflows from disposal of subsidiaries	243,269,060	
Others	22,982,499	
Total	266,251,559	

Description of other cash paid related to operating activities :

None

(5) Other cash received related to financing activities

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
Restricted bank deposits recovered	265,853,823	311,887,883
Loan recovered from related parties	343,565,000	-
Loan recovered from third parties	88,783,796	507,447,092
Total	698,202,619	819,334,975

Description of other cash received related to financing activities:

None



(6) Other cash paid related to financing activities

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
Restricted bank deposits paid	384,225,265	265,853,823
L/G expenditures on overseas loan under domestic guarantee	7,948,606	27,092,719
Disinvestment by minority shareholders	141,669,170	
Related-party loan repaid	539,394,461	864,135,544
Third-party loan repaid	336,378,260	86,683,488
Total	1,409,615,762	1,243,765,574

Description of other cash paid related to financing activities :

None

79 Further information on cash flow statement

(1) Further information on cash flow statement

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Item	Current amount	Previous amount
1. Reconciliation from net profits to cash flows from operating activities:		
Net profit	416,135,431	497,121,613
Plus: provision for impairment of assets	213,647,223	52,494,284
Credit impairment loss	138,083,561	38,761,593
Depreciation of fixed assets, oil and gas assets and productive biological assets	1,236,902,853	1,227,429,642
Amortization of right to use assets		
Amortization of intangible assets	98,270,361	103,308,988
Amortization of long-term deferred expenses		
Losses on disposal of fixed assets, intangible assets and other long-term assets (gains expressed with "-")	-6,755,688	-49,091,913
Loss on retirement of fixed assets (gains expressed with "-")		
Loss from fair value change(gains expressed with "-")	-94,172,456	-88,019,844
Financial expenses(gains expressed with "-")	888,739,777	1,547,048,645
Investment losses (gains expressed with "-")	-413,517,783	-174,600,552
Decrease in deferred income tax assets (increase expressed with "-")	-15,800,832	66,615,331
Increase in deferred income tax liabilities (decrease expressed with "-")	16,881,272	-45,392,624
Decrease in inventories (increase expressed with "-")	-3,780,048,380	-3,151,985,115
Increase in construction contract payment (increase expressed with "-")	-766,839,149	-531,000,142
Decrease in operating receivables (increase expressed with "-")	288,132,036	440,854,132
Increases in operating payables (decrease expressed with "-")	2,601,410,279	1,356,072,606
Others	-	-
Increase in special reserves (decrease expressed with "-")	-1,679,485	596,465
Net cash flow from operating activities	819,389,020	1,290,213,109
2. Significant investment and financing activities not involving cash deposit and withdrawal:		
Conversion of debt into capital		
Convertible bonds due within one year		

Item	Current amount	Previous amount
Fixed assets under financing lease		
3. Net changes in cash and cash equivalents:		
Ending balance of cash	2,897,742,340	3,068,024,976
Less: Beginning balance of cash	3,068,024,976	3,148,987,372
Plus: Ending balance of cash equivalents		
Less: Beginning balance of cash equivalents		
Net decrease of cash and cash equivalents	-170,282,636	-80,962,396
Endorsement transfer of notes:		
	2020	2019
Endorsement transfer of bank acceptance bill received from sales of goods and rendering of services	2,339,442,721	3,777,188,521

(2) Net cash paid to acquire subsidiaries in current period

Applicable Not applicable

(3) Net cash received from disposal of subsidiaries in current period

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Amount
Cash or cash equivalents received in current period from the disposal of subsidiaries in current period	
Less: Cash and cash equivalents held by the Company on the date of loss of control	243,269,060
Plus: Cash or cash equivalents received in current period from disposal of subsidiaries in previous periods	
Net cash received from disposal of subsidiaries	-243,269,060

Other description:

None

(4) Composition of cash and cash equivalents

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2020	December 31, 2019
I. Cash	2,897,742,340	3,068,024,976
Including: cash on hand	1,063,472	1,469,655
Bank deposit readily available for payment	2,896,678,868	3,066,555,321
Other monetary capital readily available for payment		
Deposits with central bank available for payment		
Deposits in other banks		
Borrowings from other banks		
II. Cash equivalents		
Including: bond investment due within three months		
III. Balance of cash and cash equivalents at the end of period		
Including: restricted cash and cash equivalents of parent company or subsidiaries within the Group		

Other description:

Applicable Not applicable

**80 Notes to items in statement of owner's equity**

State the name of "other" items and the amount of adjustment to the ending balance of previous year:

Applicable Not applicable

81 Assets with ownership or use rights restricted

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Book value at the end of the period	Reason of restriction
Monetary funds	50,332,396	Special payment collected for overseas project and deposited in overseas supervision account and the margin deposit deposited for applying to the bank for letter of credit and bank guarantee (Remark 1)
Notes receivable		
Inventories		
Fixed assets	2,821,018,550	Loan mortgage (Remark 2)
Intangible assets		
Long-term receivables	5,614,309,162	Loan mortgage (Remark 3)
Total	8,485,660,108	/

Other description:

Remark 1: As at December 31, 2020, other monetary funds, including the restricted monetary fund of RMB 50,332,396 (as at December 31, 2019: RMB 242,272,475), were the special payment collected for overseas project and deposited in overseas supervision account and the margin deposit deposited by the Group for applying to the bank for letter of credit and bank guarantee.

Remark 2: As at December 31, 2020, the vessel with the book value of RMB 2,821,018,550 (December 31, 2019: the vessel of RMB 5,439,133,909 and the mechanical equipment of RMB 255,133,376) had been used for leaseback with the financial leasing company, with the financing term of 3 - 12 years.

Remark 3: As at December 31, 2020, the long-term receivables of "building-transfer" project of RMB 5,614,309,162 (December 31, 2019: RMB 4,482,230,928) were used as the pledge for obtaining bank loans.

82 Foreign currency monetary items

(1) Foreign currency monetary items

Applicable Not applicable

Unit: Yuan

Item	Ending foreign currency balance	Conversion exchange rate	Ending balance, converted into RMB
Monetary fund	-	-	
Including: USD	284,621,149	6.5249	1,857,124,535
EUR	21,496,911	8.0250	172,512,711
RUB	469,178,931	0.0877	41,146,992
KRW	5,627,507,523	0.0060	33,765,045
ZAR	41,730,270	0.4458	18,603,354
GBP	847,807	8.8903	7,537,259
INR	82,319,932	0.0888	7,310,010
AUD	712,077	5.0163	3,571,992
AED	1,661,187	1.7761	2,950,434
BRL	1,853,351	1.2065	2,236,068
MYR	1,314,236	1.6173	2,125,514
SGD	374,437	4.9314	1,846,499

Item	Ending foreign currency balance	Conversion exchange rate	Ending balance, converted into RMB
HKD	1,531,549	0.8416	1,288,952
LKR	32,292,562	0.0350	1,130,240
NZD	625	4.7050	2,941
CAD	272	5.1161	1,392
Accounts receivable	-	-	
Including: USD	374,387,622	6.5249	2,442,841,795
EUR	107,941,563	8.0250	866,231,043
AED	96,858,817	1.7761	172,030,945
QAR	30,087,793	1.7926	53,935,378
KRW	7,719,068,270	0.0060	46,314,410
CAD	5,547,053	5.1161	28,379,278
GBP	1,741,378	8.8903	15,481,373
ZAR	29,992,419	0.4458	13,370,620
SGD	2,255,198	4.9314	11,121,283
SAR	6,132,536	1.7390	10,664,480
LKR	254,249,951	0.0350	8,898,748
HKD	7,519,443	0.8416	6,328,363
RUB	47,976,112	0.0877	4,207,505
INR	38,282,299	0.0888	3,399,468
AUD	623,830	5.0163	3,129,318
Other receivables	-	-	
Including: USD	9,348,737	6.5249	60,999,574
RUB	273,019,534	0.0877	23,943,813
AUD	2,359,498	5.0163	11,835,950
EUR	932,593	8.025	7,484,059
ZAR	9,029,448	0.4458	4,025,328
LKR	110,692,230	0.035	3,874,228
INR	30,626,146	0.0888	2,719,602
KRW	147,541,759	0.006	885,251
HKD	562,294	0.8416	473,227
OMR	4,828	16.949	81,830
SGD	6,284	4.9314	30,989
Accounts payable	-	-	
Including: USD	174,128,625	6.5249	1,136,171,865
EUR	43,917,097	8.0250	352,434,703
SGD	2,267,441	4.9314	11,181,659
GBP	580,777	8.8903	5,163,282
JPY	74,922,247	0.0632	4,735,086
ZAR	9,827,538	0.4458	4,381,116
RUB	35,112,520	0.0877	3,079,368
HKD	725,778	0.8416	610,815
AUD	27,427	5.0163	137,582
LKR	3,861,701	0.0350	135,160
CAD	22,295	5.1161	114,063



Item	Ending foreign currency balance	Conversion exchange rate	Ending balance, converted into RMB
Other payables	-	-	
Including: USD	17,792,515	6.5249	116,094,381
RUB	237,855,556	0.0877	20,859,932
EUR	31,681	8.0250	254,240
HKD	15,000	0.8416	12,624
Short-term borrowings	-	-	
Including: USD	177,060,425	6.5249	1,155,301,567
EUR	115,017,835	8.0250	923,018,126
Long-term borrowings	-	-	
Including: USD	150,000,000	6.5249	978,735,000
Long-term payables due within one year	-	-	
Including: USD	70,514,317	6.5249	460,098,868
Long-term payables	-	-	
Including: USD	206,561,199	6.5249	1,347,791,169

Other description:

None

(2) Description of overseas business entities, including the disclosure of main overseas business locations, recording currency and selection basis for important overseas business entities, as well as the reasons for changes in recording currency

Applicable Not applicable

83 Hedging

Applicable Not applicable

84 Government subsidies

(1) Basic information of government subsidies

Applicable Not applicable

Unit: Yuan Currency: CNY

Type	Amount	Item	Amount included in current profit or loss
Fiscal appropriation unrelated to daily activities/ fiscal appropriation	4,620,975		4,620,975

(2) Return of government subsidies

Applicable Not applicable

Other description:

Not applicable

85 Others

Applicable Not applicable

VIII. Changes in consolidation scope

1 Business combination not under common control

Applicable Not applicable

2 Business combination under common control

Applicable Not applicable

3 Counter purchase

Applicable Not applicable

4 Disposal of subsidiaries

Whether there is single disposal of investment in subsidiaries, i.e. loss of control:

Applicable Not applicable

Other description:

Applicable Not applicable

	Registration place	Business nature	Shareholding ratio of the Group (%)	Proportion of voting rights enjoyed by the group in total (%)	Reasons for not being a subsidiary
CCCC Tianhe Mechanical Equipment Manufacturing Co., Ltd (hereafter referred to as "CCCC Tianhe")	Changshu City, Jiangsu Province	Machine manufacturing	32.51	55.98	Remark 1

Remark 1: On June 4, 2020, CCCC, an affiliated company controlled by the same parent company, increased the investment amounting to RMB 1,000,000,000 to CCCC Tianhe Mechanical Equipment Manufacturing Co., Ltd., the holding subsidiary of the Company. On the same day, CCCC signed the capital and share increase agreement with CCCC Tianjin Dredging Co., Ltd. (shareholder of the Company and CCCC Tianhe) and Chuwa Bussan Co. Ltd.; as stipulated in the agreement, the persons acting in concert agreement between CCCC and ZPMC was terminated. According to the latest articles of association of CCCC Tianhe, CCCC has the right to appoint all directors of CCCC Tianhe. Therefore, on June 4, 2020, the proportion of voting rights enjoyed by CCCC was changed to 61.12% and the proportion of voting rights enjoyed by the Company was changed to 16.52%, so the Company no longer had control over CCCC Tianhe. Since June 4, 2020, CCCC Tianhe would no longer be included into the scope of combination of the Group, but would be accounted as financial assets measured at fair value through current profit or loss. Relevant financial information of CCCC Tianhe is listed as follows:

	May 31, 2020 Book value	December 31, 2019 Book value
Current assets	2,748,975,021	2,278,000,630
Non-current assets	2,935,704,801	2,838,524,895
Current liabilities	(3,649,803,130)	(3,456,472,738)
Non-current liabilities	(1,124,687,149)	(645,270,749)
Total	910,189,543	1,014,782,038
Less: Minority equity	(614,227,994)	(684,876,398)
Less: Fair value of remaining equity	(325,826,619)	
Gains from disposal	29,865,070	
Disposal consideration	-	
	From the beginning of the year to the disposal date	
Operating revenue		283,306,846
Operating cost		166,238,694
Net loss		(1,224,958)

5 Changes in consolidation scope due to other reasons

Description of the changes (such as new subsidiary, liquidation of subsidiary) in consolidation scope due to other reasons and relevant information:

Applicable Not applicable



6 Others

Applicable Not applicable

IX. Interests in other entities

1 Interests in subsidiaries

(1) Subsidiaries of the Group:

Applicable Not applicable

Name of subsidiary	Principal place of business	Registration place	Business nature	Shareholding ratio (%)		Way of acquisition
				Direct	Indirect	
Shanghai Zhenhua Port Machinery Heavy Industries Co., Ltd.	Chongming, Shanghai	Chongming, Shanghai	Machine manufacturing	94.76%		Establishment by investing
Shanghai Zhenhua Port Machinery (Hong Kong) Co., Ltd.	Hong Kong	Hong Kong	Shipping	100.00%		Establishment by investing
Shanghai Zhenhua Shipping Co., Ltd.	Pudong New Area, Shanghai	Pudong New Area, Shanghai	Shipping	55.00%		Establishment by investing
Nantong Zhenhua Heavy Equipment Manufacturing Co., Ltd.	Nantong City, Jiangsu Province	Nantong City, Jiangsu Province	Machine manufacturing	100.00%		Establishment by investing
ZPMC Transmission Machinery (Nantong) Co., Ltd.	Nantong City, Jiangsu Province	Nantong City, Jiangsu Province	Machine manufacturing	50.75%		Establishment by investing
ZPMC Electric Co., Ltd.	Pudong New Area, Shanghai	Pudong New Area, Shanghai	Electric equipment research and development	100.00%		Establishment by investing
Shanghai Zhenhua Ocean Engineering Service Co., Ltd	Yangshan Bonded Port Area, Shanghai	Yangshan Bonded Port Area, Shanghai	Shipping	100.00%		Establishment by investing
ZPMC Machinery Equipment Services Co., Ltd.	Pudong New Area, Shanghai	Pudong New Area, Shanghai	Technical consultancy	100.00%		Establishment by investing
ZPMC Netherlands Coöperatie U.A.	Rotterdam, Netherlands	Rotterdam, Netherlands	Trade sales	100.00%		Establishment by investing
ZPMC Netherlands B.V.	Rotterdam, Netherlands	Rotterdam, Netherlands	Trade sales	100.00%		Establishment by investing
Verspannen B.V.	Rotterdam, Netherlands	Rotterdam, Netherlands	Machine manufacturing		100.00%	Business combination not under common control
ZPMC Espana S.L.	Los Barrios, Spain	Los Barrios, Spain	Trade sales		100.00%	Establishment by investing
ZPMC Italia S.r.l.	Vado Ligure Port, Italy	Vado Ligure Port, Italy	Trade sales		100.00%	Establishment by investing
ZPMC GmbH Hamburg	Hamburg, Germany	Hamburg, Germany	Trade sales	100.00%		Establishment by investing
ZPMC Lanka Company (Private) Limited	Colombo, Sri Lanka	Colombo, Sri Lanka	Trade sales	70.00%		Establishment by investing
ZPMC North America Inc.	Delaware, USA	Delaware, USA	Trade sales	100.00%		Establishment by investing
ZPMC Korea Co., Ltd.	Pusan, Korea	Pusan, Korea	Trade sales	100.00%		Establishment by investing
ZPMC Engineering Africa (Pty) Ltd.	Kwazulu-Natal Province, Republic of South Africa	Kwazulu-Natal Province, Republic of South Africa	Trade sales	100.00%		Establishment by investing
ZPMC Engineering (India) Private Limited	Maharashtra State, India	Maharashtra State, India	Trade sales	100.00%		Establishment by investing

Name of subsidiary	Principal place of business	Registration place	Business nature	Shareholding ratio (%)		Way of acquisition
				Direct	Indirect	
ZPMC Southeast Asia Holding Pte. Ltd.	Singapore	Singapore	Trade sales	100.00%		Establishment by investing
ZPMC Engineering (Malaysia) Sdn. Bhd.	Malaysia	Malaysia	Trade sales		70.00%	Establishment by investing
ZPMC Australia Company (Pty) Ltd.	New South Wales, Australia	New South Wales, Australia	Trade sales	100.00%		Establishment by investing
Shanghai Zhenhua Heavy Industries Port Machinery General Equipment Co., Ltd.	Pudong New Area, Shanghai	Pudong New Area, Shanghai	Machine manufacturing	100.00%		Business combination under common control
Shanghai Port Machinery Heavy Industry Co., Ltd	Pudong New Area, Shanghai	Pudong New Area, Shanghai	Machine manufacturing		74.02%	Business combination under common control
ZPMC Zhangjiagang Port Machinery Co., Ltd.	Zhangjiagang City, Jiangsu Province	Zhangjiagang City, Jiangsu Province	Machine manufacturing	90.00%		Business combination under common control
Nanjing Ninggao New Channel Construction Co., Ltd	Nanjing City, Jiangsu Province	Nanjing City, Jiangsu Province	Engineering construction	100.00%		Establishment by investing
ZPMC Qidong Marine Engineering Co., Ltd.	Nantong City, Jiangsu Province	Nantong City, Jiangsu Province	Machine manufacturing	67.00%		Business combination not under common control
Jiahua Shipping Co., Ltd.	Hong Kong	Hong Kong	Shipping		70.00%	Establishment by investing
Zhenhua Pufeng Wind Energy (HongKong) Co., Ltd.	Hong Kong	Hong Kong	Shipping		51.00%	Establishment by investing
ZPMC Brazil Serviço Portuários LTDA	Rio DE Janeiro, Brazil	Rio DE Janeiro, Brazil	Trade sales	80.00%		Establishment by investing
ZPMC Limited Liability Company	Moscow, Russia	Moscow, Russia	Trade sales	85.00%		Establishment by investing
ZPMC NA East Coast Inc.	Virginia	Delaware, USA	Trade sales		100.00%	Establishment by investing
CCCC Investment & Development Qidong Co., Ltd. (Remark 1)	Nantong City, Jiangsu Province	Nantong City, Jiangsu Province	Engineering construction	49.36%		Establishment by investing
CCCC Liyang Urban Investment and Construction Co., Ltd. (Remark 2)	Liyang City, Jiangsu Province	Liyang City, Jiangsu Province	Engineering construction	48.00%		Establishment by investing
ZPMC UK LD	Cardiff, UK	Cardiff, UK	Trade sales	100.00%		Establishment by investing
ZPMC Middle East Fze	Dubai, UAE	Dubai, UAE	Trade sales	100.00%		Establishment by investing
CCCC (Huaian) Construction Development Co., Ltd.	Huaian City, Jiangsu Province	Huaian City, Jiangsu Province	Engineering construction		71.57%	Establishment by investing
CCCC Zhenjiang Investment Construction Management Development Co., Ltd.	Zhenjiang City, Jiangsu Province	Zhenjiang City, Jiangsu Province	Engineering construction	70.00%		Establishment by investing
CCCC Yongjia Construction Development Co., Ltd.	Wenzhou City, Zhejiang Province	Wenzhou City, Zhejiang Province	Engineering construction	80.00%		Establishment by investing
CCCC Zhenhua Lvjian Technology (Ningbo) Co., Ltd. (Remark 3)	Ningbo City, Zhejiang Province	Ningbo City, Zhejiang Province	Engineering construction	40.00%		Establishment by investing



