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This announcement is for informational purposes only and is not an offer to sell or the solicitation of an offer to buy securities in the United States or in any other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

Neither this announcement nor anything herein forms the basis for any contract or commitment whatsoever. Neither this announcement nor any copy hereof may be taken into or distributed in the United States. The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from registration. No public offer of securities is to be made by the Issuer in the United States.

PUBLICATION OF OFFERING CIRCULAR

ZHENJIANG NEW AREA URBAN CONSTRUCTION INVESTMENT CO., LTD
(鎮江新區城市建設投資有限公司)

(incorporated with limited liability in the People's Republic of China)

(the "Issuer")

US$50,000,000 3.0 PER CENT. CREDIT ENHANCED BONDS DUE 2022
(Stock Code: 40693)
(the "Bonds")

This announcement is issued pursuant to Rule 37.39A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). Please refer to the offering circular dated 21 May 2021 (the "**Offering Circular**") appended herein in relation to the issuance of the Bonds. Unless otherwise defined, capitalised terms used in this announcement shall have the same meaning as those defined in the Offering Circular. The Offering Circular is published in English only. No Chinese version of the Offering Circular has been published.

Notice to Hong Kong investors: The Issuer confirms that the Bonds are intended for purchase by professional investors (as defined in Chapter 37 of the Listing Rules) only and have been listed on The Stock Exchange of Hong Kong Limited on that basis. Accordingly, the Issuer confirms that the Bonds are not appropriate as an investment for retail investors in Hong Kong or elsewhere. Investors should carefully consider the risks involved.

The Offering Circular does not constitute a prospectus, notice, circular, brochure or advertisement offering to sell any securities to the public in any jurisdiction, nor is it an invitation to the public to make offers to subscribe for or purchase any securities, nor is it circulated to invite offers by the public to subscribe for or purchase any securities.

The Offering Circular must not be regarded as an inducement to subscribe for or purchase any securities of the Issuer, and no such inducement is intended. No investment decision should be made based on the information contained in the Offering Circular.

By order of the Board
Zhenjiang New Area Urban
Construction Investment Co., Ltd

Hong Kong, 27 May 2021

As at the date of this announcement, the board of directors of the Issuer comprises five directors, namely, Mr. Chen Zhenkuan, Mr. Tian Miaoqing, Mr. Zhao Peng, Mr. Wang Peigang and Mr. Lu Ping.

IMPORTANT NOTICE

NOT FOR DISTRIBUTION DIRECTLY OR INDIRECTLY IN OR INTO THE UNITED STATES

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the offering circular (the "**Offering Circular**") attached to this e-mail. You are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of the Offering Circular. In accessing the Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information as a result of such access. You acknowledge that the access to the Offering Circular is intended for use by you only and you agree you will not forward or otherwise provide access to any other person.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO.

THE SECURITIES (THE "SECURITIES") HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS. THIS OFFERING IS MADE SOLELY IN OFFSHORE TRANSACTIONS PURSUANT TO REGULATION S UNDER THE SECURITIES ACT.

THE OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER AND, IN PARTICULAR, MAY NOT BE FORWARDED TO ANY ADDRESS IN THE UNITED STATES. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

Confirmation of Your Representation: You have accessed the attached document on the basis that you have confirmed to Zhenjiang New Area Urban Construction Investment Co., Ltd (鎮江新區城市建設投資有限公司) (the "**Issuer**"), Zhongtai International Securities Limited, Zhongtai International Securities (Singapore) Pte. Ltd., Luso International Banking Ltd. and JQ Securities (Hong Kong) Limited (the "**Joint Lead Managers**", and each a "**Joint Lead Manager**") that: (1) you and any customers you represent are not in the United States, (2) the e-mail address that you gave us and to which this e-mail has been delivered is not located in the United States, (3) you consent to delivery of this document and any amendments or supplements by electronic transmission, and (4) to the extent you purchase the Securities, you will be doing so in an offshore transaction as defined in regulations under the Securities Act in compliance with Regulation S thereunder.

The Offering Circular is being furnished in connection with an offering in offshore transactions outside the United States in compliance with Regulation S under the Securities Act solely for the purpose of enabling a prospective investor to consider the purchase of the securities described in the Offering Circular.

The Offering Circular has been made available to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently neither the Issuer, the Joint Lead Managers, the Trustee, the Pre-funding Account Bank, the LC Proceeds Account Bank or the Agents (as defined in the attached Offering Circular) nor any of their affiliates, directors, officers, employees, representatives, agents, advisers and each person who controls any of them accepts any liability or responsibility whatsoever in respect of any such alteration or change to the Offering Circular distributed to you in electronic format or any difference between the Offering Circular distributed to you in electronic format and the hard copy version.

Restrictions: The Offering Circular is being furnished in connection with an offering in offshore transactions outside the United States in compliance with Regulation S under the Securities Act solely for the purpose of enabling a prospective investor to consider the purchase of the Securities.

Nothing in this electronic transmission constitutes, and may not be used in connection with, an offer or an invitation by or on behalf of any of the Issuer or the Joint Lead Managers to subscribe or purchase any of the Securities, in any place where offers or solicitations are not permitted by law and access has been limited so that it shall not constitute in the United States or elsewhere directed selling efforts (within the meaning of Regulation S under the Securities Act). If a jurisdiction requires that the offering be made by a licensed broker or dealer and any Joint Lead Manager or any affiliate of a Joint Lead Manager is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by that Joint Lead Manager or such affiliate on behalf of the Issuer in such jurisdiction. Any Securities to be issued in respect thereof will not be registered under the Securities Act and may not be offered or sold in the United States unless registered under the Securities Act or pursuant to an exemption from such registration. Access has been limited so that it shall not constitute a general solicitation in the United States or elsewhere. If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to purchase any of the Securities.

You are reminded that you have accessed the Offering Circular on the basis that you are a person into whose possession the Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located.

Actions that you may not take: If you receive the Offering Circular by e-mail, you should not reply by e-mail to this electronic transmission, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected.

You are responsible for protecting against viruses and other destructive items. Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

STRICTLY CONFIDENTIAL

ZHENJIANG NEW AREA URBAN CONSTRUCTION INVESTMENT CO., LTD
(鎮江新區城市建設投資有限公司)

(Incorporated with limited liability in the People's Republic of China)

U.S.$50,000,000 3.0 per cent. Credit Enhanced Bonds due 2022 with the benefit of an irrevocable Standby Letter of Credit issued by Nanyang Commercial Bank (China) Limited Wuxi Branch

Issue Price: 100.0 per cent.

The 3.0 per cent. credit enhanced bonds in the aggregate principal amount of U.S.$50,000,000 due 2022 (the "**Bonds**") will be issued by Zhenjiang New Area Urban Construction Investment Co., Ltd (鎮江新區城市建設投資有限公司) (the "**Issuer**"), a company incorporated under the laws of the People's Republic of China (the "**PRC**"). Payments of principal and interest in respect of the Bonds will have the benefit of an irrevocable standby letter of credit (the "**Standby Letter of Credit**") issued by Nanyang Commercial Bank (China) Limited Wuxi Branch (the "**LC Bank**"). See "*Appendix A – Form of Irrevocable Standby Letter of Credit*" for the form of the Standby Letter of Credit.

The Bonds bear interest on their outstanding principal amount from and including 26 May 2021 (the "**Issue Date**") at the rate of 3.0 per cent. per annum payable in arrear on 26 November 2021 with interest of U.S.$15.00 per Calculation Amount (as defined in the Terms and Conditions) and 25 May 2022 with interest of U.S.$14.92 per Calculation Amount (each an "**Interest Payment Date**"). All payments of principal, premium (if any) and interest by or on behalf of the Issuer in respect of the Bonds shall be made free and clear of, without set-off or counterclaim and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the PRC or any political subdivision or any authority therein or thereof having power to tax unless such set-off, counterclaim, withholding or deduction is required by law.

Application will be made to The Stock Exchange of Hong Kong Limited (the "**SEHK**") for the listing of, and permission to deal in, the Bonds by way of debt issues to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Professional Investors**") only. This Offering Circular is for distribution to Professional Investors only.

Notice to Hong Kong investors: The Issuer confirms that the Bonds are intended for purchase by Professional Investors only and will be listed on SEHK on that basis. Accordingly, the Issuer confirms that the Bonds are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.

The SEHK has not reviewed the contents of this Offering Circular, other than to ensure that the prescribed form disclaimer and responsibility statements, and a statement limiting distribution of this Offering Circular to Professional Investors only have been reproduced in this Offering Circular. Listing of the Bonds on the SEHK is not to be taken as an indication of the commercial merits or credit quality of the Bonds or the Issuer or quality of disclosure in this Offering Circular. Hong Kong Exchanges and Clearing Limited and the SEHK take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.

The Issuer undertakes that it will (i) submit or cause to be submitted an application for the registration of the Bonds with SAFE in accordance with, and within the timeframe prescribed by, the Administrative Measures for Foreign Debt Registration (外債登記管理辦法) and its operating guidelines, effective as at 13 May 2013 and other applicable rules issued by SAFE or PBOC from time to time, (ii) if applicable, file or cause to be filed with SAFE the Bonds within the timeframe prescribed in the Circular of the People's Bank of China on Implementing Overall Macro Prudential Management System for Nationwide Cross-border Financing (中國人民銀行關於在全國範圍內實施全口徑跨境融資宏觀審慎管理的通知) issued by PBOC which came into effect on 12 January 2017 and any implementation rules as issued by PBOC from time to time (the "**Cross Border Financing Circular**") ((i) and (ii) together, the "**Foreign Debt Registration**"), (iii) use all reasonable endeavours to complete the Foreign Debt Registration and obtain a registration certificate of the Foreign Debt Registration from SAFE (or other document evidencing the completion of registration issued by SAFE) on or before the Registration Deadline and (iv) comply with all applicable PRC laws and regulations in relation to the Bonds, including but not limited to, the Cross Border Financing Circular and any implementation measures promulgated thereunder from time to time.

The Bonds will constitute direct, unsubordinated, unconditional and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by applicable law and regulations, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on 25 May 2022 (the "**Maturity Date**"). The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Bondholders (as defined below) in writing to the Trustee and the Principal Paying Agent (which shall be irrevocable), at their principal amount (together with any interest accrued to but excluding the date fixed for redemption), if the Issuer satisfies the Trustee immediately prior to giving such notice that (i) the Issuer has or will become obliged to pay Additional Tax Amounts (as defined in the Terms and Conditions) as a result of any change in, or amendment to, the laws or regulations of the PRC or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including but not limited to any decision by a court of competent jurisdiction), which change or amendment becomes effective on or after 21 May 2021, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no Tax Redemption Notice shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Tax Amounts were a payment in respect of the Bonds then due. Following the occurrence of a Relevant Event (as defined in the Terms and Conditions), the holder of any Bond will have the right, at such holder's option, to require the Issuer to redeem all, but not some only, of that holder's Bonds on the Put Settlement Date (as defined in the Terms and Conditions) at 101 per cent. (in the case of a redemption for a Change of Control) or 100 per cent. (in the case of a redemption for a No Registration Event) of their principal amount, together in each case with interest accrued up to, but excluding, the Put Settlement Date. See "*Terms and Conditions of the Bonds – Redemption and Purchase*".

For a more detailed description of the Bonds, see "*Terms and Conditions of the Bonds*" beginning on page 42. The Bonds will not be rated.

The Bonds will be issued in denominations of U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof.

Investing in the Bonds involves risks. Furthermore, investors should be aware that Standby Letter of Credit feature and associated risks and that there are various other risks relating to the Bonds, the Issuer and its subsidiaries, their business and their jurisdictions of operations which investors should familiarise themselves with before making an investment in the Bonds. See "Risk Factors" beginning on page 15, particularly pages 36 for risks relating to the Standby Letter of Credit feature.

The Bonds and the Standby Letter of Credit have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Bonds are being offered and sold only in offshore transactions outside the United States in reliance on Regulation S under the Securities Act. For a description of these and certain further restrictions on offers and sales of the Bonds, the Standby Letter of Credit and the distribution of this Offering Circular, see "*Subscription and Sale*".

The Bonds will be represented initially by beneficial interests in a global certificate (the "**Global Certificate**") in registered form which will be registered in the name of a nominee of, and shall be deposited on or about the Issue Date, with, a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream**"). Beneficial interests in the Global Certificate will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream.

Except as described herein, certificates for Bonds will not be issued in exchange for interests in the Global Certificate.

Joint Global Coordinators, Joint Lead Managers and Joint Bookrunners

Zhongtai International **Zhongtai International (Singapore)**

Joint Lead Managers and Joint Bookrunners

Luso Bank Ltd. **JQ Securities**

Offering Circular dated 21 May 2021

NOTICE TO INVESTORS

THIS OFFERING CIRCULAR DOES NOT CONSTITUTE AN OFFER TO SELL, OR A SOLICITATION OF AN OFFER TO BUY, ANY SECURITIES IN ANY JURISDICTION TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE THE OFFER OR SOLICITATION IN SUCH JURISDICTION. NEITHER THE DELIVERY OF THIS OFFERING CIRCULAR NOR ANY SALE MADE HEREUNDER SHALL UNDER ANY CIRCUMSTANCES IMPLY THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE ISSUER OR ANY OF ITS SUBSIDIARIES (COLLECTIVELY, THE "GROUP") OR THAT THE INFORMATION SET FORTH IN THIS OFFERING CIRCULAR IS CORRECT AS OF ANY DATE SUBSEQUENT TO THE DATE HEREOF.

This document includes particulars given in compliance with the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange for the purpose of giving information with regard to the Issuer. The Issuer accepts full responsibility for the accuracy of the information contained in this document and confirm, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement herein misleading. Investors are advised to read and understand the contents of the Offering Circular before investing. If in doubt, investors should consult their advisers.

The Issuer accepts full responsibility for the accuracy of the information contained in this Offering Circular and confirms, having made all reasonable enquiries, that (i) this Offering Circular contains all information with respect to the Issuer, the Group and the Bonds and the Standby Letter of Credit which is material in the context of the issue and offering of the Bonds (including all information required by applicable laws and the information which, according to the particular nature of the Issuer, the Group, the Bonds and the Standby Letter of Credit, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and the Group and of the rights attaching to the Bonds and the Standby Letter of Credit), (ii) the statements contained in this Offering Circular relating to the Issuer, the Group, the Bonds and the Standby Letter of Credit are in every material particular true and accurate and not misleading, (iii) the opinions and intentions expressed in this Offering Circular are, with regard to the Issuer and the Group, honestly and reasonably held, have been reached after considering all relevant circumstances and are based on reasonable assumptions, (iv) there are no other facts in relation to the Issuer, the Group, the Bonds or the Standby Letter of Credit the omission of which would, in the context of the issue and offering of the Bonds, make any statement, opinion or intention expressed in this Offering Circular misleading; (v) all reasonable enquiries have been made by the Issuer to ascertain such facts and to verify the accuracy of all such information and statements in this Offering Circular; (vi) this Offering Circular does not include an untrue statement of a material fact or omit to state any material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading; and (vii) the statistical, industry and market-related data and forward looking statements, each of which are included in this Offering Circular, are based on or derived or extracted from sources which the Issuer and the Group believe to be accurate and reliable in all material respects.

Notwithstanding the foregoing, the information included in this Offering Circular regarding the LC Bank is for information purposes only and is based on, or derived or extracted from, among other sources, publicly available information. The Issuer has taken reasonable care in the compilation and reproduction of the information. However, none of the Issuer, the Joint Lead Managers (as defined below), the Trustee, the Pre-funding Account Bank, the LC Proceeds Account Bank and the Agents (in each case as defined herein) or their respective affiliates, directors, officers, employees, representatives, agents or advisers or any person who controls any of them has independently verified such information. No representation or warranty, express or implied, is made or given by the Issuer, the Joint Lead Managers, the Trustee, the Pre-funding Account Bank, the LC Proceeds Account Bank or the Agents or their respective affiliates, directors, officers, employees, representatives, agents or advisers or any person who controls any of them as to the accuracy, completeness or sufficiency of such information. Accordingly, such information should not be unduly relied upon.

This Offering Circular has been prepared by the Issuer solely for use in connection with the proposed offering of the Bonds and giving of the Standby Letter of Credit described in this Offering Circular. The distribution of this Offering Circular and the offering of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer, Zhongtai International Securities Limited, Zhongtai International Securities (Singapore) Pte. Ltd., Luso International Banking Ltd. and JQ Securities (Hong Kong) Limited (the "**Joint Lead Managers**") to inform themselves about and to observe any such restrictions. No action is being taken to permit a public offering of the Bonds and giving of the Standby Letter of Credit or the distribution of this Offering Circular or any offering or publicity material relating to the Bonds in any jurisdiction where action would be required for such purposes. There are restrictions on the offer and sale of the Bonds and the circulation of documents relating thereto, in certain jurisdictions and to persons connected therewith. For a description of certain further restrictions on offers, sales and resales of the Bonds and distribution of this Offering Circular, see "*Subscription and Sale*". By purchasing the Bonds, investors represent and agree to all of those provisions contained in that section of this Offering Circular. This Offering Circular is personal to each offeree and does not constitute an offer to any other person or to the public generally to subscribe for, or otherwise acquire, Bonds. Distribution of this Offering Circular to any other person other than the prospective investor and any person retained to advise such prospective investor with respect to its purchase is unauthorised. Each prospective investor, by accepting delivery of this Offering Circular, agrees to the foregoing and to make no photocopies of this Offering Circular or any documents referred to in this Offering Circular.

No person has been or is authorised to give any information or to make any representation not contained in or not consistent with this Offering Circular or any information supplied by the Issuer, the Group, the LC Bank or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer, the Group, the LC Bank, the Joint Lead Managers, the Trustee, the Pre-funding Account Bank, the LC Proceeds Account Bank or the Agents (as defined in the Terms and Conditions) or their respective affiliates, directors, employees, agents, representatives, officers or advisers or any person who controls any of them. Neither the delivery of this Offering Circular nor any offering, sale or delivery made in connection with the issue of the Bonds shall, under any circumstances, constitute a representation that there has been no change or development reasonably likely to involve a change in the affairs of the Issuer, the Group or the LC Bank or any of them since the date hereof or create any implication that the information contained herein is correct as at any date subsequent to the date hereof. This Offering Circular does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Joint Lead Managers, the Trustee, the Pre-funding Account Bank, the LC Proceeds Account Bank or the Agents or any of their respective affiliates, directors, employees, agents, representatives, officers or adviser or any person who controls any of them to subscribe for or purchase the Bonds and may not be used for the purpose of an offer to, or a solicitation by, anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or is unlawful.

None of the Joint Lead Managers, the Trustee, the Pre-funding Account Bank, the LC Proceeds Account Bank or the Agents (as defined in the Conditions), or any person who controls any of them, or their respective directors, officers, employees, agents, representatives, advisers and affiliates has separately verified the information contained in this Offering Circular. None of the Joint Lead Managers, the Trustee, the Pre-funding Account Bank, the LC Proceeds Account Bank or the Agents, or any person who controls any of them, or any director, officer, employee, agent, representative, adviser or affiliate of any such person, makes any representation, warranty or undertaking, express or implied, or accepts any responsibility or liability, with respect to the accuracy or completeness of any of the information contained in this Offering Circular or any information supplied in connection with the Bonds and the Standby Letter of Credit. Each person receiving this Offering Circular acknowledges that such person has not relied on the Joint Lead Managers, the Trustee, the Pre-funding Account Bank, the LC Proceeds Account Bank or the Agents, or any person who controls any of them, or any of their respective directors, officers, employees, agents, representatives, adviser or affiliates in connection with its investigation of the accuracy of such information or its investment decision, and each such person must rely on its own examination of the Issuer, the Group, the LC Bank, the Standby Letter of Credit and the terms of the offering and the merits and risks involved in investing in the Bonds. See "*Risk Factors*" for a discussion of certain factors to be considered in connection with an investment in the Bonds.

To the fullest extent permitted by law, none of the Joint Lead Managers, the Trustee, the Pre-funding Account Bank, the LC Proceeds Account Bank or the Agents, or any person who controls any of them, or any director, officer, employee, agent, representative, adviser or affiliate of any such person, accepts any responsibility for the contents of this Offering Circular or for any other statement made or purported to be made by Joint Lead Managers, the Trustee, the Pre-funding Account Bank, the LC Proceeds Account Bank or an Agent, or any person who controls any of them, or any director, officer, employee, agent, adviser, representative or affiliate of any such person or on its behalf, in connection with the Issuer, the Group, the LC Bank, the issue and offering of the Bonds or the giving of the Standby Letter of Credit. Each of the Joint Lead Managers, the Trustee, the Pre-funding Account Bank, the LC Proceeds Account Bank and the Agents, and any person who controls any of them, and the directors, officers, employees, agents, representatives, advisers and affiliates of such persons accordingly disclaims all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this Offering Circular or any such statement. None of the Joint Lead Managers, the Trustee, the Pre-funding Account Bank, the LC Proceeds Account Bank or the Agents, or any person who controls any of them, or any director, officer, employee, agent, representative, advisers or affiliate of any such person, undertakes to review the financial condition or affairs of the Issuer, the Group or the LC Bank during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or potential investor in the Bonds of any information coming to the attention of the Joint Lead Managers, the Trustee, the Pre-funding Account Bank, the LC Proceeds Account Bank or the Agents, or any person who controls any of them, or any director, officer, employee, agent, representative, advisers or affiliate of any such person.

This Offering Circular may not be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such an offer or solicitation. This Offering Circular does not constitute an offer or an invitation to subscribe for or to purchase any Bonds, is not intended to provide the basis of any credit or other evaluation, and should not be considered as a recommendation by the Issuer, the Group, the LC Bank, the Joint Lead Managers, the Trustee, the Pre-funding Account Bank, the LC Proceeds Account Bank, the Agents, or any person who controls any of them, or any of their respective affiliates, directors, employees, agents, representatives, officers or advisers that any recipient of this Offering Circular should subscribe for or purchase any Bonds. Each recipient of this Offering Circular shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer with its own tax, legal and business advisers as it deems necessary.

*Singapore SFA Product Classification: In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the"**CMP Regulations 2018**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Bonds are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).*

IN CONNECTION WITH THE ISSUE OF THE BONDS, ANY OF THE JOINT LEAD MANAGERS (THE "STABILISING MANAGER") (OR ANY PERSON ACTING ON ITS BEHALF) MAY OVER-ALLOT BONDS OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE BONDS AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILISING MANAGER(S) (OR ANY PERSON ACTING ON BEHALF OF ANY STABILISING MANAGER) WILL UNDERTAKE STABILISATION ACTION. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE BONDS IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE BONDS AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE BONDS. ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE RELEVANT STABILISING MANAGER(S) (OR ANY PERSON ACTING ON BEHALF OF ANY STABILISING MANAGER(S)) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

This Offering Circular is provided solely for the purpose of enabling the recipient to consider purchasing the Bonds. The investors or prospective investors should read this Offering Circular carefully before making a decision regarding whether or not to purchase the Bonds. This Offering Circular cannot be used for any other purpose and any information in this Offering Circular cannot be disclosed to any other person. This Offering Circular is personal to each prospective investor and does not constitute an offer to any other person or to the public generally to purchase or otherwise acquire the Bonds.

This Offering Circular summarises certain material documents and other information, and the Issuer, the LC Bank and the Joint Lead Managers refer the recipient of this Offering Circular to them for a more complete understanding of what is contained in this Offering Circular. None of the Issuer, the Group, the LC Bank, the Joint Lead Managers, the Trustee, the Pre-funding Account Bank, the LC Proceeds Account Bank or the Agents, or any person who controls any of them, or any of their respective directors, officers, employees, agents, representatives, advisers or affiliates are making any representations regarding the legality of an investment in the Bonds under any law or regulation. The recipient of this Offering Circular should not consider any information in this Offering Circular to be legal, business or tax advice. Any investor or prospective investor should consult his/her/its own attorney, business adviser and tax adviser for legal, business and tax advice regarding an investment in the Bonds.

The contents of this Offering Circular have not been reviewed by any regulatory authority in the People's Republic of China, Hong Kong, Singapore or elsewhere. Investors are advised to exercise caution in relation to the offer. If any investor is in any doubt about any of the contents of this Offering Circular, that investor should obtain independent professional advice.

Industry and Market Data

Market data and certain industry forecasts used throughout this Offering Circular have been obtained based on, among other sources, internal surveys, market research, publicly available information and industry publications. Industry publications generally state that the information that they contain has been obtained from sources believed by the Issuer to be reliable and accurate but that the accuracy and completeness of that information is not guaranteed. Similarly, internal surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified, and none of the Issuer, the LC Bank, the Joint Lead Managers, the Trustee, the Pre-funding Account Bank, the LC Proceeds Account Bank or the Agents or their respective affiliates, directors, employees, representatives, agents, officers or advisers or any person who controls any of them makes any representation as to the correctness, accuracy or completeness of that information complied within or outside the PRC. In addition, third-party information providers may have obtained information from market participants and such information may not have been independently verified. Accordingly, such information should not be unduly relied upon.

Presentation of Financial Information

This Offering Circular contains the audited consolidated financial information of the Issuer as at and for the years ended 31 December 2018, 2019 and 2020.

The consolidated financial information of the Issuer as at and for the years ended 31 December 2018, 2019 and 2020 has been extracted from the Issuer's consolidated financial statements as at and for the years ended 31 December 2019 and 2020 (the "**Audited Financial Statements**"). The Issuer's Audited Financial Statements were prepared and presented in accordance with the Accounting Standards for Business Enterprises in China ("**PRC GAAP**"). The Audited Financial Statements have been audited by, Suya Jincheng Certified Public Accountants LLP ("**Suya Jincheng**"), the Issuer's independent auditor, in accordance with the Chinese Auditing Standards issued by the Ministry of Finance of the PRC ("**MOF**").

PRC GAAP differs in certain respects from International Financial Reporting Standards ("**IFRS**"). For a discussion of certain differences between PRC GAAP and IFRS, see "*Summary of Certain Differences Between PRC GAAP and IFRS*".

CERTAIN TERMS AND CONVENTIONS AND CURRENCY PRESENTATION

This Offering Circular has been prepared using a number of conventions, which investors should consider when reading the information contained herein. Unless indicated otherwise, in this Offering Circular all references to "**the Issuer**" and "**the Company**" refer to Zhenjiang New Area Urban Construction Investment Co., Ltd (鎮江新區城市建設投資有限公司), all references to "**the Group**" refer to Zhenjiang New Area Urban Construction Investment Co., Ltd (鎮江新區城市建設投資有限公司), its predecessor entities and its subsidiaries; all references to the "**PRC**" and "**China**" are to the People's Republic of China (excluding Hong Kong, the Macao Special Administrative Region of the People's Republic of China and Taiwan); all references to the "**United States**" and "**U.S.**" are to the United States of America; all references to "**PRC Government**" are to the people's government of the PRC; all references to "**Hong Kong**" are to the Hong Kong Special Administrative Region of the People's Republic of China; all references to "**Renminbi**", "**RMB**" and "**CNY**" are to the lawful currency of the PRC; and all references to "**USD**", "**U.S.$**" and "**U.S. dollars**" are to the lawful currency of the United States of America.

Unless otherwise stated in this Offering Circular, all translations from Renminbi into U.S. dollars were made at the rate of RMB6.5250 to U.S.$1.00, the noon buying rate in New York City for cable transfers payable in Renminbi on 31 December 2020 as set forth in the weekly H.10 statistical release of the Board of Governors of the Federal Reserve System). All such translations in this Offering Circular are provided solely for investors' convenience and no representation is made that the amounts referred to herein have been, could have been or could be converted into U.S. dollars or Renminbi, or vice versa, at any particular rate or at all. For further information relating to the exchange rates, see "*Exchange Rate Information*".

Any discrepancies in the tables included herein between the listed amounts and the totals thereof are due to rounding.

In this Offering Circular, where information has been presented in thousands or millions of units, amounts may have been rounded up or down. Accordingly, totals of columns or rows of numbers in tables may not be equal to the apparent total of the individual items and actual numbers may differ from those contained herein due to rounding. References to information in billions of units are to the equivalent of a thousand million units.

The English names of the PRC nationals, entities, departments, facilities, laws, regulations, certificates, titles and the like are translations of their Chinese names and are included for identification purposes only. In the event of any inconsistency, the Chinese names prevail.

In this Offering Circular, unless otherwise indicated or the context otherwise requires, references to:

- "GDP" refers to gross domestic product;
- the "Zhenjiang Municipal Government" refers to the People's Government of Zhenjiang City, Jiangsu Province or local government entities, and instrumentalities thereof, or where the context requires, any of them;
- the "Zhenjiang SASAC" refers to the State-owned Assets Supervision and Administration Commission of the People's Government of Zhenjiang City, Jiangsu Province;

- "MOF" refers to the Ministry of Finance of the People's Republic of China;
- "MOFCOM" refers to the Ministry of Commerce of the People's Republic of China;
- "NDRC" refers to the National Development and Reform Commission of the People's Republic of China or its competent local counterparts;
- "NDRC Circular" refers to the Circular on Promoting the Reform of the Administrative System on the Issuance by Enterprises of Foreign Debt Filings and Registrations (國家發展改革委關於推進企業發行外債備案登記制管理改革的通知(發改外資[2015]2044號)) issued by the NDRC;
- "PBOC" refers to the People's Bank of China, the central bank of the People's Republic of China;
- the "PRC government" refers to the central government of the PRC and its political subdivisions, including provincial, municipal and other regional or local government entities, and instrumentalities thereof, or where the context requires, any of them;
- "SAFE" refers to the State Administration of Foreign Exchange of the People's Republic of China or its competent local counterparts;
- "SAT" refers to the State Administration of Taxation of the PRC;
- "State Council" refers to the State Council of the People's Republic of China; and
- "VAT" refers to value-added tax.

FORWARD-LOOKING STATEMENTS

This Offering Circular contains forward-looking statements. The forward-looking statements contain information regarding, among other things, the Group's future operations, performance, financial condition, expansion plans and business strategy. These forward-looking statements are based on the Group's current expectations and projections about future events. Although the Group believes that these expectations and projections are reasonable, such forward-looking statements are inherently subject to risks, uncertainties and assumptions, including, among other things:

- general economic and political conditions in the PRC and globally;
- the Group's financial condition, performance and business prospects;
- the Group's expenditure plans and its ability to carry out those plans;
- access and cost of capital and financing;
- risks associated with business activities in the PRC, including but not limited to the PRC regulatory environment;
- fluctuation in prices of and the demand for products and services that the Group provides;
- macroeconomic measures taken by the PRC government to manage economic growth;
- the Group's business strategy and plan of operation;
- fluctuations in interest rates and the availability of credit;
- various business opportunities that the Group may pursue;
- natural disasters, industrial action, terrorist attacks and other event beyond the Group's control; and
- those other risks identified in the "Risk Factors" section of this Offering Circular.

The words "believe", "expect", "anticipate", "estimate", "intend", "plan", "seek" and similar words identify forward-looking statements. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding expected financial condition and results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include but are not limited to statements as to the business strategy, operating income, profitability, planned projects and other matters as they relate to the Issuer, the Group or the LC Bank discussed in this Offering Circular regarding matters that are not historical fact. Although the Group believes that the expectations reflected in the forward-looking statements are reasonable, the Group can give no assurance that such expectations will prove correct. The Group undertakes no obligation to publicly update or revise any forward-looking statements whether as a result of new information, future events or otherwise. In light of the foregoing and the risks, uncertainties and assumptions in "*Risk Factors*" and elsewhere in this Offering Circular, the forward-looking statements in this Offering Circular are not and should not be construed as assurances of future performance and the Group's actual results could differ materially from those anticipated in those forward-looking statements.

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SUMMARY

The summary below is only intended to provide a limited overview of information described in more detail elsewhere in this Offering Circular. As it is a summary, it does not contain all of the information that may be important to investors and terms defined elsewhere in this Offering Circular shall have the same meanings when used in this summary. Prospective investors should therefore read this Offering Circular in its entirety, including the section titled "Risk Factors", before making an investment decision.

