

# CIMC Group

## 2015 Social Responsibility Report

**CIMC 中集**

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# About the Report

This is the CSR (Corporate Social Responsibility) Report of CIMC issued in the consecutive 8th year since 2008 when the first CSR report was released. This report is an objective reflection of CIMC's efforts and achievements made in actively performing its social responsibility in pursuit of sustainable development of the society and CIMC itself.

## Reporting Period

From Jan. 1, 2015 to Dec. 31, 2015 (partially extending to the years before 2015).

## Scope of Report

The Group, business segments and member enterprises.

## Release Cycle

Released annually in March or April.

## Reference Documents

According to the Guidelines for Companies Listed on the Shenzhen Stock Exchange on Releasing Information on Corporate Social Responsibility, this report was prepared mainly on the basis of the Social Responsibility Guidelines for China's Industrial Enterprises and Industrial Associations (2.0), with moderate reference to the Sustainability Reporting Guidelines of Global Reporting Initiative (GRI).

## Remarks

1. In this report, CIMC reorganizes and adjusts the assignment and division of social responsibility to accommodate the adjustment and improvement of its management and control mode.
2. For purpose of presentation, "China International Marine Containers (Group) Ltd." is abbreviated as "CIMC Group", "CIMC", "the Group" and "we" in this report; and affiliated business segments are abbreviated as "CIMC Containers", "CIMC Vehicles", "CIMC Offshore", "CIMC Enric", "CIMC Enric Holdings", "CIMC Finance Segment", etc.

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## Message from the CEO & President

The year 2015 witnessed a slacking of global economic growth, China's economy faced greater downward pressure, and the path to global economic recovery is full of difficulties. Facing the complex and ever-changing global economic situation and market environment, CIMC managers and employees of all levels responded proactively to the "new normal" state of economy, conscientiously carried out all the strategic work plans established in early 2015 and stuck to the development philosophy of "quality growth" to improve product and service qualities, explore new markets, innovate business models, strictly control all risks and enhance the Group's core competitive edge. As a consequence, CIMC sustained a steady growth in all businesses on the whole, created more values for its shareholders, injected new vigor to local economies, and brought better returns to its employees.

It is encouraging to note that CIMC's persistent efforts in practicing the brand concept "Made in China" earned for himself wide recognition among the people from all walks of life. In 2015, CIMC and its four member enterprises were granted "Mayor Quality Award" of the regions they respectively domicile. Meanwhile, with its successfully transformation to offshore engineering and other high-end equipment sectors, CIMC was repeatedly referred to by CCTV "Network News Broadcast (Xinwen Lianbo)" Program as a typical case that voices for "Made in China" and Chinese brands. CIMC has now evolved into a diversified multinational industrial group operating eight business segments in the global logistics and energy fields and carrying "manufacture + service + finance" industrial characteristics. With industrial upgrading, technological innovation and globalization, "New CIMC" has taken a clearer shape in 2015.

As a manufacturing enterprise, we know very well that quality is the core competitiveness of a manufacturing business and also an important cornerstone

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supporting the business's development. We have always been devoted to exploring and establishing an operation and management mechanism in pursuit of excellence and continuous improvement to support product innovation & upgrading for premium quality so that the brand "CIMC" would be widely recognized and received in the world's mainstream markets and by key customers and become a valuable Chinese brand in the true sense. Since 2008, CIMC has been progressively developing the ONE Mode with CIMC characteristics by integrating its manufacture technologies accumulated for years and taking the best of successful experience of advanced manufacturing enterprises. The core cultural concept of "Optimization Never Ending (ONE)" has been deeply rooted in the minds of CIMC managers and employees of all levels spirit of the craftsman and is gradually incubating CIMC's spirit of craftsman. CIMC aspires to become a world-class enterprise, so we expect to build CIMC into a sustainable and time-honored enterprise with the spirit of craftsman and constantly create new values for our customers.

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We never put behind our responsibilities to repay the society, protect the environment and discharge enterprises' social responsibilities while striving for our own steady development. In 2015, we responded proactively to the expectations and appeals of our customers, vendors and other key stakeholders, and joined hands with our partners to boost sustainable development of enterprises and the society. In addition, we made earnest efforts to promote public good, especially in the fields of disaster relief, poverty alleviation and volunteer service, so as to make our due contributions to construction of a harmonious society. In 2015, we made a vigorous attempt to embed the green concept of “environmental-protection & energy-conservation” to production by developing “energy-efficient & environment-friendly” green logistics and energy equipment and products, promoting clean production and cutting down emission of pollutants, thereby making positive contributions to the low-carbon development of China's logistics and energy equipment manufacturing industry. Our member enterprises operating across the world observed local laws, respected local histories and cultures, created job opportunities for local people and played an active part in public service activities organized by local communities, earning for themselves wide respects and reputations.

We believe that enterprises' social responsibilities have become an important benchmark for evaluation of modern enterprises. So, we seek to perform such social responsibilities throughout our production, operation and decision management, and have a firm belief that performance of social responsibilities would push us to the path of all-win and sustainable development and earn for us social respects and longevity. Looking ahead, we would like to work together with all stakeholders to build a bright future.

A handwritten signature in black ink, appearing to be in Chinese characters, located at the bottom right of the page.

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CIMC CEO & President

March 28, 2016

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# Overview

## I. Group Profile

China International Marine Containers (Group) Ltd. (CIMC) is a world leading supplier of logistics and energy equipment, headquartered in Shenzhen of China. CIMC is dedicated to supplying high-quality and reliable equipment and services, including containers, vehicles, energy, chemical and food equipment, offshore, logistics services, airport facilities, etc. The prosperity of the businesses is supported by both CIMC finance companies that provide professional capital management and by financing leasing companies that offer "equipment + finance" contracting services. In terms of market share, CIMC has been global No. 1 for consecutive years over about a dozen products. As a diversified multinational industrial group that shoulders the mission of serving the world, CIMC has near 60,000 employees, 4 listed companies and over 300 member enterprises in Asia, North America, Europe, Australia and others, and extensive customers and sales networks covering more than 100 countries and regions.

CIMC was founded in January 1980 as a joint venture invested by China Merchants Group and East Asiatic Company in Shenzhen and was initially managed by EAC executives. It came to be listed in Shenzhen Stock Exchange in 1994, and got listed in Hong Kong Stock Exchange Main Board via brokering in 2012. Its current main shareholders are COSCO and China Merchants Group. Stimulated by the deep-seated international genes since its establishment, supported by the outstanding governance structure and propelled by the endless pursuit of technological innovation and management efficiency, CIMC has rapidly grown into a prominent company that stands the leading place in many global industries.



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## Main Businesses

### 1. Containers

CIMC Container Holdings Limited (CIMC Containers) was registered in Dongguan in October 2012 as wholly-owned by CIMC. It is the most sized CIMC segment, covering such five businesses as dry cargo container, cold chain, special container, modular building and flooring.

As the only supplier around the world that has the capability of providing complete series of containers with wholly independent intellectual property, CIMC Container has widespread its products into North America, Europe, Asia and other world major logistics systems. CIMC Container has built more than 10 dry cargo container bases in coastal area of China, reefer container manufacture bases in Qingdao, Taicang and Yangzhou, special container manufacture bases in Xinhui, Nantong and Yangzhou, container flooring business in Jiashan, Suining, Longyan, Xuzhou, Ningguo, Longyou, etc., and modular building business in bases including Xinhui and Yangzhou.

“Safe, green, intelligent and lightweight” indicates the development direction of CIMC products. The industrialization idea comprised of standardization, modularization and integration, advocated by the Group, has injected fresh vigor into the development and extension of container industry. Moreover, CIMC Containers has also been committed to the exploration of new business patterns, such as modular building and container housing renovation, with a view to press forward the industrial upgrade.

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## **2. Road Transportation Vehicles**

Founded in 2002, CIMC Vehicles (Group) Co., Ltd. (CIMC Vehicles) acts as a group enterprise for CIMC in the industry of special purpose vehicles.

As the world's largest manufacturer of semitrailer products and a global leading supplier of special-purpose vehicle solutions, CIMC Vehicles shoulders the mission of "providing first-class road transportation equipment and service for global market" and has developed a product cluster comprising a complete series of logistics semitrailers and a wide range of special-purpose vehicles through business development and expansion over a decade. Its products are sold in the worldwide markets. In 2015, CIMC Vehicles sold 114,000 special-purpose vehicles and won sales revenue up to RMB 13.452 billion. Its semitrailer products took up 11.4% of global market share, with the sales volume topping the world. Among them, its semitrailer products' market share ranked 1st and 5th respectively in the emerging market and American market. Its semitrailer and construction vehicle products accounted for 20% and 14.8% shares of Chinese markets, both ranking top among its counterparts. The company has been among the top of global special purpose vehicle industry in terms of comprehensive scale and strength.

Focusing on the globalization strategy and sticking to the operation philosophy of "Global Operation, Local Wisdom", CIMC Vehicles gets the utmost out of its merits in management, technology, brand and supply chain and integrates international industrial resources to achieve large-scale expansion, aiming at building a global business operation system covering developed countries, emerging countries, mainland China and other markets. It has developed a transnational operation pattern featured by global interaction, proper distribution, mutual support and information sharing. At present, CIMC Vehicles has established 38 production & sales bases and R&D centers. More than 50% of its semitrailer products are sold in international mainstream markets such as America, England, Netherlands, Belgium, Japan and Australia and emerging markets such as the Middle East, Southeast Asia and South America. It has established an international marketing service platform with wide coverage, good service and swift response. The company keeps abreast with international standards in terms of production technology and product quality.

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### **3. Energy, Chemical and Food Equipment**

CIMC Enric Holding Limited (securities code: 3899. HK) is a company listed in the main market of Hong Kong Stock Exchange and subordinated to CIMC Energy, Chemical and Food segment (“CIMC Enric”). The Segment is committed to providing customers in the energy, chemical and food equipment industry with key equipment, engineering services and system solutions for transportation, storage and processing purposes by means of research & development and innovation so as to forge the business brand of CIMC Enric. CIMC Enric now owns 13 major product brands and 20 member enterprises.

The Company has 20 manufacture bases and R&D centers in China, Germany, Holland, Belgium and so on to bring about an industrial pattern featuring China-Europe interaction and mutual support. The marketing network radiates to North America, Europe, South America, Central Asia, Southeast Asia, Russia, Australia, China, Thailand, India, etc.

Relying on the energy, chemical and food industrial chain, CIMC Enric makes great efforts in exploring domestic and foreign markets and commits to modernization of industrial equipment. After years of soaring development, the Company has evolved into a leading integrated service provider and key equipment manufacturer boasting the following remarkable achievements.

Adhering to the concept of “Green Energy, Clean Logistics, Good Life”, CIMC Enric is devoted to growing into a world leading manufacturer of key equipment used in the energy, chemical and food industry and also an engineering service and integrated solution provider, so as to make outstanding contributions to technical progress and industrial development of the global energy, chemical and food equipment industry as well as better life of human beings.

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#### **4. Offshore**

CIMC Offshore Segment, as one of the global leading manufacturers of offshore equipment, is an active player on the global marine engineering market. CIMC Offshore has now established a complete industrial chain pattern featured by “design + manufacture + finance + service”.

CIMC Offshore Segment has fostered a strategic business system consisting of “one center plus three bases”, specifically including: Yantai CIMC Raffles Offshore (YCRO), the base for construction, assembly, commissioning and delivery of semi-submersible drilling platforms; Longkou CIMC Raffles Offshore (LCRO), the production and construction base of jack-up drilling rigs; and Haiyang CIMC Raffles Offshore (HCRO), the module building base. In addition, the Segment has organized three R&D centers, including Bassoe Tech in Sweden, and two “National Resources Offshore Oil Drilling Rig R&D Centers” awarded by the National Energy Administration, including CIMC Offshore Engineering Institute Research Center Co., Ltd. in Yantai and Ship and Offshore Engineering Design & Research Institute Co., Ltd. of CIMC in Shanghai.

The main business of Offshore Segment covers the design and manufacture of semi-submersible drilling rigs, jack-up rigs, floating production storage and offloading units, crane ships, pipe-laying ships, and other offshore ships. The Segment is among the first in China that has the capability of batch and industrial construction of high-end offshore equipment. Deep water semi-submersible drilling rigs delivered by the Company are operating with good performance in main oil and gas areas in the world, including the North Sea in Norway, Brazil and Mexico Gulf. Among these rigs, the COSL deep water semi-submersible rig operating in North Sea in Norway has been awarded the honor of “Best Rig of the Month” for 6 times, signifying that CIMC’s offshore equipment has won high recognition from global mainstream customers.

#### **5. Logistics Service**

As a wholly-owned subsidiary of CIMC, CIMC Modern Logistics Development Co., Ltd. (“CIMC Logistics”) has established more than 80 member enterprises and cultivated such domestic and overseas prominent brands as Zhenhua Logistics, South Logistics and

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Brigantine International.

Adhering to CIMC's "manufacture + service" development strategy, CIMC Logistics integrates the Group's advantages in logistics equipment construction and logistics service provision and has thoroughly penetrated into the cross-boarder logistics, container integrated service, multimodal transport and equipment logistics fields. Its main products and services include logistics equipment construction and logistics service provision, container full-lifecycle service, international freight forwarding, international shipping agency, project logistics and industrial logistics.

Relying on CIMC's design capacity of standard equipment logistics solutions and technological innovation capacity, CIMC Logistics will effectively integrate its superior resources accumulated through years of operation in international sea, land and air transportation, play an active part in promoting the development of multimodal transport in China, and carry forward the "One Belt and One Road (OBAOR)" strategy. Meanwhile, it will endeavor to upgrade and transform conventional businesses in the spirit of "Internet+" so as to provide customers with quality and efficient modern integrated logistics solutions and create new values for customers.

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## 6. Airport

Shenzhen CIMC Tianda Airport Support Co., Ltd., an affiliate of CIMC engaging in airport equipment, was incorporated in 1992. Through years of development, CIMC established the Airport Segment in 2014 after integrating superior industrial resources available at home and abroad. The Segment operates two listed companies: Pteris Global Limited listed in Singapore Stock Exchange and engaging in airport equipment and auto logistics system; China Fire Safety Enterprise Group Limited listed in Hong Kong Stock Exchange and engaging in fire rescue equipment.

Currently, CIMC Airport Segment owns two listed companies that operate nearly 20 member enterprises and several branches, mainly comprising 4 business units including: the Passenger Boarding Bridge BU, the Logistics System BU, the GSE BUS and the Fire Rescue Equipment BU. Its businesses spread over 110 countries and regions in Asia, Europe and America. And it has fostered a production, marketing and service network that spans the world.

The businesses that CIMC Airport Segment operates have taken a leading position in the industry, among which, the airport passenger boarding bridge is one of its core businesses. CIMC Airport boasts of the strongest comprehensive competitive power among its counterparts in the global industry and possesses leading R&D and design capacities in the industry. The company's performance in logistics system business outshines most logistics system integrated providers in China, and its air cargo handling performance is in the lead for years. Airport special-purpose vehicle is a key product line vigorously developed by the company over the past few years, especially airport shuttle that moves into the lead in the market. As the core operation platform of CIMC Airport's fire rescue vehicle business, Albert Ziegler GmbH is a supplier of fire rescue equipment boasting over 100 years of long history. It is a market leader in Germany.

In the future, CIMC Airport will be dedicated to providing high-tech, high-quality and integrated solutions for the global airport equipment, logistics system, GSE, fire rescue vehicle and stereo garage fields so as to create more secure, convenient and efficient lives for the people.

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## **7. Finance**

Founded in 2007, CIMC Finance Segment comprises three business units including the Group's Fund Management Department, CIMC Finance Co., Ltd. (CIMC Finance) and CIMC Capital Co., Ltd. (CIMC Capital Ltd.). The Segment is committed to fostering a financial service system that matches CIMC's leadership in the global manufacturing industry, with the intention to improve the operation efficiency and effectiveness of group capital through all-round financial services and provide global customers with competitive and innovative finance solutions. Over the past few years, the Finance Segment has grown into a booster for the Group's industrial development, transformation and upgrading and a new profit growth point, keeping creating new values for internal and external customers.

CIMC Finance is a CBRC approved non-bank financial institution established in Feb. 2010 for the purposes of consolidating the Group's centralized capital management and improving the Group's capital use efficiency and benefits. The Company is now making efforts to build four business centers of supply chain finance, bills, foreign exchange and intermediate business and to expand supply chain finance, buyer's credit and factoring business and inter-institute financial business. It also provides for member enterprises multiple and all-round financial products, service and solutions through multiple financial innovation to drive CIMC in industrial development and management upgrade.

CIMC Capital Ltd. is a “one-stop” solution provider supported by CIMC global operation network and multiple industrial layout and co-marketing with different industries of CIMC. It is committed to providing “equipment + finance” services for all its customers. Mainly engaged in financing & leasing, operating lease, after sale lease back, lever lease and innovation lease, CIMC Financing Leasing provides specialized services for customers across the world covered in the Group's entire product line. As a global company, CIMC Financing Leasing has launched many subsidiaries in China, the USA and Hong Kong, China with business covering global mainstream markets including America, Europe and Australia.

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## 8. Industry & City Development

Shenzhen CIMC Industry & City Development Group Co., Ltd. (CIMC Industry & City) was founded jointly by CIMC and Southern CIMC Container Manufacturing Co., Ltd. in Nov. 1998. As a key segment of CIMC, CIMC Industry & City boasts of an outstanding and robust management team. By getting the utmost out of CIMC's support such as funds, brands and industrial collaboration and utilizing its own successful experience in the field of real estate development, CIMC Industry & City blooms in recent years and obtains the ability to carry out comprehensive projects covering regions and activities. The Company is developing or owns multiple projects at the core sections in cities in the Pearl River Delta, the Yangtze River Delta and the Circum-Bohai Sea Region, and the products include common residences, villas, high-end furnished apartments, 5A office buildings, star hotels and high-end markets.

With the deepening of urbanization and the blooming of strategic emerging industries & modern service industries, CIMC acts at the appropriate time and seeks to accomplish something in manufacture of high-end equipment and provision of modern services. Adhering to CIMC's philosophy of "create new values" and relying on the Group's rich experience in finance, fine manufacture, industrial development, resource integration and international vision, CIMC Industry & City actively develops and operates real estate projects and takes the principle of "simultaneous development of industries and cities" as its guide and the "enterprise's needs" as its core, striving for a developer and an operator in the field of China's industrial real estate.

Facing the "new normal" state of China's economy, CIMC Industry & City gradually moves up to the development path with CIMC characteristics through active adjustments in business model and structure, and has won great credibility and reputation across markets, industries and governments. There is a broad space for development of the company. By virtue of unremitting efforts made over the past few years, the company reported remarkable progress in Qianhai Project, Taizi Bay Project in Shenzhen and Baoshan Project in Shanghai, and is expecting major breakthroughs in the near future. These projects lay a sound foundation for the company to achieve its goal of output value up to "10 billion". CIMC Industry & City is now working at transformation from a conventional real estate operator to a specialist in industry & city development, striving to become a new point of Group growth and a cooperative platform of the Group's main businesses.



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## II. Business Philosophy

### Mission

Providing superior and reliable equipment and service for logistics and energy industries, bringing good benefits to shareholders and employees, and creating sustainable value for the society.

### Vision

To be a global leading enterprise in the industry. The content is:

- Having the image as a global brand, this is highly praised and respected and reliable in the world mainstream markets.
- Developing into an industry leader with sustainable and sound development by making notable contributions to the transformation and innovation of industrial technologies or business models.
- Upgrading into a global corporation with world-wide core competitive edges by virtue of CIMC-specific development strategies or business operation models.
- Becoming a globally-recognized outstanding enterprise through management systems and methodologies in pursuit of excellence and constant improvement.
- Creating an energetic organization leading the direction of global advanced business culture with supreme occupational and professional employee.
- Transforming to an ecological enterprise able to coordinate and balance all parties' interest by shouldering more social responsibilities and being honored by the society.

## Core Values

Core Values	Core Ideas	Interpretation
<b>Integrity-based</b>	Honest, Loyal & Practical	<ul style="list-style-type: none"> <li>● We keep on a working style of integrity &amp; mutual frankness and down-to-earth practices for high aspirations, and are committed to mutual growth of employee and enterprise.</li> <li>● We persist to practice what we preach and keep our promises, striving to create a working environment where staff trusts each other.</li> </ul>
<b>Customer-foremost</b>	Better, Quicker & More	<ul style="list-style-type: none"> <li>● We always work centering on our customers, committed to providing professional solutions for our customers.</li> <li>● We endeavor for stronger service capability than our competitors, committed to create for our customers better quality values at lower cost in a more efficient way.</li> </ul>
<b>Efficiency Driven</b>	Efficiency, Effectiveness & Benefit	<ul style="list-style-type: none"> <li>● We persist on clarified responsibilities, specific rights and liabilities, committed to simplify operation processes and maximum operation efficiency of the organization to continuously boost every staff's effectiveness and the overall working efficiency;</li> <li>● We stick to effective communication, quick responsiveness and prompt reaction to external changes;</li> <li>● We try to realize simple and explicit internal interpersonal relationship, committed to an internal ecology focusing on achieving goals.</li> </ul>
<b>Innovation Unlimited</b>	Bold in Thinking, Action and Communicating	<ul style="list-style-type: none"> <li>● We are always bold in hypothesis and meticulous in proving, committed to innovation in value adding for customers;</li> <li>● We are always making breakthroughs and tend to challenge the convention, committed to leading the tide of industrial development and upholding the innovation contributive to the industrial wellbeing;</li> <li>● We keep on sharing knowledge and making collaborative progress, committed to enhance the whole group's constant innovation and system innovation.</li> </ul>
<b>Dedication</b>	Dedicated, Responsible & Collaborative	<ul style="list-style-type: none"> <li>● We are passionate in our jobs and work scrupulously to fulfill duties to every detail;</li> <li>●</li> </ul>

		<ul style="list-style-type: none"> <li>● We take the lead, make all efforts, keep passionate and dare to shoulder more responsibilities and risks, committed to building for the enterprises sustainable competitiveness;</li> <li>● We stick to "One CIMC" and the basic principal of maximizing the group interest and giving more priority to the overall benefit than the regional, committed to enhancing the corporate systematic competitiveness.</li> </ul>
<b>Perfection</b>	Progressive, Learning& Exceeding	<ul style="list-style-type: none"> <li>● We keep on hard learning for lean and constant improvement, committed to the corporate harmonious development.</li> <li>● We are active in absorbing and integrating diversity for making constant breakthroughs, committed to the corporate sustainable development.</li> </ul>

## Sense of Social Responsibility

Focus on the core corporate function & mission and scientific operations to provide safe product & service of premium quality to the society. While creating value for the society, CIMC sticks to its economic, social and environmental commitments, striving for better ecosystem in the industry and sustainable development of the society through solid efforts.

### Extension of Social Responsibilities

#### 1. The relation between corporate operations and social responsibilities

Corporate social responsibilities should be an organic component of corporate operations. The relation between corporate operations and social responsibility undertaking must be harmonious instead of opposite or contradictory.

**1) It is a basic premise for an enterprise to create value and provide quality and safe products and services to the society in fulfilling its social responsibilities.**

While this fulfillment is based on focusing on the core corporate function & mission and providing quality and safe products and services to the society. This is the existence meaning and the value of an enterprise and also its profit source and the premise for its sustainable development. It is a fully justified deed for an enterprise to pursue profit by creating value and also an embodiment of its undertaking social responsibility. As a leader in multiple industries, CIMC, in particular, should transform and optimize industrial value chain and make breakthroughs in constraints of labor, environment and energy consumption for the industrial development, through such technical means as product innovation and new industrialization, and through process integration of industrial value chain and innovation of business model, thus to both contribute to the industrial sustainable development and win for the enterprise greater opportunities and profit potential.

**2) The most important aspect in undertaking social responsibilities is to uphold the scientific development philosophy, operate corporate resources efficiently and pursue the maximum of social effect out of corporate resources.** To undertake social responsibilities is to integrate the notion of social responsibility into routine work rather than add extra work load to the operation of current business. It is an endless pursuit of making breakthroughs and

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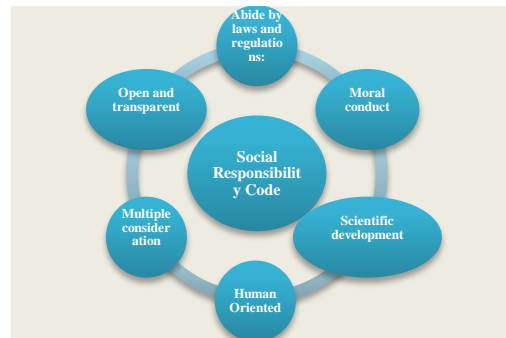
operations of corporate resources in a more scientific, transparent, moral and compliant way following strictly the three baselines of society, economy and environment, with the purpose of maximizing employment of the corporate resources and their social effect.