Name of subsidiary	Principal place of business	Registration place	Business nature	Shareholding ratio (%)		Way of acquisition
				Direct	Indirect	
ZPMC Hotel Co., Ltd.	Pudong New Area, Shanghai	Pudong New Area, Shanghai	Hotel and catering		100.00%	Business combination not under common control
CCCC Rudong Construction Development Co., Ltd.	Rudong City, Jiangsu Province	Rudong City, Jiangsu Province	Engineering construction	14.80%	55.36%	Establishment by investing
ZPMC Latin America Holding Corporation	Panama	Panama	Trade sales	100.00%		Establishment by investing
Terminexus Co., Ltd.	Hong Kong	Hong Kong	Technical consultancy		100.00%	Establishment by investing
Greenland Heavylift (Hong Kong) Limited (Remark 4)	Hong Kong	Hong Kong	Shipping		50.00%	Business combination not under common control
GPO Grace Limited	Marshall Islands	Marshall Islands	Shipping		100.00%	Business combination not under common control
GPO Amethyst Limited	Marshall Islands	Marshall Islands	Shipping		100.00%	Business combination not under common control
GPO Sapphire Limited	Marshall Islands	Marshall Islands	Shipping		100.00%	Business combination not under common control
GPO Emerald Limited	Marshall Islands	Marshall Islands	Shipping		100.00%	Business combination not under common control
GPO Heavylift Limited	Cayman Islands	Cayman Islands	Shipping		60.00%	Business combination not under common control
GPO Heavylift AS	Oslo, Norway	Oslo, Norway	Shipping		100.00%	Business combination not under common control
GPO Heavylift Pte Ltd	Singapore	Singapore	Shipping		100.00%	Business combination not under common control
Xiong'an Zhenhua Co., Ltd.	Baoding City, Hebei Province	Baoding City, Hebei Province	Intelligent service	100.00%		Establishment by investing
ZPMC Fuzhou Offshore Construction Co., Ltd.	Fuzhou City, Fujian Province	Fuzhou City, Fujian Province	Maritime engineering construction	100.00%		Establishment by investing
CCCC (Dongming) Investment and Construction Co., Ltd.	Heze City, Shandong Province	Heze City, Shandong Province	Engineering construction	70.00%		Establishment by investing
Zhenhai No. 2 Drilling Limited	Hong Kong	Hong Kong	Drilling services		100.00%	Establishment by investing
Zhenhai No.3 Drilling Limited	Hong Kong	Hong Kong	Drilling services		100.00%	Establishment by investing

Name of subsidiary	Principal place of business	Registration place	Business nature	Shareholding ratio (%)		Way of acquisition
				Direct	Indirect	
Zhenhai No. 5 Drilling Limited	Hong Kong	Hong Kong	Drilling services		100.00%	Establishment by investing
Zhenhai No. 6 Drilling Limited	Hong Kong	Hong Kong	Drilling services		100.00%	Establishment by investing

The shareholding ratio in subsidiaries is different from the proportion of voting rights:

None

The basis for holding half or less of the voting rights but still controlling the invested entity, and the basis for holding more than half of the voting rights but not controlling the invested entity:

None

The basis for control of the important structured entities included in the consolidation scope:

None

Basis for determining whether the Company is an agent or a principal:

None

Other description:

Remark 1: By signing the agreement for concerted action with CCCC Tianjin Dredging Co., Ltd., the Group had obtained 95% voting power in the board of shareholders and 100% voting power in the board of directors of such company (CCCC Investment & Development Qidong Co., Ltd.). In accordance with the regulations of the articles of association of such company, the Group had obtained the control right thereof, thus, such company was included in the Group's consolidation scope.

Remark 2: By signing the agreement for concerted action with CCCC Shanghai Dredging Co. Ltd. and CCCC East China Investment Co., Ltd., the Group had obtained 76% voting power in the board of shareholder and 71% voting power in the board of directors of such company (CCCC Liyang Urban Investment and Construction Co., Ltd.). In accordance with the regulations of the articles of association of such company, the Group had obtained the control rights thereof, thus, such company was included in the Groups' consolidation scope.

Remark 3: By signing the agreement for concerted action with CCCC Highway Consultants Co. Ltd. and CCCC Equipment Manufacturing Marine Heavy Industry Division, the Group had obtained 50% voting power in the board of shareholders and 60% voting power of the board of directors of such company (CCCC Zhenhua Lvjian Technology (Ningbo) Co., Ltd.). In accordance with the regulations of the articles of association of such company, the Group had obtained the control right thereof, thus, such company was included in the Group's consolidation scope.

Remark 4: In accordance with the acquisition agreement, the Group held two of the four seats in the board of directors of such company (Greenland Heavylift (Hong Kong) Limited), including chairman of the board. As required in the articles of association of such company, the chairman of the board has super voting power when the voting of the board is deadlocked. In addition, Group also has the right to buy 1% equity of such company at USD 1 at any time in the future. Therefore, the Group has the substantial control over such company, and such company was included in the Group's consolidation scope for the financial statements.

(2) Major non-wholly-owned subsidiaries

Applicable Not applicable

Unit: Yuan Currency: CNY

Name of subsidiary	Shareholding ratio of minority shareholder	Profit or loss attributable to the minority shareholder in current period	Dividends declared to minority shareholders in current period	Balance of minority shareholders' equity at the end of the period
ZPMC Transmission Machinery (Nantong) Co., Ltd.	49.25%	44,043,728	-31,907,452	826,201,602
CCCC Zhenjiang Investment Construction Management Development Co., Ltd.	30%	9,907,132	-14,523,578	203,991,836
Greenland Heavylift (HongKong) Limited	50%	-44,329,031		248,026,815

Description of the difference between the shareholding ratio of minority shareholders and the proportion of voting right ratio in subsidiaries:

Applicable Not applicable



Other description:

√Applicable □Not applicable

Subsidiaries with significant minority equity:

2020

	Shareholding ratio of minority shareholder	Capital contributed / (withdrawn) by minority shareholder	Profit or loss attributable to the minority shareholder	Dividends paid to minority shareholder	Special reserves withdrawn by minority shareholder	Accumulated minority equity at the end of the year
ZPMC Transmission Machinery (Nantong) Co., Ltd.	49.25%	200,000,000	44,043,728	(31,907,452)	-	826,201,602
CCCC Zhenjiang Investment Construction Management Development Co., Ltd.	30.00%	(141,669,170)	9,907,132	(14,523,578)	-	203,991,836
Greenland Heavylift (HongKong) Limited	50.00%	-	(44,329,031)	-	-	248,026,815

2019

	Shareholding ratio of minority shareholder	Capital contributed by minority shareholder	Changes in accounting policies - Application of new financial instrument standard	Profit or loss attributable to the minority shareholder	Dividends paid to minority shareholder	Special reserves withdrawn by minority shareholder	Accumulated minority equity at the end of the year
CCCC Tianhe Mechanical Equipment Manufacturing Co., Ltd	67.49%	-	(6,011,469)	48,481,428	-	53,477	684,876,399
ZPMC Transmission Machinery (Nantong) Co., Ltd.	49.25%	614,065,326	-	-	-	-	614,065,326
CCCC Zhenjiang Investment Construction Management Development Co., Ltd.	30.00%	-	-	14,514,024	-	-	350,277,452
Greenland Heavylift (HongKong) Limited	50.00%	-	-	(2,667,244)	(973,150)	-	292,355,846

(3) Main financial information of major non-wholly-owned subsidiaries

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Name of subsidiary	December 31, 2020					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
CCCC Zhenjiang Investment Construction Management Development Co., Ltd.	733,178,647	14,701	733,193,348	-53,220,561		-53,220,561
Greenland Heavylift (HongKong) Limited	121,027,739	1,953,698,858	2,074,726,597	-455,304,675	-1,130,294,502	-1,585,599,177
ZPMC Transmission Machinery (Nantong) Co., Ltd.	1,439,325,230	394,262,258	1,833,587,488	-156,331,859	-	-156,331,859

Name of subsidiary	December 31, 2020					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
CCCC Tianhe Mechanical Equipment Manufacturing Co., Ltd						

Name of subsidiary	December 31, 2019					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
CCCC Zhenjiang Investment Construction Management Development Co., Ltd.	377,510,693	853,738,541	1,231,249,234	-63,657,726		-63,657,726
Greenland Heavylift (HongKong) Limited	105,658,741	2,139,263,095	2,244,921,836	-429,544,507	-1,233,274,882	-1,662,819,389
ZPMC Transmission Machinery (Nantong) Co., Ltd.	1,061,226,741	393,323,378	1,454,550,119	-207,716,971		-207,716,971
CCCC Tianhe Mechanical Equipment Manufacturing Co., Ltd	2,245,394,111	2,871,131,414	5,116,525,525	-3,456,472,738	-645,270,749	-4,101,743,487

Name of subsidiary	Amount incurred in the current period			
	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities
CCCC Zhenjiang Investment Construction Management Development Co., Ltd.		33,023,773	33,023,773	517,498,836
Greenland Heavylift (HongKong) Limited	261,736,949	-54,103,269	-88,658,061	6,619,732
ZPMC Transmission Machinery (Nantong) Co., Ltd.	736,059,047	89,433,610	89,433,610	66,499,450
CCCC Tianhe Mechanical Equipment Manufacturing Co., Ltd				

Name of subsidiary	Amount incurred in the previous period			
	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities
CCCC Zhenjiang Investment Construction Management Development Co., Ltd.		48,380,079	48,380,079	-256,615,368
Greenland Heavylift (HongKong) Limited	245,078,363	-16,628,814	-7,122,338	95,869,438
ZPMC Transmission Machinery (Nantong) Co., Ltd.	650,913,183	47,393,360	47,393,360	14,617,991
CCCC Tianhe Mechanical Equipment Manufacturing Co., Ltd	1,163,944,626	71,810,934	71,810,934	55,406,683

Other description:
None

(4) Major restrictions on the use of assets of enterprise group and the repayment of debts of enterprise group
Applicable Not applicable

(5) Financial support or other supports provided to structured entities included in the scope of consolidated financial statements

Applicable Not applicable

Other description:

Applicable Not applicable

2 Transactions in which the owner's equity share of a subsidiary changes and the subsidiary is still under control

Applicable Not applicable



1. Equity in joint ventures and associates

√Applicable □Not applicable

(1) Major joint ventures or associates

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Name of joint venture or associate	Principal place of business	Registration place	Business nature	Shareholding ratio (%)		Accounting treatment
				Direct	Indirect	
Joint ventures						
Jiangsu Longyuan Zhenhua Marine Engineering Co., Ltd	Jiangsu	Nantong, Jiangsu	Marine engineering construction	50%		Equity method
ZPMC Mediterranean Liman Makinalari Ticaret Anonim Sirketi	Istanbul, Turkey	Istanbul, Turkey	Technical service for port equipment	50%		Equity method
Zhenhua Marine Energy (HK) Co., Ltd.	Hong Kong	Hong Kong	Shipping		51%	Equity method
Cranetech Global Sdn.Bhd.	Malaysia	Malaysia	Technical service for port equipment		49.99%	Equity method
ZPMC-OTL MARINE CONTRACTOR LIMITED	Hong Kong	Hong Kong	Shipping		50%	Equity method
Associates						
CCCC Marine Engineering & Technology Research Center Co., Ltd.	Shanghai	Pudong New Area, Shanghai	Marine technology development and consulting	25%		Equity method
CCCC Estate Yixing Co., Ltd.	Jiangsu	Wuxi, Jiangsu	Real estate development	20%		Equity method
ZPMC Changzhou Coatings Co., Ltd	Jiangsu	Changzhou, Jiangsu	Paint manufacture	20%		Equity method
CCCC Financial Leasing Co., Ltd	Shanghai	Pudong New Area, Shanghai	Finance lease	30%		Equity method
CCCC Yancheng Construction Development Co., Ltd.	Jiangsu	Yancheng, Jiangsu	Engineering project construction	25%		Equity method
Suzhou Chuanglian Electric Drive Co., Ltd.	Jiangsu	Suzhou, Jiangsu	Electric equipment manufacturing	20%		Equity method
China Communications Construction USA Inc.	USA	USA	Port, channel, highway and bridge construction	24%		Equity method
CCCC South American Regional Company SARL	USA	USA	Port, channel, highway and bridge construction	17%		Equity method
ZPMC Southeast Asia Pte. Ltd.	Singapore	Singapore	Trade sales		40%	Equity method
Shanghai Ocean Engineering Equipment Manufacturing Innovation Center Co., Ltd.	Shanghai	China	Development of ocean engineering technology	8.97%		Equity method
Shanghai Xingyi Construction Technology Co., Ltd.	Shanghai	Shanghai	Building engineering		30%	Equity method
CCCC Xiongan Urban Construction Development Co., Ltd.	Hebei	Xiongan, Hebei	Engineering project construction	15.00%		Equity method

Description of the difference between shareholding ratio and proportion of voting rights in joint venture or associates:

None

Basis for holding less than 20% of voting rights but having significant influence, or holding 20% or more of voting rights but not having significant influence:

None

(2) Main financial information of major joint ventures:

□Applicable √Not applicable

(3) Main financial information of major associates:

√Applicable □Not applicable

Unit: Yuan Currency: CNY

	December 31, 2020/Amount incurred in the current period		December 31, 2019/Amount incurred in the previous period	
	CCCC Financial Leasing Co., Ltd	CCCC Financial Leasing Co., Ltd	CCCC Financial Leasing Co., Ltd	CCCC Financial Leasing Co., Ltd
Current assets	22,819,943,898	-	19,939,324,543	-
Non-current assets	24,486,499,994	-	21,339,769,559	-
Total assets	47,306,443,892	-	41,279,094,102	-
Current liabilities	-20,424,045,460	-	-21,496,787,586	-
Non-current liabilities	-16,947,008,625	-	-11,265,256,085	-
Total liabilities	-37,371,054,085	-	-32,762,043,671	-
Minority equity	2,697,430,648	-	2,565,417,538	-
Other equity instrument - Perpetual bond	998,000,000	-	-	-
Shareholders' equity attributable the parent company	6,239,959,159	-	5,951,632,893	-
Share of net assets held based on shareholding ratio	1,883,150,758	-	1,785,702,878	-
Adjustments	-	-	-	-
--Goodwill	-	-	-	-
--Unrealized profits of internal transactions	-	-	-	-
--Others	-	-	-	-
Book value of equity investment in associates	1,883,150,758	-	1,785,702,878	-
Fair value of equity investment in associates with public offer	-	-	-	-
Operating revenue	-	2,740,010,098	-	2,052,054,187
Financial expenses-interest income	-	17,688,700	-	18,917,032
Financial expenses - interest expenses	-	52,265,036	-	51,051,246
Income tax expenses	-	214,170,405	-	126,731,537
Net profit	-	526,789,103	-	386,156,164
Net profit from discontinuing operation	-	-	-	-
Other comprehensive income	-	-	-	-
Net of tax of other comprehensive income	-	-4,238,920	-	1,034,782
Total comprehensive income	-	522,550,183	-	387,190,946
Total comprehensive income attributable to the parent company	-	390,537,074	-	298,442,527
Dividends received from associates in the current year	-	-	-	-
Dividends distributed	-	102,210,808	-	32,500,000
Including: dividends distributed to investors of other equity instruments	-	36,500,000	-	-

Other description

None



(4) Summary of financial information of insignificant joint ventures and associates:

Applicable Not applicable

Unit: Yuan Currency: CNY

	December 31, 2020/Amount incurred in the current period	December 31, 2019/Amount incurred in the previous period
Joint ventures:		
Total book value of investment	277,261,963	312,812,059
Total number of following items by shareholding ratio		
-- Net profit	11,542,458	17,192,511
-- Other comprehensive income		
-- Total comprehensive income	11,542,458	17,192,511
Associates:		
Total book value of investment	881,820,163	775,158,808
Total number of following items by shareholding ratio		
-- Net profit	8,917,689	4,309,481
-- Other comprehensive income	-27,392,214	-2,315,141
-- Total comprehensive income	-18,474,525	1,994,340

Other description

None

(5) Description of the significant restrictions on the ability of joint ventures or associates to transfer funds to the Company

Applicable Not applicable

(6) Excess loss of joint ventures or associates

Applicable Not applicable

(7) Unrecognized commitments related to joint venture investment

Applicable Not applicable

(8) Contingent liabilities related to investment in joint ventures or associates

Applicable Not applicable**3 Significant joint operation**Applicable Not applicable**4 Equity in structured entities not included in the scope of consolidated financial statements**

Description of structured entities not included in the scope of consolidated financial statements:

Applicable Not applicable**5 Others**Applicable Not applicable**X. Risks related to financial instruments**Applicable Not applicable**1 Classification of financial instruments**

The book values of various financial instruments on the balance sheet date:

2020
Financial assets

	Financial assets measured at fair value through the current profit or loss		Measured at amortized cost	Financial assets measured at fair value through the other comprehensive income		Total
	Standard	Designated		Standard	Designated	
Monetary funds	-	-	2,948,074,736	-	-	2,948,074,736
Held-for-trading financial assets	1,601,623,650	-	-	-	-	1,601,623,650
Notes receivable	-	-	753,000	-	-	753,000
Receivables financing	-	-	-	362,006,319	-	362,006,319
Accounts receivable	-	-	7,227,065,255	-	-	7,227,065,255
Other receivables	-	-	321,158,686	-	-	321,158,686
Non-current assets due within one year	-	-	1,884,370,444	-	-	1,884,370,444
Investment in other equity instruments	-	-	-	-	61,505,751	61,505,751
Long-term receivables	-	-	5,077,114,342	-	-	5,077,114,342
Other non-current financial assets	330,094,057	-	-	-	-	330,094,057
	1,931,717,707	-	17,458,536,463	362,006,319	61,505,751	19,813,766,240

