

Stock code: 600320 900947

Stock Name: Zhenhua Heavy Zhenhua B-share

Shanghai Zhenhua Heavy Industries Co., Ltd.

Annual Report 2018

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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. Zhu Lianyu, the chairman of the Company, Huang Qingfeng, responsible person for accounting, and Zhu Xiaohuai, the person in charge of accounting organ (accountant in charge) hereby declare that the financial statements in this Annual Report are true, accurate and complete.

5. Proposal for profit distribution or common reserves capitalizing during the reporting period reviewed by the board of directors

Profit distribution proposal for 2018: based on the total share capital of 5,268,353,501 shares by Dec. 31, 2018, a cash dividend of RMB 0.5 Yuan per 10 shares (tax-included) will be distributed to all shareholders from the undistributed profit by Dec. 31, 2018 and the total cash dividend to be distributed will be RMB 263,417,675.05 Yuan. The Company will not distribute the bonus shares or 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. Major Risk Warning

The company has described the related potential risks in this annual report. 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.

10. Others

☐Applicable ☒Not applicable

This English version is converted from the Chinese version. In case of any discrepancy between the Chinese version and the English version, the Chinese version shall prevail.

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
CCCG HK	Refers to	CCCG (HK) Holding Limited
PPP	Refers to	Public-Private-Partnership, a cooperation mode between the government and the social capital, which means the pooling of interest, allocation of risks and the long-term cooperation relationship established by and between the government and the social capital by means of licensed operation, service procurement and stock equity cooperation in order to increase the supply capability of the public goods and service and improve the supply efficiency.
Reporting period	Refers to	From Jan. 1, 2018 to Dec. 31, 2018

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	Zhu Lianyu

2. Contact information

	Board Secretary
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.
	Office address	Room 01-12, Floor 17 th , Ernst & Young Tower Oriental Plaza, No.1 East Changan Street, Dongcheng District, Beijing
	Signed by the Accountants	Yang Lei, Liu Wei

7. Main accounting data and financial indexes in recent three years

(I) Main accounting data

Unit: Yuan Currency: RMB

Main accounting data	2018	2017	Year-on-year change (%)	2016
Operating revenue	21,812,389,644	21,858,814,000	-0.21	24,348,087,928
Net profit attributable to the shareholders of the listed company	443,005,092	300,195,422	47.57	212,419,946
Net profit attributable to the shareholders of the listed company after deducting the non-recurring profits and losses	121,335,528	277,837,568	-56.33	157,445,435
Net cash flows from operating activities	553,943,979	1,332,209,274	-58.42	1,658,422,636
	At the end of 2018	At the end of 2017	Year-on-year change (%)	At the end of 2016
Net assets attributable to the shareholders of the listed company	15,185,861,952	15,011,306,366	1.16	15,196,736,263
Total assets	70,598,364,627	67,519,953,829	4.56	60,823,819,098

(II) Major financial indexes

Major financial indexes	2018	2017	Year-on-year change (%)	2016
Basic earnings per share (Yuan/share)	0.084	0.057	47.37	0.040
Diluted earnings per share (Yuan/share)	0.084	0.057	47.37	0.040
Basic earnings per share after deducting non-recurring profits and losses (Yuan/share)	0.023	0.053	-56.60	0.030
Weighted average ROE (%)	2.92	1.99	+0.93	1.41
Weighted average ROE after deducting non-recurring gains and losses (%)	0.80	1.84	-1.04	1.05

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

☒Applicable ☐Not applicable

In this year, the Company adopted the profit distribution plan for 2017. Based on the total shares of the Company by Dec. 31, 2017, 2 shares per 10 shares were transferred to all of the shareholders with the capital public reserves and the total shares after transfer were 5,268,353,501 shares. According to the related rules, the Company recalculated the basic EPS, diluted EPS and EPS after deducting the non-recurring profits and losses in 2016 and 2017.

8.Differences in accounting data under domestic and overseas accounting standards

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

☐Applicable ☒Not applicable

(II) 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

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

☐Applicable ☒Not applicable

9.Main financial data in 2018 by quarters

Unit: Yuan Currency: RMB

	Q1 (Jan. to Mar.)	Q2 (Apr. to Jun.)	Q3 (Jul. to Sep.)	Q4 (Oct. to Dec.)
Operating revenue	4,689,586,634	5,382,013,297	4,717,407,673	7,023,382,040
Net profit attributable to the shareholders of the listed Company	83,590,257	78,528,509	32,811,152	248,075,174
Net profit attributable to the shareholders of the listed company after deducting the non-recurring profits and losses	72,514,677	49,272,456	1,447,664	-1,899,269
Net cash flows from operating activities	20,699,815	30,107,603	73,165,300	429,971,261

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: RMB

Non-recurring profit and loss items	Amount in 2018	Note (if applicable)	Amount in 2017	Amount in 2016
Profit or loss from disposal of non-current assets	155,557,716		13,285,984	1,340,612
Tax refunds, exemptions and reductions with ultra vires approval or without official approval documents				
Government grants included in current profits and losses except for government grants closely related to the Company business, in line with national policies and obtained by quota or quantity at unified state standards	114,412,517		83,502,544	45,042,910
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			0	0
Profit or loss on changes in fair values of financial assets held for trading and financial liabilities held for trading and investment income obtained from disposal of financial assets held for trading, financial liabilities held for trading and available-for-sale financial assets, except for effective hedging operations associated with the company's normal operations	74,200,750		20,563,270	23,420,959
Reversal of provision for impairment of receivables subject to separate impairment test	150,327,138			
Other non-operating revenue and expenses except for the aforementioned items	-67,069,856		-70,077,032	6,435,660
Affected amount of minority equity	-30,908,588		-14,565,022	-6,708,080
Amount affected by income tax	-74,850,113		-10,351,890	-14,557,550
Total	321,669,564		22,357,854	54,974,511

11. Items measured at fair value

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Closing balance	Changes	Impact on current profit
Financial assets held for trading equity instrument investment	8,438,278	8,438,278	0	0
Financial assets held for trading derivative financial assets	0	44,481,806	44,481,806	44,481,806
Available-for-sale equity instrument - Jiangxi Huawu	178,952,712	102,163,301	-76,789,411	667,732
Available-for-sale equity instrument - Qingdao Port	451,528,660	476,713,253	25,184,593	0
Available-for-sale equity instrument - CRSC	629,554,373	591,773,048	-37,781,325	18,459,450
Available-for-sale equity instrument - Shenwan Hongyuan	1,174,000	889,792	-284,208	17,465
Total	1,269,648,023	1,224,459,478	-45,188,545	63,626,453

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 company listed on A and B shares, with the headquarters in Shanghai and 10 production bases in Shanghai and Nantong. Since 1998, the Company has been keeping its industrial position in the market of global container crane with largest occupation ratio since 1998. In recent years, while continuously tamping the competitive advantages in the related business of the port machinery, it has been actively expanding various business such as ocean engineering, steel structure, general contracting of system, electrical equipment, shipping, integrated service and investment. The Company combines its own development with the national strategy and actively strive for a new growth space in the field of intelligent industry, civil-military integration, livelihood consumption and digitalized industry.

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 self-produced crane; sales of the products made by the 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. (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).

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

There was no material difference in the core competitiveness of the Company during the reporting period.

Section IV | Discussion and Analysis of the Performance

I. Discussion and analysis of the performance

In 2018, confronted with the challenges from many adverse factors such as slowdown of the global economic growth speed and increase in trade friction among the regions and areas, guided with the development strategy of “One Entity and Two Wings”, the Board of Directors and management team of the Company led all of the employees to persist in the overall working keynote of “making progress while remaining stable” and the new development concept, adhere to accelerating the high quality development, facilitate the new layout for the business development, devote themselves to the new reform in production and management, deepen the scientific and technological innovation to strengthen the advantage, excite the new driving force for operation and management, coordinate the internal and external forces to achieve the joint development and successfully achieved the moderate development of the Company.

During the reporting period, the business sectors had grown in order, the business of port machinery had had powerful strength, the products had successfully entered the 101st country and region and the value of the newly concluded contracts had stably increased. The order receiving capability for the ocean engineering had remarkably upgraded and new achievements had been made in R &D and market expansion of the core parts and components for the ocean engineering. The investment had been stably accelerated. The shipping business had made a breakthrough and obtained the general contracting for the construction of the first offshore wind farm. The electrical business had made great achievements in many aspects and the brand of photovoltaic industry was granted “The First Brand of Distributed Photovoltaic System Integration”. The integrated business paid attention to the development and accomplished the heightening and modification works of about 100 shore bridges, the general contracting was in good condition and the general contracting for electromechanical engineering was launched at the international dock for the first time.

II. Performance during the reporting period

During the reporting period, the Company realized the operating income of RMB 21.812 billion Yuan, which kept balance basically year on year; the total profit was RMB 0.537 billion Yuan, with a year-on-year increase by 27.34%; the net profit attributable to the owner of the parent company was RMB 0.443 billion Yuan, with a year-on-year increase by 47.57%.

1. Analysis of the performance

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

Unit: Yuan Currency: RMB

Item	Amount in current period	Amount in the same period of the last year	Change (%)
Operating revenue	21,812,389,644	21,858,814,000	-0.21
Operating cost	18,082,285,752	18,019,075,299	0.35
Selling and distribution expenses	115,541,161	121,457,892	-4.87
General and administrative expenses	1,142,337,348	1,039,774,787	9.86
Financial expenses	1,522,264,813	758,201,305	100.77
Net cash flow from operating activities	553,943,979	1,332,209,274	-58.42
Net cash flow from investing activities	-2,779,460,550	-1,681,611,030	65.29
Net cash flow from financing activities	-408,453,790	2,576,865,754	-115.85

2. Analysis of income and cost

√Applicable □Not applicable

The increase in the management expenses was mainly caused by the increase in the salary of the employees in this Company.

The increase in the financial cost was mainly caused by the interest exchange of the Company and the increase in the exchange loss caused by the fluctuation in exchange of CNY: USD.

The change in net cash flows from operating activities was mainly caused by the increase in the payment for the commodities purchased and the labor services.

The change in net cash flows from investing activities was mainly caused by the increase in the cash paid for purchase and construction of fixed assets of the Company.

The change in the net cash flow from financing activities was mainly caused by the increase in the repayment of loans from bank by the Company.

(1) Main businesses by sectors, products and regions

Unit: Yuan Currency: RMB

Main business by products						
Product	Operating income	Operating cost	Gross profit rate (%)	Year-on-year change in operating income (%)	Year-on-year change in operating cost (%)	Year-on-year change in gross profit rate (%)
Port machinery	14,983,974,898	11,405,896,707	23.88	1.68	-0.75	+1.87
Heavy-duty equipment	2,746,107,406	2,608,895,653	5.00	-18.87	-15.41	-3.89
Steel structure and related income	1,558,778,586	1,656,155,935	-6.25	2.54	11.34	-8.39
Building-transfer projects	1,221,194,799	1,226,872,864	-0.46	-21.20	-20.77	-0.54
Marine transport and others	1,071,458,397	1,042,254,342	2.73	137.53	270.12	-34.84

Main business by regions						
Region	Operating income	Operating cost	Gross profit rate (%)	Year-on-year change in operating income (%)	Year-on-year change in operating cost (%)	Year-on-year change in gross profit rate (%)
Chinese Mainland	10,042,507,059	10,015,152,441	0.27	-0.98	6.18	-6.73
Asia (excluding Chinese Mainland)	4,204,353,552	2,516,316,271	40.15	-22.29	-38.28	+15.51
North America	2,029,837,441	1,695,912,260	16.45	19.18	26.27	-4.70
South America	1,040,540,883	608,903,110	41.48	23.07	17.76	+2.64
Europe	1,560,574,842	1,277,580,562	18.13	237.34	533.94	-38.30
Mainland China (export sales)	664,121,407	285,134,594	57.07	-51.62	-75.05	+40.32
Africa	1,508,172,239	1,119,387,335	25.78	8.90	21.56	-7.73
Oceania	531,406,663	421,688,928	20.65	65.72	62.72	+1.46

Notes to the main business by sectors, products and regions

√Applicable □Not applicable

Note 1: The amount listed in “Chinese Mainland (export sales)” in “Main business by regions” was the main operation income from the export sales of this Company to the overseas subsidiaries or the related parties of the Company and then sales to the related projects of the domestic customers.

Note 2: The Company expanded the business in Europe in this year, resulting in the corresponding rise in income and cost.

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

□Applicable √Not applicable

The Company mainly manufactures and sells the large-sized port equipment, heavy-duty equipment and fabricated steel structure and the “Accounting Standards- Construction Contract” is applicable to recognize the income as per the percentage-of-completion method. So this table is not applicable.

(3) Cost analysis table

Unit: Yuan

By products							
Product	Items of cost structure	Amount in current period	Proportion in total cost in 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 cost (%)	Year-on-year change (%)	Notes
Port machinery	Raw material cost, labor cost and production cost	11,405,896,707	63.58	11,492,182,908	64.23	-0.75	None
Heavy-duty equipment	Raw material cost, labor cost and production cost	2,608,895,653	14.54	3,084,117,712	17.24	-15.41	None
Building-transfer projects	Raw material cost, labor cost and production cost	1,226,872,864	6.84	1,548,520,638	8.65	-20.77	None
Steel structure	Raw material cost, labor cost and production cost	1,656,155,935	9.23	1,487,522,614	8.31	11.34	None
Marine transport and others	Raw material cost, labor cost and production cost	1,042,254,342	5.81	281,599,002	1.57	270.12	None
Total		17,940,075,501	100.00	17,893,942,874	100.00	0.26	

Other information about cost analysis

☐Applicable ☒Not applicable

(4) Particulars about main customers and suppliers

☒Applicable ☐Not applicable

The sales volume of Top 5 customers was RMB 2.71961 billion Yuan, accounting for 12% of total annual sales volume; the sales volume of the related parties in that of Top 5 customers was RMB 0.50296 billion Yuan, accounting for 2% of total annual sales volume.

The purchase amount of Top 5 suppliers was RMB 2.85966 billion Yuan, accounting for 12% of total annual purchase amount; the purchase of the related parties in that of Top 5 suppliers was RMB 0.43549 billion Yuan, accounting for 2% of total annual purchase amount.

3. Expenses

☒Applicable ☐Not applicable

The financial cost of the Company in 2018 was RMB 1,522,264,813 Yuan, with a year-on-year increase by 100.77%, which was mainly caused by the increase in the interest expenditure and exchange loss caused by the fluctuation in exchange of CNY: USD.

4. Investment in R&D

Detail table of investment in R&D

☒Applicable ☐Not applicable

Unit: Yuan

Current expensed investment in R&D	672,614,073
Current capitalized investment in R&D	39,298,740
Total investment in R&D	711,912,813
Proportion of total investment in R&D in operating income (%)	3.26
Number of R&D employees in the Company	1,600
Proportion of number of R&D employees in the total employees of the Company (%)	18.19
Proportion of capitalized investment in R&D (%)	5.52

Explanation

☐Applicable ☒Not applicable

5. Cash flow

☒Applicable ☐Not applicable

The net cash flow from operating activities was RMB 0.554 billion Yuan, mainly caused by the increase in payment for goods and the labor services purchased. The net cash flow from the investment activities was RMB -2.779 billion Yuan, mainly caused by the increase in cash payment for purchase and construction of fixed assets of the Company. The net cash flow from the financing activities was RMB -0.408 billion Yuan, mainly caused by the increase in the repayment of bank loans 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	Closing balance of current period	Proportion in total assets (%)	Closing balance of last period	Proportion of the closing balance in the total assets	Year- on-year change (%)	Notes
Monetary funds	3,697,338,708	5.24	5,770,227,369	8.55	-35.92	
Financial assets measured at fair value through current profit or loss	52,920,084	0.07	8,438,278	0.01	527.14	
Advances to suppliers	1,681,187,715	2.38	1,036,783,170	1.54	62.15	
Non-current assets maturing within one year	894,638,424	1.27	1,896,475,472	2.81	-52.83	
Other current assets	1,152,476,439	1.63	591,311,853	0.88	94.90	
Construction in progress	3,050,468,292	4.32	1,889,146,009	2.80	61.47	
Short-term borrowings	16,554,687,487	23.45	25,468,980,401	37.72	-35.00	
Non-current liabilities maturing within one year	4,209,532,510	5.96	2,198,931,219	3.26	91.44	
Long-term borrowings	15,097,725,259	21.39	6,664,914,383	9.87	126.53	
Other non-current liabilities	288,474,696	0.41	152,954,098	0.23	88.60	

Other information

The decrease in the monetary fund was mainly caused by the increase in the disbursement of the monetary fund for production and manufacture of the newly-commenced projects, payment for materials and repayment for the loans from the banks.

The increase in the financial assets measured at fair value with changes included in the current profits and losses was mainly attributed to the increase in the fair value of the contracts on forward exchange futures purchased by the Company.

The increase in the prepayment was mainly caused by the increase in the payment for purchase and production of the productive goods for the newly-commenced projects of the Company.

The decrease in non-current assets due within one year was mainly caused by the decrease in long-term receivables due within one year of the “building-transfer” project.

The increase in other current assets was mainly caused by the increase in input tax of the deductible value-added tax of the Company.

The increase in the projects under construction was mainly caused by the increase in the large-sized mechanical equipment and engineering equipment under construction of the Company.

The decrease in the Short-term borrowings was mainly caused by the increase in the repayment of the Short-term borrowings from the banks by the Company.

The increase in the non-current liabilities due within one year was mainly caused by the increase in the Long-term borrowings from the banks due within one year.

The increase in the Long-term borrowings was mainly caused by the increase in the Long-term borrowings from the banks by the Company.

The increase in other non-current liabilities was mainly caused by the increase in the payable VAT of the Company.

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

☒Applicable ☐Not applicable

Item	Final book value	Reason of restriction
Monetary fund	548,351,336	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	5,270,355,777	Collateral for loan
Long-term receivables	3,850,867,673	Hypothecation for loan
Total	9,669,574,786	/

3. Other information

☐Applicable ☒Not applicable

4. Analysis of operational information of the industry

☒Applicable ☐Not applicable

During the reporting period, the value of newly concluded contracts by the Company on the port machinery was USD 2.652 billion, with a year-on-year increase by 5.24%. The one on marine engineering products and steel structure was USD 903 million, with a year-on-year increase by 26.47%, among which the one on steel structure was USD 320 million. As to the investment, affected by the changes in policy for PPP project, the value of the newly concluded contracts was RMB 1.935 billion Yuan, with a year-on-year decrease by 88.33%.

The increase in demand for the new equipment of traditional port machinery slowed down, however, the demand for construction of the automated dock from the mass flow port both at home and abroad increased step by step. Meanwhile, the demand for the services such as repair and maintenance and reconstruction of the port machinery rose remarkably due to the upgrade and reconstruction of the port and the renewal of the equipment. These factors provided powerful support for the upgrade of the mass of the port machinery business, in particular, it laid the solid foundation for the expansion of the integrated services.

The ocean engineering industry was slightly recovered, however, no obvious back-turn or improvement happened yet. Due to the development of the new energy such as the shale gas, the rise in the oil price slowed down, however, the risk in ocean engineering projects still existed in a large scale and the market outlook of the newly-built vessel was not so good and no remarkable driving force for improvement was brought for this industry.

The investment will pay attention to the high quality development. In this stage, the potential of investment demand in China is still great, however, the key role of the investment shall be brought into full play. The investment field is not confronted with the integration and reorganization and PPP project with high risk and low income is gradually suspended and readjusted. In 2019, the investment in the capital construction is still the important driving force for the economic growth, the urban rail transit, AI and industrial internet will be the core of the capital construction and will bring new opportunity for the high quality development of the Company.

5. Analysis of investment

1. Overall analysis of external equity investment

√Applicable □Not applicable

Investment amount by the end of reporting period	3,990,335,314
Changes in investment amount (Yuan)	365,660,888
Investment amount in the same period of the last year (Yuan)	3,624,674,426
Change in investment amount (%)	10.09

(1) Significant equity investment

√Applicable □Not applicable

On June 4, 2018, the 32nd meeting of the 6th Board of Directors of the Company deliberated and approved Proposal for Incorporating a Wholly-owned Subsidiary in Xiongan New District by the Company. The Company invested RMB 2.0 billion Yuan to establish Xiongan Zhenhua Intelligent Industry Holding Co., Ltd (a provisional name, subject to the industrial and commercial registration) to carry out the local related business. At present, the preparations for the incorporation are actively being made and accelerated.

(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	Final book value	Profit or loss in reporting period	Changes in owner's equity during the reporting period	Accounting subject	Source of shares
300095	Huawu Stock	11,071,606	5.9	5.9	102,163,301	667,732	-76,789,411	Available-for-sale financial assets	Contribution
03969 (H-share)	CRSC	617,854,000	1.4	1.4	591,773,048	18,459,450	-37,781,325	Available-for-sale financial assets	Purchase on market
06198 (H-share)	Qingdao Port	308,515,588	1.71	1.71	476,713,253	0	25,184,593	Available-for-sale financial assets	Purchase on market

Stock equity held in financial enterprises

Object name	Initial investment cost	Initial shareholding ratio	Final shareholding ratio	Final book value	Profit or loss in reporting period	Changes in owner's equity during the reporting period	Accounting subject	Source of shares
Shenwan Hongyuan	200,000	<0.01	<0.01	889,792	17,465	-284,208	Available-for-sale 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

Company name	Main product or service	Registered capital	Assets size	Net profit / (loss)
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	2,715,546,362	1,397,537
Shanghai Zhenhua Port Machinery (Hong Kong) Co., Ltd.	Design, manufacturing and sales of port machinery, engineering vessel, steel structure and other parts	50,000,000HKD	11,966,123,135	-232,481,229
Shanghai Zhenhua Heavy Industries Port Machinery General Equipment Co., Ltd.	Sales of port loading and unloading machine, bulk cargo and container machine, port engineering vessels (including floating engineering crane), material handling mechanical products and parts, sales and technical services, installation and maintenance, technical consultation of all types of machine and equipment, key parts of the raw materials and accessories equipment.	2,184,730,000	2,373,155,162	-119,304,520
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.	300,000,000	2,999,196,938	11,501,551
Nantong Zhenghua 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	854,936,900	2,635,845,017	7,400,673
Tianhe Mechanical Equipment Manufacturing Co., Ltd of CCCC	System integration design, R&D and manufacturing of tunnel boring machine with the diameter of over 6m; system integration design, R&D and manufacturing of tunnel boring machine (TBM) with the diameter of over 5m; design, R&D and manufacturing of marine machinery and parts, cranes and parts, bridges and high damping bracket for buildings; sales of self-produced products. Whole sales and import & export business of marine machinery and parts, cranes and parts, bridges and high damping bracket for buildings (if no commodity controlled by the national trade, designed quota and license is involved, the related national rules will prevail); installation, maintenance, leasing, consulting, technical services for its self-produced products.(foreign capital proportion is less than 25%) (as for the items requiring the approval, carry out the business activities after obtaining the approval from the authorities)	681,627,100	4,394,476,738	58,624,548
Shanghai Zhenhua Heavy Industries Qidong Marine Engineering Co., Ltd	Machinery manufacturing	303,000,000	1,970,656,133	-138,478,499
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	752,902,844	3,144,709
Nanjing Ninggao New Channel Construction Co., Ltd	Engaged in the construction, investment and management of Nanjing-Gaochun new channel project.	100,000,000	652,553,954	74,107,859
Zhenhua Pufeng Wind Energy (HongKong) Co., Ltd	Installation of offshore wind turbine	16,326,531USD	5,516,448	-71,902,331
CCCC Financial Leasing Co., Ltd	Financing lease	5,000,000,000	31,206,826,556	351,695,926
China Communications Construction USA Inc.	Construction of port, waterway, highway and bridge.	50,000,000USD	257,589,119	-35,569,034
CCCC Estate Yixing Co., Ltd.	Real estate development	900,000,000	1,525,930,907	12,764,832

Company name	Main product or service	Registered capital	Assets size	Net profit / (loss)
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..	26,000,000	2,391,840,716	25,246,738
Greenland Heavylift (Hongkong) Limited	Marine transport	91,975,158USD	1,496,412,229	-60,006,966

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 market competition of the container port machinery is fierce and a large batch of container shore bridges are confronted with the replacement in batches. Affected by the large-scale trend of the ship, the heightening and the remote upgrade and reconstruction of the traditional docks is becoming a new market. The dock handling technique is rapidly changing and the automation and intelligentization of the dock is the development mainstream in the future. The demand in the global market for the bulk cargo machinery is not flourishing, the domestic market takes on the trend of low price competition and the automation development of the bulk cargo machinery and the service market expansion are the main direction. The price of oil and gas in the world fluctuates frequently, the uncertainty of procurement of oil/gas production equipment is not fundamentally improved. The main development direction of the ocean engineering equipment in the future is to persist in destocking, high-end different positioning and whole industrial chain development; the low-end capacity in the steel structure market is excess and the competition is fierce. It is urgent for the offshore wind power market to rebuild the competitive advantages of the Company through the industrial integration and active layout of the operation and maintenance market. In the electric industry, the international famous electric brands occupy large market shares and high-quality state-owned brands in intelligentization are still in cultivation. PPP project was stopped in 2018 and it is expected to enter the standardized development channel.

2.Development strategy of the Company

☒Applicable ☐Not applicable

With “equipment manufacture” as the entity, “capital operation” and “Internet” as two wings, it aims to build “Flag + Flagship” of Chinese national industry. “One Entity and 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”, “Made in China 2025” and pilot reform of the state-owned capital investment, 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 and greatly improve the management level and operation efficiency of the Company.

3.Operation plan

☒Applicable ☐Not applicable

The overall working main-thread of the Company in 2019: guided by Xi Jinping’s Thought on Socialist with Chinese Characteristics for a New Era, implementing the spirits of the 19th National Congress of the Communist Party of China and the second and third plenary session of the 19th Communist Party of China Central Committee in an all-round way, persisting in the overall keynote of making progress while remaining stable, persisting in the new development concept, adhering to accelerating the high quality development, abiding by the supply-side structural reform as the main-thread, sticking to the guidance of “One Entity and Two Wings” Strategy of the Company, driven by innovation, accelerating the new layout for the

business development of the Company and deepening the reform in an all-round way and fully coordinating the internal and external forces to make efforts to build a world excellent company with the international competitiveness.

As to the port machinery sector, while the Company tamps the competitive advantages of the traditional business, it adheres to the combination of the traditional business with the new business and persists in the unity of scale and benefit and the double acceleration of manufacturing and service to achieve the transformation from the manufacturer to the integrated service provider step by step. As to the ocean engineering sector, while the Company dissolves the risks of the stocking projects, it will further sort out and optimize the development concept of the ocean engineering, optimize the management and control mode of the ocean engineering projects and explore the building of the whole industrial chain of the ocean engineering. As to the steel structure sector, the Company will pay great attention to the construction of the demonstration projects and raise the benefit through optimizing the operation and management model of the project. As to the investment business, it will rely on the good situation of the investment in capital construction in 2019, aim at the opportunity of the regional construction in China including Xiongan, Hainan and Fuzhou, bring into play of the capital around the main business and carry out the investment projects helpful to make up the short plate of the business or expand the industrial chain in good time. As to the shipping business, it will seize the opportunity of the construction of offshore wind farm at home and abroad, integrate the industrial resources, vigorously expand the business of the high-end transportation and installation, installation of the offshore wind power facilities and the platform disassembly. As to the electrical business, it will concentrate the forces, adopt the targeted steps to continually accumulate the experience in the projects and quicken the independent development of its own brand EZ. As to the integrated service, it will further explore the actual demands of the existing and potential customers, enhance the relationships with the major customers, improve the service quality and accelerate the joint-win of both parties. As to the general contracting of the system, it will optimize the project management model and accelerate the implementation of more subsequent projects based on the existing advantages.

4. Potential risks

☒Applicable ☐Not applicable

Market risk: the growth force of the world economy is weakened, the increase in the international trade slows down, the price of the bulk commodities drops much, the trade friction between China and USA and the challenges from the deglobalization trend on the global economy impose some uncertainties upon the development of the Company. The market competition of the container port machinery is still fierce, the ocean engineering industry is slightly resuscitative, but the sign of reverse turnaround and upgrade is not so remarkable. Other new businesses are still in the infant stage.

Countermeasures: the Company will study and determine the current political and economic situation in depth, highly concern the market change and carry out the benchmarking management like the high quality companies in the same industry, deepen the reform, tamp the basic management, enhance the risk resistivity, optimize and adjust the market and business structure, seek for increment from the strategic opportunity, business expansion, internal and external cooperation, investment, acquisition and overseas projects, accelerate the structural readjustment and resources integration and accelerate the sustainable development of the enterprise through the transformation and upgrade.

Financial risk: it mainly includes credit risk and exchange rate risk, especially the large scale of interest-bearing liabilities. CNY bears a certain depreciation press and imposes some risks upon the overseas operation.

Countermeasures: Lock in the forward exchange rate through rational planning, control exchange rate risks, 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. By arranging favorable settlement terms in the contract (for example, concluding with a RMB exchange rate linkage, and the increase in the proportion of prepayments and settlement of exchange as early as possible), or control and lock in the exchange rate risks with proper financial instruments or means.

As to credit risk, reduce raw material reserves, cut down the capital expenditure, adjust the Company's debt structure in many ways (such as medium-term notes, short-term financing bond, perpetual bond), strengthen the collection of the account receivable, reduce the amount of bank debt step by step and reduce the business risks of the enterprise.

5. Others

☐Applicable ☒Not applicable

IV. 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 secret and other special reasons

☐Applicable ☒Not applicable

Section V | Important Events

I. Proposal for profit distribution of ordinary shares or converting capital reserve to bonus shares

1. Formulation, implementation or adjustment of cash dividend distribution policies

☒Applicable ☐Not applicable

According to the requirements of CSRC Notification on Further Implementation of Relevant Matters Concerning Cash Dividend Distribution of Listed Companies (ZJF [2012] No. 37), 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 compete, and the minority shareholders' legal rights and interests were fully protected, giving them the opportunity to fully express their views and demands.

2. The Company's plan or proposal for profit distribution of ordinary shares, plan or proposal for converting capital reserve to bonus shares in recent 3 years (including the reporting period)

Unit: Yuan Currency: RMB

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 (%)
2018	0	0.5	0	263,417,675	443,005,092	59.46
2017	0	0.5	2	219,514,729	300,195,422	73.12
2016	0	1	0	439,029,458	212,419,946	206.68

Note: it was proposed by the board of directors of the Company that the cash dividends in 2018 adopted the continuous and stable profit distribution policy. Based on the total capital shares of 5,268,353,501 shares as the basic number by Dec. 31, 2018, RMB 0.5 Yuan (including tax) per 10 shares as the cash dividend from the undistributed profit by Dec. 31, 2018 is distributed to all of the shareholders, with the total of the cash dividend to be distributed of RMB 263,417,675.05 Yuan. The Company will not distribute the bonus share or convert the capital reserves to the bonus shares. The annual profit distribution plan for 2018 is just a proposal and the opinions have been released by the independent directors of the Company and the plan is subject to the approval of the general meeting of shareholders in 2018.

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

II. Fulfillment of commitments

1. Commitments of the actual controller, shareholders, related parties, acquirer, the Company and other commitment makers 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 assets 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 "audit 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

1. Changes in the presentation of financial statement

In accordance with the requirements of Notice on Revising and Issuing the Format of Financial Statements for General Enterprises in 2018 (No. CK[2018] 15), in the balance sheet, "notes receivable" and "accounts receivable" were consolidated into the newly increased item of "notes and accounts receivable"; "interests receivable" and "dividends receivables" were consolidated into the item of "other receivables"; "liquidation of fixed assets" was consolidated into the item of "fixed assets"; "notes payable" and "accounts payable" were consolidated into and listed in "notes and accounts payable"; "interests payable" and "dividends payable" were consolidated into the item of "other payables". In the profit statement, the newly increased item of "expenses for R&D" was included the expensed expenditure in the process of R&D, the item of "financial cost" was split into the item of "interest charges" and "interest income"; this group correspondingly backdated and adjusted the comparative data including: interest expenses" and "interest income" were newly added under the item of Financial cost in income statement. The comparative data were adjusted accordingly. The change in the accounting policy had no impact on the net profit of the Company and the stockholder's equity.

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 information

☐Applicable ☒Not applicable

VI. Engagement and dismissal of the public accounting firm

Unit: Yuan Currency: RMB

	Now engaging
Name of the domestic accounting firm	Ernst & Young LLP. (Special General Partnership)
Remuneration of domestic accounting firm	4,500,000
Audit term of the domestic accounting firm	3

	Name	Remuneration
Accounting firm performing internal control audit	Ernst & Young LLP. (Special General Partnership)	400,000

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 major lawsuit and arbitration in the year ☒No major lawsuit or arbitration in this year**1.Lawsuit and arbitration already disclosed in provisional announcement, without follow-up progress**☐Applicable ☒Not applicable

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

√Applicable □Not applicable

Unit: Yuan Currency: RMB

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)	Expected 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)
Fluor Corporation	Shanghai Zhenhua Heavy Industries (Group) Co., Ltd	None	Lawsuit	In 2008, the Company and Fluor Limited (hereinafter referred to as "Fluor") signed an agreement on sales and installation of steel pipe pile products for the wind power generation of British Wind Power Project. In the process of the project construction, based on the cooperative spirits of friendly negotiation, the Company and Fluor maintained the normal dispute settlement and communication mechanism. In 2010, as for the issues in contract execution process, after reviewed by the board of directors of the Company, the Company signed a mutual exemption letter with Fluor, and settled the remaining payment in 2011. Afterwards, Fluor lodged a quality claim against the Company, and requested the payment of the demand quality guarantee issued by the Company, while the Company rejected the claim. On March 20, 2014, Fluor cashed the above letter of guarantee with the amount of 23,409,750 EUR in the bank opening the letter of guarantee. In September 2014, Fluor initiated proceedings for the breach attributed to the problems related to the product quality to High Court of Justice, Queen's Bench Division, the Technology and Construction Court (hereinafter referred to as "TCC Court of Britain Queen's Bench") and asked the Company for the total compensation of 250 million pounds for additional test and repair cost, construction duration delay and other related loss (including the cashed letter of guarantee amount of 23,409,750 EUR). The Company didn't acknowledge the claim for the compensation from Fluor. Since then, the Company prepared the evidence disclosure, witness testimony, exchange work and other preparatory work before the court session was opened. In February, March, April, June of 2016, British High Court TCC court was in trial for first instance on obligation part. In May 2017, the trial of quantized part of this case was conducted. In July 2017, both parties exchanged the written final address. In Aug. 2017, the proceeding at law for the quantized part of this case was settled.	About 250 million pounds	0	The case had been settled.	On Jan. 11, 2018, the court made quantized partial judgment on this case and made the written judgment on the interest and the legal expenses in Mar. and Apr. 2018 respectively. Both parties signed the reconciliation agreement in May 2018 and this case was settled.	On Jan. 11, 2018, the court made quantized partial judgment on this case and adjudicated this Company to pay 5,893,591 U.S. dollars, 15,033,681 pounds, 7,165,740 Eurodollars, 7,259 Canadian dollars and RMB 485,346 Yuan to Fluor. On Mar. 16, 2018, the court made the judgment on the interest and adjudicated this Company to pay 3,518,549 pounds to Fluor. On Mar. 26 and Apr. 11, 2018, the court made the judgment on the legal expenses and adjudicated this Company to pay 6,000,000 pounds and 1,500,000 pounds to Fluor. On May 9, 2018, both parties signed the reconciliation agreement and this Company paid 523219.24 pounds to Fluor as the reconciliation expenses.
Shanghai Zhenhua Heavy Industries (Group) Co., Ltd	Petrofac (ship-owner)	None	Arbitration	In 2013, the Company had signed the contract on construction and sales of a 6000 t pipe-laying vessel with Petrofac Limited (hereinafter referred to as Petrofac). On Oct. 9, 2015, in the construction process of the project, Petrofac issued Contract Termination Letter due to the delay in the project. Petrofac asked the Company to terminate the contract and requested the Company to return the prepaid payment and interest. The Company rejected the claim. Petrofac honored the demand guarantee from the opening bank in December 2015, with total amount of 44,720,000 USD. Thus, the Company employed the professional lawyer and expert team both at home and abroad to apply for arbitration to the London International Arbitration Court in January 2016 and asked Petrofac to return the payment of Letter of Guarantee and compensated for the corresponding loss of 200 million USD. After receiving the arbitration application from the Company, Petrofac filed a counterclaim application, and asked the Company to compensate about 182 million USD or 213 million USD under the requirements of continuing or not continuing to construct the vessel.	This Company stood for about 200 million USD; Petrofac's counterclaim was 182 million USD or 213 million USD in two different ways.	0	It was planned to open the court session in Mar. 2019. In order to settle the disputes and reduce the losses, both parties kept the communication and made efforts to seek for the acceptable dispute settlement methods. Through rounds of negotiation, both parties concluded the reconciliation scheme regarding the joint shipbuilding and reached an agreement on the details. Approved by the resolution of the 30th meeting of the 6th session of Board of Directors of the Company, the Company has signed an agreement with Petrofac and it will purchase the related project assets at the contract price such as the equipment such as J-Lay Tower (OFE equipment) purchased by Petrofac, technical documents and the patents so as to continue the construction of the vessel. Petrofac will provide the technical support in the process of construction and possess 10% of the stock equity of the single-vessel company after the vessel is put into operation. Both parties will bring into play their own advantages to jointly expand the market of the vessel. Both parties agree to cancel the arbitration. The transaction consideration was about 190,000,000 USD. After counterbalance of the amount of the letter of guarantee paid by the Company (44,720,000 USD) and part of the amount carried in the shipbuilding contract (21,720,000 USD), the transaction consideration to be paid by the Company was 167,000,000 USD. This transaction has no significant impact on the profit in this period or after the period.	Both parties applied for terminating the arbitration and received the notice of arbitration termination on May 29, 2018.	Not applicable

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)	Expected 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 (Group) Co., Ltd, Shanghai Zhenhua Heavy Industries Qidong Marine Engineering Co., Ltd.	Nantong Huafu Port Co., Ltd, Li Aidong, 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.	RMB 368.722 million Yuan	0	The case is still pending.	Not yet judged	Not yet judged
Lovanda Offshore Ltd	Shanghai Zhenhua Heavy Industries (Group) Co., Ltd	None	Arbitration	In 2014, Lovanda signed a construction contract (ZP14-2125) on one JU2000E offshore drilling platform with this Company, which was designed, built, commissioned and delivered by this Company. In the construction process, some disputes arose between Lovanda and this Company regarding the construction schedule of this platform, the extension of delivery time and other aspects. Lovanda submitted to arbitration to London Maritime Arbitrators Association against this Company on Mar. 6, 2017 and proposed to terminate the platform construction contract and required this Company to repay USD 13800000 dollars including the advance cost of construction, related expenses and interest. This Company established a special working group and employed the professional domestic and foreign lawyers and experts to actively respond to action to maintain the legitimate right of this Company. After receiving the request for arbitration, this Company took a cross bill application against Lovanda and claimed: 1) the other party should pay the last sum of money payable under the contract and its interest arising herefrom, totaling USD 186,200,000 dollars to this party; 2) the income of this party from the sale of the platform minus the cost of sale should be used for deducting the account payable of the other party; 3) Other losses, interest and other expenses that may occur in the future.	The claim of Lovanda was about USD 13,800,000 dollars. The cross bill claim of this Company: 1) the other party should pay the last sum of money payable under the contract and its interest arising herefrom, totaling 186,200,000 USD to this party; 2) the income of this party from the sale of the platform minus the cost of sale should be used for deducting the account payable of the other party; 3) Other losses, interest and other expenses that may occur in the future.	0	The arbitral tribunal signed the consent award according to the application of both parties and then the case was settled.	Both parties had concluded the umbrella reconciliation agreement with Lovansing and Xinyuda and then applied for withdrawal of the case.	The arbitral tribunal signed the consent award and the case was settled.
Lovansing Offshore Ltd	Shanghai Zhenhua Heavy Industries (Group) Co., Ltd	None	Arbitration	In 2014, Lovanda signed a construction contract (ZP14-2126) on one JU2000E offshore drilling platform with this Company, which was designed, built, commissioned and delivered by this Company. In the construction process, some disputes arose between Lovanda and this Company regarding the construction schedule of this platform, the extension of delivery time and other aspects. Lovanda submitted to arbitration to London Maritime Arbitrators Association against this Company on Mar. 6, 2017 and proposed to terminate the platform construction contract and required this Company to repay USD 13,800,000 dollars including the advance cost of construction, related expenses and interest. This Company established a special working group and employed the professional domestic and foreign lawyers and experts to actively respond to action to maintain the legitimate right of this Company. After receiving the request for arbitration, this Company took a cross bill application against Lovanda and claimed: 1) the other party should pay the last sum of money payable under the contract and its interest arising herefrom, totaling USD 186,200,000 dollars to this party; 2) the income of this party from the sale of the platform minus the cost of sale should be used for deducting the account payable of the other party; 3) Other losses, interest and other expenses that may occur in the future.	The claim of Lovanda was about USD 13,800,000 dollars. The cross bill claim of this Company: 1) the other party should pay the last sum of money payable under the contract and its interest arising herefrom, totaling USD 186,200,000 dollars to this party; 2) the income of this party from the sale of the platform minus the cost of sale should be used for deducting the account payable of the other party; 3) Other losses, interest and other expenses that may occur in the future.	0	The arbitral tribunal signed the consent award according to the application of both parties and then the case was settled.	Both parties had concluded the umbrella reconciliation agreements with Lovansing and Xinyuda and then applied for withdrawal of the case.	The arbitral tribunal signed the consent award and the case was settled.

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)	Expected 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 (Group) Co., Ltd	Xinyuda Ocean Engineering (Hong Kong) Co., Ltd	None	Arbitration	On Jan. 28, 2014, this Company signed Procurement Contract on Main Chord of Spud Leg for F&G-JU2000E Self-elevating Drilling Platform with Xinyuda Ocean Engineering (Hong Kong) Co., Ltd (hereinafter referred to as "Xinyuda Company") (Contract No.: ZP14-2125-0030, based on which Xinyuda Company provided one set of main chord equipment for the Zhenhai No. 5 Drilling Platform. The product provided by Xinyuda Company had the quality defects and was in breach of the requirements of the contract, as a result, the construction schedule of Zhenhai No. 5 Drilling Platform of this Company was seriously affected. This Company had sent many letters to request Xinyuda Company to settle the quality defects, but Xinyuda Company had not effectively responded to them and dealt with these defects, therefore, based on the dispute settlement mode stipulated by the contract, this Company took a arbitration against Xinyuda Company to Hong Kong International Arbitration Center on May 9, 2017 and requested Xinyuda Company to compensate this Company for the expenses for replacement, repair, removal, reconstruction and reinstallation of main chord, about USD 35,250,000 dollars, and reserved the rights of compensation for the losses caused by the quality of the main chord under the platform construction contract and other losses arising herefrom.	About 35,250,000 USD	0	Hong Kong International Arbitration Centre agreed to issue the consent award and settle the case after receiving the supplementary cash deposit for the costs of arbitration paid by both parties.	Both parties had concluded the umbrella reconciliation agreements with Lovanda and Xinyuda and then applied for withdrawal of the case and issued the consent award.	Hong Kong International Arbitration Centre will issue the consent award and settle the case after receiving the supplementary cash deposit for the costs of arbitration paid by this Company.
Shanghai Zhenhua Heavy Industries (Group) Co., Ltd	Xinyuda Ocean Engineering (Hong Kong) Co., Ltd	None	Arbitration	On Jan. 28, 2014, this Company signed Procurement Contract on Main Chord of Spud Leg for F&G-JU2000E Self-elevating Drilling Platform with Xinyuda Ocean Engineering (Hong Kong) Co., Ltd (hereinafter referred to as "Xinyuda Company") (Contract No.: ZP14-2126-0030, based on which Xinyuda Company provided one set of main chord equipment for the Zhenhai No. 6 Drilling Platform. The product provided by Xinyuda Company had the quality defects and was in breach of the requirements of the contract, as a result, the construction schedule of Zhenhai No. 6 Drilling Platform of this Company was seriously affected. This Company had sent many letters to request Xinyuda Company to settle the quality defects, but Xinyuda Company had not effectively responded to them and dealt with these defects, therefore, based on the dispute settlement mode stipulated by the contract, this Company took a arbitration against Xinyuda Company to Hong Kong International Arbitration Center on May 9, 2017 and requested Xinyuda Company to compensate this Company for the expenses for replacement, repair, removal, reconstruction and reinstallation of main chord, about USD 35,250,000 dollars, and reserved the rights of compensation for the losses caused by the quality of the main chord under the platform construction contract and other losses arising herefrom.	About 35,250,000 USD	0	Hong Kong International Arbitration Centre agreed to issue the consent award and settle the case after receiving the supplementary cash deposit for the costs of arbitration paid by both parties.	Both parties had concluded the umbrella reconciliation agreements with Lovanda and Xinyuda and then applied for withdrawal of the case and issued the consent award.	Hong Kong International Arbitration Centre will issue the consent award and settle the case after receiving the supplementary cash deposit for the costs of arbitration paid by this Company.

3.Other information

☐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 information

☐Applicable ☒Not applicable

Information about employee stock ownership plan

☐Applicable ☒Not applicable

Other incentive measures

☐Applicable ☒Not applicable

XIV. Material associated transactions

1.Associated transactions related to normal business

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

☒Applicable ☐Not applicable

Summary of event	Query index
The first meeting of 7 th session of Board of Directors deliberated and approved Proposal for Joint Incorporation of Overseas Port Service Platform Company by the Company and the Related Parties on Aug. 22, 2018.	Shanghai Stock Exchange website: www.sse.com.cn, Shanghai Securities News and Hong Kong Wen Wei Po on Aug. 23, 2018.

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

☒Applicable ☐Not applicable

Summary of event	Query index
The 29 th meeting of the 6 th session of Board of Directors deliberated and approved Proposal for Participation in PPP Project at the Section from Yongjia Xunzhai to Qiaoxia of Anji-Dongtou Highway on Feb. 2, 2018.	Shanghai Stock Exchange website: www.sse.com.cn and the Shanghai Securities News and Hong Kong Wen Wei Po on Feb. 3, 2018.
The 1 st meeting of the 7 th session of Board of Directors deliberated and approved Proposal for Joint Investment in CCCC-Zhenhua Lvjian Technology (Ningbo) Co., Ltd by the Company and the Related Parties, Proposal for Capital Increase in South America Company of CCCC and Proposal for Joint Investment in Yancheng Urban Expressway by the Company and the Related Parties on Aug. 22, 2018.	Shanghai Stock Exchange website: www.sse.com.cn and the Shanghai Securities News and Hong Kong Wen Wei Po on Aug. 23, 2018.