OVERVIEW

The Group is an investment and financing platform of the Zhenjiang Municipal Government to undertake infrastructure construction and real estate development in Zhenjiang New Area. Established in 1992, the Group is designated to carry out the Zhenjiang Municipal Government's blueprint for infrastructure construction and municipal development in Zhenjiang New Area. The Group's parent company, Jiangsu Hanrui Investment Holdings Co., Ltd. (the "**Parent Company**"), is tasked on an exclusive basis to undertake infrastructure construction and real estate development in Zhenjiang New Area and is wholly-owned by Zhenjiang SASAC. Leveraging strong government support and a diversified business model, the Group has achieved continuous growth in its assets base, recorded strong operating performance over the past few years and played an important role in the urbanisation of Zhenjiang, particularly Zhenjiang New Area.

The Group focuses primarily on its infrastructure construction and real estate development businesses but over the years, has developed a wide-ranging business portfolio. The Group's operations and investments are managed and can be classified into four main segments, namely (i) affordable housing; (ii) trading; (iii) infrastructure construction; (iv) investment properties and (v) other businesses:

- **Affordable Housing.** The Group engages in the development of affordable housing (安置房). The Group has undertaken the construction and development of affordable housing, including relocation housing (拆遷安置房), public-rental housing (公租房) and subsidised housing (經濟適用房), and the redevelopment of shanty areas (棚戶區改造) in Zhenjiang since 2012. As at 31 December 2020, the Group had completed 15 affordable housing projects. For the years ended 31 December 2018, 2019 and 2020, operating revenue generated from the Group's affordable housing business was RMB1,062.2 million, RMB1,342.0 million and RMB790.5 million, respectively, representing 21.6 per cent., 25.1 per cent. and 14.3 per cent. of the Group's total operating revenue for the same periods.

- **Trading.** The Group conducts domestic trading of various products, including bulk building materials, agricultural products and chemical products. In 2019, it further expanded the scope of its trading activities and product offerings in a bid to further transform its operations to be more market-oriented. For the years ended 31 December 2018, 2019 and 2020, operating revenue generated from the Group's trading business was RMB767.7 million, RMB1,494.0 million and RMB1,904.7 million, respectively, representing 15.6 per cent., 27.9 per cent. and 34.4 per cent. of the Group's total operating revenue for the same periods.

- **Infrastructure Construction.** The Group is one of the entities carrying out infrastructure construction in Zhenjiang New Area. The Group undertakes different infrastructure construction projects within Zhenjiang New Area, such as construction of roads, standard form factory buildings and other public facilities. In recent years, the Group had completed numerous large-scale infrastructure construction projects, such as Technology Park Phase II (科技園二期項目) and Central Trade Zone (中心商貿區). As at 31 December 2020, the Group had 90 completed projects and 19 projects under construction (with estimated total investment of RMB1,684.1 million). For the years ended 31 December 2018, 2019 and 2020, operating revenue generated from the Group's infrastructure construction business was RMB17.2 million, RMB963.0 million and RMB508.8 million, respectively, representing 0.4 per cent., 18.0 per cent. and 9.2 per cent. of the Group's total operating revenue for the same periods.

- **Investment properties.** This business involves the sales of investment properties, which are mainly land use rights held by the Group with intention to sell after appreciation. For the years ended 31 December 2018, 2019 and 2020, operating revenue generated from the Group's investment properties business was RMB2,655.9 million, RMB1,288.8 million and RMB2,186.2 million, respectively, representing 54.1 per cent., 24.1 per cent. and 39.5 per cent. of the Group's total operating revenue for the same periods.

- **Other Businesses.** To better fulfil its role in the continuous economic development and urbanisation of Zhenjiang New Area and to ensure sustainable growth of its own operations, the Group has, on the solid foundation of its core businesses, expanded its portfolio to encompass a broad spectrum of complementary and supplementary business activities, including property leasing and other businesses. For the years ended 31 December 2018, 2019 and 2020, operating revenue generated from the Group's other businesses was RMB405.6 million, RMB266.8 million and RMB141.2 million, respectively, representing 8.3 per cent., 5.0 per cent. and 2.6 per cent. of the Group's total operating revenue for the same periods.

For the years ended 31 December 2018, 2019 and 2020, the Group's operating revenue was RMB4,908.6 million, RMB5,354.7 million and RMB5,531.3 million, respectively. As at 31 December 2020, the Group had total assets of RMB48,162.8 million.

COMPETITIVE STRENGTHS

The Group believes that the competitive strengths outlined below are important to its continued success and future development:

- Prominent investment and financing platform of the Zhenjiang Municipal Government focusing on infrastructure construction and municipal development within Zhenjiang New Area.

- Strong support from the Zhenjiang Municipal Government, Zhenjiang SASAC and Zhenjiang New Area Management Committee.

- Diversified business portfolio with synergies across all segments and operations.

- Ample capital resources from diversified financing channels.

- Experienced management team with sound corporate governance.

BUSINESS STRATEGIES

The following are our strategies:

- Leverage the national strategy relating to the integration of the Yangtze River Delta cities to further promote the development and construction of Zhenjiang.

- Continue to actively focus on infrastructure construction in Zhenjiang New Area.

- Continue to undertake affordable housing projects in Zhenjiang New Area.

- Continue to diversify the Group's businesses and to increase investment in businesses that synergise with the Group's core business.

- Adhere to prudent risk management system and strict risk control measures.

- Continue to develop diversified financing channels.

THE ISSUE

The following summary contains some basic information about the Bonds. Some of the terms described below are subject to important limitations and exceptions. Words and expressions defined in "Terms and Conditions of the Bonds" shall have the same meanings in this summary. For a more complete description of the terms and conditions of the Bonds, see "Terms and Conditions of the Bonds".

Issuer	Zhenjiang New Area Urban Construction Investment Co., Ltd (鎮江新區城市建設投資有限公司)
LC Bank	Nanyang Commercial Bank (China) Limited Wuxi Branch
Issue	U.S.$50,000,000 aggregate principal amount of 3.0 per cent. Credit Enhanced Bonds due 2022.
Issue Price	100.0 per cent. of the principal amount of the Bonds.
Form and Denomination	The Bonds will be issued in the specified denomination of U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof.
Interest	The Bonds will bear interest on their outstanding principal amount from and including the Issue Date at the rate of 3.0 per cent. per annum payable in arrear on 26 November 2021 with interest of U.S.$15.00 per Calculation Amount (as defined in the Terms and Conditions) and 25 May 2022 with interest of U.S.$14.92 per Calculation Amount (each an "**Interest Payment Date**").
Issue Date	26 May 2021.
Maturity Date	25 May 2022.
Use of Proceeds	The net proceeds from the offering of the Bonds will be used for refinancing the existing indebtedness, granting entrusted loans to affiliates and for general corporate purposes. See "*Use of Proceeds*".

Standby Letter of Credit	The Bonds will have the benefit of the Standby Letter of Credit in favour of the Trustee, on behalf of itself and the holders of the Bonds, issued by the LC Bank. The Standby Letter of Credit shall be drawable by the Trustee as beneficiary under the Standby Letter of Credit on behalf of itself and the holders of the Bonds upon the presentation of a demand by authenticated SWIFT (or by such other method of communication permitted under the Standby Letter of Credit) sent by or on behalf of the Trustee to the LC Bank in accordance with the Standby Letter of Credit (the "**Demand**") stating that (i) the Issuer has failed to comply with Condition 4(b) in relation to pre-funding the amount that is required to be pre-funded under the Conditions and/or failed to provide the Required Confirmations (as defined below) in accordance with Condition 4(b), (ii) an Event of Default (as defined in Condition 10) has occurred and the Trustee has given notice to the Issuer that the Bonds are immediately due and payable in accordance with Condition 10, or (iii) the Issuer has failed to pay the fees, costs, expenses and other amounts it is obligated to pay under the Conditions or in connection with the Bonds, the Trust Deed, the Agency Agreement and/or any other transaction documents relating to the Bonds when due and such failure has continued for a period of seven days from the date of the Trustee delivering its demand therefor to the Issuer in accordance with the Conditions. Only one drawing under the Standby Letter of Credit is permitted. Such drawing on the Standby Letter of Credit will be payable in U.S. dollars to or to the order of the Trustee at the time and to the account specified in the Demand presented to the LC Bank. Payment received by the Trustee in respect of the Demand will be deposited into the LC Proceeds Account. The payment made under the Standby Letter of Credit in respect of any amount payable under the Conditions or in connection with the Bonds, the Trust Deed and/or the Agency Agreement shall, to the extent of the drawing paid to or to the order of the Trustee, satisfy the obligations of the Issuer in respect of such amount payable under the Conditions or in connection with the Bonds, the Trust Deed and/or the Agency Agreement. The LC Bank's liability under the Standby Letter of Credit shall be expressed and payable in U.S. dollars and shall not exceed U.S.$51,750,000. The Standby Letter of Credit expires at 6:00 p.m. (Hong Kong time) on 25 June 2022. See "*Terms and Conditions of the Bonds – Standby Letter of Credit and Pre-funding – Standby Letter of Credit*", and "*Appendix A – Form of Irrevocable Standby Letter of Credit*".

Pre-funding . . . . . In order to provide for the payment of any amount in respect of the Bonds (other than the mandatory redemption amount payable under Condition 7(d)) (the "**Relevant Amount**")) as the same shall become due, the Issuer shall, in accordance with the Agency Agreement, by no later than the Business Day falling ten Business Days (the "**Pre-funding Date**") prior to the due date for such payment under the Conditions:

(i) unconditionally pay or procure to be paid the Relevant Amount into the Pre-funding Account; and

(ii) deliver to the Trustee and the Principal Paying Agent by facsimile (x) a Payment and Solvency Certificate signed by any Authorised Signatory of the Issuer, and (y) a copy of the irrevocable payment instruction from the Issuer to the Pre-funding Account Bank requesting the Pre-funding Account Bank to pay the Relevant Amount which was paid into the Pre-funding Account on the Pre-funding Date in full to the Principal Paying Agent by no later than 10:00 a.m. (Hong Kong time) on the Business Day immediately preceding the due date for such payment (together, the "**Required Confirmations**").

The Pre-funding Account Bank shall notify the Trustee by 10:00 a.m. (Hong Kong time) on the Business Day immediately following the Pre-funding Date upon the failure by the Issuer to pay the Relevant Amount into the Pre-funding Account in accordance with these Conditions. If the Relevant Amount has not been paid into the Pre-funding Account in full and the Pre-funding Account Bank has notified the Trustee of such failure, or the Trustee does not receive the Required Confirmations, in each case by 10:00 a.m. (Hong Kong time) on the Business Day immediately following the Pre-funding Date (a "**Pre-funding Failure**"), the Trustee shall:

(A) send the notice (the "**Pre-funding Failure Notice**") to the Bondholders by the second Business Day immediately following the Pre-funding Date of (i) the Pre-funding Failure and (ii) the redemption of the Bonds in accordance with Condition 7(d) to occur as a result of the Pre-funding Failure; and

(B) by no later than 6:00 p.m. (Hong Kong time) on the second Business Day immediately following the Pre-funding Date issue a Demand to the LC Bank for the principal amount in respect of all of the Bonds then outstanding, together with interest accrued to but excluding the Mandatory Redemption Date (as defined in Condition 7(d)) and all fees, costs, expenses, indemnity payments and all other amounts payable by the Issuer under or in connection with the Bonds, the Agency Agreement, the Trust Deed and/or any other transaction document relating to the Bonds, *provided that*, in accordance with the Standby Letter of Credit the Trustee need not physically present the Demand to the LC Bank and shall be entitled to submit the Demand by authenticated SWIFT (provided that in the event that the SWIFT system is not available for any reason, the Trustee may instead present a Demand via facsimile transmission during the period between 9:00 a.m. (Hong Kong time) to 6:00 p.m. (Hong Kong time)).

	Following receipt by the LC Bank of such Demand by 6:00 p.m. (Hong Kong time) on a Business Day, the LC Bank shall by 10:00 a.m. (Hong Kong time) on the fourth Business Day immediately following such Business Day (or, if such Demand is received after 6:00 p.m. (Hong Kong time) on a Business Day, the fifth Business Day immediately following such Business Day), pay to or to the order of the Trustee the amount in U.S. dollars specified in the Demand to the LC Proceeds Account. "**Business Day**" means a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets are open for business in Hong Kong, Beijing, and New York City. See "*Terms and Conditions of the Bonds – Standby Letter of Credit and Pre-funding – Pre-funding*", and "*Appendix A – Form of Irrevocable Standby Letter of Credit*".
Status of the Bonds	The Bonds constitute direct, unsubordinated, unconditional and unsecured obligations of the Issuer and shall at all times rank pari passu and without any preference among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by applicable law and regulations, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.
Events of Default.	Upon the occurrence of certain events of default, as further described in "*Terms and Conditions of the Bonds – Events of Default*", in respect of the Issuer and the LC Bank, the Trustee at its discretion may, and if so requested in writing by holders of at least 25 per cent. in aggregate principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution, shall (provided in any such case that the Trustee shall have been first indemnified and/or secured and/or pre-funded to its satisfaction), give notice to the Issuer that the Bonds are, and they shall immediately become, due and payable at their principal amount together (if applicable) with accrued but unpaid interest.
Cross-Default.	The Bonds are subject to a cross-default provision in relation to the Issuer or any of their respective Subsidiaries and a cross-default in relation to the LC Bank or any of its Subsidiaries as further described in Condition 10(a)(iii) (*Cross-Default*) and Condition 10(b)(i) (*Cross-Default*) of the Conditions, respectively.

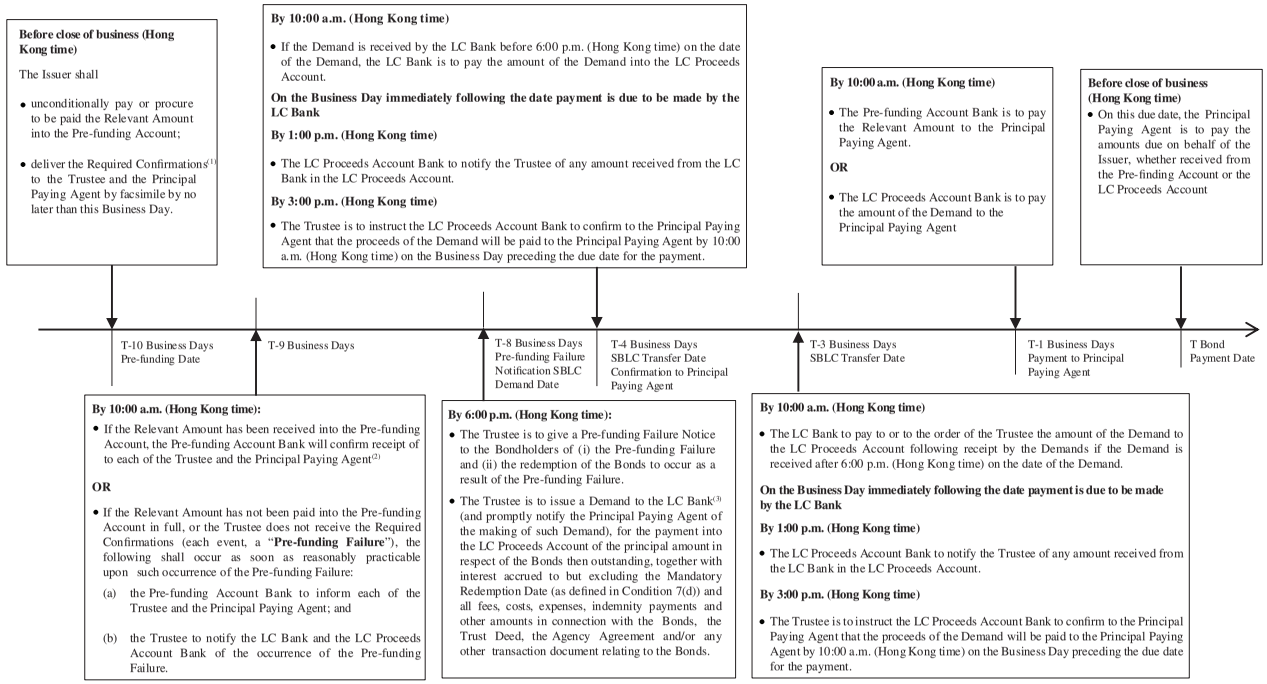
Taxation	All payments of principal, premium (if any) and interest by or on behalf of the Issuer in respect of the Bonds shall be made free and clear of, and without set-off, counterclaim, withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the PRC or any political subdivision or authority therein or thereof having power to tax, unless such set-off, counterclaim, withholding or deduction is required by law, as further described in Condition 9. Where such withholding or deduction is made by the Issuer by or within the PRC at a rate up to and including the aggregate rate applicable on 21 May 2021 (the "**Applicable Rate**"), the Issuer will increase the amounts paid by it to the extent required, so that the net amount received by Bondholders equals the amounts which would otherwise have been receivable by them had no such withholding or deduction been required. In the event that any such PRC deduction or withholding in excess of the Applicable Rate is required, the Issuer shall pay such additional amounts ("**Additional Tax Amounts**") as will result in receipt by the Bondholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no Additional Tax Amounts shall be payable in respect of any Bond. See "*Terms and Conditions of the Bonds – Taxation*".
Final Redemption	Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on the Maturity Date.
Redemption for Taxation Reasons	The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice (a "**Tax Redemption Notice**") to the Bondholders in accordance with Condition 17 and in writing to the Trustee and the Principal Paying Agent (which shall be irrevocable), at their principal amount (together with interest accrued up to, but excluding, the date fixed for redemption), if the Issuer satisfies the Trustee immediately prior to the giving of such notice that (i) the Issuer has or will become obliged to pay Additional Tax Amounts as provided or referred to in Condition 9 as a result of any change in, or amendment to, the laws or regulations of the PRC or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including but not limited to any decision by a court of competent jurisdiction), which change or amendment becomes effective on or after 21 May 2021, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, as further described in Condition 7(b). See "*Terms and Conditions of the Bonds – Redemption and Purchase – Redemption for Taxation Reasons*".

Redemption for Relevant Events .	Following the occurrence of a Relevant Event, the holder of any Bond will have the right, at such holder's option, to require the Issuer to redeem all, but not some only, of such holder's Bonds on the Put Settlement Date (as defined in Condition 7(c)) at 101 per cent. (in the case of a redemption for a Change of Control) or 100 per cent. (in the case of a redemption for a No Registration Event) of their principal amount, together with interest accrued up to, but excluding, the Put Settlement Date. See "*Terms and Conditions of the Bonds – Redemption and Purchase – Redemption for Relevant Events*".
Mandatory Redemption upon Pre-funding Failure	The Bonds shall be redeemed in whole, but not in part, at their principal amount on the Interest Payment Date immediately falling after the date the Pre-funding Failure Notice is given to the Bondholders in accordance with Condition 4(b) (the "**Mandatory Redemption Date**"), together with interest accrued up to, but excluding, the Mandatory Redemption Date, as further described in Condition 7(d). If the holder of any Bond shall have exercised its right to require the Issuer to redeem its Bond under Condition 7(c) and a Pre-funding Failure Notice is given to the Bondholders in accordance with Condition 4(b) as a result of the Pre-funding Failure relating to the amount payable pursuant to such redemption, such holder's Bonds then outstanding shall be redeemed in whole, but not in part, at their principal amount in accordance with this Condition 7(d) on the Put Settlement Date, together with interest accrued up to, but excluding, such Put Settlement Date, provided that if such Pre-funding Failure occurs and a Pre-funding Failure Notice has been given or is given to the Bondholders in respect of a scheduled payment of principal or interest payable under Condition 6 or Condition 7(a), the Bonds shall be redeemed in whole, but not in part, on the Mandatory Redemption Date at their principal amount, together with interest accrued to, but excluding, the Mandatory Redemption Date.
Clearing Systems	The Bonds will be evidenced by beneficial interests in the Global Certificate, which will be registered in the name of a nominee of, and deposited on the Issue Date with, a common depositary for Euroclear and Clearstream. Beneficial interests in the Global Certificate will be shown on and transfers whereof will be effected only through records maintained by Euroclear and Clearstream. Except as described herein, certificates for the Bonds will not be issued in exchange for beneficial interests in the Global Certificate.
ISIN	XS2341142557.
Common Code	234114255.
Legal Entity Identifier	300300O72TAHCPXTEL23.
Governing Law and Jurisdiction	English law. Exclusive jurisdiction of the Hong Kong courts.

Trustee	China Construction Bank (Asia) Corporation Limited (中國建設銀行(亞洲)股份有限公司).
Registrar, Principal Paying Agent and Transfer Agent	China Construction Bank (Asia) Corporation Limited (中國建設銀行(亞洲)股份有限公司).
Pre-funding Account Bank and LC Proceeds Account Bank	China Construction Bank (Asia) Corporation Limited (中國建設銀行(亞洲)股份有限公司).
Listing	Application will be made to SEHK for the listing of, and permission to deal in, the Bonds on SEHK by way of debt issues to Professional Investors only and it is expected that dealing in, and listing of, the Bonds on SEHK will commence on 27 May 2021.
Selling Restrictions	The Bonds will not be registered under the Securities Act or under any state securities laws of the United States and will be subject to customary restrictions on transfer and resale. See "*Subscription and Sale*".

SUMMARY OF PAYMENT ARRANGEMENTS ON EACH SCHEDULED DUE DATE UNDER THE BONDS

The following diagram sets forth a summary of the pre-funding arrangements under the Bonds and the drawing arrangements in respect of the Standby Letter of Credit. The following diagram is not intended to be comprehensive. This diagram should be read in conjunction with "Terms and Conditions of the Bonds", the Trust Deed, the Agency Agreement referred therein and the Standby Letter of Credit. Words and expressions defined in the "Terms and Conditions of the Bonds" shall have the same meaning in this summary.



Notes:

(1) The Required Confirmations consist of: (x) a Payment and Solvency Certificate signed by any Authorised Signatory of the Issuer; and (y) a copy of the irrevocable payment instruction setting forth the request from the Issuer to the Pre-funding Account Bank requesting the Pre-funding Account Bank to pay the Relevant Amount which was paid into the Pre-funding Account on the Pre-funding Date in full to the Principal Paying Agent by no later than 10:00 a.m. (Hong Kong time) on the Business Day immediately preceding the due date for such payment.

(2) The confirmation of receipt or notification of non-receipt, as the case may be, from the Pre-funding Account Bank to the Trustee and the Principal Paying Agent shall be by way of authenticated SWIFT or other means of communication as the Principal Paying Agent may agree with the Pre-funding Account Bank.

(3) The Trustee need not physically present the Demand under the Standby Letter of Credit to the LC Bank and shall be entitled to draw on the Standby Letter of Credit by way of a Demand by authenticated SWIFT.

SUMMARY FINANCIAL INFORMATION OF THE GROUP

The following tables set forth the Group's summary consolidated financial information as at and for the periods indicated.

The summary audited consolidated financial information as at and for the years ended 31 December 2018, 2019 and 2020 set forth below is extracted from the Group's Audited Financial Statements, which have been prepared and presented in accordance with PRC GAAP. The Group's Audited Financial Statements have been audited by, Suya Jincheng, its independent auditor, in accordance with the Chinese Auditing Standards issued by MOF.

PRC GAAP differs in certain respects from IFRS. For a discussion of certain differences between PRC GAAP and IFRS, see "Summary of Certain Differences Between PRC GAAP and IFRS".

The information set out below should be read in conjunction with, and is qualified in its entirety by reference to, the Group's Audited Financial Statements and, including the notes thereto, included elsewhere in this Offering Circular.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the year ended 31 December		
	2018	**2019**	**2020**
	(Audited)	**(Audited)**	**(Audited)**
		(RMB)	
Operating income	4,908,640,669.61	5,354,650,989.70	5,531,285,848.21
Less: Operating costs	3,938,138,221.36	4,456,489,635.66	5,406,473,760.99
Taxes and surcharges	281,193,778.94	179,955,545.36	316,910,931.70
Selling and distribution expenses	241,210.44	574,768.77	861,091.00
General and administrative expenses	49,968,301.73	51,915,692.63	45,149,595.30
R&D expenses	–	–	–
Financial expenses	499,464,347.42	596,657,695.97	931,276,824.25
Including: interest expenses	1,066,155,524.48	1,303,797,748.27	1,846,489,408.03
Interest income	649,165,489.34	720,815,495.00	920,145,511.93
Plus: Other income	234,065,000.00	431,222,896.00	479,000,000.00
Investment income ("-" for losses)	38,585,109.57	206,695,572.51	361,521,991.38
Including: income from investment in associates and joint ventures	-31,003,226.34	-31,063,944.67	-33,219,028.65
Gains from changes in fair value ("-" for losses)	-17,077,219.82	-338,892,552.17	533,970,150.58
Losses from asset impairment ("-" for losses)	-58,703,313.19	-70,955,417.87	-847,754.52
Gains from disposal of assets ("-" for losses)	1,452,143.36	2,197,096.66	12,601,981.11
Operating profits ("-" For Losses)	337,956,529.64	299,325,246.44	216,860,013.52
Plus: non-operating income	8,594.00	35,001.26	113,780.14
Less: non-operating expenses	22,034,895.27	33,851,891.48	18,746,598.20
Total profits before tax ("-" For Total Losses)	315,930,228.37	265,508,356.22	198,227,195.46
Less: income tax expenses	20,536,581.35	-38,721,352.83	96,959,436.40
Net profit ("-" For Net Loss)	295,393,647.02	304,229,709.05	101,267,759.06
Classification by operating continuity	295,393,647.02	304,229,709.05	101,267,759.06

	For the year ended 31 December		
	2018	**2019**	**2020**
	(Audited)	**(Audited)**	**(Audited)**
		(RMB)	
Net profit from continuing operation ("-" for losses)	295,393,647.02	304,229,709.05	101,267,759.06
Net profit from discontinued operation ("-" for losses)	–	–	–
Classification by owners	295,393,647.02	304,229,709.05	101,267,759.06
Attributable to owners of the parent company ("-" for losses)	269,797,242.64	271,804,230.73	99,964,193.59
Attributable to non-controlling interests ("-" for losses)	25,596,404.38	32,425,478.32	1,303,565.47
Net of tax from other comprehensive income	-449,015,298.75	-261,550,324.14	-73,374,306.55
Net of tax from other comprehensive income to the owner of the parent company	-449,015,298.75	-261,549,901.27	-73,374,169.17
Other comprehensive income cannot reclassified into the profit and loss	–	–	–
Remeasure the variation of defined benefit plans	–	–	–
Other comprehensive income that cannot be classified into profit and loss under equity method	–	–	–
Other comprehensive income that will be reclassified into the profit and loss	-449,015,298.75	-261,549,901.27	-73,374,169.17
Other comprehensive income that will be classified into profit and loss under equity method	–	–	–
Changes in fair value through profit and loss of available-for-sale financial assets	–	–	–
Held-to-maturity investment reclassified into available-for-sale financial assets	–	–	–
Inventory or real estate for its own use transferred into investment properties	-449,015,298.75	-261,549,901.27	-73,374,169.17
Effective part of cash-flow hedge profit and loss	–	–	–
Balance arising from the translation of foreign currency financial statements	–	–	–
Net of tax from other comprehensive income to non-controlling interests	–	-422.87	-137.38
Total comprehensive income	-153,621,651.73	42,679,384.91	27,893,452.51
Total comprehensive income attributable to owners of the parent company	-179,218,056.11	10,254,329.46	26,590,024.42
Total comprehensive income attributable to non-controlling interests	25,596,404.38	32,425,055.45	1,303,428.09

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As of 31 December		
	2018	**2019**	**2020**
	(Audited)	**(Audited)**	**(Audited)**
		(RMB)	
Current Assets:			
Cash and cash equivalents	3,691,886,080.57	3,383,630,593.34	2,318,365,959.32
Financial assets measured at fair value through current profit or loss	–	–	–
Derivative financial assets	–	–	–
Notes receivable	400,000.00	56,532,843.42	24,101,054.37
Accounts receivable	4,136,097,953.44	2,336,287,128.76	3,505,776,983.97
Prepayment	51,844,314.87	126,778,269.34	177,776,655.53
Other receivables	19,833,270,863.65	17,788,795,652.99	15,775,488,248.91
Inventories	4,062,302,044.62	2,841,955,852.73	2,549,611,009.58
Assets held for sale	–	492,181,590.40	–
Non-current assets maturing within one year	3,240,000,000.00	1,400,992,000.00	1,572,507,000.00
Other current assets	256,067,692.40	1,067,626,340.13	1,167,527,103.50
Total current assets	35,271,868,949.55	29,494,780,271.11	27,091,154,015.18
Non-current assets:	–	–	–
Available-for-sale financial assets	140,490,000.00	140,490,000.00	140,490,000.00
Held-to-maturity investment	–	–	–
Long-term receivables	–	–	–
Long-term equity investments	205,487,949.67	180,280,622.04	147,061,593.39
Investment properties	9,717,579,000.00	8,332,975,105.43	6,419,083,600.00
Fixed assets	617,114,013.34	155,845,153.41	131,228,661.82
Construction in progress	–	–	18,819,185.57
Productive biological assets	–	–	–
Oil and gas assets	–	–	–
Intangible assets	116,805,957.38	49,005,266.24	48,298,800.44
Development expenses	–	–	–
Goodwill	–	–	–
Long-term deferred expenses	238,168,871.23	150,072,045.37	72,029,466.60
Deferred tax assets	15,311,821.17	26,915,481.90	20,978,005.06
Other non-current assets	7,354,500,000.00	15,241,000,700.00	14,073,693,700.00
Total non-current assets	18,405,457,612.79	24,276,584,374.39	21,071,683,012.88
Total of assets	**53,677,326,562.34**	**53,771,364,645.50**	**48,162,837,028.06**
Current Liabilities:			
Short-term loans	1,207,500,000.00	1,598,759,774.00	1,667,960,000.00
Financial liabilities measured at fair value through current profit or loss	–	–	–
Derivative financial liabilities	–	–	–
Notes payable	186,000,000.00	657,337,500.00	500,130,000.00
Accounts payable	2,235,428,847.00	1,654,381,895.17	1,710,952,393.59
Advances from customers	1,872,772,623.31	2,365,707,554.76	919,004,239.41
Employee benefits payable	5,649,351.55	6,597,045.94	5,099,816.80
Taxes and surcharges payable	171,347,713.69	188,485,911.34	112,492,337.58
Other payables	2,655,667,810.95	1,326,836,926.77	812,637,623.96
Held-for-sale liabilities	–	–	–
Non-current liabilities maturing within one year	3,420,774,417.37	4,210,314,988.35	2,752,949,676.57

	As of 31 December		
	2018	**2019**	**2020**
	(Audited)	**(Audited)**	**(Audited)**
		(RMB)	
Other current liabilities	303,800,000.00	196,730,000.00	273,670,000.00
Total current liabilities	12,058,940,763.87	12,205,151,596.33	8,754,896,087.91
Non-current liabilities:	–	–	–
Long-term loans	3,715,459,090.00	4,738,549,800.00	4,479,259,800.00
Bonds payable	3,578,000,000.00	3,076,000,000.00	1,614,000,000.00
Including: Preference shares	–	–	–
Perpetual bonds	–	–	–
Long-term payables	2,280,506,266.28	775,794,390.47	459,894,500.67
Provisions	–	–	–
Deferred income	81,084,208.70	70,109,872.90	88,509,701.96
Deferred income tax liabilities	547,996,418.93	382,088,505.64	446,634,191.70
Other non-current liabilities	140,640,000.00	164,420,000.00	57,610,000.00
Total non-current liabilities	10,343,685,983.91	9,206,962,569.01	7,145,908,194.33
Total liabilities	22,402,626,747.78	21,412,114,165.34	15,900,804,282.24
Owners' equity (or shareholders' equity)	–	–	–
Paid-in capital	7,916,950,528.90	8,196,627,661.34	8,196,627,661.34
Other equity instruments	–	–	–
Including: Preference shares	–	–	–
Perpetual bonds	–	–	–
Capital reserves	18,725,003,503.18	19,450,182,242.23	19,356,307,255.38
Less: treasury stock	–	–	–
Other comprehensive income	1,360,798,120.79	1,099,248,219.52	1,025,874,050.35
Special reserves	–	–	–
Surplus reserves	201,481,504.62	204,863,672.94	213,623,423.69
Undistributed profits	2,199,523,444.58	2,504,960,916.19	2,564,929,159.03
Total equity attributable to owners of the parent company	30,403,757,102.07	31,455,882,712.22	31,357,361,549.79
Non-controlling interests	870,942,712.49	903,367,767.94	904,671,196.03
Total owners' equity	31,274,699,814.56	32,359,250,480.16	32,262,032,745.82
Total liabilities and owners' equity	**53,677,326,562.34**	**53,771,364,645.50**	**48,162,837,028.06**

RISK FACTORS

An investment in the Bonds is subject to a number of risks. Prior to making any investment decision, investors should carefully consider all of the information contained in this Offering Circular, and in particular, the risks and uncertainties described below. The following describes some of the significant risks relating to the Group, the Group's business, the market in which the Group operates and the Bonds. Some risks may be unknown to the Group and other risks, currently believed to be immaterial, could in fact be material. Any of these could materially and adversely affect the Group's business, financial condition, results of operations or prospects or the value of the Bonds. The Group believes that the risk factors described below represent the principal risks inherent in investing in the Bonds, but the Group's ability to pay interest, principal or other amounts on or in connection with any Bonds may be affected by some factors that may not be considered as significant risks by the Group based on information currently available to the Group or which the Group is currently unable to anticipate. All of these factors are contingencies which may or may not occur and the Group is not in a position to express a view on the likelihood of any such contingency occurring.