Financial liabilities

	Financial liabilities measured at fair value through the current profit or loss		Financial liabilities measured at amortized cost	Total
	Standard	Designated		
Short-term borrowings	-	-	17,795,076,565	17,795,076,565
Held-for-trading financial liabilities	458,882	-	-	458,882
Notes payable	-	-	3,600,725,892	3,600,725,892
Accounts payable	-	-	7,773,903,147	7,773,903,147
Other payables	-	-	465,042,916	465,042,916
Non-current liabilities due within one year	-	-	1,374,465,319	1,374,465,319
Long-term borrowings	-	-	16,850,299,742	16,850,299,742
Long-term payables	-	-	1,632,757,932	1,632,757,932
	458,882	-	49,492,271,513	49,492,730,395

2019
Financial assets

	Financial assets measured at fair value through the current profit or loss		Measured at amortized cost	Financial assets measured at fair value through the other comprehensive income		Total
	Standard	Designated		Standard	Designated	
Monetary funds	-	-	3,310,297,451	-	-	3,310,297,451
Held-for-trading financial assets	1,739,792,062	-	-	-	-	1,739,792,062
Notes receivable	-	-	5,650,000	-	-	5,650,000

	Financial assets measured at fair value through the current profit or loss		Measured at amortized cost	Financial assets measured at fair value through the other comprehensive income		Total
	Standard	Designated		Standard	Designated	
Receivables financing	-	-	-	406,408,604	-	406,408,604
Accounts receivable	-	-	4,966,175,528	-	-	4,966,175,528
Other receivables	-	-	546,907,645	-	-	546,907,645
Non-current assets due within one year	-	-	1,313,203,581	-	-	1,313,203,581
Investment in other equity instruments	-	-	-	-	61,981,268	61,981,268
Long-term receivables	-	-	5,227,728,420	-	-	5,227,728,420
	1,739,792,062	-	15,369,962,625	406,408,604	61,981,268	17,578,144,559

Financial liabilities

	Financial liabilities measured at fair value through the current profit or loss		Financial liabilities measured at amortized cost	Total
	Standard	Designated		
Short-term borrowings	-	-	22,001,319,380	22,001,319,380
Held-for-trading financial liabilities	7,312,741	-	-	7,312,741
Notes payable	-	-	3,420,945,451	3,420,945,451
Accounts payable	-	-	7,869,378,365	7,869,378,365
Other payables	-	-	694,418,175	694,418,175
Non-current liabilities due within one year	-	-	7,287,484,513	7,287,484,513
Long-term borrowings	-	-	8,413,339,986	8,413,339,986
Long-term payables	-	-	1,741,945,636	1,741,945,636
	7,312,741	-	51,428,831,506	51,436,144,247

2 Transfer of financial assets

Transferred financial assets derecognized as a whole but involved continuously

As at December 31, 2020, the book value of the bank acceptance bill given by the Group upon endorsement to the supplier for accounts payable settlement amounted to RMB 571,531,799 (December 31, 2019: RMB 738,496,754). As at December 31, 2020, the maturity term of such bill was 1 - 12 months. In accordance with the relevant provisions of the Negotiable Instruments Law, if the acceptance bank refuses to pay, the bill holder shall be entitled to recourse to the Group ("continue to be involved"). The Group considered that it had transferred almost all risks and rewards of such bill, therefore, the aforesaid book value and the book value of relevant settled accounts payable should be derecognized as a whole. The maximum losses and undiscounted cash flows that continue to be involved were equal to the book value. The Group considered that the fair value with continuous involvement was insignificant.

In 2020, the Group failed to recognize relevant gain or loss on the date of transfer of the above financial assets (Year 2019: None). The Group had no income or expense which had been recognized for the current year or accumulatively as it had been derecognized as a whole but continued to be involved in the financial assets. The endorsement of bank acceptance bill receivable happened in this year evenly.

3 Financial instrument risks

Various financial instrument risks the Group faces during the routine activities mainly include the credit risk, liquidity risk and market risk (including the exchange rate risk and interest rate risk). Main financial instruments of the Group include the monetary funds, equity investment, borrowings, notes receivable, accounts receivable, accounts receivable financing, long-term receivables, notes payable and accounts payable.

The Group's overall risk management plan is targeted at the unpredictability of financial market, trying to minimize the potential adverse influence on the Group's financial results.

Credit risk

The Group manages the credit risks by the classification of portfolios. The credit risk is mainly from accounts receivable financing, accounts receivable, other receivables and long-term receivables.

Other financial assets of the Group include monetary funds, held-for-trading financial assets, other equity investment instruments and other non-current financial assets, of which credit risks are from the counterpart's default, and the maximum exposure is equal to the book amount of these instruments.

The Group only trade with the authorized third parties in good standing. Credit risks are managed in a centralized manner by customer/counterpart, geographic region and industry. As the Group's customers of accounts receivable and long-term receivables are widely dispersed across sectors and industries, there is no significant credit risk concentration within the Group. The Group did not hold any collateral or other credit enhancements for the balance of accounts receivable and long-term receivables, but did the same for the balance of long-term receivables.

As the counterparts of monetary funds, receivables financing and derivative financial instruments are banks in good standing and having relatively higher credit rating, these financial instruments have low credit risk.

In addition, as for the receivables financing, accounts receivable financing, accounts receivable, other receivables, and long-term accounts receivable, the Group has set relevant policies to control the credit risk exposure. The Group, based on the customers' financial positions, the possibility of obtaining guarantees from the third party, credit records and other factors such as the current market conditions, evaluates the credit qualifications of customers and set the credit period accordingly. The Group will monitor customers' credit records periodically; as for the customers with bad credit records, the Group will take measures, such as requesting a payment in writing, shortening the credit period or canceling the credit term, to ensure that the Group's overall credit risks are within the controllable scope.

Judgment criteria for significant increase in credit risk

On each balance sheet date, the Group will evaluate the credit risks of relevant financial instruments to confirm whether they have had significant increase or not after the initial recognition. On such confirmation, the Group will consider the reasonable and well-founded information which can be obtained without paying unnecessary surcharge or effort, including the information on qualitative and quantitative analysis based on the Group's historical date, external credit risk rating and perspectiveness. Based on the individual financial instrument or portfolio of financial instruments with similar credit risk characteristics, the Group determines the changes in default risk in financial instruments during the estimated duration by comparing the default risks in financial instruments on the balance sheet date with those on the initial recognition date.

In case of one or more quantitative or qualitative standards, the Group will consider that the credit risk of a financial instrument has had significant increase:

- (1) The quantitative standard mainly refers to the situation that the reporting date is overdue for certain days.
- (2) The qualitative standard mainly refers to the situation that the debtor encounters any significant and adverse operating or financial change, or prepares the list of warning customers.

Definition of assets with credit impairment

In order to determine whether there is credit impairment, the Group adopts a definition standard to keep pace with the internal credit risk management target regarding relevant financial instruments, and takes the quantitative and qualitative indicators into account. The Group mainly considers the following factors on evaluating whether the debtor has had credit impairment:

- (1) The issuer or the debtor suffers significant financial difficulties;
- (2) The debtor violates any contract, such as default or delay in repayment of interest or principal;
- (3) Considering the economic or contractual reasons relevant to the debtor's financial difficulty, the debtor makes concession which it will not make in any other circumstance;
- (4) The debtor is likely to go bankrupt or carry out other financial reorganization;
- (5) The active market of such financial assets disappears due to the issuer's or the debtor's financial difficulty;
- (6) A financial asset is purchased or generated through the substantial discount, and such discount reflects the fact of credit loss.

The credit impairment of financial assets may be caused by several events, not just one event which can be individually identified.

Parameters for the measurement of expected credit loss

Based on the information whether the credit risk has had significant increase or there is credit impairment, the Group makes the provision for impairment of expected credit losses of various assets for 12 months or the entire duration. Key parameters for the measurements of expected credit loss include the probability of default, loss given default and exposure at default. Considering the quantitative analysis on historical statistical data (including the rating of the counterpart, way of guarantee and category of collateral) and prospective information, the Group builds models for probability of default, loss given default and exposure at default.



Relevant definitions:

(1) The probability of default refers to the probability that the debtor may fail to perform the payment obligation over the next 12 months or the entire duration. The Group's probability of default is adjusted based on the credit loss model, adding the prospective information to reflect the debtor's probability of default in the current macroeconomic environment;

(2) The loss given default refers to the expectation made by the Group regarding the degree of loss on default risk exposure. As the type of counterpart, way of recourse and priority as well as collateral may be different, the loss given default may also be different. The loss given default refers to the percentage of the risk exposure loss at default, calculated based on the term of future 12 months or the entire duration;

(3) The exposure at default refers to the amount paid by the Group at default over the next 12 months or the entire remaining duration.

The prospective information is involved in the evaluation on significant change in credit risk and the calculation of expected credit loss. Through the historical data analysis, the Group identifies the key economic indicators affecting the credit risks in various types of business and the expected credit loss.

The impact of these economic indicators on the probability of default and the loss given default is different for different type of business. In such course, the Group makes the reference to the authoritative predictive values, expect these economic indicators based on results of those values, and determine the impact of these economic indicators on the probability of default and the loss given default.

2020

The maximum risk exposure and the year-end classification of credit risk degrees regarding the Group's financial assets and contract assets are as follows:

	Estimated credit loss over the next 12 months	Estimated credit loss in the entire lifecycle			Total
	Stage I	Stage II	Stage III	Simple method	
Monetary funds	2,948,074,736	-	-	-	2,948,074,736
Held-for-trading financial assets	1,601,623,650	-	-	-	1,601,623,650
Notes receivable	753,000	-	-	-	753,000
Accounts receivable	-	-	-	7,227,065,255	7,227,065,255
Contract assets	-	-	-	2,063,296,890	2,063,296,890
Receivables financing	362,006,319	-	-	-	362,006,319
Other receivables	836,659,904	76,750,259	-	-	913,410,163
Non-current assets due within one year	1,884,370,444	-	-	-	1,884,370,444
Other non-current financial assets	330,094,057	-	-	-	330,094,057
Other non-current assets	-	-	-	702,933,384	702,933,384
Long-term receivables	5,077,114,342	-	-	-	5,077,114,342
	13,040,696,452	76,750,259	-	9,993,295,529	23,110,742,240

2019

	Estimated credit loss in future 12 months	Estimated credit loss in the entire lifecycle			Total
	Stage I	Stage II	Stage III	Simple method	
Monetary funds	3,310,297,451	-	-	-	3,310,297,451
Held-for-trading financial assets	1,739,792,062	-	-	-	1,739,792,062
Notes receivable	5,650,000	-	-	-	5,650,000
Accounts receivable	-	-	-	4,966,175,528	4,966,175,528
Receivables financing	406,408,604	-	-	-	406,408,604
Other receivables	1,097,763,737	78,797,771	-	-	1,176,561,508
Non-current assets due within one year	1,313,203,581	-	-	-	1,313,203,581
Long-term receivables	5,227,728,420	-	-	-	5,227,728,420
	13,100,843,855	78,797,771	-	4,966,175,528	18,145,817,154

Liquidity risk

Subsidiaries within the Group are responsible for their own cash-flow prospects. The financial section of the head office continues to monitor the short-term and long-term capital demands at the group level after collecting the cash flows prospects of all subsidiaries, to guarantee the sufficient cash reserve and cashable securities. Meanwhile, the financial section of the head office continues to monitor the financial and non-financial indicators prescribed in credit-granting agreements and loan agreements, to ensure that the Group can get sufficient line of credit from major financial institutions, so as to satisfy the short-term and long-term capital demands of all subsidiaries of the Group.

As at December 31, 2020, the various financial liabilities of the Group are listed as follows by due dates based on undiscounted contracted cash flows (including principal and interest):

2020					
	Within 1 year	1-2 years	2-5 years	Over 5 years	Total
Short-term borrowings	18,041,418,617	-	-	-	18,041,418,617
Held-for-trading financial liabilities	458,882	-	-	-	458,882
Notes payable	3,600,725,892	-	-	-	3,600,725,892
Accounts payable	7,773,903,147	-	-	-	7,773,903,147
Other payables	481,065,700	-	-	-	481,065,700
Non-current liabilities due within one year	1,480,593,478	-	-	-	1,480,593,478
Long-term borrowings	-	2,448,871,944	14,087,369,245	1,621,865,690	18,158,106,879
Long-term payables	-	555,681,491	579,063,124	805,440,349	1,940,184,964
	31,378,165,716	3,004,553,435	14,666,432,369	2,427,306,039	51,476,457,559

As at December 31, 2019, the various financial liabilities of the Group are listed as follows by due dates based on undiscounted contracted cash flows (including principal and interest):

2019					
	Within 1 year	1-2 years	2-5 years	Over 5 years	Total
Short-term borrowings	22,371,944,008	-	-	-	22,371,944,008
Held-for-trading financial liabilities	7,312,741	-	-	-	7,312,741
Notes payable	3,420,945,451	-	-	-	3,420,945,451
Accounts payable	7,869,378,365	-	-	-	7,869,378,365
Other payables	711,389,996	-	-	-	711,389,996
Non-current liabilities due within one year	7,533,454,596	-	-	-	7,533,454,596
Long-term borrowings	-	2,959,780,013	5,249,838,271	879,572,205	9,089,190,489
Long-term payables	-	683,803,609	535,717,708	609,414,984	1,828,936,301
	41,914,425,157	3,643,583,622	5,785,555,979	1,488,987,189	52,832,551,947

Market risk

Interest rate risk

The Group's interest rate risk is mainly from such long-term interest-bearing liabilities as long-term bank borrowings and long-term payables. Floating-rate financial liabilities expose the Group to cash flow interest rate risk while fixed-rate financial liabilities expose the Group to fair value interest rate risk. The Group determines the relative proportion of contracts with fixed interest rate and contracts with floating interest rate according to the current market environment. As at December 31, 2020, the Group's long-term interest-bearing liabilities mainly were the floating rate contracts priced in USD, and the fixed rate contracts priced in RMB.

The market interest rate fluctuating risks that the Group encounters are mainly relevant to the long-term liabilities where the interest is calculated at the floating interest rate.

The finance department in the headquarters of the Group continues monitoring and controlling the interest rate level of the Group. The increase in interest rate will increase the costs of the new interest-bearing debts and the interest expenses of interest-bearing debts failing to be paid up by the Group and subject to the interest calculation at floating interest rate, and will, significantly and adversely, affect the Group's financial results; the management will control partial interest rate risk based on the newest market situation through the swap contract and other interest rate swap arrangements. In 2020 and 2019, the Group had no interest rate swap arrangement.



The following table shows the sensitivity analysis of the interest rate risk, reflecting the effect of the reasonable and possible changes in the interest rate on net profit or loss (through the impact on loan with floating interest rate) and the net amount of other comprehensive income after tax, based on the assumption of no change in other variables.

2020

	Base point Increase / (Decrease)	Net profit or loss Increase / (Decrease)	Net of tax of other comprehensive income Increase / (Decrease)	Total shareholders' equity Increase / (Decrease)
RMB	100	(34,223,642)	-	(34,223,642)
RMB	(100)	34,223,642	-	34,223,642

2019

	Base point Increase / (Decrease)	Net profit or loss Increase / (Decrease)	Net of tax of other comprehensive income Increase / (Decrease)	Total shareholders' equity Increase / (Decrease)
RMB	100	(58,026,976)	-	(58,026,976)
RMB	(100)	58,026,976	-	58,026,976

Exchange rate risk

The Group is exposed to transactional exchange rate risk. Such risks are due to sales or purchases made by the operating entity in currencies other than its functional currency. The Group's main production is within the territory of China, but its sales and purchase is settled in USD. However, there still were foreign exchange risks in the foreign currency assets and liabilities and future foreign currency transactions that have been recognized by the Group (foreign currency assets and liabilities and foreign currency transactions are priced mainly in USD). The finance department of the Headquarters of the Group is responsible for supervising the scale of the Group's foreign currency transactions and foreign currency assets and liabilities to minimize the foreign exchange risks.

The following table is a sensitivity analysis of exchange rate risk, reflecting the assumption that all other variables will remain the same, when the USD exchange rate changes reasonably and possibly, it will affect the net profit or loss (due to the change in fair value of monetary assets and liabilities) and other comprehensive income, net of tax (due to the change in fair value of forward foreign exchange contract).

2020

	USD exchange rate Increase / (Decrease)	Net profit or loss Increase / (Decrease)	Net of tax of other comprehensive income Increase / (Decrease)	Total shareholders' equity Increase / (Decrease)
RMB appreciation against USD	1%	15,995,421	-	15,995,421
RMB depreciation against USD	(1%)	(15,995,421)	-	(15,995,421)

2019

	USD exchange rate Increase / (Decrease)	Net profit or loss Increase / (Decrease)	Net of tax of other comprehensive income Increase / (Decrease)	Total shareholders' equity Increase / (Decrease)
RMB appreciation against USD	1%	40,098,106	-	40,098,106
RMB depreciation against USD	(1%)	(40,098,106)	-	(40,098,106)

Price risk of equity instrument investment

The price risk of equity instrument investment refers to the risk that the fair value of equity securities decreases due to the change of stock index level and individual securities value. As at December 31, 2020, the Group was exposed to the price risk of equity instrument investment arising from the individual equity instrument investment classified as equity instrument investment measured at fair value through the current profit or loss. The listed equity instrument investment held by the Group is listed on the stock exchanges of Shanghai, Shenzhen and Hong Kong, and measured at the market quotation on the balance sheet date.

The market stock indexes of the following stock exchanges at the closing of the trading day closest to the balance sheet date, as well as their respective highest and lowest closing points in the year:

	At the end of 2020	Highest / lowest in 2020	At the end of 2019	Highest / lowest in 2019
Shanghai - A-share index	3,649	3,912/2,774	3,196	3,426/2,580
Shenzhen - A-share index	2,438	2,442/1,683	1,802	1,865/1,303
Hong Kong - Hang Seng Index	27,231	29,175/21,139	28,190	30,157/25,064

The following table shows the sensitivity of the Group's net profit or loss to the change of 1% of the fair value of equity instrument investment (based on the book value on the balance sheet date) under the assumption that all other variables remain unchanged.