3. Events not disclosed in provisional announcements

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Related party	Relationship	Type of associated transaction	Content of associated transaction	Pricing principle of associated transaction	Price of associated transaction	Amount of associated transaction	Proportion in the amount of similar transactions (%)	Settlement mode of associated transaction	Market price	Reason for great differences between the bargain price and market price
CCCC Financial Leasing Co., Ltd.	Holding subsidiary of parent company	Selling goods	Project income	Pricing based on market price	502,962,177.00	502,962,177.00	2.31	Monetary fund	502,962,177.00	/
China Road & Bridge Corporation	Holding subsidiary of parent company	Selling goods	Project income	Pricing based on market price	358,243,636	358,243,636.00	1.64	Monetary fund	358,243,636.00	/
China Communications Construction Company Ltd.	Holding subsidiary of parent company	Selling goods	Project income	Pricing based on market price	248,519,083.00	248,519,083.00	1.14	Monetary fund	248,519,083.00	/
CCCC Electrical and Mechanical Engineering Co., Ltd.	Holding subsidiary of parent company	Selling goods	Project income	Pricing based on market price	187,488,462.00	187,488,462.00	0.86	Monetary fund	187,488,462.00	/
CCCC Tianjin Dredging Co., Ltd.	Holding subsidiary of parent company	Selling goods	Project income	Pricing based on market price	137,098,857.00	137,098,857.00	0.63	Monetary fund	137,098,857.00	/
China Communications Second Navigational Bureau Third Engineering Co., Ltd.	Holding subsidiary of parent company	Selling goods	Project income	Pricing based on market price	117,230,621.00	117,230,621.00	0.54	Monetary fund	117,230,621.00	/
Jiangsu Longyuan Zhenhua Marine Engineering Co., Ltd	Joint venture	Selling goods	Project income	Pricing based on market price	110,250,126.00	110,250,126.00	0.51	Monetary fund	110,250,126.00	/
Road & Bridge International Co., Ltd.	Holding subsidiary of parent company	Selling goods	Project income	Pricing based on market price	105,144,086.00	105,144,086.00	0.48	Monetary fund	105,144,086.00	/
CCCC Second Harbor Engineering Co., Ltd.	Holding subsidiary of parent company	Selling goods	Project income	Pricing based on market price	101,372,715.00	101,372,715.00	0.46	Monetary fund	101,372,715.00	/
CCCC Third Harbor Engineering Co., Ltd.	Holding subsidiary of parent company	Selling goods	Project income	Pricing based on market price	100,341,951.00	100,341,951.00	0.46	Monetary fund	100,341,951.00	/
CCCC First Harbor Engineering Co., Ltd.	Holding subsidiary of parent company	Selling goods	Project income	Pricing based on market price	70,466,403.00	70,466,403.00	0.32	Monetary fund	70,466,403.00	/
China Communications Construction Company Ltd.	Holding subsidiary of parent company	Rendering of labor service	Project income	Pricing based on market price	70,216,049.00	70,216,049.00	0.32	Monetary fund	70,216,049.00	/
CCCC Second Highway Engineering Co. Ltd.	Holding subsidiary of parent company	Selling goods	Project income	Pricing based on market price	63,557,612.00	63,557,612.00	0.29	Monetary fund	63,557,612.00	/
CCCC Tunnel Engineering Co., Ltd.	Holding subsidiary of parent company	Selling goods	Project income	Pricing based on market price	57,261,136.00	57,261,136.00	0.26	Monetary fund	57,261,136.00	/
Shanghai Communications Construction Contracting Co., Ltd.	Holding subsidiary of parent company	Selling goods	Project income	Pricing based on market price	34,589,744.00	34,589,744.00	0.16	Monetary fund	34,589,744.00	/
ZPMC-OTL MARINE CONTRACTOR LIMITED	Joint venture	Rendering of labor service	Project income	Pricing based on market price	30,377,284.00	30,377,284.00	0.14	Monetary fund	30,377,284.00	/
CCCC First Highway Engineering Co., Ltd.	Holding subsidiary of parent company	Selling goods	Project income	Pricing based on market price	30,000,000.00	30,000,000.00	0.14	Monetary fund	30,000,000.00	/
CCCC Third Harbor Engineering Co., Ltd.	Holding subsidiary of parent company	Rendering of labor service	Project income	Pricing based on market price	24,710,083.00	24,710,083.00	0.11	Monetary fund	24,710,083.00	/
No.4 Engineering Co., Ltd. of CCCC Second Harbor Engineering Co., Ltd.	Holding subsidiary of parent company	Selling goods	Project income	Pricing based on market price	24,459,644.00	24,459,644.00	0.11	Monetary fund	24,459,644.00	/
Jiangsu Longyuan Zhenhua Marine Engineering Co., Ltd	Joint venture	Rendering of labor service	Project income	Pricing based on market price	24,438,318.00	24,438,318.00	0.11	Monetary fund	24,438,318.00	/
China Harbor Engineering Co., Ltd	Holding subsidiary of parent company	Selling goods	Project income	Pricing based on market price	22,231,105.00	22,231,105.00	0.10	Monetary fund	22,231,105.00	/
No.1 Engineering Co., Ltd. of CCCC Second Harbor Engineering Co., Ltd.	Holding subsidiary of parent company	Selling goods	Project income	Pricing based on market price	19,181,054.00	19,181,054.00	0.09	Monetary fund	19,181,054.00	/
Road & Bridge South China Engineering Co., Ltd.	Holding subsidiary of parent company	Selling goods	Project income	Pricing based on market price	16,524,972.00	16,524,972.00	0.08	Monetary fund	16,524,972.00	/
CCCC Fourth Highway Engineering Co. Ltd.	Holding subsidiary of parent company	Rendering of labor service	Project income	Pricing based on market price	13,801,887.00	13,801,887.00	0.06	Monetary fund	13,801,887.00	/
CCCC Second Highway Consultants Co., Ltd.	Holding subsidiary of parent company	Rendering of labor service	Project income	Pricing based on market price	12,905,660.00	12,905,660.00	0.06	Monetary fund	12,905,660.00	/

Related party	Relationship	Type of associated transaction	Content of associated transaction	Pricing principle of associated transaction	Price of associated transaction	Amount of associated transaction	Proportion in the amount of similar transactions (%)	Settlement mode of associated transaction	Market price	Reason for great differences between the bargain price and market price
CCCC First Harbor Consultants Co., Ltd.	Holding subsidiary of parent company	Selling goods	Project income	Pricing based on market price	9,654,872.00	9,654,872.00	0.04	Monetary fund	9,654,872.00	/
CCCC First Highway Fifth Engineering Co., Ltd.	Holding subsidiary of parent company	Rendering of labor service	Project income	Pricing based on market price	7,500,000.00	7,500,000.00	0.03	Monetary fund	7,500,000.00	/
The Third Engineering Co., Ltd. of The First Highway Engineering Bureau of CCCC	Holding subsidiary of parent company	Selling goods	Project income	Pricing based on market price	6,550,315.00	6,550,315.00	0.03	Monetary fund	6,550,315.00	/
No.1 Engineering Co., Ltd. of CCCC First Harbor Engineering Co., Ltd.	Holding subsidiary of parent company	Selling goods	Project income	Pricing based on market price	5,264,957.00	5,264,957.00	0.02	Monetary fund	5,264,957.00	/
CCCC Third Harbor Consultants Co., Ltd.	Holding subsidiary of parent company	Selling goods	Project income	Pricing based on market price	5,018,319.00	5,018,319.00	0.02	Monetary fund	5,018,319.00	/
CCCC Guangzhou Dredging Co. Ltd.	Holding subsidiary of parent company	Rendering of labor service	Project income	Pricing based on market price	4,664,101.00	4,664,101.00	0.02	Monetary fund	4,664,101.00	/
ZPMC Mediterranean Liman Makinalari Ticaret Anonim Sirketi	Joint venture	Selling goods	Project income	Pricing based on market price	4,262,198.00	4,262,198.00	0.02	Monetary fund	4,262,198.00	/
CCCC First Highway Engineering Co., Ltd.	Holding subsidiary of parent company	Rendering of labor service	Project income	Pricing based on market price	4,000,000.00	4,000,000.00	0.02	Monetary fund	4,000,000.00	/
Friede & Goldman, LLC	Holding subsidiary of parent company	Selling goods	Project income	Pricing based on market price	2,673,016.00	2,673,016.00	0.01	Monetary fund	2,673,016.00	/
Chuwa Bussan Co. Ltd.	Holding subsidiary of parent company	Selling goods	Project income	Pricing based on market price	2,023,654.00	2,023,654.00	0.01	Monetary fund	2,023,654.00	/
ZPMC Changzhou Coatings Co., Ltd.	Associated company	Rendering of labor service	Project income	Pricing based on market price	1,396,226.00	1,396,226.00	0.01	Monetary fund	1,396,226.00	/
CCCC - SHEC Third Highway Engineering Co. Ltd.	Holding subsidiary of parent company	Selling goods	Project income	Pricing based on market price	1,057,048.00	1,057,048.00	0.00	Monetary fund	1,057,048.00	/
CCCC Tianjin Industry and Trade Co., Ltd.	Holding subsidiary of parent company	Selling goods	Project income	Pricing based on market price	674,414.00	674,414.00	0.00	Monetary fund	674,414.00	/
CCCC (Tianjin) Eco-environmental Protection Design & Research Institute Co., Ltd.	Holding subsidiary of parent company	Rendering of labor service	Project income	Pricing based on market price	207,547.00	207,547.00	0.00	Monetary fund	207,547.00	/
CCCC Highway Consultants Co. Ltd.	Holding subsidiary of parent company	Selling goods	Project income	Pricing based on market price	65,517.00	65,517.00	0.00	Monetary fund	65,517.00	/
CCCC Guangzhou Logistics Co., Ltd.	Holding subsidiary of parent company	Rendering of labor service	Project income	Pricing based on market price	56,604.00	56,604.00	0.00	Monetary fund	56,604.00	/
Hainan CCCC Fourth Harbor Construction Co., Ltd.	Holding subsidiary of parent company	Selling goods	Project income	Pricing based on market price	13,248.00	13,248.00	0.00	Monetary fund	13,248.00	/
CCCC - SHEC Second Engineering Co. Ltd.	Holding subsidiary of parent company	Selling goods	Project income	Pricing based on market price	7,727.00	7,727.00	0.00	Monetary fund	7,727.00	/
CCCC Second Highway Engineering Co. Ltd.	Holding subsidiary of parent company	Rendering of labor service	Project income	Pricing based on market price	7,547.00	7,547.00	0.00	Monetary fund	7,547.00	/
No.2 Engineering Co., Ltd. of CCCC Third Harbor Engineering Co., Ltd.	Holding subsidiary of parent company	Receiving labor service	Consigned processing for the Company	Pricing based on market price	435,493,711.00	435,493,711.00	2.41	Monetary fund	435,493,711.00	/
CCCC Second Harbor Engineering Co., Ltd.	Holding subsidiary of parent company	Receiving labor service	Consigned processing for the Company	Pricing based on market price	319,635,901.00	319,635,901.00	1.77	Monetary fund	319,635,901.00	/
CCCC Electrical and Mechanical Engineering Co., Ltd.	Holding subsidiary of parent company	Receiving labor service	Consigned processing for the Company	Pricing based on market price	183,813,849.00	183,813,849.00	1.02	Monetary fund	183,813,849.00	/
CCCC Fourth Highway Engineering Co. Ltd.	Holding subsidiary of parent company	Receiving labor service	Consigned processing for the Company	Pricing based on market price	180,145,846.00	180,145,846.00	1.00	Monetary fund	180,145,846.00	/
CCCC Third Harbor Engineering Co., Ltd.	Holding subsidiary of parent company	Receiving labor service	Consigned processing for the Company	Pricing based on market price	171,166,061.00	171,166,061.00	0.95	Monetary fund	171,166,061.00	/
CCCC Tianjin Dredging Co., Ltd.	Holding subsidiary of parent company	Receiving labor service	Consigned processing for the Company	Pricing based on market price	119,241,651.00	119,241,651.00	0.66	Monetary fund	119,241,651.00	/
No.2 Engineering Co., Ltd. of CCCC Fourth Harbor Engineering Co., Ltd.	Holding subsidiary of parent company	Receiving labor service	Consigned processing for the Company	Pricing based on market price	58,238,659.00	58,238,659.00	0.32	Monetary fund	58,238,659.00	/
CCCC - SHEC Second Engineering Co. Ltd.	Holding subsidiary of parent company	Receiving labor service	Consigned processing for the Company	Pricing based on market price	51,067,364.00	51,067,364.00	0.28	Monetary fund	51,067,364.00	/

Related party	Relationship	Type of associated transaction	Content of associated transaction	Pricing principle of associated transaction	Price of associated transaction	Amount of associated transaction	Proportion in the amount of similar transactions (%)	Settlement mode of associated transaction	Market price	Reason for great differences between the bargain price and market price
CCCC Shanghai Dredging Co., Ltd	Holding subsidiary of parent company	Receiving labor service	Consigned processing for the Company	Pricing based on market price	44,255,071.00	44,255,071.00	0.24	Monetary fund	44,255,071.00	/
CCCC Shanghai Equipment Engineering Co., Ltd.	Holding subsidiary of parent company	Receiving labor service	Consigned processing for the Company	Pricing based on market price	31,619,960.00	31,619,960.00	0.17	Monetary fund	31,619,960.00	/
CCCC Third Highway Engineering Co. Ltd.	Holding subsidiary of parent company	Receiving labor service	Consigned processing for the Company	Pricing based on market price	26,704,324.00	26,704,324.00	0.15	Monetary fund	26,704,324.00	/
CCCC First Harbor Consultants Co., Ltd.	Holding subsidiary of parent company	Receiving labor service	Consigned processing for the Company	Pricing based on market price	26,259,626.00	26,259,626.00	0.15	Monetary fund	26,259,626.00	/
CCCC First Harbor Engineering Co., Ltd.	Holding subsidiary of parent company	Receiving labor service	Consigned processing for the Company	Pricing based on market price	24,659,835.00	24,659,835.00	0.14	Monetary fund	24,659,835.00	/
CCCC Second Highway Consultants Co., Ltd.	Holding subsidiary of parent company	Receiving labor service	Consigned processing for the Company	Pricing based on market price	22,139,413.00	22,139,413.00	0.12	Monetary fund	22,139,413.00	/
CCCC Leasing No.2 Co. Ltd.	Holding subsidiary of parent company	Receiving labor service	Consigned processing for the Company	Pricing based on market price	17,399,943.00	17,399,943.00	0.10	Monetary fund	17,399,943.00	/
No.1 Engineering Co., Ltd. of CCCC First Harbor Engineering Co., Ltd.	Holding subsidiary of parent company	Receiving labor service	Consigned processing for the Company	Pricing based on market price	16,698,341.00	16,698,341.00	0.09	Monetary fund	16,698,341.00	/
China Communications Second Navigational Bureau Third Engineering Co., Ltd.	Holding subsidiary of parent company	Receiving labor service	Consigned processing for the Company	Pricing based on market price	13,181,025.00	13,181,025.00	0.07	Monetary fund	13,181,025.00	/
CCCC - SHEC Third Highway Engineering Co. Ltd.	Holding subsidiary of parent company	Receiving labor service	Consigned processing for the Company	Pricing based on market price	12,990,744.00	12,990,744.00	0.07	Monetary fund	12,990,744.00	/
No.3 Engineering Co., Ltd. of CCCC Third Harbor Engineering Co., Ltd.	Holding subsidiary of parent company	Receiving labor service	Consigned processing for the Company	Pricing based on market price	10,326,479.00	10,326,479.00	0.06	Monetary fund	10,326,479.00	/
CCCC Water Transportation Planning and Design Institute Co., Ltd.	Holding subsidiary of parent company	Receiving labor service	Consigned processing for the Company	Pricing based on market price	9,564,649.00	9,564,649.00	0.05	Monetary fund	9,564,649.00	/
ZPMC Mediterranean Liman Makinalari Ticaret Anonim Sirketi	Joint venture	Receiving labor service	Consigned processing for the Company	Pricing based on market price	8,502,537.00	8,502,537.00	0.05	Monetary fund	8,502,537.00	/
Chuwa Bussan Co. Ltd.	Holding subsidiary of parent company	Receiving labor service	Consigned processing for the Company	Pricing based on market price	7,063,023.00	7,063,023.00	0.04	Monetary fund	7,063,023.00	/
Installation Engineering Co., Ltd. of CCCC First Harbor Engineering Co. Ltd.	Holding subsidiary of parent company	Receiving labor service	Consigned processing for the Company	Pricing based on market price	5,974,138.00	5,974,138.00	0.03	Monetary fund	5,974,138.00	/
CCCC Tunnel Engineering Co., Ltd.	Holding subsidiary of parent company	Receiving labor service	Consigned processing for the Company	Pricing based on market price	4,536,422.00	4,536,422.00	0.03	Monetary fund	4,536,422.00	/
China Communications Construction Company Ltd.	Holding subsidiary of parent company	Receiving labor service	Consigned processing for the Company	Pricing based on market price	3,701,020.00	3,701,020.00	0.02	Monetary fund	3,701,020.00	/
CCCC Marine Engineering & Technology Research Center Co., Ltd.	Holding subsidiary of parent company	Receiving labor service	Consigned processing for the Company	Pricing based on market price	3,425,753.00	3,425,753.00	0.02	Monetary fund	3,425,753.00	/
Shanghai Jiangnan Industrial Co., Ltd	Holding subsidiary of parent company	Receiving labor service	Consigned processing for the Company	Pricing based on market price	2,594,773.00	2,594,773.00	0.01	Monetary fund	2,594,773.00	/
Shanghai Communications Construction Contracting Co., Ltd.	Holding subsidiary of parent company	Receiving labor service	Consigned processing for the Company	Pricing based on market price	1,254,523.00	1,254,523.00	0.01	Monetary fund	1,254,523.00	/
China Communications Materials & Equipment Co., Ltd	Holding subsidiary of parent company	Receiving labor service	Consigned processing for the Company	Pricing based on market price	318,966.00	318,966.00	0.00	Monetary fund	318,966.00	/
CCCC Third Harbor Consultants Co., Ltd.	Holding subsidiary of parent company	Receiving labor service	Consigned processing for the Company	Pricing based on market price	85,470.00	85,470.00	0.00	Monetary fund	85,470.00	/
Chuwa Bussan Co. Ltd.	Holding subsidiary of parent company	Purchase of goods	Providing materials for the Company	Pricing based on market price	19,663,204.00	19,663,204.00	0.11	Monetary fund	19,663,204.00	/
CCCC Shanghai Equipment Engineering Co., Ltd.	Holding subsidiary of parent company	Purchase of goods	Providing materials for the Company	Pricing based on market price	210,238,846.00	210,238,846.00	1.16	Monetary fund	210,238,846.00	/

Related party	Relationship	Type of associated transaction	Content of associated transaction	Pricing principle of associated transaction	Price of associated transaction	Amount of associated 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
ZPMC Changzhou Coatings Co., Ltd.	Associated company	Purchase of goods	Providing materials for the Company	Pricing based on market price	108,484,161.00	108,484,161.00	0.60	Monetary fund	108,484,161.00	/
Shanghai Jiangnan Industrial Co., Ltd	Holding subsidiary of parent company	Purchase of goods	Providing materials for the Company	Pricing based on market price	65,858,536.00	65,858,536.00	0.36	Monetary fund	65,858,536.00	/
CCCC National Engineering Research Center of Dredging Technology and Equipment	Holding subsidiary of parent company	Purchase of goods	Providing materials for the Company	Pricing based on market price	1,245,211.00	1,245,211.00	0.01	Monetary fund	1,245,211.00	/
China Communications Construction Company Ltd.	Holding subsidiary of parent company	Purchase of goods	Providing materials for the Company	Pricing based on market price	258,621.00	258,621.00	0.00	Monetary fund	258,621.00	/
CCCC Water Transportation Planning and Design Institute Co., Ltd.	Holding subsidiary of parent company	Purchase of goods	Providing materials for the Company	Pricing based on market price	237,931.00	237,931.00	0.00	Monetary fund	237,931.00	/
China Communications Materials & Equipment Co., Ltd	Holding subsidiary of parent company	Purchase of goods	Providing materials for the Company	Pricing based on market price	209,106.00	209,106.00	0.00	Monetary fund	209,106.00	/
Jiangsu Longyuan Zhenhua Marine Engineering Co., Ltd	Joint venture	Purchase of goods	Providing materials for the Company	Pricing based on market price	10,643,590.00	10,643,590.00	0.06	Monetary fund	10,643,590.00	/
CNPC & CCCC Petroleum Sales Co., Ltd.	Holding subsidiary of parent company	Purchase of goods	Providing materials for the Company	Pricing based on market price	1,487,613.00	1,487,613.00	0.01	Monetary fund	1,487,613.00	/
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	302,564.00	302,564.00	0.00	Monetary fund	302,564.00	/
CCCC Tunnel Engineering Co., Ltd.	Holding subsidiary of parent company	Other inflows	Leasing of tunnel boring machine	Pricing based on market price	34,392,257.00	34,392,257.00	0.16	Monetary fund	34,392,257.00	/
CCCC Second Highway Engineering Co. Ltd.	Holding subsidiary of parent company	Other inflows	Leasing of tunnel boring machine	Pricing based on market price	26,075,675.00	26,075,675.00	0.12	Monetary fund	26,075,675.00	/
CCCC First Highway Engineering Co., Ltd.	Holding subsidiary of parent company	Other inflows	Leasing of tunnel boring machine	Pricing based on market price	17,393,504.00	17,393,504.00	0.08	Monetary fund	17,393,504.00	/
Jiangsu Longyuan Zhenhua Marine Engineering Co., Ltd	Joint venture	Other inflows	Vessel leasing	Pricing based on market price	17,133,962.00	17,133,962.00	0.08	Monetary fund	17,133,962.00	/
Binhai Environmental Protection Dredging Co., Ltd. of CCCC Tianjin Dredging Co., Ltd.	Holding subsidiary of parent company	Other inflows	Vessel leasing	Pricing based on market price	16,810,345.00	16,810,345.00	0.08	Monetary fund	16,810,345.00	/
China Communications Second Navigational Bureau Third Engineering Co., Ltd.	Holding subsidiary of parent company	Other inflows	Leasing of tunnel boring machine	Pricing based on market price	15,756,410.00	15,756,410.00	0.07	Monetary fund	15,756,410.00	/
China Communications Second Navigational Bureau Third Engineering Co., Ltd.	Holding subsidiary of parent company	Other inflows	Vessel leasing	Pricing based on market price	8,909,091	8,909,091	0.04	Monetary fund	8,909,091	/
CCCC First Harbor Engineering Co., Ltd.	Holding subsidiary of parent company	Other inflows	Leasing of tunnel boring machine	Pricing based on market price	12,181,009.00	12,181,009.00	0.06	Monetary fund	12,181,009.00	/
CCCC - SHEC First Highway Engineering Co. Ltd.	Holding subsidiary of parent company	Other inflows	Leasing of tunnel boring machine	Pricing based on market price	7,304,022.00	7,304,022.00	0.03	Monetary fund	7,304,022.00	/
CCCC Third Highway Engineering Co. Ltd.	Holding subsidiary of parent company	Other inflows	Leasing of tunnel boring machine	Pricing based on market price	5,617,718.00	5,617,718.00	0.03	Monetary fund	5,617,718.00	/
Road & Bridge International Co., Ltd.	Holding subsidiary of parent company	Other inflows	Leasing of tunnel boring machine	Pricing based on market price	4,909,838.00	4,909,838.00	0.02	Monetary fund	4,909,838.00	/
The Fourth Engineering Co., Ltd. of CCCC Second Highway Engineering Co., Ltd.	Holding subsidiary of parent company	Other inflows	Leasing of tunnel boring machine	Pricing based on market price	2,949,470.00	2,949,470.00	0.01	Monetary fund	2,949,470.00	/
China Communications Construction Company Ltd.	Holding subsidiary of parent company	Other inflows	Vessel leasing	Pricing based on market price	358,225.00	358,225.00	0.00	Monetary fund	358,225.00	/
Total				/	/	4,938,949,961.00	12.38	/	/	/
Details of large amount of sales returns				None						
Explanation for associated transactions				On May 9, 2016, the annual general meeting of the Company in 2015 approved Proposal for Signing Framework Agreement on Associated Transaction between the Company and CHINA COMMUNICATIONS CONSTRUCTION CO., LTD. In 2018, the amount of the annual associated transaction in the normal business between the Company and its subsidiaries and China Communications Construction Co., Ltd and its subsidiaries did not exceed RMB 11 billion Yuan. The Annual General Meeting had authorized the Company's management to handle the relevant specific matters.						

2.Associated transactions arising from acquisition or offering of assets or stock equity

1. Events disclosed in the 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 associated transactions with joint external investments

1. Events disclosed in the 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. Current associated rights of credit and liabilities

1. Events disclosed in the 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: RMB

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	Associated transaction or not	Relationship
The Company	Shanghai Zhenlong Asset Management Co., Ltd, and other companies	Lease of houses	264,709,805.71	Aug. 10, 2012	July 9, 2025	45,037,758.64	Agreed	45,037,758.64	No	Other

(II) Guarantee

√Applicable □Not applicable

Unit: Yuan Currency: RMB

External guarantee of the Company (excluding guarantee to the subsidiaries)													
Guarantor	Relation between the guarantor and the listed company	Guaranteed party	Amount of guarantee	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)					-10,790,000								
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					943,700,800								
Total balance of guarantee to the subsidiaries at the end of the reporting period (B)					3,099,986,800								
Total amount of guarantee of the Company (including guarantee to the subsidiaries)													
Total amount of guarantee (A+B)					3,099,986,800								
Proportion of total amount of guarantee in the net assets of the Company (%)					17.6								
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)					2,315,882,800								
Amount of guarantee exceeding 50% of net assets (E)													
Total guarantee amount of the above three items (C+D+E)					2,315,882,800								
Explanation for the joint and several repayment liabilities if the undue guarantee													
Description of guarantee					The 1 st provisional general meeting for 2008 held in Sept. 22, 2008 deliberated and approved Proposal for Providing Financing Guarantee to the Subsidiary Shanghai Zhenhua Port Machinery (Hong Kong) Co., Ltd by the Company and agreed to provide the financial support to the subsidiary in Hong Kong and provided the guarantee for the loan it applied for through the bank and other guarantee matters were deliberated and approved on the 30 th meeting of the 5 th session of Board of Directors.								

3. Consigned cash assets management

1. Consigned financing

(1) General 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 of consigned loans

□Applicable √Not applicable

Other information

□Applicable √Not applicable

(2) Individual consigned loan

☐Applicable ☒Not applicable

Other information

☐Applicable ☒Not applicable

(3) Provision for impairment of consigned loan

☐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 reduction of the listed company

☐Applicable ☒Not applicable

2. Fulfillment of social responsibility

☒Applicable ☐Not applicable

The Company actively bears the social responsibilities of the state-owned enterprise, enhances the responsibility management to create the benefit for the shareholders, upgrades the operation quality to create the high quality products for the users, effectively readjust the industrial structure and the business layout, responds to the “Belt and Road” initiative and “Made in China 2025 Strategy” with the actual action, implements the development strategy with equipment manufacturing as the center and capital operation and Internet+ as two wings, continuously increases the investment in innovation, accelerates the layout of the overseas regional center, builds Terminexus digitalized intelligent platform and provides faster and more efficient services to the global customers.

The Company is always keeping “human oriented”, actively builds the occupational development platform for the employees and earnestly maintains the rights and interests of the employees with many measures. The Company pays high attention to the communication with the stakeholders including the customers, the communities, schools and the social public and continually adjusts the overall operation of the Company according to the expectations of the related parties. As a manufacturing enterprise, Shanghai Zhenhua Heavy Industries Co., Ltd advocates the green development and integrates the sustainable development concept in every aspect of production and operation.

The Company relies on the large-scale charity sale activities and actively raises the “Fund for Schooling and Dream Building of Shanghai Zhenhua Heavy Industries Co., Ltd”, continually carries out the help and support activities in the targeted poverty alleviation unit of the Company, Tu’e Town, Lanping County Nujiang City, Yunnan Province in the aspect of education improvement and so on. During the reporting period, it organized to carry out the poverty alleviation activity of “Being Grateful to You and Schooling and Dreaming Building” and raised RMB 59,653.66 Yuan for the “Fund for Schooling and Dream Building of Shanghai Zhenhua Heavy Industries Co., Ltd” to contribute 4 computers, 110 bed clothes for the students and 110 sets of schoolbags and stationeries to two primary schools in Tu’e Town, Lanping County, Nujiang City, Yunnan Province and denote the school gifts to 19 newly enrolled poor students in Majimi Village Maji Town Fugong County. The Youth League Committee of the Company led to purchase the schoolbags, pencil bags, Xinhua Directory, English-Chinese Directory, copybooks, diaries, vacuum cups and so on, with the total value of RMB 130,000 Yuan for contribution to schooling. In addition, it denoted over 900 new clothes to the front line of the poverty alleviation workers in two schools in Xihe County, Longnan City, Gansu Province and Ninglang County, Linjiang City, Yunnan Province and Fugong County, Nujiang City, Yunnan Province.

3.Environmental information

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

√Applicable ☐Not applicable

(1) Pollutant discharge

√Applicable ☐Not applicable

The main type of the pollutant discharge by Longxing Subsidiary Company and Nantong Subsidiary Branch of the Company: in accordance with the requirements of the local government, it installed online monitoring equipment and achieved the networking of the monitoring data about the discharged wastewater and waste gas into the network of the government.

Discharge mode: it newly increased the domestic sewage treatment facilities and installed the online monitoring system; the domestic sewage was discharged up to the standard after treatment; it reconstructed the steel plate pre-treatment flow line and coating flow line, reconstructed VOCs end treatment unit, newly increased the weld fume adsorption and treatment unit; the atmospheric pollutants such as the waste gas, fume and VOCs were discharged up to the standard after treatment; the solid wastes and the hazardous wastes were handed over to the qualified units for treatment.

(2) Construction and operation of pollution control facilities

√Applicable ☐Not applicable

Changxing Subsidiary Company of Shanghai Zhenhua Heavy Industries Co., Ltd accomplished the reconstruction of pretreatment and coating flow line and VOCs end treatment unit, installed the sound-proof cotton in the workshops with relatively high noise and the construction and the operation of the pollution prevention facilities were in good condition.

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

√Applicable ☐Not applicable

It accomplished the environmental impact assessment for the reconstruction of 4# hazardous goods dock of Changxing Subsidiary Company.

(4) Emergency proposal for environmental accident

√Applicable ☐Not applicable

Changxing Subsidiary Company, Jiangyin Subsidiary Company, Nantong Company, Nantong Transmitter Co., Ltd, Ocean Engineering Platform Division, Shanghai Zhenhua Port Machinery Heavy Industries Co., Ltd, Port Machinery General Equipment Co., Ltd and Qidong Ocean Engineering Co., Ltd established comprehensive and special emergency preplan for typhoon prevention, flood prevention, sunstroke prevention, cooling, special equipment and ship. Up to now, Shanghai Zhenhua Heavy Industries Co., Ltd has released 129 kinds of emergency preplans.

(5) Self-monitoring scheme for environmental protection

√Applicable ☐Not applicable

The self-monitoring scheme of Changxing Subsidiary Company of Shanghai Zhenhua Heavy Industries Co., Ltd was: 1. Online wastewater monitoring; 2. Environmental monitoring by the entrusted third party; 3. Boundary noise self-measurement.

(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 unit

√Applicable ☐Not applicable

The types of the main pollutants discharged from Qidong Ocean Engineering Co., Ltd, Shanghai Port Machinery Heavy Industries Co., Ltd and Nantong Transmitter Co., Ltd included wastewater, waste gas, fume, volatile organic substances, general industrial solid wastes and hazardous wastes.

Discharge mode: Shanghai Port Machinery Heavy Industries Co., Ltd and Qidong Ocean Engineering Co., Ltd reconstructed the wastewater treatment units and the wastewater was discharged up to the standard after treatment; Nantong Transmitter Co., Ltd reformed the environmental protection equipment, the atmospheric pollutants such as the waste gas, fume and VOCs were discharged in the manner of organized discharge; the solid wastes and the hazardous wastes were handed over to the qualified units for treatment.

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

☐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

4.Other information

☐Applicable ☒Not applicable

XVIII. Convertible bonds

1.Issuance of convertible bonds

☐Applicable ☒Not applicable

2.Information about the convertible bond holder and guarantor during the reporting period

☐Applicable ☒Not applicable

3.Changes in convertible bonds during the reporting period

☐Applicable ☒Not applicable

Accumulated conversion of convertible bonds during the reporting period

☐Applicable ☒Not applicable

4.Previous adjustments of conversion price

☐Applicable ☒Not applicable

5.Particulars about the liabilities, credit changes and cash arrangement for debt repayment in future years

☐Applicable ☒Not applicable

6.Other information about convertible bonds

☐Applicable ☒Not applicable

Section VI | Changes in Ordinary Shares and Information about Shareholders

I.Changes in ordinary shares capital

1.Table of changes in ordinary shares

1.Table of changes in ordinary shares

Unit: share

	Before this change		Change (+, -)					After this change	
	Number	Ratio (%)	Stock issue	Dividend stock	Contributed Capital Surplus	Others	Subtotal	Number	Ratio (%)
I. Floating shares with trading limited conditions									
1. Shared held by the state									
2. Shares held by state legal entity									
3. Other shares held by the domestic investors									
Thereinto: shares held by the domestic non-state legal entity									
Share held by domestic natural person									
4. Shares held by foreign investors									
Thereinto: shares held by overseas legal entity									
Shares held by the overseas natural person									
II. Floating shares without trading limited conditions	4,390,294,584	100.00			878,058,917		878,058,917	5,268,353,501	100.00
1. Common stock (RMB denominated)	2,768,331,384	63.06			553,666,277		553,666,277	3,321,997,661	63.06
Domestically-Listed Shares Held By Foreign Investors-Dividend Stock	1,621,963,200	36.94			324,392,640		324,392,640	1,946,355,840	36.94
3. Overseas-Listed Shares Held By Foreign Investors-Dividend Stock									
4. Others									
III. Total of ordinary shares	4,390,294,584	100.00			878,058,917		878,058,917	5,268,353,501	100.00

2. Description of the changes in ordinary shares

√Applicable □Not applicable

This year, The Company adopted the profit distribution plan for 2017. Based on the total shares of the Company by Dec. 31, 2017 as the basic number, 2 bonus shares per 10 shares were distributed to all shareholder of the Company and the total shares after conversion were 5,268,353,501 shares.

3. Impact of changes in ordinary shares on the earnings per share and net asset value per share in the latest one year and the latest one period (if any)

√Applicable □Not applicable

	Before change in shares	After change in shares
EPS (Yuan)	0.101	0.084
Net assets per share (Yuan)	3.46	2.88

4. Other contents that the Company deems necessary or is required by the securities regulatory authorities to disclose

☐Applicable ☒Not applicable

2.Changes in restricted shares

☐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	246,260
Total of ordinary shareholders by the end of the month previous to the disclosure date of annual report	235,940

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	Shares held at end of the reporting period	Proportion (%)	Number of shares with trading limited conditions held	Pledged or frozen status		Nature of shareholder
					Share status	Number of shares	
CCCG (HK) Holding Limited	152,792,640	916,755,840	17.401	0	None	0	Overseas legal person
China Communications Construction Company Ltd.	142,590,341	855,542,044	16.239	0	None	0	State-owned legal person
China Communications Construction Group Co., Ltd.	110,537,229	663,223,375	12.589	0	None	0	State-owned legal person
Central Huijin Asset Management Co., Ltd	14,896,440	89,378,640	1.70		Unknown		Unknown
China Securities Finance Co., Ltd	25,481,394	82,269,868	1.56		Unknown		Unknown
Securities investment fund for Structural Adjustment ETF by CMBChina-Bosera Central Securities Enterprises	21,860,489	21,860,489	0.41		Unknown		Unknown

Shares held by Top 10 shareholders							
Name of shareholder (in full)	Changes in the reporting period	Shares held at end of the reporting period	Proportion (%)	Number of shares with trading limited conditions held	Pledged or frozen status		Nature of shareholder
					Share status	Number of shares	
BOSERA FUNDS - Agricultural Bank of China - BOSARE China Securities Financial Assets Management Plan	3,309,320	19,855,920	0.38		Unknown		Unknown
E FUND Management - Agricultural Bank of China - E FUND Management China Securities Financial Assets Management Plan	3,309,320	19,855,920	0.38		Unknown		Unknown
DACHENG FUND - Agricultural Bank of China - DACHENG China Securities Financial Assets Management Plan	3,309,320	19,855,920	0.38		Unknown		Unknown
Harvest Fund - Agricultural Bank of China - Harvest China Securities Financial Assets Management Plan	3,309,320	19,855,920	0.38		Unknown		Unknown
GF Fund - Agricultural Bank of China - GF China Securities Financial Assets Management Plan	3,309,320	19,855,920	0.38		Unknown		Unknown
Lombarda China Fund - Agricultural Bank of China - Lombarda China Fund China Securities Financial Assets Management Plan	3,309,320	19,855,920	0.38		Unknown		Unknown
China Asset Management - Agricultural Bank of China - China Asset Management China Securities Financial Assets Management Plan	3,309,320	19,855,920	0.38		Unknown		Unknown
Yinhua Fund - Agricultural Bank of China - Yinhua China Securities Financial Assets Management Plan	3,309,320	19,855,920	0.38		Unknown		Unknown
China Southern Asset Management - Agricultural Bank of China - CSAM China Securities Financial Assets Management Plan	3,309,320	19,855,920	0.38		Unknown		Unknown
ICBC Credit Suisse Fund - Agricultural Bank of China - ICBC Credit Suisse China Securities Financial Assets Management Plan	3,309,320	19,855,920	0.38		Unknown		Unknown

Shareholdings of Top 10 shareholders without trading limited conditions			
Name of shareholder	Number of marketable shares without trading limited conditions held	Type & number of shares	
		Type	Number
CCCG (HK) Holding Limited	916,755,840	Foreign-oriented stocks	
China Communications Construction Company Ltd.	855,542,044	A-share	
China Communications Construction Group Co., Ltd.	663,223,375	A-share	
Central Huijin Asset Management Co., Ltd	89,378,640	A-share	
China Securities Finance Co., Ltd	82,269,868	A-share	
Securities investment fund for Structural Adjustment ETF by CMB China-Bosera Central Securities Enterprises	21,860,489	A-share	
FUNDS - Agricultural Bank of China - BOSARE China Securities Financial Assets Management Plan	19,855,920	A-share	
E FUND Management - Agricultural Bank of China - E FUND Management China Securities Financial Assets Management Plan	19,855,920	A-share	
DACHENG FUND - Agricultural Bank of China - DACHENG China Securities Financial Assets Management Plan	19,855,920	A-share	

Shareholdings of Top 10 shareholders without trading limited conditions			
Name of shareholder	Number of marketable shares without trading limited conditions held	Type & number of shares	
		Type	Number
Harvest Fund - Agricultural Bank of China - Harvest China Securities Financial Assets Management Plan	19,855,920	A-share	
GF Fund - Agricultural Bank of China - GF China Securities Financial Assets Management Plan	19,855,920	A-share	
Lombarda China Fund - Agricultural Bank of China - Lombarda China Fund China Securities Financial Assets Management Plan	19,855,920	A-share	
China Asset Management - Agricultural Bank of China - China Asset Management China Securities Financial Assets Management Plan	19,855,920	A-share	
Yinhua Fund - Agricultural Bank of China - Yinhua China Securities Financial Assets Management Plan	19,855,920	A-share	
China Southern Asset Management - Agricultural Bank of China - CSAM China Securities Financial Assets Management Plan	19,855,920	A-share	
ICBC Credit Suisse Fund - Agricultural Bank of China - ICBC Credit Suisse China Securities Financial Assets Management Plan	19,855,920	A-share	
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.		

Number of shares held by Top 10 shareholders with trading limited conditions and the trading limited conditions

☐Applicable ☒Not applicable

3.Strategic investor or ordinary corporations as Top 10 shareholders for rights issue

☐Applicable ☒Not applicable

IV. Particulars about the controlling shareholder and the actual controller

1.Controlling shareholder

1. Legal person

☒Applicable ☐Not applicable

Name	China Communications Construction Group Co., Ltd.
Company principal or legal representative	Liu Qitao
Date of establishment	Dec. 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 tourist industries.

Shareholdings in other controlled or non-controlled listed companies at home or abroad during the reporting period	<p>CCCCG holds 59.91% of the stock equity of CCCC (601800.SH) and it is the controlling shareholder.</p> <p>CCCCG holds 100% of the stock equity of CCGG Real Estate Group Co., Ltd. CCGG 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 CCGG Real Estate Co., Ltd (name used before: Chongqing Industries, Zhongfang Real Estate) (000726.SZ) and it is the controlling shareholder.</p> <p>CCCCG and its controlling subsidiaries totally hold 28.91% of the stock equity of Greentown Holding Co., Ltd (03900.HK) and are the controlling shareholder.</p> <p>CCCCG and its subsidiaries hold 29.99% of the stock equity of Shanghai Zhenhua Heavy Industries Co., Ltd (600320.SH) and are the controlling shareholder.</p>
Other information	

2. Natural person

☐Applicable ☒Not applicable

3. Particulars about no controlling shareholder in the Company

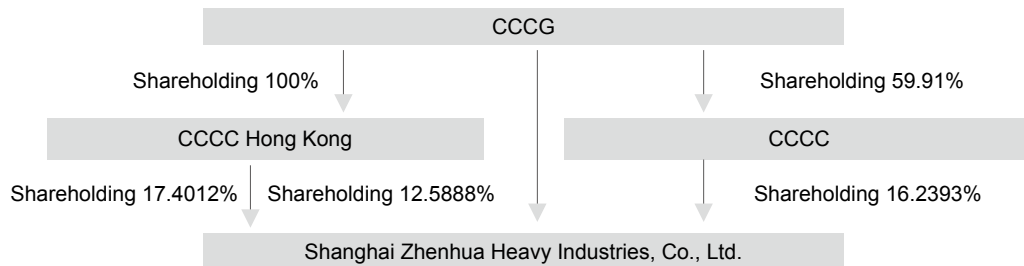
☐Applicable ☒Not applicable

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

☐Applicable ☒Not applicable

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

☒Applicable ☐Not applicable



2.Actual controller

1. Legal person

☐Applicable ☒Not applicable

2. Natural person

☐Applicable ☒Not applicable

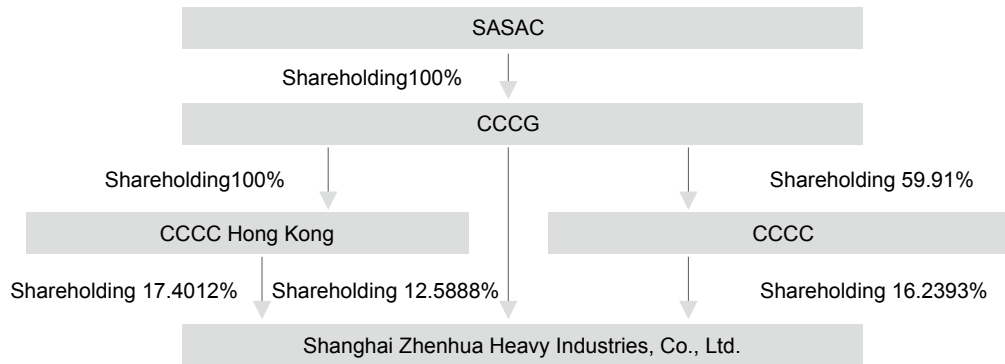
3. Particulars about no actual controller in the Company

☐Applicable ☒Not applicable

4. 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 the controlling shareholder and the actual controller

☐Applicable ☒Not applicable

V. Other corporate shareholders holding over 10% shares

☐Applicable ☒Not applicable

VI. Particulars about restriction on reduction in shares held

☐Applicable ☒Not applicable

Section VII | Preference Shares

☐Applicable ☒Not applicable

Section VIII | Directors, Supervisors, Senior Management and Employees

I. Changes in shares held and remunerations

(I) 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	Title (note)	Sex	Age	Starting date of tenure	Expiry date of tenure	Shares held at the beginning of year	Shares held at the end of year	Amount of change in shares in the year	Reason of change	Total remuneration before tax from the Company during the reporting period (RMB 10000)	Remuneration from the related party of the Company or not
Song Lianyu	Chairman of the Board, Party secretary	Male	49	June 26, 2018	June 25, 2021	0	427,200	427,200	Buying on secondary market and profit distribution	73.67	No
Huang Qingfeng	Director, President, Deputy party secretary	Male	44	June 26, 2018	June 25, 2021	0	0	0		73.67	No
Zhang Hongwen	Director	Male	59	June 26, 2018	June 25, 2021	0	0	0		0	Yes
Yan Yunfu	Director, chief engineer	Male	60	June 26, 2018	June 25, 2021	0	0	0		58.94	No
Liu Qizhong	Director, vice president	Male	55	June 26, 2018	June 25, 2021	0	0	0		58.94	No
Dai Wenkai	Director, vice president	Male	52	June 26, 2018	June 25, 2021	0	0	0		58.94	No
Zhu Xiaohuai	Director, CFO	Male	50	June 26, 2018	June 25, 2021	0	0	0		44.02	No
Zhao Zhanbo	Independent director	Male	43	June 26, 2018	June 25, 2021	0	0	0		6	No
Ji Linhong	Independent director	Male	57	June 26, 2018	June 25, 2021	0	0	0		6	No
Ling He	Independent director	Male	67	June 26, 2018	June 25, 2021	0	0	0		12.32	No
Yang Jun	Independent director	Male	62	June 26, 2018	June 25, 2021	0	0	0		12.32	No
Bai Yunxia	Independent director	Female	46	June 26, 2018	June 25, 2021	0	0	0		11.83	No
Wang Cheng	Supervisor, deputy party secretary, Secretary of Committee for Discipline Inspection, chairman of labour union	Male	46	June 26, 2018	June 25, 2021	0	0	0		51.53	No
Zhang Minghai	Supervisor	Male	57	June 26, 2018	June 25, 2021	20,259	24,311	4,052	Profit distribution	83.47	No

Name	Title (note)	Sex	Age	Starting date of tenure	Expiry date of tenure	Shares held at the beginning of year	Shares held at the end of year	Amount of change in shares in the year	Reason of change	Total remuneration before tax from the Company during the reporting period (RMB 10000)	Remuneration from the related party of the Company or not
Xiang Xudong	Supervisor	Male	43	June 26, 2018	June 25, 2021	0	0	0	Profit distribution	72.27	No
Liu Jianbo	Vice president	Male	56	Aug. 22, 2018	June 25, 2021	0	0	0		58.94	No
Zhou Qi	Vice president	Male	47	Aug. 22, 2018	June 25, 2021	0	0	0		58.94	No
Chen Bin	Vice president	Male	45	Aug. 22, 2018	June 25, 2021	89,440	107,328	17,888		58.94	No
Shan Jianguo	Vice president	Male	55	Aug. 22, 2018	June 25, 2021	0	0	0		58.94	No
Zhang Jian	Vice president	Male	50	Aug. 22, 2018	June 25, 2021	0	0	0		58.94	No
Fei Guo	Chief engineer	Male	57	Aug. 22, 2018	June 25, 2021	0	0	0		58.94	No
Li Ruixiang	Chief economist	Male	44	Aug. 22, 2018	June 25, 2021	0	0	0		58.94	No
Sun Li	General counsel and secretary of the board	Male	47	Aug. 22, 2018	June 25, 2021	0	0	0		58.94	No
She Lian	Former independent director	Male	60	Apr. 21, 2015	June 26, 2018	0	0	0		6	No
Gu Wei	Former independent director	Male	62	Apr. 21, 2015	June 26, 2018	0	0	0		6	No
Total	/	/	/	/	/	109,699	558,839	449,140	/	1,107.44	/

Name	Main working experiences
Song 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 deputy general manager of the Equipment Manufacturing Marine Heavy Industry Department of China Communications Construction Co., Ltd. Now, her is the Chairman of the Board and Party secretary of the Company.
Huang Qingfeng	Born in 1975, male, EMBA, senior engineer. He began his career in August 1996 and successively served as the quality project chief, director of field bridge office of quality management department; deputy general manager of after-sales department, general manager of Quality Inspection Company; vice director of off-shore office, director of Quality Safety Department, director of Product Service Center and assistant president of the Company; vice president of the Company from Jan. 2005 and the executive vice president and director of Production and Project Management Center since 2014. Now, he is the director, president, deputy party secretary of the Company.
Zhang Hongwen	Born in 1960, male, bachelor, senior engineer; engaged in work in August, 1983. He successively served as the deputy general manager of Overseas Division and manager of Integrated Department of Zhonggong Group, deputy general manager of Engineering Management Department and Operation & Management Department of China Communications Construction Co., Ltd, deputy general manager and general manager of Capital Construction Department (Dredging Department) and the executive general manger 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. Now, he is the general manager of CCCC Equipment Manufacturing & Marine Heavy Industry Department and the director of the Company.
Yan Yunfu	Born in 1959, male, EMBA, professor-level senior engineer. He successively served as the Vice Chief of Technical Department, manager of Mechanical Design Department, deputy chief engineer, chief engineer and vice president of the Company, and President of Land Heavy Industry Equipment Design Institute, director of the Company since 2004. Now, he is the director and chief engineer of the Company.
Liu Qizhong	Born in 1964, male, bachelor degree, senior economist. He successively served as the vice manager and manager of Operating Department and the director of the Company since 1997. Now, he is the director and vice president of the Company.

Name	Main working experiences
Dai Wenkai	Born in 1967, male, master of physics, EMBA, senior engineer. He began his career in 1993 and served as the Vice Manger and Manager of Operating Department, vice chief economist and chief economist of the Company. Now, his 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 1991 and successively served as the deputy section manager of Financial Division of CCCC Shanghai Dredging Co., Ltd, deputy director of Budget and Finance Department, deputy manager, manager and member of commission for disciplinary inspection of Finance Department of CCCC Shanghai Dredging Co., Ltd, and the director, chief account and standing committee member of CCCC Shanghai Dredging Co. Ltd. Now, he served as the director and CFO 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. Now he acts as the independent director of the Company.
Ji Linhong	Born in 1962, Male, Ph. D. He successively acted 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 deputy director of Department of Precision Instrument of Tsinghua University, deputy 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, deputy 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. Now he acts as the independent director of the Company.
Ling He	Born in 1952, male, professor, senior editor (Senior professional title) of Liberation Daily, director of Shanghai Journalists Association, director of Shanghai Institute of Essays. He successively served as the member, assistant chief editor, director of Editing Department of the democratic and legal magazine agency, vice director and director of Comment Department of Liberation Daily, main editor of Liberation Daily, chief editor of Liberty Forum; with honor of the first National 100 Journalists, China News first prize for three times, Shanghai News first prize for 15 times. Now, 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 members 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, and the independent director of the Company.
Bai Yunxia	Born in Oct. 1973, female, Ph. D from Xiamen University, post-doctor in accounting of Guanghua School of Management, Peking University, professor of accounting, doctoral tutor, engaged in work in 1995. She successively acted 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, and the independent director of the Company.
Wang Cheng	Born in 1973, male, undergraduate, senior political worker. Successively serving as the secretary of Committee of the Communist Youth League and secretary of Party Branch of No. 2 Engineering Co., Ltd of CCCC Third Harbor Engineering Co., Ltd; deputy 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 and Vice Secretary of the Party Committee of CCCC Third Harbor Engineering Co., Ltd. Now serving as the Vice Secretary of the Party Committee, Secretary of Commission for Disciplinary Inspection, chairman of labor union and supervisor of the Company.
Zhang Minghai	Born in1962, male, EMBA, professor-level senior engineer; he formerly served as the engineer of Technology Division of Shanghai Port Machinery Plant; deputy manager of mechanical office, deputy chief engineer, general manager of Shore Bridge No. 1 Company of Mechanical Office, and general manager of Land-based Heavy Industry Co., Ltd. Of Shanghai Zhenhua Heavy Industries Co., Ltd. Currently, he is the supervisor, chief designer and deputy dean of Land-based Heavy Industry Research & Design Institute of the Company.
Xiang Xudong	Born in 1976, male, bachelor degree, senior engineer. He successively served as the vice director and vice manager of Quality Department, 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 subsidiary, and the secretary of the party committee and executive deputy general manger of Changxing Branch.
Liu Jianbo	Born in 1963, male, master degree senior engineer. He successively served as the engineer at technological office of Shanghai Port Machinery Plant; assistant director in engineering with Technology Office of Shanghai Container Dock Co. Ltd., deputy general manager and general manager of ZPMC Changxing Base. Currently, he is the vice president of the Company and chairman of board of Shanghai Zhenhua Marine Engineering Service Co., Ltd.
Zhou Qi	Born in 1972, male, EMBA, senior engineer. He successively served as the manager and deputy general engineer, general manager and chief engineer of the Electric Appliance Office of the Company. Currently, he is the vice president of the Company and chairman of Electric Group of the Company.

Name	Main working experiences
Chen Bin	Born in 1974, male, EMBA, senior engineer; he formerly served as the project quality leader of Quality Control Division, deputy manager of tire crane office of quality control division, manager of quality control division, deputy general manager and general manager of quality inspection company, vice director of quality and safety office, manager of Quality Safety Division, supervisor of the Company, general manager of Shanghai Zhenhua Shipment Co., Ltd, president assistant of the Company. Current: vice president of the Company and general manager of Shanghai Zhenhua Marine Engineering Service Co., Ltd.
Shan Jianguo	Born in 1964, male, bachelor degree. He formerly worked in Shanghai Port Machinery Manufacturing Plant and started to work in Shanghai Zhenhua Port Machinery Co., Ltd since 1992, served as the engineer, chief engineer of Machinery Office, general manager of design company, deputy director and director of Machinery Office, manager of budget assessment department. He is now the vice president of the Company and the dean of Land-based Heavy Industry Research & Design Institute.
Zhang Jian	Born in 1969, male, MBA. He successively served as the technician, production planner and assistant of director of No. 2 Panel beater of Shanghai Port Machinery Manufacturing Plant, chief of Changzhou Plant of Shanghai Port Machinery Manufacturing Plant, vice general manager of Shanghai Port Machinery Co., Ltd, vice general manager of Shanghai Port Machinery Heavy Industry Co., Ltd, general manager and assistant of president of Port Machinery Co., Ltd. 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, director of No. 5 electrical office, vice chief engineer, chief engineer, director of Development Office of Shanghai Zhenhua Port Machinery Co., Ltd, VP and executive director of Shanghai Zhenhua Heavy Industry Electric Co., Ltd; and is now the chief engineer of the Company.
Li Ruixiang	Born in 1975, male, bachelor degree. He successively served as the vice manager of Manufacturing Department and manager of Quality Assurance Department of Zhangjiagang Base of Shanghai Machinery Plant; manager of Quality Inspection Office, vice director of Quality and Safety Office, vice general manager and general manager of machinery supporting base, Party branch secretary and president assistant of the Company; and is now the chief economist of the Company and general manager of Marine Engineering Group.
Sun Li	Born in 1972, male, EMBA, senior engineer. He successively served as the project supervisor vice manager and assistant of General Manager of Operating Department, and Vice President and director of the Company. He is now the Chief Legal Counsel of and secretary of the board of the Company.
She Lian	Born in 1959, male, professor and doctoral tutor. He enjoyed the State-Council Allowance in 1995. He successively acted as the deputy director and secretary of the Department of Business Administration of Wuhan Transportation University, chief director of Transportation Enterprise Management sponsored by the Ministry of Transport, the director of Research Center for Emergency Management and the professor and doctoral supervisor of Management of Wuhan University of Technology, and the director of Public Safety Early Warning Research Center and the professor and doctoral supervisor of Huazhong University of Science and Technology. He is now serving as the professor and doctoral supervisor of Sino-European Emergency Management Institute of National Academy of Governance. Formal independent director of the Company.
Gu Wei	Born in 1957, male, Ph.D., professor and doctoral tutor; since 1982, he has been teaching at Shanghai Maritime University; since the year 2000, enjoys special government allowances from the State Council, and the IEEE Society member, MTS Society member and the British Royal Physical Society member, senior member of China Electro technical Society, senior member of Chinese Society of Naval Architects, senior member of Chinese Mechanical Engineering Society. He is now the director of the Key Laboratory of the Ministry of Transportation's Shipping Technology and Control Engineering; member of the Vessel Electrical Committee of China Electro-technical Society; member of the Committee of Experts of Shanghai Transportation Electronics Association. Former independent director of the Company.