- 3) It is the innate appeal for sustainable corporate development to undertake social responsibilities and consider the appeals of all stakeholders in the society without simple or unduly pursuit of short term profit.** There may be competition in interest between enterprises and stakeholders in the society. Nevertheless, there is more mutualism in the long term. Therefore, it is a certain choice to make for enterprises along the course of sustainable development to abide by social and environmental baselines and to care, fully respect and possibly fulfill the appeals of all stakeholders. Such vicious deeds as excessive stress on short term profit, ignorance about integrity and moral code and even breach of legal baselines or embezzlement of rational benefit of other stakeholders will not only harm the corporate social ecology but also squeeze or even destroy the living space of enterprises.

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## 2. Social Responsibility Code

- **Abide by laws and regulations:** During business operations, current effective laws and regulations of the countries and regions where the business is located should be consciously observed without any infringement to the legal interest of other organizations or individuals.



- **Moral conduct:** Respect the business ethics, uphold correct values and persist on moral codes including honesty, integrity, fairness and probity; guide and review the corporate operation decision and deeds following these moral codes.
- **Scientific development:** Explore and create the shared values between enterprises and the society (shared values referring to those that benefit both the enterprise and the society) through such means as product innovation, new industrialization, process integration of industrial value chain and innovation of business model to gain rational business returns together with the promotion of industrial and social development.
- **Multiple consideration:** At the same time of pursuing self development, pay close attention to and possibly fulfill the rational appeals from employees, partners, communities, government and other interested parties, including environmental protection and respects for local customs when operating business in other countries and regions.
- **Human oriented:** Stick to the core human resources notion of “Human oriented & Common Cause” and set encouragement and mobilization of employees' initiative, enthusiasm and creativity as the momentum and base for corporate development to realize joint development of enterprises and their employees.
- **Open and transparent:** Make stakeholders understand, influence and partake in the corporate operation activities through rational system arrangement and

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initiation of relevant activities.

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### III. Honors Awarded in Recent Years

As a public listed company, CIMC, along with its affiliates, has won more than 100 honors of all kinds in terms of operating results, corporate scale & strength, scientific research, product innovation, brand image, investor relations, product quality, social responsibility, etc. In this report, we only list some major honors and prizes granted to CIMC Group by the State's ministries and committees, international rating agencies, authoritative media and industrial associations.

Year	Awards
2015	84th in Fortune China 500 (Fortune Chinese version)
2015	Top 100 Listed Companies Most Respected by Investors 2014 (China Association for Public Companies, China Securities Investor Protection Fund Corporation Limited, Securities Association of China)
2015	21st in Top 500 Enterprises in Guangdong Province
2014	5th in China's Most Admired Specialized Companies (Fortune Chinese version)
2014	Five Star Enterprise in Social Responsibility Fulfillment in China's industry (China Federation of Industrial Economics)
2014	China Top 100 Green Companies (China Entrepreneur Club)
2014	Listed Company with Best Internal Governance Performance (National Business Daily)
2014	Honorable Mention at 16th China Patent Award Conference (State Intellectual Property Office of the P. R.C and World Intellectual Property Organization)
2014	Mayor Quality Award in Shenzhen City (Shenzhen Municipal People's Government)
2013	Outstanding Internal Control Leader for Chairman Li Jianhong and Outstanding Internal Control Manager for Liu Zhenhuan of Auditing and Supervision Department (China Internal Control Research Center)
2012	73rd in Fortune China 500 (Fortune Chinese version)
2012	No. 1,382 in Forbes Global 2000 (Forbes)
2012	Mr. Mai Boliang, president of CIMC, was elected one of "50 Most Influential



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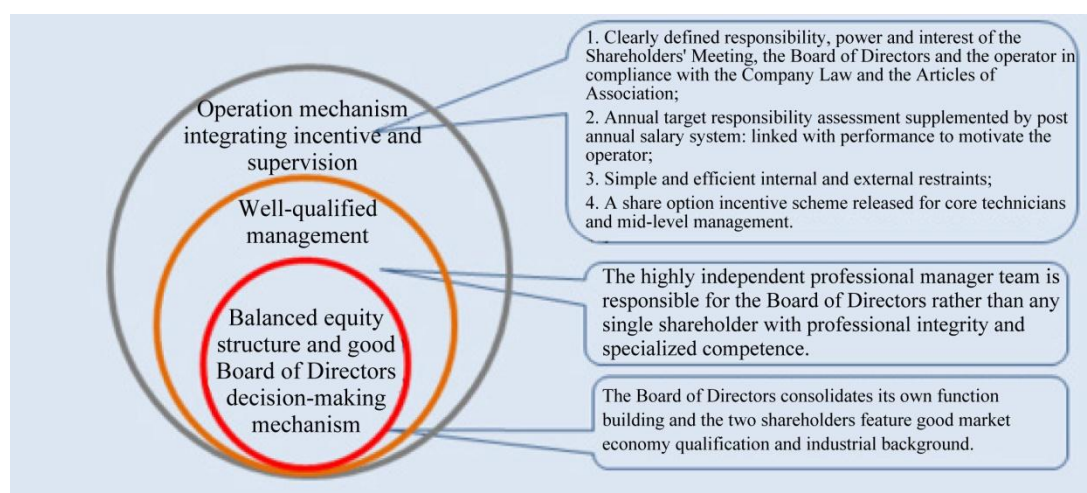
	Chinese Business Leaders” (Fortune Chinese version)
<b>2007</b>	World Brand of China for CIMC Container
<b>2007</b>	China Famous Trade Mark for CIMC trademark
<b>2005</b>	China Top Brand for CIMC Container
<b>2004</b>	President Mai Boliang awarded the "China Economic Leaders of the Year" by CCTV

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# Management System

## I. Corporate Governance

Since its establishment in 1980, CIMC has gradually formed the corporate management structure and mechanism fitting the market economic system and kept on their improvement by virtue of innate joint venture nature and advantages of forefront strategies and location of reform and opening-up in the past 30 plus years.



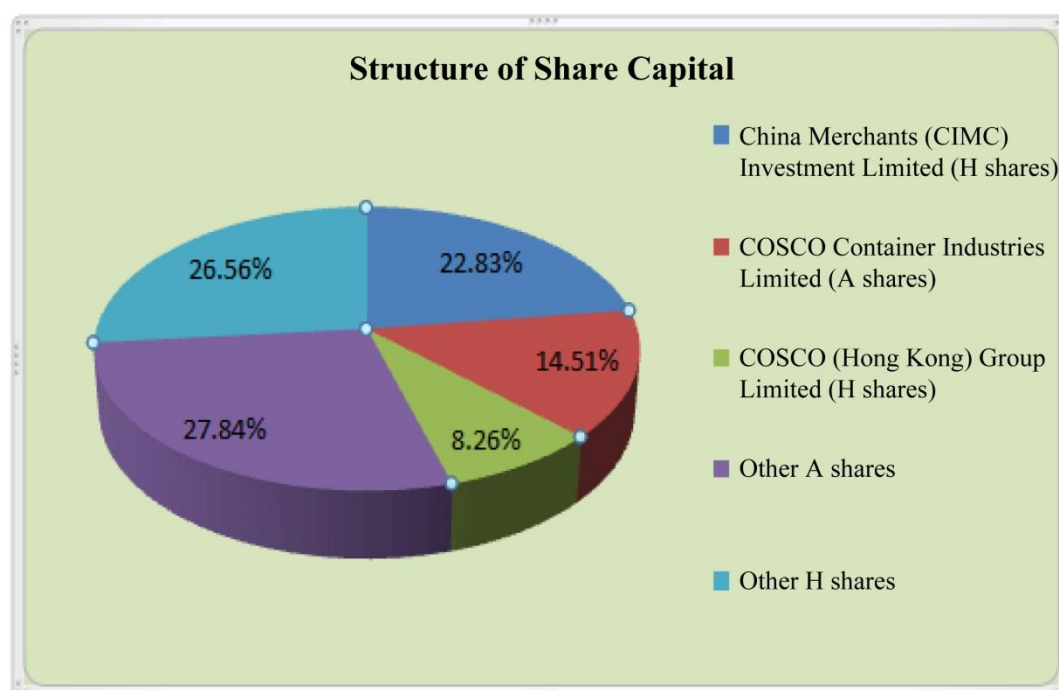
## Structure of Share Capital

With SZBF [1994] No. 22 approval of Shenzhen Securities Management Office, CIMC issued 12 million A shares to the public and 13 million B shares to the foreign investors on January 17, 1994, after which the total equity of CIMC reached 89 million shares. The B and A shares of CIMC were listed in Shenzhen Stock Exchange on March 23, 1994 and April 8, 1994 respectively.

Approved by China Securities Regulatory Commission and the Stock Exchange of Hong Kong Ltd., CIMC transformed 1,430,480,509 domestically listed foreign investment shares (hereinafter referred to as “B shares”) to get listed in Hong Kong Stock Exchange Main Board via brokering as overseas listed foreign shares (“H shares”) on December 19, 2012.

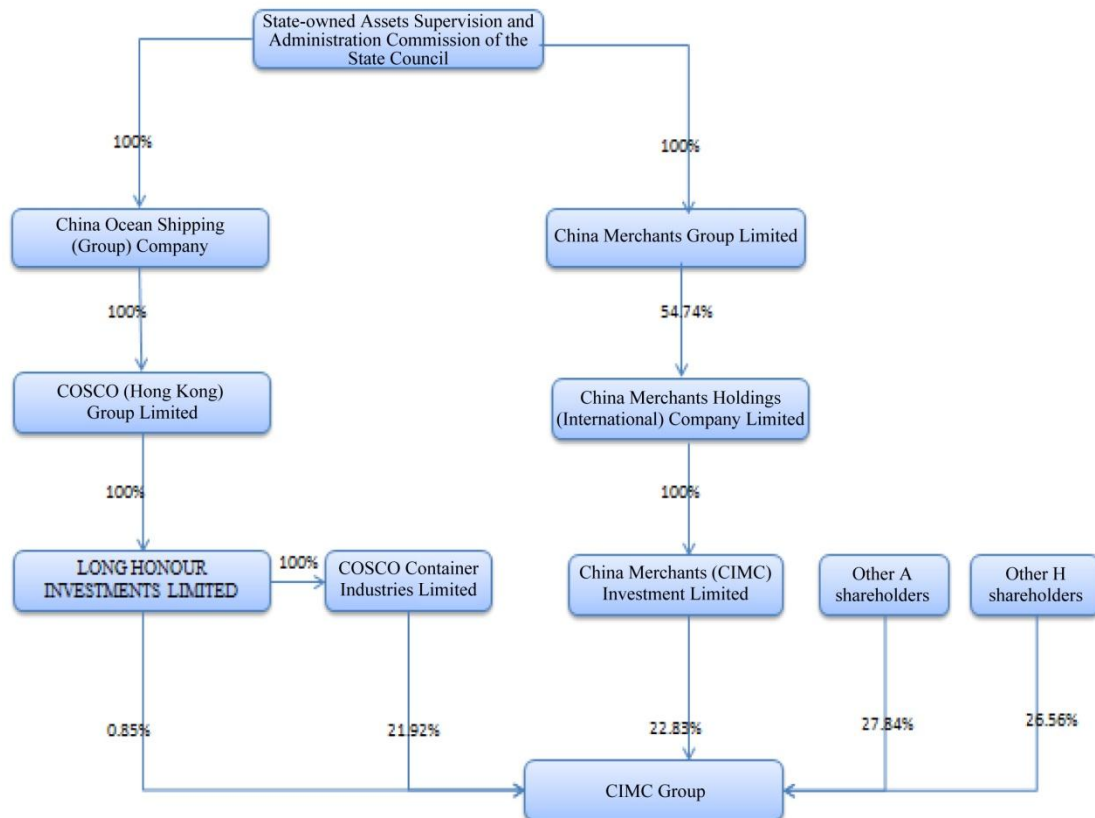
With the approval by China Securities Regulatory Commission and the Stock Exchange of Hong Kong Ltd., CIMC completed issuing of additional 286,096,100 H shares at par value of HKD 13.48 on December 31, 2015.

Up to Dec. 31, 2015, CIMC's total issued share capital is 2,977,819,686 shares, including 1,261,243,077 A shares and 1,716,576,609 H shares. The structure of share capital is as follows:



## Equity Structure

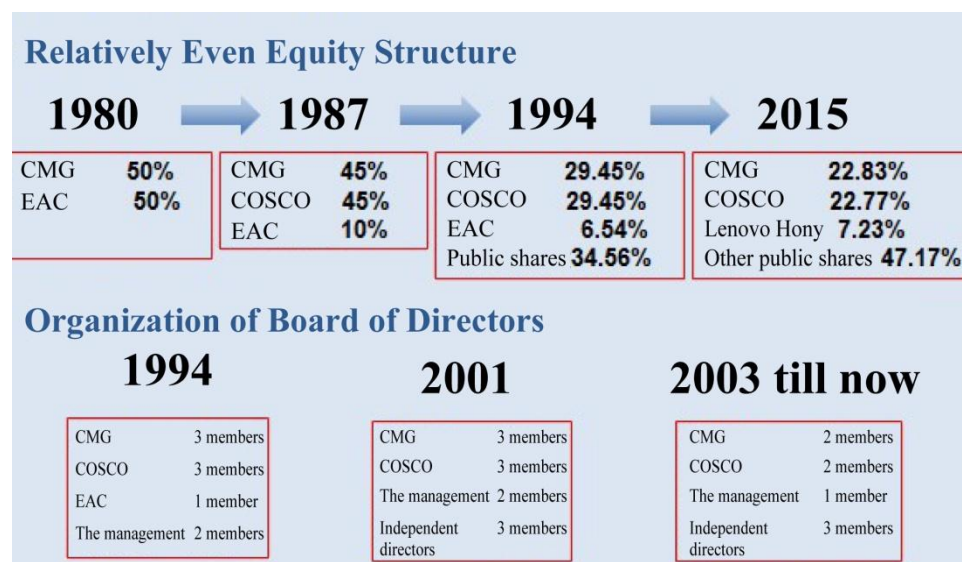
China Merchants Holdings (International) Company Limited and COSCO Container Industries Limited are two major shareholders of CIMC.



Note 1: Subject to the Share Transfer Agreement signed by and between COSCO (Hong Kong) Group Limited and China Shipping Container Lines (Hong Kong) Agency Co., Ltd. as of December 11, 2015, COSCO (Hong Kong) Group Limited agrees to sell and transfer all its shares in Long Honour to China Shipping Container Lines (Hong Kong) Agency Co., Ltd. As of the announcement date, the above deal has been closed yet.

Note 2: COSCO Container is a wholly-owned subsidiary of Long Honour.

The balanced equity structure and the power-balanced board decision-making mechanism lay a sound foundation for CIMC's long term stable development and ensure clearly-defined corporate ownership and right of management, thus avoiding different drawbacks due to sole majority shareholder to a great extent. When there is any conflict of interest between parties, the notion of keeping a sustainable and sound corporate development creates common bases for harmony. The CIMC management is able to set the principal of maximizing all shareholders' interest as the standard for decision making of routine operations. The professional competence of the board member has guaranteed fairness and scientificity in the board's decision making and ensured the constant stable growth of CIMC. Interest of the corporate shareholders and the return on investment are therefore firmly supported.



CIMC has built a sound corporate management structure up to the modern enterprise management requirements to ensure an adequate implementation of each function and a mutual balance.

The Shareholders' Meeting is the supreme authority of the Company. CIMC ensures that all shareholders especially the middle and small ones share an equal footing and can fully exercise their rights in strict compliance with the Rules for the Shareholders' Meetings of Listed Companies and the Rules of Procedure of Shareholders' Meeting.

CIMC features a high participation of its middle and small shareholders in the shareholders' meetings where it is usually arranged to have directors and management communicate and exchange ideas with them on site. The following table summarizes the participation of middle and small shareholders in Shareholders' Meetings in the past five years:

Session of Shareholders' Meeting	Number of Participating Shareholders	Number of Shares Represented
<b>1st Extraordinary Shareholders' Meeting 2015</b>	166	432,696,646
<b>Annual Shareholders' Meeting 2014</b>	720	257,345,011
<b>Annual Shareholders' Meeting 2013</b>	74	409,523,513
<b>1st Extraordinary Shareholders' Meeting 2014</b>	102	317,411,561
<b>1st Extraordinary Shareholders' Meeting 2013</b>	6	330,346,832
<b>Annual Shareholders' Meeting 2012</b>	54	311,089,974
<b>3rd Extraordinary Shareholders' Meeting 2012</b>	460	195,137,342
<b>2nd Extraordinary Shareholders' Meeting 2012</b>	287	196,036,070
<b>Annual Shareholders' Meeting 2011</b>	206	183,773,529
<b>1st Extraordinary Shareholders' Meeting 2012</b>	137	159,032,935
<b>1st Extraordinary Shareholders' Meeting 2011</b>	136	210,000,660

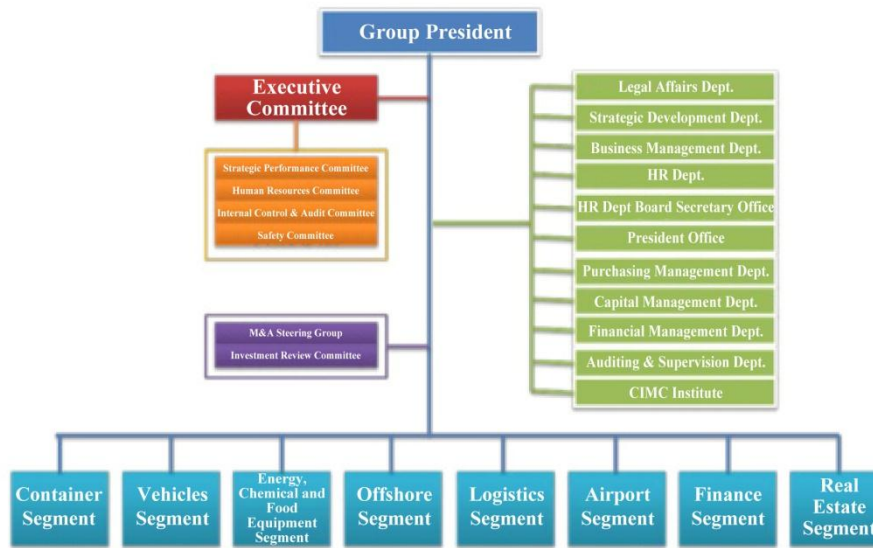
<b>Annual Shareholders' Meeting 2010</b>	292	325,848,212
<b>2nd Extraordinary Shareholders' Meeting 2010</b>	103	241,910,035
<b>1st Extraordinary Shareholders' Meeting 2010</b>	188	240,096,467

The Board of Directors is CIMC's operation decision-maker. It takes charge of resolution execution of Shareholders' Meeting and preparation of significant policies and development plans of CIMC. There is Remuneration and Appraisal Committee, Strategy Committee, Audit Committee and Nomination Committee under the Board of Directors. They undertake respectively the discussion and decision-making functions of significant affairs in accordance with relevant specific working rules. CIMC has set up an independent director system with currently three independent directors respectively from fields of finance& accounting, economy and legislation, boasting professional competence and high reputation, able to provide professional assistance and good supervision for the operations of the Board of Directors. Written comment letters are released for all significant affairs requiring independent directors' comments including information disclosure, significant investment, associated trade, external security, stock option incentive, promotion and recruitment so that their duty performing can be secured by the systems.

The Board of Supervisors takes charge of supervision on the corporate financial and operating conditions and the validness and compliance of the directors, managers and other executives in duty performance.



CIMC's Governance Structure



CIMC's Organizational Structure



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All the power subjects execute the corporate management by playing the roles of specialized committees under the Board of Directors in accordance with a series of rules and systems including the rules of procedure and the president working rules of the Shareholders' Meeting, the Board of Directors and the Board of Supervisors. Therefore, the Shareholders' Meeting, the Board of Directors and the Board of Supervisors manage to fully perform their functions and responsibilities and mutually balanced to maintain the interest of the shareholders and CIMC and to ensure sustainable development of CIMC.

Subject to the regulations and requirements on governance of listed companies stipulated by China Securities Regulatory Commission, Shenzhen Securities Regulatory Bureau, Shenzhen Stock Exchange and Hong Kong Stock Exchange, CIMC took the initiatives to accomplish the tasks of, among others, corporate governance rectification, special examination and institutional improvement on schedule as prescribed by these regulators. In 2015, CIMC Board Secretary was again commended by CSRC Shenzhen Securities Regulatory Commission for his contributions to promoting self-regulation of listed companies.

## **II. Institutional Improvement**

In 2015, CIMC further advanced the process of legalization, systematization and institutionalization. The Group's Executive Committee set "law-based governance and institutional improvement" as one of its 15 key programs and designated the Vice President Yu Ya and Secretary of Discipline Inspection Commission Liu Zhenhuan as officers responsible for promotion of the program. Meanwhile, it made institutional improvement a core task of the Group's Internal Control Committee.

The Group's Auditing & Supervision Dept. took the lead to launch the pilot program of "upgrading CIMC's internal control system to an ERM system" and engaged external professional advisors to have a comprehensive diagnosis of the Group's institutional system against the updated internal control rules established by Hong Kong Stock Exchange and other internal and external requirements. It put forward some suggestions on the improvement of relevant provisions in the Code on Corporate Governance Practices and Corporate Governance Report revised by the

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Group as required by Hong Kong Stock Exchange, laying a sound foundation for subsequent institutional improvement.

Through one year of hard work, the Group has newly established and revised over 20 systems. Those revised systems fit in better with the Group's organizational form, further make clear the authority-responsibility relationship intrinsic to all functions and the organization flow, and better stimulate and mobilize all the Group's Segments and member enterprises to participate in institutional improvement.

In 2016, CIMC will push forward institutional benchmarking for the Group, Segments and member enterprises in an effort to complete institutional improvement of CIMC Headquarters' organizational transformation, decentralized management, 5S system and Group institutional system management under the leadership and control by the Group so as to support the Group's balanced growth.

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### III. Internal Risk Control and Audit

In 2015, amidst the complex political and economic situations at home and abroad, Hong Kong Stock Exchange revised relevant rules to propose higher requirements on internal audit. CIMC realizes that “law-based governance” is the guarantee for the Group’s sustainable, steady and sound development and for the team to lead a safe life and realize dreams and values. It is necessary for the Group to enhance law compliance awareness, fortify institutional improvement and strengthen cadre administration. Thus, “law-based governance” is established as one of the key tasks by the Group’s Executive Committee. Adhering to the “service-oriented” concept in internal control and audit, the Group to help member enterprises establish a scientific internal control mechanism and improve management level and risk control capacity so as to promote the Group’s sound development.

#### Main Internal Control & Audit Work in 2015

I. The internal control and audit is continuously improved and provides guarantee for the overall effect of 5S strategic control system of the Group.

1. Carry forward the four major internal control tasks, and ensure the continuous deepening and full coverage of internal control construction. To meet Hong Kong Stock Exchange’s new rules and regulations on upgrading of internal control system to enterprise-wide risk management, the Group launched the pilot program of “upgrading CIMC’s internal control system to an ERM system”, and meanwhile started up the special work of “practicing law-based governance and fortifying institutional improvement”. It engaged external advisory firms to issue a diagnostic report of institutional system against the updated internal control rules issued by Hong Kong Stock Exchange and is under phased rectification.

In April 2015, the Group leaders were invited to the “Seminar on the Updated Rules on Upgrading Internal Control System to ERM System Issued by Hong Kong Stock Exchange” organized by PWHC.	In September 2015, CIMC initiated the program of “upgrading internal control system to ERM system” and started up the special work of “practicing law-based governance and fortifying institutional
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	improvement”.
	

2. Carry out term-end and 3-year term accountability audits while sticking to the concept of “strengthening supervision not only reflects an objective requirement of 5S control but also embodies alerts and cares for key cadres”. By conducting the strategic risk control-oriented audit of 3-year term of office, the Group can examine the implementation of strategic plan and business plan as well as the “three vitals and one major” system and check the authenticity and integrity of management report information, which would lay a reliable foundation for subsequent appraisal and evaluation.

3. Internal audit plus internal audit 1+1>2; strengthen audit of overseas enterprises, complete internal control and audit of 8 overseas enterprises, and mitigate the risks associated with integration and control of newly acquired overseas enterprises. For example, the Group's Internal Audit & Control Team settled in the newly acquired German Ziegler immediately after acquisition to help the company that had been running at a loss for years to establish a series of compliance management systems and support it to develop and expand businesses and turn the situation of years of losses around.



4. Conduct special audit and fraud investigation, and enhance prevention and control of risks present in high-risk fields.