This Offering Circular also contains forward-looking statements that involve risks and uncertainties. the Group's actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks described below and elsewhere in this Offering Circular.

The Group does not represent that the statements below regarding the risk factors are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Offering Circular and reach their own views prior to making any investment decision.

RISKS RELATING TO THE GROUP AND GROUP'S BUSINESS

The Group's business, financial condition, results of operations and prospects are heavily dependent on the level of economic development in Zhenjiang and Zhenjiang New Area and policies of relevant local governments.

The Group's businesses are highly concentrated in Zhenjiang New Area and are therefore heavily affected by the economic development of Zhenjiang New Area and Zhenjiang in Jiangsu Province. The Zhenjiang Municipal Government's policies regarding infrastructure construction and municipal development, particularly those concerning Zhenjiang New Area, which have given rise to unique business opportunities for the Group, also have a major impact on the Group's business and growth prospects.

A key factor affecting the development of Zhenjiang New Area is the economic environment and conditions in Zhenjiang. Zhenjiang has experienced a prolonged period of economic growth in recent years. There can be no assurance that the level of economic development in Zhenjiang will continue to be maintained at historical growth rates, if at all, and it is unclear how economic conditions in Zhenjiang will be affected by a perceivable slowdown in the growth of the PRC economy. If Zhenjiang's economic development experiences a slowdown or stagnates, the Zhenjiang Municipal Government's development plan for Zhenjiang New Area may be negatively impacted, thereby resulting in an adverse effect on the Group's business, financial condition, results of operations and prospects.

Zhenjiang New Area's development and growth potential are also affected by the Zhenjiang Municipal Government's policies and priorities relating to urban development. During the past several years, Zhenjiang New Area experienced significant development in terms of infrastructure and affordable housing, primarily as a result of the Group's business efforts and operations. However, this also signifies that, as the gap is gradually filled, the demand for infrastructure and affordable housing to be constructed within Zhenjiang New Area may correspondingly decrease in the future. In addition, the majority of the operating revenue of the Group's infrastructure construction business is generated from public-funded infrastructure construction projects and there is no assurance that the decline in operating revenue experienced by this business segment in the past few years will be reversed, whether in part or at all. If the decrease in demand for public-funded infrastructure construction projects within Zhenjiang New Area manifests, the Group's business, financial condition, results of operations and prospects may be materially and adversely affected.

The Group's business and prospects depend to a large extent upon the public spending of the Zhenjiang Municipal Government and the Zhenjiang New Area Management Committee on infrastructure investments in Zhenjiang New Area.

The Group's parent company is under the direct administration of Zhenjiang SASAC which acts on behalf of the Zhenjiang Municipal Government. Given its unique background, the Group is a designated entity to undertake a number of public-funded municipal construction projects in Zhenjiang New Area, such as infrastructure construction and affordable housing construction. Accordingly, the Group's business and prospects have historically been, and may continue to be, materially affected by the budget and spending of the Zhenjiang Municipal Government and the Zhenjiang New Area Management Committee on urban development and municipal construction in Zhenjiang New Area.

There are a number of factors affecting the Zhenjiang Municipal Government and Zhenjiang New Area Management Committee's budget and spending on urban development and municipal construction in Zhenjiang New Area. The key factors are government policies and priority relating to the development of different regions and the Zhenjiang Municipal Government's fiscal and monetary policies. The Zhenjiang Municipal Government and Zhenjiang New Area Management Committee's budget and spending on the development of Zhenjiang New Area is also affected by the government's fiscal income and general economic conditions in Jiangsu Province and the PRC. Any slowdown in the overall economic conditions of Jiangsu Province or the PRC may affect the economic development of Zhenjiang and the fiscal conditions of the Zhenjiang Municipal Government, which may in turn reduce the budget and spending of the Zhenjiang Municipal Government and the Zhenjiang New Area Management Committee on infrastructure construction and municipal development in Zhenjiang New Area. If the public spending of the Zhenjiang Municipal Government and the Zhenjiang New Area Management Committee on infrastructure and fixed asset investments in Zhenjiang New Area decreases, the Group's business, financial condition, results of operations and prospects may be materially and adversely affected.

Delays or defaults in the buyback payment by the Zhenjiang New Area Management Committee to the Group may affect its working capital and cash flow.

Most of the Group's infrastructure construction projects are conducted under the agent construction business model where the Group undertakes the construction, funding and management of each project until its completion. For those projects, the payment collection period is relatively long, and all or a large portion of the agreed buyback payment is generally paid only after the government completes its testing and inspection works and provides its approval for the project or a phase of the project. The government may however delay or be unable to make the buyback payment upon completion of the project. However, the Group incurs costs such as material, equipment and labour costs, at the beginning of the project, on an ongoing basis and before achieving the relevant project milestones, and thus bears the risk of pre-paying costs and expenditures relating to projects. Therefore, any delay or default in the buyback payment by the government may increase the Group's cash flow pressure which will in turn increase its business financial vulnerability and adversely affect its financial condition and results of operations. There is no assurance that the government authorities will continue to make all payments in a timely manner, or that no events of default will occur in the future.

PRC regulations on the administration of local governments restrict the Group's financing model.

The PRC government has in recent years issued multiple regulations intended to restrict local governments from using state-owned enterprises to incur debt that should be directly incurred by government bodies. These regulations include: the Opinion on Enhancing the Administration of Fiscal Debts of Local Governments (關於加強地方政府性債務管理的意見) released by the State Council in September 2014 ("**Circular 43**"), the Notice concerning Further Regulation of Local Government Borrowing and Financing Conduct (關於進一步規範地方政府舉債融資行為的通知) jointly issued by the MOF, the NDRC, the Ministry of Justice of the PRC, the PBOC, the China Banking Regulatory Commission (now known as the China Banking and Insurance Regulatory Commission, "**CBIRC**") and the China Securities Regulatory Commission in April 2017 ("**Circular 50**"), the Notice of MOF on Issues concerning Regulations on the Financing Activities Conducted by Financial Institutions for Local Governments and State-owned Enterprises (財務部關於規範金融企業對地方政府和國有企業投融資行為有關問題的通知) issued by the MOF in March 2018 ("**Circular 23**"), the Circular of the NDRC and the MOF on

Improvement of Market Regulatory Regime and Strict Prevention of Foreign Debt Risks and Local Government Indebtedness Risks (國家發展改革委、財政部關於完善市場約束機制嚴格防範外債風險和地方債務風險的通知) jointly issued by the NDRC and the MOF in May 2018 ("**Circular 706**"), the Guiding Opinion on Strengthening the Asset and Liability Constraints of State-Owned Enterprises (中共中央辦公廳、國務院辦公廳《關於加強國有企業資產負債約束的指導意見》) jointly issued by the General Office of the Central Committee of the Communist Party of China and the State Council on 13 September 2018 (the "**Joint Opinion**") and the Circular of the General Office of the NDRC on the Relevant Requirements for Filing and Registration of Foreign Debts Issuance by Local State-owned Enterprises (國家發展改革委辦公廳關於對地方國有企業發行外債申請備案登記有關要求的通知) ("**Circular 666**") issued by the General Office of the NDRC on 6 June 2019. (Circular 43, Circular 50, Circular 23, Circular 706 and, Joint Opinion and Circular 666, together, the "**Debt Control Circulars**").

Circular 50 reaffirmed Circular 43 policy that local governments are not permitted to use any means other than local government bonds for debt financing and are prohibited from requesting or ordering enterprises to issue debt on their behalf. Circular 23 and Circular 706 established policies for foreign debt issuance including prohibitions on enterprises from listing public assets as enterprise assets and restrictions on making disclosure in offering circulars that imply government endorsement of the issuance or an association with the government's credit. The Joint Opinion, consistent with Circular 43 and Circular 50, bans local governments from engaging in "disguised" borrowing by using state-owned enterprises to issue corporate debt on their behalf. Circular 666 aims to strengthen the management of local government debt and avoid or mitigate risks relating to medium and long-term foreign debt as well as hidden debt of local governments. Circular 666 expressly restricts the use of proceeds of foreign debt securities issued by state-owned enterprises which undertake local government financing functions to the repayment of medium and long-term offshore debt due within the impending one year. For further details on the Debt Control Circulars, see "*PRC Regulations – Regulations on Fiscal Debts of Local Governments*".

In 2015, the MOF rolled out a nationwide debt swap programme (the "**Debt Swap Programme**") under which local governments were permitted to exchange bank loans of their financing platforms incurred for funding the developing of government projects and other public interest projects with long-term and low-interest government bonds they issued within the quota allocated by the MOF.

The Group believes that the PRC government will continue to implement the Debt Control Circulars to control local government debts. Accordingly, the Group should rely on the cash flow generated from its operations and external borrowings for financing its operating activities and to satisfy its cash needs for servicing its outstanding indebtedness. Pursuant to the terms of the Bonds and as required by the Debt Control Circulars, neither the Zhenjiang Municipal Government nor any other PRC governmental entity has any obligation to repay any amount under the Bonds and will not provide a guarantee of any kind for the Bonds. The Bonds are solely to be repaid by the Issuer, failing which, the obligations of the Issuer under the Bonds shall solely be fulfilled by the Issuer as independent legal persons. If the Issuer does not fulfil its obligations under the Bonds, the Bondholders will only have recourse against the Issuer, and not the Zhenjiang Municipal Government, Zhenjiang SASAC or any other PRC governmental entity.

While the Group believes that it does not have any assets that qualify as public assets under Circular 706 and intends to ensure that the issue of the Bonds does not conflict with or result in a breach or violation of the Debt Control Circulars, the PRC government may continue to release new policies or amend existing regulations intended to control increases in local government debts in China. The Group may be required to further change its financing model and business model in response to such regulations, which may have a material impact on its business, financial condition, results of operations and prospects.

The Group's business operations require substantial capital outlay and failure to obtain sufficient capital resources on acceptable terms or in a timely manner may adversely affect its business and prospects.

The Group's business requires substantial capital expenditure. The Group has historically satisfied its capital requirements using a combination of cash flows generated from its operating activities, bank loans, loans from trust companies and other borrowings, funds raised in the PRC domestic capital markets and subsidies from the Zhenjiang Municipal Government. The Group will continue to require additional capital resources to carry out its municipal construction projects.

The ability of the Group to generate sufficient operating cash flow is affected by a number of factors, such as the Group's ability to manage and implement its business activities, the local government's plan in project buybacks and granting government funds, changes in the general market conditions and regulatory environment and the competition in certain sectors in which the Group operates. Any material changes in these factors, which may be out of the Group's control, may create capital shortfall. In particular, any delays in the buyback payment by the government and the government funding and cost overruns inherent may also cause such shortfall. There is no assurance that the Group's operations are able to generate sufficient cash to satisfy its cash need at all times.

In addition, a portion of the capital demand of the Group is satisfied with funding provided by the Zhenjiang New Area Management Committee. In determining whether funds will be allocated, the Zhenjiang New Area Management Committee generally considers such factors as the number of completed and ongoing construction projects and the scale and payment arrangements of the projects. Funds for each project are included in the Zhenjiang New Area Management Committee's preparation and review of the annual budget and will be allocated according to the construction progress and funding needs of each project. However, there can be no assurance that the Zhenjiang New Area Management Committee will allocate to the Group sufficient funding for the construction of the projects, if at all. See "– *The Group may cease to enjoy government subsidies and grants, the loss of which, or a reduction in which, could substantially reduce the Group's profits*".

Insufficient cash flow generated from the Group's operating activities will increase the Group's reliance on external financing. As at 31 December 2020, the Group's total indebtedness (comprising short-term loans, long-term loans, bonds payable, other current liabilities, non-current liabilities maturing within one year, long-term payables and other non-current liabilities) was RMB11,305.3 million. See "– *Significant indebtedness may restrict the Group's business activities and increase the Group's exposure to various operational risks*". The Group's ability to access and raise sufficient capital through different sources depends upon a number of factors, such as the PRC' s economic condition, relationships with key commercial banks, prevailing conditions in capital markets, regulatory requirements and the Group's financial condition. Some of these factors are beyond the Group's control and there is no guarantee that the Group will be able to procure sufficient funds in a timely manner or fails to obtain external financing on commercially acceptable terms. In these cases, it may not be able to fund the capital expenditure necessary to implement its business plans and strategies, which may in turn have a material and adverse impact on its business, financial condition, results of operations and prospects. As at 31 December 2020, the Group had credit facilities in a total amount of approximately RMB7,032.7 million, of which approximately RMB1,798.1 million had not been utilised. of the total amount of credit facilities. If the Group could not obtain additional credit facilities or there are large capital requirements, the Group would face great capital pressure, which could have a material and adverse impact on its business, financial condition, results of operations and prospects.

The Group faces risks associated with contracting with public bodies.

The Group's parent company is under the direct administration of Zhenjiang SASAC which acts on behalf of the Zhenjiang Municipal Government. A majority of the Group's business activities are conducted with the Zhenjiang New Area Management Committee. A significant portion of the Group's operating revenue is generated from the construction fee payable by the Zhenjiang New Area Management Committee relating to the Group's infrastructure and affordable housing construction projects. As such, the Group is exposed to certain inherent risks relating to dealing with public bodies, such as the Zhenjiang New Area Management Committee.

The Zhenjiang Municipal Government, Zhenjiang SASAC and the Zhenjiang New Area Management Committee may (i) have economic or business interests or considerations that are inconsistent with the Group's, (ii) take actions contrary to the Group's requests, policies or objectives, (iii) be unable or unwilling to fulfil their obligations, (iv) encounter financial difficulties, or (v) have disputes with the Group as to the contractual terms or other matters. Those government authorities and entities may not honour their contractual obligations in a timely manner, if at all, or may, without prior notice or consent from the Group, change existing policies and project plans in Zhenjiang New Area for a number of reasons, such as government budgeting.

In addition, the Group mainly contracts with the Zhenjiang New Area Management Committee to develop a large number of infrastructure construction projects in Zhenjiang New Area. Those projects are capital intensive and involve many risks arising from budget overruns. The local government's ability to meet its payment obligations in infrastructure construction projects largely depends on its fiscal revenue, policies and regulations promulgated by the governments or authorities of higher levels and many other factors which are generally beyond the Group's control.

Any failure by the Zhenjiang New Area Management Committee to fulfil its contractual obligations or any adverse change to the policies or business plan may require the Group to adjust its development plans and thus adversely affect its operating results. If there is any material disagreement between the Group and the Zhenjiang Municipal Government or the Zhenjiang New Area Management Committee, there is no assurance that the Group will successfully resolve them in a timely manner, or at all. Any dispute or legal proceeding with or against the Zhenjiang Municipal Government or the Zhenjiang New Area Management Committee may last for a long period of time and cost considerable financial and managerial resources. Any of these may materially and adversely affect the business relationships between the Group and the Zhenjiang Municipal Government and the Zhenjiang New Area Management Committee, which may in turn materially and adversely affect the Group's business, financial condition, results of operations and prospects.

The Zhenjiang Municipal Government and Zhenjiang SASAC can exert significant influence on the Group, and as a result, the Group may not be able to always make decisions, take actions or invest or operate in businesses or projects that are in its best interests.

As at the date of this Offering Circular, the Group's parent company is under the direct administration of Zhenjiang SASAC. Zhenjiang SASAC has significant influence on the Group as it does with respect to many other local state-owned enterprises under its control, including the scope of its business, major investment decisions, development strategies, appointment of directors and certain senior management positions. Accordingly, Zhenjiang SASAC and through it, the Zhenjiang Municipal Government, can exert significant influence on the Group's major business decisions and strategies, including the scope of its activities, investment decisions and dividend policy.

When each of Zhenjiang SASAC and the Zhenjiang Municipal Government carries out its administrative function and implements the PRC government's policies, there can be no assurance that Zhenjiang SASAC and the Zhenjiang Municipal Government would always take actions that are in the best commercial interests of the Group or that aim to maximise their profit. Each of Zhenjiang SASAC and the Zhenjiang Municipal Government may use its ability to influence the business and strategy of the Group in a manner which may not necessarily be in the best interests of the Group. Each of Zhenjiang SASAC and the Zhenjiang Municipal Government may also change its policies, intention, preferences, views, expectations, projections, forecasts and opinions, as a result of changes in the economic, political and social environment as well as its projections of population and employment growth in Zhenjiang and any such change may have a material effect on the business and prospects the Group. Any amendment, modification or repeal of existing policies of Zhenjiang SASAC and the Zhenjiang Municipal Government could result in a modification of the existing regulatory regime which in turn could have a material adverse effect on the financial condition and results of operations of the Group.

The Group may cease to enjoy government subsidies and grants, the loss of which, or a reduction in which, could materially and adversely affect the business, financial condition and results of operations of the Group.

The Group regularly receives financial support and certain preferential treatments from the Zhenjiang Municipal Government and the Zhenjiang New Area Management Committee in various forms, such as government subsidies and grants and capital injections. Such continuous financial support to the Group and timely payment of the promised subsidies and grants depend on the future fiscal revenue and fiscal policies of the local and central government. There can be no assurance that the Group will continue to receive the same government subsidies and grants or enjoy the same preferential treatments, since the relevant government policies may change over time. Furthermore, in the event the Group fails to repay any of its outstanding indebtedness as it matures, there is no assurance that the Zhenjiang Municipal

Government or the Zhenjiang New Area Management Committee will provide any subsidy, grant, capital injection, preferential treatment or any other forms of government support to the Group. If favourable government grants, equity injections, capital contributions, asset transfers, injection of property ownership rights, preferential tax treatment or other incentives or support which are currently available to the Group are reduced or eliminated in the future, the business, financial condition and results of operations of the Group will be materially and adversely affected and the relationship between the Group and the Zhenjiang Municipal Government or the Zhenjiang New Area Management Committee does not necessarily correlate to, or provide any assurance as to the Group's financial condition.

Relationship with Zhenjiang Municipal Government does not imply any credit support from any PRC government entities.

Notwithstanding the Group's extensive relationships with Zhenjiang Municipal Government or the Zhenjiang New Area Management Committee and the financial support previously provided by hereof, the Group is operationally and financially separated from Zhenjiang Municipal Government or the Zhenjiang New Area Management Committee and the Group has a budget and financial reporting system and assets and liabilities separate from those of Zhenjiang Municipal Government or the Zhenjiang New Area Management Committee. Neither Zhenjiang Municipal Government nor the Zhenjiang New Area Management Committee has any obligation to repay any amount under the Bonds and will not provide a guarantee of any kind for the Bonds. The relationships between the Group and Zhenjiang Municipal Government or the Zhenjiang New Area Management Committee does not imply any explicit or implicit credit support from any PRC government entities in respect of the Bonds, the repayment of which remains the sole responsibility of the Issuer. The Bondholders shall have no recourse to Zhenjiang Municipal Government or the Zhenjiang New Area Management Committee or any other government entity in respect of any obligation arising out of or in connection with the Bonds.

Significant indebtedness may restrict the Group's business activities and increase the Group's exposure to various operational risks.

The Group relies on bank loans and proceeds from bond issuances to satisfy a portion of its capital requirements and the Group has had a significant amount of outstanding indebtedness. As at 31 December 2020, the Group's total indebtedness (comprising short-term loans, long-term loans, bonds payable, other current liabilities, non-current liabilities maturing within one year, long-term payables and other non-current liabilities) was RMB11,305.3 million.

Furthermore, as at 31 December 2020, the Group's total outstanding balance of guarantees provided for third parties (including related parties) was approximately RMB8,426.6 million. Most of the guaranteed companies are other state-owned enterprises in Zhenjiang. If any of the guaranteed companies defaults on its borrowings guaranteed by the Group, the lender may exercise its right under the guarantee to demand repayment from the Group. As a result, the Group's business, financial condition and results of operations may be materially and adversely affected. Substantial indebtedness could impact on the Group's businesses in a number of ways, including:

- requiring the Group to dedicate part of its operating cash flow to service its indebtedness before it receives the government funding;
- increasing the Group's finance costs, thus affecting the overall profits of the Group;
- limiting the Group's flexibility in planning for or responding to changes in the Group's businesses and the industries in which it operates;
- limiting, together with the financial and other restrictive covenants of the Group's indebtedness, among other things, the Group's ability to borrow additional funds; and
- increasing the Group's vulnerability to adverse general economic and industry conditions.

In addition, in incurring indebtedness and liabilities from time to time, the Group creates security rights such as pledges, charges and mortgages over its assets, including cash at bank and on hand, notes receivable, accounts receivable, inventories, non-current assets maturing within one year, available-for-sale financial assets, long-term accounts receivable, investment properties, fixed assets, intangible assets and other non-current assets in favour of certain creditors. Third-party security rights may limit the Group's use of the underlying collateral assets and adversely affect the Group's operational efficiency. If the Group is unable to service and repay the Group's debts under such loan facilities on a timely basis, the Group may lose control of the Group's subsidiaries, the assets mortgaged or charged may be foreclosed, which may adversely affect the Group's business, prospects, financial condition, and results of operations. See "*– Restrictive covenants contained in the bank loans and credit facilities of the Group may limit the Group's ability to incur additional indebtedness and restrict its future operations, and failure to comply with these restrictive covenants may adversely affect its liquidity, financial condition and results of operations.*"

The Group believes that its capital requirements and its reliance on external financing will continue to increase considering its existing cash needs to finance business operations and refinancing of existing indebtedness. The Group's financial performance and operating results may be materially and adversely affected if its cash flows and capital resources are insufficient to fund its debt service obligations. Failure to service the Group's debt could result in the imposition of penalties, including increases in rates of interest that the Group pays on its legal actions against the Group by its creditors, or bankruptcy.

Restrictive covenants contained in the bank loans and credit facilities of the Group may limit the Group's ability to incur additional indebtedness and restrict its future operations, and failure to comply with these restrictive covenants may adversely affect its liquidity, financial condition and results of operations.

Certain financing contracts entered into by any member of the Group contain operational and financial restrictions on the Group or, as the case may be, the relevant subsidiary's business, that prohibit the borrower from incurring additional indebtedness unless it is able to satisfy certain financial ratios, restrict the borrower from creating security or granting guarantees or prohibit the borrower from changing its business and corporate structure, without the lender's prior consent. Such restrictions may negatively affect the Group's ability to respond to changes in market conditions, take advantage of business opportunities the Group believes to be desirable, obtain future financing, fund capital expenditures, or withstand a continuing or future downturn in its business. Any of these factors could materially and adversely affect the Group's ability to satisfy its obligations under the Bonds and other debt.

As at 31 December 2020, approximately RMB9,731.6 million of the Group's borrowings were secured. Third-party security rights may limit the Group's use of the underlying collateral assets and adversely affect its operational efficiency, which may adversely affect the Group's business, prospects and financial condition.

Significant inventories and accounts receivables may affect the Group's liquidity and restrict the Group's business activities.

The Group's businesses require a large amount of working capital prior to the completion of the relevant project and the subsequent buyback by the government. As at 31 December 2018, 2019 and 2020, the Group's inventories amounted to RMB4,062.3 million, RMB2,842.0 million and RMB2,549.6 million, respectively, representing 7.6 per cent., 5.3 per cent. and 5.3 per cent. of the Group's total assets. The Group's inventories mainly comprise undeveloped land transferred or sold to it by the Zhenjiang Municipal Government. The PRC government may issue more stringent real estate adjusting and controlling policies or there may be changes to land policies that could affect the value and marketability of the land. Nevertheless, in accordance with the Group's accounting policies, the Group does not make falling price reserves for the land in inventories. There are risks associated with having substantial inventories but with a lack of reserves for inventories which could materially and adversely affect the Group's business, financial condition, results of operations or prospects.

As at 31 December 2018, 2019 and 2020, the Group's other receivables amounted to RMB19.8 billion, RMB17.8 billion and RMB15.8 billion, respectively, representing 36.9 per cent., 33.1 per cent and 32.8 per cent. of the Group's total assets. Most of the Group's other receivables are the cost of the primary land development undertaken by it for the Zhenjiang New Area Management Committee. Currently, the Chinese property market is, and is expected to continue to be, cyclical as a result of changes in market supply and demands. Given the various measures introduced by the PRC government to curtail property speculation in response to the concerns over overheating of the property market, property enterprises may slow down their acquisition of land use rights, which may in turn result in a decrease of land transfer prices and affect the Zhenjiang New Area Management Committee's ability to make timely payments.

There are inherent risks associated with the government and the Group's other customers' ability to make timely payments and their failure to make timely payments could materially and adversely affect the Group's liquidity and in turn affect its business, financial condition or results of operations.

The Group operates in multiple businesses and this business structure exposes the Group to challenges not faced by companies with a single or small number of businesses.

The Group operates in multiple industries. The Group focuses on its principal businesses, including infrastructure construction, real estate development and trading. As such, the Group is exposed to risks associated with a multi-business portfolio.

The Group is exposed to business, market and regulatory risks relating to different industries and markets, and may from time to time expand its businesses to new industries and markets in which it has limited operating experience. Such expansion may require the Group to devote substantial resources to become familiar with, and monitor changes in, different operating environments so that it can succeed in its businesses. In addition, successful operation of the Group's subsidiaries and associated companies requires an effective management system. As the Group continues to grow its businesses, and expand into various industries, the Group's operations may become more complex, which would increase the difficulty of implementing its management system.

The Group's business operations are subject to extensive regulation at various levels of government, and any failure to comply with applicable laws, rules and regulations, including obtaining any necessary qualifications, permits or approvals for its operations may adversely affect the Group.

Certain business activities of the Group, such as infrastructure construction, affordable housing construction, guarantee services and microfinancing, are extensively regulated in the PRC. The operation of these business activities requires a number of approvals, licences and permits from different government authorities. For example, the Group needs to obtain approvals from relevant water authorities regarding the construction plans of its water infrastructure projects; the Group needs to have the construction enterprise qualification certificate (建築業企業資質證書) and the real estate development enterprise qualification certificate (房地產開發企業資質證書) in order to engage in real estate development activities; the Group needs to obtain the financing guarantee institution operating licence (融資性擔保機構經營許可證) in order to engage in the provision of guarantees. For each real estate development project, the Group is required to obtain project approval and environmental assessment approval at the outset of the project. As the project progresses, it needs to receive the construction land planning permit (建設用地規劃許可證), the construction project planning permit (建設工程規劃許可證) and the construction permit (建築工程施工許可證) at different stages of development. It takes time to obtain all of these approvals and certificates. Government authorities in China have broad discretion in implementing and enforcing applicable laws and regulations and in determining the grant of approvals, licences, permits and certificates necessary for conducting the businesses. Failure to obtain the necessary approvals, licences or permits in a timely manner could result in delay or suspension of business operations and a failure to obtain the necessary approvals, licences or permits at all may subject the relevant entities to regulatory or administrative penalties. If the Group loses the right to any of its lands or buildings due to such lack of permits, certificates and approvals, its use of such lands or buildings may be limited, or it may be subject to administrative penalty, which may negatively impact its business operation and financial condition.

Government authorities may adjust existing regulations or promulgate new regulations from time to time. The Group may encounter problems in obtaining or renewing the permits, licences, certificates and government authorisations necessary to conduct its businesses and may be unable to comply with new laws, regulations or policies. In addition, to ensure the restrictions and conditions of relevant business permits, licences and certificates are fulfilled, government authorities normally conduct regular or special inspections, investigations and inquiries. If any significant non-compliance is found by government authorities, the Group's permits, licences and certificates may be suspended or revoked, and it may receive fines or other penalties, which could have a material adverse effect on the Group's businesses, financial condition, results of operations and prospects.

The Group's results of operations may be susceptible to the material fluctuations of interest rates.

Most of the Group's bank loans bear interests that accrue at rates linked to the Loan Prime Rate (the "**LPR**"), which was released by the PBOC on 20 August 2019. A material fluctuation in the LPR may have a material impact on the Group's interest expenses and payables under its bank loans and in turn negatively affect its financing costs and results of operations. Any increase in the LPR in the future will increase the Group's financing costs and adversely affect its profitability, financial condition and results of operations.

As the Group continues to explore overseas sources of funding to replenish its capital and to refinance its existing overseas debts, such as its outstanding U.S. dollar bonds, it will be exposed to the risks arising from interest rate fluctuation overseas. For example, the Bonds, upon issue, will bear fixed coupon linked to the yield of the U.S. government's treasury bonds with a corresponding maturity. An increase in the Federal Reserve interest rate as a result of policy changes may cause the Bonds to be priced at a higher rate compared to its outstanding U.S. dollar bonds, which may increase the Group's financing costs.

The Group may not successfully implement its growth strategy.

The Group has diversified its businesses into multiple segments. The Group continues to develop the new businesses while maintaining sustainable growth of its core businesses as one of its future strategies. Whether the Group could successfully implement this strategy, to some extent, depends on the Group's ability to identify attractive projects, obtain required approvals from relevant regulatory authorities in the PRC, obtain sufficient capital on acceptable terms in a timely manner and maintain close working relationships with various government authorities and agencies. The success of negotiations with respect to any particular project cannot be assured. There can be no assurance that the Group will be able to successfully implement this strategy, manage or integrate newly-acquired operations with its existing operations. Failure to implement the Group's growth strategy could have a material adverse impact on its business, financial condition, results of operations and prospects.

Any failure to maintain an effective quality control system could have an adverse effect on the Group's business and operations.

The Group relies heavily on its quality control systems to ensure the safety and quality of its projects and products. Therefore, it needs to maintain an effective quality control system for the Group's infrastructure construction, affordable housing construction, manufacturing businesses and other operational activities. The effectiveness of the Group's quality control system depends significantly on a number of factors, including a timely update of the quality control system to suit the ever-changing business needs, the related training programmes as well as its ability to ensure that the Group's and the contractors' employees adhere to its quality control policies and guidelines. There is no assurance that the quality of the city infrastructures or the affordable housings constructed by the Group or the new energy products or new construction materials produced by the Group could always meet the required standard. Any failure or deterioration of the Group's quality control systems could result in defects in its projects or products, which in turn may subject the Group to contractual, product liability and other claims. Any such claims, regardless of whether they are ultimately successful, could cause the Group to incur significant costs, harm its business reputation and result in significant disruption to its operations. Furthermore, if any of such claims were to be ultimately successful, the Group could be required to pay substantial monetary damages or penalties. There can be no assurance that failures in its quality control systems will not occur in the future, and any such failure could have an adverse effect on the Group's business and operations.

The insurance coverage of the Group may not adequately protect it against all operational risks.

The Group faces various operational risks in connection with its business, including but not limited to:

- production interruptions caused by operational errors, electricity outages, raw material shortages, equipment failure and other production risks;
- operating limitations imposed by environmental or other regulatory requirements;
- defective quality of the real estate properties it develops;
- work-related personal injuries;
- on-site production accidents;
- credit risks relating to the performance of customers or other contractual third parties;
- disruption in the global capital markets and the economy in general;
- loss on investments;
- environmental or industrial accidents; and
- catastrophic events such as fires, earthquakes, explosions, floods or other natural disasters.