Other information

☐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. Positions held in shareholding entities

☒Applicable ☐Not applicable

Name	Shareholding entity	Position	Starting date of tenure	Expiration date of tenure
Zhang Hongwen	China Communications Construction Company Ltd.	General manager of equipment manufacturing and marine heavy industry division	Jan. 4, 2018	

Statement of the position held in shareholding entity

2.Positions held in other entities

√Applicable □Not applicable

Name	Other entity	Position	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		
Ling He	Jiefang Daily, Shanghai Journalists Association, Shanghai Essays Society.	Senior editor (Senior professional title), director		
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		
She Lian	Sino-European Emergency Management Institute of National Academy of Governance	Professor and doctoral supervisor, etc.		
Gu Wei	Shipping Technology and Engineering key Lab of Ministry of Transportation, Vessel Electrical Committee of China Electrical Association, Committee of Experts of Shanghai Transportation Electronics Association, etc.	Director, professor, doctoral tutor, council member, committee member		

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 President.
Basis for deciding the remuneration of the directors, supervisors and senior executives	Basic salary plus performance bonus, combined with assessment utilizing quantizing index of production and operation.
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
Total remuneration actually obtained by all directors, supervisors and senior executives at the end of reporting period	RMB11,074,400 Yuan

IV. Changes of directors, supervisors and senior executives of the Company

√Applicable □Not applicable

Name	Position	Change	Reason of change
Zhang Hongwen	Director	Elected	Job demand
Zhu Xiaohuai	Director, CFO	Elected	Job demand
Zhao Zhanbo	Independent director	Elected	Job demand
Ji Linhong	Independent director	Elected	Job demand
She Lian	Independent director	Resigned	Expiration of term of office
Gu Wei	Independent director	Resigned	Expiration of term of office

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	3,002
Number of in-service employees of the main subsidiaries	5,794
Total of in-service employees	8,796
Number of retired employees to whom the parent company and main subsidiaries need to pay retirement pension	
Specialties	
Category	Number of staff
Production staff	3,189
Sales staff	230
Technical staff	4,520
Financial staff	137
Administrative staff	720
Total	8,796
Education background	
Education level	Number (person)
Doctor	23
Master	609
Bachelor	3,735
Junior college	2,115
Technical secondary school	2,314
Total	8,796

2.Remuneration policies

☒Applicable ☐Not applicable

In line with the Company's development strategy, it continuously perfected the 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 plan

☒Applicable ☐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. At the beginning of each year, the Company sets up all-staff annual educational and training plan and implements according to the plan to improve the competence level and professional quality of staff at various levels.

4.Labor outsourcing

☒Applicable ☐Not applicable

Labor outsourcing hours	7,633,728 hours
Total Labor outsourcing remuneration	RMB 310,070,000 Yuan

VII.Others

☐Applicable ☒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 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 the meeting	Opening date	Index of the website specified for publishing resolutions	Date of disclosure for publishing resolutions
The first interim general meeting of stockholders held in 2018	2018-03-07	www.sse.com.cn Enter the stock code to search	2018-03-08
2017 General Meeting of Shareholders	2018-06-26	www.sse.com.cn Enter the stock code to search	2018-06-27

Particulars about the general meeting of shareholders

☐Applicable ☒Not applicable

III. Duty fulfillment of directors

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

Name of director	Independent director or not	Attendance at Board Meetings						Attendance at the general meeting of shareholders
		Expected times of presence in this year	Times of personal presence	Times of presence by telecommunication	Times of presence through a proxy	Times of absence	Personal absence for two consecutive times	Times of presence in the general meeting of shareholders
Song Lianyu	No	8	8	7	0	0	No	2
Huang Qingfeng	No	8	8	7	0	0	No	1
Yan Yunfu	No	8	8	7	0	0	No	1
Liu Qizhong	No	8	8	7	0	0	No	1
Dai Wenkai	No	8	8	7	0	0	No	1
Zhu Xiaohuai	No	7	7	6	0	0	No	0

Name of director	Independent director or not	Attendance at Board Meetings						Attendance at the general meeting of shareholders
		Expected times of presence in this year	Times of personal presence	Times of presence by telecommunication	Times of presence through a proxy	Times of absence	Personal absence for two consecutive times	Times of presence in the general meeting of shareholders
Zhang Hongwen	No	7	7	6	0	0	No	0
She Lian	Yes	5	5	4	0	0	No	2
Gu Wei	Yes	5	5	4	0	0	No	1
Ling He	Yes	8	8	7	0	0	No	1
Yang Jun	Yes	8	8	7	0	0	No	1
Bai Yunxia	Yes	8	8	7	0	0	No	2
Zhao Zhanbo	Yes	3	3	3	0	0	No	1
Ji Linhong	Yes	3	3	3	0	0	No	1

Explanations for personal absence from the meeting for two consecutive times

☐Applicable ☒Not applicable

Times of the board meetings convened in current year	8
Incl.: times of on-site meetings	0
Times of meetings convened through telecommunication	7
Times of meetings convened on-site and through telecommunication	1

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, 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, 2018 and issued a standard internal control audit report without qualified 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, 2018 and issued a standard internal control audit report without qualified opinion (see the attachment to the announcement for details).

Audit report on internal control disclosed or not: Yes

X. Others

☐Applicable ☒Not applicable

Section X | Corporate Bonds

☐Applicable ☒Not applicable

Section XI

Financial Statement

I. Auditors' report

√Applicable ☐Not applicable

Auditors' Report

Ernst & Young (2019) SZ No.61249778_B01

Shanghai Zhenhua Heavy Industries Co., Ltd.

To all shareholders of Shanghai Zhenhua Heavy Industries Co., Ltd.,

I. Audit Opinion

We have audited the financial statements of Shanghai Zhenhua Heavy Industries Co., Ltd., including the consolidated balance sheet and the Company's balance sheet as of December 31, 2018, the consolidated income statement and the Company's income statement, the statement of changes in shareholders' equity, statement of cash flows for the year then ended and notes to the financial statements.

In our opinion, the accompanying financial statements of Shanghai Zhenhua Heavy Industries Co., Ltd. have been prepared in accordance with the provisions of the enterprise accounting standard in all major aspects, and have fairly presented the consolidated and the Company's financial performance as of Dec. 31, 2018 and the consolidated and the Company's operating results and cash flow in 2018 of Shanghai Zhenhua Heavy Industries Co., Ltd.

II. Basis for Audit Opinion

We conducted our audits in accordance with China Standards on Auditing ("CSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for Audit of Financial Statements section of our report. We are independent of the Company in accordance with the China Code of Ethics for Certified Public Accountants, and we have fulfilled our other ethical responsibilities in accordance with the said Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

III. 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. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. 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. and its subsidiaries (“Group”) are mainly engaged in manufacturing the port container crane; in addition, they are 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 of this group 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 Group 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 Dec. 31, 2018, in the consolidated financial statements, the balance of inventories was RMB 9.98 billion Yuan and the reserve for inventory depreciation was RMB 1.18 billion Yuan; in the financial statements of the Company, the balance of inventory was RMB 8.87 billion Yuan and the reserve for inventory depreciation was RMB 1.21 billion Yuan.</p> <p>The accounting policy and other disclosures regarding the inventory are stated in Note (V) (12), Note (V) (33) and Note (VII) (7) 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 Group 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 on Dec. 31, 2018 from the Group, rechecked the calculation method. As to the key elements taken into consideration by the Group in calculating the net realizable value, including the estimated selling price, the cost that may occur till completion, the estimated selling expenses and the related taxes, we evaluated the hypothesis and the estimates through analyzing the related historical data and comparing the after-date data. We also tested the calculation of the provision amount of the inventory depreciation reserves.</p>
<p>2. Bad-debt reserves for accounts receivable</p> <p>The accounts receivable of the Group 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 of the Group has certain risk in the recovery in case of any dispute in contract or the stagnant industry. As to the bad-debt reserves for accounts receivable, the management of the Group shall evaluate the guarantee obtained for the accounts receivable, age of accounts receivable, credit rating and historical repayment record of the counterparty based on the financial status of the counterparty. The provision of bad-debt reserves shall adopt the key accounting estimate, including the consideration of the credit risk, historical repayment record and the existing disputes of the customer.</p> <p>As of Dec. 31, 2018, in the consolidated financial statements, the balance of accounts receivable was RMB 6.56 billion Yuan and the bad-debt reserves for accounts receivable was RMB 1.53 billion Yuan; in the financial statements of the Company, the balance of accounts receivable was RMB 8.63 billion and the bad-debt reserves for accounts receivable was RMB 1.50 billion Yuan.</p> <p>The accounting policy and other disclosures regarding the inventory are stated in Note (V) (11), Note (V) (33), Note (VII) (4) and Note (XVII) (1) of the financial statement.</p>	<p>We evaluated the accounting estimate relating to the depreciation reserves, such as the financial status and credit rating of the counterparty; checked the account age of accounts receivable and historical repayment record and evaluated whether the financial problems of the counterparty had effects on the recovery of the accounts receivable; we checked the related supporting documents for the selected samples and the account age of the accounts receivable; reviewed the after-date recovery of the accounts receivable and rechecked the related evidences of the accounts receivable that could not be recovered and was written off.</p>

Key Audit Matters	How our audit report addressed this key audit matter:
3. Recognition of the income from construction contract	
<p>Most of the income of the Group 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. The Group adopts the percentage of completion method to calculate the income of the construction contracts. As to the large-sized port equipment, its completion schedule is determined according to the corresponding percentage of completion of the confirmation node of the income achieved by the construction contract at the end of period. As to the heavy equipment and construction period, its completion schedule is determined according to the percentage of the accumulative contract cost in the expected total contract cost. As to the fabrication of the steel structure, its completion schedule is determined according to the percentage of the accumulatively completed processing tonnage in the expected total processing tonnage. The above-mentioned methods involve the use of the major judgment and estimate of the management, including the achieved node, expected total contract cost, total contract income and expected contract loss. In addition, the income, cost and realizable gross profit of the contract may change with the actual conditions, resulting in important differences in the initial estimate of the Group.</p> <p>The accounting policy and other disclosures regarding the inventories are stated in Note (V) (33), Note (VII) (7), Note (VII) (52) and Note (XVII) (4) of the financial statement.</p>	<p>We evaluated and tested the internal control for accounting the contract cost, contract income, achieved node and recognition and for calculating the flow of completion schedule. We got the important contracts to verify the total contract income and review the important contract clauses. Through selecting the samples, we verified whether the contract cost that occurred conformed to the certification. We implemented the cutoff check procedure to validate the cost was confirmed in the proper accounting period; as to the large-sized port equipment, through sampling, we got the certification for the achieved node and made the sampling for field observation. We evaluated the judgment and estimate of the total contract cost made by the management. We made sampling to calculate and check the income determined by the occurred contract cost and the expected total contract cost again. In addition, we implemented the analysis-oriented recheck procedure against the gross profit of the key construction contract of the Group.</p>

IV. Other Information

The management of Shanghai Zhenhua Heavy Industries Co., Ltd. is responsible for other information. The other information comprises all of the information included in the annual report other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do 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 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, we conclude that there is a material misstatement of other information, we are required to report that fact. We have nothing to report in this regard.

V. Responsibility of the Management and Those Charged with Governance for the Financial Statements

The management is responsible for the preparation of these financial statements in accordance with Accounting Standards for Business Enterprises to make them a fair presentation, and designing, implementing and maintaining necessary internal control, to ensure that the financial statements are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the ability of Shanghai Zhenhua Heavy Industries Co., Ltd. to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial statementing process of Shanghai Zhenhua Heavy Industries Co., Ltd.

VI. CPA's Responsibility 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 auditor's 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 auditing 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.

As part of an audit in accordance with auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

(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 arising from fraud is higher than for one arising from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(2) Obtain an understanding of the internal control related to audit in order to design appropriate audit procedures.

(3) Evaluate the appropriateness of accounting policies used 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 and, 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 draw attention in our auditor's report to the related disclosures in the financial statements, or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's 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 disclosures) of the financial statements, and 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 Shanghai Zhenhua Heavy Industries Co., Ltd. to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicated with those charged with governance regarding, among other matters, the planned scope and timing of the audit and important audit findings, including any important deficiency in internal control that we identified during our audit.

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

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 auditor's report unless the 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)

Chinese CPA: Yang Lei
(Engagement partner)

Chinese CPA: Liu Wei

Beijing, China

Mar. 29, 2019

Consolidated Balance Sheet and the Company's Balance Sheet as at 31 December 2018

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

Unity: Yuan Currency: RMB

Assets	As at Dec. 31, 2018 Consolidated	As at Dec. 31, 2017 Consolidated	As at Dec. 31, 2018 Parent Company	As at Dec. 31, 2017 Parent Company
Current assets				
Monetary funds	3,697,338,708	5,770,227,369	2,459,295,919	3,392,595,294
Financial assets measured at fair value through current profit or loss	52,920,084	8,438,278	44,481,806	-
Notes receivable and accounts receivable	5,221,919,846	4,400,803,623	7,212,568,840	6,961,643,776
Including: notes receivable	189,371,105	420,786,012	75,801,953	413,779,017
Accounts receivable	5,032,548,741	3,980,017,611	7,136,766,887	6,547,864,759
Advances to suppliers	1,681,187,715	1,036,783,170	2,268,577,972	1,173,384,482
Other receivables	1,149,035,349	996,826,712	13,955,146,640	13,666,515,962
Including: interest receivable	-	-	-	-
Dividends receivable	-	665,346	-	665,346
Inventories	8,803,035,942	7,071,266,879	7,658,200,294	5,786,210,236
Outstanding payments for construction completed	12,054,580,392	13,453,980,326	7,476,738,206	9,021,852,353
Non-current assets maturing within one year	894,638,424	1,896,475,472	16,068,800	
Other current assets	1,152,476,439	591,311,853	683,547,950	261,325,439
Total current assets	34,707,132,899	35,226,113,682	41,774,626,427	40,263,527,542
Non-current assets				
Available-for-sale financial assets	1,214,533,554	1,304,203,905	145,157,462	221,946,872
Held-to-maturity investments	-	-	-	-
Long-term receivables	5,188,341,089	4,238,704,827	368,585,118	417,914,193
Long-term equity investment	2,775,801,760	2,320,470,521	8,636,018,724	8,922,200,826
Investment properties	436,760,631	455,063,723	436,760,631	455,063,723
Fixed assets	18,654,732,030	17,335,351,611	4,819,571,556	5,231,211,582
Construction in progress	3,050,468,292	1,889,146,009	308,737,034	660,662,593
Intangible assets	3,588,412,732	3,683,165,608	1,571,347,557	1,618,835,106
Goodwill	266,591,462	265,188,465	-	-
Deferred income tax assets	539,684,925	618,054,364	510,532,925	563,785,515
Long-term deferred expenses	5,112,664	7,764,501		
Other non-current assets	170,792,589	176,726,613		
Total non-current assets	35,891,231,728	32,293,840,147	16,796,711,007	18,091,620,410
Total assets	70,598,364,627	67,519,953,829	58,571,337,434	58,355,147,952

The accompanying notes to the financial statements are integral parts of the financial statements.

Legal Representative:

Accounting principal:

Head of the Accounting
Department:

Consolidated Balance Sheet and the Company's Balance Sheet (Continued) as at 31 December 2018

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

Unity: Yuan Currency: RMB

Liabilities and shareholders' equity	As at Dec. 31, 2018 Consolidated	As at Dec. 31, 2017 Consolidated	As at Dec. 31, 2018 Parent Company	As at Dec. 31, 2017 Parent Company
Current liabilities				
Short-term borrowings	16,554,687,487	25,468,980,401	12,958,295,349	22,855,801,381
Financial liabilities measured at fair value through the current profit or loss	-	-	-	-
Notes payable and accounts payable	9,769,273,923	8,780,825,653	8,860,350,035	7,627,346,050
Including: notes payable	2,732,404,222	1,893,227,482	2,533,542,476	1,657,137,654
Accounts payable	7,036,869,701	6,887,598,171	6,326,807,559	5,970,208,396
Advance from customers	494,744,374	591,727,255	370,660,873	393,410,039
Outstanding payments for construction completed	1,989,560,887	2,508,598,913	2,390,332,471	2,922,827,192
Employee compensation payable	310,112,327	273,733,207	294,662,685	258,990,282
Taxes and surcharges payable	164,964,681	194,948,927	22,636,402	50,220,742
Other payables	1,098,580,447	843,207,676	1,508,889,581	1,644,923,271
Including: interest payable	114,397,903	118,825,582	90,106,459	102,690,137
Dividends payable	31,701,965	31,701,965	352,598	352,598
Non-current liabilities maturing within one year	4,209,532,510	2,198,931,219	2,820,655,037	1,367,901,030
Other current liabilities	-	-	-	-
Total current liabilities	34,591,456,636	40,860,953,251	29,226,482,433	37,121,419,987
Non-current liabilities				
Long-term borrowings	15,097,725,259	6,664,914,383	12,922,319,986	4,897,199,999
Bonds payable				
Long-term payables	1,967,461,119	1,884,986,333	182,174,839	556,387,041
Estimated liabilities	439,052,683	464,888,663	422,869,949	451,128,341
Deferred income	469,296,220	479,174,120	336,941,770	348,455,388
Deferred income tax liabilities	132,401,282	183,462,320	-	-
Other non-current liabilities	288,474,696	152,954,098	9,783,043	3,456,670
Total non-current liabilities	18,394,411,259	9,830,379,917	13,874,089,587	6,256,627,439
Total liabilities	52,985,867,895	50,691,333,168	43,100,572,020	43,378,047,426
Shareholders' equity				
Share capital	5,268,353,501	4,390,294,584	5,268,353,501	4,390,294,584
Capital reserves	4,648,919,658	5,526,978,575	4,914,468,683	5,792,527,600
Other comprehensive income	223,853,860	273,892,978	71,258,509	140,264,717
Surplus reserves	1,696,762,554	1,618,543,971	1,696,254,281	1,618,035,698
Specific reserves	3,019,173	1,914,832	-	-
Undistributed profits	3,344,953,206	3,199,681,426	3,520,430,440	3,035,977,927
Total shareholders' equity attributable to parent company	15,185,861,952	15,011,306,366	15,470,765,414	14,977,100,526
Minority equity	2,426,634,780	1,817,314,295		
Total shareholders' equity	17,612,496,732	16,828,620,661	15,470,765,414	14,977,100,526
Total liabilities and shareholders' equity	70,598,364,627	67,519,953,829	58,571,337,434	58,355,147,952

The accompanying notes to the financial statements are integral parts of the financial statements.

Legal Representative:

Accounting principal:

Head of the Accounting
Department:

Consolidated Income Statement and the Company's Income Statement For the Year Ended December 31, 2018
From January to December 2018

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

Unity: Yuan Currency: RMB

Item	2,018 Consolidated	2,017 Consolidated	2,018 Parent Company	2,017 Parent Company
I. Operating revenue	21,812,389,644	21,858,814,000	19,386,688,004	18,982,284,728
Less: Operating cost	18,082,285,752	18,019,075,299	16,282,345,726	16,062,361,939
Taxes and surcharges	116,279,994	114,240,644	49,472,269	44,763,858
Selling and distribution expenses	115,541,161	121,457,892	84,713,588	83,481,628
General and administrative expenses	1,142,337,348	1,039,774,787	523,147,247	512,402,152
Research and development expenditures	672,614,073	702,392,513	557,762,997	578,309,233
Financial expenses	1,522,264,813	758,201,305	1,259,434,698	1,060,351,306
Including: interest expenses	1,603,062,758	1,156,849,978	1,282,879,956	983,633,800
Interest-income	332,607,896	293,152,359	32,752,024	49,458,268
Impairment loss on assets	-12,576,222	824,836,448	-25,476,619	619,199,093
Plus: Other income	112,065,705	76,198,207	71,471,982	47,634,541
Investment income ("-" for losses)	116,030,979	123,368,931	101,099,249	156,502,074
Gains from the changes in fair value ("-" for losses)	44,481,806	-4,615,775	44,481,806	-4,615,775
Gains from assets disposal ("-" for losses)	155,557,716	10,749,056	69,575,485	1,303,038
II. Operating profits ("-" for losses)	601,778,931	484,535,531	941,916,620	222,239,397
Plus: Non-operating revenue	12,102,280	29,343,558	4,014,476	3,753,311
Less: Non-operating expenses	76,825,324	92,116,253	72,568,075	86,711,533
III. Total profits ("-" for total losses)	537,055,887	421,762,836	873,363,021	139,281,175
Less: Income tax expenses	143,213,448	92,319,416	91,177,196	-14,928,712
IV. Net profits ("-" for net losses)	393,842,439	329,443,420	782,185,825	154,209,887
(I) Classified by operating sustainability				
1. Net profit from continued operations ("-" for net losses)	393,842,439	329,443,420	782,185,825	154,209,887
2. Net profit from discontinued operations ("-" for net losses)				
(II) Classified by ownership				
1. Net profit attributable to the shareholders of parent company	443,005,092	300,195,422	782,185,825	154,209,887
2. Minority interest income	-49,162,653	29,247,998		
V. Other comprehensive income, net of tax	-30,764,830	-66,677,526	-69,006,208	-123,810,476
Other comprehensive income, net of tax attributable to owners of the parent company	-50,039,118	-48,510,693	-69,006,208	-123,810,476
(I) Other comprehensive income that cannot be reclassified into profit or loss				
1. Changes in re-measurement of the defined benefit plan				
2. Other comprehensive income that cannot be transferred to profit or loss under the equity method				
(II) Other comprehensive income that will be reclassified into profit or loss	-50,039,118	-48,510,693	-69,006,208	-123,810,476
1. Other comprehensive income that can be transferred to profit or loss under the equity method	-4,655,831	-8,449,542	-4,655,831	-8,449,542
2. Profit or loss from changes in fair value of available-for-sale financial assets	-76,002,428	-9,826,324	-65,270,999	-114,460,736
3. Translation differences of foreign currency financial statements	30,619,141	-30,234,827	920,622	-900,198
Other comprehensive income, net of tax attributable to minority shareholders	19,274,288	-18,166,833		
VI. Total comprehensive income	363,077,609	262,765,894	713,179,617	30,399,411
Total comprehensive income attributable to owners of the parent company	392,965,974	251,684,729	713,179,617	30,399,411
Total comprehensive income attributable to minority shareholders	-29,888,365	11,081,165	-	-
VII. Earnings per share				
(I) Basic earnings per share	0.084	0.057	NA	NA
(II) Diluted earnings per share	0.084	0.057	NA	NA

The accompanying notes to the financial statements are integral parts of the financial statements.

Legal Representative:

Accounting principal:

Head of the Accounting
Department:

Consolidated Statement of Cash Flows and the Company's Statement of Cash Flows For the Year Ended December 31, 2018
From January to December 2018

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

Unity: Yuan Currency: RMB

Item	2018 Consolidated	2017 Consolidated	2018 Parent company	2017 Parent company
I. Cash flows from operating activities				
Cash received from sales of goods and rendering of service	20,116,019,149	16,640,760,111	19,289,270,419	15,763,239,504
Refund of tax received	327,889,433	889,705,824	291,302,010	831,198,628
Cash received from other operating activities	380,058,325	382,299,156	377,616,135	292,626,816
Subtotal of cash inflows from operating activities	20,823,966,907	17,912,765,091	19,958,188,564	16,887,064,948
Cash paid for purchase of goods and labor received	17,045,009,084	13,683,031,255	17,744,386,344	15,196,972,901
Cash paid to and on behalf of employees	2,128,181,027	1,897,864,942	1,035,785,352	991,857,309
Cash paid for taxes and surcharges	399,974,649	477,730,293	100,888,209	162,924,111
Cash paid for other operating activities	696,858,168	521,929,327	438,838,219	494,142,751
Subtotal of cash outflows from operating activities	20,270,022,928	16,580,555,817	19,319,898,124	16,845,897,072
Net cash flow from operating activities	553,943,979	1,332,209,274	638,290,440	41,167,876
II. Cash flows from investing activities				
Cash received from disposal of investment			998,000,000	
Cash received from returns on investment	65,672,231	23,201,157	47,195,316	1,160,353
Net cash received from the disposal of fixed assets, intangible assets and other long-term assets	367,198,136	98,401,263	179,932,134	3,487,103
Cash received from other investing activities	302,041,173	50,163,105	34,930,409	
Subtotal of cash inflows from investing activities	734,911,540	171,765,525	1,260,057,859	4,647,456
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	3,105,409,114	1,333,961,486	135,206,982	99,333,396
Cash paid for investments	408,962,976	286,000,000	661,904,450	509,898,290
Net cash paid for the acquisition of subsidiaries		60,338,410		
Cash paid for other investing activities		173,076,659		
Subtotal of cash outflows from investing activities	3,514,372,090	1,853,376,555	797,111,432	609,231,686
Net cash flows from investing activities	-2,779,460,550	-1,681,611,030	462,946,427	-604,584,230
III. Cash flows from financing activities:				
Cash from absorption of investments	194,345,310	206,029,110		
Including: cash received by subsidiaries from investments by minority shareholders	194,345,310	206,029,110		
Cash received from borrowings	34,277,959,026	33,077,608,125	29,304,939,364	28,289,415,519
Cash received from bonds issue				
Cash received from other financing activities	1,284,314,355	1,360,930,000		
Subtotal of cash inflows from financing activities	35,756,618,691	34,644,567,235	29,304,939,364	28,289,415,519
Cash paid for debts repayments	33,134,286,292	29,020,665,806	29,914,416,598	24,398,943,306
Cash paid for distribution of dividends, profits or interest expenses	1,828,486,604	1,623,289,546	1,501,107,415	1,466,838,827
Cash paid for other financing activities	1,202,299,585	1,423,746,129	407,455,030	407,455,030
Subtotal of cash outflows from financing activities	36,165,072,481	32,067,701,481	31,822,979,043	26,273,237,163
Net cash flow from financing activities	-408,453,790	2,576,865,754	-2,518,039,679	2,016,178,356
IV. Effect of foreign exchange rate changes on cash and cash equivalents	109,110,732	-50,822,183	45,951,367	-23,870,002
V. Net increase in cash and cash equivalents	-2,524,859,629	2,176,641,815	-1,370,851,445	1,428,892,000
Plus: Beginning balance of cash and cash equivalents	5,673,847,001	3,497,205,186	3,301,302,585	1,872,410,585
VI. Ending balance of cash and cash equivalents	3,148,987,372	5,673,847,001	1,930,451,140	3,301,302,585

The accompanying notes to the financial statements are integral parts of the financial statements.

Legal Representative:

Accounting principal:

Head of the Accounting
Department:

Consolidated Statement of Changes in Shareholders' Equity for the Year Ended December 31, 2018
From January to December 2018

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

Unity: Yuan Currency: RMB

Item	Shareholders' equity attributable to parent company							Minority equity	Total shareholders' equity
	Share capital	Capital reserves	Less: Treasury stock	Other comprehensive income	Surplus reserves	Special reserves	Undistributed profits		
Balance as at Jan.1, 2017	4,390,294,584	5,526,978,575		322,403,671	1,603,122,982	-	3,353,936,451	1,290,413,687	16,487,149,950
Changes in 2017									-
Total comprehensive income				-48,510,693			300,195,422	11,081,165	262,765,894
Capital contributed or reduced by shareholders									-
Capital contributed by shareholders								513,802,736	513,802,736
Amounts of share-based payments recognized in shareholder's equity									-
Others									-
Profit distribution									-
Withdrawal of surplus reserves					15,420,989		-15,420,989		-
Distribution to shareholders							-439,029,458	-545,570	-439,575,028
Others									-
Special reserves									-
Amount withdrawn in this year						45,958,231		5,006,115	50,964,346
Amount used in this year						-44,043,399		-2,443,838	-46,487,237
Internal carry-forward of shareholder's equity									-
Conversion of capital reserves into share capital									-
Conversion of surplus reserves into share capital									-
Surplus reserves offsetting losses									-
Others									-
Balance as Dec. 31, 2017	4,390,294,584	5,526,978,575		273,892,978	1,618,543,971	1,914,832	3,199,681,426	1,817,314,295	16,828,620,661
Balance as Jan.1, 2018	4,390,294,584	5,526,978,575		273,892,978	1,618,543,971	1,914,832	3,199,681,426	1,817,314,295	16,828,620,661
Changes in 2018									-
Total comprehensive income				-50,039,118			443,005,092	-29,888,365	363,077,609
Capital contributed or reduced by shareholders									-
Capital contributed by shareholders								640,453,310	640,453,310
Amounts of share-based payments recognized in shareholder's equity									-
Others									-
Profit distribution									-
Withdrawal of surplus reserves					78,218,583		-78,218,583		-
Distribution to shareholders							-219,514,729	-1,481,438	-220,996,167
Others									-
Specific reserves									-
Amount withdrawn in this year						40,081,847		4,422,690	44,504,537
Amount used in this year						-38,977,506		-4,185,712	-43,163,218
Internal carry-forward shareholder's equity									-
Conversion of capital reserves into share capital	878,058,917	-878,058,917							-
Conversion of surplus reserves into share capital									-
Surplus reserves offsetting losses									-
Others									-
Balance as at Dec. 31, 2018	5,268,353,501	4,648,919,658		223,853,860	1,696,762,554	3,019,173	3,344,953,206	2,426,634,780	17,612,496,732

The accompanying notes to the financial statements are integral parts of the financial statements.

Legal Representative:

Accounting principal:

Head of the Accounting
Department:

Statement of Changes in Shareholders' Equity of the Company For the Year Ended December 31, 2018
From January to December 2018

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

Unity: Yuan Currency: RMB

Item	Share capital	Capital reserves	Less: Treasury stock	Other comprehensive income	Surplus reserves	Special reserves	Undistributed profits	Total shareholders' equity
Balance as at Jan.1, 2017	4,390,294,584	5,792,527,600		264,075,193	1,602,614,709	-	3,336,218,487	15,385,730,573
Changes in 2017								
Total comprehensive income				-123,810,476			154,209,887	30,399,411
Capital contributed or reduced by shareholders								-
Capital contributed by shareholders								-
Amounts of share-based payments recognized in shareholder's equity								-
Others								-
Profit distribution								-
Withdrawal of surplus reserves					15,420,989		-15,420,989	-
Distribution to shareholders							-439,029,458	-439,029,458
Others								-
Special reserves								-
Amount withdrawn in this year						25,340,978		25,340,978
Amount used in this year						-25,340,978		-25,340,978
Internal carry-forward of shareholder's equity								-
Conversion of capital reserves into share capital								-
Conversion of surplus reserves into share capital								-
Surplus reserves offsetting losses								-
Others								-
Balance as at Dec. 31, 2017	4,390,294,584	5,792,527,600	-	140,264,717	1,618,035,698	-	3,035,977,927	14,977,100,526
Balance as at Jan.1, 2018	4,390,294,584	5,792,527,600		140,264,717	1,618,035,698	-	3,035,977,927	14,977,100,526
Changes in 2018								
Total comprehensive income				-69,006,208			782,185,825	713,179,617
Capital contributed or reduced by shareholders								-
Capital contributed by shareholders								-
Amounts of share-based payments recognized in shareholder's equity								-
Others								-
Profit distribution								-
Withdrawal of surplus reserves					78,218,583		-78,218,583	-
Distribution to shareholders							-219,514,729	-219,514,729
Others								-
Special reserves								-
Amount withdrawn in this year						15,614,116		15,614,116
Amount used in this year						-15,614,116		-15,614,116
Internal carry-forward of shareholder's equity								-
Conversion of capital reserves into share capital	878,058,917	-878,058,917						-
Conversion of surplus reserves into share capital								-
Surplus reserves offsetting losses								-
Others								-
Balance as at Dec. 31, 2018	5,268,353,501	4,914,468,683		71,258,509	1,696,254,281	-	3,520,430,440	15,470,765,414

The accompanying notes to the financial statements are integral parts of the financial statements.

Legal Representative:

Accounting principal:

Head of the Accounting
Department:

III. Basic Information of the Company

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 (hereafter referred to as “Zhenhua Company”). Both the place of 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 Dec. 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 Dec. 23, 2004. The additionally issued A-shares were listed at Shanghai Stock Exchange respectively for trading on Dec. 31, 2004 and Jan 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 Sep. 22, 2008 to its controller China Communications Construction Co., Ltd. (hereafter referred to as “China Communications Corporation”). A-shares privately placed were the floating shares with trading limited 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 Dec. 31, 2018, after all previous issuances of the shares and bonus shares distributed in the past year, the total of the shares of the Company were 5,268,353,501 shares, par value per share was RMB 1.00 Yuan and the capital stock was RMB 5,268,353,501 Yuan.

On Dec. 18, 2005, China Road and Bridge Construction Group General Company and the company's former controlling shareholder China Harbor Construction (Group) General Company were consolidated into China Communications Construction (Group) Co. Ltd after restructuring (hereafter referred to as “China Communications Group”). In accordance with Written 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 Written Reply to the Issues Concerning Management of State-owned Stock Equity of China Communications Construction Co. Ltd. (GZCQ [2006] No.1072 Document) on Sep. 30, 2006 and Written 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), China Communications Construction solely initiated the incorporation of China Communications Construction Co. Ltd. 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 Uniform Social Credit Code 91310000607206953D.

On July 18, 2017, the board of directors of China Communications Construction Co., Ltd. discussed and approved 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 CCCG and CCCG (Hong Kong) Holdings Co., Ltd. (hereinafter referred to as “CCCG 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 Dec. 27, 2017. On the date of the transfer of shares, CCCG 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 CCCG (Hong Kong) (accounting for 17.401% of the total shares of this 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 holding shareholder of this 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 were approved by the resolution of the Company’s board of directors on Mar. 29, 2019.

2.Scope of consolidated financial statements

☒Applicable ☐Not applicable

The scope of the consolidated financial statements is confirmed based on the control. Please refer to Notes IX.1 for the annual changes in this year and the main subsidiaries included in the scope of consolidation.

IV. Preparation basis of financial statements

1.Preparation basis

The financial statements are prepared on the basis of 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.Sustainable operation

☒Applicable ☐Not applicable

The financial statements are presented based on sustainable business.

The preparation of the financial statements, in addition to certain financial instruments, is based on the principle of historical cost valuation. If the assets are impaired, the corresponding impairment provision shall be made in accordance with the relevant provisions.

V. Significant accounting policies and accounting estimates

☒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 of compliance with the Accounting Standards for Business Enterprise

The financial statements conform to the requirements of Accounting Standards for Business Enterprise, which authentically and completely reflect the financial status as of Dec. 31, 2018 and the financial performance and cash flow of the Company and the Group for the year 2018.

2.Accounting period

The accounting year of the Company starts from January 1 to December 31.

3.Operating cycle

☐Applicable ☒Not applicable

4.Recording 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 shown in RMB.

The subsidiaries, joint ventures and associated enterprises 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 the business combination under common control and not under common control

√Applicable ☐Not applicable

The business combinations are divided into the one under common control and the one 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 combining date is the absorbing party, the other combining enterprise is the combined party. The combining 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 combining 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 the same control, the party which obtains the control of other combining enterprises on the combining date is the acquirer, and the other combining enterprises is the acquiree. The combination date refers to the date on which the acquirer actually obtains the control of 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 day.

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 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 recorded in the current profit or loss.

6.Preparation method of consolidated financial statements

√Applicable ☐Not applicable

The scope of the consolidated financial statements is determined based on control, including the financial statements of the Company and its 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 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 acquiree 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 having been in existence 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 reevaluate whether or not the investee is controlled.

7. Classification of joint venture arrangements and accounting treatment methods of joint operation

☐Applicable ☒Not applicable

8. 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 resulting transaction difference of settlement and monetary items, 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 resulting difference shall be recorded in the current profits and losses 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 incurrence; 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 incurrence of the cash flow. Cash flow from overseas subsidiaries is translated at the spot exchange rate on the day of incurrence 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 one party and forms financial liabilities or equity instruments of the other party.

Recognition and termination of financial instruments

The Group identifies a financial asset or financial liability when becoming a party of a financial instrument contract.

Once the following conditions are satisfied, terminate the confirmation of financial assets (or part of financial assets or of a group of similar financial assets), that is to say, write 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 determination of financial liabilities shall be terminated. 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 shall be handled as the termination of the original liability and the recognition of new liabilities, and the difference shall be included in current profits and losses.

In case of trading financial assets in the conventional way, confirm and terminate on the basis of trade-date accounting. 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

During initial recognition, the financial assets of the Group are classified into: financial assets measured at fair value with the changes included into current profits and losses, loans and receivables, and available-for-sale financial assets. The financial assets are measured at fair value at the time of initial recognition. As for the financial assets measured at fair value with the changes included into current profits or losses, related transaction costs shall be included directly in current profit or loss, while the related transaction costs of other financial assets are included in the initially recognized amount.

Subsequent measurement of financial assets is subject to its classification:

Financial assets measured at fair value with the changes included into current profits or losses

Financial assets measured at fair value through current profit or losses shall include the trading financial assets and the financial assets designated at the time of initial recognition, which are measured at fair value through current profit or loss. Trading financial assets are financial assets that meet one of the following conditions: getting the financial assets for the purpose of selling in the short term; belonging to part of a combination of identifiable financial for centralized management, and there is objective evidence showing that the company has recently adopted a short-term profit approach to manage the portfolio; belonging to derivatives, but excepting for the derivatives that are designated and are effective hedging tools, the derivatives belongings to financial guarantee contracts and the derivatives that are linked to equity instrument investment which has no offer in the active market and its fair value cannot be measured reliably and must be settled through the delivery of the equity instrument. For such financial assets, use fair value for subsequent measurement, all realized and unrealized gains and losses are included in the current profits and losses. Dividends or interest income related to the financial assets measured at fair value through the current profit or loss shall be recorded in current profits and losses.

Only when one of the following conditions is met, can the financial assets be designated as the financial assets measured at the fair value through the current profit or loss at the initial measurement:

(1) The designation can eliminate or obviously reduce the discrepancies in recognition and measurement of the related gains or losses arisen from the difference in measurement basis.

(2) The official written document on risk management or investment strategy has stated that the financial instrument will be managed and evaluated on the basis of fair value and be reported to the key management personnel.

(3) The hybrid instrument including one or more embedded derivative instruments unless the embedded derivative instruments do not greatly change the cash flow of the hybrid instrument or the embedded derivative instruments shall not be split from the related hybrid instruments obviously;

(4) The hybrid instruments containing embedded derivative instruments that shall be split but cannot individually measured at the time of acquisition or the follow-up date of balance sheet.

The equity instrument investment that has no offer in the active market and whose fair value cannot be measured reliably shall not be designated as the financial assets measured at fair value through the current profit or loss.

The financial assets classified as the financial assets measured at fair value through the current profit or loss by the enterprise during initial recognition shall not be reclassified as any other type of financial assets; while other types of financial assets shall not be reclassified as the financial assets measured at fair value through the current profit or loss.

In accordance with the above conditions, such financial assets of the Group mainly include forward foreign exchange contracts.

Loans and account receivables

Loans and receivables refer to the non-derivative financial assets with no quotation on active market and fixed or identifiable recoverable amount. For such financial assets, adopt the actual interest rate method for subsequent measurement based on amortized cost, and the gains or losses arising from its amortization or impairment shall be included in current profits or losses.

Available-for-sale financial assets

The available-for-sale financial assets refer to the non-derivative financial assets that are designated as available for sale during initial recognition, and the financial assets other than those listed above. For such financial assets, use fair value for subsequent measurement. The discount or premium shall be amortized using the effective interest method and be recognized as interest income or expense. In addition to recognizing the impairment loss and the balance of exchange of foreign currency monetary financial assets as the current profits or losses, the changes in fair value of available-for-sale financial assets shall be recognized as other comprehensive income, and the cumulative gains or losses shall be transferred to the current profits or losses until the financial asset has been derecognized or impaired. Dividends or interest income related to the available-for-sale financial assets shall be included in the current profits or losses.

The equity instrument investments that are not quoted in an active market and whose fair value cannot be reliably measured shall be measured at cost.

Classification and measurement of financial liabilities

The financial liabilities of the Group are classified as other financial liabilities at the time of initial recognition. The related transaction costs of other financial liabilities shall be included in the initial recognized amount; actual interest rate method shall be used for subsequent measurement based on amortized cost.

Offset of financial instruments

When meeting the following conditions simultaneously, the net amount after financial assets and financial liabilities offsetting shall be listed in the balance sheet: having the legal right to offset the recognized amount, and that legal rights are currently enforceable; the plan is to be settled in net, or at the same time, realize the financial assets and pay off the financial liabilities.

Financial guarantee contract

A financial guarantee contract is a contract signed between the guarantor and the creditor, when the debtor fails to perform the obligations, the guarantor shall perform the obligation or bear the liability in accordance with the contract. The financial guarantee contract is measured at fair value at the time of initial recognition, does not belong to the financial guarantee contract designated as the financial liabilities measured at fair value with changes included in the current profits and losses, after initial recognition, in accordance with the amount confirmed by the current best estimate of the expenditure required to perform relevant obligations at the date of balance sheet and the balance after deducting the accumulative amortization determined in accordance with the revenue recognition principle from the initial recognized amount, the higher of the two shall be for subsequent measurement.

Derivative financial instruments

The Group uses derivative financial instruments, such as forward foreign exchange contracts, to hedge against exchange rate risk. Derivative financial instruments are initially measured at the fair value on the date of derivative trading contract signing, with subsequent measurement at fair value. The derivative financial instrument with positive fair value is recognized as an asset, and the one with negative fair value is recognized as a liability. However, the derivative financial instruments, which are linked to the equity instrument which has no offer in the active market and its fair value cannot be measured reliably and shall be settled through the delivery of the equity instrument, shall be measured at cost.

In addition to the part of an effective hedge in a cash flow hedge included in other comprehensive income, and rolled out from the current profits or losses in the event that the hedged item affects the profit or loss, the gains or losses arising from changes in fair value of derivative instruments are directly included into the current profits or losses.

Impairment of financial assets

The Group checks the book value of the financial assets on date of balance sheet. If there is objective evidence showing that financial assets are impaired, the provision for impairment shall be made. The objective evidence for financial assets impairment refers to the items which actually happened after initial recognition of financial assets, influenced the estimated future cash flows of the financial assets, and its impact can be reliably measured by the enterprise. The objective evidences for impairment of financial assets include: serious financial difficulties occurred to the issuer or debtor, violating the terms of the contract (such as default or overdue payment of interest or principal) by the debtor, likely bankruptcy or other financial restructuring of the debtor, and reduction in and measurable expected future cash flows shown by public data.

Financial assets measured at amortized cost

In the event of impairment, the book value of the financial asset shall be written down through the allowance for project value to the present value of estimated future cash flow (excluding the future credit losses that have not yet occurred), the amount of write downs shall be recorded in the current profits or losses. The present value of the expected future cash flow is determined by discounting based on the original effective interest rate (the actual interest rate calculated and determined at the time of initial recognition) of the financial asset, and the value of collateral shall also be taken into account. The interest income after impairment shall be calculated and determined using the discount rate used to discount future cash flows in the light of the determination of impairment losses as the interest rate. For loans and receivables, if there is no real expectation for future recovery and all collaterals have been realized or transferred to the Group, the loans and receivables and related impairment provisions shall be written off.

If the amount of individual financial assets is significant, individual impairment test shall be conducted. If there is objective evidence to prove that the impairment has occurred, the impairment loss shall be recognized and included in current profit or loss. As for individual financial asset with no significant amount, the impairment test shall be conducted in the portfolio of financial assets with similar credit risk features or conducted separately. As for the financial assets (including the financial assets with or without significant amount) with no impairment in separate test, impairment test shall be conducted again in the portfolio of financial assets with similar credit risk features. The financial assets which have suffered from an impairment loss in any single amount shall not be included in any portfolio of financial assets with similar risk features for any impairment test.

When the Group have confirmed the impairment losses on financial assets measured at amortized cost, if there is any objective evidence showing that the financial assets value has been restored, and it is objectively related with the events incurred after the confirmation of the loss, the previously recognized impairment loss shall be reversed into current profit or loss. However, the book value after the reversal shall not exceed the amortized cost of the financial asset at the reversal date, assuming that the impairment provision is not included.

Available-for-sale financial assets

If there is objective evidence for financial asset impairment, the cumulative losses originally included in other comprehensive income due to the decline in the fair value, shall be transferred out and included in the current profits and losses. The transferred cumulative loss refers to the balance after deducting the recovered principal and the amortized amount, current fair value and the impairment loss originally included in the profits or losses from the initial acquisition cost of the available-for-sale financial assets.

The objective evidences for proving impairment of available-for-sale equity instruments investments includes serious or non-temporary decline in fair value. "Serious" shall be judged according to the extent of fair value the cost, and "non-temporary" shall be judged according to the duration of fair value below the cost. If there is any objective evidence of impairment, the transferred aggregate losses shall be the balance after deducting the current fair value and the impairment loss originally included in the profits or losses from the acquisition cost. The impairment losses of equity instrument investment available for sale shall not be carried back through profit or loss, and the increase in fair value after impairment shall be recognized directly in other comprehensive income.

It needs to judge when determining what is "serious" or "non-temporary". The Group shall judge according to the degree or duration of the fair value below cost as well as other factors.

For the debt instruments investment available for sale, the impairment shall be assessed in the same manner as the financial assets measured at amortized cost. However, the transferred aggregate losses shall be the balance after deducting the current fair value and the impairment loss originally included in the profits or losses from the acquisition cost. The interest income after impairment shall be calculated and recognized in accordance with the discount rate used to discount future cash flows during the determination of impairment losses.

As for the debt instruments available for sale of which impairment losses have been recognized, if, in the subsequent accounting period, the fair value rises and is objectively related to events that occur after the impairment losses were recognized, the previously recognized impairment losses shall be reversed and included in the current profits or losses.

Financial assets measured at cost

If there is objective evidence showing the impairment of financial assets, the difference between the book value of financial assets and the present value determined by discounting the future cash flows according to the market return of similar financial assets at that time shall be recognized as impairment loss and included in current profits or losses. Once recognized, the impairment loss shall not be carried back.

Transfer of financial assets

If the Group has transferred almost all risks and rewards of the ownership of the financial assets to the transferee, the recognition of such financial assets shall be terminated. If almost all risks and rewards of the ownership of the financial assets are retained, the recognition of such financial assets shall not be terminated.

When the Group has neither transferred nor retained almost all risks and rewards of the ownership of financial assets, handle respectively in the following manners: if the control over the financial asset is given up, stop recognizing the financial assets and recognize assets and liabilities arising; if the control is not given up, recognize related financial assets and liabilities accordingly according to the extent of its continued involvement in the transferred financial assets.

In case of continued involvement in the manner of providing financial security for the transferred financial assets, recognize the assets formed by the continued involvement in accordance with the lower of the book value of the financial asset and the amount of financial guarantee. The amount of financial guarantee refers to the maximum amount to be repaid in the considerations received.

11. Receivables

(1) Receivables with individually significant amount and individual provision for bad debts

☒Applicable ☐Not applicable

Basis or monetary criteria for determining an individually significant receivable	Top 5 of the receivables from non-related party
Method of determining provision for receivables with individually significant amount and individual provision for bad debts	Based on the balance of the present value of the expected future cash flow of the account receivable less than its book value

(2) Receivables with provision for bad debts made by portfolio with credit risk characteristics

☒Applicable ☐Not applicable

Method of provision for the bad debt on the basis of portfolio of credit risk features (aging analysis method, balance percentage method and other method)	
The basis for confirming the credit risk portfolio is as follows:	Portfolio 1 Accounts receivables of related party Portfolio 2 Accounts receivables of non-related party
Method of provision for bad debts on the basis of credit risk portfolio:	Portfolio 1 The provision for bad debts shall not be made for the accounts receivable from related party except that there is objective evidence showing that the Group is unable to recover the money according to the original provisions of account receivables Portfolio 2 Aging analysis method

In the portfolio, the provision for bad debts made by aging analysis method

√Applicable □Not applicable

Aging	Provision proportion of receivables (%)	Provision proportion of other receivables (%)
Within 1 year (including 1 year)		
Thereinto: as to the sub-items within 1 year, the lines can be added		
Within 6 months	0	0
7~12 months	1	1
1~2 years	15	15
2~3 years	30	30
Over 3 years		
3~4 years	50	50
4~5 years	75	75
Over 5 years	100	100

In the portfolio, the provision for bad debts made by balance percentage method

□Applicable √Not applicable

In the portfolio, the provision for bad debts made by other methods

□Applicable √Not applicable

(3) Receivables with individually significant amount and individual provision for bad debts

√Applicable □Not applicable

Criteria of individual provision for bad debts	Objective evidence shows that the Group is unable to recover the money according to the original provisions of other receivables.
Method of provision for bad debts	According to the difference of the present value of the expected future cash flow of other receivable less than its book value

12. Inventories

√Applicable □Not applicable

Inventories includes raw materials, purchased spare parts, goods in process and merchandise inventory, etc.

Inventories are initially measured at cost. Inventory costs include purchase costs, processing costs and other costs. The actual cost is determined by the weighted average method when the inventory is sent out. Turn-over materials include low-value consumption goods and the packing, etc.; the low-value consumption goods are amortized by installment while packing is amortized at one time.

The inventory system shall be perpetual inventory system.