5. Strengthen internal control publicity and human resource development in an all-round manner and from all sides to strike a solid foundation for improvement of internal control environment.





II. The Group shares the internal control and audit experience of CIMC, undertaking the social responsibilities for promoting and publicizing internal control theories and practices.

1. Share experience and views with the State-owned Assets Supervision and Administration Commission of Shanghai Municipal Government over management and control of overseas assets



Introduce the overall thinking, practice and result about how CIMC started business integration with internal control and audit when facing so many difficulties in management and control following investment made in or

acquisition of overseas enterprises.

2. A delegation of China Corporate Anti-Fraud Alliance/Internal Control Team of GEIIC, which is composed of the representatives from such enterprises as Midea, Country Garden and CGNPC and those from such academic institutions as Sun Yat-sen University and Ji'nan University, paid a visit to CIMC for exchanging views on internal control and audit and was debriefed on CIMC's experience in internal control and audit.



3. Attend many external campaigns on experience exchange and briefing



Give a theme presentation at a salon on corporate social responsibilities



Attend the mobilization meeting of constructing a “clean and honest demonstration zone” in Qianhai

## Next Step in Internal Control and Audit

S/N	Description
1	Ensure continuous full coverage of internal control construction along with group development and establish internal control system in newly established enterprises.
2	Carry forward the four major internal control tasks in segments and member enterprises respectively under the leadership of the headquarters.
3	Continue performing the accountability audit within the 3-year term based on the Requirements on Management of Key Cadres issued by the Board of Directors.
4	Special internal control, audit and supervision
5	Improve the internal control competency of Segments and member enterprises
6	Further enhance CIMC's internal control brand and value through external exchanges and cooperation.

## IV. Information Disclosure and Investor Relations

**1. Perform the duty of information disclosure in an authentic, accurate and timely manner as required by law to ensure the completeness, compliance and fairness of information disclosed.**

CIMC performs its duty of information disclosure as a listed company in strict accordance with the Company Law, Securities Law, Articles of Association, Code of Corporate Governance for Listed Companies, Rules of Shenzhen Stock Exchange for Listing of Stocks, Rules of Hong Kong Stock Exchange for Listing of Stocks and other applicable laws and regulations. CIMC designates the Board Secretary as the person in charge of information disclosure and formulates the Management System of Information Disclosure to ensure the authenticity, accuracy, completeness and timeliness of information disclosed. The Group publicizes relevant corporate information via designated newspapers, websites and other information platforms in an authentic, accurate, complete and timely fashion, and improves the quality of information disclosed persistently.



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In 2015, CIMC released periodic reports and temporary bulletins as prescribed by information disclosure regulations for A and H shares, especially the information of major or unexpected events which the shareholders and investors were interest in, so as to acquaint the investors with group particulars in a timely, fair, accurate and complete way.

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## **2. Value investor relations and maintain effective communications and exchanges with investors**

In 2015, CIMC continued to seek better management of investor relations. Investor relations were managed based on such principles as "complete disclosure of information, compliant disclosure of information, fair & equal opportunities to investors, honesty and integrity, high efficiency & low consumption and interactive communication", in accordance with Company Law, Securities Law, Articles of Association, Instructions on Management of Investor Relations for Listed Companies and other relevant laws and regulations.. Day-to-day work and major activities were performed in an effective way and all-round and effective communication was conducted with shareholders and investors with the intention to safeguard the interests of small and medium investors, avoid selective disclosure, and safeguard the rights and interests of small and medium investors in having a fair and equal access to the Group's information.

In 2015, CIMC conducted daily reception of investors earnestly, replied to investors' telephone enquiries patiently and attended annual meetings and special meetings of brokers at home and abroad to have with "one-to-one" and "one-to-many" institutional investors. Moreover, CIMC gave timely replies to the website questions concerning hot issues or unexpected incidents proposed by shareholders and investors at <http://irm.cninfo.com.cn/> and <http://irm.p5w.net/> and conducted prompt, patient and objective communications with small and medium investors.

In 2015, CIMC received 38 visits, on-site surveys and factory tours by institutional investors from funds, investment companies, security agencies as well as individual investors. Among them, CIMC received institutional investors such as brokers and funds who paid field survey visits to the production bases or projects of Offshore, E-Commerce, Industry & City and Airport Segments and introduced to them the development of the Group's strategic emerging industries and new business expansion; in July, CIMC held the 4th Science Festival and "Made in China 2025" Themed Forum and invited institutional analysts and over 10 shareholders to participate in these activities; the presentation of R&D achievements and development goals was helpful for better acquainting investors and shareholders with the Group's investment value, enhancing investors' confidence, safeguarding small and medium

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investors' right to know, enhancing their sense of belonging, and creating favorable shareholder culture; CIMC held the Annual Results Conference 2014 and Semi-Annual Results Conference 2015 in March and August respectively, and meanwhile, domestic investors were given live broadcast on the site of operating results presentation via a network webcast platform.

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## V. Social Responsibility Management

CIMC integrated its social responsibility as a part of business development strategy. Specifically, the group tried to improve the work system of social responsibility and sustainable development strategy under the new management and control mode, set up a specialized management committee focusing on strategic decision-making, technical innovation (green technologies), safe work, human resources management and internal control of risks, etc., and established a management mechanism integrating systems, workflow, division of work and operation, all of which have laid a solid foundation for the management of corporate social responsibility and sustainable development of the Group.

Annex: List of Management Functions Associated with CIMC Social Responsibility

## List of Management Functions Associated with CIMC Social Responsibilities

Responsible Bodies Social Responsibilities	Board of Directors	Management	Strategic Development Dept.	HR Dept Board Secretary Office	Financial Management Dept.	Fund Management Department	Auditing & Supervision Dept.	Legal Affairs Dept.	HR Dept.	President Office	Excellence-oriented Operating Center	Center Data Network Control Center	CIMC Institute	Procurement Resources Sharing Center	Segments	Member Enterprises	Remark
Social Responsibility System Planning and Development		▲	△		△	△	△	△	△	△	△			△	▲	▲	
Corporate Governance Structure	▲	△		△	△		△										The Group's governance structure is established by BOD or Shareholders' Meeting through deliberation in accordance with the Articles of Association
Institutional Improvement		▲	△		△	△	△	△	△	△	△		△	△	▲	▲	
Internal Risk Control and Audit		△	△		△	△	▲	△	△	△	△			△	▲	▲	
Information Disclosure	▲	△		▲	▲		▲			▲							The President Office and the Auditing & Supervision Dept. are responsible for social responsibility and disclosure of information in relation to internal control and others, respectively.
Business Philosophy and Social Responsibility	▲	▲	△		△	△	△	△	△	▲	△		△	△	△	△	44 / 186

Scientific Planning		▲	▲		△	△	△	△	△	△	△		△	△	▲	▲	
Technical Innovation & New Industrialization		△	▲								▲	△			▲	▲	The Data Network Control Center is responsible for construction of relevant information systems such as ERP system.
Credit Construction		△				▲									▲	▲	
Responsible Investment		△		△				▲							▲	▲	
No Commercial Bribe		△					▲							▲	▲	▲	The Procurement Resources Sharing Center is responsible for anti-commercial bribe in purchase activities.
Fair Competition		△						△						▲	▲	▲	Each segment is responsible for fair operation in the trade.
Protecting Property Right		△	▲				△	▲		△					▲	▲	The Strategic Development Dept. is responsible for the Group's physical property right issues and the Legal Affairs Dept. is responsible for intellectual property issues.

Promoting Sound Industrial Development		△	▲												▲	▲	Responsible for assisting in promoting the industrial standard development.
Environmental-friendliness & energy conservation		△								▲					▲	▲	
Safe Production		△								▲					▲	▲	
Product Quality& Safety		△								▲					▲	▲	
Responsible Marketing		△								▲					▲	▲	Including advocating responsible consumption and privacy protection of customers and consumers; all segments are responsible for relevant issues in their respective trades; the President Office is responsible for the issues regarding key accounts.
Customer Complaints & Disputes Settlement		△								▲					▲	▲	All segments are responsible for relevant issues in their respective trades; and the President Office is responsible for the issues regarding key accounts.
Protection of Distributors' Interests and Supervision over Social Responsibility		△													▲	▲	
Protection of Suppliers' Interests and Supervision over Social Responsibility		△								▲				▲	▲	▲	
Harmonious Labor Relations		△							▲	▲	▲				▲	▲	The President Office is responsible for organization of recreational activities and employee communication; the Excellence-oriented Operating Center is responsible for

																	occupational health and safety required for safe and lean management.	
Community Involvement & Development		Δ								▲						▲	▲	
Employee Training & Development									Δ				▲			▲	▲	

Remarks: ▲ in the table represents "in charge" or "primary participant", ▲ represents the specific parts which are responsible for, while Δ represents "participant" or "supporter".



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# Social Responsibility

## I. Scientific Development



### Sustainable Development Strategy

#### 1. Vision

To be a global leading enterprise in the industry

#### 2. Mission

Providing high-quality and reliable equipment and services for logistics and energy industries; bringing in good results for shareholders and employees. creating sustainable value for society.

#### 3. Strategic Objective

Build an enterprise integrating industrial and capital operation, manufacture and service and domestic and overseas operation to ensure its sound development and continual improvement; achieve the development goal of “exceeding a turnover of RMB 100 billion and turning into a world class enterprise” by 2017.

#### 4. Development Theories

Set the strategic theme as “deepening reform, innovation-driven development, balanced expansion & growth”. Adopt different management modes and resource input strategies depending on the features of current businesses; dig for new growths of business through innovation, cultivate new stimulus of business growth through capital operation, and maintain the vitality and quality of business portfolio while securing steady expansion of existing core businesses. Keep up expanding progressively and proactively, stick to the concept of “deepening reform and innovation-driven development”, and expand business toward core industrial train upstream and downstream relying on its own resources and capacities built up for years; try to establish presence in new lines of business; establish a flexible innovative

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business incubation mechanism; and secure balanced and steady growth in the new historical period.

## 5. Operating Results in 2015

	2015	2014	YOY changes (up/down)	2013
Operating incomes	58,685,804	70,070,855	(16.25)%	57,874,411
Net profits attributable to shareholders of listed company	1,974,005	2,477,802	(20.33)%	2,180,321
Net profits attributable to shareholders of the listed company after deducting non-recurring gains and losses	1,722,422	2,142,682	(19.61)%	1,343,090
Net cash flows from operating activities	(3,610,223)	6,434,477	(156.11)%	2,749,926
Basic EPS (earnings per share) (Yuan/share)	0.72	0.93	(22.58)%	0.82
Diluted earnings per share (yuan/share)	0.71	0.92	(22.83)%	0.81
Weighted mean return on equity	8%	12%	(4)%	11%
	The end of 2015	The end of 2014	YOY changes in ending balance (up/down)	The end of 2013
Total assets	106,763,171	87,776,181	21.63%	72,605,972
Net assets attributable to shareholders of listed company	28,541,319	22,290,314	28.04%	20,674,037

The year 2015 witnessed slow recovery of global economy, continued downturn of international trade and investment, crude oil price hitting the bottom, and developed economies and emerging economies embarking on different paths of development. The recovery of American economy speeded up and the interest-rate rising cycle of US dollar started; the European economy was improving slightly as a whole; and the emerging markets and developing economies were growing at a slower pace under the action of weak demand and US dollar devaluation. China's economy arrived at a state of "new normal", with a slacking of economic growth and 6.9% GDP growth.

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In 2015, CIIMC realized a revenue of RMB 58.686 billion (RMB 70.071 billion in 2014), down by 16.25% year on year; the net profit attributable to shareholders of the parent company reported RMB 1.974 billion (RMB 2.478 billion in 2014), down by 20.33%; and the basic earnings per share (EPS) reached RMB 0.72 (RMB 0.93 in 2014), down by 22.58%. Among the Group's major businesses, the Container, Vehicles and Logistics Segments suffered a slight drop in profits yielded; amidst a recessing industry environment, the Energy, Chemical and Food Equipment Segment generated much less revenue; the Airport Segment sustained a steady growth in revenue; and the Real Estate and Finance Segment enjoyed a remarkable business growth.

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## Continuous Innovation

In the course of rapid development, CIMC realizes that technological innovation and connotative development are requisites for the Group to take scientific outlook on development, participate in international competition and grow into a world-class enterprise. Adhering to the core value of “innovation unlimited”, CIMC regards technological innovation as the means for survival and development and spares no efforts in developing and improving its technological innovation system. During its strategic upgrading and business transformation in the past few years, CIMC establishes the “technology-driven” technological innovation system guided by the principle of “innovation drives value growth”, carries forward with the research and development of new products, technologies, processes and equipment and facilitates the introduction and incubation of major technical projects launched for the need of industrial development. Meanwhile, CIMC keeps on improving the mechanism for exploring sources of innovation and publicizing innovations so as to build the Group’s technical brand. CIMC strives to achieve technical progress and value enhancement by way of technical innovation so as to promote sustainable development of the industries.

In light of the Group’s business layout, CIMC develops an R&D system integrating “research institute” and “technical center”. The technical centers of CIMC comprise the National Enterprise Technology Center and National Resources Offshore Oil Drilling Rig R&D Centers. Besides, 26 group level technical centers have been set up in for the nine core businesses, including 5 institutes and 21 technical center branches. Supported by these powerful R&D organizations, the group has transformed the leading technologies to competitive edges and business success for customers.

Item	2015
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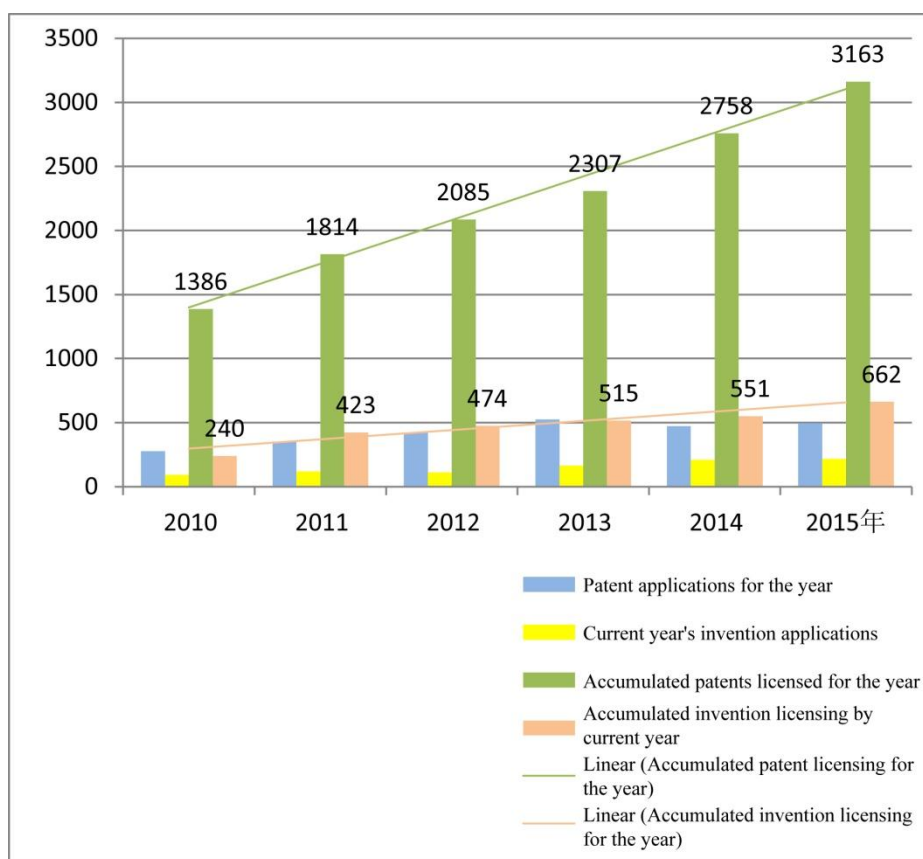
Operating income (×RMB 100 million)	586.86
R&D input (×RMB 100 million)	6.14
R&D input percentage (%)	1.05%

Percentage of R&D Input to Total Sales in 2015

The total R&D expense in 2015 was RMB 614 million, accounting for 2.15% of the net asset and 1.05% of the total revenue. More than 3,000 engineering technicians of the Group participated in R&D of new products and upgrading & transformation of production technologies and processes.

As of Dec. 31, 2015, CIMC had applied for accumulated 4,493 patents, including 344 abroad and 4,203 in China. And a total of 3,163 items had been licensed, including 662 invention patents. In 2015, CIMC applied for 495 patents, including 278 utility models and 217 inventions that account for 43.8% of total patents. The number of patents for invention accounted for 40% or more of total patents in two consecutive years. All these patents have a better quality. Two patents for invention were granted the Award of Chinese Patent and one patent the Award of Guangdong Provincial Patent.

Item		2010	2011	2012	2013	2014	2015
<b>Applications</b>	Patent applications for the year	278	351	419	524	472	495
	Current year's invention applications	92	120	111	165	208	217
<b>Licensing</b>	Accumulated patents licensed for the year	1386	1814	2085	2307	2758	3163
	Accumulated invention licensing by current year	240	423	474	515	551	662



Bar Chart of Licensing and Invention Patents in 2010-2015

At present, CIMC operates 24 high-tech enterprises accredited by the state and 5 post-doctoral research center. In 2015, the “large intelligent, green and environment-friendly container vessel research & development and industrial production” program applied by CIMC won the 1st Prize of Shenzhen Science & Technology Progress Award, and the “safe and smart container in-transit monitoring technology and its application” program applied by Shenzhen CIMC Intelligent Technology Co., Ltd. won the 2nd Prize of Guangdong Science & Technology Award.

In addition, there are total over 90 projects of CIMC supported by the government in 2015, including 8 national level and 18 provincial level projects, granted with supporting fund totaling about RMB 69 million.

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## II. New Industrialization

CIMC has long been devoted to the innovation and development of manufacture techniques, especially in traditional sectors such as container. It has fostered prominent competitive edge in manufacture techniques. In terms of strategic emerging industries, CIMC is committed to the research & development and manufacture of semi-submersible drilling rigs, and it is the only offshore equipment manufacturer in China that has passed ABS certification and is capable of delivering semi-submersible drilling rigs in batches.

In 2015, CIMC made a stride in new industrialization, evidenced by the following achievements: the Contain Dreamworks provided first-class cold chain equipment and services for customers throughout and made outstanding contributions to food safety while sticking to the concept of “environmental protection, safety, technical innovation, high efficiency and low consumption, and lean performance”; the upgrading and reconstruction of advanced production line boosted the development of industry manufacture technologies, improved the production environment, and realized the goals of environmental protection, energy conservation and safe production; the application of efficient technologies and equipment elevated the automation level, and achieved the goals of new industrialization including cost saving and product upgrading; the development and application of information technologies brought about a modern product management pattern integrating automation, digitization, systematization and informatization; CIMC shared its patented technologies across the industry while introducing and digesting overseas sophisticated technologies, which promoted the development of industry technologies and product industrial production. Meanwhile, CIMC put more efforts in informatization construction to realize digitization of production process, automation of production line and IT-based production management and secure industry leadership if product comprehensive technology.



#### Example

### **The World's First Laser-Welded Container Promotes Green Container**

#### **Manufacturing**

As the industry leader, CIMC is always dedicated to continuous innovation of container product and manufacturing technology and promoting healthy industry development. In 2015, CIMC achieved another key technological breakthrough in terms of container: it became the world's first company to have introduced laser processing technology to container manufacturing industry and have successfully developed the first generation of laser-welded container. Relying on core technology of laser welding, CIMC has independently developed the world's first automatic laser welding production line for producing superlong welded seam, capable of producing top plate and side plate of containers in 20', 40', 45', 53'. The project has been listed as "the first key technical equipment" in Guangdong.

The technological application brings new changes to container industry:

1. The longitudinal weld seam replaces cross-shaped latitudinal weld seam to form a container's top plate and side plate, halving the total length of weld seam;
2. Improve weld seam quality and appearance significantly;
3. Reduce material consumption in the manufacturing process (e.g. steel, welding wire, shield gas) and realize clean production;
4. Dramatically reduce weld fumes and improve the environment a lot.



## Example

### Health e Cabin

Health e Cabin developed by RYC is meant to provide occupational health management and community health services. It offers manufacturing enterprises occupational health management solutions through “product + service”, which reflects “caring for employees” and “social responsibility” and brings value to the enterprise and its brand. Built on modular building and multifunctional integration of advanced medical equipment, Health e Cabin makes use of internet technology to realize an integration of offline health monitoring and online data management. In August 2015, Health e Cabin Experience Pavilion was showcased at the 5<sup>th</sup> TechFest of CIMC, which received widespread recognition and constructive opinions. It won the “Most Valuable Innovation Award”.



Exterior

Prize



Health experience

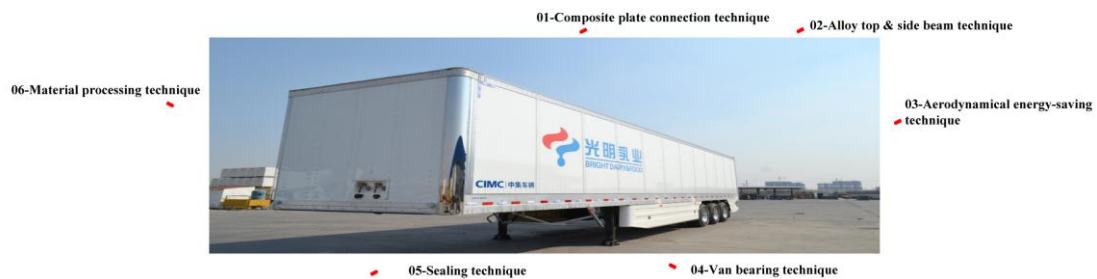
Visiting guests

## Example

### Core Technology of Steel-Plastic Composite Plate Van Truck Is Disclosed

CIMC Vehicles Group made a series of innovative designs based on the design technology of steel-plastic composite plate van semitrailer imported from an American subsidiary, and had obtained a number of patents in China. In order to promote technological upgrading of Chinese logistic equipment, improve transportation efficiency and reduce transportation cost, the management of CIMC Vehicles Group decided to disclose to Chinese special-purpose vehicle enterprises the six patented technologies in steel-plastic composite plate connection, aerodynamics component.

CIMC Vehicles Group published the technical report and relevant documents through the special-purpose periodical office of Hanyang Special Purpose Vehicle Institute. 40-odd special-purpose vehicle manufacturers or individuals asked for the disclosed technical documents via email. Meanwhile, CIMC Vehicles Group held technical seminar revolving around steel-plastic composite plate van truck during the China Commercial Vehicles Show 2015 in Wuhan, made technical explanations and came up with the transfer of proprietary technology. The transfer fee of only RMB 1 was needed, simply because CIMC Vehicles Group wanted to share its steel-plastic composite plate technology, offer possibility for counterparts to make renovations, promote large-volume and lightweight steel-plastic composite plate van truck, improve technology of Chinese van truck, reduce transportation cost and bring benefits to people.



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### **Example**

## **Construction of the Second Production Line of $\phi 715$ Gas Cylinders and Relocation of Clean Cylinder Production Line by Shijiazhuang Enric Gas Equipment**

Clean energy market is now in the ascendant, and large-capacity gas storage and transportation equipment is in great demand as it could help to cut down the operating cost. To accommodate the market demands at home and abroad, Shijiazhuang Enric Gas Equipment constructed the second production line of  $\phi 715$  gas cylinders through reform of the original  $\phi 559$  gas cylinder production line, and relocated the clean cylinder production line. The new scientific, advanced and efficient production line represents the highest standard of large-capacity gas cylinder production line in China.

1. Scientific layout: the company made most of the available space to have a scientific layout of large equipment such as the spinning machine, thermal treatment furnace and grinding miller, thereby realizing streamline upgrading and capacity improvement of the original production line.

2. Equipment upgrading and sophisticated equipment application: the company carried out optimization and upgrading of the existing large equipment deployed for the original  $\phi 559$  gas cylinder production line, such as the thermal treatment furnace, lathe, grinding miller and spray booth, and added the cleaning feature to the existing drying plant, thereby realizing recycling of resources and saving of investment costs. CNC spinning machine and other industry-leading operation equipment were configured to reduce labor intensity and improve productivity.

3. Production process optimization: through improvement of the existing shot blasting, magnetic powder inspection, thermal treatment and other production processes, independent research and development of special tooling and optimization of product design parameters, the company lifted productivity and capacity of the entire production line by 100% and 200% respectively, and the production cycle was made one day shorter. Through innovation and upgrading of the spinning process, the spinning processing range was extended in that the spinning machine could accommodate a wider range of wall thicknesses of gas cylinder and produce  $\phi 715$  gas cylinders of different types. The production line's flexible processing capacity was improved, and the production cost was reduced.