To manage operating risks, the Group maintains insurance policies that provide different types of risk coverage, which the Group believes to be consistent with the relevant law and industry and business practice in the PRC or elsewhere. However, claims under the insurance policies may not be honoured fully or on time, or the insurance coverage may not be sufficient to cover costs associated with accidents incurred in the Group's operations due to the above-mentioned operational risks. There are also certain types of losses (such as from wars, acts of terrorism or acts of God, business interruption, property risks and third party (public) liability) that generally are not insured because they are either uninsurable or not economically insurable.

The Group is subject to various environmental, safety and health regulations in the PRC and any failure to comply with such regulations may result in penalties, fines, governmental sanctions, proceedings or suspension or revocation of its licences or permits.

The Group is required to comply with extensive environmental, safety and health regulations in the PRC. Failure to comply with such regulations may result in fines or suspension or revocation of the Group's licences or permits to conduct its business. Given the volume and complexity of these regulations, compliance may be difficult or involve significant financial and other resources to establish efficient compliance and monitoring systems. There is no assurance that the Group will be able to comply with all applicable requirements or obtain these approvals and permits on a timely basis or at all. As at the date of the Offering Circular, the Group has not received any notice regarding non-compliance with the applicable safety regulations or requirements from any government authority.

In addition, PRC laws and regulations are constantly evolving. The applicable laws, regulations, rules and policies relating to the Group's business may be subject to further changes or amendments, or uncertainties regarding their interpretation and application. The compliance costs, liabilities and requirements associated with any existing and future laws, regulations, rules and policies can have significant impacts on the Group's business, results of operations and financial condition. The Group is expected to incur continuous compliance costs, implement operational changes so as to fulfil regulatory requirements, develop and maintain internal policies, procedures and training programmes and purchase necessary insurance to ensure its compliance with any existing and future regulatory requirements. Moreover, as part of the national policy in promoting environmental protection, the Group is expected to comply with more and more stringent environmental laws and regulations. There can be no assurance that the PRC government will not impose additional or stricter laws or regulations, which may increase compliance costs of the Group.

The Group may not be able to fully detect money laundering and other illegal or improper activities in its business operations on a timely basis.

The Group is required to comply with applicable anti-money laundering, anti-terrorism laws and other regulations in the PRC, Hong Kong and other relevant jurisdictions. The PRC's anti-money laundering law requires financial institutions to establish sound internal control policies and procedures with respect to anti-money laundering monitoring and reporting activities. Such policies and procedures require the Group, in particular, the subsidiaries and associated companies in its financial services segment to, among other things, establish a customer identification system in accordance with the relevant rules, record the details of customer activities and report suspicious transactions to the relevant authorities.

While the Group has adopted policies and procedures aimed at detecting and preventing the use of its business platforms to facilitate money laundering activities and terrorist acts, such policies and procedures in some cases have only been recently adopted and may not completely eliminate instances in which it may be used by other parties to engage in money laundering and other illegal activities. In the event that the Group fails to detect money laundering or other illegal or improper activities or fails to fully comply with applicable laws and regulations, the relevant government agencies may freeze its assets or impose fines or other penalties on it. Any of these may materially and adversely affect the Group's business reputation, financial condition and results of operations.

The Group's businesses may be adversely affected if it is unable to retain and hire qualified employees.

The success of the Group's business is dependent to a large extent on its ability to attract and retain key personnel who possess in-depth knowledge and understanding of investment, as well as the industries in which the Group invests or operates. These key personnel include members of the Group's senior management, experienced investment managers and finance professionals, project development and management personnel, legal professionals, risk management personnel, information technology and other operation personnel. Competition for attracting and retaining these individuals is intensive. Such competition may require the Group to offer higher compensation and other benefits in order to attract and retain qualified professionals, which could materially and adversely affect the Group's financial condition and results of operations. As a result, the Group may be unable to attract or retain these personnel to achieve its business objectives and the failure to do so could severely disrupt its business and prospects. For example, the Group may not be able to hire enough qualified personnel to support its new investment projects or business expansion. As the Group expands its business or hires new employees, such new employees may take time to get accustomed to any new standard procedures and consequently may not comply with the standard procedures of such new business in an accurate and timely manner. The occurrence of any of the events discussed above could lead to unexpected loss to the Group and adversely affect its revenue and financial condition.

The Group may not be able to detect and prevent fraud or other misconduct committed by its employees, representatives, agents, customers or other third parties.

The Group may be exposed to fraud or other misconduct committed by its employees, representatives, agents, customers or other third parties that could subject it to financial losses and sanctions imposed by government authorities, which in turn affects its reputation. Such misconduct could include:

- hiding unauthorised or unsuccessful activities, resulting in unknown and unmanaged risks or losses;
- intentionally concealing material facts, or failing to perform necessary due diligence procedures designed to identify potential risks, which are material to the Group in deciding whether to make investments or dispose of assets;
- improperly using or disclosing confidential information;
- recommending products, services or transactions that are not suitable for the Group's customers;
- misappropriation of funds;

- conducting transactions that exceed authorised limits;
- engaging in misrepresentation or fraudulent, deceptive or otherwise improper activities when marketing or selling products;
- engaging in unauthorised or excessive transactions to the detriment of the Group's customers;
- making or accepting the bribery activities;
- conducting any inside dealing; or
- otherwise not complying with applicable laws or the Group's internal policies and procedures.

The Group's internal control procedures are designed to monitor its operations and ensure overall compliance. However, such internal control procedures may be unable to identify all incidents of non-compliance or suspicious transactions in a timely manner if at all. Furthermore, it is not always possible to detect and prevent fraud and other misconduct, and the precautions the Group takes to prevent and detect such activities may not be effective. There is no assurance that fraud or other misconduct will not occur in the future. If such fraud or other misconduct does occur, it may cause negative publicity as a result.

The Group is exposed to litigation risks.

The Group may from time to time be involved in disputes with governmental entities, indigenous residents, contractors, suppliers, employees and other third-party service providers during the course of its daily operations. Claims may be brought against members of the Group based on a number of causes, such as defective or incomplete work, personal injuries, property damages, breach of warranty or delay in completion and delivery projects. In addition, the Group may bring up claims against project contractors for additional costs incurred as a result of the contractors' underperformance or non-performance, project defects or default by the contractors.

In September 2018, Tibet Financial Leasing Company Limited (西藏金融租賃有限公司) ("**Tibet Financial Leasing**") entered into a financial lease contract (leaseback) (the "**Financial Lease Contract**") with the Group, guaranteed by the Parent Company. In October 2018, Tibet Financial Leasing provided the purchase price of RMB300 million pursuant to the Financial Lease Contract. In December 2019, Tibet Financial Leasing transferred its creditor's rights against the Group with respect to the remaining RMB150 million principal and interest to Jiangsu Hanrui Holdings Financial Leasing Co. Ltd (江蘇瀚瑞金控融資租賃有限公司) ("**Hanrui Financial Leasing**"). After the completion of the transfer of the debt claims, the Group paid the principal and interest of RMB150 million to Hanrui Financial Leasing, and the debt was settled.

In March 2021, the Group and the Parent Company received a lawsuit from Everbright Xinglong Trust Company Limited (光大興隴信託有限責任公司) ("**Everbright Trust**"), which claimed that Tibet Financial Leasing had transferred the above debt claims against the Group to Everbright Trust. However, prior to the receipt of the claims from the plaintiff and related court summons, the Group and the Parent Company had no knowledge of the transfer of the debt claims between Tibet Financial Leasing and Everbright Trust. Everbright Trust filed a lawsuit with Beijing Second Intermediate People's Court and applied for property preservation, which rendered some of Parent Company's shares in Jiangsu Dagang Company Limited (江蘇大港股份有限公司) ("**Dagang**") seized and frozen. As of the date of this Offering Circular, the Parent Company held 290 million shares of Dagang, with 49.89% shareholding in Dagang, of which 9,172,700 shares were frozen, accounting for 3.17% of the total shares of Dagang held by the Parent Company. The case has held a pre-trial meeting on 8 April 2021 and a trial meeting on 18 May 2021. As of the date of this Offering Circular, the case is still pending for further judgment. If the disputes or claims are not resolved or settled through negotiation or mediation, the Group may be involved in lengthy and costly litigation or arbitration proceedings, which may distract the Group's financial and managerial resources. In the event that the Group prevails in those legal proceedings, there is no assurance that the judgement or awards will be effectively enforced. If a judgment or award is rendered against the Group, the amounts payable by the Group may not be fully covered by the Group's insurance, and the

amounts could differ from the provisions made by the Group based on its estimates. Any material charges associated with claims brought against the Group and material write downs associated with the Group's claims could have a material adverse impact on its financial condition, results of operations and cash flow.

The Group relies heavily on information technology systems for its business and any information technology system limitations or failures could adversely affect its business, financial condition and results of operations.

The Group's business depends on the integrity and performance of its business, accounting and other data processing systems. If the Group's systems cannot cope with increased demand or otherwise fail to perform, the Group could experience unanticipated disruptions in business, slower response times and limitation on its ability to monitor and manage data and risk exposures, control financial and operation conditions, and keep accurate records. These consequences could result in operating outages, poor operating performance, financial losses, and intervention of regulatory authorities. There is no assurance that the Group's systems would not experience future systems failures and delays, or the measures taken by the Group to reduce the risk of system disruptions are adequate. If internet traffic and communication volume increase unexpectedly or other unanticipated events occur, the Group may need to expand and upgrade the Group's technology, systems and network infrastructure. There can be no assurance that the Group will be able to accurately project the rate, timing or cost of any increases, or expand and upgrade the Group's systems and infrastructure to accommodate any increases in a timely manner.

The Group is subject to joint venture risks.

Certain of the Group's operations are conducted through jointly controlled entities and associated companies. Amicable cooperation and consensus among the Group's joint venture partners on its existing or any future projects are important factors for the smooth operation and financial success of such projects. The Group's joint venture partners may (i) have economic or business interests or goals that are inconsistent with those of the Group; (ii) be unable or unwilling to fulfil their obligations under the relevant joint venture or other agreements; or (iii) experience financial or other difficulties.

Further, the Group may not be able to control the decision-making process of the joint ventures as, in some cases, it does not have majority control of the particular joint venture. The Group does, however, through contractual provisions or representatives appointed by it, typically have the ability to influence certain material decisions. There is no assurance can be given that disputes among its partners will not arise in the future that could adversely affect such projects.

There are risks associated with any material acquisitions by the Group in the future.

The Group may consider expanding its business operations by acquiring certain interests in other companies. During the course of these transactions, the Group will conduct due diligence investigations with respect to the target companies, but the due diligence with respect to any acquisition opportunity may not reveal all relevant facts that are necessary or useful in evaluating such opportunity, which could subject the Group to unknown financial and legal risks and liabilities. When determining the price for any acquisition, the Group will consider various factors, including the quality of the target business, estimated costs associated with the acquisition and the management of the target business, prevailing market conditions and intensity of competition. The Group will also face various issues arising from the acquisition after the relevant transaction is completed, such as integration of the business into its operations and allocation of internal resources. There can be no assurance that the Group will be able to address these issues effectively. In addition, any major acquisition or transaction of similar nature may consume substantial management attention and financial resources of the Group or even cause the Group to incur significant indebtedness. Any material decrease in its financial resources may limit the Group's ordinary operating activities and increase pressure on its liquidity, and in turn could adversely affect its business, financial condition and results of operations.

As at the date of the Offering Circular, the Group has not entered into any definitive agreement for any acquisition. The Group, however, is unable to predict whether there will be any target suitable for acquisition or when any suitable acquisition opportunities could arise. In the event that the Group enters into any letter of intent or agreement for any material acquisition after the issue of the Bonds, the market price and the trading volume of the Bonds may be adversely affected.

Some of the Group's infrastructure projects are public interest projects, which are not profitable in nature and the respective government subsidies may not be available.

The Group undertakes from time to time infrastructure and real estate projects that are motivated by public interests and social welfare development, such as constructing highways and roads within Zhenjiang or connecting Zhenjiang with other cities. As such, some of the Group's infrastructure projects are for public interest by nature and do not generate any profit. The Group receives financial and other subsidies from the Zhenjiang New Area Management Committee for such government-sponsored projects. However, such financial subsidies may not always be available due to the government's liquidity, budgeting priority and other considerations. Further, the Zhenjiang New Area Management Committee may change the plans for such projects after construction commences, which may cause the Group's investment costs to increase. Additionally, it is uncertain whether the government will be able continue to provide such financial subsidies to the Group following the promulgation of Circular 43 and the Implementation Opinion on Circular 43. The Group has limited resources and engagement in such projects may reduce its ability to participate in other profit-generating projects. The Group is currently involved in several government projects and may continue such involvement and participation from time to time. If the Group takes on more non-profit generating public interest projects in the future, and financial subsidies are not readily available or provided, there can be no assurance that the Group's business, financial condition and results of operations will not be adversely affected as a result.

The Group may not be able to complete its development projects on time or at all.

Infrastructure projects require substantial capital expenditures prior to and during the construction period, and the construction of such projects may take many months or several years before the Group receives its construction fees. Meanwhile, the progress and cost for a development project can be adversely affected by many factors, including:

- delays in obtaining necessary licenses, permits or approvals from governmental agencies or authorities; relocation of existing residents and/or demolition of existing structures;
- shortages of materials, equipment, contractors and skilled labour;
- labour disputes;
- construction accidents;
- natural catastrophes;
- adverse weather conditions; and
- changes in city zoning, planning and plot ratios.

Construction delays or failure to complete the construction of a project according to its planned specifications, schedules or budgets as a result of the above factors may adversely affect the Group's results of operations and financial position and may also cause reputational damage. There is no assurance that the Group will not experience such delays in delivery of its projects in the future or that it will not be subject to any liabilities for any such delays.

The sale of the Group's investment properties may be adversely affected by the measures adopted by the PRC to cool down the growth of the property sector.

The Group's investment properties business entails the sale of land parcels to Zhenjiang New Area Land Reserve Centre which acquires such land reserves to fulfil the development needs of Zhenjiang New Area. However, starting from the second half of 2009, residential property prices in certain cities in the PRC rose rapidly. In order to prevent the overheating of the property market and the possible formation of a speculative bubble, the PRC government introduced a series of regulatory measures in an effort to stabilise the real estate market and facilitate its sustainable development. Consequently, the real estate market in the PRC has witnessed signs of a slowdown in previous years and real estate developers may acquire fewer land use rights than they used to be to maintain their liquidity. As a result, the demand of land use rights will decrease in general. Accordingly, if the demand of land use rights in Zhenjiang New Area decreases, Zhenjiang New Area Land Reserve Centre may not acquire as much land parcels from the Group, thereby

negatively impacting the Group's investment properties business, which in turn could have an adverse effect on the Group's business and results of operations. Furthermore, the Group's operating revenue from investment properties is primarily derived from the land grant premium received upon the grant of land use rights, which is determined by an auction process. A decrease in the demand of land use rights may exert downward pressure on the determination of the land use premium, which will reduce the Group's revenue generated from the sale of its investment properties. Any significant decline in revenue may have an adverse impact on the Group's business, results of operations and financial condition.

The Group is exposed to declines in the current and expected volumes of supply or demand for bulk building materials, agricultural products and chemical products, sale prices and deterioration in economic and financial condition.

The current and expected volumes of supply and demand for the bulk building materials, agricultural products and chemical products which the Group trades vary over time based on changes in resource availability, government policies and regulation, costs of production, global and regional economic conditions, demand in relevant end markets, technological developments (including their substitutions), fluctuations in global production capacity, global and regional weather conditions and natural disasters. Furthermore, changes in current and expected supply and demand conditions impact the current and expected future prices (and thus the price curve) of the products and materials. Declines in the price of such materials and products or increase of volume of the such materials and products in the market could materially adversely impact the Group's trading business, and in turn negatively affect its results of operations and financial condition.

The relocation of incumbent residents and businesses on the sites where the Group's projects are located may result in delays in its development and/or increase its development costs.

Some of the projects that the Group has developed involve relocation of incumbent residents and businesses, and the Group believes that similar situations may recur when it develops its future projects. If any incumbent resident or business is dissatisfied with the relocation compensation and refuses to move, the relevant entity of the township government will seek to resolve the dispute by negotiating with the relevant resident or business to reach a mutually acceptable relocation compensation arrangement, or apply to the relevant land authority for its determination on whether the relocation compensation and relocation timetable is complaint with PRC law. The relevant land authority will then decide as to the proper relocation compensation and timetable. There can be no assurance that the relocation of incumbent residents or businesses will proceed smoothly or that they will agree to the compensation. In addition, the amount of compensation to be paid is subject to PRC governmental regulation and can be changed at any time. Accordingly, any delays in effecting such relocations of these incumbent residents or businesses may result in delays in the Group's development schedules and/or increase its development costs, any of which could have a material adverse effect on its business, financial condition and results of operations.

The Group may be adversely affected by the performance of third-party contractors.

The Group engages third-party contractors for its infrastructure construction and real estate development projects. The Group generally selects independent contractors through an open tender process. However, there can be no assurance that the services rendered by any of these independent contractors or subcontractors will always be satisfactory or meet the Group's quality and safety standards. If the performance of any independent contractor is not satisfactory, the Group may need to replace such contractor or take other actions to remedy the situation, which could adversely affect the cost and construction progress of its projects. Further, the completion of its infrastructure projects may be delayed, and the Group may incur additional costs in some cases due to a contractor's financial or other difficulties. In addition, the Group may be asked to undertake additional infrastructure development projects by the government on short notice, and there may be a shortage of contractors that meet the Group's quality requirements. Contractors may undertake projects for other companies and developers, engage in risky or unsound practices or encounter financial or other difficulties, which may affect their ability to complete their work for the Group on time or within budget. Any of these factors could have a material adverse effect on the Group's business, financial condition and results of operations.

The ongoing COVID-19 pandemic may have an adverse effect on the Group's business, financial condition and results of operations

The ongoing COVID-19 pandemic may have an adverse effect on the Group's business, financial condition and results of operations. The ongoing outbreak of the novel coronavirus, COVID-19, since late 2019 in the PRC and other countries has caused severe disruption to business and economic activities in the PRC and globally.

Governments of many countries (including the PRC) have declared a state of emergency, closed their borders to international travelers and issued stay-at-home orders with a view to containing the pandemic. In addition, if any of the Group's management or employees are affected by COVID-19, the Group may be required to close down its offices or facilities to prevent the spread of the pandemic. Although the Group has adopted remedial measures to minimise the adverse impact of the continuing COVID-19 pandemic on its businesses and operations, there can be no assurance that remedial measures adopted by the Group will have the intended effects or that the adverse impact of the continuing COVID-19 pandemic on the Group will not persist. In addition, consumer confidence or consumer sentiment in the PRC and elsewhere has been materially impacted due to the continued escalation of the COVID-19 pandemic.

The Government measures or actions to combat the spread of COVID-19 could also adversely affect the ability of the Group's contractors to perform their contracts with the Group, including its construction contractors. As a result, completion of the Group's real estate development projects and/or infrastructure construction projects may be delayed, which may in turn result in cost overrun, a decrease in sales of properties and/or otherwise adversely affect the Group's financial condition, operating results and profitability. In addition, the Group's sales and pre-sale of properties may also be adversely affected due to reasons such as decreased number of potential buyers attending sales and pre-sale activities of the Group and restrictions imposed on large-scale public activities to comply with social-distancing policies promoted by the government authorities.

Moreover, the COVID-19 pandemic may lead to lower levels of economic growth in the PRC which is likely to reduce the demand for the purchasing of real estate properties in the PRC, with consequent adverse impact on the Group's ability to sell or lease its properties and/or derive income from operation of its properties. While the PRC government has introduced certain economic relief measures to support the economy, there can be no assurance that such measures will have the intended effects. The continuing COVID-19 pandemic is expected to have an adverse impact on the Group's businesses and it is impossible to predict the magnitude of such impact, which could vary based on the duration of the outbreak and the ability of the global community to contain the disease and implement economic stimulus measures. There are uncertainties as to how the COVID-19 pandemic will evolve and any continuation and/or escalation and/or intensification of the COVID-19 pandemic could materially and adversely affect the Group's business, financial condition and results of operations and the Group's ability to meet its financial obligations.

Labour shortages, labour disputes or increases in labour costs of any third-party contractors engaged for the Group's projects could materially and adversely affect the Group's business, prospects and results of operations.

The Group relies on third-party contractors to carry out infrastructure construction and real estate development. Many of these businesses are labour intensive. As such, labour shortages, labour disputes or increases in labour costs of third-party contractors could materially and adversely affect the Group's business, prospects and results of operations. Industrial action or other labour unrest could directly or indirectly prevent or hinder the construction progress, and, if not resolved in a timely manner, could lead to delays in completing the Group's projects. These actions are beyond the Group's foreseeability or control. There can be no assurance that labour unrest will not affect general labour market conditions or result in changes to labour laws. In recent years, work stoppages, employee suicide and other similar events in certain cities in the PRC have caused the PRC government to amend labour laws to enhance protection of employees' rights. Increasing awareness of labour protection as well as increasing minimum wages is likely to increase the labour costs afforded by PRC enterprises in general, including the contractors participating in the Group's projects. As the Group is responsible for making progress payments to its third-party contractors, any increase in the labour costs of those third-party contractors may negatively affect the Group's cash flow, which could materially and adversely affect the Group's business, prospects and results of operations.

The Group's property development business may be materially and adversely affected if it fails to obtain, or if there is any material delay in obtaining, the necessary PRC governmental approvals and certificates for its property development projects.

The Group is required to obtain a number of permits, licenses, certificates and other approvals in connection with the development of its property projects, including, but not limited to, state-owned land use rights certificates, construction land planning permits, construction project planning permits, construction permits, pre-sale permits for affordable housing and commodity properties and certificates or filings of completion and acceptance from the relevant administrative authorities. The granting of these certificates and permits is contingent upon satisfaction of the conditions required under applicable PRC laws and regulations. Even if the relevant conditions are satisfied, prolonged review by the relevant administrative authorities may be possible, causing uncertainties on time issuance of the certificates and permits.

On December 29, 2017, the Group received the administrative penalty decision (Zhencheng Zhipin Zi [2017] No. 410012) issued by the Zhenjiang Urban Management Administrative Law Enforcement Bureau due to the lack of construction project planning permit for several buildings developed by the Group. The Zhenjiang Municipal Urban Management Administrative Law Enforcement Bureau ordered the company to apply to the Zhenjiang City Planning Department for a construction project planning permit with a total construction area of approximately 43,369.2 sq.m., and imposed a fine of RMB10,861,415 on the Group. As of the date of this Offering Circular, the Group has completed the above-mentioned certificates and paid all fines.

There can be no assurance that the Group will not encounter problems fulfilling all or any of the conditions for the grant of the certificates or permits, or that the Group is able to obtain all necessary certificates and permits for its projects in a timely manner, or at all. If the Group fails to obtain or experiences significant delays in obtaining the requisite governmental permits, licenses, certificates or other approvals, it will be exposed to penalties as well as disruption or delays in its property development timetable, and in turn could materially and adversely affect its property development business, financial condition and results of operations.

The PRC government may impose fines or penalties on the Group or revoke the land use rights with respect to certain land held by the Group.

Under applicable PRC laws and regulations, the PRC government may impose an idle land fee equal to 20 per cent. of the land premium or allocation fees if the Group does not commence development on the land held by the Group for more than one year after the date specified in the relevant land use rights grant contract, or the Group commences development on an area which is less than one-third of the area granted, or the capital invested in the development is less than one-fourth of the total investment approved for the development, and the development is suspended for more than one year without governmental approval. The PRC government may revoke the land use rights certificate without compensation if the Group does not commence development for more than two years after the date specified in the relevant land use rights grant contract without compelling causes. The State Council issued the Notice on Promoting the Saving and Intensification of Use of Land (國務院關於促進節約集約用地的通知) which states, among other things, that the Ministry of Land and Resources (now known as the Ministry of Natural Resources of the PRC) and other authorities are required to research and commence the drafting of implementation rules concerning the levy of land appreciation fees on idle land. Furthermore, the Ministry of Land and Resources issued in August 2009 the Notice on Restricting the Administration of Construction Land and Promoting the Use of Approved Land (關於嚴格建設用地管理促進批而未用土地利用的通知) which reiterates its policy on idle land.

There is no assurance can be given that the Group will always be able to comply with the relevant policies on idle land and that the government authorities will not penalise the Group should there be any non-compliance in the future. The imposition of fines and penalties could have a material and adverse effect on the Group's business, financial condition and results of operations.

The real estate development business is subject to claims under statutory quality warranties.

Under the Regulations on Administration of Development and Operation of Urban Real Estate (城市房地產開發經營管理條例) enacted by the State Council, and Regulations for the Administration of Sale of Commodity Building (商品房銷售管理辦法), all property developers in the PRC must provide certain quality warranties for the properties they develop or sell. The Group is required to provide these warranties to the purchases of the properties it develops and sells. Generally, the Group receives quality warranties from its third-party contractors with respect to its property projects. If a significant number of claims were brought against the Group under its warranties and if the Group was unable to obtain compensation for such claims from third-party contractors in a timely manner or at all, the Group could incur significant expenses to resolve such claims or face delays in remedying the related defects, which could in turn harm its reputation, and materially adversely affect its commodity property business and related financial condition and results of operations.

Any failure by the Group to meet delivery schedule with respect to the properties it develops could adversely affect its business and results of operations.

The Group's contracts with local governments relating to its affordable housing properties contain completion schedule requirements. The Group's pre-sales contracts and sales contracts with respect to its commodity properties also include provisions relating to specific time of delivery, which vary from one case to another. The construction timetable of the Group's property projects may be affected by a number of factors, such as delay in obtaining necessary approvals, permits and licenses, changes in the Group's financial condition and liquidity and performance of third-party contractors. Some of these factors are beyond the Group's control. Material delay or failure to complete the affordable housing properties and to deliver the commodity properties may lead to breach of undertaking under the relevant development contracts and the property pre-sales and sales contracts. Any failure to meet the schedule requirements of these contracts could cause the Group to pay significant liquidated damages, which would reduce or eliminate its profit on the relevant contracts and could adversely affect its liquidity and cash flows and have a material adverse effect on its business, financial condition, results of operations and prospects.

RISKS RELATING TO THE GROUP'S FINANCIAL STATEMENTS

The Group publishes and may continue to publish periodical financial information in the PRC pursuant to applicable PRC regulatory rules. Investors should be cautious and not place any reliance on the financial information other than that disclosed in the Offering Circular.

The Group from time to time issues corporate bonds, asset-backed securities, private placement notes, mid-term notes, super short-term financing bills and short-term financing bills in the domestic capital markets in the PRC. According to applicable PRC securities regulations on debt capital markets, the Group needs to publish its quarterly, semi-annual and annual financial information to satisfy its continuing disclosure obligations relating to its corporate bonds, mid-term notes and short-term financing bonds. The quarterly and semi-annual financial information published by the Group in the PRC is normally derived from the Group's management accounts and has not been audited or reviewed by independent auditors. As such, this financial information published in the PRC should not be relied upon by potential purchasers to provide the same quality of information associated with any audited information. Further, the published financial information in the PRC may be adjusted or restated to address subsequent changes in accordance with the accounting standards, the applicable laws and regulations affecting the Group's financial reporting or to reflect the subsequent comments given by the independent auditors during the course of their audit or review.

Historical consolidated financial information of the Group may not be indicative of its current or future results of operations.

The historical financial information of the Group included in the Offering Circular is not indicative of its future financial results. This financial information is not intended to represent or predict the results of operations of any future periods. The Group's future results of operations may change materially if its future growth does not follow the historical trends for various reasons, including factors beyond its control, such as changes in economic environment, PRC environmental rules and regulations and the domestic and international competitive landscape of the industries in which the Group operates its businesses.

RISKS RELATING TO THE PRC

China has experienced a slowdown in its economic development and the future performance of China's economy is uncertain.

A substantial part of the Group's assets are located in the PRC and a substantial part of the Group's revenue is sourced from the PRC. Accordingly, the Group's results of operations, financial position and prospects are subject, to a significant degree, to economic, political and legal developments and changes in the PRC.

The economy of the PRC experienced rapid growth in the past 30 years. There has been a slowdown in the growth of the PRC's GDP since the second half of 2013 and this has raised market concerns that the historic rapid growth of the economy of the PRC may not be sustainable. According to the National Statistics Bureau of China, the annual growth rate of China's GDP in 2015 slowed down to 6.9 per cent. on a year-on-year basis compared to 7.4 per cent. in 2014, and it further decreased to 6.7 per cent. for 2016, which was the slowest annual GDP growth rate recorded in 26 years. For the years ended 31 December 2018, 2019 and 2020, China's GDP growth rate was 6.6 per cent., 6.1 per cent. and 2.3 per cent. In May 2017, Moody's changed China's long-term sovereign credit rating and foreign currency issuer ratings to A1 from Aa3. In September 2017, S&P Global Ratings also downgraded China's long term sovereign credit rating to A+ from AA-, citing increasing economic and financial risks from a prolonged period of strong credit growth. Further indication of the slowdown in the growth of China's economy is evidenced by press reports of a recent increase in bond defaults by PRC corporate issuers.

The future performance of China's economy is not only affected by the economic and monetary policies of the PRC government, but it is also exposed to material changes in global economic and political environments as well as the performance of certain major developed economies in the world, such as the United States and the European Union. There is substantial uncertainty relating to the implementation of the United Kingdom's exit from the European Union or its impact on the economic conditions of other part of the world, such as China's, including but not limited to further decreases in global stock exchange indices, increased foreign exchange volatility (in particular a further weakening of the pound sterling and euro against other leading currencies) and a possible economic recession involving more countries and areas. Therefore, there exists continued uncertainty for the overall prospects for the global and the PRC economies this year and beyond.

Changes in the economic, political and social conditions in the PRC and government policies adopted by the PRC government may affect the Group's business and prospects.

China's economy differs from the economies of most developed countries in many respects, including with respect to government involvement, level of development, economic growth rate, control of foreign exchange and allocation of resources. China's economy has been transitioning from a planned economy to a more market-oriented economy. In recent years, the PRC government has implemented a series of measures emphasising market forces for economic reform, the reduction of state ownership of productive assets and the establishment of sound corporate governance in business enterprises.

However, a large portion of productive assets in China remain owned by the PRC government. The PRC government continues to play a significant role in regulating industrial development, the allocation of resources, production, pricing and management, and there can be no assurance that the PRC government will continue to pursue the economic reforms or that any such reforms will not have an adverse effect on the Group's business.

The Group's operations and financial results may also be affected by changes in political, economic and social conditions or the relevant policies of the PRC government, such as changes in laws and regulations (or the interpretation thereof). In addition, infrastructure construction demand in China depends heavily on economic growth. If the China's economic growth slows down or if China experiences an economic recession, the growth of development in China's economic and technology development zones and infrastructure construction demand may also slow down, and the Group's business prospects may be materially and adversely affected. The Group's operations and financial results, as well as the Group's ability to satisfy its obligations under the Bonds, could also be materially and adversely affected by changes to or introduction of measures to control changes in the rate or method of taxation and the imposition of additional restrictions on currency conversion.

Uncertainty with respect to China's legal system may affect the Group.