2020

	Book value of equity instrument investment	Increase / (decrease) in net profit or loss	Increase / (decrease) in net of tax of other comprehensive income	Increase / (decrease) in total shareholders' equity
Equity instrument investment				
Shanghai - equity instrument investment measured at fair value through the current profit or loss	679,011,665	5,771,599	-	5,771,599
Shenzhen - equity instrument investment measured at fair value through the current profit or loss	229,296,774	1,949,023	-	1,949,023
Hong Kong - equity instrument investment measured at fair value through the current profit or loss	684,876,933	5,718,722	-	5,718,722
Investment in unlisted equity instruments measured at fair value				
- Equity instrument investment measured at fair value through the current profit or loss	330,094,057	2,805,799	-	2,805,799
- Equity instrument investment measured at fair value through the other comprehensive income	61,505,751	-	522,799	522,799

2019

	Book value of equity instrument investment	Increase / (decrease) in net profit or loss	Increase / (decrease) in net of tax of other comprehensive income	Increase / (decrease) in total shareholders' equity
Equity instrument investment				
Shanghai - equity instrument investment measured at fair value through the current profit or loss	585,555,555	4,977,222	-	4,977,222
Shenzhen - equity instrument investment measured at fair value through the current profit or loss	133,330,676	1,132,191	-	1,132,191
Hong Kong - equity instrument investment measured at fair value through the current profit or loss	990,232,309	8,268,440	-	8,268,440
Investment in unlisted equity instruments measured at fair value				
- Equity instrument investment measured at fair value through the other comprehensive income	61,981,268	-	526,841	526,841

4 Capital management

The Group's objectives of capital management policy are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The total capital of the Group is the shareholders' equity as listed in the consolidated balance sheet. The Group is not subject to external mandatory capital requirements and makes use of the asset-liability ratio to monitor capital. This ratio is calculated by the net debt divided by total capital. The net debt is the total borrowing (including Short-term borrowings listed in the consolidated balance sheet, other non-current liabilities due within one-year, Long-term borrowings, other payables and interest-bearing liabilities in long-term payables) minus cash and cash equivalents. The total capital is the total shareholders' equity plus net debt.



As at December 31, 2020 and December 31, 2019, the liability ratio of the Group is listed as follows:

	2020	2019
Debt ratio	67%	67%

XI. Fair value disclosure

1 Ending fair value of assets and liabilities measured at fair value

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Ending fair value			Total
	Fair value measurement at level 1	Fair value measurement at level 2	Fair value measurement at level 3	
I. Continuous fair value measurement				
(I) Held-for-trading financial assets	1,593,185,372		8,438,278	1,601,623,650
1. Financial assets measured at fair value through the current profit or loss	1,593,185,372		8,438,278	1,601,623,650
(1) Debt instrument investment				
(2) Equity instrument investments				
(3) Derivative financial assets			8,438,278	8,438,278
(4) Equity of listed companies	1,593,185,372			1,593,185,372
2. Financial assets designated to be measured at fair value through the current profit or loss				
(1) Debt instrument investment				
(2) Equity instrument investments				
(II) Other debt investment				
(III) Investment in other equity instruments			61,505,751	61,505,751
(IV) Investment property				
1. Land use right for lease				
2. Buildings for lease				
3. Land use right held for transfer after appreciation				
(V) Biological assets				
1. Consumptive biological assets				
2. Productive biological assets				
(VI) Receivables financing		362,006,319	-	362,006,319
(VII) Other non-current financial assets			330,094,057	330,094,057
Total assets measured with continuous fair value continuously	1,593,185,372	362,006,319	400,038,086	2,355,229,777
(VI) Held-for-trading financial liabilities				
1. Financial liabilities measured at fair value through current profit or loss				
Including: Trading bonds issued				
Derivative financial liabilities				
Others				
2. Financial liabilities designated to be measured at fair value through the current profit or loss				
Forward foreign exchange contract		458,882		458,882
Total liabilities measured with continuous fair value continuously		458,882		458,882
II. Non-continuous fair value measurement				

Item	Ending fair value			Total
	Fair value measurement at level 1	Fair value measurement at level 2	Fair value measurement at level 3	
(l) Assets held for sale				
Total assets not continuously measured at fair value				
Total liabilities not continuously measured at fair value				

2 The basis for determining the market value of continuous and non-continuous fair value measurement items at level 1

Applicable Not applicable

3 Valuation techniques and the qualitative and quantitative information of important parameters for continuous and non-continuous fair value measurement items at level 2

Applicable Not applicable

The Group regards the date when the conversion of levels occurs as the time point of the conversion of all levels. There was no conversion among levels in this year.

Where there is an active market traded for a financial instrument, the Group shall adopt the quoted price in the active market to determine the fair value thereof; where there is no active market traded for a financial instrument, the Group shall adopt value appraisal techniques to determine its fair value. The valuation models used are discounted cash flow model and market comparable company model. The input value of valuation techniques mainly includes the weighted average cost of capital, liquidity discount, price to book ratio of comparable companies.

Relevant information about the measurement of fair value at level 2 is as follows:

	2020 Fair value	Valuation technique	Observable input value	
			Name	Scope
Receivables financing	362,006,319	Discounted cash flow model	Similar open market lending rate	4.4%
Held-for-trading financial liabilities - ZAR Forward foreign exchange contract	458,882	Discounted cash flow model	ZAR-USD forward foreign exchange	15.0022 to 15.2013

4 Valuation techniques and the qualitative and quantitative information of important parameters for continuous and non-continuous fair value measurement items at level 3

Applicable Not applicable

The significant and unobservable input value of fair value measurement at Level 3 is as follows:

	2020 Fair value	Valuation technique	Unobservable input value	
			Name	Weighted average
Held-for-trading financial assets – equity instrument investments	8,438,278	Discounted cash flow model	Weighted average capital cost	11%
Investment in other equity instruments	61,505,751	Market comparable company model	Liquidity discount	29%-37%
			P/B ratio of comparable company	1.3-2.18
Other non-current financial assets	330,094,057	Market comparable company model	Liquidity discount	29%
			P/B ratio of comparable company	1.43

5 For continuous fair value measurement items at level 3, the adjustment information between beginning and ending book value and the sensitivity analysis of unobservable parameters

Applicable Not applicable

6 For continuous fair value measurement items, if there is conversion between different levels in the current period, the reasons for conversion and the policies for determining the conversion time

Applicable Not applicable

**7 Changes in valuation technology in the current period and reasons for changes**Applicable Not applicable**8 Fair values of financial assets and financial liabilities not measured at fair value**Applicable Not applicable**9 Others**Applicable Not applicable

Assets and liabilities disclosed at fair value

The management has evaluated the monetary funds, accounts receivables, notes payable and accounts payable, and the fair value is equal to the book value due to short remaining term.

The long-term receivables of the Group are the receivables with floating rate, and the difference between the book value and fair value is small.

As for the long-term borrowings and long-term payables, the book value shall be determined by the future cash flow specified in the contract after discounting according to the interest rate which has comparable credit rating on the market and provides almost the same cash flow under the same conditions, and the difference between the book value and such fair value is small.

Adjustment and level conversion of fair value measurement

In this year, there was no transfer of fair value measurement of financial assets and financial liabilities between level 1 and level 2, and there was no transfer into or out of the level 3.

XII Related parties and related party transactions**1 Parent company**Applicable Not applicable

Unit: 10,000 Yuan Currency: CNY

Parent company	Registration place	Business nature	Registered capital	Shareholding ratio in the Company (%)	Voting ratio in the Company (%)
China Communications Construction Group Co., Ltd.	Beijing City	Port project contracting and related business	585,542	46.229	46.229

Description of the parent company of the Company

None

The final controlling party of the Company is the China Communications Construction Group Co., Ltd.

Other description:

None

2 Subsidiaries

For details of subsidiaries of the Company, please refer to the notes.

Applicable Not applicable

For details of subsidiaries, please refer to Note IX (1).

3 Joint ventures and associates

For details of major joint ventures and associates, please refer to Note IX (2).

Applicable Not applicable

Other joint ventures or associates that have related party transactions with the Company in the current period or formed balance in the previous period are as follows

Applicable Not applicable

Other description

Applicable Not applicable**4 Other related parties**Applicable Not applicable

Name of other related parties	Relationship with related party
China Communications Construction Company Ltd.	Controlled by the same parent company
China Harbour Engineering Co., Ltd.	Controlled by the same parent company
CCCC Finance Company Ltd.	Controlled by the same parent company

Name of other related parties	Relationship with related party
CCCC Second Highway Engineering Co., Ltd.	Controlled by the same parent company
CCCC Second Highway Consultants Co., Ltd.	Controlled by the same parent company
CCCC Second Harbor Engineering Co., Ltd.	Controlled by the same parent company
CCCC Second Harbor Consultants Co., Ltd.	Controlled by the same parent company
CCCC Third Highway Engineering Co. Ltd.	Controlled by the same parent company
CCCC Third Harbor Engineering Co., Ltd.	Controlled by the same parent company
CCCC Third Harbor Consultants Co., Ltd.	Controlled by the same parent company
CCCC Fourth Highway Engineering Co., Ltd.	Controlled by the same parent company
CCCC Fourth Harbor Engineering Co., Ltd	Controlled by the same parent company
CCCC Fourth Harbor Consultants Co., Ltd.	Controlled by the same parent company
CCCC First Highway Engineering Co., Ltd.	Controlled by the same parent company
CCCC First Highway Consultants Co., Ltd.	Controlled by the same parent company
CCCC First Harbor Engineering Co., Ltd.	Controlled by the same parent company
CCCC-FHEC Urban Traffic Engineering Co., Ltd.	Controlled by the same parent company
CCCC First Harbor Consultants Co., Ltd.	Controlled by the same parent company
CCCC - SHEC Second Highway Engineering Co., Ltd.	Controlled by the same parent company
CCCC - SHEC Third Highway Engineering Co., Ltd.	Controlled by the same parent company
CCCC - SHEC Fourth Highway Engineering Co., Ltd.	Controlled by the same parent company
CCCC - SHEC Railway Construction Co., Ltd	Controlled by the same parent company
CCCC - SHEC Electrical Engineering Co., Ltd.	Controlled by the same parent company
CCCC SHEC Chengdu Urban Construction Engineering Co., Ltd.	Controlled by the same parent company
No.2 Engineering Co., Ltd. of CCCC Second Harbor Engineering Co., Ltd.	Controlled by the same parent company
No.3 Co. of The Second Navigational Engineering Bureau, CCCC	Controlled by the same parent company
No.4 Engineering Co., Ltd. of CCCC Second Harbor Engineering Co., Ltd.	Controlled by the same parent company
The First Construction Company of CCCC Second Harbor Engineering Co., Ltd	Controlled by the same parent company
CCCC-SHEC Construction Engineering Co., Ltd	Controlled by the same parent company
Zhen Hwa Harbour Construction Co., Ltd.	Controlled by the same parent company
Beijing Rate Electronic Technology Developing Co., Ltd.	Controlled by the same parent company
CCCC Guidu Highway Construction Co., Ltd.	Controlled by the same parent company
Road & Bridge International Co., Ltd.	Controlled by the same parent company
Shanghai Waterway Logistics Co., Ltd	Controlled by the same parent company
Shanghai Jiangtian Industrial Co., Ltd.	Controlled by the same parent company
Shanghai Communications Construction Contracting Co., Ltd.	Controlled by the same parent company
Shanghai Interlink Road & Bridge Engineering Co., Ltd.	Controlled by the same parent company
Shanghai Zhensha Longfu Machinery Co., Ltd.	Controlled by the same parent company
Shanghai China Communications Water Transportation Design & Research Co., Ltd.	Controlled by the same parent company
CCCC Tianjin Dredging Co., Ltd.	Controlled by the same parent company
Wuhan Hangke Logistics Company Limited	Controlled by the same parent company
Hong Kong Marine Construction Limited	Controlled by the same parent company
Zhenhua Engineering Co., Ltd.	Controlled by the same parent company
Xiangtan CCCC Infrastructure Investment and Construction Co., Ltd.	Controlled by the same parent company
Yueyang Chenglingji New Port Co., Ltd.	Controlled by the same parent company
China Communications Materials & Equipment Co., Ltd.	Controlled by the same parent company
China Road & Bridge Corporation	Controlled by the same parent company
China Highway Engineering Consultants Corporation	Controlled by the same parent company
Chuwa Risheng (Beijing) International Trade Co., Ltd	Controlled by the same parent company
Chuwa Bussan Co., Ltd.	Controlled by the same parent company
CCCC (Xiamen) Information Co., Ltd	Controlled by the same parent company



Name of other related parties	Relationship with related party
CCCC (Zhoushan) Dredging Co., Ltd.	Controlled by the same parent company
CCCC North Industrial Co., Ltd.	Controlled by the same parent company
CCCC Highway Consultants Co., Ltd.	Controlled by the same parent company
CCCC Highway Bridges National Engineering Research Centre Co., Ltd.	Controlled by the same parent company
CCCC Guangzhou Dredging Co., Ltd.	Controlled by the same parent company
CCCC International (Hong Kong) Holdings Limited	Controlled by the same parent company
CCCC International Shipping Co., Ltd.	Controlled by the same parent company
CCCC Marine Engineering & Technology Research Center Co., Ltd.	Controlled by the same parent company
CCCC East China Investment Co., Ltd.	Controlled by the same parent company
CCCC Electrical and Mechanical Engineering Co., Ltd.	Controlled by the same parent company
CCCC Infrastructure Maintenance Group Co., Ltd.	Controlled by the same parent company
Road & Bridge East China Engineering Co., Ltd.	Controlled by the same parent company
Road & Bridge South China Engineering Co., Ltd.	Controlled by the same parent company
Road & Bridge International Co., Ltd.	Controlled by the same parent company
CCCC Nanjing Traffic Engineering Management Co., Ltd.	Controlled by the same parent company
CCCC Financial Leasing (Guangzhou) Co., Ltd.	Controlled by the same parent company
CCCC Financial Leasing Co., Ltd.	Controlled by the same parent company
No.2 Engineering Co., Ltd. of CCCC Third Harbor Engineering Co., Ltd.	Controlled by the same parent company
No.3 Engineering Co., Ltd. of CCCC Third Harbor Engineering Co., Ltd.	Controlled by the same parent company
Construction Materials Co., Ltd, CCCC Third Harbor Engineering Co., Ltd.	Controlled by the same parent company
Xing An Ji Engineering Co., Ltd. of CCCC Third Harbor Engineering Co., Ltd.	Controlled by the same parent company
CCCC Shanghai Harbor Engineering Design & Research Institute Co., Ltd.	Controlled by the same parent company
CCCC Shanghai Dredging Co., Ltd.	Controlled by the same parent company
CCCC Shanghai Channel Equipment Industry Co., Ltd.	Controlled by the same parent company
CCCC Shanghai Equipment Engineering Co., Ltd.	Controlled by the same parent company
CCCC Worldcom (Chongqing) Heavy Industries Co., Ltd.	Controlled by the same parent company
CCCC National Engineering Research Center of Dredging Technology and Equipment Co., Ltd.	Controlled by the same parent company
CCCC Water Transportation Planning and Design Institute Co., Ltd.	Controlled by the same parent company
No. 2 Engineering Co., Ltd. of CCCC Fourth Highway Engineering Co., Ltd.	Controlled by the same parent company
No.2 Engineering Co., Ltd. of CCCC Fourth Harbor Engineering Co., Ltd.	Controlled by the same parent company
The Third Engineering Company of CCCC Fourth Harbor Engineering Co., Ltd.	Controlled by the same parent company
CCCC Tunnel Engineering Company Limited	Controlled by the same parent company
Hainan Industry Co., Ltd. of CCCC Tianjin Dredging Co., Ltd.	Controlled by the same parent company
Binhai Environmental Protection Dredging Co., Ltd. of CCCC Tianjin Dredging Co., Ltd.	Controlled by the same parent company
CCCC Tianhe Mechanical Equipment Manufacturing Co., Ltd.	Controlled by the same parent company
CCCC Tianhe Xi'an Equipment Manufacturing Co., Ltd.	Controlled by the same parent company
CCCC Tianjin Port Waterway Prospection & Design Research Institute Co., Ltd.	Controlled by the same parent company
CCCC Tianjin Industry and Trade Co., Ltd.	Controlled by the same parent company
CCCC Tianjin Dredging Co., Ltd.	Controlled by the same parent company
CCCC WuHan Harbour Engineering Design and Research Co., Ltd.	Controlled by the same parent company
CCCC Xi'an Road Construction Machinery Co., Ltd.	Controlled by the same parent company
CCCC Xingyu Technology Co., Ltd.	Controlled by the same parent company
CCCC Xiongan Financial Leasing Co., Ltd.	Controlled by the same parent company
CCCC Yancheng Construction Development Co., Ltd.	Controlled by the same parent company
No.8 Engineering Co., Ltd. of CCCC First Highway Engineering Co., Ltd.	Controlled by the same parent company
No. 6 Engineering Co., Ltd. of CCCC First Highway Engineering Co., Ltd.	Controlled by the same parent company
No. Three Engineering Co., Ltd. of CCCC First Highway Engineering Co., Ltd.	Controlled by the same parent company

Name of other related parties	Relationship with related party
CCCC First Highway Fifth Engineering Co., Ltd.	Controlled by the same parent company
CCCC First Highway Electrification Engineering Co., Ltd.	Controlled by the same parent company
Haiwei Engineering Construction Co., Ltd., of FHEC of CCCC	Controlled by the same parent company
Chongqing Yongjiang Expressway Investment and Construction Co., Ltd. of FHEC of CCCC	Controlled by the same parent company
Installation Engineering Co., Ltd. of CCCC First Harbor Engineering Co. Ltd.	Controlled by the same parent company
No.2 Engineering Co., Ltd. of CCCC First Harbor Engineering Co., Ltd.	Controlled by the same parent company
No.1 Engineering Co., Ltd. of CCCC First Harbor Engineering Co., Ltd.	Controlled by the same parent company
CCCC Leasing Jiahua No.2 Co. Ltd.	Controlled by the same parent company
CCCC Leasing Jiahua No.1 Co., Ltd.	Controlled by the same parent company
CNPC & CCCC Petroleum Sales Co., Ltd.	Controlled by the same parent company
Hainan CCCC Fourth Harbor Construction Co., Ltd.	Controlled by the same parent company
Electrification Co., Ltd. of CCCC Tunnel Engineering Company Limited	Controlled by the same parent company
CTTIC Shanghai Co., Ltd.	Controlled by the same parent company
Friede & Goldman, LLC.	Controlled by the same parent company