4. New technology application: the company developed clean production areas using new proprietary technologies, and employed clean production process and new gas cylinder wall grinding technology to produce 1ppm clean cylinders, thereby successfully supplying large-capacity clean cylinders carrying electron gases or special gases to high-end customers throughout world.

The new production line improved the manufacture quality, cut down the production cost, reduced operator's labor intensity and enhanced the processing flexibility so as to steer and guide the innovation, progress and development of manufacture technologies and make a contribution to rational utilization of resources and sustainable development of the company. The new production line will be bound to drive the development of the energy storage and transportation sector and play a positive role in improving city sanitation and saving the State's energy.



Panoramic view of the upgraded second production line of  $\phi 715$  gas cylinders

Thermal treatment furnace improvement

A corner of the clean production area

## Example

### Intelligent Energy Equipment Management Platform Developed by CIMC

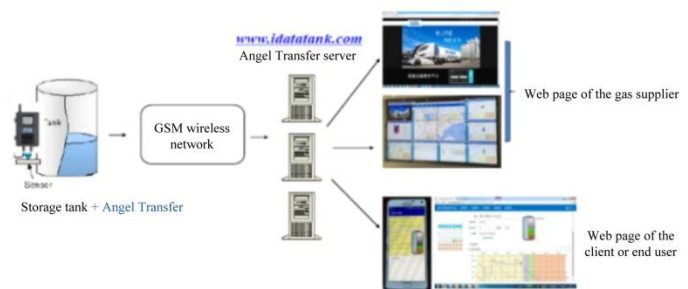
#### Sanctum

With the advent of the Internet era, “Internet + Manufacture” becomes an important topic for transformation of all traditional manufacturing businesses, and customers and markets raise higher requirements on the businesses. To sharpen its products’ competitive edge, CIMC Sanctum develops an intelligent energy equipment management platform. It employs IOT technology and remote monitoring system to provide prompt, timely and efficient professional services for its customers so as to realize seamless jointing with customers and improve their satisfaction and loyalty.

With the aid of smart transducer, mega data and cloud platform, Sanctum connected the machinery equipment, people and data as a whole. It developed a proprietary differential pressure and pressure transducer for the cryogenic equipment industry, and conducted real-time data analysis for the storage tank monitoring system via cloud platform based on mega data analysis and prediction of users’ habits so that customers can make the utmost of machinery equipment’s performance to realize asset and operation optimization, boost the market competitiveness of storage tank and other cryogenic products, and create greater values for businesses and customers. The process is detailed as follows:



Anjiehui storage tank liquid level  
intelligent monitoring device



Anjiehui energy equipment intelligent  
management platform



1. The Angel Transfer solar-powered and intelligent liquid level monitoring device is used to ensure green and environment-friendly operation; 2. the said intelligent liquid level monitoring device has an accuracy of  $\pm 0.5\%$ , which is much higher than the accuracy ( $\pm 2.5\%$ ) of traditional mechanical liquidometer; 3. intelligent filling is employed to help customers and drivers read tank volume and weight directly and facilitate safe filing; 4. customers are guided to optimize scheduling of liquid energy resources and cut down logistics cost based on mega data analysis and users' habit prediction; 5. customers can access field information from PC and mobile phone App when and where they want so as to realize remote control.



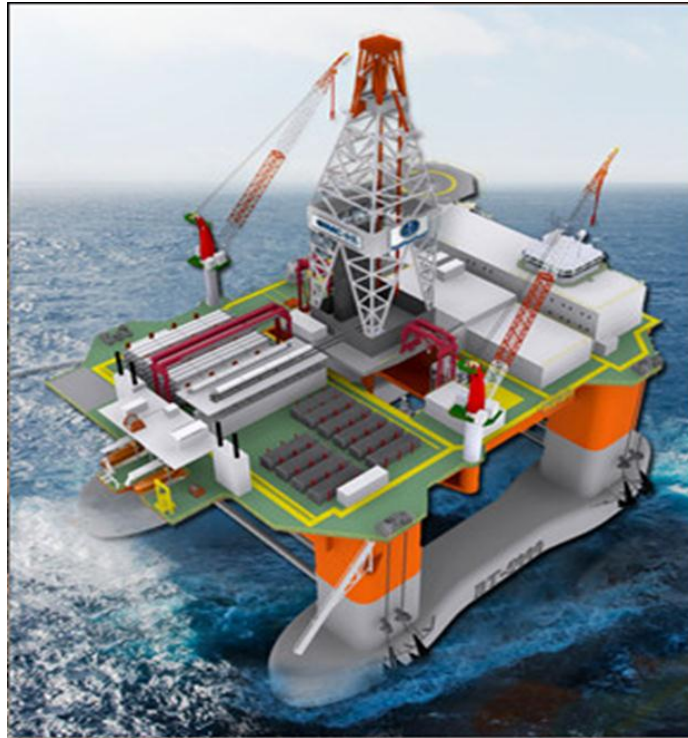
Intelligent liquid level monitoring curve

Sanctum was the first company in the industry to develop and apply the intelligent energy equipment management platform, realizing commercial application of smart transducer, mega data and cloud platform, promoting the development of product intelligentization, and bringing about the modern product management pattern integrating automation, digitization, systematization and informatization as a whole. It has practical social significance.

## Example

### BT5000 Semi-submersible Drilling Rig

To meet the demands of offshore industry for low-cost, efficient and safe equipment and launch innovative products, CIMC Raffles joined hands with the renowned marine design firm Basso Technology to design the BT5000 medium-deep- and deep-water semi-submersible drilling rig.



BT5000 is a medium-deep- and deep-water semi-submersible drilling rig specially designed for operating on the continental shelf of UK North Sea. It is equipped with a state-of-the-art drilling system, capable of operating in a maximum water depth of 1,500m and at a temperature of  $-10^{\circ}\text{C}$  and drilling to a maximum depth of 9,144m. It is designed with an 8-point mooring system and a DPS-1 dynamic positioning system. The drilling rig complies with the UK HSE specifications and possesses ABS certification. The optimized hull form provides the drilling rig with outstanding kinematic performance in severe oceanic conditions. Compared with other platforms of similar type, BT5000 boasts a significantly higher performance, making it a low-cost medium-deep- and deep-water semi-submersible drilling rig of the latest generation with outstanding performance.



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Moreover, CIMC has long been devoted to the development and innovation of management and manufacture technologies and strives to sustain a great comprehensive competitive edge through simultaneous upgrading of software and hardware. According to the requirements of performance excellence management model, CIMC established a standard operation and management system, i.e. Lean ONE Mode, which is applicable to all manufacturing businesses under CIMC and can help the businesses lift their management levels. The Lean ONE Mode is a lean management mode jointly developed by 20,000 persons from more than 10 enterprises under CIMC for 7 years. It is developed by summing up the Group's successful experience over the past two decades and learning from advanced management practices such as TPS (Toyota Production System) of Japan Toyota and ACE (Achieving Competitive Excellence) of United Technologies Corporation. And it is applicable to all manufacturing businesses under CIMC. The Lean ONE Mode consists of over 20 sub-modules including Safety, TPM, Standard Operation, Quality Control and Cost Control. It is a set of tools and methodology, a mechanism driving business improvement, a cultural concept, a palace for fostering talents and most importantly a capacity that cannot be replicated by competitors.

Through development in the past few years, the development of ONE Mode has achieved the strategic goal of 1st phase, namely, "to introduce the systems, methodologies and tools of various field units including 3S, Safety, TPM, Standard Operation, Cost Control and Quality Control to the workshops at the Group's businesses". The development of ONE Mode entered the 2nd phase in 2013. After the field module was beginning to take shape, CIMC integrated the Group-wide preponderant resources to build "oasis plant" targeting at "world-class manufacture" so as to gradually promote lean manufacturing and push businesses onto the road to "world-class plant".

In September 2013, member enterprises applied for "oasis plant" under the nomination of their respective Segments according to the Action Plan for Building World-class Workshops and Establishing ONE Special Fund published by CIMC, subject to the Group's approval. Taicang CIMC, Nantong Tank Container and Shenzhen Special Purpose Vehicle were selected as pilot enterprises of "oasis plant". Based on the phase-I goal of "world-class plant" construction, the three pilot enterprises set the targets for performance improvement and carried out improvement

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in terms of hardware upgrading and management mechanism innovation by focusing on such elements as safety, quality, production, planned logistics, equipment, manufacture equipment & technology, purchase supply chain. They moved closer toward “world-class plant” step by step through hardware & software upgrading.

During “oasis plant” construction in over one year, based on the phase-I goal of “world-class plant” construction, the three pilot enterprises took a series of improvement actions focusing on such elements as safety, quality, production, planned logistics, equipment, manufacture equipment & technology and purchase supply chain, and accomplished innovation and upgrading of the management mechanism. Thus, the “oasis plant” construction is making phased achievements.

### **Example**

#### **Nantong Tank Container**

Nantong Tank Container carried out “oasis plant” construction by adopting six major measures including environmental control & essential safety, in-process quality control, streamline management, automation improvement, optimization of operation process and system and lean leadership development & staff incentive mechanism. After the improvement, the original production mode of standard tank production line as an isolated operation experienced all-round upgrading and turned into a streamline production mode featured by one-piece flow of full-value process, and manufacture equipment & tooling were upgraded to semi-automatic and fully-automatic ones, which contributed to a remarkable reduction of labor intensity and increase of productivity by 30%; the WIP inventory at workshops declined greatly and hoisting was substantially performed without forklift or with few travelling cranes; materials were transported by self-made dedicated trolleys and delivered to production line directly by means of recurrent logistics in small batches and for multiple times; MES information-based system was preliminarily introduced to field work, and the Andon system was deployed to realize real-time production data display, statistics and monitoring & management. Workshop noise and dust were controlled effectively to create a clean and comfortable work environment; the management mechanism got upgraded and improved with the upgrading of hardware; especially, the staff rank

appraisal evaluation criterion, point-based reward mechanism, group birdhouse library, study corner and Training Within Industry (TWI) made the employees feel respect and the sense of belonging, and their mental attitudes at work was undergoing positive change. In 2015, the production cycle of standard tank production line was shortened by 28%, and the annual output reached over 20,000 sets, hitting a new record high. Referring to the standards of “world-class plant”, the “oasis plants” constructed by Nantong Tank Container are most comprehensive and representative programs preliminarily carrying the features of “world-class plant”.

Before improvement



After improvement



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## **Example**

### **Taicang CIMC**

Taicang CIMC carried out “oasis plant” construction from five major aspects including synchronizing pull box, technical innovation, safety control upgrading, lean total-cost budget management and oasis mechanism. After the improvement, Taicang became the first company in China to develop a synchronizing pull box covering final assembly, painting and completion. In addition, it performed takt time management with the aid of Andon system, effectively mitigated the influence and imbalance caused by production line malfunction using the bottleneck position detection mechanism, upgraded manufacture equipment & tooling to semi-automatic and fully-automatic ones and introduced high-tech robotic equipment for practical application, all of which contributed to a considerable improvement of productivity. An overall upgrading and transformation was conducted for the spare part self-fabrication machine and workshop composite assembly line to reduce isolated operations, effectively cut down WIP inventory and secondary transfer & stacking. As a result, the workshop space utilization was enhanced, and the counts of hoisting by forklift and traveling crane were reduced significantly. The Andon information-based system made it possible for the company to have a real-time feedback of production data, takt time and bottleneck position, and the ONE Kanban was the first example of electronic application that realizes electronic recording & archiving; cadre-to-professional and task-specific cadre training mechanism improved and fortified the improvement capacity and driving force of middle management; under the guidance of “poka-yoke” mechanism for essential safety control, electronic security locks and chairs were introduced to 80% key positions, and safety experience, TPM, quality control and standard operation were integrated to build an integrated TWI that would provide all-round and systematic training for new employees; all of the above together contributed to employees’ positive mental attitudes, well-organized production order and satisfactory management. In 2015, the standard container production line reported small container output of 350 sets/shift and large container output of 250 sets/shift, hitting new records in capacity. As a result of “oasis plant” construction, Taicang CIMC experienced a steady improvement

in hardware upgrading, management level and environment control, and is moving toward “world-class plant” step by step.



## Example

### Shenzhen Special Purpose Vehicle

Shenzhen Special Purpose Vehicle carried out “oasis plant” construction by focusing on new equipment purchase, cost improvement and capital operation. After the improvement, the MES information-based system was introduced to workshop, and such features as production planning, material shortage pre-warning and quality control were developed successfully; and meanwhile, the auto-printing of VIN code and nameplate was applied widely with positive feedbacks from the workshop; laser cutting machine and other high-tech equipment were purchased, new board processing process was developed and applied to replace the traditional pressing and cutting process and prepare for the new factory planning; and remarkable achievements were made in improvement of JBH finished automobile cost through PO exchange rate locking, purchase cost saving & reduction, design optimization and steel utilization increase.

Before improvement



After improvement





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## Credit Construction

CIMC has established long-term and extensive strategic partnerships with well-known banks and financial organizations at home and abroad. CIMC has stable financial condition, strict project investment review system, perfect fund management system and receivable management system, maintains a reasonable asset-liability ratio and can ensure asset and fund safety. In addition, CIMC strictly complies with relevant national tax laws, regulations and policies, and consciously carries out operation according to laws and pays taxes honestly.

As for the international and domestic capital markets, under the unified management of the Group's Fund Management Dept., CIMC keeps long-term, stable and trustful relationships with foreign-funded commercial banks such as HSBC, Citi group and Standard Chartered Bank, China-funded commercial banks such as Bank of Communications, CMB, CCB and Bank of China and state policy-related banks such as China Development Bank. CIMC is one of the key high-quality customers and head office-level strategic partners of the above banks and financial institutions and jointly carry out comprehensive cooperation in business such as working capital, international settlement, fund trade product, project acquisition, export insurance and settlement, buyer's credit, financial leasing and financial management.

CIMC fully respects and maintains the legal interests of the banks as the creditors, fully considers the legal interests of creditors when making operation decisions and notifies the creditors of important information related to their rights in time; when creditors need to know the financial status, operation status, management and the like of CIMC for maintaining their own interests, CIMC always actively supports and cooperates with the creditors and never impairs the interests of creditors for the purpose of maintaining the shareholders' interests of CIMC.

In 2015, CIMC was granted the "Taozhu Gong Awards" sponsored by EuroFinance and co-sponsored by an international accountants' organization-ACCA

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## Responsible Investment

CIMC' successful investment practices are based on unification of two responsibilities, including the responsibility for creating new values for shareholders and its responsibility as a social citizen. In recent years, CIMC not only consolidated the existing Container, Road Transportation Vehicles, Energy, Chemical and Food Equipment and Offshore Segments through transformation and upgrading but also established its presence in the new fields of fire rescue vehicle and E-Commerce through investment. CIMC CEO & President Mai Boliang expressed that CIMC makes a decision on whether to enter an industry according to the following three criteria: a) whether it accords with the future human and social development directions and trends; b) whether it can give full play to CIMC's advantages; and c) whether it conforms to the requirements of national strategies. CIMC is demonstrating with concrete actions the efforts made by a responsible corporate group in promoting industrial development and fulfilling social responsibilities.



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### **1. Highlight environmental protection input, and combine investing activities with industrial development and social responsibilities**

CIMC gave more and more inputs to the technical upgrading of mature industries over the past few years, which not only facilitated technical progress and enhanced productivity and product quality but also considerably mitigated environmental pollution, cut down resource and energy consumption, reduced labor intensity, and create a harmonious relationship between industrial development and surrounding environment and workers. Take the reefer container business for example, from January 2015, all reefer container enterprises under CIMC used environment-friendly CP foaming agent to replace 141b foaming agent. The reefer container with environment-friendly composite foaming agent developed by CIMC is conducive to remarkable improvement of thermal insulation properties and effective control of cost. It is expected that with the launch and application of the low-energy reefer containers of mixed green foaming agents, more and more customers will be ready to accept them and apply in large quantities afterwards.

### **2. Utilize available resources and advantages to make investments in technical and model innovation and the fields guiding the reform and upgrading of traditional industries so as to make contributions to advancing the development of urbanization and modernization in China.**

CIMC started the Modular Building business in 2004. Through over 10 years of hard work, the business has developed from a single concept to dozens of projects established in many developed countries such as UK, Australia, Netherlands and Japan. So far, CIMC Modular Building has successfully delivered more than 20,000 buildings. Integrated prefabricated module is typical of CIMC modular buildings. The high completion rate of workshop prefabrication meets the demand for ocean-motor multimodal transport, and modules are independent from each other. The buildings may have up to 30 floors, and the completion rate of workshop prefabrication reaches 90% or above. CIMC turns industrial production, modularization and ocean shipping of buildings into true in a creative manner, making it possible for buildings to be exported like high-speed rail, airplane and other high-end equipment and thus filling up China's and even the world's gap in this field. CIMC expects to bring green and

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environment-friendly industrial buildings to the domestic market under the environment and background of “OBAOR” development.

E-Commerce is now developing rapidly driven by the irresistible Internet trend. But the E-Commerce development in China has a major weakness. i.e. logistics. Under this background, CIMC E-Commerce emerged from the traditional manufacturing industry and is expanding to all parts of the country. By taking express delivery as a breakthrough point, CIMC E-Commerce developed and provided intelligent express delivery terminal “E-warehouse” to build the Internet ecosystem and community commerce and service system. It has helped millions of Chinese community residents solve the problem of “last 100m” delivery & pickup and is constantly creating convenience and values for residents and E-Commerce enterprises. In the future, CIMC E-Commerce will integrate logistics equipment manufacturing capacity and market resources to design and build community logistics platforms in a creative way and provide solutions for sustainable development of smart cities in China.

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### 3. Follow national strategies and stick to the “Made in China” concept

With the launch of a series of national strategies including “Made in China 2025”, “High-end Equipment Going Abroad and International Cooperation in Capacity” and “OBAOR”, the offshore equipment manufacturing industry plays an increasingly important role in the development of China’s high-end equipment manufacturing and shipping industry. Since 2008, CIMC has built 3 offshore manufacture bases and set up 4 offshore R&D centers in Sweden, Norway, Yantai and Shanghai respectively. Offshore engineering is, in its true sense, a high-end equipment manufacturing industry with greatest technical difficulty, most investment and most intense pressure of global competition; it is a tough yet far-reaching choice for CIMC to achieve industrial upgrading and really come top of the manufacturing industry. From 2010 to 2014, CIMC successively delivered a total of 20 different offshore platforms, distributed in main oil and gas areas in the world, including the North Sea in Norway, Brazil and Mexico Gulf. In particular, COSL semi-submersible drilling platform operating in the North Sea in Norway ranked first for seven times in overall performance assessment and won high recognition from global mainstream customers. In 2015, the COSL Prospector Drilling Rig built by CIMC Offshore was put into operation in South China Sea. “Training in North China Sea, and Serving in South China Sea”. CIMC produces high-end equipment for China to access the marine industry and is a hinge of the State’s “forging China into a maritime power” strategy. Meanwhile, as a breakthrough point of major equipment, CIMC will change the industry’s and the world’s views on “Made in China”.

### III. Fair Operation



#### No Commercial Bribe

CIMC has always been advocating a positive & optimistic and open & transparent corporate culture, sticking to the operation philosophy of “law-based governance & good faith” and keeping to the adage of “making money in a right way”. “All good principles should adapt to changing times to remain relevant”. Through continuous improvement of the internal control and audit & supervision system, CIMC strives to become a responsible public company that sets a good example for counterparts in Shenzhen and Hong Kong in standard operation, and protect the lawful rights and interests of investors, regulators, employees, customers, suppliers

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and other stakeholders. In 2015, CIMC continued to put great efforts in improving the internal control and supervision system and combating commercial bribery.

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## **I. Focus on three key tasks and carry forward “law-based governance”**

Since the 18th NPC, the new central government has steadfastly taken a path of governing the country by law and fighting against corruption. The nationwide anti-corruption drives have penetrated to enterprises and advanced toward anti-corruption by institutions. In 2015, the anti-corruption campaign in the economic sphere took on a deepening and strengthening trend in terms of scale, intensity and institutional improvement and arrangement. In the year, by answering to the call of combating corruption and upholding integrity, CIMC Discipline Inspection Commission did a good job in implementing the three major tasks defined by the Group’s management for the purpose of realizing “law-based governance”, including “enhance stakeholders’ legal awareness, fortify institutional improvement and strengthen cadre administration”.

1. In terms of publicity of honest operation, CIMC carried out education and publicity of Group-wide honest operation rules according to the requirements of “strengthen law knowledge & company policy training to ensure cadres develop a good knowledge of laws and abide by the laws” proposed by the President early this year. CIMC organized online learning activities & quizzes and workshops to help all managers and employees develop a profound understanding on honest operation rules; it hosted a session themed “law-based corporate governance” at the annual meeting and developed training materials regarding anti-fraud for Segments and member enterprises to carry out publicity of honest operation among managers and anti-fraud training for specialists; and it organized managers and employees at sensitive posts to sign an Undertaking of Honest Practice and signed Honest Purchase Agreement with external vendors, thereby playing its due education and warning functions.



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2. In terms of institutional improvement, CIMC formulated and issued the CIMC Administrative Rules on Accrediting Supervisors and Administrative Rules of CIMC Discipline Inspection Commission on Receiving Gifts in Cash or in Kind and released Notice on Restatement on Banning Giving and Receiving Holiday Gifts and Other Harmful Practices to further improve the supervision mechanism and ensure early warning and prevention of risks.



**Notice of CIMC Discipline Inspection Commission on  
Restatement on Banning Giving and Receiving Holiday  
Gifts and Other Harmful Practices**

To the Party organizations of all units:

As the Dragon Boat Festival is approaching, in order to create a positive and sound internal control environment, eradicate such harmful practices as giving and receiving holiday gifts and internal entertaining, and lighten the burden on enterprises and protect cadres, CIMC Discipline Inspection Commission restated that: holiday celebration is a test of Party members' and cadres' incorruptible behaviors, and it is strictly prohibited to receive and give holiday gifts. It is hereby notified that:

3. In terms of cadre administration, b following the requirements of “perform cadre evaluation and audit during term of office to detect problems timely, eliminate hazards and rectify defects” and the provisions of the CIMC Core Cadre Management System and CIMC Procedures for Accountability Audit, CIMC has completed 53 accountability audits during term of office for general managers and financial managers of subordinated enterprises, and started work improvement with the problems detected during audit. 96% of the problems have been rectified. The audit findings were highly valued by Group leaders and regarded as an important basis for cadre evaluation during term of office. Any cadre found to commit material malpractices would be denied for promotion. Through the accountability audit during term of office, CIMC located its weaknesses in 5S control and made improvement accordingly, and fortified its supervision over core cadres. In addition, it revised the templates of accountability audit reports for continuous improvement of audit report quality.

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## **II. Participate in origination of the first China Corporate Anti-Fraud Alliance to unit social forces in combating commercial bribery**

CIMC has always been advocating an open and transparent corporate culture, appealing for and setting a good example for promotion of social anti-fraud culture. On June 18, 2015, CIMC cooperated with industry-wide benchmarking enterprises such as Alibaba, Vanke and Midea along with professional organizations such as Guangdong Enterprise Institute for Internal Controls and Sun Yat-sen University to establish China Corporate Anti-Fraud Alliance. It is the first private cooperative organization established by businesses targeting at fraud prevention. It aims at helping enterprises execute anti-fraud practices and build relevant systems through innovation and cooperation, promote resources and information sharing, foster a platform for exchange of anti-fraud experience, and eventually create a clean business environment free of corruption. At present, the Alliance has preliminarily created a cross-industry platform for exchange and sharing of incorruptible business operation information and organized regular communication and training activities to improve the members' anti-fraud mechanism and management performance and guide the employees to work and the businesses to operate with integrity. As a founder of the Alliance, CIMC not only introduced its unique good anti-bribery concepts and practices featured by “integration of internal control, internal audit and supervision as a whole” to the Alliance but also invited 16 renowned listed companies and rising stars in all trades to join the Alliance to jointly create a clean business environment free of corruption.





Meanwhile, as a model for other listed companies in internal control practices, CIMC was designated as an experimental unit of ISO Anti-bribery Management System by Shenzhen Institute of Standards and Technology. The Group organized a special team to participate in discussion on establishment of ISO Anti-bribery Standard, and conducted a survey in Shenzhen Special Purpose Vehicle to locate gaps for improvement. In December, the Expert Consultation Conference on Local Anti-bribery Standards sponsored by Shenzhen Municipal Commission for Discipline Inspection and Supervision Bureau of Shenzhen Municipality and organized by Shenzhen Institute of Standards and Technology was held in CIMC. CIMC played an active role in preparation of ISO Anti-bribery Standard and local standards of Shenzhen Municipality, and was given high praise by leaders and corporate counterparts for its efforts made in upholding a clean and sound corporate culture and fulfilling social responsibilities.