As substantially all of the Group's businesses are conducted, and substantially all of its assets are located, in the PRC, its operations are governed principally by laws and regulations of the PRC. The PRC's legal system is based on written statutes while prior court decisions, in certain circumstances, may be cited as reference but have limited precedential value. Since 1979, the PRC government has promulgated laws and regulations in relation to economic matters such as foreign investment, corporate organisation and governance, commerce, taxation, foreign exchange and trade, with a view to enhancing the protections afforded to market participants in the PRC. However, the PRC has not developed a fully integrated legal system and recently enacted laws and regulations may not sufficiently cover all aspects of economic activities in the PRC. In particular, because these laws and regulations are relatively new, and because of the limited volume of published decisions and their nonbinding nature, the interpretation and enforcement of these laws and regulations involve uncertainties. In addition, PRC's legal system is based, in part, on government policies and internal rules (some of which are not published on a timely basis or at all) that may have a retroactive effect. As a result, the Group may not be aware of its violation of these policies and rules until sometime after the violation. Furthermore, the administration of PRC laws and regulations may be subject to a certain degree of discretion by the executive authorities. This has resulted in the outcome of dispute resolutions not being as consistent or predictable compared to more developed jurisdictions. In addition, any litigation in the PRC may be protracted and result in substantial costs and diversion of resources and management's attention and it may be difficult to obtain a swift and equitable enforcement of laws in the PRC, or the enforcement of judgments by a court of another jurisdiction. These uncertainties relating to the interpretation and implementation of PRC's laws and regulations may adversely affect the legal protections and remedies that are available to the Group in its operations and to the holders of the Bonds.

Investors may experience difficulties in effecting service of legal process and enforcing judgments against the Group and its management.

The Group is incorporated under the laws of the PRC. A majority of the Group's assets are located in the PRC. In addition, all of its directors, supervisors and senior management reside within the PRC and the assets of its directors and officers are located within the PRC. As a result, it may not be possible for investors to effect service of process outside the PRC upon all of its directors, supervisors and senior management, including for matters arising under applicable securities law. A judgment of a court of another jurisdiction may be reciprocally recognised or enforced if the jurisdiction has a treaty with the PRC or if judgments of the courts in the PRC have been recognised before in that jurisdiction, subject to the satisfaction of other requirements. However, the PRC does not have treaties or arrangements providing for the reciprocal recognition and enforcement of judgments of courts with most other jurisdictions, including Japan, the United States and the United Kingdom. Hong Kong and the PRC entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgment in Civil and Commercial Matters

by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements Between Parties Concerned (the "**Arrangement**") (關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排) which became effective on 1 August 2008, pursuant to the Arrangement, a party with a final court judgment rendered by a Hong Kong court requiring payment of money in a civil and commercial case according to a "choice of court" agreement in writing may apply for recognition and enforcement of the judgment in the PRC. Similarly, a party with a final court judgment rendered by a PRC court requiring payment of money in a civil and commercial case pursuant to a "choice of court" agreement in writing may apply for recognition and enforcement of such judgment in Hong Kong. A "choice of court" agreement in writing is defined as any agreement in writing entered into between parties after the effective date of the Arrangement in which a Hong Kong court or a PRC court is expressly designated as the court having sole jurisdiction for the dispute. Therefore, it is not possible to enforce a judgment rendered by a Hong Kong court in the PRC if the parties in dispute do not enter into a "choice of court" agreement in writing. Therefore, it may be difficult or impossible for investors to recognise and enforce any judgments obtained from foreign courts against the Issuer, or its directors, supervisors or senior management in the PRC.

Government control of currency conversion may adversely affect the value of investors' investments.

A substantial portion of the Group's operating revenue is denominated in Renminbi, which is also the reporting currency. Renminbi is not a freely convertible currency. A portion of the Group's cash may be required to be converted into other currencies in order to meet its foreign currency needs, including cash payments on interests and principal, if any, on the Bonds. However, the PRC government may restrict future access to foreign currencies for current account transactions at its discretion. If this were to occur, the Group might not be able to pay interests and principal to the holders of the Bonds or any other foreign currency denominated debt, if any. On the other hand, foreign exchange transactions under capital account in the PRC continue to be not freely convertible and require the approval of SAFE. These limitations may affect its ability to obtain foreign currencies through equity financing, or to obtain foreign currencies for capital expenditures.

There can be no assurance of the accuracy or comparability of facts and statistics contained in this Offering Circular with respect to the PRC, its economy or the relevant industry.

Facts and other statistics in this Offering Circular relating to the PRC, its economy or the relevant industry in which the Group operates have been directly or indirectly derived from official government publications and certain other public industry sources and although the Group believes such facts and statistics are accurate and reliable, the Group cannot guarantee the quality or the reliability of such source materials. They have not been prepared or independently verified by the Issuer, the Group, the Joint Lead Managers, the Trustee, the Pre-funding Account Bank, the LC Proceeds Account Bank or the Agents or any of the Group or their respective affiliates, directors, employees, agents, representatives, officers or advisers or any person who controls the Group or any of them, and, therefore, the Group, the Joint Lead Managers, the Trustee, the Pre-funding Account Bank, the LC Proceeds Account Bank and the Agents and each of the Group and their respective affiliates, directors, employees, agents, representatives, officers and advisers and any person who controls any of them makes no representation as to the completeness, accuracy or fairness of such facts or other statistics, which may not be consistent with other information compiled within or outside the PRC. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be incomplete, inaccurate or unfair or may not be comparable to statistics produced for other economies or the same or similar industries in other countries and should not be unduly relied upon. Furthermore, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. In all cases, investors should give consideration as to how much weight or importance they should attach to or place on such facts or other statistics.

RISKS RELATING TO THE BONDS AND THE STANDBY LETTER OF CREDIT

The Group has limited sources of funding in order to meet its debt obligations.

The Group operates its business mainly through itself and its subsidiaries. Accordingly, the Group has limited sources of funding available to it to service its debts and ability to meet the obligations under its debt obligations. These mainly include dividends and repayments on intercompany loans received from its subsidiaries, as well as divestments of investment assets and obtaining external financing.

With respect to dividends and repayments of intercompany loans from the Issuer's subsidiaries, if a subsidiary of the Issuer incurs any debt, such debt may impair its subsidiaries from distributing dividends or making other distributions to the Issuer ultimately. In addition, PRC laws require that dividends can only be paid out of the net income calculated according to PRC GAAP and financial regulations in the PRC. In addition, the PRC laws require the companies incorporated in the PRC to set aside part of their net income as statutory reserves. These statutory reserves are not available for distribution as cash dividends. Such restrictions may have an adverse effect on the Issuer's ability to service its debts and its ability to meet its debt obligations as the Issuer relies heavily on dividends and repayments from its subsidiaries.

The insolvency laws of the PRC and other local insolvency laws may differ from those of another jurisdiction with which the holders of the Bonds are familiar.

As the Issuer is incorporated under the laws of the PRC, any insolvency proceeding relating to the Issuer would likely involve insolvency laws of the PRC, as applicable, the procedural and substantive provisions of which may differ from comparable provisions of the local insolvency laws of jurisdictions with which the holders of the Bonds are familiar.

Investors in the Bonds may be subject to foreign exchange risks.

The Bonds are denominated and payable in U.S. dollars. An investor who measures investment returns by reference to a currency other than U.S. dollars would be subject to foreign exchange risks by virtue of an investment in the Bonds, due to, among other things, economic, political and other factors over which the Group has any control. Depreciation of the U.S. dollars against such currency could cause a decrease in the effective yield of the Bonds below their stated coupon rates and could result in a loss when the return on the Bonds is translated into such currency. In addition, there may be tax consequences for investors as a result of any foreign currency gains resulting from any investment in the Bonds.

International financial markets and world economic conditions may adversely affect the market price of the Bonds.

The market price of the Bonds may be adversely affected by declines in the international financial markets and world economic conditions. The market for Bonds is, to varying degrees, influenced by economic and market conditions in other markets, especially those in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can affect the securities markets and the securities of issuers in other countries, including the PRC. Since the subprime mortgage crisis in 2008, the international financial markets have experienced significant volatility. If similar developments occur in the international financial markets in the future, the market price of the Bonds could be adversely affected.

A trading market for the Bonds may not develop.

The Bonds are a new issue of securities for which there is currently no trading market. There can be no assurance as to the liquidity of the Bonds or that an active trading market will develop. If such a market were to develop, the Bonds could trade at prices that may be higher or lower than the initial issue price depending on many factors, including prevailing interest rates, the Group's operations and the market for similar securities. The Joint Lead Managers are not obligated to make a market in the Bonds, and if it does so it may discontinue such market-making activity at any time without notice. Further, the Bonds may be

allocated to a limited number of investors, in which case liquidity may be limited. In addition, the Bonds are being offered pursuant to exemptions from registration under the Securities Act and, as a result, the holders of the Bonds will only be able to resell the Bonds in transactions that have been registered under the Securities Act or in transactions not subject to or exempt from registration under the Securities Act. It is the obligation of investors to ensure that offers and sales of the Bonds within relevant countries comply with applicable securities laws. Please see "*Subscription and Sale*." The Issuer cannot predict whether an active trading market for the Bonds will develop or be sustained.

The liquidity and price of the Bonds following the issue may be volatile.

The price and trading volume of the Bonds may be highly volatile. Factors such as variations in each of the Group's revenue, earnings and cash flows and proposals of new investments, strategic alliances and/or acquisitions, interest rates and fluctuations in prices for comparable companies or any adverse change in the credit rating, revenues, earnings or results of operations could cause the price of the Bonds to change. Any such developments may result in large and sudden changes in the volume and price at which the Bonds will trade. There can be no assurance that these developments will not occur in the future.

Modifications and waivers may be made in respect of the Terms and Conditions of the Bonds, the Standby Letter of Credit, the Agency Agreement and the Trust Deed by the Trustee or less than all of the holders of the Bonds.

The Terms and Conditions of the Bonds provide that the Trustee may (but shall not be obliged to), without the consent of Bondholders, agree to any modification (except as mentioned in the Trust Deed) of the Trust Deed, the Agency Agreement, the Standby Letter of Credit and/or the Terms and Conditions of the Bonds which in the opinion of the Trustee will not be materially prejudicial to the interests of Bondholders and to any modification of the provisions of the Trust Deed, the Agency Agreement, the Standby Letter of Credit and/or the Terms and Conditions of the Bonds which in the opinion of the Trustee is of a formal, minor or technical nature or is made to correct a manifest error or to comply with any mandatory provision of law.

In addition, the Trustee may (but shall not be obliged to), without the consent of the Bondholders, authorise or waive any proposed breach or actual breach of, or any failure to comply with, any of the provisions of the Bonds, the Trust Deed, the Agency Agreement, the Standby Letter of Credit and/or the Terms and Conditions of the Bonds (other than a proposed breach, or a breach relating to the subject of certain reserved matters) if, in the opinion of the Trustee, the interests of the Bondholders will not be materially prejudiced thereby.

Unless the Trustee agrees otherwise, any such authorisation, waiver or modification shall be binding on the Bondholders and shall be notified by the Issuer to the Bondholders as soon as practicable thereafter.

The Trustee may request the Bondholders to provide an indemnity and/or security and/or pre-funding to its satisfaction.

In certain circumstances (including without limitation the giving of notice to the Issuer pursuant to Condition 10 (*Events of Default*) of the Conditions and the taking of steps and/or actions and/or the instituting of proceedings against the Issuer and/or the LC Bank pursuant to Condition 14 (*Enforcement*) of the Conditions), the Trustee may (at its sole discretion) request Bondholders to provide an indemnity and/or security and/or pre-funding to its satisfaction before it takes actions and/or steps and/or institutes proceedings on behalf of Bondholders. The Trustee shall not be obliged to take any such actions and/or steps and/or institute such proceedings if not first indemnified and/or secured and/or pre-funded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or pre-funding can be a lengthy process and may impact on when such actions and/or steps can be taken and/or such proceedings can be instituted. The Trustee may not be able to take actions, and/or steps and/or institute proceedings notwithstanding the provision of an indemnity and or security and or pre-funding to it, in breach of the terms of the Trust Deed (as defined in the Conditions) and in such circumstances or where there is uncertainty or dispute as to the applicable laws or regulations, to the extent permitted by the agreements and the applicable laws and regulations, it will be for the Bondholders to take such actions and/or steps and/or institute such proceedings directly.

The LC Bank's ability to perform its obligations under the Standby Letter of Credit is subject to the financial condition of Nanyang Commercial Bank.

The LC Bank is not a separate and independent legal person but has capacity to carry on its activities within its scope of the authorisation given by Nanyang Commercial Bank (China) Limited ("**Nanyang Commercial Bank**"), and if the assets of the LC Bank are not sufficient to meet the obligations of the LC Bank under the Standby Letter of Credit, Nanyang Commercial Bank would have an obligation to satisfy the balance of the obligations under the Standby Letter of Credit. Therefore, the ability of the LC Bank to make payments under the Standby Letter of Credit will depend on the financial condition of Nanyang Commercial Bank, which could be materially and adversely affected by a number of factors, including, but not limited to, the following:

Impaired loans and advances: Nanyang Commercial Bank's financial condition will be affected by its impaired loans. If Nanyang Commercial Bank is unable to control effectively and reduce the level of impaired loans and advances in its current loan portfolio and in new loans Nanyang Commercial Bank extends in the future, or Nanyang Commercial Bank's allowance for impairment losses on loans and advances is insufficient to cover actual loan losses, the Nanyang Commercial Bank's financial condition could be materially and adversely affected.

Collateral and guarantees: A certain portion of Nanyang Commercial Bank's loans is secured by collateral and backed by guarantees. If Nanyang Commercial Bank is unable to realise the collateral or guarantees securing its loans to cover the outstanding principal and interest balance of such loans due to various factors, Nanyang Commercial Bank's financial condition could be materially and adversely affected.

Loans to real estate sector and government financing platforms: Nanyang Commercial Bank's loans and advances to the real estate sector primarily comprise loans issued to real estate companies and individual housing loans. The real estate market may be affected by many factors, including, without limitation, cyclical economic volatility and economic downturns. In addition, the PRC government has in recent years imposed macroeconomic control measures that are aimed at preventing the real estate market from over-heating. Such factors may adversely affect the growth and quality of its loans to the real estate industry and, consequently, Nanyang Commercial Bank's financial condition and results of operations. Loans to government financing platforms are a part of the loan portfolio of Nanyang Commercial Bank. The government revenues are primarily derived from taxes and land premiums. Therefore, economic cycles and fluctuations in the real estate market may also adversely affect the quality of such loans.

In addition, as Nanyang Commercial Bank has not waived sovereign immunity for the purpose of the Standby Letter of Credit, it is possible that such immunity is asserted at the time of enforcement of the Standby Letter of Credit.

Gains on the transfer of the Bonds may be subject to income tax and VAT under PRC tax laws.

Under the Enterprise Income Tax Law of the PRC (the "**EIT Law**") (which took effect on 1 January 2008 and was last amended on 29 December 2018) and its implementation rules, any gains realised on the transfer of the Bonds by holders who are deemed under the EIT Law as non-resident enterprises may be subject to PRC enterprise income tax if such gains are regarded as income derived from sources within the PRC. Under the EIT Law, a "non-resident enterprise" means an enterprise established under the laws of a jurisdiction other than the PRC and whose actual administrative organisation is not in the PRC, which has established offices or premises in the PRC, or which has not established any offices or premises in the PRC but has obtained income derived from sources within the PRC. There remains uncertainty as to whether the gains realised on the transfer of the Bonds by non-resident enterprise Bondholders would be treated as income derived from sources within the PRC and be subject to PRC enterprise income tax. In addition, under the Individual Income Tax Law of the PRC (the "**IIT Law**") as last amended on 31 August 2018, and its implementation rules, any individual who has no domicile and does not live within the territory of the PRC or who has no domicile but has lived within the territory of China for less than 183 days cumulatively within a tax year shall pay individual income tax for any income obtained within the PRC. There is uncertainty as to whether gains realised on the transfer of the Bonds by individual holders

who are not PRC citizens or residents will be subject to PRC individual income tax. If such gains are subject to PRC income tax, the 10 per cent. enterprise income tax rate and 20 per cent. individual income tax rate will apply respectively unless there is an applicable tax treaty or arrangement that reduces or exempts such income tax. The taxable income will be the balance of the total income obtained from the transfer of the Bonds minus all costs and expenses that are permitted under PRC tax laws to be deducted from the income. According to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排) (the "**Arrangement**") which was promulgated on 21 August 2006, Bondholders who are Hong Kong residents, including both enterprise holders and individual holders, will be exempted from PRC income tax on capital gains derived from a sale or exchange of the Bonds if such capital gains are not connected with an office or establishment that the Bondholders have in the PRC and all the other relevant conditions are satisfied. On 23 March 2016, the MOF and the State Administration of Taxation issued the Circular of Full Implementation of Replacing Business Tax with Value-Added Tax Reform (關於全面推開營業稅改徵增值稅試點的通知) (Caishui [2016] No. 36) ("**Circular 36**"), which introduced a new value-added tax ("**VAT**") from 1 May 2016. Under Circular 36, VAT is applicable where the entities or individuals provide financial services such as providing loans within the PRC. The Issuer will be obliged to withhold VAT of 6 per cent. and certain surcharges on payments of interest and certain other amounts on the Bonds paid by the Issuer to Bondholders that are non-resident enterprises or individuals. VAT is unlikely to be applicable to any transfer of Bonds between entities or individuals located outside the PRC and therefore unlikely to be applicable to gains realised upon such transfers of Bonds, but there is uncertainty as to the applicability of VAT if either the seller or buyer of Bonds is located inside the PRC. Circular 36 together with other laws and regulations pertaining to VAT are relatively new, and the interpretation and enforcement of such laws and regulations involve uncertainties.

If a Bondholder, being a non-resident enterprise or non-resident individual, is required to pay any income tax or VAT on gains on the transfer of the Bonds, the value of the relevant Bondholder's investment in the Bonds may be materially and adversely affected.

The Bonds may not be a suitable investment for all investors.

Each potential investor in any Bond must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the relevant Bonds, the merits and risks of investing in the relevant Bonds and the information contained in this Offering Circular;

- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Bonds and the impact such investment will have on its overall investment portfolio;

- have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Bonds;

- understand thoroughly the terms of the relevant Bonds and be familiar with the behaviour of any relevant indices and financial markets; and

- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

A potential investor should not invest in Bonds which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Bonds will perform under changing conditions, the resulting effects on the value of such Bonds and the impact this investment will have on the potential investor's overall investment portfolio.

Additionally, the investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (a) Bonds are legal investments for it; (b) Bonds can be used as collateral for various types of borrowing; and (c) other restrictions apply to its purchase of any Bonds. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Bonds under any applicable risk-based capital or similar rules.

The Bonds will initially be represented by a Global Certificate and holders of a beneficial interest in a Global Certificate must rely on the procedures of the relevant Clearing System.

The Bonds will initially be represented by a Global Certificate. Such Global Certificate will be deposited with a common depositary for Euroclear and Clearstream. Except in the circumstances described in the Global Certificate, investors will not be entitled to receive definitive bonds. The relevant clearing system will maintain records of the beneficial interests in the Global Certificate. While the Bonds are represented by the Global Certificate, investors will be able to trade their beneficial interests only through the clearing systems.

While the Bonds are represented by the Global Certificate, the Issuer will discharge its payment obligations under the Bonds by making payments to the common depositary for Euroclear and Clearstream for distribution to their account holders. A holder of a beneficial interest in the Global Certificate must rely on the procedures of the relevant clearing system to receive payments under the Bonds. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Certificate.

Holders of beneficial interests in the Global Certificate will not have a direct right to vote in respect of the Bonds. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system to appoint appropriate proxies.

Bondholders should be aware that a definitive Certificate which has a principal amount that is not an integral multiple of the minimum specified denomination may be illiquid and difficult to trade.

In relation to any Bond which has a principal amount consisting of a minimum specified denomination plus a higher integral multiple of another smaller amount, it is possible that the Bonds may be traded in amounts in excess of the minimum specified denomination that are not integral multiples of such minimum specified denomination. In such a case a Bondholder who, as a result of trading such amounts, holds a principal amount of less than the minimum specified denomination will not receive a definitive certificate in respect of such holding (should definitive Bonds be printed) and would need to purchase a principal amount of Bonds such that it holds an amount equal to one or more specified denominations. If definitive Bonds are issued, holders should be aware that a definitive certificate which has a principal amount that is not an integral multiple of the minimum specified denomination may be illiquid and difficult to trade.

The Bonds are unsecured obligations.

The Bonds are the Issuer's unsecured obligations, respectively. The repayment of the Bonds may be adversely affected if:

- the Issuer enters into bankruptcy, liquidation, reorganisation or other winding-up proceedings;
- there is a default in payment under the Issuer's future secured indebtedness or other unsecured indebtedness; or
- there is an acceleration of any of the Issuer's indebtedness.

If any of these events were to occur, the Issuer's assets may not be sufficient to pay amounts due on the Bonds.

The Bonds may be redeemed by the Issuer prior to maturity.

The Issuer may redeem the Bonds at its option, in whole but not in part, at a redemption price equal to 100 per cent. of their principal amount, together with any interest accrued to (but not including) the date fixed for redemption if, subject to certain conditions, as a result of a change in tax law, the Issuer has or will become obliged to pay Additional Tax Amounts (as defined in Condition 9 (*Taxation*) of the Conditions), as further described in Condition 7(b) (*Redemption for Taxation Reasons*) of the Conditions.

If the Issuer redeems the Bonds prior to their maturity date, investors may not receive the same economic benefits they would have received had they held the Bonds to maturity, and they may not be able to reinvest the proceeds they receive in a redemption in similar securities. In addition, its ability to redeem the Bonds may reduce the market price of the Bonds.

The Issuer may not be able to meet its outstanding obligations under the Bonds.

The Issuer may (and at maturity, will) be required to redeem all of the Bonds. If such an event were to occur, the Issuer may not have sufficient cash on hand and may not be able to arrange financing to redeem the Bonds in time, or on acceptable terms, or at all. The ability to redeem the Bonds in such event may also be limited by the terms of other debt instruments. Failure to repay, repurchase or redeem tendered Bonds by or on behalf of the Issuer may constitute an event of default under the Bonds, which may also constitute a default under the terms of its other indebtedness.

The Issuer may issue additional Bonds in the future.

The Issuer may, from time to time, and without prior consultation with the Bondholders create and issue further bonds (see "*Terms and Conditions of the Bonds – Further Issues*") or otherwise raise additional capital through such means and in such manner as the Issuer may consider necessary. There can be no assurance that such future issuance or capital raising activity will not adversely affect the market price of the Bonds.

Changes in market interest rates may adversely affect the value of the Bonds.

The Bonds will carry fixed interest rates. Consequently, investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds. If Bondholders sell the Bonds they hold before the maturity of such Bonds, they may receive an offer less than their investment.

The SBLC expires 30 days after the Maturity Date.

The SBLC will expire 30 days after the Maturity Date. In the event that the Trustee does not enforce the SBLC by this expiration date, Bondholders will not be able to benefit from the credit protection provided by the LC Bank.

Decisions that may be made on behalf of all holders of the Bonds may be adverse to the interests of individual holders of the Bonds.

The Conditions contain provisions for calling meetings of holders of the Bonds to consider matters affecting their interests generally. These provisions permit defined majorities to bind all holders of the Bonds including holders who did not attend and vote at the meeting and holders who voted in a manner contrary to the majority. Furthermore, there is a risk that the decision of the majority of holders of the Bonds may be adverse to the interests of individual Bondholders.

TERMS AND CONDITIONS OF THE BONDS

The following, other than the words in italics, is the text of the terms and conditions of the Bonds which will appear on the reverse of each of the definitive certificates evidencing the Bonds:

The issue of the U.S.$50,000,000 in aggregate principal amount of 3.0 per cent. credit enhanced bonds due 2022 (the "**Bonds**", which term shall include, unless the context requires otherwise, any further bonds issued in accordance with Condition 16 and consolidated and forming a single series therewith) was authorised by a resolution of the board of directors of Zhenjiang New Area Urban Construction Investment Co., Ltd (鎮江新區城市建設投資有限公司) (the "**Issuer**") passed on 29 April 2021 and a resolution of the shareholders of the Issuer passed on 29 April 2021. The Bonds are constituted by a trust deed (as amended, supplemented and/or replaced from time to time, the "**Trust Deed**") dated 26 May 2021 (the "**Issue Date**") between the Issuer and China Construction Bank (Asia) Corporation Limited (中國建設銀行(亞洲)股份有限公司) (the "**Trustee**", which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for itself and the holders of the Bonds. These terms and conditions (these "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bonds. The Bonds are the subject of an agency agreement (as amended, supplemented and/or replaced from time to time, the "**Agency Agreement**") dated 26 May 2021 between the Issuer, the Trustee, China Construction Bank (Asia) Corporation Limited (中國建設銀行(亞洲)股份有限公司) as registrar (the "**Registrar**", which expression includes any successor registrar appointed from time to time with respect to the Bonds), as transfer agent (the "**Transfer Agent**", which expression includes any successor or additional transfer agents appointed from time to time with respect to the Bonds) and as the principal paying agent (in such capacity, the "**Principal Paying Agent**", which expression includes any successor principal paying agent appointed from time to time with respect to the Bonds, and together with the paying agents with respect to the Bonds, the "**Paying Agents**", which expression includes any additional or successor paying agents appointed from time to time with respect to the Bonds) and any other agents named therein, China Construction Bank (Asia) Corporation Limited (中國建設銀行(亞洲)股份有限公司) as the account bank (in such capacity, the "**Pre-funding Account Bank**", which expression shall include any successor) with which the Pre-funding Account (as defined below) is held and as the account bank (in such capacity, the "**LC Proceeds Account Bank**", which expression shall include any successor) with which the LC Proceeds Account (as defined below) is held. References herein to "**Agents**" means the Principal Paying Agent, the Registrar, the Transfer Agent and any other agent or agents appointed from time to time with respect to the Bonds. The Bonds will have the benefit of an irrevocable standby letter of credit (the "**Standby Letter of Credit**") dated 26 May 2021 issued by Nanyang Commercial Bank (China) Limited Wuxi Branch (the "**LC Bank**") in favour of the Trustee on behalf of itself and the holders of the Bonds.

For as long as any Bond is outstanding, copies of the Trust Deed, the Agency Agreement and the Standby Letter of Credit are available for inspection upon prior written request and satisfactory proof of holding and identity to the satisfaction of the Trustee during 9:00 a.m. (Hong Kong time) to 3:00 p.m. (Hong Kong time) from Monday to Friday (other than public holidays) at the principal office of the Trustee (presently at 20/F, CCB Tower, 3 Connaught Road Central, Central, Hong Kong) and at the specified office for the time being of the Principal Paying Agent. The Bondholders (as defined below) are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Standby Letter of Credit and are deemed to have notice of those provisions applicable to them of the Agency Agreement. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the Trust Deed.

1 FORM, SPECIFIED DENOMINATION AND TITLE

The Bonds are issued in the specified denomination of U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof (each a "**Specified Denomination**").

The Bonds are represented by registered certificates (the "**Certificates**") and, save as provided in Condition 2(a), each Certificate shall represent the entire holding of Bonds by the same holder. Title to the Bonds shall pass by transfer and registration in the register that the Issuer shall procure to be

kept by the Registrar in accordance with the provisions of the Agency Agreement (the "**Register**"). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Bond shall be deemed to be and shall be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on the Certificate representing it or the theft or loss of such Certificate and no person shall be liable for so treating the holder.

*Upon issue, the Bonds will be represented by a global certificate (the "**Global Certificate**") substantially in the form scheduled to the Trust Deed. The Global Certificate will be registered in the name of a nominee of, and deposited with, a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A ("**Clearstream**"). These Conditions are modified by certain provisions contained in the Global Certificate. See "Summary of Provisions Relating to the Bonds in Global Form".*

Except in the limited circumstances described in the Global Certificate, owners of interests in Bonds represented by the Global Certificate will not be entitled to receive definitive Certificates in respect of their individual holdings of Bonds. The Bonds are not issuable in bearer form.

In these Conditions, "**Bondholder**" or "**holder**" in relation to a Bond means the person in whose name a Bond is registered (or in the case of a joint holding, the first name thereof).

2 TRANSFERS OF BONDS

(a) **Transfer:** A holding of Bonds may, subject to Condition 2(d), be transferred in whole or in part upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate(s) representing such Bonds to be transferred, together with the form of transfer endorsed on such Certificate(s) (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or such Transfer Agent may require to prove the title of the transferor and the authority of the individuals who have executed such form of transfer. In the case of a transfer of part only of a holding of Bonds represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred (which shall be in a Specified Denomination) and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor (which shall be in a Specified Denomination). In the case of a transfer of Bonds to a person who is already a holder of Bonds, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding. All transfers of Bonds and entries on the Register will be made in accordance with the detailed regulations concerning transfers of Bonds, the initial form of which is scheduled to the Agency Agreement. No transfer of title to a Bond will be valid unless and until entered on the Register. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee, or by the Registrar with the prior written approval of the Trustee. A copy of the current regulations will be made available (free of charge to the Bondholders and at the Issuer's expense) by the Registrar to any Bondholder following prior written request and proof of holding and identity satisfactory to the Registrar.

Transfers of interests in the Bonds evidenced by the Global Certificate will be effected in accordance with the rules of the relevant clearing systems.

(b) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to Condition 2(a) or Condition 2(b) shall be made available for delivery within seven Business Days of receipt by the Registrar or, as the case may be, any Transfer Agent, of a duly completed form of transfer and surrender of the existing Certificate(s). Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery of such form of transfer and surrender of Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the

relevant form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Transfer Agent or the Registrar (as the case may be) the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(b), "**business day**" means a day, other than a Saturday or Sunday or public holiday, on which commercial banks are generally open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

Except in the limited circumstances described in the Global Certificate, owners of interests in the Bonds will not be entitled to receive physical delivery of Certificates.

(c) **Formalities Free of Charge:** Certificates, on transfer or exercise of an option, shall be issued and registered without charge by or on behalf of the Issuer, the Registrar or any Transfer Agent, but upon (i) payment by the relevant Bondholder of any taxes, duties or other governmental charges that may be imposed in relation to it (or the giving of such indemnity and/or security and/or pre-funding as the Registrar or the relevant Transfer Agent may require), (ii) the Registrar or the relevant Transfer Agent (as the case may be) being satisfied in its absolute discretion with the documents of title or identity of the person making the application, and (iii) the Registrar or the relevant Transfer Agent (as the case may be) being satisfied in its absolute discretion that the regulations concerning transfer of Bonds have been complied with.

(d) **Closed Periods:** No Bondholder may require the transfer of a Bond to be registered (i) during the period of 15 days ending on (and including) the due date for any payment of principal in respect of that Bond or redemption of that Bond; (ii) during the period of seven days ending on (and including) any Record Date (as defined in Condition 8(a)(ii)); and (iii) after the exercise of the put option in Condition 7(c).

(e) **Regulations:** All transfers of Bonds and entries on the Register will be made in accordance with the detailed regulations concerning transfer and registration of Bonds scheduled to the Agency Agreement. The Registrar may change the regulations from time to time, with the prior written approval of the Trustee and (in the case of any regulation proposed by the Issuer) of the Registrar and the Trustee. A copy of the current regulations will be made available by the Registrar to any Bondholder upon written request and proof of holding and identity to the satisfaction of the Registrar and is available at the specified office of the Registrar.

3 STATUS

The Bonds constitute direct, unsubordinated, unconditional and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by applicable laws and regulations, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

4 STANDBY LETTER OF CREDIT AND PRE-FUNDING

(a) **Standby Letter of Credit:** The Bonds will have the benefit of the Standby Letter of Credit issued in favour of the Trustee, on behalf of itself and the holders of the Bonds, by the LC Bank. The Standby Letter of Credit shall be drawable by the Trustee as beneficiary under the Standby Letter of Credit on behalf of itself and the holders of the Bonds upon the presentation of a demand by authenticated SWIFT (or by such method of communication otherwise permitted under the Standby Letter of Credit) sent by or on behalf of the Trustee to the LC Bank in accordance with the Standby Letter of Credit (the "**Demand**") stating that (i) the Issuer has failed to comply with Condition 4(b) in relation to pre-funding the amount that is required to be pre-funded under these Conditions and/or failed to provide the Required Confirmations (as defined below) in accordance with Condition 4(b), (ii) an Event of Default (as defined in these Conditions) has occurred and the Trustee has given notice to the Issuer that the Bonds are due

and payable in accordance with these Conditions or (iii) the Issuer has failed to pay the fees, costs, expenses and other amounts it is obliged to pay under these Conditions in connection with the Bonds, the Trust Deed, the Agency Agreement and/or any other transaction documents relating to the Bonds when due and such failure has continued for a period of seven days from the date of the Trustee delivering its demand therefor to the Issuer in accordance with these Conditions.