Other description

None

5 Related party transactions

(1) Purchase and sales of goods, and rendering and receipt of labor services

Purchase of goods/receipt of labor services

Applicable Not applicable

Unit: Yuan Currency: CNY

Related party	Content of transaction	Amount incurred in the current period	Amount incurred in the previous period
No.2 Engineering Co., Ltd. of CCCC Third Harbor Engineering Co., Ltd.	Receipt of labor services	691,422,066	1,559,123,096
CCCC Fourth Highway Engineering Co., Ltd.	Receipt of labor services	306,195,275	326,099,884
CCCC Second Harbor Engineering Co., Ltd.	Receipt of labor services	301,152,978	44,626,778
CCCC Third Harbor Engineering Co., Ltd.	Receipt of labor services	204,828,721	138,044,572
CCCC First Highway Engineering Co., Ltd.	Receipt of labor services	201,690,439	-
CCCC Tianjin Dredging Co., Ltd.	Receipt of labor services	100,525,545	30,385,226
CCCC Third Highway Engineering Co. Ltd.	Receipt of labor services	60,479,325	102,954,724
ZPMC Southeast Asia Pte. Ltd	Receipt of labor services	59,340,652	31,842,242
Shanghai Communications Construction Contracting Co., Ltd.	Receipt of labor services	36,281,828	3,843,677
No. 2 Engineering Co., Ltd. of CCCC Fourth Highway Engineering Co., Ltd.	Receipt of labor services	32,430,368	-
CCCC Water Transportation Planning and Design Institute Co., Ltd.	Receipt of labor services	26,070,990	44,003,688
Road & Bridge East China Engineering Co., Ltd.	Receipt of labor services	23,620,159	-
CCCC Second Highway Engineering Co., Ltd.	Receipt of labor services	21,674,421	-
CCCC First Highway Fifth Engineering Co., Ltd.	Receipt of labor services	17,768,785	-
CCCC Worldcom (Chongqing) Heavy Industries Co., Ltd.	Receipt of labor services	14,309,194	-
China Road & Bridge Corporation	Receipt of labor services	10,988,748	9,772,546
CCCC Second Highway Consultants Co., Ltd.	Receipt of labor services	5,420,288	12,744,480
China Communications Construction Company Ltd.	Receipt of labor services	4,388,549	6,970,318
ZPMC Mediterranean Liman Makinalari Ticaret Anonim Sirketi	Receipt of labor services	3,690,480	9,022,814
CCCC Third Harbor Consultants Co., Ltd.	Receipt of labor services	3,577,982	400,000
CCCC Tianhe Mechanical Equipment Manufacturing Co., Ltd	Receipt of labor services	1,834,862	-



Related party	Content of transaction	Amount incurred in the current period	Amount incurred in the previous period
Shanghai China Communications Water Transportation Design & Research Co., Ltd.	Receipt of labor services	1,748,853	1,008,394
CCCC First Harbor Consultants Co., Ltd.	Receipt of labor services	1,293,585	128,440
CCCC Xingyu Technology Co., Ltd	Receipt of labor services	1,291,516	-
Shanghai Waterway Logistics Co., Ltd	Receipt of labor services	1,009,174	-
Installation Engineering Co., Ltd. of CCCC First Harbor Engineering Co. Ltd.	Receipt of labor services	908,257	7,202,999
CCCC Highway Consultants Co., Ltd.	Receipt of labor services	258,180	-
CCCC Marine Engineering & Technology Research Center Co., Ltd.	Receipt of labor services	207,203	1,599,377
CCCC WuHan Harbour Engineering Design and Research Co., Ltd.	Receipt of labor services	68,807	-
CCCC Shanghai Harbor Engineering Design & Research Institute Co., Ltd.	Receipt of labor services	55,046	-
No.2 Engineering Co., Ltd. of CCCC Fourth Harbor Engineering Co., Ltd.	Receipt of labor services	-	166,442,076
Xing An Ji Engineering Co., Ltd. of CCCC Third Harbor Engineering Co., Ltd.	Receipt of labor services	-	126,919,874
No.3 Co. of The Second Navigational Engineering Bureau, CCCC	Receipt of labor services	-	37,974,356
CCCC - SHEC Second Highway Engineering Co., Ltd.	Receipt of labor services	-	32,728,018
CCCC Shanghai Dredging Co., Ltd.	Receipt of labor services	-	27,320,344
China Communications Materials & Equipment Co., Ltd.	Receipt of labor services	-	17,482,045
CCCC Shanghai Equipment Engineering Co., Ltd.	Receipt of labor services	-	4,533,910
CCCC Highway Bridges National Engineering Research Centre Co., Ltd.	Receipt of labor services	-	2,449,541
CCCC First Highway Consultants Co., Ltd.	Receipt of labor services	-	1,153,073
CCCC (Zhoushan) Dredging Co., Ltd.	Receipt of labor services	-	350,748
No. Three Engineering Co., Ltd. of CCCC First Highway Engineering Co., Ltd.	Receipt of labor services	-	343,394
CCCC Fourth Harbor Engineering Co., Ltd	Receipt of labor services	-	86,849
CCCC Shanghai Equipment Engineering Co., Ltd.	Purchase of goods	645,334,160	51,424,063
ZPMC Changzhou Coatings Co., Ltd.	Purchase of goods	83,224,897	145,138,516
CCCC Tianjin Industry and Trade Co., Ltd.	Purchase of goods	66,687,672	1,669,824
Installation Engineering Co., Ltd. of CCCC First Harbor Engineering Co. Ltd.	Purchase of goods	61,964,860	-
Shanghai Jiangtian Industrial Co., Ltd.	Purchase of goods	10,044,735	9,429,667
Chongqing Yongjiang Expressway Investment and Construction Co., Ltd of FHEC of CCCC	Purchase of goods	9,557,213	-
CCCC Shanghai Channel Equipment Industry Co., Ltd.	Purchase of goods	3,466,483	320,806
China Communications Construction Company Ltd.	Purchase of goods	2,254,606	-
CCCC National Engineering Research Center of Dredging Technology and Equipment Co., Ltd.	Purchase of goods	2,151,725	-
CNPC & CCCC Petroleum Sales Co., Ltd.	Purchase of goods	2,047,752	1,475,121
CCCC (Xiamen) Information Co., Ltd	Purchase of goods	20,971	-
Chuwa Bussan Co., Ltd.	Purchase of goods	-	36,202,211
CCCC Tianjin Port Waterway Prospection & Design Research Institute Co., Ltd.	Purchase of goods	-	9,951,061
CCCC Tianjin Dredging Co., Ltd.	Purchase of goods	-	5,475,264

Related party	Content of transaction	Amount incurred in the current period	Amount incurred in the previous period
CCCC North Industrial Co., Ltd.	Purchase of goods	-	3,841,523
CCCC Marine Engineering & Technology Research Center Co., Ltd.	Purchase of goods	-	2,451,616
China Communications Materials & Equipment Co., Ltd.	Purchase of goods	-	380,531
CCCC Third Harbor Consultants Co., Ltd.	Purchase of goods	-	353,982
China Road & Bridge Corporation	Purchase of goods	-	64,214

Sales of goods/rendering of labor services
Applicable Not applicable

Unit: Yuan Currency: CNY

Related party	Content of transaction	Amount incurred in the current period	Amount incurred in the previous period
China Road & Bridge Corporation	Sales of goods/other inflows	897,728,442	1,678,140,641
CCCC Third Harbor Engineering Co., Ltd.	Sales of goods/other inflows	424,401,835	113,127,045
CCCC Second Harbor Engineering Co., Ltd.	Sales of goods/other inflows	283,456,305	337,523,772
Jiangsu Longyuan Zhenhua Marine Engineering Co., Ltd	Sales of goods/other inflows	231,829,678	248,918,845
Road & Bridge International Co., Ltd.	Sales of goods/other inflows	229,793,506	95,683,938
CCCC Third Highway Engineering Co. Ltd.	Sales of goods/other inflows	173,821,696	30,678,385
CCCC Second Highway Engineering Co., Ltd.	Sales of goods/other inflows	138,705,156	230,557,910
CCCC Electrical and Mechanical Engineering Co., Ltd.	Sales of goods/other inflows	88,938,053	124,928,355
China Communications Construction Company Ltd.	Sales of goods/other inflows	78,205,835	231,935,329
CCCC First Harbor Consultants Co., Ltd.	Sales of goods/other inflows	69,444,739	-
CCCC Tianjin Industry and Trade Co., Ltd.	Sales of goods/other inflows	50,952,323	-
ZPMC-OTL MARINE CONTRACTOR LIMITED	Sales of goods/other inflows	38,016,390	-
ZPMC Southeast Asia Pte. Ltd	Sales of goods/other inflows	37,632,123	-
The First Construction Company of CCCC Second Harbor Engineering Co., Ltd	Sales of goods/other inflows	36,724,138	-
CCCC - SHEC Third Highway Engineering Co., Ltd.	Sales of goods/other inflows	34,008,547	26,395,514
Installation Engineering Co., Ltd. of CCCC First Harbor Engineering Co. Ltd.	Sales of goods/other inflows	22,123,894	28,657,101
CCCC First Harbor Engineering Co., Ltd.	Sales of goods/other inflows	20,139,620	6,829,633
CCCC First Highway Engineering Co., Ltd.	Sales of goods/other inflows	14,921,008	126,158,585
China Harbour Engineering Co., Ltd.	Sales of goods/other inflows	13,927,295	45,102,497
CCCC Tunnel Engineering Company Limited	Sales of goods/other inflows	12,218,362	6,135,411
CCCC Yancheng Construction Development Co., Ltd.	Sales of goods/other inflows	11,855,952	-
CCCC Shanghai Equipment Engineering Co., Ltd.	Sales of goods/other inflows	8,761,075	-
The Third Engineering Company of CCCC Fourth Harbor Engineering Co., Ltd	Sales of goods/other inflows	6,559,140	-
CCCC First Highway Electrification Engineering Co., Ltd	Sales of goods/other inflows	6,129,210	-
No.3 Co. of The Second Navigational Engineering Bureau, CCCC	Sales of goods/other inflows	5,053,060	3,750,000
CCCC - SHEC Electrical Engineering Co., Ltd.	Sales of goods/other inflows	4,731,690	-
CCCC Tianhe Mechanical Equipment Manufacturing Co., Ltd	Sales of goods/other inflows	4,698,839	-
Beijing Rate Electronic Technology Developing Co., Ltd.	Sales of goods/other inflows	3,550,889	-
CCCC Xi'an Road Construction Machinery Co., Ltd.	Sales of goods/other inflows	1,327,434	-
CCCC International Shipping Co., Ltd	Sales of goods/other inflows	1,044,785	-
Road & Bridge International Co., Ltd.	Sales of goods/other inflows	78,509	-
CCCC Financial Leasing Co., Ltd	Sales of goods/other inflows	-	667,073,687
CCCC Tianjin Dredging Co., Ltd.	Sales of goods/other inflows	-	26,539,740
CCCC Marine Engineering & Technology Research Center Co., Ltd.	Sales of goods/other inflows	-	8,345,339



Related party	Content of transaction	Amount incurred in the current period	Amount incurred in the previous period
Hong Kong Marine Construction Limited	Sales of goods/other inflows	-	7,992,047
CCCC Fourth Highway Engineering Co., Ltd.	Sales of goods/other inflows	-	7,874,250
No.3 Engineering Co., Ltd. of CCCC Third Harbor Engineering Co., Ltd.	Sales of goods/other inflows	-	7,230,066
No.4 Engineering Co., Ltd. of CCCC Second Harbor Engineering Co., Ltd.	Sales of goods/other inflows	-	6,037,290
Shanghai Communications Construction Contracting Co., Ltd.	Sales of goods/other inflows	-	12,236
Total		2,950,779,528	4,065,627,616

Description of related party transactions of purchase and sales of goods, rendering and receipt of labor services

Applicable Not applicable

(2) Trusteeship/contracting and entrustment/outsourcing

Trusteeship/contracting of the Company:

Applicable Not applicable

Description of the trusteeship/contracting with related parties

Applicable Not applicable

Entrustment/outsourcing of the Company

Applicable Not applicable

Management/outsourcing with related parties

Applicable Not applicable

(3) Leases with related parties

The Company as the lessor

Applicable Not applicable

The Company as the lessee:

Applicable Not applicable

Description of leases with related parties

Applicable Not applicable

(4) Guarantees with related parties

The company as the guarantor

Applicable Not applicable

The company as the guaranteed party

Applicable Not applicable

Description of the guarantees with related parties

Applicable Not applicable

(5) Lendings with related parties

Applicable Not applicable

(6) Assets transfer and debt restructuring of related parties

Applicable Not applicable

(7) Remuneration of key management personnel

Applicable Not applicable

Unit: 10,000 Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
Remuneration of key management personnel	1,206	1,161

(8) Other related party transactions

Applicable Not applicable

1) Paying dividends to related parties

	2020	2019
CCCC International (Hong Kong) Holdings Limited	45,837,792	-
China Communications Construction Company Ltd.	42,777,102	42,777,102
CCCC	33,161,169	33,161,169
CCCC Second Harbor Engineering Co., Ltd.	9,682,385	-
CCCC Highway Consultants Co., Ltd.	2,420,596	-
CCCC East China Investment Co., Ltd.	2,420,596	-

	2020	2019
Zhenhua Engineering Co., Ltd.	-	44,921,036
Zhen Hwa Harbour Construction Co., Ltd.	-	916,756
	136,299,640	121,776,063

2) Deposits in (withdrawal of deposits from) related parties

	2020	2019
CCCC Finance Company Ltd.	(360,641,890)	433,312,793
China Communications Construction Company Ltd.	-	(3,733,158)
	(360,641,890)	429,579,635

3) Borrowings from related parties

	2020	2019
CCCC Finance Company Ltd.	2,500,000,000	50,000,000
CCCC Financial Leasing Co., Ltd	413,000,000	413,361,212
CCCC Leasing Jiahua No.1 Co., Ltd.	338,980,000	-
CCCC Xiongan Financial Leasing Co., Ltd	70,000,000	-
CCCC Financial Leasing (Guangzhou) Co., Ltd	51,000,000	-
	3,372,980,000	463,361,212

4) Interest collected from related parties

	2020	2019
CCCC Finance Company Ltd.	297,806	465,261
China Communications Construction Company Ltd.	-	2,101,285
	297,806	2,566,546

5) Interest paid to related parties

	2020	2019
CCCC Finance Company Ltd.	13,871,667	18,245,229
CCCC Financial Leasing Co., Ltd	13,795,110	26,460,645
CCCC Leasing Jiahua No.1 Co., Ltd.	8,537,825	46,946,944
CCCC Leasing Jiahua No.2 Co. Ltd.	8,537,825	14,691,723
CCCC Xiongan Financial Leasing Co., Ltd	834,444	-
CCCC Financial Leasing (Guangzhou) Co., Ltd	482,639	-
	46,059,510	106,344,541

6) Accounts receivable and payable by related parties

(1) Receivables

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Item	Related parties	December 31, 2020		December 31, 2019	
		Book balance	Provision for bad debt	Book balance	Provision for bad debt
Accounts receivable	CCCC Third Harbor Engineering Co., Ltd.	175,013,189	-	48,017,218	-
Accounts receivable	Jiangsu Longyuan Zhenhua Marine Engineering Co., Ltd	162,823,292	-	204,812,244	-
Accounts receivable	CCCC First Harbor Engineering Co., Ltd.	121,988,778	-	130,700,172	-
Accounts receivable	CCCC Second Harbor Engineering Co., Ltd.	110,819,885	-	112,525,256	-



Item	Related parties	December 31, 2020		December 31, 2019	
		Book balance	Provision for bad debt	Book balance	Provision for bad debt
Accounts receivable	No.1 Engineering Co., Ltd. of CCCC First Harbor Engineering Co., Ltd.	59,832,510	-	59,832,510	-
Accounts receivable	CCCC Second Highway Engineering Co., Ltd.	56,896,049	-	104,419,393	-
Accounts receivable	China Communications Construction Company Ltd.	41,920,389	-	44,091,360	-
Accounts receivable	CCCC Electrical and Mechanical Engineering Co., Ltd.	29,971,240	-	-	-
Accounts receivable	CCCC - SHEC Fourth Highway Engineering Co., Ltd.	29,418,356	-	-	-
Accounts receivable	CCCC First Harbor Consultants Co., Ltd.	28,927,082	-	13,290,419	-
Accounts receivable	China Harbour Engineering Co., Ltd.	24,508,151	-	7,338,237	-
Accounts receivable	ZPMC-OTL MARINE CONTRACTOR LIMITED	23,195,911	-	33,140,688	-
Accounts receivable	Road & Bridge International Co., Ltd.	21,011,580	-	55,526,242	-
Accounts receivable	The First Construction Company of CCCC Second Harbor Engineering Co., Ltd	17,956,828	-	21,712,500	-
Accounts receivable	CCCC Tianjin Industry and Trade Co., Ltd.	17,469,938	-	5,058,290	-
Accounts receivable	ZPMC Mediterranean Liman Makinalari Ticaret Anonim Sirketi	15,791,610	-	19,559,532	-
Accounts receivable	ZPMC Southeast Asia Pte. Ltd	15,550,746	-	3,097,777	-
Accounts receivable	Friede & Goldman, LLC.	15,517,772	-	17,890,465	-
Accounts receivable	Xiangtan CCCC Infrastructure Investment and Construction Co., Ltd.	15,052,800	-	15,052,800	-
Accounts receivable	CCCC Third Harbor Consultants Co., Ltd.	13,766,470	-	150,000	-
Accounts receivable	Binhai Environmental Protection Dredging Co., Ltd. of CCCC Tianjin Dredging Co., Ltd.	13,550,085	-	-	-
Accounts receivable	Zhenhua Marine Energy (HK) Co., Ltd.	11,235,878	-	12,013,016	-
Accounts receivable	CCCC Fourth Harbor Engineering Co., Ltd	10,500,000	-	12,750,000	-
Accounts receivable	Chuwa Risheng (Beijing) International Trade Co., Ltd	10,498,227	-	-	-
Accounts receivable	CCCC International Shipping Co., Ltd	10,116,795	-	-	-
Accounts receivable	CCCC Fourth Harbor Consultants Co., Ltd.	7,398,000	-	14,796,000	-
Accounts receivable	No. 6 Engineering Co., Ltd. of CCCC First Highway Engineering Co., Ltd.	6,098,300	-	6,098,300	-
Accounts receivable	Road & Bridge International Co., Ltd.	4,343,950	-	6,953,532	-
Accounts receivable	CCCC - SHEC Second Highway Engineering Co., Ltd.	3,225,975	-	8,125,713	-
Accounts receivable	Shanghai Interlink Road&Bridge Engineering Co., Ltd.	1,900,000	-	-	-
Accounts receivable	CCCC Tianhe Mechanical Equipment Manufacturing Co., Ltd	1,798,872	-	-	-
Accounts receivable	CCCC First Highway Electrification Engineering Co., Ltd	1,714,091	-	-	-
Accounts receivable	CCCC - SHEC Third Highway Engineering Co., Ltd.	1,015,313	-	1,015,313	-
Accounts receivable	CCCC - SHEC Railway Construction Co., Ltd	727,743	-	-	-
Accounts receivable	No.2 Engineering Co., Ltd. of CCCC Second Harbor Engineering Co., Ltd.	499,367	-	6,199,367	-
Accounts receivable	Installation Engineering Co., Ltd. of CCCC First Harbor Engineering Co. Ltd.	386,912	-	1,311,259	-
Accounts receivable	CCCC Xi'an Road Construction Machinery Co., Ltd.	350,000	-	-	-
Accounts receivable	Shanghai Jiangtian Industrial Co., Ltd.	340,862	-	-	-
Accounts receivable	Beijing Rate Electronic Technology Developing Co., Ltd.	303,954	-	-	-
Accounts receivable	CCCC Shanghai Dredging Co., Ltd.	286,500	-	-	-
Accounts receivable	Road & Bridge South China Engineering Co., Ltd	232,040	-	13,178,839	-
Accounts receivable	CCCC Third Highway Engineering Co. Ltd.	156,370	-	11,363,591	-