### **III. Investigate and handle reports and complaints seriously**

CIMC set five principles for handling of reports and complaints, i.e. “accept all complaints, correct all errors, investigate all cases accepted, affix all responsibilities and punish all disciplinary offences”, with the intention to create an atmosphere that demands “zero-tolerance” for corruption. In 2015, CIMC Discipline Inspection and Supervision Department handled over 20 cases of alleged disciplinary violations via such channels as assignments from superiors, whistle-blowing and routine audit. It

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investigated and handled the cases by all means, put more efforts in the accountability and publicity of key cases, and developed a “blacklist” mechanism for dishonest partners to reduce loss, educate executives, and ensure healthy development of CIMC.

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#### **IV. Conduct special audit for further prevention and control of briber in high-risk fields.**

The internal control and audit of engineering projects is beneficial to cost-saving, profit-increasing and honest operation. CIMC adheres to the “3-step” strategy for anti-fraud in the engineering field, namely, beforehand prevention, interim monitoring and post audit. Engineering internal control and audit was conducted progressively, and settlement audit made dramatic breakthroughs, thus bringing direct benefits to the Group; meanwhile, the Group paid attention to the design of engineering internal control and audit training materials, gave operational guidance as to the Group’s construction projects and arranged honest operation publicity activities so as to create a clean atmosphere and nip corruption in the bud.

Special audit of purchasing business is conducive to risk prevention and control. In 2015, CIMC conducted 20 special audits in total. It summarized the highlights in enterprises’ purchase management on the one hand, and discovered the problems present in the purchasing business on the other hand. 95.8% of the problems discovered were rectified. The above special audits improved the enterprises’ purchase management, put an end to bad practices, consolidated the rigid constraints of institution, handled disciplinary offences properly and played the positive role of purchasing business special audit in prevention and control of high-risk businesses.

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## Law-abiding Operation & Fair Competition

CIMC has always observed laws and regulations of countries and regions where it operates and sought fair play so as to uphold public interests. CIMC respects physical property or intellectual property of relevant enterprises and organizations, and acts in strict accordance with laws, regulations and policies of countries and regions where it operates concerning property rights protection. It will not get involved with any activity violating property rights of the third party. In 2015, CIMC was not subject to any penalty or proceeding for acting against applicable laws of competition or violating property rights of others.

To promote fair competition in purchasing, CIMC established the CIMC Purchasing Management System for regulated purchasing operations. For example, raw materials should be purchased after comparing bids of at least three suppliers; materials for projects should be obtained through tendering. With these requirements, CIMC would maintain fair and open transactions to the largest extent.

The system provides criteria for supplier selection, and elevates requirements for suppliers in law compliance, environmental protection, integrity operation, safety work and wellbeing of employees. It also conveys our ideas and requirements of social responsibility to suppliers, pushes them to perform social responsibilities, and encourages greater involvement in fulfilling the commitments to all relevant communities by our partners.

With regard to partnership with suppliers, CIMC identifies five types of relations including strategic operation, all-round cooperation, economic & trade cooperation, regional cooperation and trial cooperation. The trial cooperation, in particular, opens doors for all suppliers which desire to cooperate with CIMC. It is a prime example of fair competition.

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## Promoting Sound Industrial Development

As a leader in multiple industries, CIMC not only abides by industrial standards and practices, but plays an active role in development of such standards or practices, making great contributions to the healthy and sustainable development of relevant industries. CIMC takes an active part in the development and revision of industrial regulations and standards. By the end of 2015, CIMC had been involved in developing over 140 international, national or industrial standards across six fields including containers, special purpose vehicles, energy & chemical equipment and airport facilities, 67 of which (national/industrial standards) had been officially published.

### **Containers**

As a full member of such international organizations as COA and IICL, and a deputy director of the China Container Standardization Committee (CCSC), CIMC enjoys two registered experts of ISO/TC104 and acts as a chairman of ISO/TC104/SC2/WG6 working group.

In recent years, CIMC has led and participated in development and revision of several national or industrial standards, and participated in that of International Container Standard by ISO/TC 104 on behalf of Chinese enterprises. So far, CIMC has led/participated in 11 international standards, 8 national standards and 12 industrial standards and practices.

In 2015, CIMC took charge of and completed the preparation of ISO1496-5 Series-1 Container Specifications and Test Procedures – Platform Based Container, participated in the formulation of Water-based Paints for Containers and Specifications for Coating of Paints for Containers presided over by China Container Industry Association, and the GB/T19536-2015 Plywood for Container Flooring jointly prepared by CIMC and other parties was officially released in July 2015.

### **Vehicles**

As a leader in domestic transportation equipment, CIMC Vehicles abides by national or industrial standards and practices. And meanwhile as a Deputy Secretary General Unit of the Special Purpose Vehicles Technique Committee and Trailer

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Technique Committee of National Technical Committee of Auto Standardization, it plays an active role in carrying out national research projects and developing national standards. At the same time, it integrates leading technologies and established standards obtained from other countries into preparation and update of national standards, promoting the healthy and sustainable development of China's vehicle industry.

For example, CIMC Vehicles cooperated with the Research Institute of Highway of Ministry of Transport to carry out researches on HC container transport vehicles, centre axle trailer specifications and technical proposals of double trailer train, thereby promoting the development of double trailer transportation, enhancing the researches on specifications, test procedures and product technologies of double trailer train in America and Europe, and providing technical support to the preparation of relevant Chinese standards.

**National and Industrial Standards That CIMC Vehicles Presided over or  
Participated in Preparation in Recent Years**

S/N	Standard title	Standard type
1	GB 1589-201X Limits of Dimensions, Axle Load and Masses for Road Vehicles	National Standard
2	GB 6420-201X Freight Trailer Series Pedigree	National Standard
3	GB 7258-201X Safety Specifications for Power-driven Vehicles Operating on Road	National Standard
4	GB 12676-201X Structure, Performance and Test Methods of Road Vehicle Braking System	National Standard

5	GB 28373-2012 Tank vehicles of Categories N and O with Regard to Rollover Stability	National Standard
6	GB 11567-20XX Motor Vehicles and Trailers—Lateral and Rear Underrun Protective Devices	National Standard
7	GB 15089-201X Classification of Power-driven Vehicles and Trailers	National Standard
8	GB XXXX-XXXX Technical Requirements for Trailer-converted Dolly	National Standard
9	GB 29753-2013 Safety Requirements and Test Methods of Refrigerated Vans for Road Transportation of Perishable Food and Biological Products	National Standard
10	GB/T29912-2013 Technical Requirements for Urban Logistics Vehicles	National Standard
11	QC/T 23-2014 Fresh Milk Delivery Trucks	Industrial Standard
12	QC/T XXX-XXX Coal Transport Vehicles	Industrial Standard
13	QC/T XXX-XXX Technical Specifications and Test Methods of Emergency Shutoff Valve of Road Tanks for Dangerous Liquid Transportation	Industrial Standard
14	QC/T 563-XXX Technical Specification and Test Methods of Refuelers	Industrial Standard
15	QC/T 52-201X Garbage Trucks	Industrial Standard
16	QC/T 652-201X Sewage Suction Truck	Industrial



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		Standard
17	WB/T 1046-2012 Requirements of Refrigerated Transportation of Perishable Foodstuff by Motor Vehicles	Industrial Standard

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## Energy, Chemical and Food Equipment

CIMC Energy, Chemical and Food Equipment Segment is a Deputy Director Unit of the Transportable Pressure Vessel Technique Committee of China Standardization Committee on Boilers and Pressure Vessels, comprising 1 vice chairman and 6 committee members. Besides, it is a leader unit of the Cryoengineering Workgroup of China Standardization Committee on Boilers and Pressure Vessels (TC262/WG1), comprising 1 team leader.

In the past few years, CIMC Energy, Chemical and Food Equipment Segment presided over or participated in preparation or revision of 29 national standards and 17 industrial standards on pressure vessel. For example, it drafted the Large Volume Seamless Steel Cylinders, Seamless Steel Tubes for Large Volume Gas Cylinders, Liquefied Gas Tanker, Tank Containers for Dangerous Liquid Goods, Road Tanks for Refrigerated Liquefied Gas and Tank Containers for Refrigerated Liquefied Gas. Among them, the Seamless Steel Tubes for Large Volume Gas Cylinders marks the birth of the first standard in seamless steel tubes for large volume gas cylinders, and fills China's gap in this field. The Large Volume Seamless Steel Cylinders under preparation is China's first national standard in large volume steel cylinders, and is sure to make a major contribution to the healthy development of the whole industry.

### National and Industrial Standards That CIMC Enric Presided over or Participated in Preparation in Recent Years

S/N	Standard No.	Standard title	Standard type
1	GB 28884-2012	Seamless Steel Tubes for Large Volume Gas Cylinders	National Standard
2	GB/T18442.1~6-2011	Static Vacuum Insulated Cryogenic Pressure Vessel	National Standard
3	JB/T 4253-2013	Oil flooded Sliding Vane Air Compressor for General Use	Industrial Standard
4	HG/T 3648-2011	Magnetic-driven Reactor	Industrial

			Standard
5	JB/T 8052-2011	Non-lubricated Liquefied Petroleum Gas Recycle Compressor	Industrial Standard
6	JB/T 3771-2008	Specifications for the Portable Compressor Chassis	Industrial Standard
7	JB/T 4780-2002	Tank Containers for Liquefied Natural Gas	Industrial Standard
8	GB/T 19905-xxxx	LNG Transport Tanker	National Standard
9	GBxxxx	Large Volume Seamless Steel Cylinders	National Standard
10	GBxxxx	Seamless Stainless Steel Gas Cylinders	National Standard
11	NB/T 4782-xxxx	Tank Containers for Dangerous Liquid Goods	Industrial Standard
12	NB/T 4784-xxxx	Tank Containers for Refrigerated Liquefied Gas	Industrial Standard
13	NB/T 4783-xxxx	Road Tankers for Refrigerated Liquefied Gas	Industrial Standard
14	SH 3412-xxxx	Specification for Selection, Inspection and Acceptance of Metallic Hose for Piping in Petrochemical Industry	Industrial Standard
1	GB/T 31480-2015	Cryogenic Vessels - Materials for Vacuum Insulation Layers	National Standard
2	GB/T 31481-2015	Cryogenic Vessels - Gas/Materials Compatibility	National Standard
3	GB/T 25360-2010	The Reciprocating Piston Natural Gas Compressor for the Vehicle Gas Station	National Standard

4	GB/T 18443.5-2010	Testing Method of Performance for Vacuum Insulation Cryogenic Equipment - Part 5: Static Evaporation Rate Measurement	National Standard
5	GB/T 18443.6-2010	Testing Method of Performance for Vacuum Insulation Cryogenic Equipment - Part 6: Heat Leakage Measurement	National Standard
6	GB/T 18443.8-2010	Testing Method of Performance for Vacuum Insulation Cryogenic Equipment - Part 8: Volume Measurement	National Standard
7	SH/T 3172-2012	Terminology Standard for General Planning and Industrial Transportation in Petrochemical Industry	Industrial Standard
8	TSG R0005-2011	Supervision Regulation on Safety Technology for Transportable Pressure Vessels	Laws and regulations
9	TSG R0006-2014	Supervision Regulation on Safety Technology for Gas Cylinders	Laws and regulations
10	JB/T 12564-2015	Screw-piston Tandem Compressor Unit	Industrial Standard
11	GB/Txxxx	Technical Specifications for LNG Tanks	National Standard
12	GB/Txxxx	Technical Specifications for Special Equipment of LNG Tanks	National Standard
13	GB/T1589- xxxx	Limits of Dimensions, Axle Load and Masses for Road Vehicles	National Standard
14	GBxxxx	Selection, Application and Installation of Pressure-Relieving Devices for Pressure Equipment	National Standard
15	GBxxxx	Basic Research of Combined Safety Valve and Rupture Disk	National Standard

16	GBxxxx	Selection and Installation of Pressure-Relieving Devices for Pressure Equipment	National Standard
17	GBxxxx	Application Directives for Pressure Equipment Safety Accessories	National Standard
18	GBxxxx	Specifications for the Design of Liquid Stock Rail Loading and Unloading Facilities in Petrochemical Industry	National Standard
19	GBxxxx	Liquefied Natural Gas Cylinders for Vehicles	National Standard
20	GB18564.1	Road Tanker for Dangerous Liquid Goods Transportation - Part 1: Technical Requirements of Atmospheric Pressure Metal Tanks	National Standard
21	GB/T18442.7	Static Vacuum Insulated Cryogenic Pressure – Part 7: Technical Specifications for Inner Container Strain Hardening	National Standard
22	GBxxxx	LNG Tanks for Vessels	National Standard
23	GBxxxx	Rules for Natural Gas Fuelled Ships	National Standard
24	GBxxxx	Rules for Construction and Classification of On-water LNG Filling Boats	National Standard
25	NB/T 4781-xxxx	Tank Containers for Liquefied Gas	Industrial Standard
26	JB/T 11883-xxxx	Booster Compressor for CNG Primary & Secondary Stations	Industrial Standard
27	JB/T xxxx	CBM Compressor	Industrial Standard

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## **Airport**

CIMC always actively participates in the preparation, revision, promotion and maintenance of industrial and national standards so as to maintain a healthy and sustainable industrial development.

In 2015, CIMC-Tianda participated in making recommendations for revision of a series of domestic and foreign standards, making contributions to regulation of the industry; joined TUV, a world renowned third-party certification authority in Germany to propose comments on the updated European passenger boarding bridge standard EN12312-4:2014; obtained the CE certification subject to the new standard; participated in the revision of CAAC MHT 6028 passenger boarding bridge standard which is expected to be released in early 2016; and was invited by IATA to participate in the revision of AHM922 Standard.

Till now, CIMC-Tianda has organized and participated in the formulation of the following standards:

#### **Airport Industry Standards with CIMC Participation in Recent Years**

- MH/T 6028-2003 Passenger Boarding Bridge Responsible for most drafting work
- JB/T 10474-20XX Aisle-stacking Mechanical Parking System Participated in revision
- JB/T 10475-20XX Vertical Lifting Mechanical Parking System Participated in revision
- JB/T 10545-20XX Horizontal Moving Mechanical Parking System Participated in revision
- GJB 4432-20XX General Specification on Cargo Transportation Loader for Military Transporters Participated in drafting
- GB 17907-2010 Mechanical Parking Systems-General Safety Requirement Participated in revision
- GB/TXXXXX.11 Instructions on Mechanical Inspection and Maintenance of Cranes Part 11:

Bridge and Gantry Cranes

Major drafter

- EN12312-4:2014 European Passenger Boarding Bridge Proposed
- AHM922 Participated in revision

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## Offshore

CIMC Ship and Offshore Design & Research Institute (Shanghai), one of the council members of Chinese Society of Naval Architects and Marine Engineers, has participated as the deputy team leader in the formulation of Guidelines on the Investigation and Evaluation of Ocean Energy and Resources Part 7: Ocean Wind Energy and the establishment and proofreading of other national and industrial standards. CIMC Raffles also undertakes the large research project “Research on Specifications and Standards on Offshore Engineering Technologies” of the Ministry of Industry and Information Technology of P.R.C. to promote healthy and sustainable development of the offshore engineering industry. In recent years, CIMC Offshore has organized and participated in the formulation of the following standards:

S/N	Standard title	Standard type	Organization
1	JT/T 292-2013 Test Methods of Vessel Rapidity Industry standard	Industry standard	Ministry of Communications
2	Rules for Classification of Mobile Offshore Units	Industry standard	China Classification Society (CCS)
3	Safety Code for Mobile Offshore Units National standard	Maritime Safety Administration of the People's Republic of China	Maritime Safety Administration of the People's Republic of China
4	Rules for Building and Classing Mobile Offshore Drilling Units 2012	Industry standard	American Bureau of Shipping (ABS)
5	ABS Rules 2014	Industry standard	American Bureau of Shipping (ABS)
6	GL Rules 2014	Industry standard	DNV-GL
7	BV Rules 2014	Industry standard	Bureau Veritas
8	Rules for Classification of Steel Ships (Rev. 2015)	Industry standard	China Classification Society



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<b>9</b>	ABS rules 2015	Industry standard	American Bureau of Shipping
<b>10</b>	GL rules 2015	Industry standard	DNV-GL
<b>11</b>	BV rules 2015	Industry standard	Bureau Veritas

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## IV. Environment Protection and Conservation

All human beings share one planet, so the global villagers have closely related fates.

As a responsible Chinese enterprise, CIMC has always been giving priority to its social responsibilities of environmental protection and resource conservation in the course of business development and strives to achieve the harmonious coexistence between economic growth and the ecological system. The harshest-ever revised Environmental Protection Law of the People's Republic of China took effect as of January 1, 2015. The country advocates enactment of national laws to protect and improve the environment, prevent and control pollution and other public hazards, protect public health, promote the construction of ecological civilization, and facilitate sustainable development of the society and economy.

To support execution of the harshest-ever revised environmental protection law, CIMC thoroughly practices scientific outlook on development, vigorously promotes the construction of ecological civilization, actively explores new paths for environmental protection, and strives to achieve the harmonious coexistence between economic growth and the ecological system. In 2015, dozens of manufacturing enterprises made investment in construction and reconstruction projects. During construction and reconstruction of production bases, CIMC gave priority to its social responsibilities of environmental protection and resource conservation, followed the principle of “simultaneous design, construction and operation of environmental protection facilities and production facilities”, abided by national and local environmental protection laws and regulations, and exerted strict control over three industrial wastes.

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## **1. Environmental Management**

To strengthen the environmental protection management of construction projects and put new pollutants under strict control, CIMC establishes an overall strategy to deploy and advance the Group's environmental protection work for the purpose of environment protection and improvement. The Group practices the system of “simultaneous design, construction and operation of pollution and public hazard control facilities and main work”. While being committed to productivity improvement, CIMC pays more attention to create a healthy and safe environment for production and working, values environmental governance, sticks to the resource-saving and environment-friendly corporate development, and controls original pollutions in expansion, reconstruction and technical upgrading projects in an economically feasible way so as to promote the harmony between man and nature.

In 2005, CIMC established the environmental management organization pursuant to ISO14000 environmental management standards and since then environment protection and energy conservation have been incorporated into the group strategic planning. All enterprises under CIMC have established and passed the certification of ISO14001 environmental management system and OHSAS18001 occupational health and safety management system and provided trainings on cleaner production audit and environmental protection to enhance the staff's environmental management awareness and the ability of enterprises in environmental management.

After years of development, CIMC has perfected the management systems and regulations for environment protection and energy conservation, formulated the management mechanism for environment protection and energy conservation, strengthened process supervision and project management, implemented the energy conservation and emission reduction objective responsibility system, established the responsibility structure and the performance appraisal system, incorporate the function of energy conservation and environment protection into corporate strategic planning, production management and strategic performance evaluation, formed an

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effective supervision, management and evaluation system, and standardized the management of energy conservation, emission reduction and environment protection.

Project		Main measures	Achievements
Waste water treatment	Project of network connection between the online monitoring system developed by Wuhu CIMC Ruijiang Automobile COD and municipal control platform and sewage interception and collection	Installation and replacement of new data transmission instrument and sewage interception and collection project will be completed, reporting procedures against municipal environmental protection authority will be handled and network connection between online monitoring system of the Company and municipal control platform will be established. The waste water treatment pipes of the Company will be allowed to access to municipal pipeline network and the waste water treatment results will be recognized by the municipal environmental protection authority, thus lowering the waste discharge requirement of the Company to Level III standard.	Previous waste water treatment results have been recognized by the municipal environmental protection authority and the cost of waste water treatment will be reduced under the premise that waste water treatment meets related standards.
	Project of new acid pickling waste water treatment facility of Wuhu CIMC Ruijiang Automobile	To meet the demand for business development and meet the requirements for waste water treatment, the original acid pickling site will be relocated and a new acid pickling treatment facility will be built at the west side of the plant, covering civil construction and purchase of new equipment.	Innocuous treatment of acid pickling waste water will enhance the occupational health of workers and can protect the environment.
	Spraying waste water treatment project of Liangshan CIMC Dongyue	The two enterprises will build new spraying waste water treatment facilities in their	1. Spraying waste water recycle; 2. Waste water discharge

Project		Main measures	Achievements
	& Shandong CIMC	respective plants based on the requirements of environmental protection and demand of business development in 2015.	meeting standards.
	Waste water treatment improvement project of Luoyang CIMC Lingyu	Benchmarking rectifications will be carried out based on the requirements of environmental protection, (1) conduct inspection and maintenance of COD detection device to ensure that the equipment is in good condition; (2) regularly collect water sample for COD water sample detection; and (3) renovate waste water discharge pipes to ensure smooth discharge.	Make sure discharged waste water meets related standards.
	Expansion of waste water processing station of Nantong Tank Container	The waste water treatment system of waste water treatment station of the Company will be upgraded and renovated and the treatment capacity will be upgraded to 500 t/d.	COD (chemical oxygen demand) discharge will be reduced by 45.5t every year
	Flushing line renovation of Nantong Tank Container	Waste water recycle process will be adopted for flushing waste water of tank container production and hydraulic flushing layout and equipment overall upgrade and renovation will be carried out, forming large batch product production line, improving productivity and	1. Electricity cost will be reduced by CNY 1,104,000 every year; 2. Water consumption will be reduced by 80,880 tons; 3. The project also won the financial incentive for

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Project		Main measures	Achievements
		reducing production energy consumption.	municipal water conservation technical renovation project granted by the municipal water conservation office.

Fig. List of part of environmental protection projects of CIMC in 2015

## Example

### **Water-based Paint Is Widely Applied to Paint Cold Containers of Taicang Cold Container**

In recent years, China has enhanced its efforts to tackle environmental pollution. water-based paint is organic solvent-free and legally approved. On July 1, 2015, Beijing and Shenzhen imposed a ban on the use of oil-based paint. So it is an inevitable trend for water-based paint to replace oil-based paint.

Innovation is one of the core competitiveness of an enterprise. Taicang Cold Container attaches great importance to technological innovation, as it comes with stronger competitiveness, market benefits and responsibility for tackling environmental pollution. So Taicang Cold Container pursues constant innovation and breaks traditions. Recently, Taicang Cold Container, shipping company HAMBURG-SÜD and paint manufacturer KCC cooperated in painting 110 cold containers with water-based paint in production & coating line of Taicang Cold Container. That water-based paint is widely used to paint cold containers is unprecedented in global cold container industry.

The tri-party cooperation is based on the principle of mutual basis, which has not only boosted the competitiveness of Taicang Cold Container and reduced environmental pollution, but also reflects the commitment of the three parties to environmental protection. So the “win-win outcome” has been achieved.





## 2. Pollution Mitigation and Emission Reduction

From 2005 to 2015, CIMC actively practiced low carbon economy and green manufacture, put a cumulative investment of more than RMB 500,000,000 in environment protection and management, increased environment protection investment year by year, built a batch of low carbon technology demonstration projects, and maintained the main emission reduction indicators at the advanced level of the industry.

<b>Waste gas treatment</b>	VOC emission reduction and improvement project of F2 sand paint shop of Shenzhen CIMC	Spraying process will be improved based on the emission reduction requirements of VOC for environmental protection, i.e. solvent based paint will be replaced with water-based paint. (1) 6 set of high pressure spraying equipment will be purchased; (2) the outlet of drying chamber will be renovated to add a moisture discharge device.	Solvent based paint will be replaced with water-based paint for the spraying process, realizing VOC rectification.
	Sanctum product coating improvement	1. Use nano paint to replace traditional paint; 2. Promote electrostatic spraying to gradually replace airless spraying.	1. Reduce the volatilization of benzene series; 2. Strong surface adsorption capacity, improving product quality; 3. Paint adsorption rate can be improved by 20% and paint consumption reduced by 30%.
	Overall renovation of spraying line of Nantong Tank	Natural gas will be used to replace diesel as the fuel for the drying chamber of the spraying	1. Fuel cost can be reduced by CNY 328,000 every

	Container	line, thus improving combustion efficiency and reducing waste gas emission.	year; 2. Sulfur dioxide emission can be reduced by 0.0368 ton every year.
<b>Solid Wastes treatment</b>	Hazardous waste management project by all domestic business units under the Vehicle Group	(1) Hazardous waste storage warehouse will be required to be constructed for uniform collection and treatment for enterprises with spare land; (2) for enterprises without spare land, a hazardous waste treatment enterprise should be entrusted for uniform collection and treatment of hazardous waste.	Reasonable treatment of hazardous waste should be ensured to meet the requirements for environmental protection.
	Solid waste molding sand treatment project of Zhumadian CIMC Huajun Casting Co., Ltd.	Use the plastic woven bags provided by suppliers free of charge to pack waste sand produced on site and entrust an external vehicle for transportation of waste sand for centralized treatment.	Prevent environmental pollution.