Only one drawing is permitted under the Standby Letter of Credit.

Such drawing on the Standby Letter of Credit will be payable in U.S. dollars to or to the order of the Trustee at the time and to the account specified in the Demand presented to the LC Bank. Payment received by the Trustee in respect of the Demand will be deposited into the LC Proceeds Account.

The payment made under the Standby Letter of Credit in respect of any amount payable under these Conditions or in connection with the Bonds, the Trust Deed and/or the Agency Agreement shall, to the extent of the drawing paid to or to the order of the Trustee, satisfy the obligations of the Issuer in respect of such amount payable under these Conditions or in connection with the Bonds, the Trust Deed and/or the Agency Agreement.

The LC Bank's liability under the Standby Letter of Credit shall be expressed and payable in U.S. dollars and shall not exceed U.S.$51,750,000 (the "**Maximum Limit**"). The Standby Letter of Credit expires at 6:00 p.m. (Hong Kong time) on 25 June 2022.

(b) **Pre-funding:** In order to provide for the payment of any amount in respect of the Bonds (other than the amounts payable under Condition 7(d)) (the "**Relevant Amount**") as the same shall become due, the Issuer shall, in accordance with the Agency Agreement, by no later than the Business Day falling ten Business Days (the "**Pre-funding Date**") prior to the due date for such payment under these Conditions:

(i) unconditionally pay or procure to be paid the Relevant Amount into the Pre-funding Account; and

(ii) deliver to the Trustee and the Principal Paying Agent by facsimile (x) a Payment and Solvency Certificate signed by any Authorised Signatory of the Issuer, and (y) a copy of the irrevocable payment instruction from the Issuer to the Pre-funding Account Bank requesting the Pre-funding Account Bank to pay the Relevant Amount which was paid into the Pre-funding Account on the Pre-funding Date in full to the Principal Paying Agent by no later than 10:00 a.m. (Hong Kong time) on the Business Day immediately preceding the due date for such payment (together, the "**Required Confirmations**").

The Pre-funding Account Bank shall notify the Trustee and the Principal Paying Agent by 10:00 a.m. (Hong Kong time) on the Business Day immediately following the Pre-funding Date upon any failure by the Issuer to pay the Relevant Amount into the Pre-funding Account in accordance with these Conditions. If the Relevant Amount has not been paid into the Pre-funding Account in full and the Pre-funding Account Bank has notified the Trustee of such failure (and the Trustee may rely conclusively on any such confirmation), or the Trustee does not receive the Required Confirmations, in each case by 10:00 a.m. (Hong Kong time) on the Business Day immediately following the Pre-funding Date (a "**Pre-funding Failure**"), the Trustee shall:

(A) send the notice (the "**Pre-funding Failure Notice**") to the Bondholders by the second Business Day immediately following the Pre-funding Date of (a) the Pre-funding Failure and (b) the redemption of the Bonds in accordance with Condition 7(d) to occur as a result of the Pre-funding Failure; and

(B) by no later than 6:00 p.m. (Hong Kong time) on the second Business Day immediately following the Pre-funding Date issue a Demand to the LC Bank for the principal amount in respect of all of the Bonds then outstanding, together with interest accrued to, but excluding, the Mandatory Redemption Date (as defined in Condition 7(d)) and all fees, costs, expenses, indemnity payments and all other amounts payable by the Issuer under or in connection with the Bonds, the Agency Agreement, the Trust Deed and/or any other transaction document relating to the Bonds, *provided that,* in accordance with the Standby Letter of Credit, the Trustee need not physically present the Demand to the LC Bank and shall be entitled to submit the Demand by authenticated SWIFT (provided that in the event that the SWIFT system is not available for any reason, the Trustee may instead present a Demand via facsimile transmission during the period between 9:00 a.m. (Hong Kong time) to 6:00 p.m. (Hong Kong time)).

Following receipt by the LC Bank of such Demand by 6:00 p.m. (Hong Kong time) on a Business Day, the LC Bank shall by 10:00 a.m. (Hong Kong time) on the fourth Business Day after the Business Day on which the LC Bank receives such Demand (or if such Demand is received after 6:00 p.m. (Hong Kong time) on a Business Day, the fifth Business Day after the Business Day on which the LC Bank receives such Demand), pay to or to the order of the Trustee the amount in U.S. dollars specified in the Demand in immediately available funds to the LC Proceeds Account.

For the purposes of these Conditions:

"**Authorised Signatory**" has the meaning given to it in the Trust Deed;

"**Business Day**" means a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets are generally open for business in Hong Kong, Beijing and New York City;

"**LC Proceeds Account**" means a non-interest bearing U.S. dollar account established in the name of the Trustee with the LC Proceeds Account Bank;

"**Payment and Solvency Certificate**" means a certificate in substantially the form set forth in the Agency Agreement stating the Relevant Amount in respect of the relevant due date in respect of the Bonds and confirming that (i) payment for the Relevant Amount has been made by the Issuer to the Pre-funding Account in accordance with Condition 4(b) and (ii) the Issuer is solvent; and

"**Pre-funding Account**" means a non-interest bearing U.S. dollar account established in the name of the Issuer with the Pre-funding Account Bank and designated for the purposes specified above.

5 COVENANTS

(a) **Undertakings relating to Foreign Debt Registration:** The Issuer undertakes that it will (i) within 15 Registration Business Days after the Issue Date, register or cause to be registered with SAFE the Bonds pursuant to the Administrative Measures for Foreign Debt Registration (《外債登記管理辦法》) (the "**Foreign Debt Registration**") and its operating guidelines issued by SAFE, effective as of 13 May 2013 and the Circular of the People's Bank of China on Implementing Macro Prudential Management of Full-covered Cross-border Financing (《中國人民銀行關於全口徑跨境融資宏觀審慎管理有關事宜的通知》) (the "**Cross Border Financing Circular**"), (ii) use all reasonable endeavours to complete the Foreign Debt Registration and obtain a registration record from SAFE on or before the Registration Deadline, and (iii) comply with all applicable PRC laws and regulations in relation to the Bonds, including but not limited to, if applicable, the Cross Border Financing Circular and any implementing measures promulgated thereunder from time to time.

(b) **Notification of Completion of the Foreign Debt Registration:** The Issuer shall before the Registration Deadline and within 10 Registration Business Days after the receipt of the registration form or filing evidence from SAFE (or any other document evidencing the completion of the Foreign Debt Registration), provide the Trustee with (A) a certificate in English substantially in the form scheduled to the Trust Deed signed by an Authorised Signatory of the Issuer confirming the completion of the Foreign Debt Registration and confirming that each copy of the relevant documents as referred to in (B) of this Condition 5(b) is a true and complete copy of the relevant original; and (B) copies of the relevant documents evidencing the Foreign Debt Registration (the items specified in (A) and (B) of this Condition 5(b) together, the "**SAFE Registration Documents**").

Within five Registration Business Days after the SAFE Registration Documents are delivered to the Trustee, the Issuer shall give notice to the Bondholders (substantially in the form scheduled to the Trust Deed and in accordance with Condition 17) confirming the completion of the Foreign Debt Registration.

The Trustee may rely conclusively on the SAFE Registration Documents and shall have no obligation or duty to monitor or ensure the Foreign Debt Registration is completed as required by Condition 5(a) or to assist with any filing pursuant to the Foreign Debt Registration or to verify the accuracy, validity and/or genuineness of the SAFE Registration Documents or to give notice to the Bondholders confirming the completion of the Foreign Debt Registration, and shall not be liable to Bondholders or any other person for not doing so.

(c) **Provision of Financial Information:** So long as any Bond remains outstanding (as defined in the Trust Deed), the Issuer shall furnish the Trustee with:

(i) a Compliance Certificate of the Issuer (on which the Trustee may conclusively rely as to such compliance and shall not be liable to any Bondholder or any other person for such reliance) and a copy of the relevant Audited Financial Reports within 150 days of the end of each Relevant Period prepared in accordance with the Accounting Standards for Business Enterprises in China (audited by a nationally recognised firm of independent accountants) of the Issuer and its Subsidiaries (if any) and if such statements shall be in the Chinese language, together with an English translation of the same translated by (A) a nationally recognised firm of independent accountants, or (B) a professional translation service provider and checked by a nationally recognised firm of independent accountants, together with a certificate in English signed by an Authorised Signatory of the Issuer certifying that such translation is complete and accurate;

(ii) a copy of the Unaudited Financial Reports within 90 days of the end of each Relevant Period prepared on a basis consistent with the Audited Financial Reports of the Issuer and its Subsidiaries (if any) and if such statements shall be in the Chinese language, together with an English translation of the same and translated by (A) a nationally recognised firm of independent accountants or (B) a professional translation service provider and checked by a nationally recognised firm of independent accountants, together with a certificate in English signed by an Authorised Signatory of the Issuer certifying that such translation is complete and accurate; and

(iii) a Compliance Certificate (on which the Trustee may rely conclusively on as to such compliance and shall not be liable to any Bondholder or any other person for such reliance) of the Issuer within 14 days of any written request by the Trustee,

(d) **Definitions**: In these Conditions:

"**Audited Financial Reports**" means, for a Relevant Period, the annual audited consolidated balance sheet, income statement, statement of cash flows and statement of changes in owners' equity of the Issuer together with any statements, reports (including any directors' and auditors' reports) and notes attached to or intended to be read with any of them;

"**Compliance Certificate**" means a certificate of the Issuer in English in substantially the form scheduled to the Trust Deed signed by an Authorised Signatory of the Issuer that, having made all reasonable enquiries, to the best of the knowledge, information and belief of the Issuer as at a date (the "**Certification Date**") not more than five days before the date of the certificate:

(i) no Event of Default (as defined in Condition 10) or Potential Event of Default (as defined in the Trust Deed) had occurred since the Certification Date of the last such certificate or (if none) the date of the Trust Deed or, if such an event had occurred, giving details of it; and

(ii) the Issuer has complied with all its obligations under the Trust Deed and the Bonds or, if any non-compliance had occurred, giving details of it;

"**PRC**" means the People's Republic of China, which shall for the purposes of these Conditions only, exclude the Hong Kong Special Administrative Region of the People's Republic of China, the Macau Special Administrative Region of the People's Republic of China and Taiwan;

"**Registration Business Day**" means a day, other than a Saturday, Sunday or public holiday, on which commercial banks are generally open for business in Beijing;

"**Registration Deadline**" means the day falling 120 calendar days after the Issue Date;

"**Relevant Period**" means (i) in relation to the Audited Financial Reports, each period of twelve months ending on the last day of the Issuer's financial year (being 31 December of that financial year); and (ii) in relation to the Unaudited Financial Reports, each period of six months ending on the last day of the Issuer's first half financial year (being 30 June of that financial year);

"**SAFE**" means the State Administration of Foreign Exchange of the PRC or its local branch; and

"**Unaudited Financial Reports**" means, for a Relevant Period, the semi-annual unaudited consolidated balance sheet, income statement, statement of cash flows and statement of changes in owners' equity of the Issuer together with any statements, reports (including any directors' and auditors' review reports, if any) and any notes attached to or intended to be read with any of them.

6 INTEREST

The Bonds bear interest on their outstanding principal amount from and including the Issue Date at the rate of 3.0 per cent. per annum payable in arrear on 26 November 2021 with interest of U.S.$15.00 per Calculation Amount (as defined below) and 25 May 2022 with interest of U.S.$14.92 per Calculation Amount (each an "**Interest Payment Date**").

Each Bond will cease to bear interest from the due date for redemption unless, upon surrender of the Certificate representing such Bond, payment of principal is improperly withheld or refused. In such event, it shall continue to bear interest at such rate (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant Bondholder, and (b) the day falling seven days after the Trustee or the Principal Paying Agent has notified Bondholders of receipt of all sums due in respect of all the Bonds up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions).

If interest is required to be calculated for a period of less than a complete Interest Period (as defined below), the relevant day-count fraction will be determined on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed.

In these Conditions, the period beginning on and including the Issue Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date is called an "**Interest Period**".

Interest in respect of any Bond shall be calculated per U.S.$1,000 in principal amount of the Bonds (the "**Calculation Amount**"). The amount of interest payable per Calculation Amount for any period shall, save as provided above in relation to equal instalments, be equal to the product of the rate of interest specified above, the Calculation Amount and the day-count fraction for the relevant period, rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

7 REDEMPTION AND PURCHASE

(a) **Final Redemption:** Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on 25 May 2022 (the "**Maturity Date**"). The Bonds may not be redeemed at the option of the Issuer other than in accordance with this Condition 7.

(b) **Redemption for Taxation Reasons:** The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice (a "**Tax Redemption Notice**") to the Bondholders in accordance with Condition 17 (which notice shall be irrevocable) and in writing to the Trustee and the Principal Paying Agent, at their principal amount (together with interest accrued up to, but excluding, the date fixed for redemption), if the Issuer satisfies the Trustee immediately prior to the giving of such notice that (i) the Issuer has or will become obliged to pay Additional Tax Amounts as provided or referred to in Condition 9 as a result of any change in, or amendment to, the laws or regulations of the PRC or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including but not limited to any decision by a court of competent jurisdiction), which change or amendment becomes effective on or after 21 May 2021; and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no Tax Redemption Notice shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Tax Amounts were a payment in respect of the Bonds then due.

Prior to the giving of any Tax Redemption Notice pursuant to this Condition 7(b), the Issuer shall deliver to the Trustee (A) a certificate in English signed by any Authorised Signatory of the Issuer stating that the obligation referred to in (i) above of this Condition 7(b) cannot be avoided by the Issuer taking reasonable measures available to it; and (B) an opinion, in form and substance satisfactory to the Trustee, of independent tax or legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such Additional Tax Amounts as a result of such change or amendments. The Trustee shall be entitled (but shall not be obliged) to accept and rely upon such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out in (i) and (ii) above of this Condition 7(b), in which event they shall be conclusive and binding on the Bondholders. The Trustee shall be protected and shall have no liability to any Bondholder or any other person for so accepting and relying on such certificate or opinion. Neither the Trustee nor any of the Agents shall be responsible for monitoring or taking any steps to ascertain whether any of the circumstances mentioned in this Condition 7(b) has occurred or for calculating or verifying the calculations of any amount payable under any notice of redemption under this Condition 7(b) and none of them shall be liable to the Bondholders or the Issuer or any other person for not doing so.

(c) **Redemption for Relevant Events:** Following the occurrence of a Relevant Event, the holder of any Bond will have the right (the "**Relevant Event Put Right**"), at such holder's option, to require the Issuer to redeem all, but not some only, of such holder's Bonds on the Put Settlement Date (as defined below in this Condition 7(c)) at 101 per cent. (in the case of a redemption for a Change of Control) or 100 per cent. (in the case of a redemption for a No

Registration Event) of their principal amount, together with interest accrued up to, but excluding, the Put Settlement Date. To exercise such right, the holder of the relevant Bond must complete, sign and deposit at the specified office of any Paying Agent a duly completed and signed notice of redemption, substantially in the form schedule to the Agency Agreement, obtainable from the specified office of Principal Paying Agent or any other Paying Agent (a "**Put Exercise Notice**"), together with the Certificate evidencing the Bonds to be redeemed, by not later than 30 days following a Relevant Event or, if later, 30 days following the date upon which notice thereof is given to Bondholders by the Issuer in accordance with Condition 17.

The "**Put Settlement Date**" shall be the fourteenth day (in the case of a redemption for a Change of Control) or the tenth day (in the case of a redemption for a No Registration Event) or, if such day is not a Business Day (as defined in Condition 8(f)), the next following Business Day, after the expiry of such period of 30 days as referred to above.

A Put Exercise Notice, once delivered, shall be irrevocable and the Issuer shall redeem the Bonds that are the subject of the Put Exercise Notices delivered as aforesaid on the Put Settlement Date.

Not later than 14 days (in the case of a Change of Control) or five days (in the case of a No Registration Event) following the day on which the Issuer becomes aware of a Relevant Event, the Issuer shall procure that notice regarding such Relevant Event shall be delivered to the Trustee and the Principal Paying Agent in writing and to the Bondholders (in accordance with Condition 17) stating:

(i) the Put Settlement Date;

(ii) the date of the Relevant Event;

(iii) the date by which the Put Exercise Notice must be given;

(iv) the redemption amount;

(v) the names and addresses of all Paying Agents;

(vi) the procedures that Bondholders must follow and the requirements that Bondholders must satisfy in order to exercise the Relevant Event Put Right; and

(vii) that a Put Exercise Notice, once validly given, may not be withdrawn.

Neither the Agents nor the Trustee shall be required to monitor or to take any steps to ascertain whether a Relevant Event or any event which could lead to a Relevant Event has occurred or may occur and each of them shall be entitled to assume that no such event has occurred until it has received written notice to the contrary from the Issuer and none of them shall have any obligation or duty to verify the accuracy, validity and/or genuineness of any documents in relation to or connection with the Registration Conditions and none of them shall be liable to Bondholders, the Issuer or any other person for any loss arising from their not doing any of the foregoing.

So long as the Bonds are represented by the Global Certificate, a right of a Bondholder to redemption of the Bonds following the occurrence of a Change of Control will be effected in accordance with the rules of the relevant clearing systems.

(d) **Mandatory Redemption upon Pre-funding Failure:** The Bonds shall be redeemed in whole, but not in part, at their principal amount on the Interest Payment Date immediately falling after the date on which the Pre-funding Failure Notice is given to the Bondholders in accordance with Condition 4(b) (the "**Mandatory Redemption Date**"), together with any interest accrued up to, but excluding, the Mandatory Redemption Date.

If the holder of any Bond shall have exercised its right to require the Issuer to redeem its Bond under Condition 7(c) and a Pre-funding Failure Notice is given to the Bondholders in accordance with Condition 4(b) as a result of the Pre-funding Failure relating to the amount payable pursuant to such redemption, such holder's Bonds then outstanding shall be redeemed in whole, but not in part, at their principal amount in accordance with this Condition 7(d) on the Put Settlement Date, together with any interest accrued up to, but excluding, such Put Settlement Date, provided that if such Pre-funding Failure occurs and a Pre-funding Failure Notice has been given or is given to the Bondholders in respect of a scheduled payment of principal or interest payable under Condition 6 or Condition 7(a), the Bonds shall be redeemed in whole, but not in part, on the Mandatory Redemption Date at their principal amount, together with interest accrued to, but excluding, the Mandatory Redemption Date.

(e) **Purchase:** The Issuer and its Subsidiaries may at any time purchase Bonds in the open market or otherwise at any price. The Bonds so purchased, while held by or on behalf of the Issuer or any of its Subsidiaries, shall not entitle the holder to vote at any meetings of the Bondholders and shall not be deemed to be outstanding for certain purposes, including without limitation for the purposes of calculating quorums at meetings of the Bondholders and for the purposes of Conditions 10, 13(a) and 14.

(f) **Cancellation:** All Certificates representing Bonds purchased by or on behalf of any of the Issuer and its Subsidiaries shall be surrendered for cancellation to the Registrar and, upon surrender thereof, all such Bonds and Certificates shall be cancelled forthwith. Any Certificates so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Bonds shall be discharged.

(g) **Definitions:** For the purposes of these Conditions:

a "**Change of Control**" occurs when:

(i) the State-owned Assets Supervision and Administration Commission of Zhenjiang Municipal Government (鎮江市人民政府國有資產監督管理委員會) and PRC Government Persons collectively cease to directly or indirectly hold or own 51 per cent. of the issued share capital of the Issuer; or

(ii) the Issuer consolidates with or merges into or sells or transfers all or substantially all of the Issuer's assets to any other person or person(s), except where such person(s) (in the case of asset sale or transfer) or the surviving entity (in the case of consolidation or merger) is/are directly or indirectly 51 per cent. held or owned by the State-owned Assets Supervision and Administration Commission of Zhenjiang Municipal Government (鎮江市人民政府國有資產監督管理委員會) or PRC Government Persons;

"**Control**" means (i) the ownership, acquisition or control of 50 per cent. of the voting rights of the issued share capital or issued shares of a person, or (ii) the right to appoint and/or remove all or the majority of the members of a person's board of directors or other governing body, in each case whether obtained directly or indirectly, and whether obtained by ownership of share capital, shares, the possession of voting rights, contract or otherwise; the term "**Controlled**" has meanings correlative to the foregoing;

a "**No Registration Event**" occurs when the Registration Conditions are not complied with on or before the Registration Deadline;

a "**person**" includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of state (in each case whether or not being a separate legal entity);

"**PRC Government Persons**" means any person directly or indirectly Controlled by the central government of the PRC;

"**Registration Conditions**" means the receipt by the Trustee of the SAFE Registration Documents as set forth in Condition 5(b);

a "**Relevant Event**" means a Change of Control or a No Registration Event;

"**Subsidiary**" means, with respect to any person, any corporation, association or other business entity (i) of which more than 50 per cent. of the voting power of the outstanding Voting Stock is owned, directly or indirectly, by such person and one or more other Subsidiaries of such person; or (ii) any corporation, association and other business entity which at any time has its accounts consolidated with those of that person or which, under the laws, regulations or generally accepted accounting principles of the jurisdiction of incorporation of such person from time to time, should have its accounts consolidated with those of that person; and

"**Voting Stock**" means, with respect to any person, capital stock of any class or kind ordinarily having the power to vote for the election of directors, managers or other voting members of the governing body of such person.

8 PAYMENTS

(a) **Method of Payment:**

(i) Payments of principal and premium (if any) shall be made (subject to surrender of the relevant Certificates at the specified office of any Transfer Agent or of the Registrar if no further payment falls to be made in respect of the Bonds represented by such Certificates) in the manner provided in Condition 8(a)(ii) below.

(ii) Interest on each Bond shall be paid on the due date to the person shown on the Register at the close of business on the Business Day falling five Business Days before the due date for payment thereof (the "**Record Date**"). Payments of interest on each Bond shall be made in U.S. dollars by wire transfer to the registered account of the holder of such Bond. In this Condition 8, the "**registered account**" of a Bondholder means the U.S. dollar account maintained by or on behalf of it with a bank, details of which appear on the Register at the close of business on the Record Date.

(iii) If the amount of principal being paid upon surrender of the relevant Certificate is less than the outstanding principal amount of such Certificate, the Registrar will annotate the Register with the amount of principal so paid and will (if so requested in writing by the Issuer or a Bondholder) issue a new Certificate with a principal amount equal to the remaining unpaid outstanding principal amount. If the amount of premium (if any) or interest being paid is less than the amount then due, the Registrar will annotate the Register with the amount of premium (if any) or interest so paid.

*So long as the Global Certificate is held on behalf of Euroclear and Clearstream or any other clearing system, each payment in respect of the Global Certificate will be made to the person shown as the holder in the Register at the close of business of the relevant clearing system on the Clearing System Business Day before the due date for such payments, where "**Clearing System Business Day**" means a weekday (Monday to Friday, inclusive) except 25 December and 1 January.*

(b) **Payments Subject to Fiscal Laws:** Payments will be subject in all cases to (i) any fiscal or other laws, regulations and directives applicable thereto in the place of payment, but without prejudice to the provisions of Condition 9, and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 9) any law implementing an intergovernmental approach thereto.

(c) **Payment Initiation:** Payment instructions (for value on the due date, or if that is not a Business Day, for value on the first following day which is a Business Day) will be initiated or, in the case of payments of principal and premium (if any) where the relevant Certificate has not been surrendered at the specified office of any Transfer Agent or of the Registrar, on a day on which the Principal Paying Agent is open for business and on which the relevant Certificate is surrendered.

(d) **Appointment of Agents:** The Principal Paying Agent, the Registrar, and the Transfer Agent initially appointed by the Issuer and their respective specified offices are listed below. The Agents, subject to the provisions of the Agency Agreement, act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Bondholder. The Issuer reserves the right at any time with the prior written approval of the Trustee to vary or terminate the appointment of the Principal Paying Agent, the Registrar or the Transfer Agent and to appoint additional or other Agents, *provided that* the Issuer shall at all times maintain (i) a Principal Paying Agent, (ii) a Registrar, and (iii) a Transfer Agent, in each case as approved in writing by the Trustee.

Notice of any such termination or appointment or any change of any specified office of an Agent shall promptly be given by the Issuer to the Bondholders in accordance with Condition 17.

(e) **Delay in Payment:** Bondholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due on a Bond if the due date is not a Business Day, or if the Bondholder is late in surrendering or cannot surrender its Certificate (if required to do so).

(f) **Non-Business Days:** If any date for payment in respect of any Bond is not a Business Day, the holder shall not be entitled to payment until the next following Business Day nor to any interest or other sum in respect of such postponed payment. In these Conditions, "**Business Day**" means a day (other than a Saturday, Sunday or public holiday) on which commercial banks and foreign exchange markets are generally open for business in the place in which the specified office of the Registrar, the Transfer Agent or the Principal Paying Agent is located and on which foreign exchange transactions may be carried on in U.S. dollars in New York City.

9 TAXATION

All payments of principal, premium (if any) and interest by or on behalf of the Issuer in respect of the Bonds shall be made free and clear of, and without set-off or counterclaim and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the PRC or any political subdivision or authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

Where such withholding or deduction is made by the Issuer for or on account of any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected withheld or assessed by or within the PRC at a rate up to and including the aggregate rate applicable on 21 May 2021 (the "**Applicable Rate**"), the Issuer will increase the amounts paid by it to the extent required, so that the net amount received by Bondholders equals the amounts which would otherwise have been receivable by them had no such withholding or deduction been required.

If the Issuer is required to make any deduction or withholding for or on account of any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected withheld or assessed by or within the PRC in excess of the Applicable Rate, the Issuer shall pay such additional amounts ("**Additional Tax Amounts**") as will result in receipt by the Bondholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no Additional Tax Amounts shall be payable in respect of any Bond:

(a) **Other connection:** to a holder (or to a third party on behalf of a holder) who is liable to such taxes, duties, assessments or governmental charges in respect of such Bond by reason of his having some connection with the PRC other than the mere holding of the Bond;

(b) **Surrender more than 30 days after the Relevant Date:** in respect of which the Certificate representing it is presented for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such Additional Tax Amounts on surrendering the Certificate representing such Bond for payment on the last day of such period of 30 days; or

(c) **Tax Declaration:** to a holder (or to a third party on behalf of a holder) who would not be liable for or subject to such withholding or deduction by making a declaration of identity, non-residence or other similar claim for exemption to the relevant tax authority if, after having been requested to make such declaration or claim, such holder fails to do so within any applicable period prescribed by such relevant tax authority.

References in these Conditions to principal, premium (if any) and interest shall be deemed also to refer to any Additional Tax Amounts which may be payable under this Condition 9 or any undertaking or covenant given in addition thereto or in substitution therefor pursuant to the Trust Deed.

"**Relevant Date**" in respect of any Bond means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Bondholders that, upon further surrender of the Certificate representing such Bond being made in accordance with these Conditions, such payment will be made, provided that payment is in fact made upon such surrender.

Neither the Agents nor the Trustee shall in any event be responsible for paying any tax, duty, charges, assessments, withholding or other payment referred to in this Condition 9 or otherwise in connection with the Bonds or for determining whether such amounts are payable or the amount thereof, nor shall they be responsible or liable for any failure by the Issuer, any Bondholder or any third party to pay such tax, duty, charges, withholding or other payment in any jurisdiction or be responsible to provide any notice or information in relation to the Bonds, and nor would they permit, enable or facilitate the payment of any principal, premium (if any), interest or other amount under or in respect of the Bonds without deduction or withholding for or on account of any tax, duty, charge, assessment, withholding or other payment imposed by or in any jurisdiction.

10 EVENTS OF DEFAULT

If any of the following events (each an "**Event of Default**") occurs, the Trustee at its discretion may, and if so requested in writing by holders of at least 25 per cent. in aggregate principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution, shall (provided in any such case that the Trustee shall first have been indemnified and/or secured and/or pre-funded to its satisfaction), give notice to the Issuer that the Bonds are, and they shall immediately become due and payable at their principal amount together (if applicable) with accrued but unpaid interest:

(a) **With Respect to the Issuer:**

(i) **Non-Payment:** there has been a failure to pay (A) the principal of or any premium (if any) of the Bonds when due or (B) interest on any of the Bonds when due and such failure continues for a period of 10 days; or

(ii) **Breach of Other Obligations:** the Issuer does not perform or comply with any one or more of its other obligations under the Bonds or the Trust Deed (other than where such default gives rise to a right of redemption pursuant to Condition 7(c)) and such default (A) is, in the opinion of the Trustee, incapable of remedy or (B) being a default which is, in the opinion of the Trustee, capable of remedy, remains unremedied for 30 days after notice of such default shall have been given to the Issuer by the Trustee; provided that if there has been a breach by the Issuer of its obligations to pre-fund any amount in respect of the Bonds in accordance with Condition 4(b) and such amount has subsequently been paid by the LC Bank following a drawing under the Standby Letter of Credit to or to the order of the Trustee and paid to holders of the Bonds, then such breach will not constitute an Event of Default under this Condition 10(a)(ii); or

(iii) **Cross-Default:** (A) any other present or future indebtedness of the Issuer or any of its Subsidiaries for or in respect of moneys borrowed or raised becomes (or becomes capable of being declared) due and payable prior to its stated maturity by reason of any actual default, event of default or the like (howsoever described); or (B) any such indebtedness is not paid when due or, as the case may be, within any originally applicable grace period; or (C) the Issuer or any of its Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this Condition 10(a)(iii) have occurred in aggregate equals or exceeds U.S.$50,000,000 or its equivalent (on the basis of the middle spot rate for the relevant currency against the U.S. dollar as quoted by any leading bank on the day on which this Condition 10(a)(iii) operates); or

(iv) **Enforcement Proceedings:** a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any material part of the property, assets or revenues of the Issuer or any of its Principal Subsidiaries and is not discharged or stayed within 30 days; or

(v) **Security Enforced:** any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or any of its Principal Subsidiaries in respect of all or a material part of its assets becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person) and is not discharged or stayed within 30 days; or

(vi) **Insolvency:** the Issuer or any of its Principal Subsidiaries is (or is, or could be, deemed by law or a court of competent jurisdiction to be) insolvent or bankrupt or unable to pay its debts as and when such debts fall due, stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any material part of (or of a particular type of) the debts of the Issuer or any of its Subsidiaries (except for any voluntary restructuring or arrangement of such debt on solvent basis); or

(vii) **Winding-up:** an order of a court of competent jurisdiction is made or an effective resolution is passed for the winding-up or dissolution of the Issuer or any of its Principal Subsidiaries, or the Issuer or any of its Principal Subsidiaries ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a voluntary solvent winding up or voluntary dissolution, reconstruction, amalgamation, reorganisation, merger or consolidation (A) on terms approved by an Extraordinary Resolution of the Bondholders, or (B) in the case of a Principal Subsidiary, whereby a material part of the undertaking and assets of such Subsidiary are transferred to or otherwise vested in the Issuer and/or another of its Subsidiaries in any combination; or

(viii) **Nationalisation:** any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or a substantial part of the assets of the Issuer or any of its Principal Subsidiaries; or

(ix) **Authorisation and Consents:** any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (A) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under the Bonds and the Trust Deed; (B) to ensure that those obligations are legally binding and enforceable; and (C) to make the Bonds and the Trust Deed admissible in evidence in the courts of Hong Kong and the PRC is not taken, fulfilled or done; or

(x) **Illegality:** it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Bonds and/or the Trust Deed; or

(xi) **Standby Letter of Credit:** the Standby Letter of Credit is not (or is claimed by the LC Bank not to be) enforceable, valid or in full force and effect; or

(xii) **Analogous Events:** any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of Condition 10(a)(iv) to Condition 10(a)(xi) (both inclusive).