On the date of the balance sheet, inventories are measured at the lower of the cost and net realizable value, for the cost that is higher than the net realizable value, the provision for depreciation of inventories shall be included in the current profits or losses. If the influence factors of the provision for depreciation of inventories before have disappeared, making the net realizable value of inventories higher than the book value, in the amount of original provision for depreciation of inventories, the previously reduced amount shall be recovered and the reversed amount shall be recorded in the current profits or losses.

Net realizable value is the amount that the estimated selling price of the inventory minus the cost that would incur at the time of completion, the estimated cost of sales and relevant taxes and fees in daily activities. For the provision for decline in value of inventories, the raw materials shall be by category while the finished goods shall be by individual inventory item.

13. Held-for-sale assets

□Applicable √Not applicable

14. Long-term equity investment

√Applicable □Not applicable

Long-term equity investment includes the equity investment in subsidiaries, joint ventures and associates.

Long-term equity investment is initially measured by the initial investment cost on acquisition. Long term equity investment obtained by business combination under the same control takes the share of the book value in the consolidated financial statements of the ultimate controlling party acquired from the acquiree on the combination date as the initial investment cost; the difference between the initial investment cost and the book value of the combined consideration is adjusted to the capital reserves (when sufficient for offset, write down the retained earnings); as for other comprehensive income prior to the date of combination, when handling the investment, it shall carry out the accounting treatment on the same basis of the relevant assets or liabilities directly disposed by the investee, as for the shareholders' equity recognized due to the changes in other shareholders' equity except for net profit or loss, other comprehensive income and profit distribution in the investee, it shall be transferred to current profits or losses during disposal of the investment. In which, if it is still long-term equity investment after disposal, carry forward in proportion, if it is converted to the financial instruments, then carry forward fully.

Long-term equity investments obtained by business combination not under the same control shall take the combined cost as the initial investment cost (if the business combination not under the same control is realized by two or more transactions in steps, take the sum of the book value of equity investments held by acquiree prior to purchase date and newly increased investment cost on purchase date as the initial investment cost), and the combined cost includes the sum of the assets paid by the purchaser, the liabilities incurred or assumed, the fair value of the equity securities issued; as for other comprehensive income prior to the purchasing date recognized by the equity method accounting, such investment shall be handled by using the same basis as the investee for handling relevant assets or liabilities directly. As for the shareholders' equity recognized due to the changes in other shareholders' equity except for net profit or loss, other comprehensive income and profit distribution in the investee, it shall be transferred to current profits or losses during disposal of the investment. In which, if it is still long term equity investment after the disposal, carry forward in proportion, and if it is converted to the financial instruments, then carry forward fully. When equity investments held prior to the purchasing date as financial instrument included in the cumulative changes in fair value of other comprehensive income is counted according to the cost method, it shall be transferred fully into the current profit or loss. As for the long term equity investments acquired other than long term equity investments formed by the business combination, the initial investment cost shall be determined according to the following methods: obtained by making payment in cash, it shall take the actual purchase price paid and the directly related costs and taxes with the acquisition of long term equity investment and other necessary expenses as the initial investment; obtained by issue of equity securities, the fair value of the issue of equity securities shall be taken as the initial investment cost.

The Company can measure the long-term equity investments controlled by the investment enterprises with cost method in individual financial statement of the Company. Control means having the power over the investee and enjoying variable gains through participating in related activities of the investee, and having the ability to utilize the power over the investee to influence the return amount.

When the cost method is used, the long-term equity investment is priced at the initial investment cost. The cost of the long-term equity investment shall be adjusted if the investment is added or withdrawn. The cash dividends or profits declared by the investee shall be recognized as the current gain on investment.

If the Group has a joint control or material influence on the investee, the long-term equity investment shall be accounted by the equity method. Joint control means enjoying control over certain arrangement according to contract, and such arranged activities must be decided upon agreement of the Group and the other participants that share the control rights. Material influence means that the company possesses the right of decision-making participation in the financial and operating policies of the investee but is not able to control or jointly control with other parties the making of such policies.

When the equity method is adopted, if the initial cost of a long-term equity investment larger than the share of fair value of identifiable net assets of the invested enterprise, it shall be included in the initial investment cost of long-term equity investment; if the initial cost of a long-term equity investment less than the share of fair value of identifiable net assets the invested enterprise, the difference shall be included in the current profits or losses and the cost of the long-term equity investment shall also be adjusted.

When the equity method is adopted, after obtaining a long-term equity investment, in accordance with the share of other comprehensive income and net income achieved by the investee which should be enjoyed or shared, respectively confirm the investment profit or loss and other comprehensive income, and adjust the book value of the long-term equity investment.

In confirmation of the share of the net profit or loss of the investee, based on the fair value of the identifiable assets of the investee when obtaining the investment, in accordance with the Group's accounting policies and accounting periods, offset the internal transaction gains and losses between affiliated enterprises and joint ventures and attribute to the investing party in accordance with the enjoyed proportion (but the loss of internal transactions is an impairment loss of assets, which should be fully recognized), confirm the net profit of the investee after adjustment, except for the assets that are invested or sold to form a business. In accordance with the portion of the profits or cash dividends declared by the investee entity, the book value of the long-term equity investment shall be reduced accordingly. The Group confirms the net losses of the invested enterprise, the book value of the long-term equity investment and other long-term interests in the net investment of the investee is reduced to zero, except for which the Group bears extra liability for loss. For the other changes in the equity of the investee other than net gains/losses, other comprehensive income and profit distribution, the book value of the long-term equity investment shall be adjusted and included in the shareholders' equity.

For the disposal of long term equity investment, the difference between the book value and the actual purchase price shall be included in current profits or losses. Accounting treatment shall be carried out for the long-term equity investments accounted for using the equity method, terminating the equity method, and relevant other comprehensive income accounted for using original equity on the same basis of direct disposal of relevant assets or liabilities by the investee. The shareholders' equity recognized by the changes in other shareholder's equity of the investee other than net profit or loss, other comprehensive income and profit distribution shall be transferred fully into the current profits or losses; in case of still using the equity method, carry out the accounting treatment for other comprehensive income related to the original equity accounting shall on the same basis of direct disposal of relevant assets or liabilities by the investee and transfer into the current profits or losses in proportion, and the shareholders' equity recognized by the changes in other shareholder's equity of the investee other than net profit or loss, other comprehensive income and profit distribution shall be transferred into the current profits or losses in proportion.

15. Investment properties

(1) Cost measurement:

Depreciation or amortization method

Cost measurement model for all investment properties is adopted by the Group to undertake follow-up measurement of the investment properties. Depreciation and amortization are made for buildings and land use rights according to their estimated service life and residual value rate. The estimated useful lives, net residual value rate and annual depreciation (amortization) rate of the investment properties are listed below:

	Estimated useful lives	Estimated net residual value rate	Annual depreciation (amortization) rate
Building	30 years	0%	3.3%
Land use right	Land use years	0%	Calculated and determined based on the estimated residual value rate and land use years

The estimated useful lives, estimated net residual values and depreciation (amortization) method of the investment properties shall be reviewed and adjusted appropriately by the Group at the end of each year.

When the purpose of the investment properties is changed to self-use, from the date of change, convert the real estate for investment to fixed assets or intangible assets. When the purpose of self-use property is changed to earning rentals or for capital appreciation, from the date of change, convert the fixed assets or intangible assets to investment properties. Upon conversion, the book value before the conversion shall be recorded as the entry value after conversion.

16. Fixed assets

(1) Recognition conditions

☒Applicable ☐Not applicable

Fixed assets shall be recognized only when the related economic interests are likely to flow to the Group and their costs can be reliably measured. In case of meeting the recognition condition, the subsequent expenditure relating to fixed assets shall be included in the cost of fixed assets, and stop recognizing the book value of the replaced part; otherwise, it shall be included in current profits or losses at the time of incurrence.

The initial measurement of the fixed assets shall be made at its cost. The cost of purchasing a fixed asset consists of the purchase price, relevant taxes, and other expenditures incurred before making the fixed asset reaching the expected conditions for use and attributable directly to such asset.

(2) Depreciation method

√Applicable □Not applicable

Category	Depreciation method	Depreciation period (year)	Residual rate	Annual depreciation rate
Housing and buildings	Straight line method	20-40 years	0%	2.5%-5%
Machinery and equipment	Straight line method	3-20 years	based on the price of scrap steel	Confirmed based on the estimated residual value rate and expected service life
Office and electronic equipment	Straight line method	3-5 years	0%	20-33.3%
Transportation facilities (excluding vessels)	Straight line method	5 years	0%	20%
Vessels	Straight line method	10-30 years	5%/10%	3-9.5%

(3) Recognition and measurement depreciation of fixed assets under financing lease

√Applicable □Not applicable

Depreciation for fixed assets under financing lease is calculated in accordance with the same policy as fixed assets. If the acquisition of ownership of the leased asset at the expiration of the lease period can be confirmed rationally, depreciation shall be accrued within the service life of the leased asset. If not, depreciation shall be accrued within lease term or the service life of the leased asset, whichever is shorter.

The Group shall check the estimated service life, estimated net residual value and method of depreciation at the end of each report year at least and make necessary adjustments.

17. Construction in process

√Applicable □Not applicable

The cost of construction in process is determined based on actual project expenditure, including necessary project expenditures occurred in construction period, capitalized loan expenses before making the construction in progress reach expected status of use and other relevant expenses.

When the construction in progress reaches the expected condition for use, it shall be transferred into fixed assets.

18. Borrowing cost

√Applicable □Not applicable

Borrowing cost refers to the interest and other relevant costs arising from the borrowing by the Group, including the interest on borrowings, the amortization of the discount or premium, auxiliary expenses and the exchange difference arising from the foreign currency borrowings.

The borrowing cost directly attributable to the purchase, construction or production of assets eligible for capitalization shall be capitalized, while other borrowing costs shall be included in current profits or losses. The assets eligible for capitalization refers to assets such as fixed assets and investment properties which take a rather long period of time to purchase, construct or manufacture in order to reach their expected state of use or sale.

When the following conditions are also met, the borrowing cost can be capitalized:

(1) Asset expenditures have incurred;

(2) Borrowing costs have incurred;

(3) Purchasing, constructing or production activities necessity to make that asset reach expected usable or salable condition has started.

When the purchased, built or produced fixed asset reached expected usable or salable condition, stop capitalization. The subsequent borrowing costs shall be included in current profits or losses.

The amount of interest capitalization in each accounting period during the capitalization period is determined by the following method:

(1) The special borrowings shall be determined based on the amount that the interest expense actually incurred in the current period less the temporary deposit interest income or the investment income.

(2) The general borrowing occupied is determined by multiplying the weighted average of accumulated assets expenditures expenses exceeding that of special borrowings by the weighted average interest rate of the general borrowings occupied.

In case that purchasing, building or production activities of assets cease accidentally for reasons other than reaching expected usable or salable status and the term of cease exceeds 3 months on end, capitalization of borrowing cost shall be stopped. The borrowing costs occurring during the term of cease shall be recognized as cost and included in current profits or losses until purchasing, building or production activities resume.

19. Biological assets

☐Applicable ☒Not applicable

20. Oil and gas assets

☐Applicable ☒Not applicable

21. Intangible assets

(1) Valuation method, service life and impairment test

☒Applicable ☐Not applicable

Intangible assets are recognized only when the related financial benefits will probably flow into the Group and their costs can be reliably valued, and initial measurement is taken at cost. However, intangible assets acquired in business combination under the same control can be measured reliably, that is, intangible assets are recognized as intangible assets separately and measured at fair value. The evaluation value confirmed by the state-owned authority shall be the book value for the intangible assets invested by the state-owned shareholders at the re-structuring of the Company.

Service life of intangible assets shall be confirmed based on the term in which they can bring benefits to the Company. If the term in which intangible assets bring benefits to the Company cannot be expected, such assets shall be confirmed as intangible assets with uncertain service life.

The service life of intangible assets is shown as follows:

	Service life
Land use right	Land service life
Software use cost	5 years
Proprietary technology	10 years

Land use right obtained by the Group is usually accounted for as intangible assets. For self-developed and self-constructed buildings, relevant land use right and the buildings shall be regarded as intangible assets and fixed assets respectively. If the price paid for outsourced land and building is difficult to distribute in a reasonable way between the land use rights and the building, they are all regarded as fixed assets.

Intangible assets with limited service life are amortized in straight line method in the service life. Double check is made by the Group at the end of each year to expected life in use and amortization method of intangible assets with limited use of life and necessary adjustment is thus made.

(2) Accounting policy for expenses for internal research and development

☒Applicable ☐Not applicable

The Group classifies the expenses of the internal R & D project into expenses in research phase and expenses in development phase. Expenditure in research phase shall be included in the current profits or losses at the time of incurrence. Expenses in development stage are capitalized when simultaneously satisfying the following conditions: It is technically feasible to complete the intangible assets to make them usable and marketable; the management has the intention to complete the intangible assets and to use them or to sell them; the ways intangible assets yield financial benefits. It's

able to prove the products manufacturing by intangible assets exist in the market, or intangible assets are in the market, or intangible intended to be used for interior; there are enough technology and financial resources and other resources supports to complete the development of the intangible assets, with the ability to use and sell; the expenses attributable to such development stage of intangible assets can be reliably measured. The development expenditures not satisfying the above conditions are included in current profits or losses when incurred.

22. Long-term assets impairment

√Applicable ☐Not applicable

The assets impairment, except for inventories, deferred income tax and financial assets, shall be determined as follows:

The Group will determine whether there is sign of impairment for assets on the date of balance sheet. If there is sign of impairment, the Group will estimate recoverable amount and conduct impairment test. An impairment test shall be conducted at the end of the year at least for the goodwill formed due to the business combination no matter whether there is any sign of impairment. Impairment test shall also be made at least once each year for the intangible assets not reaching the usable state.

The recoverable amount is the higher between net amount of asset's fair value deducting disposal expenses and the present value of expected future cash flow. Recoverable amount is estimated by individual piece of asset. In case recoverable amount of individual asset is difficult to value, recoverable amount of asset group to which they said individual asset belongs is confirmed. An asset group can be recognized on the basis that its main cash in-flow is independent of that of other assets or asset groups.

When the recoverable amount of the asset or asset group is lower than its book value, the Group shall reduce its book value to the recoverable amount, the amount written down is included in the current profits or losses, and the corresponding asset impairment provision shall be withdrawn.

In terms of goodwill impairment test, the book value of goodwill formed by the business combination shall be amortized to the relevant asset group by reasonable means from the date of purchase; it shall be amortized to relevant combination of asset groups when it is difficult to amortize to relevant asset group. The relevant asset group or combination of asset groups is the one that can benefit from the synergy effect of the business combination, and is not larger than the reporting subsection determined by the Group.

For impairment test of relevant asset groups or combination of asset groups that contain goodwill, if there is a sign of impairment, the impairment test on the asset group or the asset group that does not include goodwill is performed first. Then calculate the recoverable amount and confirm corresponding impairment loss. Next, impairment test is made to relevant asset groups or combination of asset groups that contain goodwill. If the recoverable amount is lower than the book value of the asset. The impairment loss is firstly to compensate the book value of the goodwill amortized in the asset group or portfolio, and then to compensate the book value of other assets in the proportion of the book value of other assets except for the goodwill in the asset group or portfolio.

The above assets impairment loss is not reversed in the future accounting period once recognized.

23. Long-term deferred expenses

√Applicable ☐Not applicable

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

	Amortization period
Improvement of leased fixed asset for operation	Expected benefit period

24. Employee compensation

(1) Accounting treatment of short-term compensation

√Applicable ☐Not applicable

During the accounting period when the employees have rendered services, the actual short-term compensation shall be recognized as liability and included in current profit or loss or related assets cost.

(2) Accounting treatment of post-employment benefits

√Applicable ☐Not applicable

The Group shall buy endowment insurance and unemployment insurance managed by the local government and open the enterprise annuity for the employees. The corresponding expenditure shall be included in related asset cost or current profits or losses at the time of incurrence.

(3) Accounting treatment of dismissal benefits

☐Applicable ☒Not applicable

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

☐Applicable ☒Not applicable

25. Expected liabilities

In addition to the contingent consideration or contingent liabilities of business combination not under the same control, when a contingency-related liability meets the following conditions synchronously, the Group recognizes it as an estimated liability:

(1) This liability is the current liability of the Group;

(2) The fulfillment of the liability may cause outflow of economic interests;

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

Expected liabilities are initially valued by the best estimates to be spent on fulfillment of related present obligation, combining risks and uncertainty with probabilities and time value of currency. The book value of expected liabilities is double-checked and thus adjusted on Date of balance sheet to reflect present best estimates. Where there is conclusive evidence that the book value does not reflect the current best estimate, the book value is adjusted in accordance with the current best estimate.

26. Share-based payment

☐Applicable ☒Not applicable

27. Other financial instruments such as preferred shares and perpetual bonds

☐Applicable ☒Not applicable

28. Revenues

☒Applicable ☐Not applicable

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. 11.

(b) Income 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.

(d) Interest income is recognized by term for using monetary fund of the Group by others and real interest rate.

(e) Operating leasing income is recognized in leasing period with straight line method.

(f) Activities under the construction and transfer of contracts usually include construction and transfer. As for constructing item the Group responsible for, in the construction phase, in accordance with the construction contract standards, when the results can be estimated reliably, the construction contract revenue should be valued by the fair value of consideration chargeable, at the same time to confirm the "Long term receivables", to be written off when payment received from the owners.

29. Government subsidies

☒Applicable ☐Not applicable

Government subsidies are recognized when they are able to meet the conditions attached and can be received. Where government subsidies are monetary assets, they are measured in amounts received or receivable. Where the government subsidies are non-monetary assets, they shall be measured at fair value; if the fair value cannot be reliably obtained, it shall be measured in nominal amount.

According to government documents, for long-term assets for the purposes of purchasing and constructing or formed in other ways, relevant subsidy shall be recognized as government subsidy related to assets; if it is not clear in the government documents, judgment shall be based on the basic conditions necessary to obtain the subsidy. If the basic condition is that long-term assets are for the purposes of purchasing and constructing or formed in other ways, the subsidy is recognized as government subsidy related to assets. Otherwise, it shall be recognized as government subsidy related to income.

Government subsidy related to the income when used to compensate related cost expenses or losses in future periods is recognized as deferred income and is booked into current P&L in the period when related expenses are recognized. That used to compensate paid expenses or losses is booked directly into current P&L.

Government subsidy related to the income when used to compensate related cost expenses or losses in future periods is recognized as deferred income and is booked into current P&L in the period when related expenses are recognized. That used to compensate paid expenses or losses is booked directly into current P&L.

Asset-related government subsidy shall write down the book value of relevant asset or recognized as deferred income, and shall be included in the profits or losses by installments in reasonable and systemic way within the service life of the asset (but the government subsidy measured based on nominal amount shall be directly included in current profits or losses); of relevant assets are sold, transferred, retired or damaged before the end of service life, the balance of undistributed deferred income shall be transferred to profits or losses in the period of assets disposal.

30. Deferred income tax assets /deferred income tax liabilities

☒Applicable ☐Not applicable

According to the temporary difference between the book value and tax base of assets and liabilities on date of balance sheet, the temporary differences arising from the difference between the book value and tax base of the item that is not recognized as the asset and liability but which tax base can be determined according to tax law, the Group shall withdraw the deferred income tax using the balance sheet liability method.

The deferred income tax liabilities are recognized on the basis of various taxable temporary differences, unless:

(1) Taxable temporary differences arise from the following transaction: The initial recognition of goodwill or the initial recognition of assets or liabilities arising from transactions with the following characteristics: the transaction is not an enterprise merger, and the accounting profits, taxable income and deductible loss are not affected when the transaction occurs.

(2) For investment-related taxable temporary differences of subsidiaries, associates and joint ventures, the time of the temporary difference reversal can be controlled and the temporary difference will not likely be transferred back in the foreseeable future.

For deductible temporary differences, deductible losses and tax credits to be carried forward to subsequent year, and the Group will confirm the deferred income tax assets arising therefrom to the extent that it is likely to obtain the amount of future taxable income that is used to offset temporary differences, deductible losses and tax credits, unless:

(1) Deductible temporary differences arise from the following transaction: the transaction is not business combination, and the accounting profits, taxable income and deductible loss are not affected when the transaction occurs.

(2) Deferred income tax assets generated from investment-related provisional difference of subsidiaries, associates and joint ventures are confirmed as deferred income tax assets, when the temporary difference is able to be transferred back in the foreseeable future and when possible taxable income which is used to compensate the provisional difference can be possibly obtained in future.

On the date of balance sheet, deferred income tax assets and deferred income tax liabilities are calculated by tax rate applicable to the period of term the assets or liabilities are expected to be collected back in accordance with regulations of tax law, and reflect income tax effect from the way that assets or liabilities are expected to be collected back.

On the date of balance sheet, the Group reviews the book value of the deferred income tax assets, and if it is likely that taxable income obtained in future periods is not enough to deduct the benefits from book value of the deferred income tax assets, the carry value of deferred income tax assets shall be written down. On the date of balance sheet, the Group reevaluates unrecognized deferred income tax assets and recognizes the deferred income tax assets to the extent that sufficient taxable income is likely to be transferred back to all or part of the deferred income tax assets.

When all of the following conditions are met, the net amount deferred income tax assets and deferred income tax liabilities after offset shall be listed: the Company is legally authorized to settle the income tax assets and liabilities of the current period at net amounts; the deferred income tax assets and liabilities are related to the income tax levied by the same tax authority on the same tax payer, or such on different tax payers but in the future period of the reversal of each important

deferred income tax assets and liabilities, the involved tax payers intend to settle the income tax assets and liabilities of the current period at net amounts or obtain assets and repay debts at the same time.

31. Leases

(1) Accounting treatment for operating leases

√Applicable ☐Not applicable

A lease substantially transferring all risks and remuneration related to the ownership of the assets is a financing lease. Others are operating leases.

As the lessee of operating leases

The rental expenses of operating leases are included in the asset cost or the current P&L based on straight-line method in the lease period.

As the lessor of operating leases

The rental income of the operating lease is included in the asset cost or the current P&L based on straight-line method in the lease period.

(2) Accounting treatment of financing leases

√Applicable ☐Not applicable

As the lessee of finance leases

As for the assets from finance leases, on the beginning date of lease term, the lower one of the fair value of the leased asset and the minimum rental payment the present value is accounted in the book as the leased assets; the minimum lease payment shall be the entry value of long-term payables; the difference shall be the unrecognized financing charges, which shall be amortized in each period within the leasing term based on actual interest rate method. Contingent rental is included in the current profits or losses statements at the time of incurrence.

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.

32. Other significant accounting policies and accounting estimates

√Applicable ☐Not applicable

32.1 Construction contract

For customized production of large port equipment, heavy equipment, steel structure product and construction project, because the commencement and completion dates usually in different fiscal years, the Group shall use construction contract calculate the revenue and cost.

If the result of individual construction contract can be reliably estimated, the revenue and cost of the construction project can be recognized on date of balance sheet with completeness construction method according to the schedule of contract. Reliable estimation of the result of construction contract means that the economic benefit related to the contract is likely to flow into the group, and the actual contract cost can be clearly distinguished and measured reliably. In the case of a fixed cost contract, the following conditions should be satisfied: the total contract revenue can be measured reliably, and the contract completion progress and the cost to be taken for the completion of the contract can be reliably determined. The amount of total contract revenue includes the initial revenue stipulated in the contract and income resulting from contract change, claim, and award, etc. The Group determines the contract completion progress by the following methods:

(i) As for large port equipment, the completion rate shall be determined according to the completion percentage corresponding to the revenue recognition node of the construction contract reached at the end of the term. The Group has established the following three revenue recognition nodes:

First node: the main steel structure completed and erected;

Second node: manufacturing, installation and initial commissioning completed, product ex-factory qualification certificate issued, shipping documents acquired, product ready for shipping;

Third node: the product is delivered after final inspection by the buyer and the final delivery certificate issued by the buyer is obtained.

The Group will analyze the construction contracts completed in prior year by product category, and will calculate and determine the completion percentage that should be recognized when reaching the revenue recognition node, and take it as the completion percentage to be recognized at various stages in current period.

(ii) For heavy equipment and construction project, the progress of completion shall be determined by the proportion of accumulated contract cost incurred in total expected contract cost. The accumulated contract cost does not include that related to future activities of the contract.

(iii) The completion progress of steel structure manufacturing shall be determined by the proportion of cumulative processing tonnage completed in total processing tonnage.

(b) If reliable estimation of the results of individual construction contract is unavailable, the following shall be used:

(i) If the contract cost can be recovered, the contract revenue shall be recognized according to the actual contract cost that can be recovered, and the contract cost is recognized as contract expense in the period when cost incurs.

(ii) When contract cost cannot be recovered, it shall be recognized as contract expense immediately when it incurs other than contract revenue.

(c) When expected total contract cost exceeds total revenue, the expected losses should be immediately recognized as current profits or losses.

(d) When contract value is settled in installments, the settled installment is recognized as settled value, which will be transferred and set off with related accumulated costs and confirmed margin after the settlement of construction contract. On the date of balance sheet, when the sum of accumulated costs and confirmed margin is greater than the accumulated settled value, the difference shall be listed as the amount due from customer for completed work in current assets. Otherwise, it shall be listed in the amount due from customer for contract work in current liabilities.

32.2 Profit distribution

The cash dividends of the Company are recognized as liabilities after approval by the general meeting of shareholders.

32.3 Work safety expenses

The work safety expenses extracted in accordance with the regulations shall be included into the cost of relevant products or current profit or loss, and shall also be included in the special reserves; it shall be processed separately when used by distinguishing whether to form fixed asset or not: in case of belonging to expense expenditure, write down the special reserves directly; in case of forming fixed assets, collect the expenditures incurred and recognize the fixed assets when reaching expected usable status, and write down the equivalent special reserves and recognize equivalent accumulated depreciation at the same time.

32.4 Measurement at fair value

The Group measures the derivative financial instruments and listed equity instruments investments at fair value on each date of balance sheet. Fair value refers to the price that a market participant gains or pay for sale of an asset or transfer of a liability in an orderly transaction occurring on the measurement date. For relevant assets or liabilities measured by fair value, the orderly transaction for sale of an asset or transfer of a liability is assumed to be conducted in the main market. If it relevant assets or liability measured by fair value do not exist in the market, the transaction is assumed to be conducted in the most advantageous market for relevant assets or liabilities. The main market (or the most advantageous market) is the trading market in which the Group is able to enter on the measurement date. The Group assumes that market participants intend to realize their maximum economic benefits when pricing the assets or liabilities.

For non-financial assets measured by fair value, the ability of market participants to put the assets in best use for economic benefit or to sell the assets to other market participants that can put the assets in best use for economic benefits.

Estimation technique that is applicable and supported by sufficient available data and other information is adopted. Priority is given to the observed input value, and the unobservable input value is used only if the observable input value cannot be obtained or is not practicable.

For assets and liabilities measured or disclosed at fair value in the financial statements, fair value level shall be determined by the input value of lowest level, which is important for the fair value measurement as a whole: the input value of the first level is the unadjusted quotation on the active market of the same assets or liabilities that can be obtained on the

measurement date; the input value of the second level is the input value that may be observed directly or indirectly by the relevant assets or liabilities except the first level input value; the input value of the third level is the unobservable input value of the relevant assets or liabilities.

On each date of balance sheet, the Group reevaluates the assets and liabilities that continue to be measured at fair value as recognized in the financial statements to determine whether a conversion has occurred at the fair value level.

32.5 Major accounting judgments and estimates

For the preparation of financial statements, the management is required to make judgments, estimates and assumptions that will affect the presentation amount of income, costs, assets and liabilities and disclosure thereof, as well as disclosure of contingent liabilities on Date of balance sheet. However, the results of these assumptions and uncertainties may result in major adjustments to the carrying amount of future affected assets or liabilities.

Uncertainty of estimates

The following key assumptions about the future on the date of balance sheet and other key sources of estimate uncertainty may lead to major adjustments in the carrying amount of assets and liabilities during future accounting periods.

Construction contract

Construction contract is adopted to calculate its revenue and cost for large port equipment and construction projects. During the course of the project, the group shall continuously review and revise the expected total cost of the construction contract based on the situation of actual cost of the construction contract and the actual cost of the similar products in the reference, so that the expected total cost of the contract is approximate to its final actual cost. If there is a discrepancy between the expected total cost and the actual total cost of contracts in the future, the discrepancy will affect the cost confirmed by the Group this year.

At the same time, the Group management regularly performs impairment testing on construction contracts. If the expected total cost of the construction contract exceeds the total contract income, the contract expected loss shall be calculated and withdrawn. Changes of the expected total cost due to continuous review and revision may affect the carrying value of the construction completed amount not closed/construction uncompleted amount closed and impairment losses during the estimated changes.

Impairment of account receivables

The management of the Group continues to pay attention to the recoverable extent of the receivables, and estimates the bad debt reserves of the accounts receivable based on the analysis of the actual conditions (including but not limited to the advances to suppliers capacity of the debtor, the age of the accounts receivable, the collection after the period). In case of any event or change, if the estimate adopted is changed, the estimate shall be adjusted accordingly, and the appropriate bad debt reserve for receivables shall be accrued. If the expected amount is different from the original estimate, the difference will affect the book value of the receivable and the impairment loss during the estimated change.

Inventory impairments

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

Service life and the net residual value of fixed assets

Expected service life and the net residual value of fixed assets are estimated by the Group. These estimates are based on the actual service life and net residual value of fixed assets similar in nature and function. Technological innovation and the actions taken by competitors due to severe industry cycles may cause major changes to such estimates; changes in the economic environment, technical environment and other environmental changes in service life of fixed assets may also lead to material differences in the expected implementation of the economic benefits associated with fixed assets.

Impairment of non-current assets except for financial assets (except for goodwill)

The Group determines whether there is any indication of possible impairment of non-current assets other than financial assets on the date of balance sheet. For non-current assets except financial assets, when there are indications that its carrying amount is not recoverable, an impairment test is conducted. Impairment is indicated when the book value of the

asset or asset group is higher than the recoverable amount, that is, the higher one between the net amount of the fair value less the disposal expenses and the present value of the expected future cash flows. Net amount gained by fair value less disposal expenses shall be determined by the price in sale agreement of similar assets in fair transaction or market price observed less the incremental cost attributable to the assets. The management must estimate the expected future cash flow of the asset or asset group and select the appropriate discount rate to determine the present value of the future cash flow when estimating the present value of future cash flow.

Goodwill impairment

Impairment test for goodwill shall be conducted at least annually. This requires estimate of the present value of the future cash flows of the asset group or the asset group to which goodwill is distributed. The Group shall estimate the expected future cash flow of asset or asset group and select the appropriate discount rate to determine the present value of the future cash flow when estimating present value of future cash flow. For details, please refer to clause 23 in Note VII. 23.

Income tax and deferred income tax

The Company was recognized as a high-tech enterprise in 2014, with a three-year period of validity. The company calculated and paid the enterprise income tax at the rate of 15% according to the relevant income tax laws. According to the relevant regulations, one condition for the qualification of high-tech enterprises is that the proportion of R & D expenditure in sales income must not be lower than the specified proportion, in which the proportion is 3% for enterprise with annual sales income more than 200 million Yuan. If the final determination result given by tax authority in charge is different from that of the company, the difference will affect the income tax expenses of the year.

In addition, the Group calculates enterprise income tax and deferred income tax in accordance with current tax laws and takes into consideration applicable income tax provisions and tax preferences. There is uncertainty in the final tax treatment for some of the transactions and events involved in normal operations. The Group needs to make major judgments when the income tax is calculated and withdrawn. The Group shall estimate whether additional taxes need to be paid in respect of future tax adjustments for tax purposes so as to confirm corresponding income tax liabilities. If the final determination result of these tax matters is different from the originally entered amount, the difference will affect the amount of income tax and deferred income tax for the period of final recognition.

When evaluating temporary differences, the Group also considers the possibility that deferred income tax assets can be recovered. The temporary differences mainly include the impacts of deductible losses, asset impairment provision, unrealized profits of internal transactions, expected liabilities that have not been approved before tax, interest not yet paid, wages and salaries, financial assets measured at fair value through the current profit or loss, and changes in the fair value of liabilities. The confirmation of the deferred income tax assets is based on the estimation of the Group and assumes that the deferred income tax assets are reversed through the Group's continuous operation in the foreseeable future. At the same time, the Group also takes into account the deferred tax assets and the tax rate at which the deferred income tax liabilities are reversed. Based on the experience gained by the Company for many years, as well as the continuous input into the research and development projects, the Company is expected to obtain the qualification of high-tech enterprises the year and beyond, and hereby calculate and recognize the deferred income tax assets and deferred income tax liabilities at the preferential tax rate.

The Group has calculated and withdrawn income tax liabilities and deferred income tax items of this year based on current tax laws and current best estimates and assumptions. In the future, tax liabilities and deferred income tax items may need to be adjusted due to changes of tax laws or related circumstances.

33. Changes in significant accounting policies and accounting estimates

(1) Changes in significant accounting policies

☒Applicable ☐Not applicable

Contents and reasons of the changes in accounting policies	Approval procedure	Remarks (name and account of the significantly affected items in the statements)
Change in presentation mode of the financial statements	In accordance with requirements of Notice on Revising and Issuing Format of Financial Statement of General Enterprise for 2018 (CK [2018] No. 15), in the balance sheet, "notes receivable" and "accounts receivable" are consolidated into the newly increased item of "Notes receivable and accounts receivable", "interest receivable" and "dividend on shares receivable" are consolidated into "other accounts receivable", "clearance of fixed assets" is consolidated into the item of "fixed assets", "notes payable" and "accounts payable" are consolidated into the newly increased item of "notes and accounts payable", "interest payable" and "dividend on shares payable" are consolidated into "other accounts payable"; in the profit statement, "expenses for R&D" is added to present the expensed expenditures in the process of research and development, the item of "financial expenses" is split into the specific item of "interest expenses" and "interest income".	The changes in this accounting policy had no effect on the consolidation and the net profit as well as the shareholders' equity of the Company.

(2) Changes in significant accounting estimates

☐Applicable ☒Not applicable

34. Others

☐Applicable ☒Not applicable

VI. Taxation

1. Main taxes and tax rates

Main taxes and tax rates

☒Applicable ☐Not applicable

Tax	Taxation basis	Tax rate
VAT	VAT is applicable to the sales of the Group's products.	VAT is applicable to the sales of the Group's products, among which the taxable income from the sales of the products in domestic market is subject to the output tax as per 17% before May 1, 2018 and 16% from May 1, 2018 on; The products for export adopt the method of "tax exemption, tax deduction and tax reimbursement" and the applicable tax rates include 16%, 15% and 13% (17%, 15% and 13% of the tax reimbursement before May 1, 2018). The Group's income from the marine transport is applicable to VAT, and the taxable income is subject to 11% for tax payment before May 1, 2018 and 10% from May 1, 2018 on; the income from leasing of the equipment is applicable to VAT and is subject 17% for tax payment before May 1, 2018 and 16% from May 1, 2018 on; the income from the sales of the equipment is applicable to the simple collection measures of VAT and the tax rate is halved to 2%; the Group's income from the leasing of the housing is applicable to the simple collection measures of VAT as per 5%; "B-T" project is applicable to VAT and the output tax on the taxable income is collected as per 11% before May 1, 2018 and 10% from May 1, 2018 on. The above output tax shall calculate and pay VAT after deducting the amount of input tax deductible, except for the applicable VAT's simple collection method.
Consumption tax	/	/
Business tax	/	/
Urban maintenance and construction tax	Amount of paid VAT	The Group calculates and pays by 7% and 3% of the actual payment of turnover tax respectively.

Tax	Taxation basis	Tax rate
Enterprise income tax	Enterprise income tax is calculated and paid in accordance with Enterprise Income Tax Law of P.R. China (hereinafter referred to as "Income Tax Law").	Enterprise income tax is calculated and paid in accordance with Enterprise Income Tax Law of P.R. China ("Income Tax Law"). In accordance with relevant regulations in High-tech Enterprise Recognition Management Approaches (GKFH [2016] No. 32) and the High-tech Enterprise Recognition Management Work Guidelines (GKFH [2016] No. 195) and the Notification on Announcing List of Second Batch of Shanghai Municipality 2017 High-tech Enterprises Recognition, the Company replied and passed the reexamination in 2017, and was awarded the High-tech Enterprise Certificate (certificate number: GR201731002345). The certificate shall be valid for 3 years. The Company actually applied the enterprise income tax rate of 15% this year (2017: 15%).

Explanation for disclosure in case of the taxation subjects with different enterprise income tax rates:

√Applicable □Not applicable

Name of taxation subject	Income tax rate (%)
The Company	15%
Shanghai Zhenhua Port Machinery Heavy Industries Co., Ltd.	25%
Shanghai Zhenhua Port Machinery (Hongkong) Co., Ltd. (Note 1)	16.5%
Shanghai Zhenhua Shipping Co., Ltd.	25%
Nantong Zhenhua Heavy Industries Equipment Manufacturing Co., Ltd.	25%
ZPMC (Nantong) Transmission Machinery Co., Ltd. (Note 2)	15%
ZPMC Electric Co., Ltd. (Note 2)	15%
Jiangyin Zhenhua Port Machinery Steel Structure Manufacturing Co., Ltd.	25%
ZPMC Steel Structure Co., Ltd. (Note 2)	25%
Shanghai Zhenhua Marine Engineering Service Co., Ltd.	25%
ZPMC Machinery Equipment Services Co., Ltd. (former: ZPMC Inspection Technology Consulting Co., Ltd.)	25%
ZPMC Port Machinery General Equipment Co., Ltd.	25%
Shanghai Port Machinery Heavy Industries Co., Ltd.	25%
ZPMC Zhangjiagang Port Machinery Co., Ltd.	25%
ZPMC Qidong Marine Engineering Co., Ltd. (Note 2)	25%
Jiahua Shipping Co., Ltd. (Note 1)	16.5%
Zhenhua Pufeng Wind Power (Hong Kong) Co., Ltd.	16.5%
CCCC Tianhe Mechanical Equipment Manufacturing Co., Ltd. (Note 2)	15%
Fujian CCCC Qianda Heavy Industries Co., Ltd. (Note 6)	25%
Najing 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. (Note 3)	20%
ZPMC Netherlands B.V. (Note 3)	20%
Verspannen B.V. (Note 3)	20%
ZPMC Espana S.L. (Note 4)	28%
ZPMC GmbH Hamburg	32.28%
ZPMC Lanka Company (Private) Limited	17.5%
ZPMC North America Inc. (Note 5)	15%
ZPMC Korea Co., Ltd.	20%
ZPMC Engineering Africa (Pty) Ltd.	28%
ZPMC Engineering (India) Private Limited	30%
ZPMC Southeast Asia Holding Pte. Ltd.	17%

Name of taxation subject	Income tax rate (%)
ZPMC Engineering (Malaysia) Sdn. Bhd.	20%
ZPMC Australia Company (Pty) Ltd.	30%
ZPMC Brazil Serviço Portuários LTDA	25%
ZPMC Limited Liability Company	20%
ZPMC NA East Coast Inc. (Note 5)	15%
ZPMC NA Huston Inc. (Note 5)	15%
ZPMC Middle East FZE	0%
ZPMC UK LTD	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%
ZPMC Latin America Holding Corporation	25%
Terminexus Co., Ltd.	16.5%
CCCC Yongjia Construction Development Co., Ltd.	25%
CCCC Zhenhua Lujian Technology (Ningbo) Co., Ltd.	25%
ZPMC Hotel Co., Ltd.	25%

Note 1: Shanghai Zhenhua Port Machinery (Hong Kong) Co., Ltd. and Jiahua Shipping Co., Ltd. are the limited liability companies registered in Hong Kong, China. Based on Hong Kong's taxation regulations, the actual profits tax rate applicable to such companies is 16.5% (2017: 16.5%).

Note 2: Shanghai Zhenhua Heavy Industries Group (Nantong) Heavy Gear Reducer Co., Ltd won Hi-tech Enterprise Certificate (No. GR201732001352) in 2017, with the valid term of 3 years. Shanghai Zhenhua Heavy Industries Electric Co., Ltd was recognized as the hi-tech enterprise in November, 2017 and won Hi-tech Enterprise Certificate (No.: GR201831003143) 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 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 Income Tax Law, the actually applicable enterprise income tax rate for these companies in this year was 15% (2017: 15%). ZPMC Qidong Ocean Engineering Company was recognized as hi-tech enterprise in November, 2015 and won Hi-tech Enterprise Certificate (No. GF201532000832) with the valid term of 3 years, and the certificate expired in November, 2018, so the applicable Enterprise income tax rate in this year is 25% (2017: 15%).

Note 3: ZPMC Netherlands Coöperatie U.A., ZPMC Netherlands B.V. and Verspannen B.V. are the private limited liability companies incorporated in Netherlands and the actually applicable enterprise income tax of the companies in this year is 20% (2017: 20%) according to related provisions on the income tax in Netherlands.

Note 4: ZPMC Espana S.L. is a limited liability company registered in Spain. According to related provisions of the income tax in Spain, the actually applicable income tax rate is 28% in this year. (2017: 28%).

Note 5: ZPMC North American Inc., ZPMC NA East Coast Inc. and ZPMC NA Huston Inc. are the limited liability companies registered in USA; according to the related income tax provisions of USA, the applicable income tax rate is 15% in this year (2017: 15%).

Note 6: Fujian CCCC Qianda Heavy Industries Co., Ltd. and Shanghai ZPMC Steel Structure Co., Ltd. had been cancelled in this year and the applicable income tax rate was 25% (2017: 25%) before cancellation.

2. Tax preference

☐Applicable ☒Not applicable

3. Others

☐Applicable ☒Not applicable

VII. Notes to Items of Consolidated Financial Statements

1. Monetary funds

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Ending Balance	Beginning Balance
Cash on hand	1,569,455	1,365,865
Bank deposit	3,147,417,917	5,672,481,136
Other monetary funds	548,351,336	96,380,368
Total	3,697,338,708	5,770,227,369
Including: total amounts deposited abroad	998,711,134	637,201,842

Other information

On Dec. 31, 2018, the other monetary funds, including the restricted deposit of RMB 548,351,336 Yuan (Dec. 31, 2017: RMB 96,380,368 Yuan), 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.

On Dec. 31, 2018, the overseas monetary fund deposited by the Group was RMB 998,711,134 Yuan (Dec. 31, 2017: RMB 637,201,842 Yuan).

On Dec. 31, 2018, the bank deposits were the current deposits. The current deposits obtained the interest income as per the interest rate of the current deposit.

2. Financial assets measured at fair value with changes included in current profits or losses

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Ending Balance	Beginning Balance
Financial assets held for trading	52,920,084	8,438,278
Including: Debt instrument investment	-	-
Equity instrument investment	8,438,278	8,438,278
Derivative financial assets	44,481,806	-
Others	-	-
Financial assets measured at fair value with changes included in current profits or losses	-	-
Including: Debt instrument investment	-	-
Equity instrument investment	-	-
Others	-	-
Total	52,920,084	8,438,278

Other information:

(1) On Dec. 31, 2018, the financial assets held for trading - equity instrument investment held by the Company was acquired at the acquisition of Greenland Heavylift (Hong Kong) Limited. The fair value of purchase right corresponding to 1% stock rights could be purchased with 1 USD at any time in the future.

(2) On Dec. 31, 2018, the financial assets held for trading-derivative financial assets held by the Company were the

forward exchange contracts, which was signed by and between the Company and the banks, was not due and could change USD with Ruble. The contract will fall due from Jan. 15, 2019 to Oct. 15, 2019. The evaluation of the fair value of the above-mentioned forward foreign exchange contracts at the end of the year was the amount confirmed by the trading banks.

3. Derivative financial assets

☐Applicable ☒Not applicable

4. Notes receivable and accounts receivable

Particulars about summary statement

(1) Presentation by category

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Ending Balance	Beginning Balance
Notes receivable	189,371,105	420,786,012
Accounts receivable	5,032,548,741	3,980,017,611
Total	5,221,919,846	4,400,803,623

Other information:

☐Applicable ☒Not applicable

Notes receivable

(2) Presentation of notes receivable by category

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Ending Balance	Beginning Balance
Bank acceptance bill	162,148,105	395,649,259
Commercial acceptance bill	27,223,000	25,136,753
Total	189,371,105	420,786,012

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

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Amount pledged at the end of the period
Bank acceptance bill	31,522,267
Commercial acceptance bill	
Total	31,522,267

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

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Ending amount of recognition terminated	Ending amount of recognition not terminated
Bank acceptance bill	364,908,608	-
Commercial acceptance bill	-	-
Total	364,908,608	-

(5) Notes transferred to accounts receivable by the Company due to non-performance of the drawer at the end of period

☐Applicable ☒Not applicable

Other information

☐Applicable ☒Not applicable

Accounts receivable

(1) Disclosure of accounts receivable by category

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Category	Ending Balance					Beginning Balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion (%)	Amount	Provision proportion (%)		Amount	Proportion (%)	Amount	Provision proportion (%)	
Accounts receivable with individually significant amounts and individual provision for bad debts	588,585,831	9	440,054,331	75	148,531,500	182,649,892	3	182,649,892	100	-
Accounts receivable with provision for bad debts made by portfolio with credit risk characteristics	5,848,023,730	89	964,006,489	16	4,884,017,241	4,916,647,965	93	936,630,354	19	3,980,017,611
Accounts receivable with individually insignificant amount and individual provision for bad debts	125,247,401	2	125,247,401	100	-	216,121,534	4	216,121,534	100	-
Total	6,561,856,962	100	1,529,308,221	23	5,032,548,741	5,315,419,391	100	1,335,401,780	25	3,980,017,611

Accounts receivable with individually significant amounts and individual provision for bad debts at the end of period

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Accounts receivable (by unit)	Ending Balance			
	Accounts receivable	Provision for bad debts	Provision proportion (%)	Reason
Accounts receivable 1	297,063,000	148,531,500	50	Contract disputes
Accounts receivable 2	183,703,331	183,703,331	100	Contract disputes
Accounts receivable 3	107,819,500	107,819,500	100	Counter-party in capital shortage
Total	588,585,831	440,054,331	/	/

In the portfolio, the accounts receivable for which provision for bad debts is assessed with the aging method

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Age	Ending Balance		
	Accounts receivable	Provision for bad debts	Provision proportion (%)
Within 1 year			
Including: sub-items within 1 year			
Within 6 months	1,801,135,202	-	-
7~12 months	879,500,972	8,795,010	1
Subtotal of those within 1 year	2,680,636,174	8,795,010	

Age	Ending Balance		
	Accounts receivable	Provision for bad debts	Provision proportion (%)
1~2 years	547,403,660	82,110,549	15
2~3 years	333,225,101	99,967,530	30
Over 3 years			
3~4 years	188,508,451	94,254,225	50
4~5 years	76,862,217	57,646,662	75
Over 5 years	621,232,513	621,232,513	100
Total	4,447,868,116	964,006,489	

In the portfolio, the accounts receivable for which provision for bad debts is assessed with the balance percentage method
☐Applicable ☒Not applicable

In the portfolio, accounts receivable for which provision for bad debts is assessed with other methods
☒Applicable ☐Not applicable

On Dec. 31, 2018, the accounts receivable with that are individually insignificant and for which provision for bad debts is individually assessed are as follows:

	Book balance	Provision for bad debts	Provision proportion (%)	Reason
Accounts receivable 1	50,365,000	50,365,000	100	Counter-party in capital shortage
Accounts receivable 2	27,452,868	27,452,868	100	Contract disputes
Accounts receivable 3	14,854,467	14,854,467	100	Contract disputes
Accounts receivable 4	10,792,605	10,792,605	100	Contract disputes
Accounts receivable 5	7,847,300	7,847,300	100	Contract disputes
Accounts receivable 6	7,342,286	7,342,286	100	Contract disputes
Accounts receivable 7	3,524,112	3,524,112	100	Contract disputes
Accounts receivable 8	2,187,988	2,187,988	100	Contract disputes
Accounts receivable 9	880,775	880,775	100	Contract disputes
	125,247,401	125,247,401	100	

(2) Particulars about the provision for bad debts made, recovered and carried back for reporting period:

The amount of provision for bad debts made in current period was RMB 395,007,065 Yuan; the provision for bad debts recovered or carried back for reporting period was RMB 201,100,624 Yuan.