## Example

### Reduction of exhaust emission-water-based paint replaces solvent-based paint at F2 Sanding & Coating Workshop

**Project background:** With the implementation of New Environmental Protection Law, departments for environmental protection have tightened control over VOC emission. As the leader in special-purpose vehicle industry, CIMC Vehicles Group took the lead in the use of water-based paint for product coating so as to reduce VOC emission.

**Project progress and result:** Shenzhen CIMC Vehicles Co., Ltd. purchased 6 high-pressure spraying equipments, reconstructed the exit of drying house and added moisture removal equipment so that solvent paint was successfully replaced by water-based paint.



## Example

### Wastewater treatment - coating wastewater treatment facility at the factory area

**Project background:** The coating wastewater project of Liangshan CIMC Dongyue Vehicles Co., Ltd. has been included in *Water Pollution Prevention and Control Action Plan 2015-2016 of Jining City* and as one of 117 projects for on-site inspection by the Ministry of Environmental Protection in the Huai River basin; meanwhile, it has been listed as one of the 13 municipal key water pollution prevention & control projects in *Water Pollution Prevention and Control Action Plan 2015-2016 of Liangshan County*.

**Project progress and result:** Liangshan CIMC Dongyue Vehicles Co., Ltd. invested RMB 180,000 to treat coating wastewater with +Fenton reagent oxidation+sedimentation+filtering, making COD concentration in the treated wastewater stable and up to standard. It is economically reasonable at RMB 2.5/m<sup>3</sup>, lower than that of tap water. As the operation cost is low, it is not a financial burden for the company.



sewage treatment plant

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## Example

### **Optimize treatment process, achieve sludge minimization and reduce environmental risks**

In the beginning of 2015, Nantong CIMC Tank Equipment Co., Ltd. optimized pickling wastewater treatment process, improved additive proportioning and pipeline design according to excessive sludge generated in the pickling wastewater treatment process. The maximum lime consumption dropped to 1 bag per shift from 8 bags per shift. The company realized sludge minimization based on continuous summarizing and improvement: 167 tons of sludge were reduced in 2015, down 55% YoY and sludge disposal cost of around RMB 435,000 was cut; meanwhile, unit cost of pickling wastewater treatment declined 10% YoY, the operation cost would see a cut of RMB 45,000 the whole year, and about RMB 480, 000 in total would be saved the whole year, which is of positively social, economical and environmental significance.



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### **3. Resource Conservation and Comprehensive Utilization**

Establishing “conservation-minded society” is an important national policy of Chinese government. In recent years, CIMC has continuously eliminated backward production process and equipment and facilities through technical upgrade, continuously promoted “green production” process, embedded “green, energy conservation and environmental protection” concepts in product design, used the concept of recycle economy to carry out research of energy conservation and consumption reduction process and technology and engineering application, continuously improved the utilization rate of residual heat and energy and waste materials, reduced the emission of “three wastes” and gradually carried out the research of lightweight products. In 2015, business units under CIMC have intensified investment in projects such as photovoltaic power generation, residual heat utilization and lightweight product design, which not only have reduced the emission of “three wastes”, but also created economic benefits.

Fig. List of part of energy conservation and consumption reduction projects of CIMC in 2015

Project		Main measures	Achievements
Energy conservation project on production site	Hande drum brake (replace ordinary waste steel with tub head) of Zhumadian CIMC Huajun Casting	Ordinary waste steel is used to replace acid picking bar (tub head) waste steel and the addition of iron chip will be increased from 10% to 20%.	After replacement of raw materials, the cost for cast iron per ton can be reduced by CNY 15.6.
	Cost reduction test (using medium-temperature graphitizing recarbonizer) project for Wheel hub products of Zhumadian CIMC Huajun Casting	Cost reduction can be realized by taking advantage of the price difference between medium-temperature graphitizing recarbonizer and high-temperature graphitizing recarbonizer in 3511 (wheel hub product).	Mixed use of medium-temperature graphitizing recarbonizer and high-temperature graphitizing recarbonizer can lower the cost by $5.20-3.300 \times 50/6 = 1.583$ (yuan/t) for molten iron compared with purely using high-temperature graphitizing recarbonizer.
	Elimination project of silicon controlled rectifier welder of Yangzhou CIMC Tonghua	The Company is proposed to purchase inverter welder to replace old SCR welders as the former is can save more energy and power compared with SCR welders.	Reduce power consumption and lower production cost.
	Lighting renovation project of Luoyang CIMC Lingyu	All 170 sets of 400W halogen lamp in the plant will be replaced with 150W or 100W LED energy saving lamps for factories and mines.	The electricity cost in 2015 will be reduced by CNY 25,318
	Solar photovoltaic power station project of Qingdao CIMC Refrigerator Vehicle	Solar roof photovoltaic power station project of Qingdao CIMC Refrigerator Vehicle is energy conservative and is low in	The average price of electricity of power supplier in 2015 is 1.07 yuan/kwh and that for PV power is only 0.73 yuan/ kwh. The

		carbon emission. A 25-year energy management contract has been signed between the Company and a strategic investor to share the benefits brought by the solar PV roof power station.	generating capacity in 2015 is 1,162,068 Kwh and correspondingly, CNY 395,000 is saved for power cost.
	Air compressor residual heat utilization and renovation project of Zhumadian CIMC Huajun	The water can be heat to 50°C through heat exchange and can be collected in the water tank by making full use of the residual heat generated by the air compressor. Then, hot water can be pumped to the staff's bathroom for heating and taking shower.	127,640.64 Kwh of power can be saved each year and CNY 117,429.39 can be saved for power cost.



Energy conservation and consumption reduction of products	<p>Lightweight products:</p> <ol style="list-style-type: none"> <li>1. Lightweight slag dumper developed by CIMC Huajun</li> <li>2. Lightweight model developed by CIMC Tonghua</li> <li>3. Van semi-trailer with lightweight cellular wings;</li> <li>4. Lightweight model produced by Xi'an CIMC;</li> <li>5. Lightweight design for mixers.</li> </ol>	<ol style="list-style-type: none"> <li>1. Home-made high-strength wear resistant steel will be used to control the dead weight of slag dumper within 3.8 ton through structure and material improvement, which is 2 tons lighter than normal slag dumper.</li> <li>3. The complete vehicle will be 1,000Kg lighter</li> <li>4. A Total of 95 U-shaped hopper dumpers are produced and the dead weight of the complete vehicle is reduced;</li> <li>5. Take measures such as material replacement and simplified structure for lightweight design.</li> </ol>	Save energy and reduce fuel consumption on the basis that production function and performance are ensured.
	Reduction of outer reinforcing ring for CIMC Tonghua insulation tanker	Reduce weld joints, i.e. reduce CO2 consumption for welding, thus reducing waste gas emission	Reduce waste gas emission.
	Urban slag dumper project of Xi'an CIMC	121 urban slag dumpers are produced or renovated for customers in 2015 (adding environmental protection cover and shelter system	Reduced dust flying during loose material transportation and mitigated environmental pollution.
	Replace 75 Si-Fe with Elkem Si-Ca-Ba inoculant to reduce cost	Reduce cost by using Elkem inoculants and reducing the addition of 75 Si-Fe inoculants and at the same time meet the	The cost can be reduced by CNY 23.21 per ton by replacing 75 Si-Fe inoculants with

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		performance requirements for casting. Save resources and realize environmental protection.	Elkem inoculants.
	Independent development of small tonnage hooklift	Use independently developed hooklift to replace outsourced hooklift to reduce purchase cost; reduce failure rate through design optimization and upgrade, improve safety in use and save post-sales investment.	The cost can be reduced by no less than CNY 3,000 per set.

## Example

### Lightweight product design - lightweight cellular board wing opening van semitrailer

**Project background:** 2005 sees a growing demand for lightweight vehicles. In order to meet increasing demands, manufacturers began to work on lightweight product design. With more and more cars, air pollution is becoming increasingly serious, so lightweight product design featuring energy saving and emission reduction has become an effective approach to dealing with air pollution. Therefore, lightweight design without compromising product reliability and quality will be a must for enterprises.

**Project progress and result:** The lightweight cellular board wing opening van semitrailer independently designed and developed by Yangzhou CIMC Tonghua Special Vehicles Co., Ltd. was put on the market in 2015. The frame, fuel tank and water tank of the van semitrailer are all made from aluminium alloy and the flank is covered with cord fabric instead of steel plate, which has reduced the whole vehicle weight by 1,000 kg and lowered fuel consumption significantly. It has been well received by customers.



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#### **4. Ecological Protection**

Confronted with increasing environmental protection pressure by container coating, water-based paint is believed to be the most feasible solution for coping with environmental protection issue. However, the key issue for the application of water-based paint is the high cost of paint. Electrostatic spraying can improve spraying rate, and thus reducing paint cost. Optimize production line and product structure, develop and use efficient clean energy equipment, promote continuous innovation, improve resource utilization efficiency, transform development mode and create environmental-protection, energy conservative enterprise.

## Example

### Electrostatic spraying process and equipment for container water-based paint

Electrostatic spraying is mature in other industrial applications, but new in container industry, mainly because of the following difficulties: 1. The pressure of high-pressure airless spraying is too high for electrostatic adhesion. 2. Electrification. Oil-based paint: high voltage presents the risk of burning and explosion. Water-based paint: electrical resistance is too low to accommodate high voltage (about 80KV). Common characteristics of water-based paint and oil-based paint: poor construction condition and thick paint mist make it hard to accommodate high voltage. 3. Particular construction process. 4. One-time thick coating film and fast pace lead to high viscosity and quick-drying characteristics. Electrostatic spraying will easily lead to the problem of gradual paint accumulation.

Southern CIMC has developed electrostatic spraying equipment suitable for container water-based paint construction, resulting in painting improvement by 15%. The company is now applying for 6 patents in rotating cup structure, electrostatic equipment and electrostatic process.



automatic washing line

paint feeding line

drive gas for rotary cup

high voltage electrostatic generator

## Example

### Promotion of Ecological and Environment-Friendly Flattened Bamboo

#### Composite Flooring Products

Flattened bamboo composite floor, on which CIMC has been doing painstaking research, is the third generation of bamboo composite floor. Compared with the traditional wood floor, the proportion of bamboo in the floor is higher than 60%. The ecological, environment-friendly and recyclable biomass raw material - bamboo, reduces the floor layers and the consumption of glue, mitigates the environment pollution and decreases energy consumption during the manufacturing process.

CIMC Wood in 2014 organized large-scale product promotion, achieved an annual sales volume up to 200,000 m<sup>3</sup> and reduced 1/4 tropical rainforest timber consumption in the field of container floor, thus effectively protecting forests and ecological environment.



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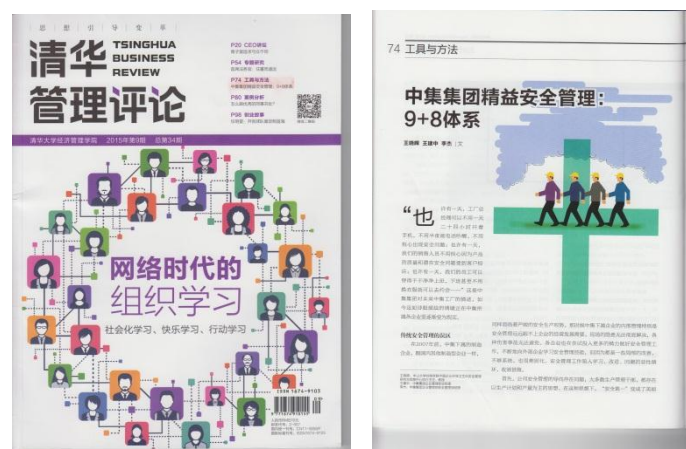
CIMC regards “caring for employees’ life and safety” as one of its core values. Since 2007, it has been learning from the advanced management methods of DuPont, Toyota and other domestic and foreign enterprises and developed a set of lean safety management modes and 3S management modes according to their own production characteristics. Under the guidelines of “Safety First, Prevention Foremost and Comprehensive Control”, CIMC perfects and effectively implements a safety management system to create a safe operating environment for itself and the staff by establishing and improving safe production management mechanisms, safe production regulations and specifications, safe production input and supervision mechanisms, production safety education and training systems, safety inspection systems, safety improvement mechanisms, emergency plans as well as safety accident emergency warning and reporting mechanisms.

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## Performance in Production Safety

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From past till 2015, under the guidelines of “Safety First, Prevention Foremost and Comprehensive Control”, CIMC has been vigorously carrying forward lean security management, leading to an accident rate per thousand people that is far lower than the average level in the machinery industry; and CIMC’s Lean Security Management Mode ever occupied a large part of page on Tsinghua Business Review vol. 9.



CIMC’s Lean Security Management Mode Reported on Tsinghua Business Review

## Production Safety Management System and Activities

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### **HSE Committee**

In 2015, the Group upgraded the Work Safety Committee to HSE Committee covering occupational health, environmental protection and work safety, and fortified the committee's deliberation, supervision and decision-making functions. Segments and member enterprises adjusted their organizational structures in succession, and some Segments set up such sub-committees as Occupational Health Sub-committee, Fire Control Sub-committee and Work Safety Sub-committee to facilitate the research and development of different areas of expertise in all trades.

Subsidiaries have set up HSE committees with general manager as chairman and department head and labor union delegates as members. The senior executives make themselves an example, take the lead and actively participate in safety management activities such as safety meetings, safety inspection and safety training, and become the "felt leaders" in safety management. The seeable, trustable and sayable support and promotion of the executives in safety management is the powerful guarantee to the effective advancement of safely management.



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## Production Safety Responsibility System

The Group acted in strict accordance with national production safety laws, undertook the responsibilities on the implementation of safety management with Segments and member enterprises, requested the units of all levels within CIMC to sign a work safety responsibility commitment., and established and practiced the gridded safety responsibility management system to define the responsibilities of each post and foster the Group's safety responsibility system.

## Hazard control

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Hazard control is the core of safety control. CIMC has established a complete set of hazard control mechanism and employed technical and management tools to eliminate and mitigate risks. Meanwhile, it organized One-day Safety Officer, Kiken Yochi Training (KYT), Hidden Hazard Solution and Hidden Hazard Photographing campaigns to incorporate safety precautions into workers' routine operations.



One-day Safety Officer Campaign



Kiken Yochi Training (KYT)

Campaign

## Production safety inspection

There is no management without supervision. In 2015, CIMC organized safe flight and compliance certification reviews to ensure that all member enterprises operated in line with national laws & regulations and Group policies. The Group's top management put considerable weight on work safety, and conducted regular safety inspection and direction at the premises of its member enterprises.

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Member enterprises carried out inspections at company, security officer and shift levels to ensure all hazards are put under control and all management rules and regulations have been put into practice, guaranteed the effectiveness of safety inspection work through a GM Spot Check System, and ensured the continuity and thoroughness of rectification actions by Reoccurrence Prevention System.



Group's Top Management Conducting Work Safety Inspection at Premises of Member Enterprises

### **Emergency management and accident reoccurrence prevention**

To respond to emergencies and ensure sufficient preparation against disasters or emergencies, CIMC prepared the Management Rules of Emergency Plans against Safety Accidents, and member enterprises established emergency plans and rehearsal for electric safety, combustion and explosion prevention, typhoon prevention, flood control, chemical leaks and public security, improved the Emergency Plans against Safety Accidents, set up a emergency rescue team to secure sufficient emergency relief supplies, and regularly organized emergency rehearsal with governmental emergency organizations.



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### Organizing Emergency Drill with Governmental Fire Agency

To thoroughly investigate accident causes and prevent recurrence of the accidents, CIMC prepared the Measures on Reporting, Investigating and Handling Personal Injury Accidents of CIMC to standardize the accident treatment procedures from accident reporting, emergency response, investigation, treatment, evaluation and recurrence prevention, analyze accident causes in terms of “people, things and management” and treat accidents by strictly following the principle of “Four Never Let Go”.

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### **Investment in production safety**

By improving the Group Safety Fund Investment Guarantee System, all member companies established a double examining and approving system by the financial department and the security department to check and improve the results from site report or case study, verify the funding from multiple dimensions such as contracts, and focus on the essential improvement in on-site key safety links to lower on-site risks. And they made more investments in development of new technologies, processes and equipment.

### **Improvement of safety problems**

CIMC launches and guides the companies within the group to use tools and methods which are improved for specific problems to solve the difficulties and key challenges in safety management, and improves the typical problems in ways of identifying problems, setting goals, finding true causes, putting forth measures and plans.

In cooperation with the National Technical Committee 208 on Safety of Machinery of Standardization Administration of China, CIMC assisted its member enterprises in organization of “error proofing” campaigns. Besides, it practiced the safety officer performance mechanism to identify site risks. Moreover, the Group and the Segments called on an “error proofing” campaign to solve technological safety problems and required each safety officer to direct the solution of one safety problem. By the end of 2015, the Group has received 412 “error proofing” solutions proposed by 210 safety officers. Meanwhile, it encouraged front-line staff to locate risks at worksite. In 2015, every employee proposed more than 2 hazard solutions on average. In 2016, CIMC will organize specific communication of the “error proofing” campaign and select and reward good error proofing solutions so as to guide and drive the companies within the group to continue the essential safety improvement.



Case of Forklift Anti-collision Improvement



Hidden Hazard Solution

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## Safety Education and Training

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Safety education and training was carried out from four aspects: 1. organize personnel of all levels to learn laws and regulations; the Group organized publicity and training activities in different forms to make sure all personnel within the Group from the top management to ordinary front-line staff develop a good knowledge of laws and abide by laws, highlight law-based governance, pass on safety responsibility and foster safety law concepts.



Group leaders learning HSE laws and regulations together with top management of member enterprises

2. Train all employees to create a working atmosphere “I want safety”: about 60,000 employees have received different forms of safety education and training in the whole year. The training included the safety education designed for transferred employees, the education on low-frequency operations, and the strengthened safety education before the start/shutdown of equipment and the application of new techniques, new processes, and new equipment.

3. organize employees to learn external good practices, such as the world first-class safety management experience of DuPont GE, UTC;

4. Organize professional skill training. At the Group’s “lean security management forum”, governmental experts in safety supervision and external benchmarking enterprises were invited to introduce professional skills and best practices related to work safety so as to improve the operators’ professional safety control skills and management capacities.

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## **Felt Leadership**

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“Felt leadership” refers to the leaders at all levels who make themselves an example and take the lead in safety management so that the employees can see, hear and feel how much the leaders value safety. In this way, leaders can encourage and involve all employees in safety construction.



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In 2015, the Group and the Segments jointly held four sessions of regional training communication meetings with the topic of “approaching the benchmark, docking to CIMC”. And 320 top and middle level managers and specialists from 56 member enterprises attended the training. The present enterprise representatives systematically learned the safety management systems of the world first-class safety benchmarking enterprises (DuPont and UTC), and discussed in depth how the “felt leadership” took root in CIMC. “Felt leadership” has been widely adopted in the companies within the group, and in combination of general manager spot inspection, safety focuses and behavior observation, enables 100% of managers to make and implement personal safety behavior plans, thus forming the “felt leadership” safety management culture of CIMC.



Training in Shandong



Training in South China

## Social Communication on Safety Management

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CIMC is making continuous improvement in safety management and developing into a first-class safety management enterprises in China. Its accident rate has been greatly lowered, and employee satisfaction and social reputation significantly improved. CIMC were repeatedly invited by external organizations and enterprises to share its management experience, and it cooperated with SGS, BV, Sun Yat-sen University and other institutions to turn the CIMC lean safety management into training courses for a wider communication, collected suggestions and feedbacks from all sides, and continuously improved the existing safety management system.

In early this year, CIMC was named as a Vice Chairman of Guangdong Academy of Corporate Sustainable Development. As the only guest invited to share



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its management experience, CIMC's presentation was well received and highly appraised by many other guests and enterprises. The Academy is the only professional institution in Guangdong and first in China that is committed to research on theories and practices regarding business sustainable development.

We are moving toward the goal of "going global" and the goal that "CIMC and its Lean ONE Mode should make due contributions to China's economy" stated by the President. Our safety management system is making a contribution to the safety in China's manufacturing industry.

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## Occupational Health and Safety

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Committed to the improvement of production efficiency, CIMC pays more attention to creating a safe and healthy working environment for employees. We establish an Occupational Health and Safety Management System to guarantee yearly staff healthy examination, and create and maintain employees' occupational health records.

Through the construction of the safety compliance system, the companies under CIMC, based on 3S modes, involve all staffs in the improvement of operation field and environment and the reduction of potential risks in operation field. Meanwhile, CIMC also takes measures, such as the investment in the innovation of new application technologies and the modification of equipment, to lower the labor intensity of operators on production lines, monitors those workplaces with smoke, dust, waste gas, noise, heavy metals and other hazardous factors every year, and reduces on-site hazard sources harmful to the employees' health, such as welding soot, benzene-containing waste gas and noises.

We establish a labor protection article distribution system according to the national production safety laws, regulations and standards and the features of working environment. Besides, we strictly control the quality and monitor proper use of the labor protection articles to ensure they can effectively prevent the occurrence of accidents and occupational diseases.

CIMC actively engages in the research on the construction of occupational health and safety system, guides all the companies within the group to build an occupational health and safety system in accordance with OHSAS 18001, and integrates and optimizes it with the lean safety management of the group. Most of the subordinate enterprises of CIMC have passed the ISO14001 and OHSAS18001 system certification, and have been recognized by international certification organizations.

Most companies under CIMC are leaders among local manufacturing enterprises, and have gained more and more trust from local governments. Internal audit, government supervision and third-party certification are the three major measures

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taken by CIMC to continuously improve its occupational health and safety management to meet or exceed the national and industry standards, and offer the employees a healthy, comfortable and safe working environment.

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## VI. Customers' Rights and Interests

### Product Quality& Safety

The products of CIMC cover containers, vehicles, energy, chemical and food equipment, offshore engineering and other fields. CIMC is committed to providing high-quality, safe and highly cost-effective products and services. There is always a high requirement on the safety and reliability of vehicles, energy, chemical and food equipment, airport facilities, offshore equipment and vessels. In order to ensure the safety and reliability of these products, CIMC takes the safety requirement in consideration even at the design stage, and conducts verification and confirmation via sufficient calculations and tests to well ensure product safety. As for different requirements of different international standards issued by different countries and regions, the companies under CIMC, within the licensed scope, implement the design and manufacture of products strictly according to international standards to ensure that all products sold to customers meet relevant standards and have high quality.

#### Containers

The container segment values product quality as vital. Eighteen companies of the container segment have passed the certification of the ISO9001 quality management system, and product quality and management performance of all member enterprises of CIMC Containers have gained high reputation among relevant government authorities and key clients. In 2015, Dalian CIMC Logistics won the Mayor Quality Award of Dalian City; Nantong CIMC was granted the honor of “Innovation Model Enterprise of Jiangsu Province”; and the innovation of Xinhui CIMC won the 3rd Prize of Guangdong Science & Technology Award.

As an industry-leading supplier of container products, CIMC Container can provide a complete series of products and services. With a 50% market share, we provide premium products and perfect services for all our customers. Based on the customer satisfaction survey and analysis conducted for each purchase order, CIMC

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Container is constantly improving its customer service system. In 2015, CIMC Container continued to conduct end user satisfaction survey from four aspects including quality management level, product quality, problem response speed & resolution ability and logistics service. After the survey, the company found the comprehensive satisfaction stayed at 85% or above.

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## **Vehicles**

The vehicle segment of CIMC, with an accumulative investment about RMB 100,000,000, built a test center which is the most perfect and functional in China's semitrailer industry, in order to improve the scientific rationality, safety, reliability and environment protection performance of vehicle structure. Moreover, the vehicle segment has established Specification on the Road Test of CIMC Vehicles in Europe, North America and China, Key Dynamic Performance Parameter Database and Road Spectrum Data Platform of Vehicles and Systems and a series of part test standards so as to provide clients with high-quality, safe, highly cost-effective products and services. As for different international standards and requirements put forth by overseas markets on vehicles, all member enterprises have established ISO9001, TS16949 or other quality management systems, conducted fine management in design, procurement, production, logistics, after-sales service and other processes, well guaranteed product quality and gained high reputation among clients. More than one member enterprises have been granted with honorary titles such as "Chinese Quality Integrity Enterprise" and "Provincial A-Level Quality and Credit Enterprise".

## **Energy, Chemical and Food Equipment**

The energy, chemical and food equipment segment has always been adhering to the quality policy of "honest and trustworthy, seeking for excellence", committed to providing customers with high-quality products and service, winning the trust of customers with excellent quality, taking the product quality of world first-class enterprises as the benchmark, and continuing to improve the quality of products, engineering and services.