In this Condition 10(a), "**Principal Subsidiary**" means any Subsidiary of the Issuer:

(A) whose total revenue (consolidated in the case of a Subsidiary which has subsidiaries), as shown by its latest audited income statement is at least five per cent. of the consolidated total revenue as shown by the latest audited consolidated income statement of the Issuer and its consolidated Subsidiaries; or

(B) whose gross profit (consolidated in the case of a Subsidiary which itself has subsidiaries), as shown by its latest audited income statement, is at least five per cent. of the consolidated gross profit as shown by the latest audited consolidated income statement of the Issuer and its consolidated Subsidiaries, including, for the avoidance of doubt, the Issuer and its consolidated Subsidiaries' share of profits of Subsidiaries not consolidated and of associated entities and after adjustments for minority interests; or

(C) whose gross assets (consolidated in the case of a Subsidiary which itself has subsidiaries), as shown by its latest audited statement of financial position, are at least five per cent. of the consolidated gross assets of the Issuer and its Subsidiaries as shown by the latest audited consolidated statement of financial position of the Issuer and its Subsidiaries, including the investment of the Issuer and its consolidated Subsidiaries in each Subsidiary whose accounts are not consolidated with the consolidated audited accounts of the Issuer and of associated companies and after adjustment for minority interests; or

(D) to which is transferred the whole or substantially the whole of the assets of a Subsidiary which immediately prior to such transfer was a Principal Subsidiary, provided that (x) the Principal Subsidiary which so transfers its assets shall forthwith upon such transfer cease to be a Principal Subsidiary and the Subsidiary to which the assets are so transferred shall become a Principal Subsidiary, and (y) on or after the date on which the first audited accounts (consolidated, if appropriate) of the Issuer prepared as of a date later than such transfer are issued, whether such transferor Subsidiary or such transferee Subsidiary is or is not a Principal Subsidiary shall be determined on the basis of such accounts by virtue of the provisions of paragraphs (A), (B) or (C) above of this definition;

provided that, in relation to paragraphs (A), (B) and (C) above of this definition:

(I) in the case of a corporation or other business entity becoming a Subsidiary after the end of the financial period to which the latest consolidated audited accounts of the Issuer relate, the reference to the then latest consolidated audited accounts of the Issuer and its Subsidiaries for the purposes of the calculation above shall, until consolidated audited accounts of the Issuer for the financial period in which the relevant corporation or other business entity becomes a Subsidiary are published be deemed to be a reference to the then latest consolidated audited accounts of the Issuer and its Subsidiaries adjusted to consolidate the latest audited accounts (consolidated in the case of a Subsidiary which itself has subsidiaries) of such Subsidiary in such accounts;

(II) if at any relevant time in relation to the Issuer or any Subsidiary which itself has subsidiaries no consolidated accounts are prepared and audited, revenue, gross profit or gross assets of the Issuer and/or any such Subsidiary shall be determined on the basis of pro forma consolidated accounts prepared for this purpose by the Issuer;

(III) if at any relevant time in relation to any Subsidiary, no accounts are audited, its revenue, gross profit or gross assets (consolidated, if appropriate) shall be determined on the basis of pro forma accounts (consolidated, if appropriate) of the relevant Subsidiary prepared for this purpose by the Issuer for the purposes of preparing a certificate thereon to the Bondholders; and

(IV) if the accounts of any subsidiary (not being a Subsidiary referred to in proviso (i) above of this definition) are not consolidated with those of the Issuer, then the determination of whether or not such subsidiary is a Principal Subsidiary shall be based on a pro forma consolidation of its accounts (consolidated, if appropriate) with the consolidated accounts (determined on the basis of the foregoing) of the Issuer.

A certificate signed by any Authorised Signatory of the Issuer confirming that a Subsidiary is or is not, or was or was not, a Principal Subsidiary shall, in the absence of manifest error, be conclusive and binding on the Bondholders.

(b) **With respect to the LC Bank:**

(i) **Cross-Default:**

(A) any Public External Indebtedness of the LC Bank or any of its Subsidiaries is not paid when due or, as the case may be, within any originally applicable grace period;

(B) any such Public External Indebtedness becomes (or becomes capable of being declared) due and payable prior to its stated maturity otherwise than at the option of the LC Bank or (as the case may be) the relevant Subsidiary or (provided that no event of default, howsoever described, has occurred) any person entitled to such Public External Indebtedness; or

(C) the LC Bank or any of its Subsidiaries fails to pay when due any amount payable by it under any guarantee or indemnity of any Public External Indebtedness,

provided that the amount of Public External Indebtedness referred to in Conditions 10(b)(i)(A) or 10(b)(i)(B) and/or the amount payable under any guarantee or indemnity referred to in Condition 10(b)(i)(C), individually or in the aggregate, exceeds U.S.$50,000,000 (or its equivalent in any other currency or currencies); or

(ii) **Security Enforced:** a secured party takes possession, or a receiver, manager or other similar officer is appointed, of any part of the undertaking, assets and revenues of the LC Bank or any of its Material Subsidiaries; or

(iii) **Insolvency:** the LC Bank or any of its Material Subsidiaries is insolvent or bankrupt or unable to pay its debts, stops or suspends payment of all or a material part of its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of any part of its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any part of the debts of the LC Bank; or

(iv) **Winding-up:** an order is made or an effective resolution is passed for the winding up or dissolution of the LC Bank or any of its Material Subsidiaries; or

(v) **Illegality:** it is or will become unlawful for the LC Bank to perform or comply with any one or more of its obligations under the Standby Letter of Credit; or

(vi) **Analogous Events:** any event occurs which under the laws of the relevant jurisdiction has an analogous effect to any of the events referred to in any of Conditions 10(b)(ii) to 10(b)(v) (both inclusive).

In this Condition 10(b):

"**Public External Indebtedness**" means any indebtedness of the LC Bank or any Subsidiary of the LC Bank, or any guarantee or indemnity by the LC Bank of indebtedness, for money borrowed which (i) is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is, or is capable of being, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market) outside the PRC (without regard, however, to whether or not such instruments are sold through public offerings or private placement); and (ii) has an original maturity in excess of 365 days; and

"**Material Subsidiary**" means a Subsidiary of the LC Bank:

(A) whose gross revenue (consolidated in the case of a Subsidiary which itself has consolidated Subsidiaries), whose gross assets (consolidated in the case of a Subsidiary which itself has consolidated Subsidiaries, and including the investment of the LC Bank and its consolidated Subsidiaries in each Subsidiary whose accounts are not consolidated with the consolidated audited accounts of the LC Bank and of associated companies and after adjustment for minority interests) or whose net profit (consolidated in the case of a Subsidiary which itself has consolidated Subsidiaries, and including, for the avoidance of doubt, the LC Bank and its consolidated Subsidiaries' share of profits of Subsidiaries not consolidated and of associated entities and after adjustments for minority interests) represent not less than five per cent. of the consolidated gross revenue, the consolidated gross assets, or, as the case may be, the consolidated net profit of the LC Bank and its Subsidiaries taken as a whole, all as calculated respectively by reference to the latest audited or reviewed financial statements (consolidated or, as the case may be, unconsolidated) of the Subsidiary and the then latest audited or reviewed consolidated financial statements of the LC Bank, *provided that*:

(I) in the case of a Subsidiary acquired after the end of the financial period to which the then latest audited or reviewed consolidated financial statements of the LC Bank relate for the purpose of applying each of the foregoing tests, the reference to the LC Bank's latest audited or reviewed consolidated financial statements shall be deemed to be a reference to such audited or reviewed financial statements as if such Subsidiary had been shown therein by reference to its then latest relevant audited or reviewed financial statements, adjusted as deemed appropriate by the auditor for the time being, after consultation with the LC Bank;

(II) if at any relevant time in relation to the LC Bank or any Subsidiary no financial statements are prepared and audited, its gross revenue, gross assets and net profit (consolidated, if applicable) shall be determined on the basis of pro forma consolidated financial statements (consolidated, if applicable) prepared for this purpose; and

(III) if the financial statements of any Subsidiary (not being a Subsidiary referred to in proviso (I) above) are not consolidated with those of the LC Bank, then the determination of whether or not such Subsidiary is a Material Subsidiary shall be based on a pro forma consolidation of its financial statements (consolidated, if appropriate) with the consolidated financial statements (determined on the basis of the foregoing) of the LC Bank; or

(B) to which is transferred all or substantially all of the business, undertaking and assets of another Subsidiary which immediately prior to such transfer is a Material Subsidiary, whereupon (i) in the case of a transfer by a Material Subsidiary, the transferor Material Subsidiary shall immediately cease to be a Material Subsidiary and (ii) the transferee Subsidiary shall immediately become a Material Subsidiary, provided that on or after the date on which the relevant financial statements for the financial period current at the date of such transfer are published, whether such transferor Subsidiary or such transferee Subsidiary is or is not a Material Subsidiary shall be determined pursuant to the provisions of paragraph (A) of this definition above.

A certificate signed by an authorised signatory of the LC Bank that a Subsidiary is or is not or was or was not at any particular time or during any particular period a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on the Issuer, the Trustee and the Bondholders.

11 PRESCRIPTION

Claims against the Issuer for payment in respect of the Bonds shall be prescribed and become void unless made within 10 years (in the case of principal or premium (if any)) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

12 REPLACEMENT OF CERTIFICATES

If any Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations or other relevant regulatory authority regulations, at the specified office of the Registrar or any Transfer Agent as may from time to time be designated by the Issuer for that purpose and notice of whose designation is given to Bondholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security, indemnity and otherwise as the Issuer, the Registrar or the relevant Transfer Agent may require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

13 MEETINGS OF BONDHOLDERS, MODIFICATION AND WAIVER

(a) **Meetings of Bondholders:** The Trust Deed contains provisions for convening meetings of the Bondholders to consider matters affecting their interests, including without limitation the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Trust Deed, the Agency Agreement or the Standby Letter of Credit. Such a meeting may be convened by the Issuer or the Trustee, and shall be convened by the Trustee if so requested in writing by Bondholders holding not less than 10 per cent. in aggregate principal amount of the Bonds for the time being outstanding and subject to it being indemnified and/or secured and/or pre-funded to its satisfaction against any costs and expenses. The quorum for any meeting convened to consider an Extraordinary Resolution will be two or more persons holding or representing more than 50 per cent. in aggregate principal amount of

the Bonds for the time being outstanding, or at any adjourned meeting two or more persons being or representing whatever the aggregate principal amount of the Bonds held or represented, unless the business of such meeting includes consideration of certain proposals, *inter alia*, (i) to modify the maturity date of the Bonds or the dates on which interest is payable in respect of the Bonds, (ii) to reduce or cancel the principal amount of, any premium payable on redemption of, or interest on, the Bonds, (iii) to change the currency of payment of the Bonds, (iv) to modify the provisions concerning the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution, or (v) to modify or release the Standby Letter of Credit (other than an amendment or supplement to, or a replacement of, the Standby Letter of Credit in connection with a further issue of bonds pursuant to Condition 16 or modification pursuant to Condition 13(b)), in which case the necessary quorum will be two or more persons holding or representing not less than 66.6 per cent., or at any adjourned meeting not less than 25 per cent., in aggregate principal amount of the Bonds for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Bondholders (whether or not they were present at the meeting at which such resolution was passed).

The Trust Deed provides that a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in aggregate principal amount of the Bonds for the time being outstanding or a resolution approved by an electronic consent communicated through the electronic communications systems of the relevant clearing system by or on behalf of holders of not less than 75 per cent. in aggregate principal amount of the Bonds for the time being outstanding shall, in each case, for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Bondholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Bondholders.

*So long as the Global Certificate is held on behalf of Euroclear and Clearstream, or any other clearing system, a resolution may be passed by way of electronic consent through the electronic communication systems of the relevant clearing system in accordance with the Trust Deed on behalf of Holders of not less than 90 per cent. in aggregate principal amount of the Bonds for the time being outstanding ("**Electronic Consent**"). An Electronic Consent shall take effect as an Extraordinary Resolution. An Electronic Consent will be binding on all Bondholders, whether or not they participated in such Electronic Consent and even if the relevant consent instruction proves defective.*

(b) **Modification of the Conditions, Trust Deed, Agency Agreement and Standby Letter of Credit:** The Trustee may (but shall not be obliged to) agree, without the consent of the Bondholders, to (i) any modification of any of these Conditions or any of the provisions of the Trust Deed, the Agency Agreement or the Standby Letter of Credit that is, in its opinion, of a formal, minor or technical nature or is made to correct a manifest error or to comply with any mandatory provision of law; (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of these Conditions or any of the provisions of the Trust Deed, the Agency Agreement or the Standby Letter of Credit that is, in the opinion of the Trustee, not materially prejudicial to the interests of the Bondholders; and (iii) any amendment or supplement to, or a replacement of, the Standby Letter of Credit in connection with a future issue of securities pursuant to Condition 16 to reflect the new aggregate principal amount of the Bonds following such issue. Any such modification, authorisation or waiver shall be binding on the Bondholders and, unless the Trustee otherwise agrees, each such modification, authorisation or waiver shall be notified by the Issuer to the Bondholders in accordance with Condition 17 as soon as practicable. The Trustee may request and conclusively rely upon an opinion of counsel concerning the compliance with the above conditions in respect of any waiver, modification and amendments.

(c) **Entitlement of the Trustee:** In connection with the performance and exercise of its functions, rights, powers and/or discretions (including but not limited to those referred to in this Condition 13), the Trustee shall have regard to the interests of the Bondholders as a class and shall not have regard to the interests of, or be responsible for the consequences of such exercise for individual Bondholders and the Trustee shall not be entitled to require on behalf of any Bondholder, nor shall any Bondholder be entitled to claim, from the Issuer or the Trustee any indemnification or payment in respect of any tax consequence of any such exercise upon individual Bondholders.

14 ENFORCEMENT

At any time after the Bonds become due and payable, the Trustee may, at its discretion and without further notice, take any such steps and/or actions and/or institute such proceedings against the Issuer and/or the LC Bank as it may think fit to enforce the terms of the Agency Agreement and/or the Trust Deed and/or the Bonds and, where appropriate, to draw down on and enforce the Standby Letter of Credit, but it need not take any such steps and/or actions and/or institute any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Bondholders holding at least 25 per cent. in aggregate principal amount of the Bonds then outstanding, and (b) other than in the case of the making of a drawing under the Standby Letter of Credit, it shall have been indemnified and/or secured and/or pre-funded to its satisfaction. No Bondholder may proceed directly against the Issuer or the LC Bank unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

15 INDEMNIFICATION OF THE TRUSTEE

Under the Trust Deed, the Trustee is entitled to be indemnified, secured and/or pre-funded to its satisfaction and to be relieved from responsibility in certain circumstances including without limitation provisions relieving it from taking steps and/or actions and/or instituting proceedings to enforce its rights under the Trust Deed, the Agency Agreement, the Standby Letter of Credit and/or these Conditions and in respect of the Bonds and payment or taking other actions unless first indemnified and/or secured and/or pre-funded to its satisfaction and to be paid its fees, costs, expenses, indemnity payments, and other amounts in priority to the claims of the Bondholders. In addition, the Trustee and its affiliates are entitled to enter into business transactions with the Issuer, the LC Bank and/or any entity related (directly or indirectly) to the Issuer and/or the LC Bank without accounting for any profit.

The Trustee and each Agent may accept and shall be entitled to rely conclusively without liability to Bondholders, the Issuer, the LC Bank or any other person on any report, confirmation, information or certificate from or any opinion or advice of any lawyers, accountants, auditors, valuers, auctioneers, surveyors, brokers, financial advisers, financial institution or any other expert, whether or not obtained by or addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or any other person or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely conclusively on any such report, confirmation, information, certificate, opinion or advice and, in such event, such report, confirmation, information, certificate, opinion or advice shall be binding on the Issuer, the LC Bank and the Bondholders. Neither the Trustee nor any Agents shall be responsible or liable to the Issuer, the LC Bank, the Bondholders or any other person for any loss occasioned by acting on or refraining from acting on any such report, information, confirmation, certificate, opinion or advice.

None of the Trustee or any of the Agents shall be responsible or liable for the performance by the Issuer, the LC Bank and/or any other person appointed by the Issuer and/or the LC Bank in relation to the Bonds of the duties and obligations on their part expressed in respect of the same and, unless it has written notice from the Issuer and/or the LC Bank to the contrary, the Trustee and each Agent shall be entitled to assume that the same are being duly performed.

None of the Trustee or the Agents shall have any obligation to monitor, or to take any steps to ascertain, compliance with the provisions of the Trust Deed, the Agency Agreement, the Standby Letter of Credit or these Conditions, or ascertain whether an Event of Default, a Potential Event of Default (as defined in the Trust Deed), a Pre-funding Failure, a Change of Control or a Relevant Event has occurred, and they shall not be liable to the Bondholders or any other person for not doing so.

Whenever the Trustee is required or entitled by the terms of the Trust Deed, the Agency Agreement, the Standby Letter of Credit or these Conditions to exercise any discretion or power, take or refrain from any action, make any decision or give any direction or certification, the Trustee is entitled, prior to its exercising any such discretion or power, taking or refraining from any such action, making any such decision, or giving any such direction or certification, to seek directions from the Bondholders by way of an Extraordinary Resolution or clarification of any directions, and the Trustee shall be entitled to rely conclusively on any such directions or clarification and is not be responsible for any loss or liability incurred by the Issuer, the LC Bank, the Bondholders or any other person as a result of any delay in it exercising such discretion or power, taking or refraining from such action, making such decision, or giving such direction or certification as a result of seeking such directions or clarification from Bondholders or in the event that no such directions or clarification are received by the Trustee.

None of the Trustee or any Agent shall be liable to any Bondholder, the Issuer, the LC Bank or any other person for any action taken by the Trustee or such Agent in accordance with the instructions, direction or request of the Bondholders. The Trustee shall be entitled to rely conclusively on any direction, request or resolution of Bondholders given by Bondholders holding the requisite principal amount of Bonds outstanding or passed at a meeting of Bondholders convened and held in accordance with the Trust Deed.

Each Bondholder shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer and the LC Bank, and the Trustee shall not at any time have any responsibility for the same and each Bondholder shall not rely on the Trustee in respect thereof.

16 FURTHER ISSUES

The Issuer may from time to time without the consent of the Bondholders create and issue further bonds having the same terms and conditions as the Bonds in all respects (or in all respects except for the issue date, the first payment of interest on them and the timing for complying with the requirements set out in these Conditions in relation to the Registration Conditions) and so that such further issue shall be consolidated and form a single series with the outstanding Bonds. References in these Conditions to the Bonds include (unless the context requires otherwise) any further bonds issued pursuant to this Condition 16. However, such further bonds may only be issued if a further or supplemental or replacement standby letter of credit is issued by the LC Bank (or an amendment is made to the Standby Letter of Credit) on terms that are substantially similar to the Standby Letter of Credit (including that the stated amount of such further or supplemental standby letter of credit represents an increase at least equal to the principal of and one interest payment due on such further bonds and any fees, costs, expenses, indemnity payments and all other amounts in connection with such issue (subject to a cap (if any) as agreed between the Issuer and the Trustee)); and such supplemental documents are executed and further opinions are obtained as the Trustee may require, as further set out in the Trust Deed. Any such further bonds shall be constituted by a deed supplemental to the Trust Deed. References to the Standby Letter of Credit shall thereafter include such further, supplemental, replacement or amended standby letter of credit.

17 NOTICES

Notices to the holders of Bonds shall be mailed to them by uninsured mail at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday, a Sunday or a public holiday) after the date of mailing. The Issuer shall also ensure that notices are duly published in a manner that complies with the rules and regulations of any stock exchange or other relevant authority on which the Bonds are for the time being listed. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once, on the first date on which publication is made.

So long as the Bonds are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear or Clearstream or the Alternative Clearing System (as defined in the form of the Global Certificate), notices to the Bondholders shall be validly given by the delivery of the relevant notice to Euroclear or Clearstream or the Alternative Clearing System, for communication by it to entitled accountholders in substitution for notification as required by the Conditions and shall be deemed to have been given at the time of delivery to the relevant clearing system(s).

18 CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of the Bonds under the Contracts (Rights of Third Parties) Act 1999 but this shall not affect any right or remedy which exists or is available apart from such Act and is without prejudice to the rights of the Bondholders as set out in Condition 14.

19 GOVERNING LAW AND JURISDICTION

(a) **Governing Law:** The Bonds, the Trust Deed, the Agency Agreement, the Standby Letter of Credit and the Bonds and any non-contractual obligations arising out of or in connection with them, are all governed by, and shall be construed in accordance with, English law.

(b) **Jurisdiction:** The courts of Hong Kong are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Bonds, the Trust Deed, the Agency Agreement or the Standby Letter of Credit and accordingly any legal action or proceedings arising out of or in connection with any Bonds, the Trust Deed, the Agency Agreement or the Standby Letter of Credit ("**Proceedings**") may be brought in such courts. The Issuer has irrevocably submitted to the jurisdiction of such courts.

(c) **Agent for Service of Process:** The Issuer has irrevocably appointed Cogency Global (HK) Limited at Unit B, 1/F, Lippo Leighton Tower, 103 Leighton Road, Causeway Bay, Hong Kong as its authorised agent in Hong Kong to receive service of process in any Proceedings in Hong Kong based on any of the Bonds, the Trust Deed or the Agency Agreement. If for any reason the Issuer ceases to have such an agent in Hong Kong, it will promptly appoint a substitute process agent and shall notify the Trustee of such replacement within 30 days of such cessation. Nothing herein shall affect the right to serve process in any other manner permitted by law.

(d) **Waiver of Immunity:** The Issuer has waived any right to claim sovereign or other immunity from jurisdiction or execution and any similar defence, and has irrevocably consented to the giving of any relief or issue of any process, including, without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) or any order or judgment made or given in connection with any Proceedings.

USE OF PROCEEDS

The Group estimates that the proceeds from the offering of the Bonds will be approximately U.S.$50,000,000, before deducting commissions and other estimated expenses payable in connection with the offering of the Bonds. The Group intends to use the net proceeds for refinancing the existing indebtedness, granting entrusted loans to affiliates and for general corporate purposes.

CAPITALISATION AND INDEBTEDNESS

The following table sets forth the consolidated total indebtedness and total capitalisation of the Issuer as at 31 December 2020 on an actual basis and on an adjusted basis to give effect to the issue of the Bonds before deducting the underwriting fees and commissions and other estimated expenses payable in connection with this offering:

	As of 31 December 2020			
	Actual		As adjusted	
	(RMB'000)	*(U.S.$'000)[1]*	*(RMB'000)*	*(U.S.$'000)[1]*
Current liabilities:				
Short-term loans	1,667,960	255,626	1,667,960	255,626
Non-current liabilities maturing within one year	2,752,950	421,908	2,752,950	421,908
Other current liabilities	273,670	41,942	273,670	41,942
Bonds to be issued[2]	–	–	326,250	50,000
Total current liabilities	4,694,580	719,476	5,020,830	769,476
Non-current liabilities:				
Long-term loans	4,479,260	686,477	4,479,260	686,476
Bonds payable	1,614,000	247,356	1,614,000	247,356
Long-term payables	459,895	70,482	459,985	70,482
Other non-current liabilities	57,610	8,829	57,610	8,829
Total non-current liabilities	6,610,765	1,013,144	6,610,765	1,013,144
Total liabilities[3]	11,305,345	1,732,620	11,631,595	1,782,620
Total owners' equity	32,262,033	4,944,373	32,262,033	4,944,373
Total capitalisation[4]	43,567,378	6,676,993	43,893,628	6,726,993

Notes:

(1) U.S. dollar translations are provided for indicative purposes only and are unaudited. These translations were calculated based on an exchange rate of RMB6.5250 to U.S.$1.00 on 31 December 2020 as set forth in the H. 10 statistical release of the Federal Reserve Board.

(2) This amount represents the aggregate principal amount of the Bonds to be issued, before deducting the underwriting fees and commissions, offering discounts and other expenses payable by the Issuer in connection with the issuance of the Notes.

(3) Total liabilities equals the sum of current liabilities and non-current liabilities.

(4) Total capitalisation equals the sum of total liabilities and total owners' equity.

There has been no material adverse change in the capitalisation and indebtedness of the Group since 31 December 2020.

DESCRIPTION OF NANYANG COMMERCIAL BANK (CHINA) LIMITED

The information included in this Offering Circular regarding Nanyang Commercial Bank (China) Limited Wuxi Branch is for information purposes only and is based on, or derived or extracted from, among other sources, publicly available information. Any information available from public sources that are referenced in this Offering Circular but is not separately included in this Offering Circular shall not be deemed to be incorporated by reference to this Offering Circular. The Group has taken reasonable care in the compilation and reproduction of the information. However, none of the Group, the Joint Lead Managers, the Trustee, the Pre-funding Account Bank, the LC Proceeds Account Bank or the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents or advisers has independently verified such information. No representation or warranty, express or implied, is made or given by the Group, the Joint Lead Managers, the Trustee, the Pre-funding Account Bank, the LC Proceeds Account Bank or the Agents or any of their respective affiliates, directors, officers, employees, agents and advisers as to the accuracy, completeness or sufficiency of such information. Accordingly, such information should not be unduly relied upon.

Nanyang Commercial Bank (China) Wuxi Branch (the "**LC Bank**"), a branch of Nanyang Commercial Bank (China) Limited (南洋商業銀行(中國)有限公司), was incorporated in 2010 in Wuxi. Incorporated in Hong Kong, Nanyang Commercial Bank (China) Limited is registered as a wholly foreign-owned bank in the mainland China and solely owned by China Cinda Asset Management Co., Ltd. (中國信達資產管理股份有限公司) through Nanyang Commercial Bank Limited (the "**Bank**").

The Bank was founded in Hong Kong on 14 December 1949. The Bank has cherished the spirit of "Customer-Oriented and Courteous Service" and upheld the principle of "Reputation First and Service-Driven" and has provided its customers with convenient, efficient and professional banking services through diversified channels. While based in Hong Kong, the Bank has taken on the mission to face the world and serve customers around the world. Today, the Bank has become a bank of Hong Kong with considerate size and strength, with 42 outlets in Hong Kong as well as 37 outlets in mainland China. Customers may withdraw, deposit and transfer funds via mobile banking or internet banking, as well as any branches of the Bank. In addition, customers can also enjoy convenient banking services through JETCO automatic teller machines with the withdrawal cards issued by the Bank.

The Bank is well-versed in providing personal banking and commercial banking services. For individual customers, it offers deposits in various currencies, foreign exchange, trading of securities, trust funds, bonds, foreign currencies and securities margin, home mortgage, as well as tax and personal loans and insurance services. In commercial banking, the Bank provides import & export bills, trade finance, overdraft, commercial loans, project financing and syndicated loans. Corporate clients can handle their banking transactions via corporate banking services in their offices.

The Bank has been renowned and widely recognized for its brand image and quality services. From 2014 to 2016, the Bank received the accolade of the "Excellent Brand of Cross Border Banking Services" Award at "Hong Kong Leaders' Choice" organised by Metro Finance for three consecutive years. In 2015 and 2016, the Bank won the "Award for Outstanding Retail Bank – Traditional Business" at the "RMB Business Outstanding Awards" jointly organized by Metro Finance, Metro Finance Digital and Hong Kong Ta Kung Wen Wei Media Group for two years in a row. It was awarded the honours of "My Favourite Cross-border Financial Service" at the "Banking & Finance Awards 2016" organised by Sky Post. In 2017, NCB won the "Excellent Brand of Wealth Management – Banking" for the first time at "Hong Kong Leaders' Choice 2017" and the "Excellence Award for Cross-border Financial Services" at the "Banking & Finance Awards 2017" organised by Sky Post.

The LC Bank's registered office is located at Vanke Homes, No.28 Changjiang North Road,Wuxi New District,Wuxi,China and the Bank is located at 151 Des Voeux Road, Central, Hong Kong. The Bank's website address is: https://www.ncb.com.hk, which includes certain information of the LC Bank. Information contained on the Bank's website is subject to change from time to time. No representation is made by the Issuer, the Joint Lead Managers, the Trustee, the Pre-funding Account Bank, the LC Proceeds Account Bank or the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents or advisers and none of the Issuer, the Joint Lead Managers, the Trustee, the Pre-funding Account Bank, the LC Proceeds Account Bank or the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents or advisers takes any responsibility for any information contained on the Bank's website.

DESCRIPTION OF THE GROUP

OVERVIEW

The Group is an investment and financing platform of the Zhenjiang Municipal Government to undertake infrastructure construction and real estate development in Zhenjiang New Area. Established in 1992, the Group is designated to carry out the Zhenjiang Municipal Government's blueprint for infrastructure construction and municipal development in Zhenjiang New Area. The Group's parent company, Jiangsu Hanrui Investment Holdings Co., Ltd. (the "**Parent Company**"), is tasked on an exclusive basis to undertake infrastructure construction and real estate development in Zhenjiang New Area and is wholly-owned by Zhenjiang SASAC. Leveraging strong government support and a diversified business model, the Group has achieved continuous growth in its assets base, recorded strong operating performance over the past few years and played an important role in the urbanisation of Zhenjiang, particularly Zhenjiang New Area.

The Group focuses primarily on its infrastructure construction and real estate development businesses but over the years, has developed a wide-ranging business portfolio. The Group's operations and investments are managed and can be classified into four main segments, namely (i) affordable housing; (ii) trading; (iii) infrastructure construction; (iv) investment properties and (v) other businesses:

- **Affordable Housing.** The Group engages in the development of affordable housing (安置房). The Group has undertaken the construction and development of affordable housing, including relocation housing (拆遷安置房), public-rental housing (公租房) and subsidised housing (經濟適用房), and the redevelopment of shanty areas (棚戶區改造) in Zhenjiang since 2012. As at 31 December 2020, the Group had completed 15 affordable housing projects. For the years ended 31 December 2018, 2019 and 2020, operating revenue generated from the Group's affordable housing business was RMB1,062.2 million, RMB1,342.0 million and RMB790.5 million, respectively, representing 21.6 per cent., 25.1 per cent. and 14.3 per cent. of the Group's total operating revenue for the same periods.

- **Trading.** The Group conducts domestic trading of various products, including bulk building materials, agricultural products and chemical products. In 2019, it further expanded the scope of its trading activities and product offerings in a bid to further transform its operations to be more market-oriented. For the years ended 31 December 2018, 2019 and 2020, operating revenue generated from the Group's trading business was RMB767.7 million, RMB1,494.0 million and RMB1,904.7 million, respectively, representing 15.6 per cent., 27.9 per cent. and 34.4 per cent. of the Group's total operating revenue for the same periods.

- **Infrastructure Construction.** The Group is one of the entities carrying out infrastructure construction in Zhenjiang New Area. The Group undertakes different infrastructure construction projects within Zhenjiang New Area, such as construction of roads, standard form factory buildings and other public facilities. In recent years, the Group had completed numerous large-scale infrastructure construction projects, such as Technology Park Phase II (科技園二期項目) and Central Trade Zone (中心商貿區). As at 31 December 2020, the Group had 90 completed projects and 19 projects under construction (with estimated total investment of RMB1,684.1 million). For the years ended 31 December 2018, 2019 and 2020, operating revenue generated from the Group's infrastructure construction business was RMB17.2 million, RMB963.0 million and RMB508.8 million, respectively, representing 0.4 per cent., 18.0 per cent. and 9.2 per cent. of the Group's total operating revenue for the same periods.

- **Investment properties.** This business involves the sales of investment properties, which are mainly land use rights held by the Group with intention to sell after appreciation. For the years ended 31 December 2018, 2019 and 2020, operating revenue generated from the Group's investment properties business was RMB2,655.9 million, RMB1,288.8 million and RMB2,186.2 million, respectively, representing 54.1 per cent., 24.1 per cent. and 39.5 per cent. of the Group's total operating revenue for the same periods.

- **Other Businesses.** To better fulfil its role in the continuous economic development and urbanisation of Zhenjiang New Area and to ensure sustainable growth of its own operations, the Group has, on the solid foundation of its core businesses, expanded its portfolio to encompass a broad spectrum of complementary and supplementary business activities, including property leasing and other businesses. For the years ended 31 December 2018, 2019 and 2020, operating revenue generated from the Group's other businesses was RMB405.6 million, RMB266.8 million and RMB141.2 million, respectively, representing 8.3 per cent., 5.0 per cent. and 2.6 per cent. of the Group's total operating revenue for the same periods.

For the years ended 31 December 2018, 2019 and 2020, the Group's operating revenue was RMB4,908.6 million, RMB5,354.7 million and RMB5,531.3 million, respectively. As at 31 December 2020, the Group had total assets of RMB48,162.8 million.