Thereinto, the amount of provision for bad debts recovered or carried back for the reporting period is important
☐Applicable ☒Not applicable

(3) Particulars about the actual accounts receivable written off for the reporting period
☐Applicable ☒Not applicable

(4) Particulars about the accounts receivable whose ending balance ranks Top 5 on the basis of totals by borrower
☒Applicable ☐Not applicable

On Dec. 31, 2018, the accounts receivable whose ending balance ranks Top 5 on the basis of totals by borrower is summarized and analyzed as follows:

	Balance	Amount of provision for bad debts	Proportion in total balance of accounts receivable %
Total accounts receivable of Top 5 balances	1,214,312,641	450,959,59	18

On Dec. 31, 2017, the accounts receivable whose ending balance ranks Top 5 on the basis of totals by borrower is summarized and analyzed as follows:

	Balance	Amount of provision for bad debts	Proportion in total balance of accounts receivable %
Total accounts receivable of Top 5 balances	777,865,552	279,069,695	15

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

☐Applicable ☒Not applicable

(6) The amount of assets or liabilities arising from accounts receivable transferred with continuing involvement

☐Applicable ☒Not applicable

Other information:

☐Applicable ☒Not applicable

5. Advances to suppliers

(1) Presentation of advances to suppliers by age

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Age	Ending Balance		Beginning Balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	1,438,324,530	86	819,125,581	79
1~2 years	165,247,645	10	108,191,230	10
2~3 years	36,491,651	2	28,266,965	3
Over 3 years	41,123,889	2	81,199,394	8
Total	1,681,187,715	100	1,036,783,170	100

Notes to the reasons for failure to timely settle the advances to suppliers aged over 1 year with important amount:

On Dec. 31, 2018, the advances to suppliers of the Company with the age over one year was RMB 242,863,185 Yuan (Dec. 31, 2017: RMB 217,657,589 Yuan), 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) Particulars about the advances to suppliers whose ending balance ranks Top 5 on the basis of totals by object of advances to suppliers

☒Applicable ☐Not applicable

On Dec. 31, 2018, the advances to suppliers whose ending balance ranks Top 5 on the basis of totals by object of advances to suppliers is summarized and analyzed as follows:

	Amount	Proportion in total advances to suppliers %
Total advances to suppliers whose ending balance ranks Top 5	784,431,874	47

On Dec. 31, 2017, the advances to suppliers whose ending balance ranks Top 5 on the basis of totals by object of advances to suppliers is summarized and analyzed as follows:

	Amount	Proportion in total advances to suppliers %
Total advances to suppliers whose ending balance ranks Top 5	210,805,030	20

Other information

☐Applicable ☒Not applicable

6. Other receivables

Particulars about summary statement

(1) Presentation by category

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Ending Balance	Beginning Balance
Interest receivable	-	-
Dividends receivable	-	665,346
Other receivables	1,149,035,349	996,161,366
Total	1,149,035,349	996,826,712

Other information:

☐Applicable ☒Not applicable

Interest receivable

(2) Classification of interest receivable

☐Applicable ☒Not applicable

(3) Significant overdue interest

☐Applicable ☒Not applicable

Other information:

☐Applicable ☒Not applicable

(4) Dividends receivable

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Project (investee)	Ending Balance	Beginning Balance
Jiangxi Huawu Brake Co., Ltd.	-	665,346
Total	-	665,346

(5) Significant dividends receivable with an age over 1 year

☐Applicable ☒Not applicable

Other information:

☐Applicable ☒Not applicable

Other receivables

(6) Disclosure of other receivables by category

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Category	Ending Balance					Beginning Balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion (%)	Amount	Provision proportion (%)		Amount	Proportion (%)	Amount	Provision proportion (%)	
Other receivables with individually significant amount and individual provision for bad debts	218,557,893	16	209,985,645	96	8,572,248	366,281,031	26	354,460,071	97	11,820,960

Category	Ending Balance					Beginning Balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion (%)	Amount	Provision proportion (%)		Amount	Proportion (%)	Amount	Provision proportion (%)	
Other receivables with provision for bad debts made by portfolio with credit risk characteristics	1,148,563,695	83	8,100,594	0.7	1,140,463,101	991,689,894	73	7,349,488	0.7	984,340,406
Other receivables with individually insignificant amount and individual provision for bad debts	16,029,282	1	16,029,282	100	-	16,029,282	1	16,029,282	100	-
Total	1,383,150,870	100	234,115,521	17	1,149,035,349	1,374,000,207	100	377,838,841	27	996,161,366

Other receivables with individually significant amount and individual provision for bad debts provision is individually assessed debt at the end of reporting period

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Other receivables (by unit)	Ending Balance			
	Other receivables	Provision for bad debts	Provision proportion (%)	Reason
Other receivables 1	164,124,678	164,124,678	100	Counter-party in capital shortage
Other receivables 2	54,433,215	45,860,967	84	Contract disputes
Total	218,557,893	209,985,645		/

In the portfolio, other receivables with the provision for bad debts by aging analysis method

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Aging	Ending Balance		
	Other receivables	Provision for bad debts	Provision proportion (%)
Within 1 year			
Including: sub-items within 1 year			
Within 6 months	592,643,053	-	-
7~12 months	1,630,497	16,306	1
Subtotal of those within 1 year	594,273,550	16,306	1
1~2 years	790,426	118,564	15
2~3 years	110,592	33,178	30
Over 3 years			
3~4 years	348,735	174,367	50
4~5 years	150,304	112,729	75
Over 5 years	7,645,450	7,645,450	100
Total	603,319,057	8,100,594	

In the portfolio, other receivable with the provision for bad debts by balance percentage method

□Applicable √Not applicable

In the portfolio, other receivables with the provision for bad debts by other methods

√Applicable □Not applicable

On Dec. 31, 2018, the other receivables that are individually insignificant and for which provision for bad debts is individually assessed are as follows:

	Book balance	Provision for bad debts	Provision proportion (%)	Reason
Other receivables 1	4,214,642	4,214,642	100	Counter-party bankruptcy
Other receivables 2	3,037,042	3,037,042	100	Contract cancellation
Other receivables 3	1,692,765	1,692,765	100	Contract cancellation
Other receivables 4	1,539,600	1,539,600	100	Contract cancellation
Other receivables 5	1,170,282	1,170,282	100	Contract cancellation
Others	4,374,951	4,374,951	100	Contract cancellation
	16,029,282	16,029,282	100	

(7) Classification of other receivables by nature

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Nature	Ending book balance	Beginning book balance
Bid and performance bond	389,218,822	509,244,563
Unpaid taxes receivable	361,289,603	359,755,913
Secured repayment (i)	164,124,678	164,124,678
Advance payment receivable on behalf of the third party	108,068,254	26,010,084
Customs deposit	63,341,536	4,269,756
Money on call for product field service	58,832,432	83,673,256
Export rebates	43,627,838	4,258,496
Lease payment receivable	33,434,668	33,434,668
Staff borrowings receivable	28,506,262	34,257,357
Deposit receivable	5,345,585	45,458,548
Others	127,361,192	109,512,888
Total	1,383,150,870	1,374,000,207

(8) Particulars about the provision for bad debts made, recovered and carried back in current period

The provision for bad debts made for the reporting period was RMB 6,603,888; and the provision for bad debts recovered or carried back was RMB 150,327,208 Yuan.

Thereinto, the amount of provision for bad debts recovered or carried back for the reporting period is important:

☐Applicable ☒Not applicable

(9) Particulars about other actual receivables written off for the reporting period

☐Applicable ☒Not applicable

(10) Particulars about other receivable whose ending balance ranks Top 5 on the basis of totals by borrower

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Name of entity	Nature	Ending Balance	Aging	Proportion in total ending balance of other receivables (%)	Ending balance of provision for bad debts
Other receivables 1	Performance bond	176,800,000	1-2 years	13	-
Other receivables 2	Secured repayment	164,124,678	1-2 years	12	164,124,678
Other receivables 3	Performance bond	75,500,000	With in 1 year/1-2 years	5	-

Name of entity	Nature	Ending Balance	Aging	Proportion in total ending balance of other receivables (%)	Ending balance of provision for bad debts
Other receivables 4	Customs deposit	63,341,536	Within 1 year	5	-
Other receivables 5	Advance money for another	54,433,215	2-3 years	4	45,860,967
Total	/	534,199,429	/	39	209,985,645

(11) Receivables involving government subsidies

☐Applicable ☒Not applicable

(12) Receivables derecognized due to the transfer of financial assets

☐Applicable ☒Not applicable

(13) The amount of assets or liabilities arising from other receivables transferred with continuing involvement

☐Applicable ☒Not applicable

Other information:

☐Applicable ☒Not applicable

7. Inventories

(1) Classification of inventories

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Ending Balance			Beginning Balance		
	Book balance	Falling price reserves	Book value	Book balance	Falling price reserves	Book value
Raw material	2,834,989,507	98,418,559	2,736,570,948	2,160,945,988	78,519,214	2,082,426,774
Goods in process	7,141,481,861	1,082,734,687	6,058,747,174	6,492,603,460	1,516,893,869	4,975,709,591
Merchandise inventory	7,717,820	-	7,717,820	24,284,499	11,153,985	13,130,514
Turnover materials	-	-	-	-	-	-
Consumptive biological assets	-	-	-	-	-	-
Unsettled assets for the incompleteness formed by the construction contract	-	-	-	-	-	-
Total	9,984,189,188	1,181,153,246	8,803,035,942	8,677,833,947	1,606,567,068	7,071,266,879

(2) Falling price reserves of inventories

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Beginning Balance	Amount increased in current period		Amount decreased in current period		Ending Balance
		Provision	Others	Reversal or write-off	Others	
Raw material	78,519,214	55,128,654		35,229,309		98,418,559
Goods in process	1,516,893,869	42,157,991		476,317,173		1,082,734,687
Merchandise inventory	11,153,985	-		11,153,985		-
Turnover materials	-	-	-	-	-	-

Item	Beginning Balance	Amount increased in current period		Amount decreased in current period		Ending Balance
		Provision	Others	Reversal or write-off	Others	
Consumptive biological assets	-	-	-	-	-	-
Unsettled assets for the incompleteness formed by the construction contract	-	-	-	-	-	-
Total	1,606,567,068	97,286,645		522,700,467		1,181,153,246

(3) Explanation for the capitalized amount of the closing balance of the inventories including borrowing cost

☐Applicable ☒Not applicable

(4) Assets completed but not settled, formed by the construction contract at the end of the period

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Balance
Accumulated costs incurred	52,716,364,109
Accumulated gross profit recognized	4,645,085,079
Less: expected loss	202,565,726
Settled amount	45,104,303,070
Assets completed but not settled, formed by the construction contract	12,054,580,392

Other information

☒Applicable ☐Not applicable

Expected contract loss

2018	Beginning balance	Increase in this year	Reduction in this year	Ending balance
Completed but not settled	167,373,950	211,730,653	(176,538,877)	202,565,726
Settled but not completed	122,353,724	66,003,010	(122,975,328)	65,381,406
	289,727,674	277,733,663	(299,514,205)	267,947,132

2017	Beginning balance	Increase in this year	Reduction in this year	Ending balance
Completed but not settled	426,807,687	114,395,849	(373,829,586)	167,373,950
Settled but not completed	25,011,087	103,234,343	(5,891,706)	122,353,724
	451,818,774	217,630,192	(379,721,292)	289,727,674

On Dec. 31, 2018, the total contracted value of the construction contract still in construction (VAT not included) was about RMB 31,234,014,562 Yuan (Dec. 31, 2017: RMB 32,334,004,931 Yuan).

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

	2018	2017
Valid letter of guarantee signed by the bank	12,425,695,774	15,315,071,475
Letter of guarantee not signed by the bank	5,601,715,384	4,101,363,500
	18,027,411,158	19,416,434,975

8. Held-for-sale assets

☐Applicable ☒Not applicable

9. Non-current assets due within one year

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Ending Balance	Beginning Balance
Long-term receivables due within one year	894,638,424	1,896,475,472
Total	894,638,424	1,896,475,472

10. Other current assets

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Ending Balance	Beginning Balance
Input VAT to be deducted	1,145,606,901	591,311,853
Advance payment of income tax	6,869,538	-
Total	1,152,476,439	591,311,853

11. Available-for-sale financial assets

(1) Particulars about available-for-sale financial assets

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Ending Balance			Beginning Balance		
	Book balance	Depreciation reserves	Book value	Book balance	Depreciation reserves	Book value
Available-for-sale debt instruments:						
Available-for-sale equity instruments:	1,244,533,554	30,000,000	1,214,533,554	1,334,203,905	30,000,000	1,304,203,905
Measured at fair value	1,171,539,394	-	1,171,539,394	1,261,209,745	-	1,261,209,745
Measured at cost	72,994,160	30,000,000	42,994,160	72,994,160	30,000,000	42,994,160
Total	1,244,533,554	30,000,000	1,214,533,554	1,334,203,905	30,000,000	1,304,203,905

(2) Available-for-sale financial assets measured at fair value by the end of the period

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Classification of available-for-sale financial assets	Available-for-sale equity instruments	Available-for-sale debt instruments	Total
Amortized cost of cost/debt instruments of equity instruments	937,641,194	-	937,641,194
Fair value	1,171,539,394	-	1,171,539,394
Amount of change in fair value accumulatively included into other comprehensive gains	233,898,200	-	233,898,200
Amount of impairment accrued	-	-	-

(3) Available-for-sale financial assets measures at cost by the end of the period

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Investee	Book balance				Depreciation reserves				Shareholding ratio in investee (%)	Current cash dividend
	Beginning	Increase in current period	Decrease in current period	Ending	Beginning	Increase in current period	Decrease in current period	Ending		
21st Century Science and Technology Investment Co., Ltd.	30,000,000	-	-	30,000,000	30,000,000	-	-	30,000,000	8.96	-
CCCC Highway Bridges National Engineering Research Centre Co., Ltd.	13,000,000	-	-	13,000,000	-	-	-	-	10	-
National Engineering Research Centre of Dredging Technology and Equipment	6,400,000	-	-	6,400,000	-	-	-	-	3.2	-
ZPMC Longchang Lifting Equipment Co., Ltd.	800,000	-	-	800,000	-	-	-	-	10	-
ZPMC Shenyang Elevator Co., Ltd	1,500,000	-	-	1,500,000	-	-	-	-	10	-
ZMPC Ningbo Transmission Machinery Co., Ltd	1,296,000	-	-	1,296,000	-	-	-	-	10	-
Hunan Fengri Power & Electric Co., Ltd.	19,998,160	-	-	19,998,160	-	-	-	-	6.38	-
Total	72,994,160	-	-	72,994,160	30,000,000	-	-	30,000,000	/	-

(4) Changes in depreciation of the available-for-sale financial assets in the reporting period

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Classification of available-for-sale financial assets	Available-for-sale equity instruments	Available-for-sale debt instruments	Total
Amount of impairment accrued at the beginning of the period	30,000,000	-	30,000,000
Provision in this period	-	-	-
Including: carry-forward from other comprehensive gains	-	-	-
Reduction in this period	-	-	-
Including: reversal due to recovery of fair value as at the end of the period	/	-	-
Balance of the amount of impairment accrued at the end of the period	30,000,000	-	30,000,000

(5) Related explanation for fair value of the available-for-sale equity instruments with serious drop or non-provisional drop, without provision for impairment accrued

□Applicable √Not applicable

Other information

√Applicable □Not applicable

The available-for-sale equity instruments measured at fair value include:

(i) The Group held 5.9% of the stock equity of Jiangxi Huawu Brake Co., Ltd (Dec 31, 2017: 5.9%) and the investment cost was RMB 11,071,606 Yuan.

The fair value of the available-for-sales equity instruments was confirmed by the closing price on the last trading day of

Shenzhen Stock Exchange. By Dec 31, 2018, the Company had confirmed the accumulated revenue of RMB 91,091,695 Yuan for available-for-sales equity instruments, which was included in other comprehensive income.

The Group received the cash dividends of RMB 667,732 Yuan from Jiangxi Huawu Brake Co., Ltd, which was included in the gain on investment.

(ii)The Group held 1.71% of the stock equity (Dec 31, 2017: 1.71%) of Qingdao Port International Co., Ltd and the investment cost was RMB 308,515,588 Yuan.

The fair value of the available-for-sales equity instruments was confirmed by the closing price on the last trading day of Hong Kong Stock Exchange. By Dec 31, 2018, the Company had confirmed the revenue of RMB 168,197,665 Yuan for the available-for-sale equity instruments, which was included in other comprehensive income.

(iii)The Group held 1.40% of the stock equity (Dec 31, 2017: 1.40%) CRSC and the investment cost was RMB 617,854,000 Yuan.

he fair value of the available-for-sale equity instruments was confirmed by the closing price on the last trading day of Hong Kong Stock Exchange. By Dec 31, 2018, the Company had recognized the loss of RMB 26,080,952 Yuan for the available-for-sale equity instruments, which was included in other comprehensive income.

The Group received the cash dividends of RMB 18,459,450 Yuan from CRSC, which was included in investment income.

(iv) The Group held less than 0.01% of the stock equity of Shenwan Hongyuan Group and the investment cost was RMB 200,000 Yuan, with the shareholding ratio less than 0.01%.

The fair value of the available-for-sales equity instruments was confirmed by the closing price on the last trading day of Shenzhen Stock Exchange. By Dec 31, 2018, the Company had recognized the revenue of RMB 689,792 Yuan for the available-for-sale equity instruments, which was included other comprehensive income.

The Group received the cash dividend of RMB 17,465 Yuan from Shenwan Hongyuan Group, which was included in investment income.

12. Held-to-maturity investment

(1) Held-to-maturity investment

☐Applicable ☒Not applicable

(2) Important held-to-maturity investment by the end of the period

☐Applicable ☒Not applicable

(3) Held-to-maturity investment reclassified in this period

☐Applicable ☒Not applicable

Other information:

☐Applicable ☒Not applicable

13. Long-term receivables

(1) Particulars about long-term receivables

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Ending Balance			Beginning Balance			Interval of discount rate
	Book balance	Provision for bad debts	Book value	Book balance	Provision for bad debts	Book value	
Leasing payment from financing	-	-	-	-	-	-	-
Including: unrealized financing gain	-	-	-	-	-	-	-
Merchandising goods for collection of payment by installment	-	-	-	-	-	-	-
Labor for collection of payment by installment	-	-	-	-	-	-	-
Account receivable of B-T project	-	-	-	-	-	-	-

Item	Ending Balance			Beginning Balance			Interval of discount rate
	Book balance	Provision for bad debts	Book value	Book balance	Provision for bad debts	Book value	
-Principal	5,742,499,069	-	5,742,499,069	5,893,243,470	-	5,893,243,470	
-Interest receivable	273,527,110	-	273,527,110	241,936,829	-	241,936,829	
Accounts receivable from the projects of collection of payment by installment	66,953,334	-	66,953,334	-	-	-	
Less: long-term accounts receivable due within one year	-894,638,424	-	-894,638,424	-1,896,475,472	-	-1,896,475,472	
Total	5,188,341,089	-	5,188,341,089	4,238,704,827	-	4,238,704,827	/

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

☐Applicable ☒Not applicable

(3) The amount of assets or liabilities arising from long-term receivables transferred with continuing involvement

☐Applicable ☒Not applicable

Other information

☒Applicable ☐Not applicable

On Dec. 31, 2018, 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.

On Dec. 31, 2018, the long-term accounts receivable were RMB 3,850,867,673 Yuan (Dec. 31, 2017: RMB 2,571,908,986 Yuan), which had been pledged to the bank as the guarantee for the Long-term borrowings of RMB 1,549,240,000 Yuan (Dec. 31, 2017: Long-term borrowings of RMB 1,066,150,000Yuan). Please refer to 37(ii) in Note VII.

The aging analysis of long-term receivables is as follows:

	2018	2017
Within 1 year	1,660,580,813	2,274,432,739
1~2 years	2,057,388,738	1,935,013,530
2~3 years	1,829,854,335	518,450,490
Over 3 years	535,155,627	1,407,283,540
	6,082,979,513	6,135,180,299
Less: Long-term receivables due within one year	894,638,424	1,896,475,472
	5,188,341,089	4,238,704,827

14. Long-term equity investment

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Investee	Beginning balance	Change in current period								Ending balance	Ending balance of provision for impairment
		Additional investment	Reduced investment	Profit or loss on investment recognized under equity method	Adjustment of other comprehensive income	Other changes in equity	Cash dividends or profits declared to be paid	Provision for impairment	Others		
I. Joint venture											
Jiangsu LongYuan Zhenhua Marine Engineering Co., Ltd	231,309,282	-	12,955,931	-	-	-	-	-	244,265,213	-	
CCCC Tianhe Xi'an Equipment Manufacturing Co., Ltd (iii)	29,820,347	10,000,000	-	-1,914,865	-	-	-	-	-	37,905,482	
ZPMC Mediterranean Liman Makinalari Ticaret Anonim Sirketi	3,775,146	-	-	999,397	-	-	-	-	-	4,774,543	

Investee	Beginning balance	Change in current period								Ending balance	Ending balance of provision for impairment
		Additional investment	Reduced investment	Profit or loss on investment recognized under equity method	Adjustment of other comprehensive income	Other changes in equity	Cash dividends or profits declared to be paid	Provision for impairment	Others		
ZPMC-OTL MARINE CONTRACTOR LIMITED (iv)	2,976,740	-	-	-2,976,740	-	-	-	-	-	-	-
Zhenhua Marine Energy (Hong Kong) Co., Ltd. (i)	-	-	-	-	-	-	-	-	-	-	-
Cranetech Global Sdn. Bhd. (ii)	629,241	-	-	117,459	-	-	-	-	-	746,700	-
Subtotal	268,510,756	10,000,000	-	9,181,182	-	-	-	-	-	287,691,938	-
II. Associated enterprise											
CCCC Financial Leasing Co., Ltd. (i)	1,678,550,583	-	-	87,246,932	647,839	-	-45,000,000	-	-	1,721,445,354	-
CCCC Real Estate Yixing Co., Ltd.	178,099,707	-	-	2,552,966	-	-	-	-	-	180,652,673	-
CCCC South American Regional Company SARL (ii)	96,195,387	99,912,976	-	3,288,529	-8,331,909	-	-	-	-	191,064,983	-
China Communications Construction USA Inc. (iii)	67,230,450	-	-	-8,536,568	3,028,239	-	-	-	-	61,722,121	-
CCCC Marine Engineering & Technology Research Center Co., Ltd.	15,849,544	-	-	402,730	-	-	-	-	-	16,252,274	-
ZPMC Changzhou Coatings Co., Ltd.	15,786,438	-	-	1,191,077	-	-	-862,238	-	-	16,115,277	-
ZPMC Southeast Asia Pte. Ltd	247,656	-	-	1,153,983	-	-	-	-	-	1,401,639	-
CCCC Yancheng Construction and Development Co., Ltd. (iv)	-	289,050,000	-	330,523	-	-	-	-	-	289,380,523	-
Suzhou Chuanglian Electric Drive Co., Ltd. (v)	-	10,000,000	-	74,978	-	-	-	-	-	10,074,978	-
Subtotal	2,051,959,765	398,962,976	-	87,705,150	-4,655,831	-	-45,862,238	-	-	2,488,109,822	-
Total	2,320,470,521	408,962,976	-	96,886,332	-4,655,831	-	-45,862,238	-	-	2,775,801,760	-

Other information

Joint venture:

(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 5,969,998 USD, the subsidiary of the Company contributed 3,044,699 USD, holding 51% of the shares. The company focused on the vessel transportation business. Based on the regulations of the shareholder agreement, the important events of the Company shall be agreed by at least 75% shareholders via voting. The Group has no control right but jointly controls the company together with the partner.

(ii) On July 30, 2015, the subsidiary of the Company and the partner jointly invested to establish Cranetech Global Sdn. Bhd. The registered capital is 1,000,000 MYR; the subsidiary of the Company contributed 499,999 MYR, holding 49.99% of the shares. The company focused on the spare parts sales. Based on the regulations of the shareholder agreement, the important events of the Company shall be agreed by both parties. Therefore, the Group controls the company together with the partner.

(iii) On May 5, 2017, the subsidiary of the Company and the partner jointly established CCCC Tianhe Xi'an Equipment Manufacturing Co., Ltd. The registered capital of the company is RMB 300 million Yuan, of which, the contribution its subsidiary is RMB 3,000,000 Yuan, with the shareholding ratio of 50%. The company is mainly engaged in shield machine machinery manufacturing business. Based on the regulations of the shareholder agreement, the important events of the Company shall be agreed by both parties. Therefore, the Group controls the company together with the partner.

(iv) On Nov. 22, 2017, the Company sold 20% stock right of its original subsidiary ZPMC-OTL MARINE CONTRACTOR LIMITED at the price of 400,000 USD. After alternation, the registered capital of the company became 2,000,000 USD

for the shareholding ratio of 50%. The company is mainly engaged in shipping business. Based on the regulations of the shareholder agreement, the important events of the Company shall be agreed by both parties. Therefore, the Group controls the company together with the partner.

Associated enterprise

(i) By May 31, 2016, the Company increased the capital to CCCC Financial Leasing Co., Ltd. of RMB 420,000,000 Yuan. After the capital increase, the Group's investment costs to CCCC Financial Leasing Co., Ltd. increased to RMB 1,500,000,000 Yuan. The holding proportion remained unchanged at 30%.

(ii) On Dec. 15, 2016, the Company invested 16,480,000 USD (equivalent to RMB 114,321,760 Yuan) to purchase the shares of CCCC South American Regional Company SARL. The registered capital was 103,000,000 USD, the Company held 16% of the shares. The company was mainly engaged in port construction business. Based on the related regulations of the Articles of Association, the Company had the right to designate one director to that company and implement significant impact to that company. On Oct. 31, 2018, the Company increased the investment in CCCC South American Regional Company SARL by 14,489,171 USD, converted into RMB 99,912,976 Yuan. After the increase in the investment, the investment in CCCC South American Regional Company SARL by the Company increased to RMB 214,234,736 Yuan and the Company held 17% of the shares.

(iii) On Oct. 8, 2015, the Company participated and invested to establish China Communications Construction USA Inc. The registered capital is 50,000,000 USD, of which, the Company's contribution is 12,000,000 USD, equivalent to RMB 76,206,000 Yuan, holding 24% of the share. The company focuses on port construction business.

(iv) On Oct. 16, 2018, the Company invested in CCCC Yancheng Construction & Development Co., Ltd to purchase its shares. The registered capital of the company was RMB 1,156,200,000 Yuan, among which the capital contributed by the Company was RMB 289,050,000 Yuan, with the shareholding ratio of 25%. The company was mainly engaged in the engineering construction.

(v) On Sept. 13, 2018, the Company invested to incorporate Suzhou Chuanglian Electric Drive Co., Ltd. to purchase its shares. The registered capital of the company was RMB 50,000,000 Yuan, among which the capital contributed by the Company was RMB 10,000,000 Yuan, with the shareholding ratio of 20%. The company was mainly engaged in the electrical engineering business.

15. Investment properties

Measurement mode of investment properties

(1) Investment properties measured by cost

Unit: Yuan Currency: RMB

Item	Housing & buildings	Land use right	Construction in progress	Total
I. Original book value				
1.Beginning Balance	397,820,689	209,845,794	-	607,666,483
2. Amount increased in current period	-	-	-	-
(1) Purchase	-	-	-	-
(2) Inventories/fixed assets/construction in progress transferred in	-	-	-	-
(3) Increase from business combination	-	-	-	-
3. Amount decreased in current period	-	-	-	-
(1) Disposal	-	-	-	-
(2) Other transfers	-	-	-	-
4. Ending Balance	397,820,689	209,845,794	-	607,666,483

Item	Housing & buildings	Land use right	Construction in progress	Total
II. Accumulated depreciation and amortization				
1.Beginning Balance	97,115,184	55,487,576	-	152,602,760
2.Amount increased in current period	12,978,428	5,324,664	-	18,303,092
(1) Provision or amortization	12,978,428	5,324,664	-	18,303,092
3.Amount decreased in current period	-	-	-	-
(1) Disposal	-	-	-	-
(2) Other transfers	-	-	-	-
4.Ending Balance	110,093,612	60,812,240		170,905,852
III. Depreciation reserves				
1.Beginning Balance	-	-	-	-
2.Amount increased in current period	-	-	-	-
(1) Provision	-	-	-	-
3. Amount decreased in current period	-	-	-	-
(1) Disposal	-	-	-	-
(2) Other transfers	-	-	-	-
4. Ending Balance	-	-	-	-
IV. Book value				
1. Ending book value	287,727,077	149,033,554	-	436,760,631
2.Beginning book value	300,705,505		-	455,063,723

(2) Investment properties not completing the certificate of title

☐Applicable ☒Not applicable

Other information

☐Applicable ☒Not applicable

16. Fixed assets

Particulars about summary statement

(1) Presentation by category

☐Applicable ☒Not applicable

Other information:

☐Applicable ☒Not applicable

Fixed assets

(2) Particulars about fixed assets

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Housing & buildings	Machinery equipment	Office and electronic equipment	Means of transport (except for vessels)	Vessels	Total
I. Original book value:						
1.Beginning Balance	11,675,835,741	7,061,236,685	248,048,072	274,791,263	10,251,529,286	29,511,441,047
2.Amount increased in current period	103,371,774	1,227,236,599	15,461,366	7,843,184	1,379,612,216	2,733,525,139
(1) Purchase	3,081,123	32,097,069	14,560,576	7,843,184	698,371,763	755,953,715
(2) Transfer-in of construction in progress	100,290,651	1,195,139,530	756,662	-	637,802,141	1,933,988,984
(3) Increase from business combination	-	-	144,128	-	-	144,128

Item	Housing & buildings	Machinery equipment	Office and electronic equipment	Means of transport (except for vessels)	Vessels	Total
(4) Change in exchange rate	-	-	-	-	43,438,312	43,438,312
3.Amount decreased in current period	113,094,077	154,043,919	6,016,483	17,062,770	507,983,782	798,201,031
(1) Disposal or rejection	113,094,077	154,043,919	6,016,483	17,062,770	507,983,782	798,201,031
4.Ending Balance	11,666,113,438	8,134,429,365	257,492,955	265,571,677	11,123,157,720	31,446,765,155
II. Accumulated depreciation						
1.Beginning Balance	3,487,513,540	5,152,968,939	184,766,115	186,449,320	3,164,391,522	12,176,089,436
2.Amount increased in current period	375,689,195	402,382,995	18,622,519	13,590,086	462,097,161	1,272,381,956
(1) Provision	375,689,195	402,382,995	18,622,519	13,590,086	467,117,212	1,277,402,007
(2) Change in exchange rate	-	-	-	-	-5,020,051	-5,020,051
3.Amount decreased in current period	75,809,173	145,103,646	5,200,895	17,062,770	413,261,783	656,438,267
(1) Disposal or rejection	75,809,173	145,103,646	5,200,895	17,062,770	413,261,783	656,438,267
4.EndingBalance	3,787,393,562	5,410,248,288	198,187,739	182,976,636	3,213,226,900	12,792,033,125
III. Depreciation reserves						
1. Beginning Balance	-	-	-	-	-	-
2. Amount increased in current period	-	-	-	-	-	-
(1) Provision	-	-	-	-	-	-
3.Amount decreased in current period	-	-	-	-	-	-
(1) Disposal or rejection	-	-	-	-	-	-
4. Ending Balance	-	-	-	-	-	-
IV. Book value						
1. Ending book value	7,878,719,876	2,724,181,077	59,305,216	82,595,041	7,909,930,820	18,654,732,030
2. Beginning book value	8,188,322,201	1,908,267,746	63,281,957	88,341,943	7,087,137,764	17,335,351,611

(3) Temporarily idle fixed assets

☐Applicable ☒Not applicable

(4) Fixed assets held under finance leases

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Original book value	Accumulated depreciation	Depreciation reserves	Book value
Machinery equipment	1,398,297,681	1,068,501,492	-	329,796,189
Vessel	5,847,522,360	906,962,772	-	4,940,559,588

(5) Fixed assets leased out under operating leases

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Ending book value
Shield machine	734,607,031
Vessel	1,695,800,485

(6) Fixed assets not completing the certificate of title

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Book value	Reason for not completing the certificate of title
Housing and buildings	1,989,409,330	Relevant formalities are undergoing

Other information:

√Applicable □Not applicable

On Dec. 31, 2018, the following fixed assets were taken as loan mortgage:

	Original cost	Book value	Loan	
			Nature	Amount
Machinery equipment	1,398,297,681	329,796,189	Long-term payables	258,565,211
Vessel	5,847,522,360	4,940,559,588	Long-term payables	2,420,668,918
	7,245,820,041	5,270,355,777		2,679,234,129

On Dec. 31, 2017, the following fixed assets were taken as loan mortgage:

	Original cost	Book value	Loan	
			Nature	Amount
Machinery equipment	1,403,907,681	437,072,634	Long-term payables	447,048,030
Vessel	4,455,152,847	3,687,007,865	Long-term payables	2,103,131,945
	5,859,060,528	4,124,080,499		2,550,179,975

On Dec. 31, 2018 and Dec. 31, 2017, the book values of fixed assets for operating lease were as follows:

	2018	2017
Shield machine	734,607,031	246,133,053
Vessel	1,695,800,485	1,733,818,283
	2,430,407,516	1,979,951,336

On Dec. 31, 2018, the fixed assets not completing the certificate of title were as follows:

	Book value	Reason for not completing the certificate of title
Housing and buildings	1,989,409,330	Relevant formalities are undergoing

Liquidation of fixed assets

□Applicable √Not applicable

17. Construction in process

Particulars about summary statement

(1) Presentation by category

□Applicable √Not applicable

Other information:

□Applicable √Not applicable

Construction in process

(2) Particulars about construction in process

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Project	Ending Balance			Beginning Balance		
	Book balance	Depreciation reserves	Book value	Book balance	Depreciation reserves	Book value
Infrastructure construction of Nantong Base	97,628,960	-	97,628,960	53,508,755	-	53,508,755
Infrastructure construction of Changxing Base	45,615,124	-	45,615,124	30,242,212	-	30,242,212

Project	Ending Balance			Beginning Balance		
	Book balance	Depreciation reserves	Book value	Book balance	Depreciation reserves	Book value
Large machinery and engineering equipment of the base under construction	2,815,026,280	-	2,815,026,280	1,123,208,028	-	1,123,208,028
Office building and ancillary facilities	16,131,833	-	16,131,833			
Shield machine parts project	10,284,487	-	10,284,487	74,507,300	-	74,507,300
Infrastructure construction of Nanhui Base	3,893,442	-	3,893,442	3,893,442	-	3,893,442
Large mechanical reconstruction and upgrading project	61,888,166	-	61,888,166	603,786,272	-	603,786,272
Total	3,050,468,292	-	3,050,468,292	1,889,146,009	-	1,889,146,009

(3) Changes of major construction in process in current period

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Project name	Budget	Beginning balance	Amount increased in current period	Transfer-in fixed assets in current year	Other reductions	Ending balance	Proportion of accumulated input in the budget (%)	Construction progress	Accumulated capitalized interest	Including: capitalized interest in current period	Capitalization rate (%)	Source of fund
Infrastructure construction of Nantong Base	7,745,549,471	53,508,755	62,113,177	17,992,972	-	97,628,960	84	84	-	-	-	Own funds
Infrastructure construction of Changxing Base	8,645,540,000	30,242,212	35,225,697	18,888,804	963,981	45,615,124	83	83	23,531,836	-	-	Own funds and bank loan
Large machinery and engineering equipment of the base under construction	9,086,660,631	1,123,208,028	2,955,472,032	1,263,653,780	-	2,815,026,280	78	78	115,286,827	18,794,122	3.82	Own funds and bank loan
Office building and ancillary facilities	23,500,000	-	16,131,833	-	-	16,131,833	90	90	-	-	-	Own funds
Shield machine parts project	130,587,500	74,507,300	8,494,856	72,717,669	-	10,284,487	79	79	5,762,616	-	-	Own funds and bank loan
Infrastructure construction of Nanhui Base	504,500,000	3,893,442	443,966	443,966	-	3,893,442	91	91	-	-	-	Own funds
Large mechanical reconstruction and upgrading project	830,025,368	603,786,272	18,393,687	560,291,793	-	61,888,166	87	87	-	-	-	Own funds
Total	26,966,362,970	1,889,146,009	3,096,275,248	1,933,988,984	963,981	3,050,468,292	/	/	144,581,279	18,794,122	/	/

(4) Provision for impairment of construction in progress for current period

☐Applicable ☒Not applicable

Other information

☐Applicable ☒Not applicable

Construction materials

(5) Particulars about construction materials

☐Applicable ☒Not applicable

18. Productive biological assets

(1) Productive biological assets measured by cost

☐Applicable ☒Not applicable

(2) Productive biological assets measured by fair value

☐Applicable ☒Not applicable

Other information

☐Applicable ☒Not applicable

19. Oil and gas assets

☐Applicable ☒Not applicable

20. Intangible assets

(1) Particulars about intangible assets

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Land use right	Patent right	Nonproprietary technology	Software usage fee	Proprietary technology	Total
I. Original book value						
1.Beginning Balance	4,297,078,828	-	-	55,046,834	65,201,810	4,417,327,472
2.Amount increased in current period				2,932,857		2,932,857
(1) Purchase	-	-	-	1,968,876	-	1,968,876
(2) Internal R&D	-	-	-	-	-	-
(3) Increase from business combination	-	-	-	-	-	-
(4) Transfer-in of construction in progress	-	-	-	963,981	-	963,981
3.Amount decreased in current period	-	-	-	-	-	-
(1) Disposal	-	-	-	-	-	-
4.Ending Balance	4,297,078,828	-	-	57,979,691	65,201,810	4,420,260,329
II. Accumulated amortization						
1.Beginning Balance	642,231,145	-	-	42,451,672	49,479,047	734,161,864
2.Amount increased in current period	87,504,235	-	-	3,320,406	6,861,092	97,685,733
(1) Provision	87,504,235	-	-	3,320,406	6,861,092	97,685,733
3.Amount decreased in current period	-	-	-	-	-	-
(1) Disposal	-	-	-	-	-	-
4.Ending Balance	729,735,380	-	-	45,772,078	56,340,139	831,847,597
III. Depreciation reserves						
1.Beginning Balance	-	-	-	-	-	-
2.Amount increased in current period	-	-	-	-	-	-
(1) Provision	-	-	-	-	-	-
3.Amount decreased in current period	-	-	-	-	-	-
(1) Disposal	-	-	-	-	-	-
4.Ending Balance	-	-	-	-	-	-
IV. Book value						
1.Ending book value	3,567,343,448	-	-	12,207,613	8,861,671	3,588,412,732
2.Begining book value	3,654,847,683	-	-	12,595,162	15,722,763	3,683,165,608

At the end of reporting period, the proportion of intangible assets formed through internal research and development in the balance of intangible assets was 0%

(2) Land use right not completing the certificate of title

☐Applicable ☒Not applicable

Other information:

☒Applicable ☐Not applicable

In 2018, the Group totally expended RMB 672,614,073 Yuan on R&D (2017: RMB 702,392,513Yuan).The expenses were not capitalized. The intangible assets on Dec. 31, 2018 and Dec. 31, 2017 excluded any capitalized expenditure on R&D

21. Development expenditure

☐Applicable ☒Not applicable

22. Goodwill

(1) Original book value of goodwill

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Name of investee or matters forming goodwill	Beginning Balance	Increase in current period		Decrease in current period		Ending Balance
		Business combination		Disposal		
ZPMC Qidong Marine Engineering Co., Ltd.	149,212,956	-	-	-	-	149,212,956
Verspannen B.V.	5,412,807	-	-	-	-	5,412,807
Greenland Heavylift (Hong Kong) Limited	110,562,702	1,402,997	-	-	-	111,965,699
Total	265,188,465	1,402,997	-	-	-	266,591,462

(2) Provision for goodwill impairment

☐Applicable ☒Not applicable

(3) Information about the assets group and the combination of assets groups containing goodwill

☐Applicable ☒Not applicable

(4) Specify the process and key parameters (such as the growth rate in forecast period, growth rate in stable period, profit rate, discount rate and forecast period for forecasting the present value of future cash flow, if applicable) of goodwill impairment test and the method for recognizing the goodwill impairment loss

☐Applicable ☒Not applicable

(5) Impact of goodwill impairment test

☐Applicable ☒Not applicable

Other information

☒Applicable ☐Not applicable

On Dec, 31, 2018, the Group had not accrued the goodwill depreciation reserves. In impairment testing, the book value of the goodwill was allocated to asset group portfolio benefiting from synergistic effect of expected business combination.

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

- 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.

Main assumptions based on future cash flow discount method:

Growth rate in forecast period	12.12%-15.20%
Perpetual growth rate	3%
Gross profit rate	17.26%-17.80%
Discount rate	11%

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.

Main assumptions based on 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	65,000 USD/day
Discount rate	11%

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	
	2018	2017	2018	2017	2018	2017
Book amount of goodwill	154,625,763	154,625,763	111,965,699	110,562,702	266,591,462	265,188,465

The perpetual growth rate adopted by the management is consistent with the forecast data contained in the industry report, and shall not exceed the long-term average growth rate of the industry. 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.

23. Long-term deferred expenses

√Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Beginning Balance	Amount increased in current period	Amortization in current year	Other reductions	Ending Balance
Improvement expenditure of fixed assets under operating lease	7,764,501	1,654,070	4,305,907	-	5,112,664
Total	7,764,501	1,654,070	4,305,907	-	5,112,664

24. Deferred income tax assets/liabilities

(1) Deferred income tax assets before offsetting

√Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Ending Balance		Beginning Balance	
	Deductible temporary difference	Deferred income tax assets	Deductible temporary difference	Deferred income tax assets
Assets depreciation reserves	3,164,854,396	477,266,865	3,492,989,876	526,410,350
Unrealized profit of internal transaction	110,927,560	17,314,143	93,487,825	14,515,523
Deductible losses	-	-	8,441,406	1,266,211
Expected liabilities	424,901,994	63,735,299	451,642,802	67,746,420
Unpaid wages and salaries	27,975,207	4,196,281	27,824,781	4,173,717
Unpaid interests	90,106,459	13,515,968	102,690,137	15,403,520
Deferred income	73,819,776	11,072,966	90,237,676	13,535,651
Special reserves	-	-	1,234,252	185,138
Total	3,892,585,392	587,101,522	4,268,548,755	643,236,530

(2)Deferred income tax liabilities after offsetting

√Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Ending Balance		Beginning Balance	
	Taxable temporary differences	Deferred income tax liabilities	Taxable temporary differences	Deferred income tax liabilities
Assets evaluation appreciation of business combination not under the common control	143,843,959	21,576,594	154,879,706	23,231,959
Changes in fair value of the available-for-sale financial assets	233,898,200	37,285,461	323,568,551	50,953,384
Depreciation of fixed assets	692,627,602	114,283,553	814,903,900	134,459,143
Changes in fair value of the financial assets measured at fair value with changes included in current profits or losses	44,481,806	6,672,271	-	-
Total	1,114,851,567	179,817,879	1,293,352,157	208,644,486

(3) Deferred income tax assets or liabilities disclosed as net amount after offsetting

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Offsetting amount between deferred income tax and liabilities at the end of reporting period	Ending balance of deferred income tax and liabilities after offsetting	Offsetting amount of deferred income tax and liabilities at the beginning of the period	Ending balance of deferred income tax and liabilities after offsetting
Deferred income tax assets	47,416,597	539,684,925	25,182,166	618,054,364
Deferred income tax liabilities	47,416,597	132,401,282	25,182,166	183,462,320

(4) Items not recognized deferred income tax assets

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Ending Balance	Beginning Balance
Deductible temporary difference	203,797,399	154,900,393
Deductible losses	1,627,279,485	1,336,383,846
Total	1,831,076,884	1,491,284,239

(5) Expiry years of deductible losses not yet recognized deferred income tax assets are as follows

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Year	Ending amount	Beginning amount	Remarks
2018	-	257,678,634	
2019	304,056,031	320,476,005	
2020	368,426,916	373,462,715	
2021	105,576,931	111,737,653	
2022	272,388,360	273,028,839	
2023	576,831,247	-	
Total	1,627,279,485	1,336,383,846	/

Other information:

□Applicable √Not applicable

25. Other non-current assets

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Ending Balance	Beginning Balance
Advance payment for vessels	142,126,354	148,060,378
Advance payment for office buildings	28,666,235	28,666,235
Total	170,792,589	176,726,613

26. Short-term borrowings

(1) Classification of Short-term borrowings

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Ending Balance	Beginning Balance
Pledge loans	-	-
Collateral loans	-	-
Guaranteed loans	1,259,397,200	3,254,299,000
Credit loans	15,295,290,287	22,214,681,401
Total	16,554,687,487	25,468,980,401

Description of Short-term borrowings by category:

On Dec. 31, 2018, the annual interest rate of above loans was 0.9%~5.87% (Dec. 31, 2017: 1.1%~4.79%).

(i) On Dec. 31, 2018, the bank guarantee loan of 163,500,000 USD, equivalent to RMB 1,122,133,200 Yuan (Dec. 31, 2017: 265,000,000 USD, equivalent to RMB 1,731,563,000 Yuan) 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.

On Dec. 31, 2018, the Company had no bank guarantee loan (Dec. 31, 2017: RMB 1,000,000,000 Yuan) with joint and several liability repayment guarantee provided by its subsidiaries.

On Dec. 31, 2018, the bank guarantee loan of 20,000,000 USD, equivalent to RMB 137,264,000 Yuan (Dec. 31, 2017: 80,000,000 USD, equivalent to RMB 522,736,000 Yuan) was the bank loan borrowed by the Company, and the subsidiaries of Company provided joint and several liability repayment guarantee.

(2) Overdue Short-term borrowings

☐Applicable ☒Not applicable

The significant overdue Short-term borrowings are as follows:

☐Applicable ☒Not applicable

Other information

☐Applicable ☒Not applicable

27. Financial liabilities measured at fair value with changes included in current profits or losses

☐Applicable ☒Not applicable

28. Derivative financial liabilities

☐Applicable ☒Not applicable

29. Notes and accounts payable

Particulars about summary statement

(1) Presentation by category

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Ending Balance	Beginning Balance
Notes payable	2,732,404,222	1,893,227,482
Accounts payable	7,036,869,701	6,887,598,171
Total	9,769,273,923	8,780,825,653

Other information:

☐Applicable ☒Not applicable

Notes payable

(2) Presentation of notes payable

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Category	Ending Balance	Beginning Balance
Commercial acceptance bill	-	-
Bank acceptance bill	2,732,404,222	1,893,227,482
Total	2,732,404,222	1,893,227,482

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

Accounts payable

(3) Presentation of accounts payable

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Ending Balance	Beginning Balance
Material purchase and product manufacturing payables	6,556,698,942	6,189,910,557
Equipment and vessel purchase payables	132,468,294	303,044,496
Infrastructure payables	77,821,238	81,145,537
Quality guarantee deposit payable	265,219,012	309,201,127
Port charge payable	4,662,215	4,296,454
Total	7,036,869,701	6,887,598,171

(4) Important accounts payable aged over 1 year

☐Applicable ☒Not applicable

Other information

☒Applicable ☐Not applicable

The aging analysis of accounts payable is as follows:

	2018		2017	
	Amount	Proportion in total amount %	Amount	Proportion in total amount %
Within 1 year	5,178,586,023	74	5,301,236,729	77
Over 1 year	1,858,283,678	26	1,586,361,442	23
	7,036,869,701	100	6,887,598,171	100

On Dec. 31, 2018, the accounts payable aged over 1 year were mainly the payables for imported parts, which had not been fro final settlement.

30. Advances from customers

(1) Presentation of advances from customers

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Ending Balance	Beginning Balance
Advances for product sales received	447,761,752	535,922,102
Advances for lease payment	46,982,622	55,805,153
Total	494,744,374	591,727,255

(2) Significant advances from customers aged over one year

☐Applicable ☒Not applicable

(3) Settled but uncompleted projects accounted for by construction contracts

☐Applicable ☒Not applicable

Other information

☒Applicable ☐Not applicable

The aging analysis of advances from customers is as follows:

	Amount	Proportion in total amount %	Amount	Proportion in total amount %
Within 1 year	436,464,764	88	474,250,196	80
Over 1 year	58,279,610	12	117,477,059	20
	494,744,374	100	591,727,255	100

On Dec. 31, 2018, the advances from customers aged over 1 year mainly included the unsettled sales fund of spare parts for products.

31. Employee compensation payable

(1) Presentation of employee compensation payable

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Beginning Balance	Increase	Decrease	Ending Balance
I. Short-term compensation	272,766,860	1,853,262,752	1,816,899,768	309,129,844
II. Post-employment welfare (defined contribution plans)	966,347	308,301,593	308,285,457	982,483
III. Dismissal benefits	-	-	-	-
IV. Other benefits due within one year	-	-	-	-
Total	273,733,207	2,161,564,345	2,125,185,225	310,112,327

(2) Short-term compensation

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Beginning Balance	Increase	Decrease	Ending Balance
I. Wage, bonus, allowance and subsidy	237,081,631	1,504,565,034	1,468,544,068	273,102,597
II. Employee welfare expense	-	60,344,342	60,309,354	34,988
III. Social insurance charges	554,452	121,121,387	121,126,142	549,697
Including: medical insurance premiums	445,494	103,465,704	103,458,238	452,960
Work injury insurance	69,338	7,133,651	7,146,559	56,430
Maternity insurance premiums	39,620	10,522,032	10,521,345	40,307
IV. Housing provident fund	479,386	124,837,764	124,828,363	488,787
V. Labor union fund and employee education fee	34,541,033	31,831,526	31,418,784	34,953,775
VI. Short-term compensated absences	-	-	-	-
VII. Short-term profit sharing plan	-	-	-	-
VIII. Other short-term compensation	110,358	10,562,699	10,673,057	-
Total	272,766,860	1,853,262,752	1,816,899,768	309,129,844

(3) Presentation of defined contribution plan

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Beginning Balance	Increase	Decrease	Ending Balance
1. Basic endowment insurance premium	941,529	221,794,310	221,778,550	957,289
2. Unemployment insurance expense	24,818	5,258,521	5,258,145	25,194
3. Enterprise annuity payment	-	-	-	-
Supplementary endowment insurance premium	-	81,248,762	81,248,762	-
Total	966,347	308,301,593	308,285,457	982,483

Other information:

□Applicable √Not applicable

32. Taxes and surcharges payable

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Ending Balance	Beginning Balance
VAT	43,724,528	58,341,748
Consumption tax	-	-
Business tax	-	-
Enterprise income tax	81,219,652	98,206,405
Individual income tax	9,390,756	12,386,558
Urban maintenance and construction tax	1,912,715	1,758,287
Educational surtax	1,624,991	2,018,432
Others	27,092,039	22,237,497
Total	164,964,681	194,948,927

33. Other payables

Particulars about summary statement

(1) Presentation by category

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Ending Balance	Beginning Balance
Interest payable	114,397,903	118,825,582
Dividend payable	31,701,965	31,701,965
Other payables	952,480,579	692,680,129
Total	1,098,580,447	843,207,676

Other information:

□Applicable √Not applicable

Interest payable

(2) Presentation by category

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Ending Balance	Beginning Balance
Long-term borrowings with interest paid by installments and with principal paid at maturity	-	-
Interest on corporate bonds	-	-
Interest payable for short-term borrowings	114,397,903	118,825,582
Interest of preferred shares/perpetual bonds classified as financial liabilities	-	-
Total	114,397,903	118,825,582

Significant overdue and unpaid interests:

□Applicable √Not applicable

Other information:

□Applicable √Not applicable

Dividends payable

(3) Presentation by category

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Ending Balance	Beginning Balance
Dividend for common shares	-	-
Dividends for preferred shares/perpetual bonds classified as equity instruments	-	-
CCCC Tianjin Dredging Co., Ltd.	25,079,494	25,079,494
Chuwa Bussan Co. Ltd.	6,269,873	6,269,873
Hong Kong Zhenhua Engineering Co., Ltd.	346,005	346,005
Macau Zhenhua Harbour Construction Co., Ltd.	6,593	6,593
Total	31,701,965	31,701,965

Other information, including the important unpaid dividends payable for more than one years, please disclose the reason for non-payment:

On Dec. 31, 2018, the dividend payable aged over 1 year of RMB 31,701,965 Yuan (Dec. 31, 2017: RMB 31,701,965 Yuan) was because the shareholders of the Company had not requested for actual payment by the Group.

Other payables

(1) Other payable presented by nature

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Ending Balance	Beginning Balance
Engineering deposit and quality guarantee deposit	206,589,722	225,779,472
Payables to related party	184,440,322	133,772,685
Investment section payable to CCCC (i)	100,971,833	100,971,833

Item	Ending Balance	Beginning Balance
Borrowings from related party	-	38,700,000
Special payables	146,470,013	-
Contract advance payment to be returned	129,540,880	-
Others	184,467,809	193,456,139
Total	952,480,579	692,680,129

(2) Other important payables aged over 1 year

☐Applicable ☒Not applicable

Other information:

☒Applicable ☐Not applicable

(i) The Group completed the cancellation of a subsidiary in the year 2011. RMB 25,971,833 Yuan in the balance was the investment liquidation fund payable by the Group and attributable to China Communications Construction Company Ltd. 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 Yuan in the balance was the purchase fund payable by the Group to China Communications Construction Company Ltd.