In 2015, Shijiazhuang Enric Gas Equipment obtained the DOT-3AA, 3AAX, 3T and UNISO11120 seamless steel cylinder certificates approved by the United States Department of Transportation and TC-3AAXM and TC-3TM cylindrical vessel certificates approved by Transport Canada; completed the registration of 60m<sup>3</sup> cryogenic tank design in Alberta, Canada; passed annual audit for renewal of ASME, ISO and Russian CU certificates; passed the certification for supply of home-made Praxair pipelines; and passed the qualification examination of tanker manufacturing

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enterprises as required by the Ministry of Industry and Information Technology of P.R.C. Strict quality inspection procedures guarantee the product quality: home-made pressure vessels and gas cylinders are inspected by Hebei Supervision & Inspection Institute of Boiler & Pressure Vessel and then granted the Supervision & Inspection Certificate; pressure vessels and cylinders fabricated as per international standards are subject to third-party inspection by world renowned institutions such as HSB, BV and ABS and granted the certificate after passing the inspection.

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Jingmen Hongtu has obtained China Compulsory Product Certification and National Production License of Industrial Products, and established a quality management system in line with the GB/T19001-2008/ISO9001-2008 Standard and a pressure vessel quality assurance system. Besides, it was granted the quality honors of “Famous-brand Product of Hubei Province (LNG)” and “Famous-brand Product of Hubei Province (LPG)”.

Zhangjiagang CIMC Sanctum completed the renewal of Pressure Vessel Production License and Piping Erection License and passed the annual audits of ISO9001, ISO14001 and TS16949 certificates. Besides, its gas cylinder passed the European TPED certification, and vehicle-mounted cylinder passed the E-mark certification, making it the first manufacturer of vehicle-mounted cylinders in China to pass E-mark certification. Moreover, the one-time solder yield and final inspection FTP reached as high as 97.79% and 99.08% respectively.

In 2015, in order to solve the problem of tank containers’ inconsistency with tank container design and usage specifications in railway truck working conditions, CIMC Nantong Tank Container cooperated with China Railway to perform stress analysis and reinforcement for local structure of tank containers and designed tank containers dedicated to Chinese railways. The design has been converted into series products that are operating in good conditions.

Bengbu Compressor Co., Ltd. is the first company in the trade to pass the ISO9001 quality system certification, ISO14001 environmental management system certification, OHSMS18001 occupational health and safety management system certification, ASME certification, CCC certification and explosion-proof certification. In addition, it also passed the US API certification and Russian CU certification.

Enric (Langfang) Energy Equipment Integration Co., Ltd. passed the EU standard certification of LNG replenishing station and obtained ATEX and PED Directives qualification certificates.



## Example

### CIMC Sanctum focuses on details to improve product safety

The piping system on the storage tank and tank lorry features lapped joint between valves and pipes. Lapped joint is detachable and adjustable compared with metal screw sealing, so it is widely used in products holding liquid oxygen, liquid argon and LNG, etc.

Normally, lapped joint is mainly used for FF sealing (non-metal gasket). Currently, domestic customers use PTFE gasket, as it has good sealing performance at normal temperature; but on the other hand, it easily contracts and deforms at low temperature, leading to joint leakage and failed leakage relief even though it is pre-tightened again. Such leakage often occurs when liquid comes into the product for the first time. If pre-tightening fails, a new sealing gasket is required, which brings much trouble to customers and after-sales staff of CIMC Sanctum staff. The safety of storage tank will be greatly undermined in case of joint gasket leakage during the tank use.

CIMC Sanctum tried Durlon 9000 modified PTFE gasket based on internal communication of Enric Segment and suppliers' recommendation. The gasket was used on the joint of liquid phase pressure-regulating valve of Anjietong storage tank for two months, and neither leakage nor deformation was found. Its performance can rival that of 7020 series gasket but at a much lower price. Considering this gasket has been widely used by other enterprises, CIMC Sanctum decided to apply it widely on storage tank and tank lorry, as the use of it would significantly bring down joint leakage rate and product cost and improve product safety.



Ordinary gasket



9000 Series gasket

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## Airport Facilities

CIMC Airport Segment designs and manufactures passenger boarding bridges as per the world's highest quality and safety standards, and the passenger boarding bridges so manufactured boast of top quality reliability and safety performance in the industry. According to the passenger boarding bridge reliability data 2015 of the Amsterdam Airport, one of the busiest airports in Europe, CIMC passenger boarding bridges maintained reliability of 99% or above every month, and were well received among customers for premium quality. In terms of product and system certifications, CIMC designed and manufactured passenger boarding bridges in strict accordance with the requirements of existing HSE management system, special-purpose equipment quality assurance system, EU steelwork and welding management system, US UL safety specifications, Russian GOST management system and Middle East COC specifications. In addition, the upgraded passenger boarding bridges 2015 passed the latest EU CE safety certification and revised US NFPA415 fire protection standard certification and thus reaching new heights in safety performance. Meanwhile, it became the first enterprise in the industry to pass CAAC's latest quality conformance audit of airport equipment, and complied with quality and safety certification and technical specifications at different regions across the world.

To better guide users to operate, maintain and repair the products, CIMC Airport organized relevant personnel to update and enrich the operation & maintenance instructions of passenger boarding bridges in 2015. The updated instructions cover more contents and are more instructive and user-friendly. CIMC established user information feedback and processing system and procedures to timely process the product or service information and complaints reported by customers, and performed customer satisfaction survey every year to make improvement of the information fed back by customers.

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“Customer first” is one of the core values of CIMC, and also the philosophical basis for its long-term survival and development. Guided by the idea of “customer first”, the segments and companies all deem it their responsibility to create maximum value for customers, strive to provide the information of products and services in an easily understandable way, and persist in providing the best solutions by standing on the position of customers. In many cases, customers are invited to participate in the design process of products and services involving engineering projects so that customers can make purchase decisions based on better understanding about the products and services.

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## Settlement of Complaints and Disputes

The segments and enterprises of CIMC adhere to the philosophy of “customer first”, make continuous improvement, and properly settle complaints or disputes raised by or with customers, and improve customer satisfaction. The segments and companies establish specific customer management measures, regularly organize customer satisfaction surveys, set up special customer complaint handling mechanism, give timely communication and feedback to suggestions of customers, and continuously improve product and service quality to meet customer needs and safeguard their interests.

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## Example

### Nantong CIMC turns complaint into product improvement

In October 2015, EUROTAINER filed a complaint that the head piece of 12 tank containers made in February broke, and it urged Nantong CIMC to explain why and offer countermeasures.

These tank containers EUROTAINER purchased were TEUs, but terrible road condition at southeastern Asian mine areas was far beyond the normal range of application for our products. We carried out research and a simulated test of the stress storage tank underwent and finally concluded it was poor road condition that contributed to constant overloading vibration, shorter service life and breakage of head piece.

Though improper use was to blame for broken head piece, Technical Department of CIMC Sanctum never stopped looking for solutions in response to the complaint. In order to solve the difficulty, CIMC Sanctum optimized and reinforced the corresponding structure of these storage tanks to avoid similar problems in the future and make customers confident in our products; meanwhile, the complaint helped expand the range of application and quality of our TEUs.



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## Privacy Policy

Since “Privacy” and “information security” matter a lot to customers’ interests, CIMC attaches great importance to customers’ privacy protection and information security when faced with today’s rapidly advancing information technology and increasing channels of information dissemination. In all marketing activities launched by CIMC business segments and subsidiaries, a series of relevant systems and rules have been set forth, stating explicitly in customer service contracts concerning customer rights, customer privacy protection and customer information use. Meanwhile, the staff is trained and educated to strictly follow the operating procedure and protect customer information.

## Advocate Responsible Consumption

Attaching great importance to customer interest and sustainable development, all businesses/enterprises of CIMC are actively advocating green consumption during marketing activities. They are trying to promote eco-friendly or energy-efficient products of CIMC through effective advertising and other ways, e.g. the development of lightweight product, water-based paint container, so as to accelerate the maturity of customer consumption concept and behavior.

## VII. Win-win Cooperation

CIMC respects the legal rights and interests of its suppliers and dealers, and is dedicated to fulfilling the policy and commitment to its suppliers and dealers.

In purchasing, CIMC has made explicit requirements in the qualification and capability of qualified suppliers through formulating the CIMC Supplier Management System, especially environmental protection, work safety and occupational health have been included as the criteria of supplier evaluation, which has increased the

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suppliers' awareness of corporate social responsibility and promoted the sustainable and healthy development of the supply chain.

Meanwhile, CIMC has established all-round cooperation with relevant strategic suppliers. On one hand, CIMC works closely together with relating suppliers in exploring the application of new materials in relating industries, which not only promotes healthy and sustainable industrial development, but also increases industrial competitiveness of both parties. On the other hand, the cooperation between CIMC and such strategic suppliers as Baosteel has resulted in certain achievements in cyclic utilization of raw materials.

## **Example**

### **CIMC-Baosteel United Payment Platform**

In order to deepen the cooperation between CIMC and Baosteel, strengthen the management of strategic customers' payment and safeguard the provider's own interests, CIMC and Baosteel Group co-established "CIMC---Baosteel United Payment Platform" in 2012. Presently, it has been used among 19 container companies and will expand to vehicle, energy & chemical and offshore segments. CIMC Finance Company and Baosteel Finance Company serve as the intermediary service provider of settlement and credit & loan and make changes to current payment process and settlement mode, which not only improves the preciseness and timeliness of settlement and payment and safeguards providers' legal rights and interests, but also boosts the efficiency of settlement and capital turnover of both parties.



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### **Example**

#### **The 2<sup>nd</sup> generation of energy-efficient and green container**

CIMC and Baosteel successfully co-developed the 2<sup>nd</sup> generation of container plate and promoted product upgrading of container industry. The 2<sup>nd</sup> generation of plate was used to make 86,000 TEUs in all container factories of CIMC, realizing an explosive growth rate. The unit weight loss ratio for energy-efficient and green container was up to 15.2% with plenty of social resources saved. As for the order of 86,000 TEUs alone, it saved about 20,000 tons. If CIMC produced 2 million TEUs each year, it would achieve carbon emission reductions of about 1.6 million tons per year from production to transportation. The successful development of the 2<sup>nd</sup> generation of container plate is of crucial importance for CIMC--Baosteel to achieve the supply in large quantities, marking a step closer to Created in China from Made in China.

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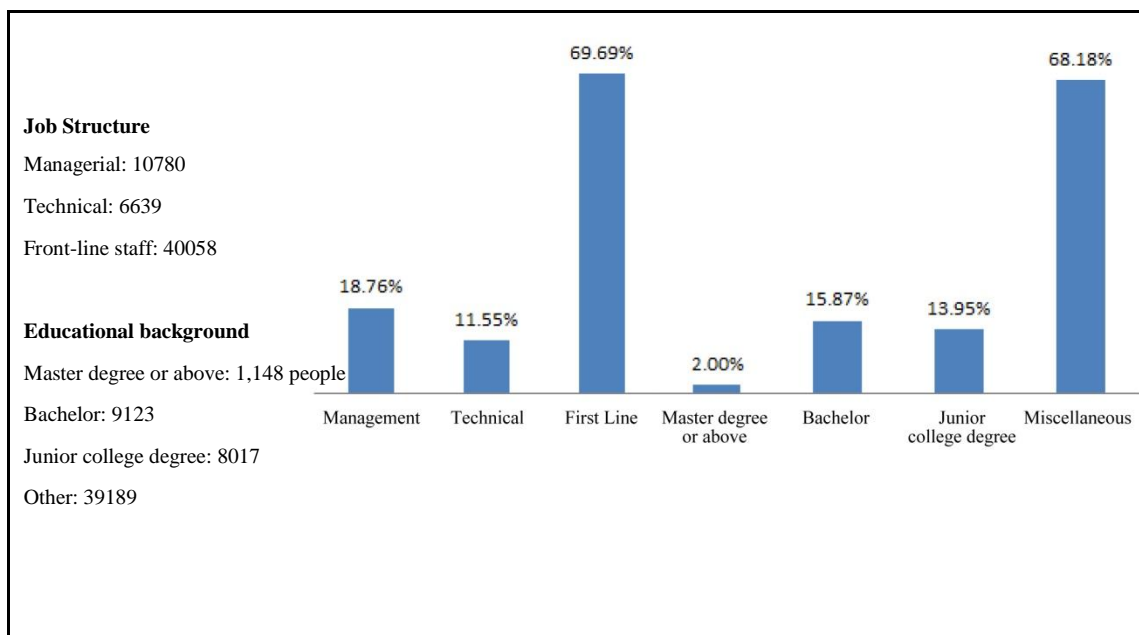
## VIII. Harmonious Labor Relations

To implement the CIMC cultural concept of Human Oriented & Common Cause, CIMC regards common values as links between the group and its employee for a constant soul contract by respecting and securing the employee's legal interest, stressing on their vocational development and trying to create a sound organization atmosphere.

### Staff

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By December 31, 2015, CIMC's total employee has reached 57,477 in the Chinese mainland.



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## Respect Human Rights

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CIMC always attaches great importance to and observes international human rights and labor requirements signed by the Chinese government and resolutely eliminates child labor, forced labor and employment discrimination.

### Prohibition of child labor

In recruitment, CIMC strictly checks the age of candidates and resolutely avoids any child labor (under the age of 16); hire minor workers (at the age of 16 to 18) for particular jobs in strict compliance with national labor laws and regulations and provide necessary labor security for the minors. By the end of 2012, there had been not a single incident of child labor in CIMC.

### Equal employment

CIMC resolutely wipes out any form of discriminated employment. It provides equal opportunity in employment and occupational development regardless of gender, age, race and religious belief. By the end of 2015, there had not been a single discrimination-relating incident in CIMC.

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## Prohibition of forced labor

In labor management, CIMC resolutely eradicates any form of forced labor and strictly complies with the Law of the People's Republic of China on Labor Contract. Following the recruitment, employees will sign a written labor or employment contract with CIMC, clearly stating job requirement, working time, protection, salary, etc. CIMC respects the employees' freedom to choose jobs and resolutely stops restricting employees' personal freedom or forced labor by means of charging deposit, seizing certificates or threat; when an employee quits, CIMC will not restrict his/her freedom to choose new jobs. By the end of 2015, there had not been a single incident of forced labor in CIMC.

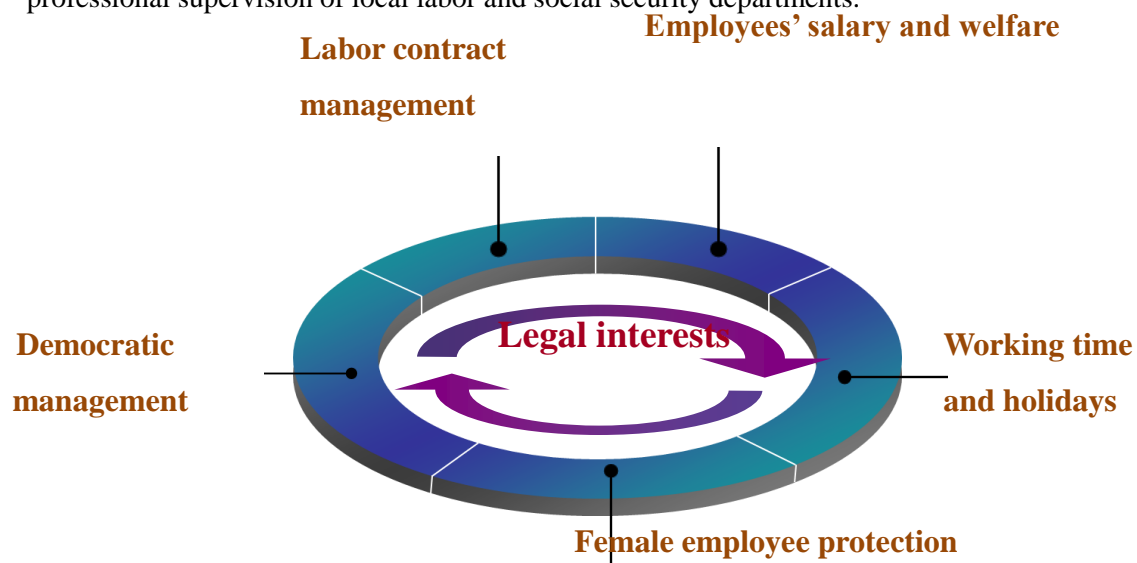
Incident of child labor.

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## Secure Employees' Legal Interests

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CIMC always implements national and local labor laws and regulations and pays close attention to changes relating to laws and regulations and labor relations management. At the same time, it safeguards legal labor and employment management through regular internal labor and employment auditing, the establishment of internal management mechanism and professional supervision of local labor and social security departments.



### Labor contract management

CIMC and its subsidiaries carefully implement the Labor Law, the Law on Labor Contract and other laws and regulations, protect employees' rights and interests and sign labor contracts with employees in accordance with laws. In order to strengthen labor contract management and standardize labor and employment, CIMC has formulated the CIMC Labor Contract Management Method, clearly stating labor contract signing, renewal and termination and so forth. All subsidiaries have set up similar systems with specified labor contract management.

CIMC labor contract signing rate reached 100% in 2015.

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### **Employees' salary and welfare**

CIMC and its subsidiaries pay social insurances (including endowment insurance, medical insurance, unemployment insurance, employment injury insurance and maternity insurance) and housing fund for employees according to national, provincial and local policies. The relating payment base and proportion is determined by local policies, and the premiums paid by employees will be withheld from their basic salary by the companies.

CIMC and its subsidiaries follow the principles of external competitiveness and internal equity. Employees' salaries are paid based on their job, performance and ability and all their salaries exceed local minimum wage, which are locally competitive. CIMC carries out regular review on the salary and benefits and then decides to make adjustments according to internal operation, external market changes of salary and benefits, overall commodity price and strategic positioning of salary and benefits.

Apart from statutory benefits (social insurances and housing fund, statutory holidays, high temperature allowance, the only-child allowance, etc.), CIMC also provides additional humanistic cares and services (extra paid holidays, education subsidy program, employee birthday celebration, physical examination, entertainment activities, etc.).

### **Working time and holidays**

CIMC and its subsidiaries adopt the standard working time in accordance with national and local laws and regulations. After obtaining the approval of local governments, some subsidiaries adopt a flexible working hour system and comprehensive working time system according to specific job requirements. In light of the consensus of staff representatives and labor union and the voluntary principle, some subsidiaries will ask employees to work extra hours for actual quantity of orders, and overtime pay will be made according to local laws and regulations.

Meanwhile, employees in CIMC and its subsidiaries are entitled to marital leave, maternity leave and other statutory holidays.

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### **Female employee protection**

CIMC and its subsidiaries implement national Provisions on Female Employee Protection and local policies and specify the protection of female employees' rights and interests in corporate rules and regulations, which protects female employees during the pregnancy, childbirth and lactation. In order to enrich female employees' spare-time life, CIMC and its subsidiaries hold various entertainment activities on a regular basis.

### **Democratic management**

CIMC and its subsidiaries attach importance to the role of different levels of labor unions in corporate management and safeguard employees' right to know, express, participate and supervise. In collective labor agreement signing, different levels of labor unions are actively engaged in communicating and coordinating with the company, effectively securing employees' rights and interests; they are actively engaged in communicating when corporate policies and rules relating to employees' interests, e.g. work time, holiday, salary and benefits policy, discipline management are released; they help out needy employees through seeking donations and other ways; they spend time and energy in organizing various cultural and sports activities to enrich employees' spare-time life. Additionally, the Congress of Workers and Staff plays a key role in the transparency of corporate operations and democratic management of CIMC.

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## **Example**

### **Yangzhou CIMC Tonghua Special Vehicles Co., Ltd. Holding the Congress of Workers 2015**

On January 31, 2015, Yangzhou CIMC Tonghua held the Congress of Workers in the company's conference room. This Congress of Workers was presided over by Xu Peng, Vice-chairman of the company's Labor Union and attended by company leaders, Labor Union members and staff representatives. The attendees negotiated on the basis of equality, and all issues on the agenda were addressed as scheduled.

At the beginning of the meeting, the company's Administrative Department made a PPT presentation to explain in details the revisions of contents of four collective contracts including the Attendance Management System, the Labor Management System and the Employee Compensation Management System along with the specific contents of four collective contracts including the Collective Agreement, Collective Agreement on Compensation, Collective Agreement on Female Employee Protection and Collective Agreement on Labor Safety and Hygiene Protection. The attendees had a heated discussion on the above contents, especially the topics of interest to the staff such as annual leave, compensation during sick leave and granting of attendance award. The company's Administrative Department answered in details all the questions raised by the attendees. All the attendees voted for the revised three systems and four collective contracts by a show of hands. Afterwards, the chief delegates of the employees and the company signed the four collective contracts.

At the meeting, centering on the topic of "care for and help the employee families suffering catastrophic financial difficulties because of emergencies or critical diseases", Xu Peng, the Vice-chairman of Labor Union, made an additional briefing on the "Employee Mutual Help and Poverty Relief Fund" and the Charter of Employee Mutual Help and Poverty Relief Fund. Staff representatives proposed comments on revision of the Qualifications for Members of Employee Mutual Help and Poverty Relief Fund and the Roster of Fund Directors. It was agreed by the attendees that establishment of the Mutual Help Fund is an important initiative to care for and help poverty-stricken employees, which creates a platform for employee mutual help and spreading love and reflects the



company's humanistic care. All the attendees voted for the Charter of Employee Mutual Help and Poverty Relief Fund and the Roster of Fund Directors by a show of hands.



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## Communication with and Care for Employees

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With emphasis on communication between staff and the company, CIMC has established diverse channels for it. The company concerns about the life of the staff and their families, providing help for those staff in trouble. It also frequently organizes colorful cultural activities to promote emotional and cultural exchange among enterprises and among staff and cultivate a good organizational climate.

### **Example**

#### **Creativity Makes a Better Life -- CIMC Enric Headquarters Celebrating Women's Day 2015**

On March 5, the HR & Admin Department of CIMC Enric Headquarters specially organized a campaign themed “Creativity Makes a Better Life” to celebrate the Women's Day. The company carried out floriculture design and topic discussion events, aiming at encouraging female employees to experience and create wonderful and rich lives and add fragrance to their lives.

This campaign attracted more than 20 female employees, and the creative events brought fresh experience to them. Through learning, participation, creation and sharing in person, all of them experienced endless joys in the campaign. Meanwhile, General Manager Gao Xiang and leadership representatives from all departments also took part in the campaign and extended their holiday blessings to all the female employees, well conveying the company's “human oriented” management philosophy.

Women should have bloomed blessedly like flowers. However, most women tend to forget to reward themselves in life while being so busy at work and seldom think about the ways to relieve the stress. To this end, the HR & Admin Department specially planned the floriculture design campaign by inviting senior florists in Shenzhen to teach floriculture knowledge and help the female employees recognize and get to know flowers and inspire their creativity and aesthetic judgment so as to eventually create floriculture works by themselves. By getting close to flowers and

smelling the fragrance, they could experience joys, relieve the stress and grow a desire to pursue happy and creative life.



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## **Example**

### **Qingdao Reefer: Taking Multiple Heatstroke Preventive Measures to Care for Employees**

In order to prevent heatstroke during working in high-temperature weather at work site and create a good work environment for front-line workers, the company attaches great importance to the work, and all departments act proactively and cooperate with each other to prevent heatstroke in summer, protect employees' health and guarantee well-organized production activities.

#### **Disseminate heatstroke prevention knowledge across shifts to enhance workers' awareness of heatstroke prevention**

In order to enhance the workers' awareness of heatstroke prevention, the Clinic of the Administrative Logistics Department compiled heatstroke prevention instructions depending on the production line features and requested each team or group to post the instructions on the board so that the workers can develop a basic knowledge on heatstroke prevention, and understand the indications, symptoms and countermeasures of heatstroke and enhance their self-protection awareness. If any indication of heatstroke is found, the employee in question must be treated timely to prevent aggravation of symptoms.

#### **Sweet mung bean soup is served for free to clear and relieve summer-heat**

Sweet mung bean soup is served for free at the company canteen. At the beginning of the hottest part of the summer, the company canteen delivers sweet mung bean soup to workshops so as to bring coolness to the workers timely.

#### **Realize workshop cooling with ice**

According to the company policy, when the temperature goes up to 37 °C or above, the workshop will distribute ice blocks to lock workshop temperature at 34-37 °C depending on actual needs of work teams or groups. If a work team requests for ice blocks, the Administrative Logistics Department will deliver ice blocks to the workshop within 2 hours.

#### **Distribute sweat ice creams every day**

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In high-temperature weather, each front-line worker will be given one sweat ice cream every day that tastes good and brings coolness.

**Distribute heatstroke preventive medicines to cope with potential heatstroke**

To prevent heatstroke and make proper emergency response to heatstroke, the company distributed Huoxiang Zhengqi Liquid, essential balm and other heatstroke preventive medicines to workshop operators in last week. The company will also distribute cooling beverages to the staff.