Item	Related parties	December 31, 2020		December 31, 2019	
		Book balance	Provision for bad debt	Book balance	Provision for bad debt
Accounts receivable	No.3 Co. of The Second Navigational Engineering Bureau, CCCC	142,296	-	23,938,106	-
Accounts receivable	CCCC Financial Leasing Co., Ltd	117,643	-	226,485,073	-
Accounts receivable	Hainan Industry Co., Ltd. of CCCC Tianjin Dredging Co., Ltd.	107,834	-	2,156,675	-
Accounts receivable	CCCC Guangzhou Dredging Co., Ltd.	69,200	-	69,200	-
Accounts receivable	CCCC Guidu Highway Construction Co., Ltd.	63,951	-	79,332	-
Accounts receivable	Yueyang Chenglingji New Port Co., Ltd.	53,121	-	48,680	-
Accounts receivable	CCCC Tunnel Engineering Company Limited	-	-	92,085,891	-
Accounts receivable	CCCC First Highway Engineering Co., Ltd.	-	-	43,230,857	-
Accounts receivable	China Road & Bridge Corporation	-	-	18,076,000	-
Accounts receivable	CCCC Marine Engineering & Technology Research Center Co., Ltd.	-	-	12,822,927	-
Accounts receivable	Hainan CCCC Fourth Harbor Construction Co., Ltd.	-	-	6,200,000	-
Accounts receivable	CCCC Shanghai Equipment Engineering Co., Ltd.	-	-	6,000,000	-
Accounts receivable	CCCC-FHEC Urban Traffic Engineering Co., Ltd.	-	-	4,303,584	-
Accounts receivable	CCCC Fourth Highway Engineering Co., Ltd.	-	-	4,000,000	-
Accounts receivable	No. Three Engineering Co., Ltd. of CCCC First Highway Engineering Co., Ltd.	-	-	1,126,432	-
Accounts receivable	CCCC - SHEC Electrical Engineering Co., Ltd.	-	-	770,321	-
Accounts receivable	Xing An Ji Engineering Co., Ltd. of CCCC Third Harbor Engineering Co., Ltd.	-	-	331,860	-
Accounts receivable	Electrification Co., Ltd. of CCCC Tunnel Engineering Company Limited	-	-	172,787	-
Accounts receivable	No.2 Engineering Co., Ltd. of CCCC First Harbor Engineering Co., Ltd.	-	-	130,500	-
Receivables financing	Road & Bridge International Co., Ltd.	21,000,000	-	-	-
Receivables financing	No.4 Engineering Co., Ltd. of CCCC Second Harbor Engineering Co., Ltd.	10,000,000	-	-	-
Receivables financing	CCCC Second Highway Engineering Co., Ltd.	8,000,000	-	-	-
Receivables financing	CCCC - SHEC Second Highway Engineering Co., Ltd.	8,000,000	-	-	-
Receivables financing	CCCC Tianhe Mechanical Equipment Manufacturing Co., Ltd	2,482,170	-	-	-
Receivables financing	CCCC Third Highway Engineering Co. Ltd.	1,789,772	-	-	-
Receivables financing	CCCC Third Harbor Engineering Co., Ltd.	1,000,000	-	-	-
Receivables financing	CCCC First Harbor Engineering Co., Ltd.	500,000	-	4,000,000	-
Receivables financing	Road & Bridge East China Engineering Co., Ltd.	-	-	46,389,055	-
Receivables financing	CCCC Second Harbor Engineering Co., Ltd.	-	-	15,998,000	-
Receivables financing	CCCC Fourth Harbor Engineering Co., Ltd	-	-	8,045,547	-
Receivables financing	CCCC Electrical and Mechanical Engineering Co., Ltd.	-	-	2,000,000	-



Item	Related parties	December 31, 2020		December 31, 2019	
		Book balance	Provision for bad debt	Book balance	Provision for bad debt
Other receivables	Zhenhua Marine Energy (HK) Co., Ltd.	164,124,678	164,124,678	164,124,678	164,124,678
Other receivables	ZPMC Southeast Asia Pte. Ltd	13,890,516	-	13,890,516	-
Other receivables	CCCC Yancheng Construction Development Co., Ltd.	1,801,634	-	3,357,729	-
Other receivables	China Communications Construction Company Ltd.	518,781	-	47,845,576	-
Other receivables	China Road & Bridge Corporation	215,492	-	-	-
Other receivables	Shanghai Jiangtian Industrial Co., Ltd.	77,552	-	77,552	-
Other receivables	Haiwei Engineering Construction Co., Ltd., of FHEC of CCCC	500	-	-	-
Other receivables	CCCC Financial Leasing Co., Ltd	-	-	20,000,000	-
Other receivables	CCCC Third Harbor Engineering Co., Ltd.	-	-	11,312,360	-
Other receivables	CCCC East China Investment Co., Ltd.	-	-	9,129,287	-
Other receivables	CCCC First Highway Fifth Engineering Co., Ltd.	-	-	8,897,903	-
Other receivables	CCCC Highway Consultants Co., Ltd.	-	-	4,629,287	-
Other receivables	No.3 Engineering Co., Ltd. of CCCC Third Harbor Engineering Co., Ltd.	-	-	3,975,000	-
Other receivables	CCCC Tianhe Xi'an Equipment Manufacturing Co., Ltd.	-	-	3,199,744	-
Other receivables	CCCC Second Highway Consultants Co., Ltd.	-	-	3,180,000	-
Other receivables	CCCC Third Highway Engineering Co. Ltd.	-	-	3,132,473	-
Other receivables	CCCC Marine Engineering & Technology Research Center Co., Ltd.	-	-	1,100,000	-
Other receivables	Installation Engineering Co., Ltd. of CCCC First Harbor Engineering Co. Ltd.	-	-	600,000	-
Other receivables	CCCC Second Highway Engineering Co., Ltd.	-	-	200,000	-
Other receivables	CCCC Tunnel Engineering Company Limited	-	-	60,000	-
Other receivables	Shanghai Zhensha Longfu Machinery Co., Ltd.	-	-	21,503	-
Other receivables	CCCC Second Harbor Engineering Co., Ltd.	-	-	10,000	-
Other receivables	ZPMC Changzhou Coatings Co., Ltd.	-	-	4,214	-
Advances to suppliers	Road & Bridge East China Engineering Co., Ltd.	23,200,357	-	-	-
Advances to suppliers	CCCC Shanghai Channel Equipment Industry Co., Ltd.	9,347,000	-	-	-
Advances to suppliers	CCCC National Engineering Research Center of Dredging Technology and Equipment Co., Ltd.	8,264,000	-	-	-
Advances to suppliers	CCCC Second Harbor Consultants Co., Ltd.	731,601	-	-	-
Advances to suppliers	CCCC Marine Engineering & Technology Research Center Co., Ltd.	717,739	-	767,382	-
Advances to suppliers	CCCC-SHEC Construction Engineering Co., Ltd	2,000	-	-	-
Advances to suppliers	ZPMC Southeast Asia Pte. Ltd	-	-	102,910	-
Contract assets	Jiangsu Longyuan Zhenhua Marine Engineering Co., Ltd	29,068,026	-	-	-
Contract assets	CCCC Second Harbor Engineering Co., Ltd.	21,898,621	-	-	-
Contract assets	CCCC Financial Leasing Co., Ltd	14,770,690	-	-	-
Contract assets	CCCC Second Highway Engineering Co., Ltd.	13,468,405	-	-	-
Contract assets	CCCC First Harbor Engineering Co., Ltd.	12,588,620	-	-	-
Contract assets	Road & Bridge International Co., Ltd.	11,001,670	-	-	-

Item	Related parties	December 31, 2020		December 31, 2019	
		Book balance	Provision for bad debt	Book balance	Provision for bad debt
Contract assets	CCCC - SHEC Second Highway Engineering Co., Ltd.	10,821,112	-	-	-
Contract assets	CCCC Electrical and Mechanical Engineering Co., Ltd.	10,050,000	-	-	-
Contract assets	CCCC Third Harbor Engineering Co., Ltd.	9,530,062	-	-	-
Contract assets	CCCC First Harbor Consultants Co., Ltd.	3,472,237	-	-	-
Contract assets	Road & Bridge South China Engineering Co., Ltd	3,064,962	-	-	-
Contract assets	CCCC Tianjin Industry and Trade Co., Ltd.	1,528,570	-	-	-
Contract assets	CCCC Third Highway Engineering Co. Ltd.	973,366	-	-	-
Long-term receivables	CCCC Third Highway Engineering Co. Ltd.	-	-	797,873	-

(2) Payables

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Item	Related parties	Ending book balance	Beginning book balance
Accounts payable	CCCC Second Harbor Engineering Co., Ltd.	195,112,843	27,440,101
Accounts payable	CCCC Third Harbor Engineering Co., Ltd.	190,480,435	154,812,290
Accounts payable	CCCC Fourth Highway Engineering Co., Ltd.	154,901,564	218,797,193
Accounts payable	CCCC First Highway Engineering Co., Ltd.	82,536,113	71,000,831
Accounts payable	CCCC Tianjin Dredging Co., Ltd.	42,519,453	78,800,497
Accounts payable	CCCC Shanghai Equipment Engineering Co., Ltd.	42,317,791	81,410,402
Accounts payable	Shanghai Communications Construction Contracting Co., Ltd.	25,385,550	13,225,998
Accounts payable	Installation Engineering Co., Ltd. of CCCC First Harbor Engineering Co. Ltd.	24,122,512	77,599
Accounts payable	CCCC Second Highway Consultants Co., Ltd.	24,021,890	25,578,962
Accounts payable	No.1 Engineering Co., Ltd. of CCCC First Harbor Engineering Co., Ltd.	23,818,225	23,818,225
Accounts payable	CCCC Shanghai Channel Equipment Industry Co., Ltd.	20,550,148	-
Accounts payable	CCCC Second Highway Engineering Co., Ltd.	16,875,119	-
Accounts payable	ZPMC Southeast Asia Pte. Ltd	16,356,162	7,070,528
Accounts payable	Shanghai Jiangtian Industrial Co., Ltd.	16,153,063	13,898,988
Accounts payable	CCCC Worldcom (Chongqing) Heavy Industries Co., Ltd.	15,597,022	-
Accounts payable	ZPMC Changzhou Coatings Co., Ltd.	12,809,629	15,695,707
Accounts payable	CCCC National Engineering Research Center of Dredging Technology and Equipment Co., Ltd.	12,460,428	5,205,113
Accounts payable	CCCC First Harbor Consultants Co., Ltd.	9,925,376	8,694,176
Accounts payable	No.3 Engineering Co., Ltd. of CCCC Third Harbor Engineering Co., Ltd.	7,815,018	7,815,018
Accounts payable	CCCC Shanghai Dredging Co., Ltd.	7,571,156	13,133,517
Accounts payable	No. 2 Engineering Co., Ltd. of CCCC Fourth Highway Engineering Co., Ltd.	7,089,932	-
Accounts payable	CCCC Tianjin Industry and Trade Co., Ltd.	5,449,146	3,589,681
Accounts payable	Xing An Ji Engineering Co., Ltd. of CCCC Third Harbor Engineering Co., Ltd.	4,327,352	4,327,352
Accounts payable	Jiangsu Longyuan Zhenhua Marine Engineering Co., Ltd	4,318,500	10,136,028
Accounts payable	CCCC Marine Engineering & Technology Research Center Co., Ltd.	3,325,742	12,919,599
Accounts payable	Friede & Goldman, Llc.	2,582,443	-
Accounts payable	CCCC Tianhe Mechanical Equipment Manufacturing Co., Ltd	2,000,000	-
Accounts payable	ZPMC Mediterranean Liman Makinalari Ticaret Anonim Sirketi	1,615,788	336,127
Accounts payable	CNPC & CCCC Petroleum Sales Co., Ltd.	821,582	391,056
Accounts payable	No.2 Engineering Co., Ltd. of CCCC Third Harbor Engineering Co., Ltd.	800,000	1,600,000



Item	Related parties	Ending book balance	Beginning book balance
Accounts payable	Shanghai China Communications Water Transportation Design & Research Co., Ltd.	740,000	538,750
Accounts payable	CCCC First Harbor Engineering Co., Ltd.	517,150	15,754,549
Accounts payable	Chongqing Yongjiang Expressway Investment and Construction Co., Ltd of FHEC of CCCC	323,990	-
Accounts payable	Zhenhua (Singapore) Engineering Co., Ltd	202,231	-
Accounts payable	CCCC Third Highway Engineering Co. Ltd.	176,730	81,247,665
Accounts payable	CCCC (Xiamen) Information Co., Ltd	101,136	-
Accounts payable	CCCC Third Harbor Consultants Co., Ltd.	100,000	385,980
Accounts payable	CCCC WuHan Harbour Engineering Design and Research Co., Ltd.	75,000	700,000
Accounts payable	CCCC Shanghai Harbor Engineering Design & Research Institute Co., Ltd.	60,000	-
Accounts payable	No.2 Engineering Co., Ltd. of CCCC Fourth Harbor Engineering Co., Ltd.	-	125,024,626
Accounts payable	CCCC - SHEC Second Highway Engineering Co., Ltd.	-	30,900,741
Accounts payable	No.3 Co. of The Second Navigational Engineering Bureau, CCCC	-	28,660,487
Accounts payable	CCCC - SHEC Third Highway Engineering Co., Ltd.	-	10,012,230
Accounts payable	CCCC Water Transportation Planning and Design Institute Co., Ltd.	-	6,547,891
Accounts payable	CCCC North Industrial Co., Ltd.	-	3,228,777
Accounts payable	CCCC Highway Bridges National Engineering Research Centre Co., Ltd.	-	2,670,000
Accounts payable	CCCC Tunnel Engineering Company Limited	-	1,477,308
Accounts payable	CCCC First Highway Consultants Co., Ltd.	-	574,560
Accounts payable	CCCC Electrical and Mechanical Engineering Co., Ltd.	-	501,000
Accounts payable	Construction Materials Co., Ltd, CCCC Third Harbor Engineering Co., Ltd.	-	150,000
Accounts payable	China Communications Materials & Equipment Co., Ltd.	-	30,000
Accounts payable	CTTIC Shanghai Co., Ltd.	-	120,000
Notes payable	CCCC Shanghai Equipment Engineering Co., Ltd.	41,823,373	42,912,082
Notes payable	CCCC Third Harbor Engineering Co., Ltd.	15,918,000	-
Notes payable	CCCC Tianjin Industry and Trade Co., Ltd.	13,100,000	66,393,976
Notes payable	ZPMC Changzhou Coatings Co., Ltd.	11,800,000	-
Notes payable	CCCC Second Highway Engineering Co., Ltd.	6,750,000	-
Notes payable	Road & Bridge East China Engineering Co., Ltd.	3,000,000	-
Notes payable	Shanghai China Communications Water Transportation Design & Research Co., Ltd.	432,500	-
Notes payable	CCCC National Engineering Research Center of Dredging Technology and Equipment Co., Ltd.	-	2,322,000
Notes payable	No. Three Engineering Co., Ltd. of CCCC First Highway Engineering Co., Ltd.	-	374,300
Notes payable	CCCC (Zhoushan) Dredging Co., Ltd.	-	246,887
Contract liabilities	China Road & Bridge Corporation	741,065,613	-
Contract liabilities	CCCC Electrical and Mechanical Engineering Co., Ltd.	257,469,485	-
Contract liabilities	Xiangtan CCCC Infrastructure Investment and Construction Co., Ltd.	106,194,690	-
Contract liabilities	CCCC First Harbor Engineering Co., Ltd.	52,141,593	-
Contract liabilities	CCCC Financial Leasing Co., Ltd	41,277,876	-
Contract liabilities	No.1 Engineering Co., Ltd. of CCCC First Harbor Engineering Co., Ltd.	30,995,575	-
Contract liabilities	Jiangsu Longyuan Zhenhua Marine Engineering Co., Ltd	16,871,857	-
Contract liabilities	CCCC Third Highway Engineering Co. Ltd.	13,387,655	-
Contract liabilities	CCCC Second Harbor Engineering Co., Ltd.	10,492,066	-
Contract liabilities	CCCC Third Harbor Engineering Co., Ltd.	4,488,752	-
Contract liabilities	China Harbour Engineering Co., Ltd.	818,899	-
Contract liabilities	ZPMC Southeast Asia Pte. Ltd	489,368	-