The aging analysis of other payables is as follows:

	Dec. 31, 2018		Dec. 31, 2017	
	Amount	Proportion%	Amount	Proportion%
Within 1 year	703,845,813	74	355,748,932	51
Over 1 year	248,634,766	26	336,931,197	49
	952,480,579	100	692,680,129	100

On Dec. 31, 2018, the other payables aged over 1 year were mainly the investment section payable to China Communications Construction Company Ltd., payable deposit and quality guarantee deposited collected from outsourcing engineering team and payables to related party.

Special payables

2018				
	Beginning balance	Increase in current year	Decrease in current year	Ending balance
Relocation compensation for Jiangyin Base	-	262,535,000	(116,064,987)	146,470,013

2017				
	Beginning balance	Increase in current year	Decrease in current year	Ending balance
Relocation compensation for Jiangyin Base	-	-	-	-

34. Held-for-sale liabilities

☐Applicable ☒Not applicable

35. **Non-current liabilities due within one year**

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Ending Balance	Beginning Balance
Long-term borrowings due within one year	3,258,154,392	1,343,956,000
Bonds payable due within 1 year	-	-
Long-term payables due within one year	951,378,118	854,975,219
Total	4,209,532,510	2,198,931,219

36. **Other current liabilities**

Particulars about current liabilities

☐Applicable ☒Not applicable

Changes in short-term bonds payable:

☐Applicable ☒Not applicable

Other information:

☐Applicable ☒Not applicable

37. **Long-term borrowings**

(1) Classification of Long-term borrowings

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Ending Balance	Beginning Balance
Pledge loan	1,549,240,000	1,066,150,000
Collateral loan	-	-
Guaranteed loan	2,532,225,280	326,710,000
Credit loan	14,274,414,371	6,616,010,383
Less: Long-term borrowings matured within one year		
Credit loan	-2,833,064,392	-971,446,000
Guaranteed loan	-	-326,710,000
Pledge loan	-425,090,000	-45,800,000
Total	15,097,725,259	6,664,914,383

Other information, including the interest rate interval:

☒Applicable ☐Not applicable

On Dec. 31, 2018, the annual interest rate of the above loans was 1.20% - 5.13% (Dec. 31, 2017: 1.20% -5.13%).

(i) On Dec. 31, 2018, the bank guarantee loan of 50,400,000 USD, equivalent to RMB 345,905,280 Yuan (Dec. 31, 2017: 50,000,000 USD, equivalent to RMB 326,710,000 Yuan), 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 paid at maturity on Aug. 13, 2020.

On Dec. 31, 2018, the bank guarantee loan of 100,000,000 USD, equivalent to RMB 686,320,000 Yuan was the bank loan borrowed by the Company, and 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 shall be paid at maturity on Nov. 12, 2020.

On Dec. 31, 2018, the bank guarantee loan of RMB 1,500,000,000 Yuan was the bank loan borrowed by the Company, and ZPMC Port Machinery General Equipment Co., Ltd., the subsidiary of the Company provided the joint and several liability repayment guarantee. The interest shall be paid quarterly and the principal shall be paid at maturity on Sept. 18, 2020.

(ii) On Dec. 31, 2018, the total amount of multiple pledged loans of RMB 1,549,240,000Yuan (Dec. 31, 2017: RMB 1,066,150,000 Yuan) 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 paid at maturity between June 30, 2019 and Dec. 23, 2029 (Dec 31, 2017: the principal shall be paid respectively between June 30, 2019 and Dec. 31, 2026).

38. Bonds payable

(1) Bonds payable

☐Applicable ☒Not applicable

(2) Changes in bonds payable: (excluding other financial instruments classified as financial liabilities, such as preferred shares and perpetual bond)

☐Applicable ☒Not applicable

(3) Notes to the conversion conditions and time of convertible bonds

☐Applicable ☒Not applicable

(4) Other financial instruments classified as financial liabilities

Basic information of other outstanding financial instruments at the end of reporting period, such as preferred shares and perpetual bond

☐Applicable ☒Not applicable

Changes in the outstanding financial instruments at the end of reporting period, such as preferred shares and perpetual bond

☐Applicable ☒Not applicable

Notes to the basis for classifying other financial instruments to financial liabilities:

☐Applicable ☒Not applicable

Other information:

☐Applicable ☒Not applicable

39. Long-term payables

Particulars about summary statement

(1) Presentation by category

☐Applicable ☒Not applicable

Other information:

☐Applicable ☒Not applicable

Long-term payables

(2) Presentation of long-term payables by nature

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Beginning Balance	Ending Balance
Sale-leaseback financing fund (i)	2,550,179,975	2,679,234,129
"Building - transfer" project fund (ii)	108,466,881	131,402,483
Project quality guarantee deposit	81,314,696	108,202,625
Less: sale-leaseback financing fund matured within one year(Note V. 28)	-854,975,219	-951,378,118
	1,884,986,333	1,967,461,119

Other information:

(i) On Dec. 31, 2018, the long-term payables of RMB 2,679,234,129 Yuan (Dec. 31, 2017: 2,550,179,975 Yuan) were obtained from the vessel with the book value of RMB 4,940,559,588 Yuan (Dec. 31, 2017: RMB 3,687,007,865 Yuan) and the mechanical equipment with the book value of RMB 329,796,189 Yuan (Dec. 31, 2017: RMB 437,072,634 Yuan) (Note V, 14) in sale and leaseback transaction way from the financial leasing company, with the maturity date from Apr. 11, 2020 to Feb. 24, 2028 (Dec. 31, 2017: from Apr. 11, 2020 to Dec. 5, 2021). The Group will pay the sale and leaseback financing fund on schedule each year 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.

Special payables

(3) Special payable presented by nature

☐Applicable ☒Not applicable

40. Long-term employee compensation payable

☐Applicable ☒Not applicable

41. Estimated liabilities

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Beginning Balance	Ending Balance	Reason
External guarantee			
Pending lawsuit			
Warranties for product quality	514,462	2,032,046	
Reconstructing obligations			
Loss contract to be executed			
Others	2,658,150	2,658,150	
Estimated after-sale service cost	376,515,711	434,362,487	
Lawsuit compensation	85,200,340	-	
Total	464,888,663	439,052,683	/

42. Deferred income

Particulars about deferred income

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Beginning Balance	Increase	Decrease	Ending Balance	Reason
Government subsidy	376,238,268	96,133,365	103,576,272	368,795,361	
Land compensation	102,935,852	-	2,434,993	100,500,859	
Total	479,174,120	96,133,365	106,011,265	469,296,220	/

Items involving government subsidy:

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Liability	Beginning Balance	Increase in current period	Amount included in non-operating income for current period	Amount included in other incomes for current period	Other changes	Ending Balance	Related to assets/income
Hoisting and pipe laying ship R&D project	92,500,000	-	-	-	-	92,500,000	
Submarine pipeline laying R&D project	41,300,500	-	-	-41,300,500	-	-	
Automated dock R&D project	24,820,000	3,430,000	-	-	-200,000	28,050,000	
Floating crane R&D project	18,139,800	-	-	-2,740,400	-	15,399,400	
Comprehensive standardization of intelligent manufacturing of marine engineering equipment	17,000,000	-	-	-	-	17,000,000	
Deep sea drilling ship and auxiliary equipment research project	14,860,000	-	-	-	-	14,860,000	
Drilling package R&D project	14,410,000	-	-	-8,000,000	-	6,410,000	
Intelligent manufacturing workshop for crane box of automated terminal	14,171,796	-	-	-	-	14,171,796	
10,000t semi-submerged ship R&D project	13,626,667	-	-	-560,000	-	13,066,667	
Transportation emplacement system R&D project	10,000,000	-	-	-	-	10,000,000	
Drilling platform R&D project	9,390,000	-	-	-	-	9,390,000	
Research and development of large-scale underwater robot work-system	8,533,000	-	-	-	-	8,533,000	
Manufacturing process optimization R&D project in marine engineering field	8,000,000	-	-	-	-	8,000,000	
Marine engineering positioning system R&D project	7,697,321	-	-	-1,612,218	-	6,085,103	
Intelligent transportation system of Automatic Guided Vehicle (AGV)	6,000,000	10,800,000	-	-	-	16,800,000	
Development and industrialization of large deep water crane piping ship	5,572,000	-	-	-	-	5,572,000	
CCCC DCM ship achievement transformation project	4,031,250	-	-	-3,223,288	-	807,962	
Self-elevating platform central control system	3,810,000	2,380,000	-	-	-	6,190,000	
Finishing intelligent production line of special gear shaft for port machinery	2,560,000	-	-	-	-	2,560,000	
Retractable boarding trestle system R&D project	2,160,300	2,288,000	-	-	-	4,448,300	
Intelligent equipment for container yard	1,445,000	-	-	-200,000	-	1,245,000	
Intelligent electric differential traction bridge crane	1,122,900	-	-	-1,122,900	-	-	
Collaborative innovation in the industrial chain of core components for high-end marine engineering equipment	-	18,900,000	-	-16,800,000	-	2,100,000	
Key technology research project of bottom-supported offshore wind power installation platform	-	16,000,000	-	-3,600,000	-	12,400,000	
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	
Others	55,087,734	34,335,365	-	-16,741,963	-7,475,003	65,206,133	
Total	376,238,268	96,133,365	-	-95,901,269	-7,675,003	368,795,361	

Other information:

√Applicable □Not applicable

The above government subsidy are related to income.

Other changes in current year are the R&D subsidies allocated to the partner in accordance with the research and development agreement.

Land compensation refers to the land compensation acquired by the subsidiary of the Company, which shall be amortized over the 50 years' land use term.

43. Other non-current liabilities

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Ending Balance	Beginning Balance
Stay-recognition VAT Output tax to be carried forward	288,474,696	152,954,098
Total	288,474,696	152,954,098

Other information:

On balance sheet date, the income of some construction contracts and interest income of “building-transfer” projects of the Company had not reached the time point of the VAT liability. In accordance with the requirements of the Provisions on Accounting Treatment of VAT (CK 2016 No. [22]), the Group reclassified the ending credit balance of the item “Taxes and surcharges payable - Output tax to be carried forward” from “Taxes and surcharges payable” to “Other non-current liabilities” and listed in the balance sheet.

44. Share capital

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

	Beginning Balance	Changes (+, -)					Ending Balance
		New issue of shares	Issue of bonus share	Converted from accumulation fund	Others	Subtotal	
Total shares	4,390,294,584	-	-	878,058,917	-	878,058,917	5,268,353,501

Other information:

The increase in capital for current year was caused by the implementation of capital increase and allotment scheme by the Company. Based on the total share capital on Dec. 31, 2017, 2 shares per 10 shares were transferred to all of the shareholders with the capital reserves.

45. Other equity instruments

(1) Basic information of other outstanding financial instruments at the end of reporting period, such as preferred stock and perpetual bond

☐Applicable ☒Not applicable

(2) Changes in the outstanding financial instruments at the end of reporting period, including preferred stock and perpetual bond

☐Applicable ☒Not applicable

Description of the changes in other equity instruments and the reasons as well as the basis for relevant accounting treatment:

☐Applicable ☒Not applicable

Other information:

☐Applicable ☒Not applicable

46. Capital reserves

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Items	Beginning Balance	Increase	Decrease	Ending Balance
Capital premium (premium on share capital)	5,415,833,470		878,058,917	4,537,774,553
Other capital reserves	111,145,105			111,145,105
Total	5,526,978,575		878,058,917	4,648,919,658

47. Treasury stock

☐Applicable ☒Not applicable

48. Other comprehensive income

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Beginning balance	Current amount					Ending balance
		Amount before income tax	Less: Other comprehensive income in prior period transferred to profits and losses for current period	Less: income tax expenses	Attributable to parent company, after tax	Attributable to minority shareholders, after tax	
I. Other comprehensive income which will not be subsequently reclassified to profit or loss	-	-	-	-	-	-	-
Including: Changes in remeasurement of defined benefit plan	-	-	-	-	-	-	-
Other comprehensive income which will not be transferred to profit or loss under equity method	-	-	-	-	-	-	-
II. Other comprehensive income which will be subsequently reclassified to profit or loss	273,892,978	-44,432,753	-	-13,667,923	-50,039,118	19,274,288	223,853,860
Including: Other comprehensive income which will be transferred to profit or loss under equity method	-2,391,155	-4,655,831	-	-	-4,655,831	-	-7,046,986
Profit or loss from changes in fair value of available-for-sale financial assets	272,615,163	-89,670,351	-	-13,667,923	-76,002,428	-	196,612,735
Profit or loss from the reclassification of held-to-maturity assets to available-for-sale financial assets	-	-	-	-	-	-	-
Effective hedging portion of profit or loss from cash flow hedging	-	-	-	-	-	-	-
Translation balance of foreign currency financial statements	3,668,970	49,893,429	-	-	30,619,141	19,274,288	34,288,111
Total other comprehensive income	273,892,978	-44,432,753	-	-13,667,923	-50,039,118	19,274,288	223,853,860

49. Specific reserves

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Beginning Balance	Increase	Decrease	Ending Balance
Work safety expenses	1,914,832	40,081,847	38,977,506	3,019,173
Total	1,914,832	40,081,847	38,977,506	3,019,173

Other information, including the changes in current period and the reason of changes:

According to the relevant requirements of the Administrative Measures for the Appropriation and Use of Work Safety Expenses, the enterprises engaged in large - scale machinery manufacture, engineering construction, etc. shall retain the work safety expenses according to the standards. The increase and decrease in current year was the work safety expenses retained and used by the Group for the reporting year in accordance with relevant requirements.

50. Surplus reserves

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Beginning Balance	Increase	Decrease	Ending Balance
Statutory surplus reserves	1,326,165,303	78,218,583	-	1,404,383,886
Discretionary surplus reserves	292,378,668	-	-	292,378,668
Reserve fund	-	-	-	-
Enterprise expansion fund	-	-	-	-
Others	-	-	-	-
Total	1,618,543,971	78,218,583	-	1,696,762,554

Statement of surplus reserves, including the changes in current period and the reason of changes:

In accordance with P. R. China Company Law, the Company's Article of Association and board meeting resolutions, the Company retains 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 accruing.

The statutory surplus reserves can be used to compensate loss upon approval, or to increase capital stock. The Company's statutory surplus reserves were RMB 78,218,583 Yuan in 2018 (2017: RMB 15,420,989 Yuan).

51. Undistributed profits

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Undistributed profit at the end of prior period before adjustment	3,199,681,426	3,353,936,451
Total adjustment of undistributed profit at the beginning of the period (increase +, decrease -)	-	-
Undistributed profits at the beginning of the period after adjustment	3,199,681,426	3,353,936,451
Plus: Net profit attributable to the shareholders of parent company in current period	443,005,092	300,195,422
Less: Withdrawal of statutory surplus reserves	78,218,583	15,420,989
Withdrawal of discretionary surplus reserves	-	-
Withdrawal of general risk reserves	-	-
Common share dividends payable	219,514,729	439,029,458
Common share dividends converted to share capital	-	-
Undistributed profits at the end of the period	3,344,953,206	3,199,681,426

Details of the undistributed profit at the beginning of the period to be adjusted:

1. The impact of retroactive adjustment by Accounting Standards for Business Enterprises and other new regulations, the affected beginning undistributed profit was RMB 0 Yuan.

2. The impact of changes in accounting policies on the beginning undistributed profit was RMB 0 Yuan.

3. The impact of correction of significant accounting errors on the beginning undistributed profit was RMB 0 Yuan.

4. The impact of changes in consolidation scope caused by the common control on the beginning undistributed profit was RMB 0 Yuan.

5. The total impact of other adjustments on the beginning undistributed profit was RMB 0 Yuan.

52. Operating revenue and operating cost

(1) Particulars about operating revenue and operating cost

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Current amount		Previous amount	
	Revenue	Cost	Revenue	Cost
Main business	21,581,514,086	17,940,075,501	21,642,271,179	17,893,942,874
Other business	230,875,558	142,210,251	216,542,821	125,132,425
Total	21,812,389,644	18,082,285,752	21,858,814,000	18,019,075,299

The main business revenue and cost are listed below:

	2018		2017	
	Main business revenue	Main business cost	Main business revenue	Main business cost
Port machinery	14,983,974,898	11,405,896,707	14,736,363,747	11,492,182,908
Heavy equipment	2,746,107,406	2,608,895,653	3,384,886,419	3,084,117,712
Steel structures and related revenue	1,558,778,586	1,656,155,935	1,520,119,032	1,487,522,614
"Building-transfer" project	1,221,194,799	1,226,872,864	1,549,820,489	1,548,520,638
Vessel shipping and others	1,071,458,397	1,042,254,342	451,081,492	281,599,002
	21,581,514,086	17,940,075,501	21,642,271,179	17,893,942,874

Other business revenue and cost are listed below:

	2018		2017	
	Other business revenue	Other business cost	Other business revenue	Other business cost
Sales of materials	64,386,030	62,947,534	58,465,010	58,551,465
Equipment leasing and others	166,489,528	79,262,717	158,077,811	66,580,960
	230,875,558	142,210,251	216,542,821	125,132,425

53. Taxes and surcharges

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Current amount	Prior amount
Consumption tax	-	-
Business tax	-	-
Urban maintenance and construction tax	9,113,572	9,591,497
Educational surtax	8,062,514	8,764,726
Resource tax	-	-
Housing property tax	54,701,491	52,506,650
Land use tax	24,648,393	27,395,297
Vehicle and vessel usage tax	-	-
Stamp tax	14,526,274	14,088,249
Others	5,227,750	1,894,225
Total	116,279,994	114,240,644

54. **Selling and distribution expenses**

√Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Current amount	Prior amount
Employee benefits	64,666,352	58,860,634
Travel expenses	23,270,054	28,710,299
Exhibition fees	8,541,412	2,038,404
Advertising and publicity costs	3,966,124	4,332,045
Sales service expenses	3,448,859	6,616,534
Office expenses	2,186,270	5,997,281
Bidding and tendering expenses	2,087,276	2,394,084
Others	7,374,814	12,508,611
Total	115,541,161	121,457,892

55. **General and administrative expenses**

√Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Current amount	Prior amount
Employee benefits	569,997,151	480,979,047
Intangible assets amortization	97,685,733	98,814,843
Office expenses	75,138,588	47,525,626
Depreciation of fixed assets	72,047,391	74,485,191
Expenses on employing intermediary	62,799,747	143,878,907
Travel expenses	54,893,674	26,332,516
Informatization expense	28,395,805	17,283,659
Consulting fees	27,249,851	26,877,773
Management and security fees	21,796,844	22,892,275
Business entertainment expenses	15,774,517	14,644,990
Management and cleaning fee	15,449,059	14,560,712
Insurance expense	16,063,873	7,083,929
Maintenance charge	5,696,924	5,019,467
Others	79,348,191	59,395,852
Total	1,142,337,348	1,039,774,787

56. **Research and development expenses**

√Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Current amount	Prior amount
Employee benefits	393,654,871	373,884,771
Depreciation of R&D fixed assets	128,117,342	131,807,450
Materials expenses	87,551,345	98,810,177
Processing cost	30,312,011	73,401,282
Product design expenses	2,553,979	1,898,208
Others	30,424,525	22,590,625
Total	672,614,073	702,392,513

57. Financial expenses

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Current amount	Prior amount
Interest expenditure	1,621,856,880	1,162,344,297
Less: interest income	-332,607,896	-293,152,359
Less: Amount of interest capitalization	-18,794,122	-5,494,319
Exchange (losses)/ gains	195,218,216	-180,764,448
Amortization of discount on issue cost	-	3,974,665
Others	56,591,735	71,293,469
Total	1,522,264,813	758,201,305

Other information:

The capitalized amount of borrowing cost has been included in the construction in progress.

58. Impairment loss on assets

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Current amount	Prior amount
I. Loss on bad debts	50,183,121	335,689,296
II. Loss on inventories valuation	-317,328,816	414,898,419
III. Impairment loss on available-for-sale financial assets	-	-
IV. Impairment loss on held-to-maturity investment	-	-
V. Impairment loss on long-term equity investment	-	-
VI. Impairment loss on investment properties	-	-
VII. Impairment loss on fixed assets	-	-
VIII. Impairment loss on construction materials	-	-
IX. Impairment loss on construction in progress	-	-
X. Impairment loss on productive biological assets	-	-
XI. Impairment loss on oil and gas assets	-	-
XII. Impairment loss on intangible assets	-	-
XIII. Impairment loss on goodwill	-	-
XIV. Others	254,569,473	74,248,733
Total	-12,576,222	824,836,448

59. Other income

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Current amount	Prior amount
Financial appropriations	92,341,144	71,702,575
Technological subsidy	17,289,568	2,145,783
Land compensation	2,434,993	2,349,849
Total	112,065,705	76,198,207

60. **Investment income**

√Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Current amount	Prior amount
Income from long-term equity investment under equity method	96,886,332	94,274,214
Investment income from the disposal of long-term equity investment	-	2,536,928
Investment income from financial assets measured at fair value through the current profit or loss in the current profit or loss	-	-
Investment income from the disposal of financial assets measured at fair value through the current profit or loss	-	-
Income from held-to-maturity investment during holding period	-	-
Income from the disposal of held-to-maturity investment	-	-
Investment income for available-for-sale financial assets	19,144,647	26,557,789
Investment income for the disposal of available-for-sale financial assets	-	-
Gains from the remeasurement of remaining equity at fair value after the loss of control	-	-
Investment income from the available-for-sale financial assets under cost method	-	-
Total	116,030,979	123,368,931

61. **Gains from the changes in fair value**

√Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Sources of the gains from changes in fair value	Current amount	Prior amount
Financial assets measured at fair value through the current profit or loss	44,481,806	-4,615,775
Including: income from changes in fair value of derivative financial instruments	-	-
Financial liabilities measured at fair value through the current profit or loss	-	-
Investment properties measured at fair value	-	-
Total	44,481,806	-4,615,775

62. **Gains from assets disposal**

√Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Current amount	Prior amount
Gains from assets disposal	155,557,716	10,749,056
Total	155,557,716	10,749,056

63. Non-operating revenue

Particulars about non-operating revenue

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Current amount	Prior amount	Amount included in non-recurring profit or loss in the current period
Total gains from the disposal of non-current assets	-	-	-
Including: Total gains from the disposal of fixed assets	-	-	-
Total gains from the disposal of intangible assets	-	-	-
Gains from debt restructuring	-	-	-
Gains from non-monetary assets exchange	-	-	-
Accepting donations	-	-	-
Government subsidy	2,346,812	7,304,337	2,346,812
Insurance indemnity income	290,941	12,383,293	290,941
Others	9,464,527	9,655,928	9,464,527
Total	12,102,280	29,343,558	12,102,280

Government subsidies included in the current profit or loss

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Subsidy item	Current amount	Prior amount	Assets/income related
Financial appropriations unrelated to daily activities/ financial appropriations	2,346,812	7,304,337	Income related
Technological subsidies	-	-	Income related
Land compensation	-	-	Assets related
Total	2,346,812	7,304,337	/

Other information:

☐Applicable ☒Not applicable

64. Non-operating expenses

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Current amount	Prior amount	Amount included in non-recurring profit or loss in the current period
Loss from the disposal of non-current assets	-	-	-
Including: Loss from the disposal of fixed assets	-	-	-

Item	Current amount	Prior amount	Amount included in non-recurring profit or loss in the current period
Loss from the disposal of intangible assets	-	-	-
Loss from debt restructuring	-	-	-
Loss from non-monetary assets exchange	-	-	-
External donations	330,000	225,279	330,000
Lawsuit compensation	70,449,299	85,200,340	70,449,299
Overdue fine payment	1,471,289	2,402,174	1,471,289
Others	4,574,736	4,288,460	4,574,736
Total	76,825,324	92,116,253	76,825,324

65. Income tax expenses

(1) Income tax expenses statement

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Current amount	Prior amount
Current income tax expenses	102,237,124	126,087,069
Deferred income tax expenses	40,976,324	-33,767,653
Total	143,213,448	92,319,416

(2) Reconciliation between accounting profit and income tax expenses

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Current amount
Total profit	537,055,887
Income tax expense calculated at statutory/applicable tax rate	80,558,383
Impact of different tax rates in subsidiaries	23,403,438
Impact of adjustment for income tax in prior period	7,088,780
Impact of income not subject to income tax	-11,249
Impact of cost, expenses and loss non-deductible for tax purposes	4,068,352
Impact of utilization of deductible tax losses which haven't been recognized deferred tax assets in prior period	-4,034,159
Impact of unrecognized deductible temporary differences and deductible losses that haven't been recognized as deferred tax assets in current period	88,991,848
Profits and losses attributable to the joint venture and associated enterprise	-17,404,647
Weighted deduction of technical development fee	-39,447,304
Income tax expenses	143,213,448

Other information:

☐Applicable ☒Not applicable

66. **Other comprehensive income**

√Applicable □Not applicable

Refer to VII. 48 for details

67. **Items in statement of cash flows**

(1) Cash received from other operating activities

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Current amount	Prior amount
Customs guarantee deposit recovered	134,438,167	185,539,292
Cash received from government subsidy and grants	210,466,281	124,377,444
Employee loan recovered	5,751,095	9,296,606
Cash received from penalty incomes	5,842,463	7,234,130
Others	23,560,319	55,851,684
Total	380,058,325	382,299,156

(2) Cash paid for other operating activities

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Current amount	Prior amount
Customs guarantee deposit paid	193,509,947	118,660,849
Sales, management and R&D expenditures	321,991,460	240,550,811
Financial cost commission	36,673,878	28,677,981
R&D subsidy paid to cooperation units	7,675,003	12,736,804
Others	137,007,880	121,302,882
Total	696,858,168	521,929,327

(3) Cash received from other investing activities

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Current amount	Prior amount
Interest income	301,254,856	50,163,105
Others	786,317	
Total	302,041,173	50,163,105

(4) Cash paid for other investing activities

√Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Current amount	Prior amount
Repayment on behalf due to obligation of guarantee	-	173,076,659
Total	-	173,076,659

(5) Cash received from other financing activities

√Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Current amount	Prior amount
Restricted bank deposits received	323,466,355	326,925,000
Related party borrowings received	-	1,034,005,000
Third party borrowings received	960,848,000	-
Total	1,284,314,355	1,360,930,000

(6) Cash paid for other financing activities

√Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Current amount	Prior amount
Bank deposits restricted for saving out	311,887,883	323,466,355
Overseas loan expenditure under domestic guarantee	19,917,857	42,615,488
Repayment of related party borrowings	803,092,390	1,057,664,286
Repayment of third party borrowings	67,401,455	-
Total	1,202,299,585	1,423,746,129

68. **Supplementary information to the statement of cash flows**

(1) Supplementary information to the statement of cash flows

√Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Supplementary information	Current amount	Prior amount
1. Net profit adjusted to cash flows from operating activities:		
Net profit	393,842,439	329,443,420
Plus: Provision for asset impairment reserves	-12,576,222	824,836,448
Depreciation of fixed assets, depreciation and depletion of oil and gas assets and depreciation of productive biological assets	1,295,705,099	1,240,838,899
Amortization of intangible assets	101,991,640	101,931,605
Amortization of long-term deferred expenses	-	-

Supplementary information	Current amount	Prior amount
Losses from disposal of fixed assets, intangible assets and other long-term assets ("-" for gains)	-155,557,716	-10,749,056
Losses from write-down of fixed assets ("-" for gains)	-	-
Losses from changes in fair value ("-" for gains)	-44,481,806	4,615,775
Financial expenses ("-" for income)	1,489,952,919	747,304,445
Investment loss ("-" for gains)	-116,030,979	-123,368,931
Decrease in deferred income tax assets ("-" for increase)	78,369,439	112,607,677
Increase in deferred income tax liabilities ("-" for decrease)	-37,393,115	-146,375,330
Decrease in inventories ("-" for increase)	-1,532,625,209	-710,079,284
Decrease in operating receivables ("-" for increase)	-2,166,466,826	-979,057,110
Increase in operating payables ("-" for decrease)	355,967,525	2,009,268,552
Others	903,246,791	-2,069,007,836
Net cash flows from operating activities	553,943,979	1,332,209,274
2. Significant investing and financing activities not involving cash inflow and outflow		
Conversion of debt into capital	-	-
Capital injection by minority shareholders with discounted engineering materials	446,108,000	-
Convertible corporate bonds maturing within one year	-	-
Fixed assets acquired under financial lease	-	-
3. Changes in cash and cash equivalents:		
Ending balance of cash	3,148,987,372	5,673,847,001
Less: Beginning balance of cash	5,673,847,001	3,497,205,186
Plus: Ending balance of cash equivalents	-	-
Less: Beginning balance of cash equivalents	-	-
Net increase in cash and cash equivalents	-2,524,859,629	2,176,641,815

(2) Net cash paid for acquiring subsidiaries during the period

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

	Amount
Cash and cash equivalents paid during the period for business combination incurred in the period	100,000
Less: cash and cash equivalents held by the subsidiary at acquisition date	886,316
Plus: Cash and cash equivalents paid during the period for business combination incurred in prior periods	-
Net cash paid for acquiring subsidiaries	-786,316

(3) Net cash received from disposing subsidiaries during the period

☐Applicable ☒Not applicable

(4) Composition of cash and cash equivalents

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Ending Balance	Beginning Balance
I. Cash	3,148,987,372	5,673,847,001
Including: Cash on hand	1,569,455	1,365,865
Bank deposit available for payment at any time	3,147,417,917	5,672,481,136
Other monetary fund available for payment at any time	-	-
Unrestricted deposit in central bank	-	-
Deposits with banks and other financial institutions	-	-
Loans to and from banks and other financial institutions	-	-
II. Cash equivalents		
Including: Bonds investment maturing within three months	-	-
III. Balance of cash and cash equivalents at the end of the period	3,148,987,372	5,673,847,001
Including: cash and cash equivalents restricted for use in parent company and subsidiaries	-	-

Other information:

☐Applicable ☒Not applicable

69. **Notes to the items in the statement of changes in owner's equity**

Specify the "other" items of which the ending balances were adjusted in the first half year and the adjustment amount:

☐Applicable ☒Not applicable

70. **Ownership or use right of assets subject to restriction**

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Ending book value	Restriction reason
Monetary fund	548,351,336	Special funds collected for overseas project and deposited in overseas regulatory account, bank guarantee and L/C guarantee deposits
Notes receivable	-	
Inventories	-	
Fixed assets	5,270,355,777	Loan collateral
Intangible assets	-	
Long-term receivables	3,850,867,673	Loan collateral
Total	9,669,574,786	/

Other information:

On Dec. 31, 2018, other monetary funds, including the restricted monetary fund of RMB 548,351,336 Yuan (Dec. 31, 2017: RMB 96,380,368Yuan), were the margin deposit saved by the Group for applying to the bank for letter of credit and bank guarantee.

On Dec. 31, 2018, the vessel with the book value of RMB 4,940,559,588 Yuan (Dec. 31, 2017: RMB 3,687,007,865 Yuan) and the mechanical equipment with the book value of RMB 329,796,189 Yuan (Dec. 31, 2017: RMB 437,072,634) Yuan) had been used for sale and lease-back transaction with the financial leasing company, with the financing term of 3 to 11 years.

On Dec. 31, 2018, the long-term accounts receivable of “building-transfer” project with the book value of RMB 3,850,867,673 Yuan (Dec. 31, 2017: RMB 2,571,908,986 Yuan) had been used as the pledge for obtaining bank loans.

71. Foreign currency monetary items

(1) Foreign currency monetary items

√Applicable □Not applicable

Unit: Yuan

Item	Ending foreign currency balance	Conversion exchange rate	Ending equivalent RMB balance
Monetary fund			
Including: USD	230,480,643	6.8632	1,581,834,749
EUR	49,058,155	7.8473	384,974,060
HKD	65,211,274	0.8762	57,138,118
SGD	2,569,564	5.0062	12,863,751
AUD	2,344,848	4.8250	11,313,892
OMR	606,629	17.4249	10,570,450
Yen	155,379,837	0.0619	9,618,012
GBP	846,677	8.6762	7,345,939
INR	33,893,781	0.0980	3,321,591
Ruble	4,727,787,201	0.0986	466,159,818
BRL	1,119,312	1.7742	1,985,883
AED	997,605	1.8679	1,863,426
KRW	157,390,367	0.0061	960,081
LKR	10,851,278	0.0380	412,349
ZAR	183,062	0.4735	86,680
NZD	625	4.5954	2,872
CAD	272	5.0381	1,370
MYR	-	-	-
Accounts receivable			
Including: USD	202,790,509	6.8632	1,391,791,821
EUR	50,839,953	7.8473	398,956,363
HKD	162,113	0.8762	142,043
Ruble	1,826,988,611	0.0986	180,141,077
GBP	12,015,844	8.6762	104,251,866
SGD	18,734,848	5.0062	93,790,396
QAR	20,257,390	1.8886	38,258,107
MYR	18,313,728	1.6479	30,179,192

Item	Ending foreign currency balance	Conversion exchange rate	Ending equivalent RMB balance
CAD	4,860,024	5.0381	24,485,287
ZAR	29,070,672	0.4735	13,764,963
SAR	6,132,949	1.8287	11,215,324
KRW	1,402,775,643	0.0061	8,556,931
LKR	110,102,442	0.0380	4,183,893
AUD	312,721	4.8250	1,508,879
INR	7,711,999	0.0980	755,776
BRL	8,702	1.7742	15,439
Long-term borrowings			
Including: USD	150,400,000	6.8632	1,032,225,280
EUR	22,770,000	7.8473	178,683,021
HKD	-	-	-
Other receivables			
USD	30,261,426	6.8632	207,690,219
EUR	12,115,656	7.8473	95,075,187
Ruble	36,896,471	0.0986	3,637,992
LKR	67,576,559	0.0380	2,567,909
SGD	339,137	5.0062	1,697,788
AUD	291,278	4.8250	1,405,416
HKD	562,294	0.8762	492,682
INR	3,685,547	0.0980	361,184
KRW	55,130,445	0.0061	336,296
BRL	150,590	1.7742	267,177
ZAR	387,503	0.4735	183,483
OMR	5,015	17.4249	87,386
Accounts payable			
USD	122,986,455	6.8632	844,080,638
EUR	52,054,224	7.8473	408,485,112
GBP	1,032,925	8.6762	8,961,864
SGD	1,760,739	5.0062	8,814,612
ZAR	4,894,947	0.4735	2,317,757
KRW	310,011,525	0.0061	1,891,070
INR	13,157,480	0.0980	1,289,433
Yen	16,534,523	0.0619	1,023,487
HKD	1,028,299	0.8762	900,996
AUD	30,469	4.8250	147,013
CAD	22,295	5.0381	112,324
LKR	2,644,316	0.0380	100,484

Item	Ending foreign currency balance	Conversion exchange rate	Ending equivalent RMB balance
BRL	27,992	1.7742	49,663
Ruble	9,202	0.0986	907
Other payables			
USD	25,833,699	6.8632	177,301,843
EUR	2,937,497	7.8473	23,051,420
SGD	1,131,844	5.0062	5,666,237
Ruble	55,371,311	0.0986	5,459,611
LKR	78,956,219	0.0380	3,000,336
BRL	100,246	1.7742	177,856
KRW	8,978,922	0.0061	54,771
GBP	2,776	8.6762	24,085
AUD	972	4.8250	4,690
Short-term borrowings			
USD	482,561,612	6.8632	3,311,916,855
EUR	110,711,331	7.8473	868,785,028
Yen	102,474,480	0.0619	6,343,170
Long-term borrowings maturing within one year			
USD	-	-	-
EUR	-	-	-
Long-term payables maturing within one year			
USD	79,252,111	6.8632	543,923,088
Long-term payables			
USD	225,212,900	6.8632	1,545,681,175

(2) Description of the overseas business entities, including the disclosure of its overseas main business place, reporting currency and selection for significant overseas business entity, as well as the reasons for changes in reporting currency

☐Applicable ☒Not applicable

72. Hedging

☐Applicable ☒Not applicable

73. Government subsidy

(1) Basic information on government subsidy

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Category	Amount	Item	Amount included in the current profit or loss
Financial appropriations unrelated to daily activities / financial appropriations	2,346,812		2,346,812
Technological subsidy	-		-
Land compensation	-		-

(2) Particulars about government subsidy returned

☐Applicable ☒Not applicable

74. Others

☐Applicable ☒Not applicable

VIII Changes in the scope of consolidation

1. Business combination not under common control

☒Applicable ☐Not applicable

(1) Business combination not under common control in current period

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Acquiree	Equity acquisition date	Equity acquisition cost	Proportion of equity acquired(%)	Acquisition method	Acquisition date	Determination basis of acquisition date	Acquiree's income from acquisition date to the end of reporting period	Acquiree's net profit acquisition date to the end of reporting period
ZMPC Hotel Co., Ltd.		100,000	100%		Feb. 28, 2018		9,862,370	1,180,939

(2) Combination cost and goodwill

☐Applicable ☒Not applicable

(3) Identifiable assts and liabilities of acquiree at acquisition date

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

	ZMPC Hotel Co., Ltd.	
	Fair value at acquisition date	Book value at acquisition date
Assets:	2,185,744	2,253,464
Monetary fund	886,317	886,317
Receivables	812,998	812,998
Other receivables	13,940	13,940
Inventories	328,361	328,361
Fixed assets	144,128	211,848
Liabilities:	2,085,744	2,085,744
Borrowings	-	-
Payables	1,617,974	1,617,974
Deferred income tax liabilities	-	-
Employee compensation payable	74,759	74,759
Taxes and surcharges payable	-282,498	-282,498
Other payables	675,509	675,509
Net assets	100,000	167,720
Less: minority interests	-	-
Net assets acquired	100,000	167,720

Other information:

	Fair value on Feb. 28, 2018	Book value on Feb. 28, 2018
Monetary fund	886,317	886,317
Accounts receivable	812,998	812,998
Other receivables	13,940	13,940
Inventories	328,361	328,361
Fixed assets	144,128	211,848
Accounts payable	(1,617,974)	(1,617,974)
Employee compensation payable	(74,759)	(74,759)
Tax payable	282,498	282,498
Other payables	(675,509)	(675,509)
	100,000	167,720
Goodwill arising from purchase	-	
	100,000	

The business performance and cash flows of ZPMC Hotel Co., Ltd. from the date of purchase to the end of the year are listed below:

	Mar. 1, 2018 to Dec. 31, 2018
Operating revenue	9,862,370
Net profit	1,180,939
Net cash flows	968,704

(4) Gains or losses of the previously held equity investment remeasured at fair value

Whether there is business combination until obtaining control step by step in multiple transactions during the reporting period

☐Applicable ☒Not applicable

(5) Explanation for unable reasonably to ascertain combination cost or the fair value of acquiree's identifiable assets and liabilities at the acquisition date or at the ending date of current financial period

☐Applicable ☒Not applicable

(6) Other information

☐Applicable ☒Not applicable

2. Business combination under common control

☐Applicable ☒Not applicable

3. Reverse purchase

☐Applicable ☒Not applicable

4. Disposal of subsidiaries

Disposing entity investment until losing control in one step

☐Applicable ☒Not applicable

Other information:

☐Applicable ☒Not applicable

Disposing entity investment until losing control step by step in multiple transactions

☐Applicable ☒Not applicable

5. Changes in consolidation scope for other reasons

Specify the changes in consolidation scope (new subsidiary, liquidation of subsidiary, etc.) for other reasons and related information:

☒Applicable ☐Not applicable

On Mar. 13, 2018, the Company contributed RMB 4,000,000 Yuan in cash to jointly establish the controlling subsidiary CCCC Zhenhua Lvjian Technology (Ningbo) Co., Ltd. with CCCC Real Estate Group Co., Ltd., CCCC Urban Investment Holding Company Limited and CCCC Highway Consultants Co. Ltd. On Dec. 31, 2018, the shareholding ratio of the Group in that subsidiary was 40%. By signing the agreement for concerted action with CCCC Highway Consultants Co. Ltd. and CCCC Equipment Manufacturing Marine Heavy Industry Division, the Company successively obtained 50% voting power of the shareholders meeting and 60% voting power of the board of directors of that subsidiary. In accordance with the regulations in the Articles of Association of the subsidiary, the Group had obtained its control rights, and thus the subsidiary was in the consolidation scope of the Group.

On Mar. 22, 2018, the Company subscribed capital and established the wholly-owned subsidiary Terminexus Co., Ltd with at 1 HKD. On Dec. 31, 2018, the shareholding ratio of the Company in the subsidiary was 100%.

ZPMC Steel Structure Co., Ltd., the former subsidiary of the Company, was cancelled in the administration for industry and commerce on Mar. 29, 2018.

The Company made capital contributions of 500,000 USD in cash and established the wholly-owned subsidiary ZPMC Latin America Holding Corporation on July 9, 2018. On Dec. 31, 2018, the shareholding ratio of the Company in the subsidiary was 100%.

On July 18, 2018, the Company, with the capital contributions of RMB 128,000,000 in cash, and CCCC First Highway Engineering Group Co., Ltd. jointly established the holding subsidiary CCCC Yongjia Construction Development Co., Ltd. On Dec. 31, 2018, the shareholding ratio of the Company in the subsidiary was 100%.

Fujian CCCC Qianda Heavy Industries Co., Ltd., the original subsidiary of the Company was cancelled in the administration for industry and commerce on Sept. 25, 2018.

6. Others

☐Applicable ☒Not applicable

IX. Equity in Other Entities

1. Equity in subsidiaries

(1) Composition of enterprise group

√Applicable □Not applicable

Name of subsidiary	Main business place	Registration place	Business nature	Shareholding (%)		Acquisition method
				Direct	Indirect	
Shanghai Zhenhua Port Machinery Heavy Industry Co., Ltd.	Chongming, Shanghai	Chongming, Shanghai	Machinery manufacture	94.76	-	Establishment by investing
Shanghai Zhenhua Port Machinery (Hongkong) Co., Ltd. (Note 1)	Hong Kong	Hong Kong	Shipping	99.99	-	Establishment by investing
Shanghai Zhenhua Shipping Co., Ltd.	Pudong New Area, Shanghai	Pudong New Area, Shanghai	Shipping	55	-	Establishment by investing
Nantong Zhenhua Heavy Industry Equipment Manufacturing Co., Ltd.	Nantong City, Jiangsu Province	Nantong City, Jiangsu Province	Machinery manufacture	100	-	Establishment by investing
ZPMC Transmission Machinery (Nantong) Co., Ltd.	Nantong City, Jiangsu Province	Nantong City, Jiangsu Province	Machinery manufacture	100	-	Establishment by investing
ZPMC Electric Co., Ltd.	Pudong New Area, Shanghai	Pudong New Area, Shanghai	Electric equipment research and development	100	-	Establishment by investing
Jiangyin Zhenhua Port Machinery Steel Structure Manufacturing Co., Ltd.	Jiangyin City, Jiangsu Province	Jiangyin City, Jiangsu Province	Machinery manufacture	75	25	Establishment by investing
Shanghai Zhenhua Marine Engineering Service Co., Ltd.	Yangshan Bonded Port Area, Shanghai	Yangshan Bonded Port Area, Shanghai	Shipping	100	-	Establishment by investing
ZPMC Machinery Equipment Services Co., Ltd.	Pudong New Area, Shanghai	Pudong New Area, Shanghai	Technical consultancy	100	-	Establishment by investing
ZPMC Netherlands Coöperatie U.A.	Rotterdam, Netherlands	Rotterdam, Netherlands	Trade sales	100	-	Establishment by investing
ZPMC Netherlands B.V.	Rotterdam, Netherlands	Rotterdam, Netherlands	Trade sales	100	-	Establishment by investing
Verspannen B.V.	Rotterdam, Netherlands	Rotterdam, Netherlands	Machinery manufacture	-	100	Business combination involving enterprises not under common control
ZPMC Espana S.L.	Los Barrios, Spain	Los Barrios, Spain	Trade sales	-	100	Establishment by investing
ZPMC GmbH Hamburg	Hamburg, Germany	Hamburg, Germany	Trade sales	100	-	Establishment by investing
ZPMC Lanka Company(Private) Limited	Colombo, Sri Lanka	Colombo, Sri Lanka	Trade sales	70	-	Establishment by investing
ZPMC North America Inc.	Delaware, USA	Delaware, USA	Trade sales	100	-	Establishment by investing
ZPMC Korea Co., Ltd.	Pusan, Korea	Pusan, Korea	Trade sales	70	-	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	-	Establishment by investing
ZPMC Engineering (India) Private Limited	Maharashtra State, India	Maharashtra State, India	Trade sales	100	-	Establishment by investing
ZPMC Southeast Asia Holding Pte. Ltd.	Singapore	Singapore	Trade sales	100	-	Establishment by investing
ZPMC Engineering (Malaysia) Sdn. Bhd.	Malaysia	Malaysia	Trade sales	-	70	Establishment by investing
ZPMC Australia Company (Pty) Ltd.	New South Wales, Australia	New South Wales, Australia	Trade sales	100	-	Establishment by investing

Name of subsidiary	Main business place	Registration place	Business nature	Shareholding (%)		Acquisition method
				Direct	Indirect	
ZPMC Port Machinery General Equipment Co., Ltd	Pudong New Area, Shanghai	Pudong New Area, Shanghai	Machinery manufacture	100	-	Business combination involving enterprises under common control
Shanghai Port Machinery Heavy Industries Co., Ltd.	Pudong New Area, Shanghai	Pudong New Area, Shanghai	Machinery manufacture	-	74.02	Business combination under the common control
ZPMC Zhangjiagang Port Machinery Co., Ltd.	Zhangjiagang City, Jiangsu Province	Zhangjiagang City, Jiangsu Province	Machinery manufacture	90	-	Business combination involving enterprises under common control
Najing Ninggao New Channel Construction Co., Ltd.	Nanjing City, Jiangsu Province	Nanjing City, Jiangsu Province	Engineering construction	100	-	Establishment by investing
ZPMC Qidong Marine Engineering Co., Ltd.	Nantong City, Jiangsu Province	Nantong City, Jiangsu Province	Machinery manufacture	67	-	Business combination involving enterprises not under common control
Jiahua Shipping Co., Ltd.	Hong Kong	Hong Kong	Shipping	-	70	Establishment by investing
Zhenhua Pufeng Wind Power (Hong Kong) Co., Ltd	Hong Kong	Hong Kong	Shipping	-	51	Establishment by investing
ZPMC Brazil Serviço Portuários LTDA	Rio DE Janeiro, Brazil	Rio DE Janeiro, Brazil	Trade sales	80	-	Establishment by investing
ZPMC Limited Liability Company	Moscow, Russia	Moscow, Russia	Trade sales	85	-	Establishment by investing
ZPMC NA East Coast Inc.	Virginia	Delaware, USA	Trade sales	-	100	Establishment by investing
ZPMC NA Huston Inc.	Texas	Delaware, USA	Trade sales	-	100	Establishment by investing
CCCC Tianhe Mechanical Equipment Manufacturing Co., Ltd. (Note 1)	Changshu City, Jiangsu Province	Changshu City, Jiangsu Province	Machinery manufacture	32.51	-	Business combination involving enterprises under common control
CCCC Investment & Development Qidong Co., Ltd. (Note 2)	Nantong City, Jiangsu Province	Nantong City, Jiangsu Province	Engineering construction	47.5	-	Establishment by investing
CCCC Liyang Urban Investment and Construction Co., Ltd. (Note 3)	Liyang City, Jiangsu Province	Liyang City, Jiangsu Province	Engineering construction	48	-	Establishment by investing
ZPMC UK LD	Cardiff, UK	Cardiff, UK	Trade sales	100	-	Establishment by investing
ZPMC Middle East Fze	Dubai, UAE	Dubai, UAE	Trade sales	100	-	Establishment by investing
CCCC (Huaian) Construction Development Co., Ltd.	Huaian City, Jiangsu Province	Huaian City, Jiangsu Province	Engineering construction	-	77.01	Establishment by investing
CCCC Zhenjiang Investment Construction Management Development Co., Ltd	Zhenjiang City, Jiangsu Province	Zhenjiang City, Jiangsu Province	Engineering construction	70	-	Establishment by investing
CCCC Yongjia Construction Development Co., Ltd.	Wenzhou City, Zhejiang Province	Wenzhou City, Zhejiang Province	Engineering construction	80	-	Establishment by investing
CCCC Zhenhua Lvjian Technology (Ningbo) Co., Ltd. (Note 4)	Ningbo City, Zhejiang Province	Ningbo City, Zhejiang Province	Engineering construction	40	-	Establishment by investing
ZPMC Hotel Co., Ltd.	Pudong New Area, Shanghai	Pudong New Area, Shanghai	Hotel and catering	-	100	Business combination involving enterprises not under common control
CCCC Rudong Construction Development Co., Ltd.	Rudong City, Jiangsu Province	Rudong City, Jiangsu Province	Engineering construction	7.73	55.19	Establishment by investing
ZPMC Latin America Holding Corporation	Panama	Panama	Trade sales	100	-	Establishment by investing

Name of subsidiary	Main business place	Registration place	Business nature	Shareholding (%)		Acquisition method
				Direct	Indirect	
Terminexus Co.,Ltd.	Hong Kong	Hong Kong	Technical consultancy	-	100	Establishment by investing
Greenland Heavylift (Hong Kong) Limited (Note5)	Hong Kong	Hong Kong	Shipping	-	50	Business combination involving enterprises not under common control
GPO Grace Limited	Marshall Islands	Marshall Islands	Shipping	-	100	Business combination involving enterprises not under common control
GPO Amethyst Limited	Marshall Islands	Marshall Islands	Shipping	-	100	Business combination involving enterprises not under common control
GPO Sapphire Limited	Marshall Islands	Marshall Islands	Shipping	-	100	Business combination involving enterprises not under common control
GPO Emerald Limited	Marshall Islands	Marshall Islands	Shipping	-	100	Business combination involving enterprises not under common control
GPO Heavylift Limited	Cayman Islands	Cayman Islands	Shipping	-	60	Business combination involving enterprises not under common control
GPO Heavylift AS	Oslo, Norway	Oslo, Norway	Shipping	-	100	Business combination involving enterprises not under common control

Other information:

Note 1: The Group obtained 55.98% of the voting power of the shareholders' meeting and 80% of the voting power of the board of directors from the Company via amendment of Articles of Association of CCCC Tianhe Mechanical Equipment Manufacturing Co., Ltd., reconstruction of the board of directors and signing the agreement for concerted action with China Communications Corporation (one of the shareholders of CCCC Tianhe Mechanical Equipment Manufacturing Co., Ltd.). In accordance with the regulations in the Articles of Association of the company, the Group had obtained the control rights of the company, and thus the company was in the consolidation scope of the Group.

Note 2: By signing the agreement for concerted action with CCCC Tianjin Dredging Co., Ltd., the Group had obtained 95% voting power of the shareholders meeting and 100% voting power of the board of directors. In accordance with the regulations in the Articles of Association of the company, the Group had obtained the control rights of the company, and thus the company was in the consolidation scope of the Group.

Note 3: 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 of the shareholders meeting and 71% voting power of the board of directors. In accordance with the regulations in the Articles of Association of the company, the Group had obtained the control rights of the company, and thus the company was in the consolidation scope of the Group.