The above heatstroke prevention measures effectively convey the company's "human-oriented" management philosophy and sincere care for the employees. Let us unit together to fight against high-temperature weather.





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## **Colorful Cultural Activities**

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CIMC and its member enterprises are active in organizing staff to participate in a variety of cultural and sports activities in their spare time so as to enrich their life. The activities range from Family Day, football game and tug-of-war to photography contest, matchmaking party, mountaineering race, flow arranging, dancing party, sports meeting, speech contest and outing.





▲ Flag-raising Ceremony on CIMC Day





▲Football Game





▲Family Day





▲ Cooking Contest





▲ Matchmaking Party

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## Social Recognition

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The efforts made by CIMC and its member enterprises in various respects including building harmonious labor relations have been well recognized by local governments in recent years.

## Employee Training & Development

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“Talent builds the future of CIMC”, so talent is CIMC’s most important assets and competitive edge. In light of the core human resource concept of “Human-Oriented, Common Cause”, CIMC provides broad career development opportunities for employees at the time of growing business expansion. According to the talent requirement of strategic development, CIMC has built employee career development channels (e.g. management, engineering technology, lean synergy, finance, etc.) to realize effective career management.



In this way, employees can identify career development direction and increase their ability through seeking qualifications. CIMC is constantly fostering excellent industry talents through the creation of a unique talent cultivation system. CIMC’s multi-level combined talent cultivation system comprises orientation training, general skill training, professional training, leadership development program and international talent cultivation program. In 2015, a total of RMB 11.234 million (excluding Segments and subordinated enterprises) was invested in improving employees’ knowledge and skills.

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In 2015, CIMC continuously built learning resources and increased organizational capability through spreading learning concept and setting up a series of performance improvement and leadership development programs, e.g. “CIMC New Manager Training Program”, “Business Plan Action Learning Program”, “CIMC Curriculum Development and Lecturer Training Program”, “CIMC School Open Class”, “Group/Team Leader Training Program” and “Company Executive Team Training Program”.

Along with professional career development channels, professional ability development program and specific training are designed to offer adequate resources for professional talent development in CIMC. “Business Plan Facilitator Training” and “Lean Specialist Training Camp” are set up to promote the professional talent exchange and development of CIMC.

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Leadership is the key driver of CIMC's organizational development. CIMC adopts the leadership development method of "Help and train", an endless source of leadership for CIMC: the "tenure system" allows cadres to develop diverse abilities and put the right person in the right position; the "leadership development program" enables leadership talents to improve personal, team and organizational abilities and promote the development of teams and organizations.

Launched in June 2010, CIMC Leadership Development Program A was intended to foster business segment/industry leaders and the three-year development task was accomplished at the end of 2012. Implemented in April 2011, CIMC Leadership Development Program BC was designed to develop business managers and enterprise and group functional managers, the phase I development task was completed in 2012 and the phase II pilot project (new leader career development program) of the "Program BC" was started; in October 2013, CIMC Leadership Development Program A2 was launched, which was intended to cultivate excellent leading business talents and function leaders in three years to promote the sound organizational development and sustainable growth of CIMC.

International talent is the backbone for CIMC to become a world-class enterprise. In 2007, CIMC co-launched an International MBA Program with Indiana University. So far, the IUMBA has been held twice with the trainees sent to overseas enterprises or for international business jobs. The 3rd IUMBA was started in 2012, and 13 international operation management talents were fostered. Currently, over 30 international talents have been cultivated so far.

CIMC's online learning platform I-Learning features a variety of courses, including online courses for new employee training, professional quality and general office skills, which makes it easier and more convenient for employees to learn. I-Learning platform, CIMC Learning Day, employee reading plan and departmental library and other open learning resources offer more choices to employees.

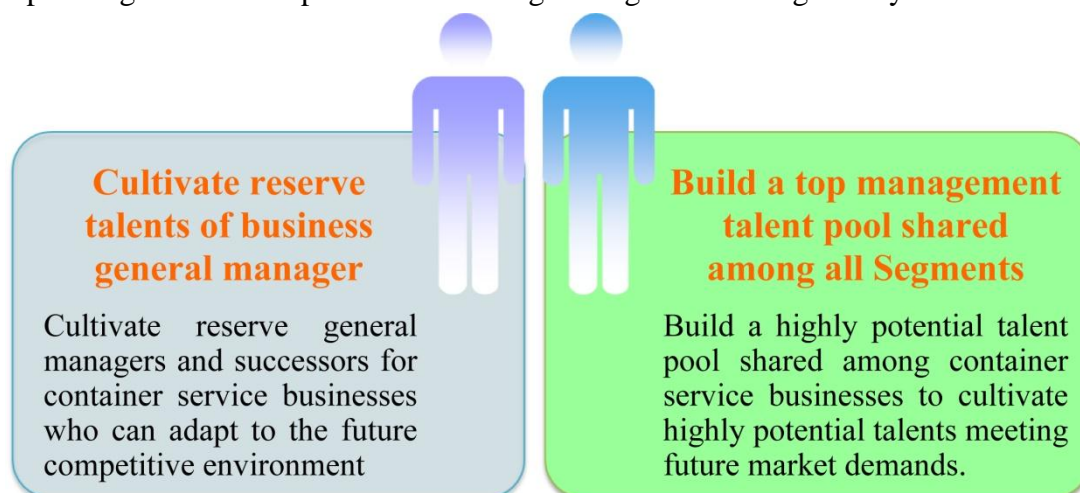
CIMC is actively exploring mobile learning applications for first-line staff, allowing them to learn anytime and anywhere.

## Example

### **CIMC Container Launching the Reserve Executives Training Program**

To secure and enhance leadership in the industry when China's economy arrives at the "new normal" state, steer the industry development, cultivate a batch of aspiring and responsible key cadres having the courage to change and being armed with strategic thinking and change capacity, and drive the transformation and upgrading of the container industry, the President Mai Boliang initiated the CIMC Container Reserve Executives Training Program. This program was in the charge of Huang Tianhua, and jointly planned and organized by CIMC Institute and the HR Department of Container Segment. The Program spans for two years.

Through elaborate planning and preparation over eight months, 16 trainees were screened out from layers of selection, and the Program was officially kicked off on September 20-21, 2015. In this Training Program, the portrait of container business general manager was taken as the model for training, the trainees' weaknesses were identified through evaluation, and the training was mainly conducted on the basis of "7-2-1 principle". The objective of this Training Program is to cultivate reserve talents of business general manager of the new generation for CIMC Container and foster a top management talent pool shared among all Segments through two years of training.





## 中集集团集装箱后备高管培养项目



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## Example

### **CIMC Industry & City Holding the First Session of Training for Talent “Polishing” Plan**

During May 13-15, 2015, CIMC City & Industry held the first session of training for the Talent “Polishing” Plan in Huizhou. More than 20 key business personnel from different departments of the Headquarters and companies in different cities attended the training. GM Yu Zhenfei, Zhou Zhengzhong, Wei Jun, Cheng Rongji, Wang Shengbo and other leaders from the Headquarters were present.



The Talent “Polishing” Plan was firstly introduced in 2014. Along with rapid development of CIMC City & Industry, the importance of talent becomes more conspicuous. In order to get the upper hand in competition and seek further development, it is imperative for CIMC City & Industry to build a high-quality workforce featured by superior profession, innovation and adaptability so as to provide a strong talent support to sustainable development of the company. In this context, the Talent “Polishing” Plan was introduced.

After careful survey and planning, the Headquarters’ HR Center selected KeyLogic Group as the strategic partners of the Talent “Polishing” Plan. KeyLogic Group is the strategic partner of HBS Enterprise Learning Segment, exclusive partner of Harvard Business Online in China, and the innovator and impeller of China’s “Corporate University”, TPO (training process outsourcing) and other best practices.

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The dominant idea of the Talent “Polishing” Plan is to lay a sound foundation for future personnel and cadre reserves of CIMC City & Industry from all sides including selection, mining, cultivation, training and reserve. In May 2015, centering on the “performance-driven” management topic, CIMC City & Industry officially launched the first session of training for the Talent “Polishing” Plan. Its core objective is to build an intermediate management team satisfying the needs of the company’s future business operation.

The first session of training spans for 7-8 months, comprising three phases including: jade identification (self-management), carving (top-down management) and interdisciplinary advantage (horizontal management). According to the plan, at each phase, a 3-day enclosed and centralized training will be arranged in May, August and November 2015 respectively. During that period, under the guidance of trainers, the trainees will adopt a blended learning mode: Online self-aid learning + Offline case & task-based learning + trainer instruction.

The trainees involved in the Plan are among the best in all trades and posts of CIMC City & Industry and also the essential backbone force required for the company’s future development. The trainees are expected to transform from an “uncut jade” to a “blue jade” through learning and practicing, thereby laying a sound foundation for cultivation of “managers” of the company.

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## IX. Community Engagement and Development

### Taking Active Part in Community Activities

CIMC and its member enterprises provide a large number of job opportunities for the areas where their business is located, and promote the local economic development. As a responsible corporate citizen, CIMC is always focusing on development of community public utilities and devoting itself to construction of harmonious communities. The member enterprises of CIMC take active part in public service and management of the communities, and within their power they organize and participate in some public welfare activities. For instance,

1. Container: Zhangzhou CIMC donated RMB 10,000 to the Kaohou Village for improvement of living environment; Taicang CIMC organized the “Taicang CIMC Cup” Basketball Game; Qingdao CIMC organized the Employee Chess & Card Game of Huangdao District; Qingdao Reefer organized more than 50 employees to set up a volunteer team to give donations to and visit poverty-stricken families in Nanguan and Yanghe Subdistricts of Jiaozhou District, visit veterans, participate in selling paintings and calligraphy for charity, and aid Dong Wenhua living in Pingdu City by buying cherries as an alternative of donation so as to bring poor families warmth and convey positive social messages.

2. Vehicles: Gansu CIMC played an active part in the “village + household joint action & poverty alleviation” campaign organized by the local government, and donated such articles as rice, flour, oil, clothes and computers to Dinggou Village in Huining County; Luoyang CIMC Lingyu Automobile selected impoverished mountainous areas as targets of aid to donate clothes and articles to local villages and created 600 job opportunities for local rural communities so as to bring warmth to the villages. Moreover, the company played an active part in the service activities themed “following in the footsteps of Lei Feng for dedication of love” organized by local communities and the emergency rescue social volunteer service activities. In addition, the company established a steady relationship with the local office for the affairs of the retired workers. Every year, it provided the office with support in manpower, material resources and finance. It was active in solving difficulties and carrying out activities for the retired people of the communities. Yangzhou CIMC Tonghua played an active part in the oath-taking rally and collective quick mobilization drill of a

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reserve high-artillery division in Jiangsu Province organized by local military regions, and won wide praises.

## Example

### **CIMC shows its commitment to education and appreciation for teachers**

With the coming of the 31<sup>st</sup> Teachers' Day, Zheng Zhijun, deputy general manager of Jingmen Hongtu and Tu Xiaohong, manager of HR & Administration Department, paid a visit to Hongtu School, where they greeted all members of the faculty and staff and expressed best wishes.

Amid the strong festive atmosphere, Zheng Zhijun and school leaders exchanged information about recent business development and school performance and discussed the issue of student education and school construction.

Zheng Zhijun said, "Although Jingmen Hongtu has been moved to new area, some employees still live in Hongtu Community and their children study in Hongtu School. As CIMC is actively fulfilling its social responsibility, it will continue to support the construction and development of Hongtu Community in the future and do its bit to share the fruit of business development with the community. "



## Concerning about Public Welfare

CIMC always remembers to reciprocate the society while maintaining a fast development of the company. Its good deeds cover many fields such as education, medical treatment, recreation and sports, disaster relief and charity, etc. In 2015, CIMC Group (including member enterprises) made donations of RMB 2.85 million to the units and public welfare institutions including Guangdong Public Welfare Foundation Upholding Rule of Law, South China University of Technology and Shenzhen Shekou Yucai Education Group.

At the meantime, CIMC member enterprises have also carried out some activities helpful to local development of educational, cultural and healthy causes and poverty alleviation. For example, Yangzhou Tonglee cooperated with local community to organize Moral Lecture and Fire Safety Lecture, and donated RMB 10,000 in response to “5.19” One Day for Charity advocated by the local government. Taicang CIMC organized a blood donation activity. Qingdao Reefer donated RMB 10,000 educational funds to Jiazhou High-Tech Zone Primary School and Changxing Primary School respectively. Nantong CIMC organized employees to participate in a blood donation activity, and over 140 cadres voluntarily donated an aggregate 41,400ml blood. Dalian CIMC gave financial aid to employee children and outstanding employees for college education, and donated RMB 38,000 to help schools develop social practical curriculum. CIMC Baowell donated RMB 30,000 to impoverished employees. CIMC Vehicles Zhumadian Base visited firemen at local fire department on the Fire Day every year, and donated RMB 240,000 to local charity federation, police station and poverty-stricken communities.

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## **Example**

### **CIMC Education Aid Plan**

To help the children from the company's poor employees and social poor families who have been admitted to colleges to attend university and in response to the call of general managers Yang Xiaohu and Ju Xiaofeng, Nantong CIMC Tank Equipment and Enric (Jingmen) Energy Equipment jointed established the "CIMC Education Aid Plan" in late July 2015, initiated a donation initiative targeting at all cadres and employees in early August, which was positively answered and widely supported by more than 2,000 employees. Within just one week, the donation totaled RMB 224,001.8 consisting of RMB 112,000.9 donated by 2,392 employees from 23 departments and the equivalent fund (112,000.9) allocated by the Trade Union of the company, which was recognized as fellowship fund specially for helping needy students complete their college study.



## Example

### **Shijiazhuang Enric organizes the activity of voluntary blood donation**

On June 26, 2015, Shijiazhuang Enric organized the activity of voluntary blood donation themed by “Thanks for Saving My Life” at south and north factory areas. Most employees were actively engaged in the activity and donated 43,600CC of blood in total. Voluntary blood donation activity was listed as one of the activities in commemoration of “July 1<sup>st</sup>” organized by the party committee of Shijiazhuang Enric. The post-80s generation and post-90s generation made up a big proportion of voluntary blood donors.

Shijiazhuang Enric organizes the activity of voluntary blood donation each year, allowing its employees to demonstrate their social value and feel cared for.



## Supporting Association Development

As a global enterprise leading in various industries, CIMC initiatively undertakes social responsibilities by supporting continuously the operation of industrial associations or organizations, taking active part in their activities, keeping harmonious relations with all parties, and promoting their innovation and development. In the name of CIMC, some executives joined more than 20 industrial associations at the national or regional level and NGOs, and take on such positions as vice president, president, director, etc. All member enterprises under CIMC also join actively associations or organizations in relevant industries and play important roles in them.

	Name of Association	Position
1.	China Federation of Industrial Economics	Vice President
2.	China Communications and Transportation Association	Vice President
3.	China Chamber of Commerce for Import and Export of Machinery and Electronic Products	Vice President
4.	China Association of the National Shipbuilding Industry	Vice President
5.	China Enterprise Confederation & China Entrepreneur Association	Vice President
6.	Patent Protection Association of China	Vice President
7.	Shenzhen Association of Public Companies	Vice President
8.	Guangdong Enterprise Institute for Internal Controls	Vice President
9.	Shenzhen Patent Association	Vice President
10.	China Association for Public Companies	Managing Director
11.	Council of Ship Engineering, Chinese Society of Naval Architects and Marine Engineers	Managing Director
12.	China Business Council for Sustainable Development, China Enterprise Confederation	Director
13.	China Steel Structure Society	Director
14.	Foreign Exchange Management Magazine	Director
15.	Shenzhen Enterprise Confederation	Director
16.	Shenzhen Association of Standardization	Director

17.	China Association for Standardization	Member
18.	International Accounting Standards Committee	Council Member
19.	China Institute of Internal Audit	Member
20.	National Association of Financial Market Institutional Investors of P.R.C.	Member
21.	National Technical Committee on Road Transport of Standardization Administration of China	Council Member
22.	China Container Industry Association (Container Segment) President	President
23.	China Association of Automobile Manufacturers (CIMC Vehicles)	Vice President
24.	Special Purpose Vehicles Committee, China Association of Automobile Manufactures (CIMC Vehicles)	President
25.	Special Purpose Vehicles Technique Committee of National Technical Committee of Auto Standardization (CIMC Vehicles)	Deputy Secretary General
26.	Trailer Technique Committee, National Technical Committee of Auto Standardization (CIMC Vehicles)	Deputy Secretary General
27.	Henan Casting & Forging Industrial Association (CIMC Vehicles)	Vice President
28.	Guangdong Oil & Gas Association (CIMC Enric)	Vice President
29.	China Association of Urban Fuel Gas (CIMC Enric)	Managing Director
30.	Liquefied Natural Gas Committee, China Industrial Association of Industrial Gases (CIMC Enric)	Director
31.	China Industrial Association of Industrial Gases (CIMC Enric)	Director
32.	China Chemical Industrial Equipment Association (CIMC Enric)	Director
33.	Compressed Natural Gas Committee, Fuel Gases, China Civil Engineering Society (CIMC Enric)	Council Member

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# Looking Ahead -----

## I. Risks and Challenges Accompanying Sustainable Development

**1. Global economy will go up and down and fluctuate greatly.** In 2016, American economy is expected to go up and continue recovery. But the start of US dollar's interest-rate rising cycle according to Fed monetary policy would lead to great uncertainty in global economy recovery. European economy will recover slowly. Emerging economies will develop at two extremes and grow at slower rate, while South Asia and Southeast Asia will still be the regions with highest economic vitality. The problems existing in Middle East and Korean Peninsula tend to keep simmering, with a higher geopolitical risk. As a consequence, the international trade tendency in 2016 is subject to more uncertainties.

**2. China's economy has arrived at the “new normal” state, and China will promote the supply-side structural reform.** According to CASS's prediction, China's economy will suffer a downturn as a whole in 2016 (GDP6.6%-6.8%). To realize steady growth of China's economy, it is important to do well in five major tasks, including “cutting excessive industrial capacity, destocking, de-leveraging, lowering corporate costs, and improving weak links”. The logistics equipment and energy equipment markets in China will hardly be optimistic.

**3. Contradiction between Industrial development and environmental protection remains both challenge and opportunity for development of the traditional manufacturing industry.** As stated in the State's 12th Five-Year Plan on Industrial Capacity, as of 2015, the energy consumption per added-value of industrial enterprises above designated size has declined by around 21% than that in 2010. During the period of the 12th Five-Year Plan, China is expected to realize the energy-saving target of 670 million tone standard coals; as stated in the 12th Five-Year Plan for China's Construction Machinery Industry, Chinese enterprises should reform the traditional manufacture process by product structure optimization and lightweight design, improve specialized production capacity, and realize the targets of saving 5% materials, cutting down 15% energy consumption and pollution-free discharge and emission from enterprises' production process; and the 12th Five-Year Plan for Transportation Industry also defines specific indexes for green transport and safety.

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The new historical period and new policies and requirements will create new challenges and opportunities for the development of the traditional manufacturing industry. And industrial transformation and upgrading becomes a matter of great urgency.

**4. Shortage of human resources will become one of the bottlenecks hindering business development.** As China's economy arrives at the "new normal" state, the transformation and upgrading of traditional industries becomes a matter of great urgency. Businesses are in great demand of top- and mid-level talents and talent competition becomes more and more fierce. At the meantime, China is under a critical stage of "demographic dividend" diminishing and population aging exacerbation, which would exert an unprecedented and far-reaching influence on the manufacturing industry. The implementation of "OBAOR" development strategy and gradual pick-up of economic growth in central and western China exacerbate the problem of "labor shortage" in developed regions in Eastern China. Meanwhile, along with gradual improvement of national labor employment rules and regulations and increase of the concerns from the government and society on migrant workers, businesses will face the problems of increasing labor disputes, greater legal risks and higher labor cost.

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## **II. Major Measures and Plans for Social Responsibilities 2016**

In 2016, CIMC will spare no effort to achieve balanced, efficient and sustainable development, by sticking to the development idea of balanced growth, focusing on improvement of development efficiency, propelling technological upgrade and innovation, improving labor efficiency, realizing industrial synergy, intensifying reform, implementing the core HR concept of “Human oriented & Common Cause”, highlighting harmony of economy, society and environment, and performing social responsibilities.

### **1. Social Responsibility Strategy Guide and Manage System Construction, allowing Operating Subjects at Different Levels to Perform Social Responsibilities Better**

CIMC constantly strengthens social responsibility awareness of all segments and enterprises under it, directing them to incorporate the enterprises’ social responsibilities of environmental protection, resource conservation, occupational safety, and community development, etc into their key strategic measures when they are formulating development strategies. CIMC will continue to promote balanced development of the enterprise, optimize organizational structure, refine management flow, clarify division of work and obligation, and enhance construction of social responsibility systems including management system. At the meantime, CIMC will further push all industry segments under the group to compile social responsibility reports independently, and integrate social responsibility with the development of industry segments so that the operation subjects at different levels can perform social responsibility better.

### **2. Propelling Structural and Constitutional Reform, Encouraging Innovation and Improving Core Competitiveness of Industries**

According to the development requirements on dominant industries and emerging industries, CIMC will propel constitutional reform, and increase R & D input in scientific and technological innovation; CIMC will boost research and application of new technologies, new materials, new processes and digital, intelligent, light-weight, safe and environment-friendly equipment, and explore and establish an achievement transformation mechanism; CIMC will strengthen efforts in intellectual right by improving capabilities to create, apply, protect and manage intellectual rights; CIMC will promote the research and formulation of national standards and industrial

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standards so as to guide healthy development of industries and upgrade their core competitiveness.

### **3. Enhancing Business Synergy within CIMC, Exploring New Business Modes and Creating Value for Stakeholders**

Based on competitive advantages of the existing business segments and enterprises, CIMC will fully exploit the potential of collaborative operation within the group and optimize synergy process, strengthen construction of inner control system among various industries and among member enterprises, improve risk prevention mechanism, and push collaborative operation forward; CIMC will constantly explore new business modes helpful to joint development of industries and enterprises; CIMC will endeavor to create value for clients and other stakeholders while strengthening cohesiveness and competitiveness.

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#### **4. Implementing the Cultural Concept of “Human-oriented & Common Cause”, and Building Harmonious Enterprises**

CIMC will firmly follow the core HR concept of “Human-oriented & Common Cause”, emphasize talent development, and create a favorable production and living environment for the staff; CIMC will establish a talent competitive mechanism of “fairness, impartiality, transparency” and provide opportunities and resources for those excellent talents who are willing to do their job, competent for their job and courageous to take challenges, and who will eventually stand out; CIMC will continue to perfect talent management system to the point where it can better satisfy demand of group business for talents; CIMC will highlight the importance of talent cultivation. It will not only formulate and improve talent training plans, but also require all segments and enterprises under it to work out reserve talent cultivation plans; CIMC will protect the staff’s vital interests and concern about their demands in physical and mental development, enrich their spare life by carrying out various cultural activities and build harmonious enterprises.

#### **5. Improving innovation to facilitate environmental protection and resource conservation**

CIMC will promote research & development innovation to explore the applications of various new technologies, materials and processes so as to technically enhance the products’ environmental protection performance. Meanwhile, it will endeavor to enhance the staff’s awareness of environmental management, adopt various environmental protection measures and monitor environmental management indexes and data in the course of management.

#### **6. Reinforcing risk control to protect balanced and sound development of enterprises**

CIMC will consolidate the internal control achievements, further optimize the internal control systems at the Group, Segment and member enterprise levels, carry forward the Group-wide institutional improvement, and enhance risk control capacities of the Group, Segments and member enterprises.



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# Feedback

Dear readers,

Thank you for reading this report. To improve the work of CIMC in performing social responsibilities, we are eager to hear your opinions and suggestions. Please offer your precious opinions on the following questions:

1. How is your overall evaluation of this report?  
☐ excellent ☐ good ☐ ordinary
2. Do you think the information, data and indicators revealed in the report are clear, accurate and complete?  
☐ Yes, really ☐ Almost ☐ Hardly
3. Do you think this report can reflect the significant influence of CIMC on economy, society and environment?  
☐ Yes ☐ Nearly ☐ No
4. In your opinion, how does CIMC perform in maintaining the interests of stakeholders?  
☐ Well ☐ Ordinarily ☐ Badly
5. Your opinion or suggestion about the dedication of CIMC to social responsibilities and about this report:

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## Your Information:

Name:		Occupati on		Employer	
Postal		e-mail:			

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Code				Tel:	
Address:					
<b>China International Marine Containers (Group) Ltd.</b> <b>Tel: 0755-26691130      Fax: 0755-26692707      Postal code: 518067</b> <b>Address: President Office, CIMC R &amp; D Center, No. 2 Gangwan Avenue,</b> <b>Shekou Industrial Zone, Shenzhen, Guangdong, China.</b>					