Item	Related parties	Ending book balance	Beginning book balance
Contract liabilities	Cranetech Global Sdn. Bhd.	217,932	-
Contract liabilities	Xing An Ji Engineering Co., Ltd. of CCCC Third Harbor Engineering Co., Ltd.	200,000	-
Contract liabilities	No.2 Engineering Co., Ltd. of CCCC First Harbor Engineering Co., Ltd.	188,679	-
Contract liabilities	CCCC Shanghai Equipment Engineering Co., Ltd.	100,000	-
Contract liabilities	Friede & Goldman, Llc.	11,830	-
Contract liabilities	CCCC Second Highway Engineering Co., Ltd.	3,706	-
Contract liabilities	No.2 Engineering Co., Ltd. of CCCC Fourth Harbor Engineering Co., Ltd.	71	-
Advances from customers	CCCC Tunnel Engineering Company Limited	-	124,057,549
Advances from customers	Binhai Environmental Protection Dredging Co., Ltd. of CCCC Tianjin Dredging Co., Ltd.	-	53,943,315
Advances from customers	No.3 Co. of The Second Navigational Engineering Bureau, CCCC	-	13,651,291
Advances from customers	Wuhan Hangke Logistics Company Limited	-	5,801,268
Advances from customers	CCCC Second Harbor Engineering Co., Ltd.	-	4,005,140
Advances from customers	CCCC First Highway Engineering Co., Ltd.	-	4,000,000
Advances from customers	CCCC Yancheng Construction Development Co., Ltd.	-	1,340,000
Advances from customers	No.8 Engineering Co., Ltd. of CCCC First Highway Engineering Co., Ltd.	-	1,200,000
Advances from customers	CCCC SHEC Chengdu Urban Construction Engineering Co., Ltd.	-	942,101
Advances from customers	Road & Bridge International Co., Ltd.	-	832,675
Advances from customers	ZPMC-OTL MARINE CONTRACTOR LIMITED	-	749,244
Advances from customers	Friede & Goldman, Llc.	-	713,623
Advances from customers	CCCC Third Harbor Engineering Co., Ltd.	-	600,000
Advances from customers	No. Three Engineering Co., Ltd. of CCCC First Highway Engineering Co., Ltd.	-	600,000
Advances from customers	Jiangsu Longyuan Zhenhua Marine Engineering Co., Ltd	-	366,574
Advances from customers	China Harbour Engineering Co., Ltd.	-	346,318
Advances from customers	CranetechGlobalSdn.Bhd.	-	233,005
Advances from customers	CCCC Shanghai Equipment Engineering Co., Ltd.	-	100,000
Advances from customers	Transportation Construction Engineering Branch of CCCC Third Harbor Engineering Co., Ltd.	-	56,758
Other payables	CCCC Third Harbor Engineering Co., Ltd.	5,365,564	804,250
Other payables	CCCC Fourth Highway Engineering Co., Ltd.	5,039,639	-
Other payables	CCCC Third Highway Engineering Co. Ltd.	4,924,698	3,006,596
Other payables	Shanghai Jiangtian Industrial Co., Ltd.	4,586,085	4,586,085
Other payables	CCCC East China Investment Co., Ltd.	4,130,000	-
Other payables	CCCC Tianjin Dredging Co., Ltd.	2,000,000	28,187,053
Other payables	CCCCG	1,649,724	1,600,544



Item	Related parties	Ending book balance	Beginning book balance
Other payables	No. 2 Engineering Co., Ltd. of CCCC Fourth Highway Engineering Co., Ltd.	1,491,318	-
Other payables	CCCC Electrical and Mechanical Engineering Co., Ltd.	665,174	665,174
Other payables	Zhenhua Engineering Co., Ltd.	346,005	346,005
Other payables	Jiangsu Longyuan Zhenhua Marine Engineering Co., Ltd	335,537	250,329
Other payables	CCCC Second Harbor Engineering Co., Ltd.	295,750	1,051,750
Other payables	ZPMC Changzhou Coatings Co., Ltd.	107,100	108,592
Other payables	CCCC Shanghai Equipment Engineering Co., Ltd.	100,000	89,000
Other payables	CCCC Shanghai Harbor Engineering Design & Research Institute Co., Ltd.	30,000	-
Other payables	Zhen Hwa Harbour Construction Co., Ltd.	6,593	6,593
Other payables	China Communications Construction Company Ltd.	116	101,284,894
Other payables	Chuwa Bussan Co., Ltd.	-	6,269,873
Other payables	CCCC Tunnel Engineering Company Limited	-	4,000,000
Other payables	China Harbour Engineering Co., Ltd.	-	3,625,000
Other payables	Road & Bridge East China Engineering Co., Ltd.	-	448,442
Other payables	CCCC Water Transportation Planning and Design Institute Co., Ltd.	-	319,340
Other payables	CNPC & CCCC Petroleum Sales Co., Ltd.	-	300,000
Other payables	Shanghai Zhensha Longfu Machinery Co., Ltd.	-	150,124
Other payables	No.2 Engineering Co., Ltd. of CCCC Fourth Harbor Engineering Co., Ltd.	-	100,000
Other payables	CCCC First Harbor Engineering Co., Ltd.	-	87,893
Other payables	CCCC Infrastructure Maintenance Group Co., Ltd.	-	72,477
Other payables	CCCC Nanjing Traffic Engineering Management Co., Ltd.	-	21,288
Short-term borrowings	CCCC Finance Company Ltd.	2,501,498,333	-
Short-term borrowings	CCCC Financial Leasing Co., Ltd	415,625,023	414,863,968
Short-term borrowings	CCCC Xiongan Financial Leasing Co., Ltd	70,134,444	-
Short-term borrowings	CCCC Financial Leasing (Guangzhou) Co., Ltd	51,145,242	-
Long-term borrowings	CCCC Finance Company Ltd.	-	500,483,333
Non-current liabilities due within one year	CCCC Leasing Jiahua No.1 Co., Ltd.	231,789,305	412,592,400
Non-current liabilities due within one year	CCCC Financial Leasing Co., Ltd	-	203,727,814
Non-current liabilities due within one year	CCCC Leasing Jiahua No.2 Co. Ltd.	123,040,972	63,782,400
Long-term payables	CCCC Leasing Jiahua No.1 Co., Ltd.	217,496,667	131,551,200
Long-term payables	CCCC Tianjin Dredging Co., Ltd.	139,682,457	139,682,457
Long-term payables	CCCC Second Harbor Engineering Co., Ltd.	60,830,418	82,663,041
Long-term payables	CCCC Fourth Highway Engineering Co., Ltd.	39,558,526	-
Long-term payables	CCCC Third Harbor Engineering Co., Ltd.	32,345,147	16,923,594
Long-term payables	No. 2 Engineering Co., Ltd. of CCCC Fourth Highway Engineering Co., Ltd.	9,520,885	-
Long-term payables	CCCC - SHEC Third Highway Engineering Co., Ltd.	2,012,230	-
Long-term payables	CCCC Tunnel Engineering Company Limited	877,307	-
Long-term payables	CCCC - SHEC Second Highway Engineering Co., Ltd.	125,862	-
Long-term payables	CCCC Leasing Jiahua No.2 Co. Ltd.	-	131,551,201
Long-term payables	No.2 Engineering Co., Ltd. of CCCC Fourth Harbor Engineering Co., Ltd.	-	7,788,241

7 Commitments with related parties

√Applicable □Not applicable

The Group's commitments related to related party contracted for but not provided in the balance sheet as at the balance sheet date:

Rendering of services for the Group by related parties	2020	2019
CCCC Third Harbor Engineering Co., Ltd.	1,196,441,876	1,274,486,284
CCCC Tianjin Dredging Co., Ltd.	846,472,448	681,997,993
CCCC First Highway Engineering Co., Ltd.	779,111,939	1,386,937,372
CCCC First Highway Fifth Engineering Co., Ltd.	388,366,210	-
No.2 Engineering Co., Ltd. of CCCC Fourth Highway Engineering Co., Ltd.	305,931,400	-
No.1 Engineering Co., Ltd. of CCCC First Harbor Engineering Co., Ltd.	56,568,996	56,568,996
Shanghai Communications Construction Contracting Co., Ltd.	9,650,296	-
CCCC Tunnel Engineering Company Limited	158,070	158,070
CCCC Fourth Highway Engineering Co., Ltd.	-	338,361,768
CCCC Shanghai Dredging Co., Ltd.	-	45,932,122
	3,582,701,235	3,784,442,605

Standby leasing agreement signed with the related parties

On December 16, 2015, the Company signed ship rental standby agreement with CCCC Leasing Jiahua No.1 Co., Ltd and CCCC Leasing Jiahua No.2 Co., Ltd (collectively referred to as "CCCC Jiahua"), with the rental term from March 5, 2016 to December 5, 2021. The contract would come into effect when the ship rental agreement signed by the subsidiary of the Company and CCCC Jiahua couldn't be performed normally. As at December 31, 2020, the maximum payment amount of the contract was RMB 246,081,944 (as at December 31, 2019: RMB 390,667,201).

Lease assets to related parties	2020	2019
Zhenhua Marine Energy (Hong Kong) Co., Ltd.	575,994,244	891,356,781
	2020	2019
China Road & Bridge Corporation	588,402,357	830,028,535
CCCC Second Harbor Engineering Co., Ltd.	519,496,777	53,549,590
Jiangsu Longyuan Zhenhua Marine Engineering Co., Ltd	399,731,755	15,936,240
CCCC Third Harbor Engineering Co., Ltd.	355,392,406	5,470,566
CCCC Second Highway Engineering Co., Ltd.	292,697,870	182,569,664
Road & Bridge International Co., Ltd.	247,634,918	-
CCCC Third Highway Engineering Co. Ltd.	179,310,027	-
CCCC First Harbor Engineering Co., Ltd.	160,455,055	1,795,091
CCCC Tianjin Industry and Trade Co., Ltd.	119,409,937	-
Road & Bridge International Co., Ltd.	89,878,258	-
China Highway Engineering Consultants Corporation	85,327,728	-
CCCC Fourth Harbor Engineering Co., Ltd	56,200,000	-
Installation Engineering Co., Ltd. of CCCC First Harbor Engineering Co. Ltd.	13,919,210	-
CCCC Electrical and Mechanical Engineering Co., Ltd.	11,561,947	35,920,354
CCCC First Harbor Consultants Co., Ltd.	10,594,847	-
The First Construction Company of CCCC Second Harbor Engineering Co., Ltd	5,875,862	-
China Communications Construction Company Ltd.	3,988,354	153,839,131
CCCC Shanghai Equipment Engineering Co., Ltd.	1,423,925	-
CCCC Financial Leasing Co., Ltd	-	54,987,809
China Harbour Engineering Co., Ltd.	-	22,547,495
Friede & Goldman, Llc.	-	21,714,704
No.3 Co. of The Second Navigational Engineering Bureau, CCCC	-	14,538
	3,141,301,233	1,378,373,717

**8 Others**√Applicable Not applicable

Monetary funds deposited in the related parties

	2020	2019
CCCC Finance Company Ltd.	75,000,000	435,344,084

XIII Share-based payment**1 General of share based payment**Applicable Not applicable**2 Equity-settled share-based payments**Applicable Not applicable**3 Cash-settled share-based payments**Applicable Not applicable**4 Modification and termination of share-based payment**Applicable Not applicable**5 Others**Applicable Not applicable**XIV Commitments and contingencies****1 Significant commitments**√Applicable Not applicable

Significant external commitments, nature and amount on the balance sheet date

(1) Matters related to capital expenditure commitments

Commitments related to capital expenditure contracted for but not provided in the financial statements as at the balance sheet date:

	2020	2019
Buildings and constructions, machinery equipment	707,709,990	591,419,876

(2) Commitments related to operating lease

According to the irrecoverable operating lease contract concluded, the Group will at least pay rental as follows:

	2020	2019
Within 1 year	21,723,707	32,650,110
1-2 years	11,694,538	20,566,302
2-3 years	294,541	11,239,044
Over 3 years	4,500	132,596
	33,717,286	64,588,052

(3) L/C commitments

The Group had entrusted the bank to issue several L/Cs to purchase imported components and parts. As at December 31, 2020, the unpaid amount under the L/Cs was about RMB 1,397,778,837 (as at December 31, 2019: RMB 1,698,125,301).

2 Contingencies

(1) Significant contingencies on the balance sheet date

√Applicable Not applicable

In August 2020, All-China Environment Federation sued the Company and Shanghai Zhenhua Heavy Industries Co., Ltd. Changxing Branch (hereinafter referred to as "Changxing Branch") to Shanghai No. 3 Intermediate People's Court for air pollution liability dispute, with the case No. (2020) H 03 MC 274.

Changxing Branch and the Company attached great importance to this event and established a special working group to actively communicate with the Federation. The Company and the Federation reached a settlement intention and jointly expressed such intention to the court. On January 25, 2021, Shanghai No. 3 Intermediate People's Court entrusted Nanjing Institute of Environmental Sciences, MEE (hereinafter referred to as "Nanjing Institute") to evaluate the damages, deductible exemption items and deductible deduction items involved in this case. According to the current progress, the Company judges that the case is likely to be settled by settlement. According to the current practice of environmental civil public interest litigation in China, the Company preliminarily judges that if the deductible items are supported by the court, the amount of alternative restoration costs will be reduced to a certain extent.

As of the approval date of the financial statements, Nanjing Institute has not yet carried out the appraisal work, the settlement agreement has not been reached, and the case has not entered the formal hearing stage. Therefore, the Company is unable to make a reliable estimate of the result of the case and the possibility and amount of the loss caused by the case. The Company will continue to follow up the impact of the case.

(2) If the company has no significant contingencies to be disclosed, it shall also explain:

Applicable Not applicable

3 Others

Applicable Not applicable

XV Post balance sheet events

1 Significant non-adjustment events

Applicable Not applicable

2 Profit distribution

Applicable Not applicable

3 Sales return

Applicable Not applicable

4 Description of other post balance sheet events

Applicable Not applicable

XVI. Other significant events

1 Correction of previous accounting errors

(1) Retrospective restatement

Applicable Not applicable

(2) Prospective application

Applicable Not applicable

2 Debt restructuring

Applicable Not applicable

The group and the debtor signed the Debt Repayment Framework Agreement, which agreed to use a newly developed commercial property and three sets of self-owned equipment of the debtor to offset the loan owed. When the debt-offsetting assets had no right defects and the ownership change had been completed, the rights and obligations of both parties shall be terminated, and the claims and debts shall be extinguished. As of December 31, 2020, the ownership transfer of the debt-offsetting property had been completed. The Group recognized the fair value of the abandoned claims according to the fair value of the property received, and reversed the bad debt provision for accounts receivable of RMB 64,230,500.

3 Assets exchange

(1) Non-monetary assets exchange

Applicable Not applicable

(2) Other assets exchange

Applicable Not applicable

**4 Pension plan**Applicable Not applicable**5 Discontinuing operations**Applicable Not applicable**6 Segments**

(1) Determination basis and accounting policies of reporting segment

Applicable Not applicable

The Group determines operating segments based on internal organization structure, management requirements and internal reporting system, determines reporting segments based on operating segments, and disclose the information of the segments.

Operating segment refers to the component part of the Group that meet the following requirements: (1) it can generate income and expenses in daily activities; (2) the management of the Group can regularly evaluate its operating results to determine its allocation of resources and to evaluate its performance; (3) the Group is able to obtain its accounting information regarding financial position, operating results and cash flows, etc. If two or more operating segments have similar economic characteristics, and have met a certain conditions, they will be merged into one operating segment.

The Group identified the business as an operating segment for analysis and assessment based on internal organization structure, management requirement and internal report system.

(2) Financial information of reporting segment

Applicable Not applicable

(3) If the Company has no reporting segments or cannot disclose the total assets and liabilities of each reporting segment, the reasons shall be stated

Applicable Not applicable

(4) Other description

Applicable Not applicable

Product and labor information

Income from external transactions

	2020	2019
Port machinery	14,457,042,916	16,458,563,164
Heavy equipment	1,062,669,195	1,491,597,749
“Building-transfer” project and engineering construction	2,365,760,874	2,564,145,018
Steel structure and related income	3,277,507,651	2,709,430,977
Shipping and others	1,233,658,739	989,117,844
Sales of materials	71,730,251	84,343,163
Equipment lease and others	186,772,026	298,389,968
	22,655,141,652	24,595,587,883

Geographic information

Income from external transactions

	2020	2019
Chinese Mainland	13,203,886,125	12,728,821,429
Asia (excluding Chinese Mainland)	3,289,553,492	3,469,961,193
Europe	2,604,103,174	3,416,405,499
North America	1,345,494,819	2,205,954,534
Africa	468,958,316	761,455,510
South America	444,522,956	963,140,369
Chinese Mainland (export sales)	1,061,063,332	697,069,989
Oceania	237,559,438	352,779,360
	22,655,141,652	24,595,587,883

The income from external transaction is attributable to where the customer is located.

Total non-current assets

	2020	2019
Chinese Mainland	18,150,805,488	22,450,499,096
Asia (excluding Chinese Mainland)	9,939,268,779	7,270,356,589
Others	66,235,993	41,013,037
	28,156,310,260	29,761,868,722

The non-current assets are attributable to where they are located, excluding financial assets, long-term equity investment, goodwill, deferred income tax assets and other non-current assets.

7 Other significant transactions and events with impacts on investors' decisions

Applicable Not applicable

8 Others

Applicable Not applicable

XVII. Notes to main items of the financial statements of the parent company**1 Accounts receivable**

(1) Disclosure by aging

Applicable Not applicable

Unit: Yuan Currency: CNY

Aging	Ending book balance
Within 1 year	
Including: subitem within 1 year	
Sub-total of items within 1 year	14,603,912,380
1-2 years	783,348,172
2-3 years	215,669,424
Over 3 years	
3-4 years	140,879,067
4-5 years	333,537,300
Over 5 years	1,059,689,113
Total	17,137,035,456

(2) Disclosure by bad debt calculation method

Applicable Not applicable

Unit: Yuan Currency: CNY

Category	December 31, 2020					December 31, 2019				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion (%)	Amount	Proportion of provision (%)		Amount	Proportion (%)	Amount	Proportion of provision (%)	
Provision for bad debts accrued on an individual basis	660,986,510	4	529,388,510	80	131,598,000	753,396,385	5	591,042,385	78	162,354,000
Including:										
Provision for bad debts by portfolio	16,476,048,946	96	1,274,320,722	8	15,201,728,224	15,325,782,241	95	1,090,238,346	7	14,235,543,895
Including										
Total	17,137,035,456	/	1,803,709,232	/	15,333,326,224	16,079,178,626	/	1,681,280,731	/	14,397,897,895



Individual provision for bad debts:

Applicable Not applicable

Unit: Yuan Currency: CNY

Name	December 31, 2020			Reason for provision
	Book balance	Provision for bad debts	Proportion of provision (%)	
Accounts receivable 1	277,613,400	146,015,399	53	Counterparty financial shortage
Accounts receivable 2	187,863,245	187,863,246	100	Contract dispute
Accounts receivable 3	93,954,000	93,954,000	100	Counterparty financial shortage
Accounts receivable 4	42,979,947	42,979,947	100	Contract dispute
Accounts receivable 5	26,099,665	26,099,665	100	Contract dispute
Accounts receivable 6	11,037,000	11,037,000	100	Contract dispute
Accounts receivable 7	8,103,043	8,103,043	100	Contract dispute
Accounts receivable 8	6,980,371	6,980,371	100	Contract dispute
Accounts receivable 9	3,300,179	3,300,179	100	Contract dispute
Accounts receivable 10	2,236,498	2,236,498	100	Contract dispute
Accounts receivable 11	819,162	819,162	100	Contract dispute
Total	660,986,510	529,388,510	80	/

Description of individual provision for bad debts:

Applicable Not applicable

As at December 31, 2019, the accounts receivables with individual provision for bad debts are as follows:

	Book balance	Provision for bad debts	Estimated credit loss ratio %	Reason for provision
Accounts receivable 1	324,708,000	162,354,000	50	Counterparty financial shortage
Accounts receivable 2	182,958,900	182,958,900	100	Contract dispute
Accounts receivable 3	158,184,500	158,184,500	100	Counterparty financial shortage
Accounts receivable 4	27,904,870	27,904,870	100	Contract dispute
Accounts receivable 5	26,911,147	26,911,147	100	Contract dispute
Accounts receivable 6	10,748,869	10,748,869	100	Contract dispute
Accounts receivable 7	7,815,500	7,815,500	100	Contract dispute
Accounts receivable 8	7,463,174	7,463,174	100	Contract dispute
Accounts receivable 9	3,582,135	3,582,135	100	Contract dispute
Accounts receivable 10	2,224,013	2,224,013	100	Contract dispute
Accounts receivable 11	895,277	895,277	100	Contract dispute
	753,396,385	591,042,385		

Provision for bad debts by portfolio:

Applicable Not applicable

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

Applicable Not applicable

(3) Provision for bad debts

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

Write-off of important accounts receivable

Applicable Not applicable

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

Applicable Not applicable

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

	Balance	Provision for bad debts	Proportion in total balance of accounts receivable %
Total accounts receivable of top 5 balances	9,712,993,888	242,665,746	57

As at December 31, 2019, top 5 accounts receivable in terms of ending balance presented by debtor are summarized and analyzed as follows:

	Balance	Provision for bad debts	Proportion in total balance of accounts receivable %
Total accounts receivable of top 5 balances	6,205,808,563	30,765,484	49

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

Applicable Not applicable

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

Applicable Not applicable

Other description:

Applicable Not applicable

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

	2020			2019		
	Book balance of estimated default	Estimated credit loss ratio (%)	Expected credit loss for the entire duration	Book balance of estimated default	Estimated credit loss ratio (%)	Expected credit loss for the entire duration
Within 1 year	14,580,148,080	2	243,597,549	8,402,385,557	1	72,727,500
1-2 years	736,555,945	30	224,110,942	1,158,723,629	4	51,346,322
2-3 years	114,949,424	39	44,717,622	1,354,366,423	5	69,254,171
3-4 years	140,722,707	68	96,047,068	253,416,207	29	73,708,832
4-5 years	176,263,900	36	64,286,079	182,871,427	69	126,053,375
Over 5 years	727,408,890	83	601,561,462	674,551,153	90	606,600,750
	16,476,048,946		1,274,320,722	12,026,314,396		999,690,950

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

	December 31, 2019	Adjustments for changes in accounting policies	January 1, 2020	Provision in 2020	Reversal in 2020	December 31, 2020
2020	1,590,733,335	90,547,396	1,681,280,731	400,585,712	(278,157,211)	1,803,709,232
2019	1,496,719,907	74,767,027	1,571,486,934	188,332,979	(169,086,578)	1,590,733,335

2 Other receivables

Item presentation

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2020	December 31, 2019
Interest receivable		
Dividends receivable		
Other receivables	5,505,896,413	7,884,801,508
Total	5,505,896,413	7,884,801,508

Other description:

Applicable Not applicable

Interest receivable

(1) Classification of interest receivable

Applicable Not applicable

(2) Significant overdue interest

Applicable Not applicable



- (3) Provision for bad debts
Applicable Not applicable
 Other description:
Applicable Not applicable
 Dividends receivable
 (4) Dividends receivable
Applicable Not applicable
 (5) Significant dividends receivable aging over 1 year
Applicable Not applicable
 (6) Provision for bad debts
Applicable Not applicable
 Other description:
Applicable Not applicable
 Other receivables
 (1) Disclosure by aging
Applicable Not applicable

Unit: Yuan Currency: CNY

Aging	December 31, 2020
Within 1 year	
Including: subitem within 1 year	
Sub-total of items within 1 year	5,445,670,956
1-2 years	10,638,902
2-3 years	45,823,753
Over 3 years	
3-4 years	3,769,928
4-5 years	999,828
Over 5 years	9,318,653
Total	5,516,222,020

- (2) Classification by nature of funds
Applicable Not applicable

Unit: Yuan Currency: CNY

Nature of funds	December 31, 2020	December 31, 2019
Current accounts between subsidiaries	4,966,655,270	7,080,666,063
Taxes on outstanding payment receivable	369,871,269	212,681,400
Bid and performance bonds	58,732,928	230,696,849
Lease payment receivable	33,434,668	33,434,668
Money on call of on-site product service	30,242,063	30,215,954
Staff loan receivable	19,913,638	23,009,961
Customs deposits	33,365,315	38,241,878
Export tax refund		214,352,290
Others	4,006,869	21,502,445
Total	5,516,222,020	7,884,801,508

- (3) Provision for bad debts
Applicable Not applicable

Unit: Yuan Currency: CNY

Provision for bad debt	Stage I	Stage II	Stage III	Total
	Estimated credit losses over the next 12 months	Expected credit loss for the entire duration (no credit impairment)	Expected credit loss for the entire duration (credit impairment has occurred)	
Balance as at January 1, 2020		4,425,519	5,900,088	10,325,607
Balance as at January 1, 2020 in current period				

Provision for bad debt	Stage I	Stage II	Stage III	Total
	Estimated credit losses over the next 12 months	Expected credit loss for the entire duration (no credit impairment)	Expected credit loss for the entire duration (credit impairment has occurred)	
--Transferred to Stage II				
--Transferred to Stage III				
--Reversal to Stage II				
--Reversal to Stage I				
Provision in the current period				
Reversal in the current period				
Write-off in the current period				
Charge-off in the current period				
Other changes				
Balance as at December 31, 2020		4,425,519	5,900,088	10,325,607

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

Applicable Not applicable

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

Applicable Not applicable

(4) Provision for bad debts

Applicable Not applicable

Unit: Yuan Currency: CNY

Category	December 31, 2019	Changes in current period				December 31, 2020
		Provision	Recovery or reversal	Write-off or charge-off	Other changes	
	10,325,607					10,325,607
Total	10,325,607					10,325,607

Those with significant reversal or recovery amount of provision for bad debts:

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

Unit: Yuan Currency: CNY

Name	Nature	December 31, 2020	Aging	Proportion in the total balance of other receivables (%)	Balance of provision for bad debts as at December 31, 2020
Other receivables 1	Current accounts of the subsidiaries	2,986,812,658	Within 1 year	54	
Other receivables 2	Current accounts of the subsidiaries	772,089,126	Within 1 year	14	
Other receivables 3	Current accounts of the subsidiaries	514,133,383	Within 1 year	9	
Other receivables 4	Current accounts of the subsidiaries	334,014,913	Within 1 year	6	
Other receivables 5	Current accounts of the subsidiaries	105,053,738	Within 1 year	2	
Total	/	4,712,103,818	/	85	

(7) Receivables involving government subsidies

Applicable Not applicable

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

Applicable Not applicable



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

Applicable Not applicable

Other description:

Applicable Not applicable**3 Long-term equity investments**Applicable Not applicable

Unit: Yuan Currency: CNY

Item	December 31, 2020			December 31, 2019		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Investment in subsidiaries	5,703,647,701		5,703,647,701	5,935,939,243		5,935,939,243
Investment in joint ventures and associates	3,021,960,352		3,021,960,352	2,812,546,486		2,812,546,486
Total	8,725,608,053		8,725,608,053	8,748,485,729		8,748,485,729

(1) Investment in subsidiaries

Applicable Not applicable

Unit: Yuan Currency: CNY

Invested entity	December 31, 2019	Increase in current period	Decrease in current period	December 31, 2020	Provision for impairment in current period	Balance of provision for impairment as at December 31, 2020
Shanghai Zhenhua Heavy Industries Port Machinery General Equipment Co., Ltd.	2,201,086,744			2,201,086,744		
Nanjing Ningao New Channel Construction Co., Ltd.	100,000,000			100,000,000		
Nantong Zhenhua Heavy Equipment Manufacturing Co., Ltd.	1,154,936,900			1,154,936,900		
ZPMC Transmission Machinery (Nantong) Co. Ltd.	300,000,000	206,112,853		506,112,853		
CCCC Zhenjiang Investment Construction Management Development Co., Ltd.	707,000,000		330,561,396	376,438,604		
CCCC Tianhe Mechanical Equipment Manufacturing Co., Ltd.	242,542,999		242,542,999			
ZPMC Qidong Marine Engineering Co., Ltd.	203,000,000			203,000,000		
CCCC Liyang Urban Investment and Construction Co., Ltd.	243,000,000	120,000,000		363,000,000		
Shanghai Zhenhua Shipping Co., Ltd.	140,260,673			140,260,673		
Shanghai Zhenhua Ocean Engineering Service Co., Ltd.	100,000,000			100,000,000		
ZPMC Electric Co., Ltd.	50,000,000			50,000,000		
CCCC Investment & Development Qidong Co., Ltd.	192,500,000			192,500,000		
ZPMC North America Inc.	18,564,520			18,564,520		
ZPMC Netherlands Coöperatie U.A.	29,366,084			29,366,084		
Shanghai Zhenhua Port Machinery Heavy Industries Co., Ltd.	9,964,200			9,964,200		
ZPMC Machinery Equipment Services Co., Ltd.	7,000,000			7,000,000		
ZPMC Lanka Company (Private) Limited	6,183,978			6,183,978		
ZPMC Middle East Fze	5,271,120			5,271,120		
ZPMC Zhangjiagang Port Machinery Co., Ltd.	4,518,000			4,518,000		
ZPMC Limited Liability Company	10,172,070			10,172,070		
ZPMC Southeast Asia Holding Pte. Ltd.	12,513,114			12,513,114		
ZPMC Engineering Africa (Pty) Ltd.	3,084,000			3,084,000		
ZPMC Engineering (India) Private Limited	2,953,200			2,953,200		
ZPMC Brazil Serviço PortuáriosLTDA	2,936,771			2,936,771		
ZPMC Korea Co., Ltd.	6,398,059			6,398,059		
ZPMC UK LD	2,797,921			2,797,921		
ZPMC Australia Company (Pty) Limited	2,708,500			2,708,500		
CCCC Rudong Construction Development Co., Ltd.	36,664,600			36,664,600		
CCCC Yongjia Construction Development Co., Ltd.	128,000,000			128,000,000		
CCCC Zhenhua Lvjian Technology (Ningbo) Co., Ltd.	4,000,000			4,000,000		
ZPMC Latin America Holding Corporation	3,307,850			3,307,850		
ZPMC GmbH Hamburg	207,940			207,940		
ZPMC Fuzhou Offshore Construction Co., Ltd.	5,000,000			5,000,000		
CCCC (Dongming) Investment and Construction Co., Ltd.		14,700,000		14,700,000		
Total	5,935,939,243	340,812,853	573,104,395	5,703,647,701		

(2) Investment in joint ventures and associates

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Invested entity	December 31, 2019	Increase/decrease in the current period								December 31, 2020	Balance of provision for impairment as at December 31, 2020
		Further investment	Reduced investment	Profit or loss on investments under the equity method	Adjustment of other comprehensive income	Changes in other equity	Cash dividends or profit declared to be distributed	Provision for impairment	Others		
I. Joint ventures											
Jiangsu Longyuan Zhenhua Marine Engineering Co., Ltd	260,880,653			15,179,788						276,060,441	
ZPMC Mediterranean Liman Makinalari Ticaret Anonim Sirketi	3,735,189			-3,165,847						569,342	
Sub-total	264,615,842			12,013,941						276,629,783	
II. Associates											
CCCC Marine Engineering & Technology Research Center Co., Ltd.	16,730,804			185,678						16,916,482	
ZPMC Changzhou Coatings Co., Ltd.	18,315,964			2,241,634			3,984,471			16,573,127	
CCCC Estate Yixing Co., Ltd.	183,660,541			5,982,621			2,700,000			186,943,162	
CCCC Financial Leasing Co., Ltd	1,785,702,878			118,432,798	-1,271,676		19,713,242			1,883,150,758	
CCCC Yancheng Construction Development Co., Ltd.	289,766,242	128,750,000								418,516,242	
China Communications Construction USA Inc.	60,719,949			-1,690,256	-3,776,695					55,252,998	
CCCC South American Regional Company SARL	186,678,840			-2,462,090	-23,615,519					160,601,231	
Shanghai Ocean Engineering Equipment Manufacturing Innovation Center Co., Ltd.	6,355,426			-485,085						5,870,341	
CCCC Xiongan Urban Construction Development Co., Ltd.		1,500,000		6,228						1,506,228	
Sub-total	2,547,930,644	130,250,000		122,211,528	-28,663,890		26,397,713			2,745,330,569	
Total	2,812,546,486	130,250,000		134,225,469	-28,663,890		26,397,713			3,021,960,352	

Other description:

Not applicable

4 Operating revenue and operating costs

(1) Operating revenue and operating costs

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period		Amount incurred in the previous period	
	Revenue	Cost	Revenue	Cost
Primary businesses	19,422,614,728	17,180,562,029	22,756,923,775	19,937,920,290
Other business	2,369,957,349	2,199,696,814	2,283,380,655	2,134,841,176
Total	21,792,572,077	19,380,258,843	25,040,304,430	22,072,761,466

	2020		2019	
	Revenue from primary business	Costs of primary business	Revenue from primary business	Costs of primary business
Port machinery	12,828,666,254	10,833,429,447	15,145,230,759	12,686,901,266
Heavy equipment	2,083,801,661	2,044,333,654	3,127,014,201	2,999,144,824
Steel structure and related income	3,260,709,435	3,164,491,825	2,695,894,313	2,622,346,875
"Building-transfer" project and engineering construction	1,249,437,378	1,138,307,103	1,788,784,502	1,629,527,325
	19,422,614,728	17,180,562,029	22,756,923,775	19,937,920,290



Other business revenue and cost are listed as follows:

	2020		2019	
	Revenue from other business	Costs of other businesses	Revenue from other business	Costs of other businesses
Sales of materials	1,860,879,295	1,857,809,286	1,873,183,009	1,875,749,099
Equipment lease and others	509,078,054	341,887,528	410,197,646	259,092,077
	2,369,957,349	2,199,696,814	2,283,380,655	2,134,841,176

(2) Income from contracts

Applicable Not applicable

Unit: Yuan Currency: CNY

Classification of Contract	XXX-Division	Total
Type of goods		
Port machinery		12,828,666,254
Steel structure and related income		3,260,709,435
Sales of materials and others		2,305,490,116
Engineering construction project		1,249,437,378
Heavy equipment		2,083,801,661
By region of operation		
Chinese Mainland		13,378,873,641
Europe		2,414,485,764
Asia (excluding Chinese Mainland)		2,810,063,459
North America		1,087,667,642
Chinese Mainland (export sales)		1,061,063,332
South America		390,569,869
Africa		372,464,436
Oceania		212,916,701
Market or customer type		
Contract type		
Revenue recognized at a certain point of time		
Port machinery		12,828,666,254
Sales of materials and others		2,305,490,116
Heavy equipment		2,083,801,661
Steel structure and related income		1,695,443,076
Revenue recognized in a certain period of time		
Engineering construction project		1,249,437,378
Steel structure and related income		1,565,266,359
By time of goods transfer		
By contract term		
By sales channel		
Total		21,728,104,844

Description of income from contracts:

Applicable Not applicable

(3) Performance obligations

Applicable Not applicable

(4) Apportionment to remaining performance obligations

Applicable Not applicable

Other description:

None

5 Investment income√Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
Income from long-term equity investments calculated under cost method	66,771,535	788,958
Income from long-term equity investments calculated under equity method	134,225,469	106,972,779
Investment income from disposal of long-term equity investment	83,283,620	
Investment income from held-for-trading financial assets during the holding period	449,951	
Dividend income from other equity instrument investment during holding	6,169,971	
Interest income from debt investment during holding		
Interest income from other debt investment during holding		
Investment income from disposal of held-for-trading financial assets	195,487,757	
Investment income from disposal of other equity instrument investment		
Investment income from disposal of debt investment		
Investment income from disposal of other debt investment		
Total	486,388,303	107,761,737

Other description:
None**6 Others**Applicable Not applicable**XVIII Supplementary information****1 Items of non-recurring profit or loss in current period**√Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Amount	Remarks
Profit or loss from disposal of non-current assets	36,620,758	
Tax refunds, exemptions and reductions with ultra vires approval or without official approval documents		
Government grants included in the current profit or loss (except for the one closely related to the operations of the Company and gained constantly at a fixed amount or quantity according to certain standard)	97,849,026	
Capital occupation fees charged to the non-financial enterprises and included in current profit or loss		
Profit generated when the Company's investment cost in acquiring the subsidiary, affiliated company and joint venture is less than the fair value of the recognizable net assets of the invested unit at the time of acquiring		
Profit or loss from non-monetary assets exchange		
Profit or loss from the assets entrusted to others for investment or management		
Provisions for impairment of assets accrued due to force majeure such as natural disaster		
Profit or loss from debt reorganization		
Cost for enterprise reorganization, such as staffing expenses and integration fees		
Profit or loss in excess of the fair value generated in transaction with unfair price		
Current net profit or loss of the subsidiary generated from the business combination under common control from the beginning of the period to the combination date		
Profit or loss from the contingencies, unrelated to the normal business of the Company		
Profit or loss on changes in fair values of held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities and derivative financial liabilities, and investment income obtained from disposal of held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities, derivative financial liabilities and other credit investment, except for effective hedging operations associated with the company's normal operations	356,116,979	
Reversal of provision for impairment of receivables and contract assets subject to separate impairment test	78,007,100	
Profit or loss from external entrusted loans		



Item	Amount	Remarks
Profit or loss on changes in fair value of investment property by follow-up measurement in fair value mode		
Impact on current profit or loss due to one-off adjustment to current profit or loss according to the requirements of tax and accounting laws and regulations		
Custody fees of entrusted operation		
Other non-operating revenue and expenses except for the above-mentioned items	4,718,614	
Other profit or loss items that conform to the definition of non-recurring profit or loss		
Affected amount of income tax	-77,383,660	
Affected amount of minority equity	-15,226,311	
Total	480,702,506	

For the non-recurring profit or loss items defined by the Company according to the "Explanatory Announcement on Information Disclosure of Companies Offering Securities to the Public No. 1 - Non-recurring Profit or Loss", and the recurring profit or loss items defined by the non-recurring profit or loss items listed in "Explanatory Announcement on Information Disclosure of Companies Offering Securities to the Public No. 1 – Non-recurring Profit or Loss", reasons shall be explained.

Applicable Not applicable

2 Return on net assets and earnings per share

Applicable Not applicable

Profit in the reporting period	Weighted average rate of return on net assets (%)	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to ordinary shareholders of the Company	3.04	0.08	0.08
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring profits and losses	-0.43	-0.01	-0.01

3 Differences in accounting data under domestic and overseas accounting standards

Applicable Not applicable

4 Others

Applicable Not applicable

Section XII | List of Reference Documents

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

Chairman: Liu Chengyun

Date of reporting approved by the Board of Directors: March 30, 2021

Revision information

Applicable Not applicable