Note 4: By signing the agreement for concerted action with CCCC Highway Consultants Co. Ltd. and CCCC Equipment Manufacturing Marine Heavy Industry Division, the Group obtained the accumulated 50% voting power of the shareholders meeting and 60% voting power of the board of directors of the company. In accordance with the regulations in the Articles of Association of the company, the Group had obtained the control rights of the company, and thus the company was in the consolidation scope of the Group.

Note 5: In accordance with the acquisition agreement, the Group held two of the four seats in the board of directors of the company, including chairman of the board. As stipulated in the Articles of Association of the 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 its 1% stock equity at 1 USD at any time in the future. Therefore, the Group has substantial control over the company and the company was included in the consolidation scope of the financial statement of the Group.

(2) Significant non-wholly owned subsidiary

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Name of subsidiary	Shareholding ratio of minority shareholder	Profit or loss attributable to the minority shareholder for current period	Dividends declared to minority interests for current period	Withdrawal of special reserves for minority shareholders	Ending balance of the minority interests
CCCC Tianhe Mechanical Equipment Manufacturing Co., Ltd.	67.49	39,565,707	-635,573	-413	642,352,963
CCCC Zhenjiang Investment, Construction, Management and Development Co, Ltd.	30	15,949,306	-	-	335,763,428
Greenland Heavylift (Hong Kong) Limited	50	-12,996,502	-	-	295,996,240

Notes to the shareholding different from the voting proportion of the minority shareholder of subsidiary:

□Applicable √Not applicable

Other information:

√Applicable □Not applicable

2018						
	Shareholding ratio of minority shareholder %	Capital invested by minority shareholder	Profit or loss attributable to minority shareholder	Dividend paid to minority shareholder	Withdrawal of special reserves for minority shareholder	Accumulated minority equity at the end of year
CCCC Tianhe Mechanical Equipment Manufacturing Co., Ltd.	67.49	-	39,565,707	(635,573)	(413)	642,352,963
CCCC Zhenjiang Investment, Construction, Management and Development Co, Ltd.	30.00	-	15,949,306	-	-	335,763,428
Greenland Heavylift (Hong Kong) Limited	50.00	-	(12,996,502)	-	-	295,996,240

2017					
	Shareholding ratio of minority shareholder %	Capital invested by minority shareholder	Profit or loss attributable to minority shareholder	Withdrawal of special reserves for minority shareholder	Accumulated minority equity at the end of year
CCCC Tianhe Mechanical Equipment Manufacturing Co., Ltd.	67.49	-	39,217,954	2,562,277	603,423,242
CCCC Zhenjiang Investment, Construction, Management and Development Co, Ltd.	30.00	60,000,000	16,811,568	-	319,814,122
Greenland Heavylift (Hong Kong) Limited	50.00	309,405,935	(413,193)	-	308,992,742

(3) Main financial information of significant non-wholly owned subsidiary

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Name of subsidiary	Ending Balance						Beginning Balance					
	Current asset	Non-current asset	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current asset	Non-current asset	Total assets	Current liabilities	Non-current liabilities	Total liabilities
CCCC Tianhe Mechanical Equipment Manufacturing Co., Ltd.	2,683,768,533	2,250,708,205	4,934,476,738	-3,405,276,767	-577,400,904	-3,982,677,671	2,313,171,638	1,869,127,907	4,182,299,545	-2,460,195,680	-828,278,015	-3,288,473,695
CCCC Zhenjiang Investment, Construction, Management and Development Co, Ltd.	114,313,970	1,045,638,449	1,159,952,419	-40,740,990	-	-40,740,990	13,909,597	1,074,783,059	1,088,692,656	-22,645,579	-	-22,645,579
Greenland Heavylift (Hong Kong) Limited	60,153,796	1,436,258,433	1,496,412,229	-87,059,172	-818,181,971	-905,241,143	47,188,656	790,083,887	837,272,543	-218,380,034	-	-218,380,034

Name of subsidiary	Current amount				Prior amount			
	Operating revenue	Net profit	Total comprehensive income	Cash flow form operating activities	Operating revenue	Net profit	Total comprehensive income	Cash flow form operating activities
CCCC Tianhe Mechanical Equipment Manufacturing Co., Ltd.	1,230,112,617	58,624,548	58,624,548	-61,417,339	1,152,898,050	58,140,097	58,140,097	49,468,222
CCCC Zhenjiang Investment, Construction, Management and Development Co, Ltd.	-	53,164,353	53,164,353	-102,681,078	5,241,278	56,038,562	56,038,562	-
Greenland Heavylift (Hong Kong) Limited	106,628,409	-60,006,966	-49,950,762	-72,567,613	85,079,934	17,523,291	-2,977,632	31,723,925

Other information:

None

(4) Material limitation of using assets and paying off liabilities of the Group

□Applicable √Not applicable

(5) Providing financial support or other supports for the structured entity included in the scope of consolidated financial statements

□Applicable √Not applicable

Other information:

□Applicable √Not applicable

2. Transactions that causes changes in the shares of owners' equity in subsidiaries but still control the subsidiaries

□Applicable √Not applicable

3. Equity in joint ventures and associates

√Applicable □Not applicable

(1) Important joint ventures or associates

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Name of joint venture or associated enterprise	Main business place	Registration place	Business nature	Shareholding ratio (%)		Accounting treatment for investment in joint venture or associated enterprise
				Direct	Indirect	
Jiangsu Longyuan Zhenhua Marine Engineering Co., Ltd.	Nantong, 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 (Hong Kong) Co., Ltd. (Note 1)	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
CCCC Tianhe Xi'an Equipment Manufacturing Co., Ltd.	Xi'an Shaanxi	Xi'an Shaanxi	Machinery manufacture	-	50	Equity method
CCCC Marine Engineering & Technology Research Center Co., Ltd.	Pudong, Shanghai	Pudong, Shanghai	Marine technology development and consulting	25	-	Equity method
CCCC Real Estate Yinxing Co., Ltd.	Wuxi, Jiangsu	Wuxi, Jiangsu	Real estate development	20	-	Equity method
ZPMC Changzhou Coatings Co., Ltd.	Changzhou, Jiangsu	Changzhou, Jiangsu	Paint manufacture	20	-	Equity method
CCCC Financial Leasing Co., Ltd.	Pudong, Shanghai	Pudong, Shanghai	Financial leasing	30	-	Equity method
CCCC Yancheng Construction and Development Co., Ltd.	Yancheng, Jiangsu	Yancheng, Jiangsu	Engineering project construction	25	-	Equity method
Suzhou Chuanglian Electric Drive Co., Ltd.	Suzhou, Jiangsu	Suzhou, Jiangsu	Electrical 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 (Note 2)	USA	USA	Port, channel highway and bridge construction	17	-	Equity method
ZPMC Southeast Asia Pte. Ltd	Singapore	Singapore	Trade sales	-	40	Equity method

Note 1: On May 5, 2014, the subsidiary of the Company and the partner jointly invested to establish Zhenhua Marine Energy (Hong Kong) Co., Ltd. The registered capital was 5,969,998 USD and the subsidiary of the Company contributed 3,044,699 USD, holding 51% of the shares. The company focused on the vessel transportation business. Based on the regulations of the shareholder agreement, the important events of the Company shall be agreed by at least 75% shareholders via voting. Therefore, the Group has no control over the company but controls jointly with the partner.

Note 2: On Dec. 15, 2016, the Company contributed 16,480,000 USD (in RMB 114,321,760 Yuan) to buy shares of CCCC South American Regional Company SARL. On Dec. 31, 2018, the registered capital was 179,988,158 USD and the shareholding ratio of the Company was 17%. The company is mainly engaged in port construction business. Based on the regulations of the articles of association of that company, the Company has the right to designate one director to that company and to implement significant impact on that company.

(2) Main financial information of important joint ventures

☐Applicable ☒Not applicable

(3) Main financial information of important associates

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

	Ending Balance/ Current amount		Beginning Balance/ Prior amount	
	CCCC Financial Leasing Co., Ltd.	CCCC Financial Leasing Co., Ltd.	CCCC Financial Leasing Co., Ltd.	CCCC Financial Leasing Co., Ltd.
Current assets	16,819,852,506		14,519,134,477	
Non-current assets	14,386,974,050		12,061,010,402	
Total assets	31,206,826,556		26,580,144,879	
Current liabilities	14,391,112,371		8,365,784,476	
Non-current liabilities	9,282,803,916		11,116,733,773	
Total liabilities	23,673,916,287		19,482,518,249	
Minority shareholders' equity	1,794,759,090		1,502,458,020	
Difference in the accounting policies of associated enterprise (Note 1)	-		-	
Shareholders' equity attributable to parent company	5,738,151,179		5,595,168,610	
Net asset shares based on the shareholding ratio	1,721,445,354		1,678,550,583	
Adjusting items	-		-	
--Goodwill	-		-	
--Unrealized profit of internal trading	-		-	
--Others	-		-	
Book value of equity investment in associates	1,721,445,354		1,678,550,583	
Fair value of equity investment in associates with quoted market price	-		-	
Operating income	1,693,357,297		1,173,817,052	
Financial expenses – interest income	14,581,320		11,277,025	
Financial expenses – interest expenditure	11,983,472		23,808,003	
Income tax expenses	114,094,285		89,532,048	
Net profit	351,695,926		272,052,060	
Net profit for discontinued operations	-		-	
Other comprehensive income	2,159,463		-848,960	
Total comprehensive income	353,855,387		271,097,816	
Dividends from associates for the current year	150,000,000		-	

(4) Summary of financial information of insignificant joint ventures and associates

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

	Ending Balance/ Current amount	Beginning Balance/ Prior amount
Joint venture:		
Book value of total investments	287,691,938	268,510,756
Total amount calculated by shareholding ratio		
-- Net profit	9,181,182	35,324,167
-- Other comprehensive income	-	-
-- Total comprehensive income	9,181,182	35,324,167
Associate:		
Book value of total investments	766,664,469	373,409,182
Total amount calculated by shareholding ratio	-	-
-- Net profit	458,218	-14,386,647
-- Other comprehensive income	-5,303,670	-8,418,578
-- Total comprehensive income	-4,845,452	-22,805,225

(5) Restriction on transferring funds to the Company from joint ventures or associates

☐Applicable ☒Not applicable

(6) Excess losses of joint ventures or associates

☐Applicable ☒Not applicable

(7) Unrecognized commitments related to investment in joint ventures

☐Applicable ☒Not applicable

(8) Contingent liabilities related to investment in joint ventures or associates

☐Applicable ☒Not applicable

4. Significant joint operations

☐Applicable ☒Not applicable

5. Equity in the structured entities not included in the scope of consolidated financial statements

Notes to the structured entities not included in the scope of consolidated financial statements:

☐Applicable ☒Not applicable

6. Others

☐Applicable ☒Not applicable

X. Risks Related to Financial Instruments

√Applicable □Not applicable

1. Classification of financial instruments

The book values of various financial instruments on balance sheet date are as follows:

Dec. 31, 2018

Financial assets

	Financial assets measured at fair value through the current profit or loss	Loans and accounts receivable	Other available-for-sale financial assets	Total
Monetary fund	-	3,697,338,708	-	3,697,338,708
Financial assets measured at fair value through the current profit or loss	52,920,084	-	-	52,920,084
Notes receivables and accounts receivables	-	5,221,919,846	-	5,221,919,846
Other receivables	-	680,776,372	-	680,776,372
Non-current assets maturing within one year	-	894,638,424	-	894,638,424
Available-for-sale financial assets	-	-	1,214,533,554	1,214,533,554
Long-term receivables	-	5,188,341,089	-	5,188,341,089
	52,920,084	15,683,014,439	1,214,533,554	16,980,468,077

Financial liabilities

	Other financial liabilities
Short-term borrowings	16,554,687,487
Notes payable and accounts payable	9,769,273,923
Other payables	952,110,434
Non-current liabilities maturing within one year	4,209,532,510
Long-term borrowings	15,097,725,259
Long-term payables	1,967,461,119
	48,550,790,732

Dec. 31, 2017

Financial assets

	Financial assets measured at fair value through the current profit or loss	Loans and accounts receivable	Other available-for-sale financial assets	Total
Monetary fund	-	5,770,227,369	-	5,770,227,369
Financial assets measured at fair value through the current profit or loss	8,438,278	-	-	8,438,278
Notes receivable and accounts receivable	-	4,400,803,623	-	4,400,803,623
Other receivables	-	627,877,201	-	627,877,201
Non-current assets maturing within one year	-	1,896,475,472	-	1,896,475,472
Available-for-sale financial assets	-	-	1,304,203,905	1,304,203,905
Long-term receivables	-	4,238,704,827	-	4,238,704,827
	8,438,278	16,934,088,492	1,304,203,905	18,246,730,675

Financial liabilities

	Other financial liabilities
Short-term borrowings	25,468,980,401
Notes payable and accounts payable	8,780,825,653
Other payables	843,207,676
Non-current liabilities maturing within one year	2,198,931,219
Long-term borrowings	6,664,914,383
Long-term payables	1,884,986,333
	45,841,845,665

2. Transfer of financial assets

Transferred financial assets derecognized as a whole but involved continuously

On December 31, 2018, the book value of the bank acceptance bill that the Group had endorsed to the supplier for clearing the accounts payable was RMB 364,908,608 Yuan (Dec. 31, 2017: RMB 1,519,002,534 Yuan), with the maturity term of 1~12 months. In accordance with the relevant provisions of the Negotiable Instruments Law, if the acceptance bank refuses to pay, its holder is entitled to recourse to the Group ("continue to be involved"). The Group considers that the Group has transferred almost all of its risks and rewards and therefore terminates the book value of its settled accounts payable in connection with it. The maximum losses and undiscounted cash flows that continue to be involved are equal to their book value. The Group considers that continuous involvement of fair value is not important.

In 2018, the Group failed to recognize any gain or loss (2017: none) on above-mentioned transfer date of financial assets. The Group had no income or expense recognized in current year or accumulatively due to overall termination of recognition but continuous involvement. The endorsement of bank acceptance bill was roughly balanced in current year.

3. Risks of financial instruments

Major financial instruments of the Group include bank loans, mortgage loan formed from sale and lease-back, other interest-bearing borrowings and monetary fund, and the like. The main purpose of these financial instruments is to finance for the operation of the Group. The Group has various other financial assets and liabilities directly arising from operations, such as accounts receivable, long-term receivables and accounts payable, etc.

The Group's operations face various financial risks: credit risk, liquidity risk and market risk (mainly exchange rate risk and interest rate risk). The Group's overall risk management plan addresses the unpredictability of financial markets and seeks to reduce the potential adverse impact on the Group's financial performance.

Credit risk

The Group manages the credit risks by category based on portfolio. Credit risks mainly originate from notes and accounts receivable, other receivables, available-for-sale financial assets and long-term receivables etc.

Other financial assets of the Group include monetary fund, available-for-sale financial assets and other receivables, whose credit risks arise from that the counterparty default and the maximum exposure is equal to the carrying amount of these instruments.

Since the Group is trading only with a recognized and credibility third party, the credit risks shall be managed in centralized manner according to the customer/counterparty, geographic region and industry. Since 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 does not hold any collateral or other credit enhancements to the balance of accounts receivable and long-term receivables.

Bank deposits of the Group in 2018 and 2017 were mainly saved in state-owned banks and other large or medium-sized listed banks. The Group held that there was no significant credit risk and no great loss caused by the default of counterparty.

In addition, as for the notes receivable and accounts receivable, long-term receivables and other receivables, the Group has established related policies to control the credit risks exposure. The Group evaluates the clients' credit qualification and sets corresponding credit terms on the basis of clients' financial status, possibility of obtaining guaranty from a third-party, credit record and other factors including current market status rating. The Group monitors clients' credit record on regular

basis. When client is found with bad credit record, the Group will send out written calls, shorten credit terms or cancel credit terms, in an attempt to ensure the Group's overall credit risks within the range of control.

On December 31, 2018, the term of financial assets without impairment individually or in portfolio was analyzed as follows:

2018						
	Total	Not overdue No depreciation	Overdue			
			Within 1 year	1~2 years	2~3 years	3 years and above
Monetary fund	3,697,338,708	3,697,338,708	-	-	-	-
Notes receivable and accounts receivable	3,390,661,921	2,888,371,190	153,982,269	120,227,018	102,862,164	125,219,280
Other receivables	1,137,887,691	1,137,887,691	-	-	-	-
Non-current assets maturing within one year	894,638,424	894,638,424	-	-	-	-
Long-term receivables	5,188,341,089	5,188,341,089	-	-	-	-

2017						
	Total	Not overdue No depreciation	Overdue			
			Within 1 year	1~2 years	2~3 years	3 years and above
Monetary fund	5,770,227,369	5,770,227,369	-	-	-	-
Notes receivable and accounts receivable	2,944,886,111	2,649,977,252	17,223,670	139,468,191	12,056,612	126,160,386
Other receivables	981,986,979	981,986,979	-	-	-	-
Non-current assets maturing within one year	1,896,475,472	1,896,475,472	-	-	-	-
Long-term receivables	4,238,704,827	4,238,704,827	-	-	-	-

On December 31, 2018, the accounts receivable not overdue or impaired were related to a large number of decentralized customers who had no default record recently.

On December 31, 2018, the accounts receivable overdue but not impaired were related to a large number of independent customers bearing good transaction records with the Group. Based on past experiences, the Group considered that no provision for impairment was required since the credit quality had not changed significantly and the accounts receivable were still considered to be recoverable in full.

Liquidity risk

Subsidiaries within the Group are responsible for their own prediction of cash flow. The financial section of the head office continues to monitor the capital demand for short-term and long-term capital at the group level after collecting all predictions of subsidiaries, to ensure sufficient cash reserve and cashable securities. Meanwhile, the financial section of the head office continues to monitor the financial and non-financial factors prescribed in credit agreements and loan agreements, to ensure the Group to get sufficient line of credit from key financial institutions to satisfy the short-term and long-term capital demand of the subsidiaries of the Group.

On Dec. 31, 2018, the various financial liabilities of the Group are listed as follows by due dates in undiscounted contracted cash flow (principal and interest included):

2018					
	Within 1 year	1~2 years	2~5 years	5 years and above	Total
Short-term borrowings	16,831,239,955	-	-	-	16,831,239,955
Notes payable and accounts payable	9,769,273,923	-	-	-	9,769,273,923
Other payables	1,098,580,447	-	-	-	1,098,580,447
Non-current liabilities maturing within one year	4,383,617,609	-	-	-	4,383,617,609
Long-term borrowings		7,708,456,612	7,771,884,597	509,025,150	15,989,366,359
Long-term payables		1,013,791,584	524,739,421	505,113,074	2,043,644,079
	32,082,711,934	8,722,248,196	8,296,624,018	1,014,138,224	50,115,772,372

On Dec. 31, 2017, the various financial liabilities of the Group are listed as follows by due dates in undiscounted contracted cash flow (principal and interest included):

2017					
	Within 1 year	1~2 years	2~5 years	5 years and above	Total
Short-term borrowings	25,899,118,580	-	-	-	25,899,118,580
Notes payable and accounts payable	8,784,041,985	-	-	-	8,784,041,985
Other payables	844,125,043	-	-	-	844,125,043
Non-current liabilities maturing within one year	2,607,918,346	-	-	-	2,607,918,346
Long-term borrowings	-	3,068,866,936	3,639,532,692	410,067,125	7,118,466,753
Long-term payables	-	969,702,730	962,927,475	-	1,932,630,205
	38,135,203,954	4,038,569,666	4,602,460,167	410,067,125	47,186,300,912

Market risk

Interest rate risk

The interest rate risks of the Group mainly originate from long-term interest-bearing liabilities including long-term bank loans and long-term payables. Financial liabilities with floating rate confront the Group with cash flow interest rate risks, while financial liabilities with fixed rates put the Group against fair value interest rate risks. The Group determines the relative proportion of contracts with fixed rates and those with floating rates based on corresponding market environment. On Dec. 31, 2018, the Group's long-term interest-bearing liabilities mainly included the contracts with floating rates priced in USD and contracts with fixed rates priced in RMB.

The risk of market interest rate changes which the Group faces is mainly related to the long-term liabilities bearing the interest at floating rate.

The financial division of the Group headquarters keeps close watch over the interest rates level of the Group. Since the rise in interest rates will increase the cost of newly added liabilities with interests, interest expenses on unpaid liabilities with interests priced in flexible rates, and will significantly and adversely impact the financial results of the Group, so the management will control the rate risks via swap contracts based on the latest market status. In 2017 and 2018, the Group had no such swap arrangements.

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 profits and losses (through the impact on loan with floating rate) and the net amount of other comprehensive income after tax based on the assumption of no change in other variables.

2018				
	Base point Increase/(decrease)	Net profits and losses Increase/(decrease)	Net amount of other comprehensive income after tax Increase/(decrease)	Total shareholders' equity Increase/(decrease)
RMB	100	(48,269,201)	-	(48,269,201)
RMB	(100)	48,269,201	-	48,269,201

2017				
	Base point Increase/(decrease)	Net profits and losses Increase/(decrease)	Net amount of other comprehensive income after tax Increase/(decrease)	Total shareholders' equity Increase/(decrease)
RMB	100	(40,838,071)	-	(40,838,071)
RMB	(100)	40,838,071	-	40,838,071

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 currency. The Group's main production is located in China, but the main business is settled in USD and EUR. Therefore, the foreign currency assets and liabilities recognized by the Group and the future foreign currency transactions (foreign currency assets and liabilities and the pricing currency denominated in foreign currency transactions are mainly USD and EUR). The Financial Department of the Group's headquarters is responsible for monitoring the size of the Group's foreign currency transactions and foreign currency assets and liabilities to minimize the exposure to foreign currency risks. In the reporting year, the Group adopted forward foreign exchange contract with Ruble to USD to offset the exchange rate risk of sales transactions in Ruble.

The following table shows the sensitivity analysis of the exchange rate risk, reflecting the impact of reasonable and possible changed in USD exchange rate on net profit and loss (due to changes in the fair value of monetary assets and monetary liabilities) and net amount of other comprehensive income after tax (due to changes in the fair value of forward exchange contracts) based on the assumption of no change in other variables.

2018				
	USD Exchange rate Increase/(decrease)	Net profits and losses Increase/(decrease)	Net amount of other comprehensive income after tax Increase/(decrease)	Total shareholders' equity Increase/(decrease)
Appreciation of RMB against USD	1%	35,226,305	-	35,226,305
Depreciation of RMB against USD	(1%)	(35,226,305)	-	(35,226,305)

2017				
	USD Exchange rate Increase/(decrease)	Net profits and losses Increase/(decrease)	Net amount of other comprehensive income after tax Increase/(decrease)	Total shareholders' equity Increase/(decrease)
Appreciation of RMB against USD	1%	32,343,556	-	32,343,556
Depreciation of RMB against USD	(1%)	(32,343,556)	-	(32,343,556)

Capital management

The objective of the Group's capital management policy is to ensure that the Group is able to operate on a continuous basis to provide returns to shareholders and to benefit other shareholders while maintaining the best capital structure to reduce capital costs.

To maintain or adjust the capital structure, the Group may adjust the dividend amount 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 listed in the consolidated balance sheet. The Group is not subject to mandatory external capital requirements and utilizes debt 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.

The debt ratio of the Group as at Dec. 31, 2018 and Dec. 31, 2017 was listed below:

	Dec. 31, 2018	Dec. 31, 2017
Debt ratio	66%	65%

XI. Disclosure of Fair Value

1. Ending fair value of the assets and liabilities measured at fair value

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Ending fair value			
	Measurement of fair value by Level 1	Measurement of fair value by Level 2	Measurement of fair value by Level 3	Total
I. Recurring fair value measurement	1,171,539,394	44,481,806	8,438,278	1,224,459,478
(I) Financial assets measured at fair value through the current profit or loss	-	44,481,806	8,438,278	52,920,084
1. Financial assets held for trading	-	44,481,806	8,438,278	52,920,084
(1) Debt instrument investment	-	-	-	-
(2) Equity instrument investment	-	-	8,438,278	8,438,278
(3) Derivative financial assets	-	44,481,806	-	44,481,806
2. Designated financial assets measured at fair value through the current profit or loss	-	-	-	-
(1) Debt instrument investment	-	-	-	-
(2) Equity instrument investment	-	-	-	-
(II) Available-for-sale financial assets	1,171,539,394	-	-	1,171,539,394
(1) Debt instrument investment	-	-	-	-
(2) Equity instrument investment	1,171,539,394	-	-	1,171,539,394
(3) Others	-	-	-	-
(III) Investment properties	-	-	-	-
1. Land use right leased out	-	-	-	-
2. Building leased out	-	-	-	-
3. Land use right held and ready to transfer after appreciation	-	-	-	-
(IV) Biological assets	-	-	-	-
1. Consumable biological assets	-	-	-	-
2. Productive biological assets	-	-	-	-
Total assets of recurring fair value measurement	1,171,539,394	44,481,806	8,438,278	1,224,459,478
(V) Financial liabilities held for trading	-	-	-	-
Including: Trading bonds issued	-	-	-	-

Item	Ending fair value			
	Measurement of fair value by Level 1	Measurement of fair value by Level 2	Measurement of fair value by Level 3	Total
Derivative financial liabilities	-	-	-	-
Others	-	-	-	-
(VI) Financial liabilities designated upon initial recognition as measured at fair value through the current profit or loss	-	-	-	-
Total liabilities of recurring fair value measurement	-	-	-	-
II. Non-recurring fair value measurement	-	-	-	-
(I) Assets held for sale	-	-	-	-
Total assets of non-recurring fair value measurement	-	-	-	-
Total liabilities of non-recurring fair value measurement	-	-	-	-

2. Determination basis of market price for recurring and non-recurring items in Level 1 for fair value measurement

☐Applicable ☒Not applicable

3. For recurring and non-recurring items in Level 2 for fair value measurement, the adopted valuation techniques and qualitative and quantitative information of important parameters

☒Applicable ☐Not applicable

The Group took the event occurrence date resulting in the transfer among the levels as the time point for recognition of the transfer among the levels. There was no transfer among the levels in this year.

As for the financial instrument traded on active market, the Group would determine its fair value based on the quoted price on active market; as for the financial instrument not traded on active market, the Group would determine its fair value with valuation technique. The valuation model shall be the cash flow discount model. The input values of valuation technique included the risk-free interest rate and forward exchange rate.

Information on Level 2 for fair value measurement is as follows:

	Dec. 31, 2018 Fair value	Valuation technique	Observable input value	
			Name	Scope
Financial assets measured at fair value through the current profit or loss				
- Forward exchange contract in Ruble	44,481,806	Cash flow discount model	Ruble to USD forward exchange	64.7530~66.4903

The important unobservable input values of Level 3 for fair value measurement are as follows:

	Dec. 31, 2018 Fair value	Valuation technique	Unobservable input value	
			Name	Weighted average
Financial assets measured at fair value through the current profit or loss				
Financial assets held for trading - equity instruments investment	8,438,278	Cash flow discount model	Weighted average capital cost	11%

4. For recurring and non-recurring items in Level 3 for fair value measurement, the adopted valuation techniques and qualitative and quantitative information of important parameters

☐Applicable ☒Not applicable

5. For recurring items in Level 3 for fair value measurement, the adjustment between beginning and ending book value and the sensitivity analysis of unobservable parameters

☐Applicable ☒Not applicable

6. If there are transfers of recurring items for fair value measurement among levels in current period, disclose the reason for those transfers and policies for transfer timing-point determination

☐Applicable ☒Not applicable

7. Changes in evaluation technique in current period and the reasons

☐Applicable ☒Not applicable

8. Particulars about the fair value of financial assets and liabilities not measured at fair value

☒Applicable ☐Not applicable

The financial assets and liabilities measured at amortized cost of the Group mainly include monetary fund, notes receivable and receivables, long-term receivables, non-current assets due within one year, Short-term borrowings, notes and accounts payable, Long-term borrowings, and non-current liabilities due within one year, etc.

The management has evaluated the monetary fund, Notes receivable and accounts receivables, notes 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 fair 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.

9. Others

☐Applicable ☒Not applicable

XII. Related Parties and Related Party Transactions

1. Particulars about the parent company of the Company

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Name of parent company	Registration place	Business nature	Registered capital	Shareholding ratio of parent company in this company (%)	Voting proportion of parent company in this company (%)
CCCC	Beijing City	Port project contracting and related business	5,855,423,830	46.229	46.229
China Communications Construction Company Limited	Beijing City	Port project contracting and related business	16,174,735,425	16.239	16.239

Other information:

On July 18, 2017, the board of directors of China Communications Construction Company Ltd. deliberated and passed the Proposal for Transfer of Some Shares of Shanghai Zhenhua Heavy Industries Co., Ltd through Agreement and

Associated Transaction and agreed to transfer totally 1,316,649,346 shares of the Company held by it to CCCC and CCCG (HK) Holdings Co., Ltd. (hereinafter referred to as "CCCG HK"), accounting for 29.990% of the total shares of the Company, after that, China Communications Construction Company Ltd. held 16.239% of the stock equity of this Company. The transfer and registration of shares was accomplished on Dec. 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 CCCG (HK) (accounting for 17.401% of the total shares of this Company) and held 712,951,703 A-shares of this Company through China Communications Construction Company Ltd. (accounting for 16.239% of the total shares of this Company), as a result, it became the controlling shareholder of the Company.

The final controlling party of the Company in both 2018 and 2017 was China Communications Construction Company Ltd.

2. Subsidiaries of the Company

Please refer to the notes for details of subsidiaries.

☒Applicable ☐Not applicable

For details of the subsidiaries, please refer to Article 1 of Note IX.

3. Joint venture and associated enterprise of the Company

Please refer to Note IX. 2 for details of joint venture and associates of the Company.

☒Applicable ☐Not applicable

The particulars about other joint venture and associates having associated transactions with the Company in current period or having associated transactions with the Company and forming balance in prior period are as follows

☐Applicable ☒Not applicable

Other information

☐Applicable ☒Not applicable

4. Particulars about other related parties

☒Applicable ☐Not applicable

Name of other related party	Relationship between other related party with the enterprise
Friede & Goldman, Llc.	Holding subsidiary of the parent company
China Communications Construction Company Limited	Holding subsidiary of the parent company
Zhen Hwa Harbour Construction Co., Ltd.	Holding subsidiary of the parent company
Hainan CCCC Fourth Harbor Construction Co., Ltd.	Holding subsidiary of the parent company
Road & Bridge International Co., Ltd.	Holding subsidiary of the parent company
CCCC Nanjing Weisanlu River Tunnel Co., Ltd	Holding subsidiary of the parent company
Shanghai Jiangtian Industrial Co., Ltd	Holding subsidiary of the parent company
Shanghai Communications Construction Contracting Co., Ltd.	Holding subsidiary of the parent company
Zhenhua Engineering Co., Ltd.	Holding subsidiary of the parent company
Yueyang Chenglingji New Port Co., Ltd.	Holding subsidiary of the parent company
China Harbor Engineering Co., Ltd	Holding subsidiary of the parent company
China Communications Materials & Equipment Co., Ltd	Holding subsidiary of the parent company
China Road & Bridge Corporation	Holding subsidiary of the parent company
Chuwa Bussan Co. Ltd.	Holding subsidiary of the parent company
CCCC Finance Company Ltd.	Holding subsidiary of the parent company
CCCC Second Highway Engineering Co. Ltd.	Holding subsidiary of the parent company
CCCC Second Highway Consultants Co., Ltd.	Holding subsidiary of the parent company
CCCC Second Harbor Engineering Co., Ltd.	Holding subsidiary of the parent company
CCCC Third Highway Engineering Co. Ltd.	Holding subsidiary of the parent company
CCCC Third Harbor Engineering Co., Ltd.	Holding subsidiary of the parent company

Name of other related party	Relationship between other related party with the enterprise
No.2 Engineering Company, Ltd. of CCCC First Harbor Engineering Company Ltd.	Holding subsidiary of the parent company
No.1 Engineering Co., Ltd. of CCCC First Harbor Engineering Co., Ltd.	Holding subsidiary of the parent company
CCCC Leasing Jiahua No.2 Co. Ltd.	Holding subsidiary of the parent company
CCCC Leasing Jiahua No.1 Co. Ltd.	Holding subsidiary of the parent company
The Third Engineering Co., Ltd. of The First Highway Engineering Bureau of CCCC	Holding subsidiary of the parent company
CCCC First Highway Fifth Engineering Co., Ltd.	Holding subsidiary of the parent company
CCCC Guidu Highway Construction Co. Ltd.	Holding subsidiary of the parent company
CCCC (Tianjin) Eco-environmental Protection Design & Research Institute Co., Ltd.	Holding subsidiary of the parent company
CCCC Guangzhou Logistics Co., Ltd.	Holding subsidiary of the parent company
CCCC SHEC Chengdu Urban Construction Engineering Co., Ltd.	Holding subsidiary of the parent company
Hong Kong Marine Construction Co., Ltd.	Holding subsidiary of the parent company
CCCC-FHEC Bridge and Tunnel Engineering Co., Ltd.	Holding subsidiary of the parent company
CCCC Infrastructure Maintenance Group Co., Ltd.	Holding subsidiary of the parent company
CCCC Yancheng Construction and Development Co., Ltd.	Holding subsidiary of the parent company
CCCC Chengdu Rail Transit Investment and Construction Co., Ltd.	Holding subsidiary of the parent company
CCCC Shanghai Channel Equipment Industry Co., Ltd.	Holding subsidiary of the parent company
Engineering Materials Co., Ltd. of CCCC Third Harbor Engineering Co., Ltd.	Holding subsidiary of the parent company
CNPC & CCCC Petroleum Sales Co., Ltd.	Holding subsidiary of the parent company
CCCC Tianjin Dredging Co., Ltd.	Holding subsidiary of the parent company
Shanghai Zhensha Longfu Machinery Co., Ltd.	Holding subsidiary of the parent company
Road & Bridge East China Engineering Co., Ltd.	Holding subsidiary of the parent company
CCCC National Engineering Research Center of Dredging Technology and Equipment	Holding subsidiary of the parent company
CCCC Xi'an Road Construction Machinery Co., Ltd.	Holding subsidiary of the parent company
CCCC Highway Consultants Co. Ltd.	Holding subsidiary of the parent company

5.Related transactions

(1) Purchase and sales of goods, rendering of and receiving labor service

Statement of purchase of goods/receiving labor service

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Related party	Contents of related transaction	Current amount	Prior amount
CCCC Shanghai Equipment Engineering Co., Ltd.	Purchase of goods	210,238,846	131,400,593
ZPMC Changzhou Coatings Co., Ltd.	Purchase of goods	108,484,161	88,611,099
Shanghai Jiangtian Industrial Co., Ltd	Purchase of goods	65,858,536	15,435,145
Chuwa Bussan Co. Ltd.	Purchase of goods	19,663,204	42,752,896
Jiangsu Longyuan Zhenhua Marine Engineering Co., Ltd	Purchase of goods	10,643,590	-
CNPC & CCCC Petroleum Sales Co., Ltd.	Purchase of goods	1,487,613	-

Related party	Contents of related transaction	Current amount	Prior amount
CCCC National Engineering Research Center of Dredging Technology and Equipment	Purchase of goods	1,245,211	-
CCCC Shanghai Channel Equipment Industry Co., Ltd.	Purchase of goods	302,564	-
China Communications Construction Company Limited	Purchase of goods	258,621	-
CCCC Water Transportation Planning and Design Institute Co., Ltd.	Purchase of goods	237,931	-
China Communications Materials & Equipment Co., Ltd.	Purchase of goods	209,106	5,989,665
CCCC Fourth Highway Engineering Co. Ltd.	Purchase of goods	-	4,868,840
CCCC Nanjing Weisanlu River Tunnel Co., Ltd.	Purchase of goods	-	418,291
CCCC Tianjin Industry and Trade Co., Ltd.	Purchase of goods	-	22,846
No.2 Engineering Co., Ltd. of CCCC Third Harbor Engineering Co., Ltd.	Receiving labor service	435,493,711	10,427,350
CCCC Second Harbor Engineering Co., Ltd.	Receiving labor service	319,635,901	161,465,657
CCCC Electrical and Mechanical Engineering Co., Ltd.	Receiving labor service	183,813,849	-
CCCC Fourth Highway Engineering Co. Ltd.	Receiving labor service	180,145,846	96,055,525
CCCC Third Harbor Engineering Co., Ltd.	Receiving labor service	171,166,061	134,235,980
CCCC Tianjin Dredging Co., Ltd.	Receiving labor service	119,241,651	462,492,064
No.2 Engineering Co., Ltd. of CCCC Fourth Harbor Engineering Co., Ltd.	Receiving labor service	58,238,659	28,312,923
CCCC - SHEC Second Engineering Co. Ltd.	Receiving labor service	51,067,364	112,198,187
CCCC Shanghai Dredging Co., Ltd.	Receiving labor service	44,255,071	1,727,336
CCCC Shanghai Equipment Engineering Co., Ltd.	Receiving labor service	31,619,960	-
CCCC Third Highway Engineering Co. Ltd.	Receiving labor service	26,704,324	-
CCCC First Harbor Consultants Co., Ltd.	Receiving labor service	26,259,626	5,858,503
CCCC First Harbor Engineering Co., Ltd.	Receiving labor service	24,659,835	26,777,335
CCCC Second Highway Consultants Co., Ltd.	Receiving labor service	22,139,413	30,059,257
CCCC Leasing Jiahua No.2 Co. Ltd.	Receiving labor service	17,399,943	-
No.1 Engineering Co., Ltd. of CCCC First Harbor Engineering Co., Ltd.	Receiving labor service	16,698,341	63,578,055
China Communications Second Navigational Bureau Third Engineering Co., Ltd.	Receiving labor service	13,181,025	-
CCCC - SHEC Third Highway Engineering Co. Ltd.	Receiving labor service	12,990,744	-
No.3 Engineering Co., Ltd. of CCCC Third Harbor Engineering Co., Ltd.	Receiving labor service	10,326,479	17,743,903
CCCC Water Transportation Planning and Design Institute Co., Ltd.	Receiving labor service	9,564,649	12,105,094
ZPMC Mediterranean Liman Makinalari Ticaret Anonim Sirketi	Receiving labor service	8,502,537	3,548,020
Chuwa Bussan Co. Ltd.	Receiving labor service	7,063,023	-
Installation Engineering Co., Ltd. of CCCC First Harbor Engineering Co. Ltd.	Receiving labor service	5,974,138	5,989,401
CCCC Tunnel Engineering Co., Ltd.	Receiving labor service	4,536,422	-
China Communications Construction Company Limited	Receiving labor service	3,701,020	-
CCCC Marine Engineering & Technology Research Center Co., Ltd.	Receiving labor service	3,425,753	-
Shanghai Jiangtian Industrial Co., Ltd	Receiving labor service	2,594,773	-

Related party	Contents of related transaction	Current amount	Prior amount
Shanghai Communications Construction Contracting Co., Ltd.	Receiving labor service	1,254,523	61,115,756
China Communications Materials & Equipment Co., Ltd	Receiving labor service	318,966	-
CCCC Third Harbor Consultants Co., Ltd.	Receiving labor service	85,470	142,383
CCCC First Highway Engineering Co., Ltd.	Receiving labor service	-	137,930,629
Jiangsu Longyuan Zhenhua Marine Engineering Co., Ltd	Receiving labor service	-	21,662,715
CCCC Highway Bridges National Engineering Research Centre CO., Ltd.	Receiving labor service	-	1,777,778
CTTIC Shanghai Co., Ltd.	Receiving labor service	-	929,915

Statement of sales of goods/rendering of labor service

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Related party	Contents of related transaction	Current amount	Prior amount
Jiangsu Longyuan Zhenhua Marine Engineering Co., Ltd	Rendering of service	24,438,319	1,619,314
CCCC First Harbor Engineering Co., Ltd.	Rendering of service	-	47,170
China Communications Construction Company Limited	Rendering of service	70,216,049	39,664,882
CCCC Third Harbor Engineering Co., Ltd.	Rendering of service	24,710,083	-
CCCC Second Highway Engineering Co. Ltd.	Rendering of service	7,547	-
No.1 Engineering Co., Ltd. of CCCC First Harbor Engineering Co., Ltd.	Rendering of service	-	14,151
ZPMC Changzhou Coatings Co., Ltd.	Rendering of service	1,396,226	-
CCCC Fourth Highway Engineering Co. Ltd.	Rendering of service	13,801,887	-
CCCC Guangzhou Dredging Co. Ltd.	Rendering of service	4,664,101	1,949,573
CCCC First Highway Fifth Engineering Co., Ltd.	Rendering of service	7,500,000	-
CCCC First Highway Engineering Co., Ltd.	Rendering of service	4,000,000	-
CCCC Tunnel Engineering Co., Ltd.	Rendering of service	-	3,301,887
ZPMC-OTL MARINE CONTRACTOR LIMITED	Rendering of service	30,377,284	-
CCCC Second Highway Consultants Co., Ltd.	Rendering of service	12,905,660	-
CCCC (Tianjin) Eco-environmental Protection Design & Research Institute Co., Ltd.	Rendering of service	207,547	-
CCCC Guangzhou Logistics Co., Ltd.	Rendering of service	56,604	-
China Harbor Engineering Co., Ltd	Selling goods	22,231,105	232,091,723
Jiangsu Longyuan Zhenhua Marine Engineering Co., Ltd	Selling goods	110,250,125	438,106,948
No.1 Engineering Co., Ltd. of CCCC Second Harbor Engineering Co., Ltd.	Selling goods	19,181,054	57,742,023
CCCC Tianjin Dredging Co., Ltd.	Selling goods	137,098,857	471,642,717
Friede & Goldman, Llc.	Selling goods	2,673,016	-
CCCC Electrical and Mechanical Engineering Co., Ltd.	Selling goods	187,488,462	56,423,470
CCCC First Harbor Engineering Co., Ltd.	Selling goods	70,466,403	311,626,339
CCCC Financial Leasing Co., Ltd.	Selling goods	502,962,177	728,945,753

Related party	Contents of related transaction	Current amount	Prior amount
CCCC - SHEC Second Engineering Co. Ltd.	Selling goods	7,727	1,729,907
China Communications Construction Company Limited	Selling goods	248,519,083	182,048,428
CCCC Third Harbor Engineering Co., Ltd.	Selling goods	100,341,951	23,994,666
Hainan CCCC Fourth Harbor Construction Co., Ltd.	Selling goods	13,248	7,710,256
CCCC Second Harbor Engineering Co., Ltd.	Selling goods	101,372,715	62,392,577
Road & Bridge International Co., Ltd.	Selling goods	105,144,086	97,734,474
CCCC Fourth Harbor Engineering Co. Ltd.	Selling goods	-	5,805,005
China Road & Bridge Corporation	Selling goods	358,243,636	23,045,665
Road & Bridge South China Engineering Co., Ltd.	Selling goods	16,524,972	44,066,592
No.4 Engineering Co., Ltd. of CCCC Second Harbor Engineering Co., Ltd.	Selling goods	24,459,644	36,707,819
China Communications Second Navigational Bureau Third Engineering Co., Ltd.	Selling goods	117,230,621	28,130,115
CCCC - SHEC Third Highway Engineering Co. Ltd.	Selling goods	1,057,048	15,152,103
CCCC Second Highway Engineering Co. Ltd.	Selling goods	63,557,612	51,535,600
No.1 Engineering Co., Ltd. of CCCC First Harbor Engineering Co., Ltd.	Selling goods	5,264,957	-
CCCC Third Harbor Consultants Co., Ltd.	Selling goods	5,018,319	-
CCCC-FHDI Engineering Co., Ltd.	Selling goods	-	5,058,462
Shanghai Communications Construction Contracting Co., Ltd.	Selling goods	34,589,744	-
CCCC First Harbor Consultants Co., Ltd.	Selling goods	9,654,872	27,435,897
ZPMC Mediterranean Liman Makinalari Ticaret Anonim Sirketi	Selling goods	4,262,198	4,167,390
CCCC Highway Consultants Co. Ltd.	Selling goods	65,517	-
CCCC Tianjin Industry and Trade Co., Ltd.	Selling goods	674,414	-
Chuwa Bussan Co. Ltd.	Selling goods	2,023,654	20,992,826
CCCC First Highway Engineering Co., Ltd.	Selling goods	30,000,000	-
CCCC Tunnel Engineering Co., Ltd.	Selling goods	57,261,136	93,172,932
The Third Engineering Co., Ltd. of The First Highway Engineering Bureau of CCCC	Selling goods	6,550,315	-
CCCC Third Highway Engineering Co. Ltd.	Selling goods	-	2,752,482

Notes to the related transactions relating to purchase and sales of goods, and rendering of and receiving labor service

☐Applicable ☒Not applicable

(2) Information for trust and contract in and out of assets

Table of the trust and contract in of assets of the Company:

☐Applicable ☒Not applicable

Notes to trust/contract in of assets

☐Applicable ☒Not applicable

Table of the trust and contract out of assets of the Company

☐Applicable ☒Not applicable

Notes to associated management and contract out of assets

☐Applicable ☒Not applicable

(3) Particulars about lease with related party

The Company as the lessor:

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Leasee	Type of leased asset	Rental income recognized for current period	Rental income recognized for prior period
CCCC Tunnel Engineering Co., Ltd.	Shield machine	34,392,257	-
CCCC Second Highway Engineering Co. Ltd.	Shield machine	26,075,675	6,727,590
CCCC First Highway Engineering Co., Ltd.	Shield machine	17,393,504	-
Jiangsu Longyuan Zhenhua Marine Engineering Co., Ltd	Vessel	17,133,962	27,414,329
CCCC Tianjin Dredging - Binhai Environmental Protection Engineering Co., Ltd.	Vessel	16,810,345	-
China Communications Second Navigational Bureau Third Engineering Co., Ltd.	Shield machine	15,756,410	-
CCCC First Harbor Engineering Co., Ltd.	Shield machine	12,181,009	895,138
China Communications Second Navigational Bureau Third Engineering Co., Ltd.	Vessel	8,909,091	-
CCCC - SHEC First Highway Engineering Co. Ltd.	Shield machine	7,304,022	1,336,752
CCCC Third Highway Engineering Co. Ltd.	Shield machine	5,617,718	2,928,360
Road & Bridge International Co., Ltd.	Shield machine	4,909,838	3,499,733
The Fourth Engineering Co., Ltd. of CCCC Second Highway Engineering Co., Ltd.	Shield machine	2,949,470	1,841,219
China Communications Construction Company Limited	Vessel	358,225	2,162,605
Zhenhua Marine Energy (HK) Co., Ltd.	Vessel	-	158,746,932
CCCC-FHEC Urban Traffic Engineering Co., Ltd.	Shield machine	-	26,525,385

The Company as leasee:

☐Applicable ☒Not applicable

Notes to lease with related party

☐Applicable ☒Not applicable

(4) Related party guarantee

The Company as guarantor

☐Applicable ☒Not applicable

The Company as guarantee

☐Applicable ☒Not applicable

Notes to related party guarantee

☐Applicable ☒Not applicable

(5) Financing activities with related party

☐Applicable ☒Not applicable

(6) Asset transfer and debt restructuring with related party

☐Applicable ☒Not applicable

(7) Remuneration of key management personnel

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Current amount	Prior amount
Remuneration of key management personnel	11,074,400	10,855,200

There were 25 persons as the key management of the Group in 2018 (2017: 26 persons). The remuneration of new staff and resigned staff would be calculated according to the employment duration, while the remuneration of others were calculated by year.

(8) Other related transactions

√Applicable □Not applicable

Dividend paid to related party

	2018	2017
China Communications Construction Company Limited	63,281,892	126,563,785
Zhenhua Engineering Co., Ltd.	37,434,197	74,967,750
Zhen Hwa Harbour Construction Co., Ltd.	763,963	1,428,570
	101,480,052	202,960,105

Drawing money from related party

	2018	2017
CCCC Finance Company Ltd.	(479,100,507)	(185,697,167)
China Communications Construction Company Limited	(19,058,644)	20,206,089
	(498,159,151)	(165,491,078)

Borrowings from related party

	2018	2017
CCCC Finance Company Ltd.	350,000,000	1,150,000,000
CCCC Leasing Jiahua No.1 Co. Ltd.	-	991,005,000
CCCC Financial Leasing Co., Ltd.	-	43,000,000
	350,000,000	2,184,005,000

Interest collected from related party

	2018	2017
CCCC Finance Company Ltd.	1,015,732	1,527,782
China Communications Construction Company Limited	341,322	143,106
	1,357,054	1,670,888

Interest paid to related party

	2018	2017
CCCC Leasing Jiahua No.1 Co. Ltd.	61,347,010	18,155,201
CCCC Financial Leasing Co., Ltd.	27,841,630	61,295,275
CCCC Finance Company Ltd.	26,374,292	22,784,195
CCCC Leasing Jiahua No.2 Co. Ltd.	19,035,746	18,155,201
	134,598,678	120,389,872

6.Receivables from and payables to related party

(1) Receivables

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Related party	Ending Balance		Beginning Balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Notes receivable and accounts receivable	China Road & Bridge Corporation	167,321,390	-	-	-
Notes receivable and accounts receivable	CCCC First Harbor Engineering Co., Ltd.	164,008,643	-	292,038,117	-
Notes receivable and accounts receivable	CCCC Second Harbor Engineering Co., Ltd.	141,951,335	-	55,342,226	-
Notes receivable and accounts receivable	Hong Kong Marine Construction Co., Ltd.	137,133,578	-	-	-
Notes receivable and accounts receivable	CCCC Tunnel Engineering Co., Ltd.	109,822,612	-	62,548,820	-
Notes receivable and accounts receivable	Jiangsu Longyuan Zhenhua Marine Engineering Co., Ltd	101,223,377	-	40,731,949	-
Notes receivable and accounts receivable	No.1 Engineering Co., Ltd. of CCCC First Harbor Engineering Co., Ltd.	85,793,713	-	-	-
Notes receivable and accounts receivable	China Communications Second Navigational Bureau Third Engineering Co., Ltd.	84,077,626	-	36,245,810	-
Notes receivable and accounts receivable	CCCC Second Highway Engineering Co. Ltd.	63,391,227	-	11,311,717	-
Notes receivable and accounts receivable	ZPMC-OTL MARINE CONTRACTOR LIMITED	49,354,814	-	-	-
Notes receivable and accounts receivable	CCCC Third Harbor Engineering Co., Ltd.	48,250,022	-	27,387,519	-
Notes receivable and accounts receivable	Road & Bridge International Co., Ltd.	39,658,009	-	11,429,413	-
Notes receivable and accounts receivable	Road & Bridge International Co., Ltd.	36,341,930	-	4,544,688	-
Notes receivable and accounts receivable	China Communications Construction Company Limited	34,063,397	-	34,548,987	-
Notes receivable and accounts receivable	Road & Bridge South China Engineering Co., Ltd.	26,581,168	-	11,279,627	-
Notes receivable and accounts receivable	CCCC Third Highway Engineering Co. Ltd.	22,746,125	-	11,901,177	-
Notes receivable and accounts receivable	ZPMC Mediterranean Liman Makinalari Ticaret Anonim Sirketi	17,250,552	-	11,000,668	-
Notes receivable and accounts receivable	Friede & Goldman, LLC.	15,970,344	-	16,205,750	-

Item	Related party	Ending Balance		Beginning Balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Accounts receivable	CCCC Financial Leasing Co., Ltd.	14,850,000	-	33,507,250	-
Notes receivable and accounts receivable	CCCC-FHDI Engineering Co., Ltd.	12,592,000	-	29,592,000	-
Notes receivable and accounts receivable	CCCC Fourth Harbor Engineering Co. Ltd.	12,000,000	-	12,000,000	-
Notes receivable and accounts receivable	Zhenhua Marine Energy (HK) Co., Ltd.	11,818,430	-	27,901,034	-
Notes receivable and accounts receivable	China Harbor Engineering Co., Ltd.	8,779,024	-	-	-
Notes receivable and accounts receivable	China Communications Second Navigational Bureau Second Engineering Co., Ltd.	7,808,358	-	12,761,828	-
Notes receivable and accounts receivable	The Fourth Engineering Co., Ltd. of CCCC Second Highway Engineering Co., Ltd.	7,755,561	-	4,384,226	-
Notes receivable and accounts receivable	Hainan CCCC Fourth Harbor Construction Co., Ltd.	6,200,000	-	-	-
Notes receivable and accounts receivable	The Sixth Engineering Co., Ltd. of CCCC First Highway Engineering Co., Ltd.	6,098,300	-	6,098,300	-
Notes receivable and accounts receivable	CCCC - SHEC Third Highway Engineering Co. Ltd.	5,548,004	-	7,422,819	-
Notes receivable and accounts receivable	No.2 Engineering Company, Ltd. of CCCC First Harbor Engineering Company Ltd.	5,019,557	-	5,219,557	-
Notes receivable and accounts receivable	CCCC - SHEC Second Engineering Co. Ltd.	4,817,096	-	1,438,507	-
Notes receivable and accounts receivable	CCCC First Highway Engineering Co., Ltd.	4,694,962	-	-	-
Notes receivable and accounts receivable	CCCC-FHEC Urban Traffic Engineering Co., Ltd.	3,415,780	-	15,268,940	-
Notes receivable and accounts receivable	No.1 Engineering Co., Ltd. of CCCC Second Harbor Engineering Co., Ltd.	2,750,000	-	-	-
Notes receivable and accounts receivable	Installation Engineering Co., Ltd. of CCCC First Harbor Engineering Co. Ltd.	1,197,764	-	253,297	-
Notes receivable and accounts receivable	CCCC Marine Engineering & Technology Research Center Co., Ltd.	1,100,000	-	1,100,000	-
Notes receivable and accounts receivable	CCCC Shanghai Equipment Engineering Co., Ltd.	844,000	-	52,777	-
Notes receivable and accounts receivable	No.2 Engineering Co., Ltd. of CCCC Fourth Harbor Engineering Co., Ltd.	564,537	-	24,901,085	-
Notes receivable and accounts receivable	XING AN JI Engineering Co., Ltd. of CCCC Third Harbor Engineering Co., Ltd.	331,860	-	-	-
Notes receivable and accounts receivable	CCCC SHEC Chengdu Urban Construction Engineering Co., Ltd.	277,527	-	-	-
Notes receivable and accounts receivable	CCCC Electrical and Mechanical Engineering Co., Ltd.	250,000	-	-	-
Notes receivable and accounts receivable	CCCC (Tianjin) Eco-environmental Protection Design & Research Institute Co., Ltd.	220,000	-	-	-
Notes receivable and accounts receivable	CCCC Third Harbor Consultants Co., Ltd.	150,000	-	150,000	-

Item	Related party	Ending Balance		Beginning Balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Notes receivable and accounts receivable	Yueyang Chenglingji New Port Co., Ltd.	84,660	-	44,900	-
Notes receivable and accounts receivable	CCCC Guidu Highway Construction Co. Ltd.	79,332	-	-	-
Notes receivable and accounts receivable	CCCC Guangzhou Logistics Co., Ltd.	60,000	-	-	-
Notes receivable and accounts receivable	No.4 Engineering Co., Ltd. of CCCC Second Harbor Engineering Co., Ltd.	-	-	61,000,000	-
Notes receivable and accounts receivable	CCCC First Harbor Consultants Co., Ltd.	-	-	17,736,000	-
Notes receivable and accounts receivable	CCCC Tianjin Industry and Trade Co., Ltd.	-	-	56,700	-
Notes receivable and accounts receivable	CCCC - SHEC Railway Engineering Co. Ltd.	-	-	26,297	-
Other receivables	CCCC Financial Leasing Co., Ltd.	176,800,000	-	176,800,000	-
Other receivables	Zhenhua Marine Energy (HK) Co., Ltd.	164,124,678	164,124,678	164,124,678	164,124,678
Other receivables	China Communications Construction Company Limited	54,620,094	-	62,004,518	-
Other receivables	CCCC Nanjing Traffic Engineering Management Co., Ltd.	6,789,498	-	6,500,000	-
Other receivables	CCCC Second Highway Consultants Co., Ltd.	3,180,000	-	-	-
Other receivables	CCCC	1,350,000	-	-	-
Other receivables	CCCC Second Highway Engineering Co. Ltd.	1,000,000	-	-	-
Other receivables	Road & Bridge East China Engineering Co., Ltd.	800,000	-	-	-
Other receivables	China Communications Second Navigational Bureau Second Engineering Co., Ltd.	800,000	-	-	-
Other receivables	CCCC Yancheng Construction and Development Co., Ltd.	750,908	-	-	-
Other receivables	CCCC Third Highway Engineering Co. Ltd.	732,473	-	-	-
Other receivables	Installation Engineering Co., Ltd. of CCCC First Harbor Engineering Co. Ltd.	300,000	-	-	-
Other receivables	CCCC Third Harbor Consultants Co., Ltd.	250,000	-	-	-
Other receivables	CCCC Tianhe Xi'an Equipment Manufacturing Co., Ltd.	164,787	-	-	-
Other receivables	CCCC Chengdu Rail Transit Investment and Construction Co., Ltd.	164,787	-	-	-
Other receivables	CCCC Infrastructure Maintenance Group Co., Ltd.	157,018	-	-	-
Other receivables	CCCC-FHEC Bridge and Tunnel Engineering Co., Ltd.	100,000	-	-	-
Other receivables	Shanghai Zhensha Longfu Machinery Co., Ltd.	21,503	-	-	-

Item	Related party	Ending Balance		Beginning Balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Advances to suppliers	Chuwa Bussan Co. Ltd.	7,141,035	-	6,680,981	-
Advances to suppliers	China Communications Construction Company Limited	1,423,515	-	-	-
Advances to suppliers	CCCC Shanghai Channel Equipment Industry Co., Ltd.	354,000	-	-	-
Advances to suppliers	CCCC First Harbor Engineering Co., Ltd.	-	-	10,000,000	-
Advances to suppliers	CCCC Fourth Highway Engineering Co. Ltd.	-	-	6,000,003	-
Advances to suppliers	No.2 Engineering Co., Ltd. of CCCC Fourth Harbor Engineering Co., Ltd.	-	-	5,000,000	-
Advances to suppliers	CCCC Third Harbor Engineering Co., Ltd.	-	-	5,000,000	-

(2) Payables

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Related party	Ending book value	Beginning book value
Accounts payable and notes payable	Chuwa Bussan Co. Ltd.	272,058,371	254,526,575
Accounts payable and notes payable	CCCC Fourth Highway Engineering Co. Ltd.	145,983,998	97,685,283
Accounts payable and notes payable	CCCC Third Harbor Engineering Co., Ltd.	142,373,233	148,448,390
Accounts payable and notes payable	CCCC Second Harbor Engineering Co., Ltd.	140,174,674	178,914,819
Accounts payable and notes payable	CCCC - SHEC Second Engineering Co. Ltd.	125,227,201	184,712,479
Accounts payable and notes payable	CCCC First Highway Engineering Co., Ltd.	95,538,686	109,392,836
Accounts payable and notes payable	China Communications Second Navigational Bureau Third Engineering Co., Ltd.	84,371,458	134,081,469
Accounts payable and notes payable	CCCC Tianjin Dredging Co., Ltd.	69,699,557	181,111,928
Accounts payable and notes payable	CCCC Tianjin Industry and Trade Co., Ltd.	62,576,979	-
Accounts payable and notes payable	CCCC Shanghai Equipment Engineering Co., Ltd.	54,219,210	34,449,016
Accounts payable and notes payable	CCCC First Harbor Engineering Co., Ltd.	45,054,549	-
Accounts payable and notes payable	No.2 Engineering Co., Ltd. of CCCC Fourth Harbor Engineering Co., Ltd.	42,885,407	15,626,120
Accounts payable and notes payable	No.1 Engineering Co., Ltd. of CCCC First Harbor Engineering Co., Ltd.	39,691,618	25,348,030
Accounts payable and notes payable	CCCC Third Highway Engineering Co. Ltd.	30,977,016	-
Accounts payable and notes payable	CCCC Shanghai Dredging Co., Ltd	30,964,342	2,020,983
Accounts payable and notes payable	CCCC First Harbor Consultants Co., Ltd.	24,254,176	1,367,890
Accounts payable and notes payable	CCCC Finance Company Ltd.	20,600,000	-
Accounts payable and notes payable	CCCC - SHEC Third Highway Engineering Co. Ltd.	19,811,475	-
Accounts payable and notes payable	Shanghai Jiangtian Industrial Co., Ltd	17,535,832	9,942,274
Accounts payable and notes payable	CCCC Second Highway Consultants Co., Ltd.	17,087,478	41,215,576

Item	Related party	Ending book value	Beginning book value
Accounts payable and notes payable	Engineering Materials Co., Ltd. of CCCC Third Harbor Engineering Co., Ltd.	16,067,701	-
Accounts payable and notes payable	Shanghai Communications Construction Contracting Co., Ltd.	16,046,390	47,138,300
Accounts payable and notes payable	ZPMC Changzhou Coatings Co., Ltd.	15,543,890	17,929,841
Accounts payable and notes payable	Jiangsu Longyuan Zhenhua Marine Engineering Co., Ltd	10,532,751	2,079,751
Accounts payable and notes payable	CCCC Marine Engineering & Technology Research Center Co., Ltd.	10,118,782	9,363,830
Accounts payable and notes payable	XING AN JI Engineering Co., Ltd. of CCCC Third Harbor Engineering Co., Ltd.	10,051,352	10,051,352
Accounts payable and notes payable	CCCC Water Transportation Planning and Design Institute Co., Ltd.	9,547,891	14,162,960
Accounts payable and notes payable	No.3 Engineering Co., Ltd. of CCCC Third Harbor Engineering Co., Ltd.	7,815,018	13,760,366
Accounts payable and notes payable	China Communications Construction Company Limited	4,388,938	4,388,938
Accounts payable and notes payable	CCCC Tianjin Port Waterway Prospection & Design Research Institute Co., Ltd.	4,408,336	2,999,400
Accounts payable and notes payable	CCCC National Engineering Research Center of Dredging Technology and Equipment	2,986,050	-
Accounts payable and notes payable	CNPC & CCCC Petroleum Sales Co., Ltd.	2,660,621	-
Accounts payable and notes payable	CCCC Tunnel Engineering Co., Ltd.	2,477,307	14,678,757
Accounts payable and notes payable	CCCC Xi'an Road Construction Machinery Co., Ltd.	2,122,471	-
Accounts payable and notes payable	No.2 Engineering Co., Ltd. of CCCC Third Harbor Engineering Co., Ltd.	1,600,000	5,000,000
Accounts payable and notes payable	ZPMC Mediterranean Liman Makinalari Ticaret Anonim Sirketi	1,217,089	-
Accounts payable and notes payable	CTTIC Shanghai Co., Ltd.	1,088,000	1,088,000
Accounts payable and notes payable	Installation Engineering Co., Ltd. of CCCC First Harbor Engineering Co. Ltd.	1,067,599	7,007,599
Accounts payable and notes payable	CCCC WuHan Harbour Engineering Design and Research Co. Ltd	700,000	700,000
Accounts payable and notes payable	CCCC Tianhe Xi'an Equipment Manufacturing Co., Ltd.	304,798	-
Accounts payable and notes payable	China Communications Materials & Equipment Co., Ltd	242,563	-
Accounts payable and notes payable	CCCC Third Harbor Consultants Co., Ltd.	100,000	-
Accounts payable and notes payable	CCCC Second Highway Engineering Co. Ltd.	-	23,175,061
Advances from customers	CCCC Tianjin Dredging - Binhai Environmental Protection Engineering Co., Ltd.	70,058,100	65,257,080
Advances from customers	CCCC Tunnel Engineering Co., Ltd.	30,250,993	45,095,030
Advances from customers	China Communications Second Navigational Bureau Third Engineering Co., Ltd.	8,917,608	-
Advances from customers	No.2 Engineering Co., Ltd. of CCCC Third Harbor Engineering Co., Ltd.	1,891,307	-
Advances from customers	China Harbor Engineering Co., Ltd	736,500	-
Advances from customers	ZPMC Mediterranean Liman Makinalari Ticaret Anonim Sirketi	558,589	-
Advances from customers	No.1 Engineering Co., Ltd. of CCCC First Harbor Engineering Co., Ltd.	487,482	-
Advances from customers	China Communications Construction Company Limited	182,513	-

Item	Related party	Ending book value	Beginning book value
Advances from customers	Yueyang Chenglingji New Port Co., Ltd.	35,980	-
Advances from customers	CCCC First Highway Engineering Co., Ltd.	-	15,614,964
Advances from customers	CCCC - SHEC Railway Engineering Co. Ltd.	-	9,564,373
Advances from customers	CCCC Second Highway Engineering Co. Ltd.	-	1,000,000
Advances from customers	Cranetech Global Sdn. Bhd.	-	218,242
Advances from customers	CCCC Shanghai Dredging Co., Ltd	-	13,690
Other payables	China Communications Construction Company Limited	101,209,468	102,784,486
Other payables	CCCC Dredging (Group) Co., Ltd.	88,219,383	88,219,383
Other payables	Road & Bridge International Co., Ltd.	45,840,000	-
Other payables	CCCC Tianjin Dredging Co., Ltd.	27,079,494	27,941,338
Other payables	CCCC Marine Construction and Development Co. Ltd.	17,472,600	17,472,600
Other payables	CCCC Third Harbor Engineering Co., Ltd.	12,285,000	12,285,000
Other payables	Chuwa Bussan Co. Ltd.	6,269,873	6,269,873
Other payables	Shanghai Jiangtian Industrial Co., Ltd	4,586,085	4,586,085
Other payables	CCCC Tunnel Engineering Co., Ltd.	4,000,000	-
Other payables	China Harbor Engineering Co., Ltd	3,625,000	3,625,000
Other payables	China Communications Construction Company Ltd.	1,672,705	-
Other payables	CCCC Third Highway Engineering Co. Ltd.	1,286,596	1,172,612
Other payables	CCCC Leasing Jiahua No.1 Co. Ltd.	1,141,960	-
Other payables	The Fourth Engineering Co., Ltd. of CCCC Second Highway Engineering Co., Ltd.	1,000,000	-
Other payables	CCCC Tianjin Dredging Co., Ltd.	871,856	-
Other payables	CCCC Finance Company Ltd.	537,708	869,396
Other payables	Road & Bridge East China Engineering Co., Ltd.	525,186	-
Other payables	Zhenhua Engineering Co., Ltd.	346,005	346,005
Other payables	CCCC Water Transportation Planning and Design Institute Co., Ltd.	319,340	199,812
Other payables	Shanghai Zhensha Longfu Machinery Co., Ltd.	146,558	-
Other payables	Jiangsu Longyuan Zhenhua Marine Engineering Co., Ltd	143,395	143,395
Other payables	ZPMC Changzhou Coatings Co., Ltd.	108,583	100,000
Other payables	CCCC Shanghai Equipment Engineering Co., Ltd.	89,000	89,000
Other payables	No.2 Engineering Co., Ltd. of CCCC Fourth Harbor Engineering Co., Ltd.	11,400	11,401
Other payables	Zhen Hwa Harbour Construction Co., Ltd.	6,593	6,593
Other payables	CCCC First Harbor Engineering Co., Ltd.	-	87,893
Other payables	CCCC Financial Leasing Co., Ltd.	-	39,547,004
Other payables	CCCC Nanjing Weisanlu River Tunnel Co., Ltd	-	306,974
Short-term borrowings	CCCC Finance Company Ltd.	50,000,000	350,000,000

Item	Related party	Ending book value	Beginning book value
Long-term borrowings	CCCC Finance Company Ltd.	500,000,000	500,000,000
Non-current liabilities maturing within one year	CCCC Financial Leasing Co., Ltd.	407,455,030	407,455,030
Non-current liabilities maturing within one year	CCCC Leasing Jiahua No.1 Co. Ltd.	405,909,257	387,778,932
Non-current liabilities maturing within one year	CCCC Leasing Jiahua No.2 Co. Ltd.	62,749,257	59,741,257
Long-term payables	CCCC Leasing Jiahua No.1 Co. Ltd.	535,329,601	896,118,857
Long-term payables	CCCC Financial Leasing Co., Ltd.	203,727,814	556,387,041
Long-term payables	CCCC Leasing Jiahua No.2 Co. Ltd.	192,169,601	242,698,858
Long-term payables	CCCC Tianjin Dredging Co., Ltd.	131,402,483	108,466,881
Long-term payables	CCCC Second Harbor Engineering Co., Ltd.	82,663,041	-
Long-term payables	CCCC Third Harbor Engineering Co., Ltd.	16,923,594	-
Long-term payables	No.2 Engineering Co., Ltd. of CCCC Fourth Harbor Engineering Co., Ltd.	7,788,241	-

7. Commitments in relation to related parties

√Applicable □Not applicable

On balance sheet date, the commitments relating to related parties, contracted by the Group but not necessarily listed on balance sheet, are as follows:

Labor service provided to the Group by related party	2018	2017
CCCC Third Harbor Engineering Co., Ltd.	1,150,776,369	326,513,794
CCCC Tianjin Dredging Co., Ltd.	770,500,180	927,318,851
CCCC Fourth Highway Engineering Co. Ltd.	544,767,057	734,725,379
CCCC First Highway Engineering Co., Ltd.	449,685,317	590,349,313
CCCC Shanghai Dredging Co., Ltd	73,170,956	-
No.1 Engineering Co., Ltd. of CCCC First Harbor Engineering Co., Ltd.	56,568,996	74,178,156
CCCC Second Highway Consultants Co., Ltd.	1,766,362	10,832,844
CCCC Tunnel Engineering Co., Ltd.	158,070	5,265,067
	3,047,393,307	2,669,183,404

Leasing assets to related party	2018	2017
Zhenhua Marine Energy (Hong Kong) Co., Ltd.	1,206,719,318	1,363,334,924

Selling goods/rendering of labor service to the related parties

	2018	2017
China Road & Bridge Corporation	1,594,741,615	4,521,227
CCCC Financial Leasing Co., Ltd.	520,893,238	558,387,580
China Communications Construction Company Limited	431,794,106	114,814,493
CCCC Second Harbor Engineering Co., Ltd.	333,337,005	47,304,779
CCCC First Harbor Engineering Co., Ltd.	215,550,525	25,180
China Harbor Engineering Co., Ltd.	85,809,151	52,196,041
Road & Bridge International Co., Ltd.	46,506,516	43,462,687
CCCC Third Harbor Engineering Co., Ltd.	26,223,595	9,069,488
CCCC Electrical and Mechanical Engineering Co., Ltd.	22,754,735	210,243,196
CCCC Tunnel Engineering Co., Ltd.	22,489,719	50,732,292
Friede & Goldman, LLC.	19,160,384	-
The Third Engineering Co., Ltd. of The First Highway Engineering Bureau of CCCC	7,992,240	-
CCCC Second Highway Engineering Co. Ltd.	7,482,377	70,783,170
Jiangsu Longyuan Zhenhua Marine Engineering Co., Ltd.	6,361,922	46,426,694
Chuwa Bussan Co. Ltd.	2,420,013	4,443,667
China Communications Second Navigational Bureau Third Engineering Co., Ltd.	14,538	117,245,158
No.4 Engineering Co., Ltd. of CCCC Second Harbor Engineering Co., Ltd.	12,236	24,471,879
Road & Bridge South China Engineering Co., Ltd.	6,060	16,531,032
CCCC - SHEC Third Highway Engineering Co. Ltd.	3,242	1,060,291
CCCC Tianjin Dredging Co., Ltd.	-	23,885,509
No.1 Engineering Co., Ltd. of CCCC Second Harbor Engineering Co., Ltd.	-	19,181,054
CCCC Water Transportation Planning and Design Institute Co., Ltd.	-	6,672,629
No.1 Engineering Co., Ltd. of CCCC First Harbor Engineering Co., Ltd.	-	5,264,957
CCCC Third Harbor Consultants Co., Ltd.	-	4,130,393
CCCC Third Highway Engineering Co. Ltd.	-	80,867
Hainan CCCC Fourth Harbor Construction Co., Ltd.	-	13,248
CCCC - SHEC Second Engineering Co. Ltd.	-	7,727
	3,343,553,217	1,430,955,238

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. On Dec. 31, 2018, the maximum payment amount of the contract was RMB 509,837,715 Yuan (Dec. 31, 2017: RMB 604,861,711 Yuan).

8. Others

☐ Applicable ☒ Not applicable

XIII.Share-based payment

1.General information of share-based payment

☐Applicable ☒Not applicable

2.Particulars about the equity- settled share-based payment

☐Applicable ☒Not applicable

3.Particulars about the share-based payment settled in cash

☐Applicable ☒Not applicable

4.Modification and termination of share-based payment

☐Applicable ☒Not applicable

5.Others

☐Applicable ☒Not applicable

XIV. Commitments and Contingencies

1.Important commitments

☒Applicable ☐Not applicable

Important external commitments on balance sheet date and their nature and amount

Capital expenditure commitments

The following is the capital expenditure commitment signed by the Group but not necessarily listed on the balance sheet on balance sheet date:

	Dec. 31, 2018	Dec. 31, 2017
Housing, buildings and machinery equipment	136,573,381	89,659,929

Operating leasing commitments

In accordance with the signed and irrevocable operating leasing contract, the minimum rental payable by the Company in the future is summarized as follows:

	Dec. 31, 2018	Dec. 31, 2017
Within 1 year	58,661,868	59,932,787
1-2 years	18,859,930	58,309,091
2-3 years	8,864,867	23,591,704
Over 3 years	4,849,513	37,717,614
	91,236,178	179,551,196

L/C commitments

The Company had entrusted the bank to issue several L/Cs to purchase imported components and parts. On Dec. 31, 2018, the unpaid amount under the L/Cs was about RMB 1,764,643,618 Yuan (Dec. 31, 2017: RMB 1,783,453,627 Yuan).

2.Contingencies

(1) Important contingencies on balance sheet date

☐Applicable ☒Not applicable

(2) If the Company has no import contingency to disclose, it shall also be stated:

☐Applicable ☒Not applicable

3. Others

☐Applicable ☒Not applicable

XV. Post balance sheet events

1. Important non-adjustment events

☐Applicable ☒Not applicable

2. Profit distribution

☐Applicable ☒Not applicable

3. Sales return

☐Applicable ☒Not applicable

4. Notes to other post balance sheet events

☒Applicable ☐Not applicable

On Jan. 18, 2019, the Company and COSCO Shipping Holdings Co., Ltd. (referred to as "COSCO SHIPPING HOLDINGS") signed the Share Subscription Agreement for Private Placement of Shares Between COSCO Shipping Holdings Co., Ltd. and Shanghai Zhenhua Heavy Industries Co., Ltd., and the Company subscribed 111,111,111 A-shares where were for private placement at the price of RMB 3.78Yuan per share with its own funds of RMB 419,999,999.58 Yuan. Such shares would not be transferred within 12 months after the closing date of private placement.

XVI. Other important events

1. Correction of accounting errors in prior years

(1) Retrospective restatement method

☐Applicable ☒Not applicable

(2) Prospective application method

☐Applicable ☒Not applicable

2. Debt restructuring

☐Applicable ☒Not applicable

3. Asset swap

(1) Non-monetary assets swap

☐Applicable ☒Not applicable

(2) Other asset swap

☐Applicable ☒Not applicable

4. Pension plan

☐Applicable ☒Not applicable

5. Termination of operation

☐Applicable ☒Not applicable

6. Segment information

(1) Determination basis and accounting policies of reportable segment

☒Applicable ☐Not applicable

The Group determined the operating segment based on the internal organizational structure, management requirements and internal report system, and determine the reportable segment based on operating segment and disclosed the information of the segment.

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. Two or more operating segments, with the same economic characteristics and meeting certain requirements, can be integrated to one.

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 reportable segment

☐Applicable ☒Not applicable

(3) If the Company has no reportable segment or is unable to disclose the total assets and liabilities of the reportable segment, please specify the reason

☐Applicable ☒Not applicable

(4) Other information

☒Applicable ☐Not applicable

Products and labor service

Revenue from external transaction

	2018	2017
Port machinery	14,983,974,898	14,736,363,747
Heavy equipment	2,746,107,406	3,384,886,419
Building-transfer project	1,221,194,799	1,549,820,489
Steel structure and related income	1,558,778,586	1,520,119,032
Shipping and others	1,071,458,397	451,081,492
Sales of materials	64,386,030	58,465,010
Equipment leasing and others	166,489,528	158,077,811
	21,812,389,644	21,858,814,000

Geographic information

Revenue from external transaction

	2018	2017
Chinese Mainland	10,273,382,617	10,358,861,169
Asia (excluding Chinese Mainland)	4,204,353,552	5,410,267,855
North America	2,029,837,441	1,703,209,759
Africa	1,508,172,239	1,384,873,367
Europe	1,560,574,842	462,606,586
South America	1,040,540,883	845,507,562
Chinese Mainland (export sales)	664,121,407	1,372,828,183
Oceania	531,406,663	320,659,519
	21,812,389,644	21,858,814,000

The revenue from external transaction is attributable to where the customer is located.

Total non-current assets

	2018	2017
Chinese Mainland	19,922,533,912	18,215,467,783
Asia (excluding Chinese Mainland)	5,774,343,229	5,114,032,367
Others	38,609,208	40,991,302
	25,735,486,349	23,370,491,452

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 important transactions and events with impact on the investor's decision-making

☐Applicable ☒Not applicable

8. Others

☒Applicable ☐Not applicable

Due to the changes in the presentation of the Notes receivable and accounts receivable, other receivables, notes and accounts payable, other payables, financial expenses and general and administrative expenses, the accounting disposal and statements for several items as well as the amount in the financial presentation had been modified to meet the new requirements. Because the capital reserve was converted into share capital in this year, the earnings per share would be calculated based on the shares after adjustment. Correspondingly, the comparative data had been restated to conform to the presentation requirements for current year.

XVII. Notes to main items in the financial statements of parent company

1. Notes receivable and accounts receivable

Particulars about summary statement

(1) Presentation by category

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Ending Balance	Beginning Balance
Notes receivable	75,801,953	413,779,017
Accounts receivable	7,136,766,887	6,547,864,759
Total	7,212,568,840	6,961,643,776

Other information:

☐Applicable ☒Not applicable

Notes receivable

(2) Presentation of notes receivable by category

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Ending Balance	Beginning Balance
Bank acceptance bill	75,801,953	413,779,017
Commercial acceptance bill	-	-
Total	75,801,953	413,779,017

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

☐Applicable ☒Not applicable

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

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Ending amount of recognition terminated	Ending amount of recognition not terminated
Bank acceptance bill	259,768,814	-
Commercial acceptance bill	-	-
Total	259,768,814	-

(5) Notes transferred to accounts receivable by the Company due to non-performance of the drawer at the end of the period

☐Applicable ☒Not applicable

Other information:

☐Applicable ☒Not applicable

Accounts receivable

(1) Disclosure of accounts receivable by category

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Category	Ending Balance				Book value	Beginning Balance				
	Book balance		Provision for bad debts			Book balance		Provision for bad debts		Book value
	Amount	Proportion (%)	Amount	Provision proportion (%)		Amount	Proportion (%)	Amount	Provision proportion (%)	
Accounts receivable that are individually significant and for which bad debt provision is individually assessed	588,585,831	7	440,054,331	75	148,531,500	182,649,892	2	182,649,892	100	0
Accounts receivable for which bad debt provision is assessed on the basis of credit risk portfolio	7,919,653,562	92	931,418,175	12	6,988,235,387	7,456,139,284	95	908,274,525	12	6,547,864,759
Accounts receivable that are individually insignificant and for which bad debt provision is individually assessed	125,247,401	1	125,247,401	100	0	216,121,534	3	216,121,534	100	0
Total	8,633,486,794	100	1,496,719,907	17	7,136,766,887	7,854,910,710	100	1,307,045,951	17	6,547,864,759

Accounts receivable that are individually significant and for which bad debt provision is individually assessed:

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Accounts receivable (by unit)	Ending Balance			
	Accounts receivable	Provision for bad debts	Provision proportion (%)	Reason
Accounts receivable 1	183,703,331	183,703,331	100	Contract disputes
Accounts receivable 2	297,063,000	148,531,500	50	Contract disputes
Accounts receivable 3	107,819,500	107,819,500	100	Counter-party in capital shortage
Total	588,585,831	440,054,331	/	/

In the portfolio, accounts receivable with for which bad debt provision is assessed with the aging analysis method:

☐Applicable ☒Not applicable

Unit: Yuan Currency: RMB

Aging	Ending Balance		
	Accounts receivable	Provision for bad debts	Provision proportion (%)
Within 1 year			
Including: sub-items within 1 year			
Within 6 months	1,069,737,753	-	-
7~12 months	854,283,993	8,542,840	1
Subtotal of those within 1 year	1,924,021,746	8,542,840	0.4
1~2 years	501,366,593	75,204,989	15
2~3 years	321,730,519	96,519,155	30
Over 3 years			
3~4 years	188,175,889	94,087,945	50
4~5 years	76,423,977	57,317,983	75
Over 5 years	599,745,263	599,745,263	100
Total	3,611,463,987	931,418,175	26

In the portfolio, accounts receivable for which bad debt provision is assessed with the balance percentage method:

☐Applicable ☒Not applicable

In the portfolio, accounts receivable for which bad debt provision is assessed with the other methods:

☒Applicable ☐Not applicable

On Dec. 31, 2018, the accounts receivable that are individually insignificant and for which bad debt provision is individually assessed are as follows:

	Book balance	Provision for bad debts	Provision proportion %	Reason
Accounts receivable 1	50,365,000	50,365,000	100	Counter-party in capital shortage
Accounts receivable 2	27,452,868	27,452,868	100	Contract disputes
Accounts receivable 3	14,854,467	14,854,467	100	Contract disputes
Accounts receivable 4	10,792,605	10,792,605	100	Contract disputes
Accounts receivable 5	7,847,300	7,847,300	100	Contract disputes
Accounts receivable 6	7,342,286	7,342,286	100	Contract disputes
Accounts receivable 7	3,524,112	3,524,112	100	Contract disputes
Accounts receivable 8	2,187,988	2,187,988	100	Contract disputes
Accounts receivable 9	880,775	880,775	100	Contract disputes
	125,247,401	125,247,401		

(2) Particulars about the provision for bad debts made, recovered and carried back in current period

The amount of provision for bad debts made in current period was RMB 385,413,154 Yuan; the provision for bad debts recovered or carried back in current period was RMB 195,739,198 Yuan.

Thereinto, the amount of provision for bad debts recovered or carried back for the reporting period is important:

☐Applicable ☒Not applicable

(3) Particulars about the actual accounts receivable written off for the reporting period

☐Applicable ☒Not applicable

Particulars about the cancellation of important accounts receivable after verification

☐Applicable ☒Not applicable

(4) Particulars about the accounts receivable whose ending balance ranks Top 5 on the basis of totals by borrower

☒Applicable ☐Not applicable

On Dec. 31, 2018, the accounts receivable whose ending balance ranks Top 5 on the basis of totals by borrower is summarized and analyzed as follows:

	Amount	Amount of provision for bad debts	Proportion in total accounts receivable balance
Total accounts receivable of Top 5 balances	3,680,578,755	18,169,279	43%

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

☐Applicable ☒Not applicable

(6) The amount of assets or liabilities arising from accounts receivable transferred with continuing involvement

☐Applicable ☒Not applicable

Other information:

☐Applicable ☒Not applicable

2. Other receivables

Particulars about summary statement

(1) Presentation by category

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Ending Balance	Beginning Balance
Interest receivable	-	-
Dividend receivable	-	665,346
Other receivables	13,955,146,640	13,665,850,616
Total	13,955,146,640	13,666,515,962

Other information:

☐Applicable ☒Not applicable

Interest receivable

(2) Classification of interest receivable

☐Applicable ☒Not applicable

(3) Significant overdue interest

☐Applicable ☒Not applicable

Other information:

☐Applicable ☒Not applicable

Dividends receivable

(4) Dividends receivable

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Project (or Invested entity)	Ending Balance	Beginning Balance
Jiangxi Huawu Brake Co., Ltd.	-	665,346
Total	-	665,346

(5) Important dividends receivable with an age over 1 year

□Applicable √Not applicable

Other information:

□Applicable √Not applicable

Other receivables

(1) Disclosure of other receivables by category

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Category	Ending Balance					Beginning Balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion (%)	Amount	Provision proportion (%)		Amount	Proportion (%)	Amount	Provision proportion (%)	
Other receivables that are individually significant and for which the provision for bad debts is individually made	-	-	-	-	-	150,327,138	1	150,327,138	100	-
Other receivables for which the provision for bad debts is made by portfolio with the credit risk characteristics	13,958,736,336	100	3,589,696	-	13,955,146,640	13,669,440,382	99	3,589,766	-	13,665,850,616
Other receivables that are individually insignificant and for which the provision for bad debts is individually made	9,722,555	0	9,722,555	100	0	9,722,555	-	9,722,555	100	-
Total	13,968,458,891	100	13,312,251	-	13,955,146,640	13,829,490,075	100	163,639,459	1	13,665,850,616

Other receivables that are individually significant and for which provision for bad debts is individually made at the end of the reporting period:

□Applicable √Not applicable

In the portfolio, other receivables for which provision for bad debts is made with the aging analysis method:

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Aging	Ending Balance		
	Other receivables	Provision for bad debts	Provision proportion (%)
Within 1 year			
Including: sub-items within 1 year			
Within 6 months	13,644,611,754	-	-
7~12 months	1,612,892	16,129	1
Subtotal of those within 1 year	13,646,224,646	16,129	-
1~2 years	183,041	27,456	15
2~3 years	41,810	12,543	30
Over 3 years			

Aging	Ending Balance		
	Other receivables	Provision for bad debts	Provision proportion (%)
3~4 years	20,847	10,424	50
4~5 years	100,304	75,228	75
Over 5 years	3,447,916	3,447,916	100
Total	13,650,018,564	3,589,696	-

In the portfolio, other receivables for which the provision for bad debts is made with the balance percentage method:

☐Applicable ☒Not applicable

In the portfolio, other receivable for which provision for bad debts is made with other method:

☒Applicable ☐Not applicable

On Dec. 31, 2018, the other receivables that are individually insignificant and for which the provision for bad debts is individually made are as follows:

	Book balance	Provision for bad debts	Provision proportion (%)	Reason
Other receivables 1	3,037,042	3,037,042	100	Contract cancellation
Other receivables 2	1,692,765	1,692,765	100	Contract cancellation
Other receivables 3	1,170,282	1,170,282	100	Contract cancellation
Others	3,822,466	3,822,466	100	
	9,722,555	9,722,555	100	

(2) Particulars about classification by nature of payment

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Nature of payment	Ending book value	Beginning book value
Account current of subsidiary	13,391,496,986	13,097,601,236
Bid and performance bond	171,149,432	298,716,662
Taxes on outstanding payment receivable	181,205,119	198,696,002
Money on call of onsite product service	46,372,659	68,190,281
Staff loan receivable	27,854,145	33,553,284
Lease payment receivable	33,434,668	33,434,668
Customs deposit	63,341,536	4,269,756
Others	53,604,346	95,028,186
Total	13,968,458,891	13,829,490,075

(3) Particulars about the provision for bad debts made, recovered and carried back in current period

The provision for bad debt made in current period was RMB 0 Yuan; the provision for bad debt recovered or carried back in current period was RMB 150,327,208 Yuan.

Thereinto, the amount of provision for bad debts recovered or carried back for the reporting period is important:

☐Applicable ☒Not applicable

(4) Particulars about the other actual receivables written off for the reporting period

☐Applicable ☒Not applicable

(5) Particulars about the other receivables whose ending balance ranks Top 5 on the basis of totals by borrower

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Name of entity	Nature	Ending Balance	Age	Proportion in total ending balance of other receivables (%)	Ending balance of Provision for bad debts
Other receivables 1	Account current of the subsidiary	5,620,231,055	Within 1 year	40	
Other receivables 2	Account current of the subsidiary	1,705,364,678	Within 1 year	12	-
Other receivables 3	Account current of the subsidiary	1,589,824,451	Within 1 year	11	-
Other receivables 4	Account current of the subsidiary	1,339,983,013	Within 1 year	10	-
Other receivables 5	Account current of the subsidiary	1,232,207,999	Within 1 year	9	-
Total	/	11,487,611,196	/	82	-

(6) Receivables involving government subsidies

□Applicable √Not applicable

(7) Other receivables derecognized due to the transfer of financial assets

□Applicable √Not applicable

(8) The amount of assets or liabilities arising from other receivables transferred with continuing involvement

□Applicable √Not applicable

Other information:

□Applicable √Not applicable

3. Long-term entity investment

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Ending Balance			Beginning Balance		
	Book balance	Depreciation reserves	Book value	Book balance	Depreciation reserves	Book value
Investment in subsidiaries	5,909,665,076	-	5,909,665,076	6,634,723,602	-	6,634,723,602
Investment in associated enterprise and joint venture	2,726,353,648	-	2,726,353,648	2,287,477,224	-	2,287,477,224
Total	8,636,018,724	-	8,636,018,724	8,922,200,826	-	8,922,200,826

(1) Investment in subsidiaries

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Invested entity	Beginning Balance	Increase in current period	Decrease in current period	Ending Balance	Provision for impairment in current period	Ending balance of depreciation reserves
Shanghai Zhenhua Port Machinery Heavy Industry Co., Ltd.	9,964,200	-	-	9,964,200	-	-
Shanghai Zhenhua Port Machinery (Hongkong) Co., Ltd. (Note 1)	-	-	-	-	-	-

Invested entity	Beginning Balance	Increase in current period	Decrease in current period	Ending Balance	Provision for impairment in current period	Ending balance of depreciation reserves
Shanghai Zhenhua Shipping Co., Ltd.	140,260,673	-	-	140,260,673	-	-
ZPMC Zhangjiagang Port Machinery Co., Ltd.	4,518,000	-	-	4,518,000	-	-
Nantong Zhenhua Heavy Equipment Manufacturing Co., Ltd.	854,936,900	-	-	854,936,900	-	-
ZPMC Jiangyin Steel Structure Manufacturing Co., Ltd.	579,983	-	-	579,983	-	-
ZPMC Port Machinery General Equipment Co., Ltd.	2,201,086,744	-	-	2,201,086,744	-	-
ZPMC Transmission Machinery (Nantong) Co., Ltd.	600,000,000	-	-	600,000,000	-	-
ZPMC Electric Co., Ltd.	50,000,000	-	-	50,000,000	-	-
ZPMC GmbH Hamburg	207,940	-	-	207,940	-	-
ZPMC Netherlands Cooperatie V.A.	26,662,579	2,703,505	-	29,366,084	-	-
ZPMC Netherlands B.V.		-	-		-	-
Verspannen B.V.			-		-	-
Shanghai Zhenhua Marine Engineering Service Co., Ltd.	100,000,000	-	-	100,000,000	-	-
ZPMC Machinery Equipment Services Co., Ltd.	7,000,000	-	-	7,000,000	-	-
ZPMC Lanka Company(Private)Limited	6,183,978	-	-	6,183,978	-	-
Nanjing Ninggao New Channel Construction Co., Ltd.	1,098,000,000	-	998,000,000	100,000,000	-	-
ZPMC Qidong Marine Engineering Co., Ltd.	203,000,000	-	-	203,000,000	-	-
ZPMC Engineering Africa (Pty) Ltd.	3,084,000	-	-	3,084,000	-	-
ZPMC Korea Co., Ltd.	2,876,209	-	-	2,876,209	-	-
ZPMC Engineering (India)Private Limited	2,953,200	-	-	2,953,200	-	-
ZPMC Australia Company (Pty) Limited	2,708,500	-	-	2,708,500	-	-
ZPMC North America Inc.	18,564,520	-	-	18,564,520	-	-
ZPMC Southeast Asia Holding Pte. Ltd.	3,875,949	8,637,165	-	12,513,114	-	-
ZPMC Brazil Servio Portuários LTDA	2,936,771	-	-	2,936,771	-	-
ZPMC Limited Liability Company	7,211,416	2,960,654	-	10,172,070	-	-
CCCC Liyang Urban Investment and Construction Co., Ltd.	183,000,000	60,000,000	-	243,000,000	-	-
CCCC Tianhe Mechanical Equipment Manufacturing Co., Ltd.	242,542,999	-	-	242,542,999	-	-
CCCC Investment & Development Qidong Co., Ltd.	147,500,000	45,000,000	-	192,500,000	-	-
CCCC Zhenjiang Investment Construction Management Development Co., Ltd.	707,000,000	-	-	707,000,000	-	-
CCCC Rudong Construction Development Co., Ltd.	-	18,332,300	-	18,332,300	-	-
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	-	-

Invested entity	Beginning Balance	Increase in current period	Decrease in current period	Ending Balance	Provision for impairment in current period	Ending balance of depreciation reserves
ZPMC Middle East Fze	5,271,120	-	-	5,271,120	-	-
ZPMC UK LD	2,797,921	-	-	2,797,921	-	-
Total	6,634,723,602	272,941,474	998,000,000	5,909,665,076	-	-

(2) Investment in associated enterprise and joint venture

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Investing entity	Beginning balance	Changes in current period								Ending balance	Ending balance of provision for impairment
		Additional investment	Negative investment	Profits or losses on investment recognized under equity method	Adjustment of other comprehensive income	Other changes in equity	Payment of cash dividend or profit declared	Provision for impairment	Others		
I. Joint ventures											
Jiangsu Longyuan Zhenhua Marine Engineering Co., Ltd	231,309,282	-	-	12,955,931	-	-	-	-	-	244,265,213	-
ZPMC Mediterranean LimanMakinalari Ticaret AnonimSirketi	3,775,146	-	-	999,397	-	-	-	-	-	4,774,543	-
Subtotal	235,084,428	-	-	13,955,328	-	-	-	-	-	249,039,756	-
II. Associateds											
CCCC Marine Engineering & Technology Research Center Co., Ltd.	15,849,544	-	-	402,730	-	-	-	-	-	16,252,274	-
ZPMC Changzhou Coatings Co., Ltd.	16,467,125	-	-	1,191,077	-	-	862,238	-	-	16,795,964	-
CCCC Real Estate Yinxing Co., Ltd.	178,099,707	-	-	2,552,966	-	-	-	-	-	180,652,673	-
CCCC Financial Leasing Co., Ltd.	1,678,550,583	-	-	87,246,932	647,839	-	45,000,000	-	-	1,721,445,354	-
CCCC Yancheng Construction and Development Co., Ltd.	-	289,050,000	-	330,523	-	-	-	-	-	289,380,523	-
China Communications Construction USA Inc.	67,230,450	-	-	-8,536,568	3,028,239	-	-	-	-	61,722,121	-
CCCC South American Regional Company SARL	96,195,387	99,912,976	-	3,288,529	-8,331,909	-	-	-	-	191,064,983	-
Subtotal	2,052,392,796	388,962,976	-	86,476,189	-4,655,831	-	45,862,238	-	-	2,477,313,892	-
Total	2,287,477,224	388,962,976	-	100,431,517	-4,655,831	-	45,862,238	-	-	2,726,353,648	-

4. Operating revenue and operating cost

(1) Particulars about the operating revenue and operating cost

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Current amount		Prior amount	
	Revenue	Cost	Revenue	Cost
Main business	18,070,463,753	15,061,380,936	17,846,043,724	14,996,960,714
Other business	1,316,224,251	1,220,964,790	1,136,241,004	1,065,401,225
Total	19,386,688,004	16,282,345,726	18,982,284,728	16,062,361,939

Other information:

	2018		2017	
	Main business revenue	Main business cost	Main business revenue	Main business cost
Port machinery	14,576,864,135	11,382,215,682	14,193,972,311	11,462,619,170
Heavy equipment	1,651,058,229	1,675,938,342	2,118,361,222	2,020,870,244
Steel structure and related income	1,527,592,932	1,712,519,900	1,482,802,059	1,468,620,910
“Building-transfer” project	70,313,030	61,946,229	50,908,132	44,850,390
Shipping and other	244,635,427	228,760,783	-	-
	18,070,463,753	15,061,380,936	17,846,043,724	14,996,960,714

The other business income and cost are listed below:

	2018		2017	
	Other business revenue	Other business cost	Other business revenue	Other business cost
Sales of materials	1,044,182,505	1,046,418,417	877,119,802	868,901,948
Equipment leasing and others	272,041,746	174,546,373	259,121,202	196,499,277
	1,316,224,251	1,220,964,790	1,136,241,004	1,065,401,225

5. Investment income

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Current amount	Prior amount
Income from long-term equity investment under cost method	-	58,570,536
Income from long-term equity investment under equity method	100,431,517	94,574,906
Investment income from the disposal of long-term equity investment	-	-
Investment income from the financial assets measured at fair value through the current profit or loss included in the current profit or loss during holding period	-	-
Investment income from the disposal of financial assets measured at fair value through the current profit or loss included in the current profit or loss	-	-
Income from held-to-maturity investment during holding	-	-
Income from the disposal of held-to-maturity investment	-	-
Investment income of available-for-sale financial assets during holding period	667,732	3,356,632
Investment income for the disposal of available-for-sale financial assets	-	-
Gains from the re-measurement of remaining equity at fair value after the loss of control	-	-
Total	101,099,249	156,502,074

6. Others

☐Applicable ☒Not applicable

XVIII. Supplementary information

1. Statement of non-recurring profits and losses in current period

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Amount	Notes
Profits and losses on disposal of non-current assets	155,557,716	
Unauthorized examination and approval, or lack of official approval documents, or occasional tax revenue return and abatement		
Government subsidies included in the current profit or loss (except for the one closely related to the normal operation of the Company and gained constantly at a fixed amount or quantity according to certain standard based on state policies)	114,412,517	
Capital occupation fees charged to the non-financial enterprises and counted into the current profit and loss		
Gains when the investment cost of acquiring a subsidiary, affiliated company and joint venture by the Company is less than the fair value of identifiable net assets of the invested unit		
Profit and loss from non-monetary assets exchange		
Profit and loss from entrusting others for investment or assets management		
Retained assets impairment provisions arising from force majeure such as natural disasters		
Profit and loss from debt reorganization		
Enterprise reorganization fee, such as staffing expenses and integration fees		
Profit and loss in excess of the fair value in transaction with unfair price		
Current net profit and loss of the subsidiaries established by merger of enterprises under common control from the beginning of the period to the merger day		
Profit and loss on contingency that has no relation with the normal operation of the Company		
Profit or loss from changes in fair value by holding tradable financial assets and liabilities, and earnings on investment from disposal of tradable financial assets and liabilities as well as salable financial assets, excluding the effective hedging business related with the normal operation of the Company	74,200,750	
Switch-back of impairment provisions of accounts receivable that have undergone impairment test alone	150,327,138	
Profit and loss from outward entrusted loaning		
Profit and loss from the changes in the fair value of investment property by follow-up measurement in the fair value mode		
Impact on current profit and loss due to one-off adjustment to the current profit and loss according to the requirements of the tax as well as accounting laws and rules		
Custody fees of entrusted operation		
Other non-operating income and expenses besides the aforementioned items	-67,069,856	
Other profit and loss items that conform to the definition of non-recurring profit and loss		
Amount of income tax affected	-74,850,113	
Amount of minority shareholders' interest affected	-30,908,588	
Total	321,669,564	

As for the non-recurring profit and loss items defined in accordance with Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public – Non-recurring Profit and Loss and the recurrent profit and loss items defined from the non-recurring profit and loss items listed in the Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public – Non-recurring Profit and Loss, please specify the reason.

☐Applicable ☒Not applicable

2. Net return on assets and earnings per share

√Applicable □Not applicable

Profit during the reporting period	Weighted average return on assets (%)	Earning per share	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to the common shareholders of the Company	2.92	0.08	0.08
Net profit attributable to the common shareholders of the Company after deducting the non-recurring profit and loss	0.80	0.02	0.02

3. Accounting data differences under domestic and foreign accounting standards

□Applicable √Not applicable

4. Others

√Applicable □Not applicable

Reconciliation of net profit to cash flow from operating activities:

	2018	2017
Net profit	782,185,825	154,209,887
Plus: Provision for assets depreciation (carried back)/retained	(25,476,619)	619,199,093
Depreciation of investment properties and fixed assets	466,954,562	499,700,815
Amortization of intangible assets	53,202,552	53,126,664
Net income from the disposal of fixed assets and intangible assets	(69,575,485)	(1,303,038)
(Profit)/loss from changes in fair value	(44,481,806)	4,615,775
Financial cost	1,410,797,106	882,094,629
Income from investment	(101,099,249)	(156,502,074)
Net decrease/(increase) in deferred income tax asset (less liabilities)	53,252,590	(69,483,616)
Increase in inventories	(1,546,854,405)	(613,086,964)
Change in construction contract payment	1,028,657,153	(1,332,273,798)
Change in operating receivables	(2,198,475,931)	435,650,557
Change in operating payables	829,204,147	(434,780,054)
Net cash flow from operating activities	638,290,440	41,167,876

Net changes in cash and cash equivalents:

	2018	2017
Ending balance of cash	1,930,451,140	3,301,302,585
Less: Beginning balance of cash	3,301,302,585	1,872,410,585
Change in cash and cash equivalents	(1,370,851,445)	1,428,892,000

Section XII | Contents of Reference Files

Contents of Reference Files	Financial statements signed and sealed by the legal representative, the responsible person for accounting and the person in charge of accounting organ.
Contents of Reference Files	The originals of audit report with the seal of accounting firm, and signed and stamped by certified public accountants.
Contents of Reference Files	The originals of all corporate documents and announcements that are disclosed to the public via newspaper designated by CSRC during the reporting period.

Chairman of the Board: Zhu Lianyu

Date of submission upon approval by the board of directors:
Mar. 29, 2019

Revision

☐Applicable ☒Not applicable