COMPETITIVE STRENGTHS

The Group believes that the competitive strengths outlined below are important to its continued success and future development:

Prominent investment and financing platform of the Zhenjiang Municipal Government focusing on infrastructure construction and municipal development within Zhenjiang New Area

The Group is an investment and financing platform of the Zhenjiang Municipal Government focusing on infrastructure construction and municipal development in Zhenjiang New Area. It is designated to undertake infrastructure construction, trading, affordable housing development and state-owned assets operation and value preservation. Since its establishment in 1992, the Group has expanded its businesses to other areas, such as investment properties development, and has played an important role in implementing the Zhenjiang Municipal Government's blueprint for urban development and municipal construction in Zhenjiang New Area. The Group has been tasked to perform substantial and critical governmental functions to implement the government's urbanisation policies during the course of its business operations:

- *Increasing urbanisation and development city infrastructure.* In accordance with Zhenjiang Municipal Government's fixed assets investment plan, the Group is engaged by the Zhenjiang New Area Management Committee to undertake infrastructure construction projects within Zhenjiang New Area, such as the construction of roads, standard form factory buildings and other public facilities, to promote the development of public facilities and other municipal infrastructure, and accelerate urbanisation in Zhenjiang New Area. As at 31 December 2020, the Group had 90 completed projects and 19 infrastructure construction projects under construction with estimated investment totalling approximately RMB1,684.1 million.

- *Improving the housing conditions of low-income households.* As one of the key players in the construction and development of affordable housing in Zhenjiang, the Group undertakes such construction and development with the aim of improving the living conditions of households with low incomes. As at 31 December 2019, the Group had completed 15 affordable housing projects. As at 31 December 2020, the Group had one ongoing affordable housing project with a total planned GFA of approximately 249,569 sq.m. and total estimated investment of approximately RMB1.5 billion.

Strong support from the Zhenjiang Municipal Government, Zhenjiang SASAC and Zhenjiang New Area Management Committee

As an investment and financing platform of the Zhenjiang Municipal Government, the Group has received strong government support at various levels, which is critical for the Group to carry out large-scale and capital-intensive projects. Such support from the Zhenjiang Municipal Government, Zhenjiang SASAC and the Zhenjiang New Area Management Committee primarily includes:

- *Financial support.* Since its establishment in 1992, the Group has received financial support in various forms from the Zhenjiang Municipal Government, Zhenjiang SASAC and the Zhenjiang New Area Management Committee to support the Group's operations and development, such as capital injections, the return of land grant fees, governmental grants and subsidies and debt repayment. Since 2006, the Zhenjiang New Area Management Committee and Zhenjiang SASAC, the relevant shareholder of the Issuer or its predecessor at the time of capital injection, had made capital contributions to the Issuer on several occasions. The Group received subsidies from the Zhenjiang New District Management Committee of RMB430.0 million and RMB479.0 million in 2019 and 2020, respectively.

- *Resources consolidation and asset injection.* The Zhenjiang Municipal Government has continuously injected assets, such as equity interests in other companies, into the Issuer. For example, In September 2004, Zhenjiang New District Finance Bureau injected the land use rights in 341,649 sq.m. of land into the Group. In September 2006, Zhenjiang New District Finance Bureau injected the land use rights in 191,500 sq.m. and 56,582.5 sq.m. of land into the Group.

- *Preferential tax treatment.* The Group enjoys preferential tax treatment from the Zhenjiang Municipal Government in the form of tax returns.

Diversified business portfolio with synergies across all segments and operations

The Group believes that a diversified business portfolio will create valuable synergies across its operations and enhance its core businesses that are focused on urban development and municipal construction activities. In this regard, the Group had expanded into trading, investment properties development and other areas in recent years. With an ever-growing assortment of business operations, and in turn an increasing scope of capabilities and expertise, the Group will be able to capture opportunities at different levels and across different niche markets to explore new revenue drivers, therefore mitigate the risk of over-reliance on any one business segment and also realise more stable financial returns.

Bearing in mind the Group's holistic role in the development of Zhenjiang New Area, and Zhenjiang New Area being a key manufacturing base not only in the municipality of Zhenjiang but the wider Jiangsu Province as well, having a diversified business portfolio also ensures that the Group is growing synergistically alongside and aligned with the evolvement of Zhenjiang New Area. Conversely, by supporting and facilitating the development of different industries in Zhenjiang New Area through the expansion of its own business operations, the Group is creating opportunities for itself to broaden its earning base and achieve greater profitability.

Ample capital resources from diversified financing channels

The Group has access to diversified financing channels to fund its project development, such as bank loans, issuance of debt securities in the domestic and international capital markets, trust financing, asset management products and financial leasing. The Group has cultivated close and extensive relationships with a number of reputable commercial banks, trust companies and other financial institutions in China, which have provided a solid foundation for obtaining low-cost capital for the Group. In addition, the Group issued corporate bonds, short-term commercial papers and medium-term notes to raise funds for its working capital. As at 31 December 2020, the Group had total indebtedness (comprising short-term loans, long-term loans, bonds payable, other current liabilities, non-current liabilities maturing within one year, long-term payables and other non-current liabilities) in amount of RMB11,305.3 million. As at 31

December 2020, the Group had total credit facilities of RMB7,032.7 million, of which approximately RMB1,798.1 million had not been utilised. The Group has been exploring other channels for low-cost capital to further enhance its diversified financing structure, such as issuance of corporate bonds, asset-backed securities, private placement notes, mid-term notes, super short-term financing bills and short-term financing bills in the domestic capital markets in the PRC. With its diverse sources of funding, the Group believes that it will continue to have access to sufficient capital to support its business operations and expansion.

Experienced management team with sound corporate governance

The Group has established a sound and effective corporate governance structure which is in line with modern corporate governance practice. Its corporate governance system covers various aspects of the Group's daily operations, such as safety, risk management and capital management. The Group has set up five departments (namely the general management department, strategic development and operation department, internal compliance and supervisory department, accounting management department and finance and operation department) to oversee different aspects of the Group's daily operations.

In addition, the Group has established comprehensive risk management and internal control systems. For risk management, the Group conducts daily and periodic safety inspections. The Group conducts comprehensive examinations at least twice for every quarter and its subsidiaries conduct comprehensive examination at least once a month. The risk management committee ensures that the Group's daily operation complies with applicable laws and internal risk control mechanisms. For internal control, the Parent Company participates in and closely monitors the Group's decision-making process for key projects, reviews the Group's development strategy and investment plans of the Group and appoints, and conducts annual appraisals on, the directors, supervisors and senior management of the Group. The Group's senior management and the government regularly have in-depth discussions regarding the key investment projects and essential appraisal procedures are conducted before investment decisions are taken. The Group has established a comprehensive internal control system, including financial management, state-owned asset management, budget management, project fund management, external guarantee management, remuneration management, safety management, investment and financing management and related party transaction management and set up certain internal procedures relating to information disclosure and emergency.

The Group has an experienced senior management team with extensive experience in the management of large state-owned enterprises and companies operating in the related business sectors. See "*Directors, Supervisors and Senior Management of the Group*". Under the sound leadership of its management team and leveraging their past experience, the Group has successfully achieved its missions over the years and distinguished itself from its competitors.

BUSINESS STRATEGIES

The Group aims to maintain its key role and importance in the Zhenjiang Municipal Government's overall blueprint for urban planning, municipal construction and rural development. The Group's goal is to grow its assets base, optimise its capital structure and enhance its operational efficiency. To achieve such objectives, the Group intends to focus on the following business strategies:

Leverage the national strategy relating to the integration of the Yangtze River Delta cities to further promote the development and construction of Zhenjiang

According to the city cluster development plan in the Yangtze River Delta region approved and unveiled by the State Council in May 2016, nine cities of Jiangsu Province, including Zhenjiang, are selected as the Yangtze River Delta cities. Leveraging the State's strategy to integrate these cities, the Group will continue to undertake development and construction in Zhenjiang New Area and further enhance the infrastructure within this area to provide residents with better services and living environment. The Group believes that this will further strengthen its key position as a leading urban infrastructure developer and fuel the overall economic development in Zhenjiang.

Continue to actively focus on infrastructure construction in Zhenjiang New Area

The Group plans to continue to actively leverage the strategic location of Zhenjiang and Zhenjiang New Area and increase its focus on urban infrastructure construction and development and its other existing businesses. Over the past few years, through participating and successfully delivering a series of large-scale municipal and urban infrastructure construction projects, the Group has built up a strong presence and achieved a leading market position in the area of urban infrastructure development in Zhenjiang, especially in Zhenjiang New Area. Going forward, the Group will continue to focus on undertaking municipal infrastructure construction projects in Zhenjiang. By leveraging its extensive industry and execution experience, the Group believes it will continue to play an important role in Zhenjiang's urban development. The Group intends to continue to work closely with the Zhenjiang Municipal Government, Zhenjiang SASAC, the Zhenjiang New Area Management Committee and the Parent Company to explore innovative models to participate in public infrastructure projects in the evolving PRC regulatory environment. The Group believes that this will further strengthen its key position as a leading urban infrastructure developer in Zhenjiang.

Continue to undertake affordable housing projects in Zhenjiang New Area

The Group intends to continue to undertake the development of affordable housing projects in Zhenjiang New Area. In recent years, the PRC government has on many occasions emphasised the priority and importance of developing affordable housing and improving housing conditions for low-income households. The Group believes that the demand for housing, especially from the lower-income population, will remain strong. As a key developer and supplier of affordable housing in Zhenjiang New Area, the Group will strive to undertake affordable housing projects, particularly large-scale projects, through full utilisation of its proven track record, strong financial position and extensive experience in property development.

Continue to diversify the Group's businesses and to increase investment in businesses that synergise with the Group's core business

The Group intends to continue to focus on its urban construction and municipal development business activities and also the real estate sector. Concurrently, the Group plans to diversify its business portfolio and develop other businesses that would create synergy with its existing business. To coordinate with the Zhenjiang Municipal Government's inward investment promotion plans, the Group in the future will focus on developing business in emerging industries, such as new energy, new materials, aviation manufacturing and emerging information technology. In addition, the Group plans to build up a modern agricultural industrial park with the features of ecological protection, technological demonstration and sightseeing. Through cooperation with leading agricultural enterprises, the Group intends to make use of agricultural products with high efficiency and introduce such agricultural products to fresh markets and supermarkets, thus developing an agricultural industry chain. The Group believes its increased investment in diversified business areas will continue to benefit local social and economic development and that the Group's diversified earnings base will drive the steady growth of its overall income and profitability.

Adhere to prudent risk management system and strict risk control measures

The Group believes a prudent risk management system will contribute minimising the operational and financial risks of the Group and help the Group achieve long term sustainable growth. Therefore, the Group will continue to adopt the following measures to improve its risk management systems:

- Implementing stringent financial reporting and controlling systems with the focus on centralised management in order to ensure strict compliance with the applicable laws and regulations;

- Establishing standard fund management mechanisms to monitor the fund usage and its efficiency and to prevent the risk of fund application, thus increasing the overall management efficiency; and

- Maintaining prudent investment policies to achieve balance between assets and liabilities, between investment returns and risks undertaking, and between core business and non-core businesses.

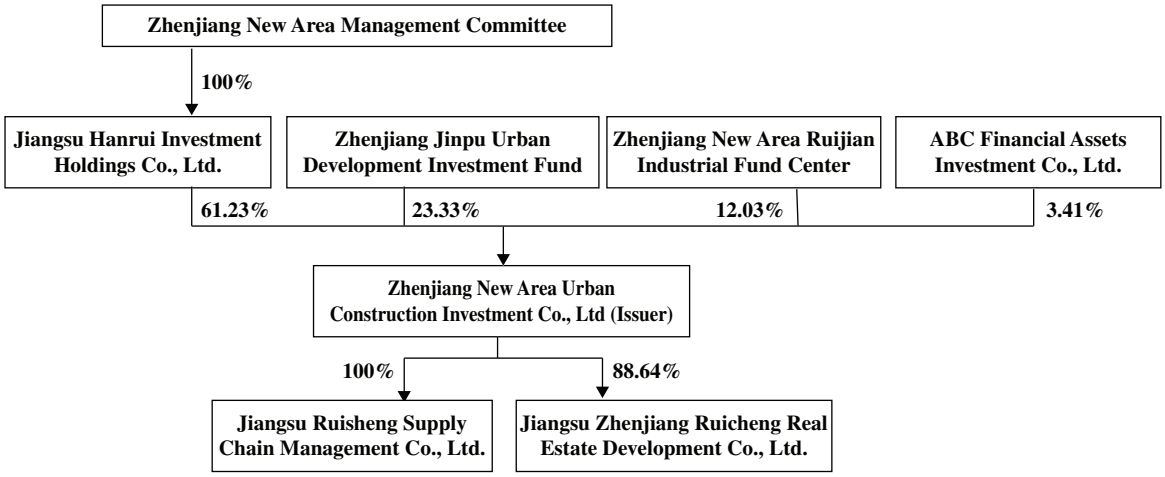
The Group strives to prudently manage its finances while fulfilling investment and development needs to drive its profitability.

Continue to develop diversified financing channels

The Group has been financing its business development through traditional financing channels, such as bank loans, the issuance of bonds and trust products in the PRC domestic capital market, as well as financial leasing. The Group strives to explore and employ new financing channels, such as conducting bond issuances in international capital markets or establishing specialist funds. In addition, the Group is seeking to build and reinforce close cooperative relationships with financial institutions to secure funding on more favourable terms to better support the Group's financing needs for development and maintain a reasonable and balanced debt structure. As at 31 December 2020, the Group had total credit facilities of RMB33,898.6 million, of which approximately RMB13,284.1 million had not been utilised.

CORPORATE STRUCTURE

The following chart sets forth the Group's corporate structure as of 31 December 2020:



HISTORY AND DEVELOPMENT

The Issuer was formerly known as Zhenjiang Economic and Technological Development Zone Investment Industrial Company (鎮江市經濟技術開發區投資實業公司) and was founded in 1992.

1992. . . . . In December 1992, Zhenjiang Economic and Technological Development Zone Investment Industrial Company (鎮江市經濟技術開發區投資實業公司), the predecessor of the Issuer, was established with an initial registered capital of RMB1.5 million.

2003. . . . . In April 2003, the Zhenjiang Economic and Technological Development Zone Investment Industrial Company changed the name to Zhenjiang New Area Urban Construction Investment Company (鎮江新區城市建設投資公司) and increased its registered capital to RMB10 million.

2003. . . . . In August 2003, the registered capital of the Issuer was increased to RMB60.0 million.

2004. . . . . In September 2004, Zhenjiang New District Finance Bureau injected the land use rights in 341,649 sq.m. into the Issuer and the registered capital of the Issuer was increased to RMB224.3 million.

2006. . . . . In September 2003, Zhenjiang New District Finance Bureau injected the land use rights in 191,500 sq.m. and 56,582.5 sq.m. into the Issuer and the registered capital of the Issuer was increased to RMB433.5 million.

2009. . . . . In December 2009, the Issuer changed its name to Zhenjiang New Area Urban Construction Investment Co., Ltd (鎮江新區城市建設投資有限公司). The registered capital of the Issuer was increased to RMB1,068.6 million. Zhenjiang New Area Economic Development Corporation (鎮江新區經濟開發總公司) holds 87.36% of the Issuer's shares, and Suzhou Trust Co., Ltd. (蘇州信託有限公司) holds 12.64% of the Issuer's shares.

2011. . . . . In November 2011, Suzhou Trust Co., Ltd. transferred its 12.64% equity interests of the Issuer to Jiangsu Hanrui Investment Holdings Co., Ltd. and completed industrial and commercial change registration on November 11, 2011. As a result, the Issuer was wholly owned by Jiangsu Hanrui Investment Holdings Co., Ltd.

2015. . . . . In December 2015, the registered capital of the Issuer was increased to RMB5,018.6 million.

2016. . . . . In December 2016, according to the decision made on the shareholders' resolution meeting and related investment agreements, aside from Jiangsu Hanrui Investment Holdings Co., Ltd, the Issuer added another two shareholders including Zhenjiang Jinpu Urban Development Investment Fund (Limited Partnership) (鎮江金浦城市發展投資基金(有限合伙)) and Zhenjiang New Area Ruijian Industry Fund Center (Limited Partnership) (鎮江新區瑞建產業基金中心(有限合伙)). The registered capital of the Issuer changed to RMB7,319.5 million.

2017. . . . . In December 2017, the Issuer received the capital injection of RMB1,912.3 million (including the amount of capital injection received in the previous year) from the shareholder Zhenjiang New Area Ruijian Industry Fund Center (Limited Partnership) and the registered capital of the Issuer was increased to RMB7,917.0 million.

2019. . . . . In December 2019, the Issuer received capital injection of RMB279.7 million from a new shareholder Agricultural Bank Financial Assets Investment Co., Ltd. (農銀金融資產投資有限公司). The registered capital of the Issuer was increased to RMB8,196.6 million.

2019. . . . . In August 2019, the legal representative of the Issuer changed to Mr. Chen Zhenkuan.

ZHENJIANG AND THE ZHENJIANG NEW AREA

Zhenjiang is located in the southwest part of Jiangsu Province on the downstream of south bank of the Yangtze River, with an area of approximately 3,847 square kilometres and a total population of approximately 2.7 million. Situated at the intersection of the Yangtze River and the Beijing-Hangzhou Grand Canal, which is called the "Golden Cross Waterway", Zhenjiang port is one of the most important ports along the Yangtze River. Zhenjiang is also one of the core cities in the Nanjing metropolitan circle. The Yangtze River Delta region, with Shanghai as the leading city, has one of the most dynamic regional economies in China. Being one of the most important ports along the Yangtze River and connecting to the Beijing-Shanghai, Shanghai-Ningbo and Ningbo-Hangzhou high speed railways, Zhenjiang is an important transportation hub. The superior geographic location and convenient land and water transportation provide a solid foundation for the economic development of Zhenjiang. As an important industrial city in the Yangtze River Delta region, Zhenjiang has experienced rapid economic and social development in recent years and the comprehensive strength of Zhenjiang has increased remarkably. With a dynamic regional economy and strong financial strength, Zhenjiang has a solid foundation to further increase its investment in urban infrastructure construction. According to the Zhenjiang Municipal Statistics Bureau, Zhenjiang recorded an annual GRP of RMB412.7 billion in 2019, representing a CAGR of 7.8 per cent. compared to RMB195.7 billion in 2010.

The Zhenjiang New Area is located in the eastern suburbs of Zhenjiang and it is the only national-level riverside development zone in southern Jiangsu Province. It was established in 1998 through a merger between the Zhenjiang Economic Development Zone (鎮江經濟開發區) and the Zhenjiang Dagang Economic Development Zone (鎮江大港經濟開發區), and became a national-level economic and technological development area in April 2010. The Zhenjiang New Area is situated at the connecting point of the "T" type industrial layout in China's southeastern coastal areas and is well positioned at the

intersection of the Yangtze River and the Beijing-Hangzhou Grand Canal. It is also within the scope of both the Shanghai Economic Circle and the Nanjing Metropolitan Circle and enjoys the benefits from the near-by cities and harbours. Dagang Port Area of Zhenjiang Port, a good deep-water harbour, is located in Zhenjiang New Area. The convenient geographical position and well-developed supporting infrastructure provide unique advantages for the development of Zhenjiang New Area. Being adjacent to a national-level export processing zone and connected to the Shanghai-Nanjing expressway and railway, Zhenjiang New Area also has the advantages of comprehensive, multi-level and multi-form transportation, including waterage, maritime transport, rail transport, highway transport and air transport and is one of the most important areas in Jiangsu Province's and Zhenjiang's development blueprints. Leveraging the dynamic regional economy in Zhenjiang and convenient transportation, Zhenjiang New Area attracts more and more enterprises to set up facilities, branches or offices. The rapid growth of Zhenjiang New Area is expected to drive rapid land development and infrastructure construction in this area. In 2011, Zhenjiang New Area was elected as the top 18 national economic and technology development zones in terms of the comprehensive investment environment evaluation index by MOFCOM. Going forward, the Group expects the development of Zhenjiang New Area to remain a key focus for Zhenjiang as part of its overall urbanisation and development plan.

DESCRIPTION OF THE GROUP'S BUSINESSES

Overview

The Group is an investment and financing platform of the Zhenjiang Municipal Government to undertake infrastructure construction and real estate development in Zhenjiang New Area. The Group is designated to carry out the Zhenjiang Municipal Government's blueprint for infrastructure construction and municipal development in Zhenjiang New Area. The Group's operations and investments can be classified into four main segments, namely (i) affordable housing; (ii) trading; (iii) infrastructure construction; (iv) investment properties and (v) other businesses.

The following table sets forth a breakdown of the Group's operating revenue by segment for the periods indicated:

	Year ended 31 December					
	2018		2019		2020	
	Amount	%	Amount	%	Amount	%
	(RMB in millions, except for percentages)					
Business segment						
Affordable Housing	1,062.2	21.6	1,342.0	25.1	790.5	14.3
Trading	767.7	15.6	1,494.0	27.9	1,904.7	34.4
Infrastructure Construction	17.2	0.4	963.0	18.0	508.8	9.2
Investment Properties	2,655.9	54.1	1,288.8	24.1	2,186.2	39.5
Other businesses	405.6	8.3	266.8	5.0	141.2	2.6
Total revenue	4,908.6	100.0	5,354.7	100.0	5,531.3	100.0

Affordable Housing

Overview

Since 2012, the Group has undertaken the construction and development of affordable housing, including relocation housing (拆遷安置房), public-rental housing (公租房), subsidised housing (經濟適用房) and the redevelopment of shanty areas (棚戶區改造) in Zhenjiang. The Group's affordable housing business is primarily conducted through Jiangsu Ruicheng Real Estate Development Co., Ltd. (江蘇瑞城房地產開發有限公司), which is a subsidiary of the Company and a real estate developer with level-two qualifications. In particular, the Group is appointed by the Zhenjiang New Area Management Committee as the entity responsible for the construction and development of affordable housing in accordance with the affordable housing construction plan issued by the Zhenjiang Municipal Government.

For the years ended 31 December 2018, 2019 and 2020, operating revenue generated from the Group's affordable housing business was RMB1,062.2 million, RMB1,342.0 million and RMB790.5 million, respectively, representing 21.6 per cent., 25.1 per cent. and 14.3 per cent. of the Group's total operating revenue for the same periods.

Business Model

The Group undertakes affordable housing projects under an agent construction basis. The Group enters into an agent construction agreement (委託代建協議) with the Zhenjiang New Area Management Committee for each project, which sets out the details of such project, such as project scale, the construction and project management schedule, the project term, financing arrangements, payment schedule, allocation of responsibilities between the parties and the dispute resolution mechanism. Upon completion, inspection and acceptance of the project and after the final auditing of the project costs upon project completion, the Zhenjiang New Area Management Committee will pay the Group for the construction and development of the project in instalments, which generally takes no longer than three years.

The Group is typically responsible for raising funds for the affordable housing projects. All of the land parcels required for such projects are acquired by the Group through land auctions. The Group selects qualified contractors through public tender and makes advance payments to the contractors according to project progress.

Project Description

Completed projects

As at 31 December 2020, the Group had completed 15 affordable housing projects with a total GFA of approximately 2.0 million sq.m. and total investment of approximately RMB8.7 billion.

Projects under construction

As at 31 December 2020, the Group had one ongoing affordable housing project with a planned GFA of approximately 249,569 sq.m. and total estimated investment of approximately RMB1,530.0 million. As at 31 December 2020, total amount invested in this project amounted to approximately RMB781.0 million.

The particulars of the Group's projects under construction as of 31 December 2020 are set forth below:

No.	Project Name	Commencement Year	Estimated Completion Year	Estimated Total Investment Amount	Total Amount Invested
				(RMB in millions)	*(RMB in millions)*
1	Da Road Relocation Housing Phase II (大路安置房二期)	2018	2021	1,530.0	781.0

Projects planned to be constructed

As at 31 December 2020, the Group did not have any affordable housing project planned to be constructed.

Trading

Overview

The Group commenced its trading business in 2017. The trading business is conducted primarily through the subsidiaries of the Issuer, Jiangsu Ruisheng Supply Chain Management Co., Ltd. (江蘇瑞盛供應鏈管理有限公司) and Jiangsu Hanrui Engineering Co., Ltd. (江蘇瀚瑞工程有限公司). The Group conducts domestic trading of various products, including bulk building materials, agricultural products and chemical products.

For the years ended 31 December 2018, 2019 and 2020, operating revenue generated from the Group's trading business was RMB767.7 million, RMB1,494.0 million and RMB1,904.7 million, respectively, representing 15.6 per cent., 27.9 per cent. and 34.4 per cent. of the Group's total operating revenue for the same periods.

Business Model

The Group's trading business adopts a self-operated business model and order-based sales model, which is based on sales and purchases, and makes profits by earning price differences. In terms of settlement, the upstream suppliers mainly use bank transfers, wire transfers, commercial bills and other methods to pay for the corresponding purchases, and the downstream customers use bank transfers, cash payments and commercial bills to collect payment for the goods. The longest billing period does not exceed 90 days.

Main trading products

The Group's trading products mainly includes gold jewellery, polycrystalline primary silicon materials, polycrystalline silicon modules, photovoltaic modules, polycrystalline cells, steel, ethylene glycol, eggs, concrete, cement, solar cells, monocrystalline silicon rods, Lithium-ion batteries, power batteries, rice, etc.

The following table sets forth the details of the Group's trading products:

	For the year ended 31 December					
	2020		2019		2018	
Products	**Sales Amount**	**%**	**Sales Amount**	**%**	**Sales Amount**	**%**
	(RMB in 10,000s, except for percentages)					
Gold jewellery	–	–	–	0.00%	26,441.92	34.44%
Steel	73,066.43	38.36%	91,649.90	61.34%	42,163.30	54.92%
Polysilicon components	–	–	–	–	–	–
Polycrystalline cell	–	–	–	0.00%	1,325.57	1.73%
Photovoltaic modules and others	–	–	–	0.00%	596.84	0.78%
Ethylene glycol	–	–	1,955.97	1.31%	2,929.53	3.82%
Eggs	30,376.75	15.95%	21,286.78	14.25%	1,703.82	2.22%
Cement and concrete	6,717.37	3.53%	4,495.25	3.01%	963.44	1.26%
Battery pack	–	–	560.83	0.38%	641.38	0.84%
Monocrystalline silicon rod	–	–	2,538.80	1.70%	–	0.00%
Solar battery	–	–	4,616.48	3.09%	–	0.00%
Lithium Ion Battery	–	–	5,077.79	3.40%	–	0.00%
Rice	75,536.67	39.66%	11,026.30	7.38%	–	0.00%
Power Battery	–	–	1,774.78	1.19%	–	0.00%
Polyethylene	–	–	2,656.74	1.78%	–	0.00%
Frozen beef	–	–	648.56	0.43%	–	0.00%
Enoki mushroom	2,648.04	1.39%	605.39	0.41%	–	0.00%
Emulsion	–	–	273.81	0.18%	–	0.00%
Printing paper	–	–	211.92	0.14%	–	0.00%
Pigment	–	–	21.93	0.01%	–	0.00%
Lime	316.86	0.17%	–	–	–	–
Others	1,804.62	0.95%	–	–	–	–
Total	190,466.75	100.00%	149,401.22	100.00%	76,765.79	100.00%

Infrastructure Construction

Overview

The Group is one of the entities carrying out infrastructure construction in Zhenjiang New Area. The Group undertakes different infrastructure construction projects within Zhenjiang New Area, such as construction of roads, standard form factory buildings and other public facilities. In recent years, the Group had completed numerous large-scale infrastructure construction projects, such as Technology Park Phase II (科技園二期項目) and Central Trade Zone (中心商貿區). As at 31 December 2020, the Group had 90 completed projects and 19 projects under construction (with estimated total investment of RMB1,684.1 million).

For the years ended 31 December 2018, 2019 and 2020, operating revenue generated from the Group's infrastructure construction business was RMB17.2 million, RMB963.0 million and RMB508.8 million, respectively, representing 0.4 per cent., 18.0 per cent. and 9.2 per cent. of the Group's total operating revenue for the same periods.

Business Model

The Group conducts its infrastructure construction business on an agent construction basis. The Zhenjiang New Area Management Committee enters into a framework agent construction agreement (the "**Agent Construction Agreement**") with the Group annually in accordance with the fixed assets investment plans of the Zhenjiang Municipal Government. The Agent Construction Agreement sets out that the Group is primarily responsible for the construction of municipal infrastructure such as roads, standard form factory buildings and other public facilities within Zhenjiang New Area. The Zhenjiang New Area Management Committee will, at the early stage of a project and in accordance with the project's progression, allocate government financial subsidies to the Group, normally equivalent to 35.0 per cent. of the total investment of the project. Pursuant to the Agent Construction Agreement, the Group is responsible for management of the specific construction works and raising the remaining funds for the project.

The Group primarily finances infrastructure construction projects through financial subsidies from the Zhenjiang New Area Management Committee and its own fund-raising activities, mainly in the form of bank loans and corporate bonds. The Zhenjiang New Area Finance Bureau determines the amount of total investment and financial subsidies for each project by reference to each project's construction plan and government's annual buyback schedule. Upon completion of the project, Zhenjiang New Area Management Committee will pay the Group the total price of the project, which equals to total construction cost plus a certain percentage of the profits (as the commissioned construction cost). The Zhenjiang New Area Management Committee will enter into an instalment payment agreement ("**Instalment Payment Agreement**") with the Group in relation to the payment of the Group's revenue, which usually sets out that the outstanding buyback amount will be paid in instalments with a term of no longer than three years for normal projects or with a term of no longer than five years for major projects. The Zhenjiang New Area Management Committee will make payment plans for such construction project according to the Instalment Payment Agreement and include such instalment payment plan into its annual fiscal budget.

As at 31 December 2020, the Zhenjiang New Area Management Committee had allocated all the relevant government subsidies and made all the relevant payments in accordance with the relevant Agent Construction Agreement and Instalment Payment Agreement for each of its infrastructure construction project with the Group.

Other than the government-invested projects designated by the Zhenjiang New Area Management Committee, the Group also undertakes a small amount of non-government invested infrastructure construction projects, such as the construction of factory buildings for mining companies, commercial real estate or hydropower plants. The operating revenue generated by such projects only accounted for a small portion of the Group's operating revenue generated from its infrastructure construction business.

The table below sets forth the completed projects on an agent construction basis as of 31 December 2020:

No.	Name	Year	Total Investment Amount	Total Amount Recognised
			(RMB in 10,000s)	*(RMB in 10,000s)*
1	Central Business District	2020	2.12	2.55
2	Yinshan South Road	2020	23.77	28.60
3	New District People's Park	2020	2.57	3.09
4	Beihu Road (Guanghua-Gangzhong)	2020	17,892.76	21,530.36
5	Shenggang Road (Yinshan Road-Weishan)	2020	537.78	647.11
6	South Extension of Gangzhong Road (338-241)	2020	803.99	967.45
7	Guanghua Road (Golden Port-S338)	2020	307.48	370.00
8	Zhaosheng Road (Kangnan-338)	2020	64.99	78.21
9	Airway	2020	56.61	68.12
10 . . .	Supporting schools in Dalu resettlement area	2020	11,945.27	14,373.74
11 . . .	Yinshan Elementary School	2020	98.82	118.91
12 . . .	Zhongrun Oil Storage Yard Leveling Project	2020	53.60	64.49
13 . . .	Field Leveling Project of the Great Northeast Land	2020	25.28	30.42
14 . . .	Site Leveling Project of Jiangsu Zhengdan Chemical Phase II Project	2020	162.00	194.93
15 . . .	Hengshunda and Sinopec Biomass Energy Base	2020	28.80	34.65
16 . . .	Yishan changed to the west block field flat	2020	29.60	35.62
17 . . .	Solvay (Hydrogen Peroxide) project plot leveled	2020	134.93	162.37
18 . . .	2016-Road Traffic Safety Facilities Construction	2020	451.95	543.83
19 . . .	2017-Phase II of Rural Road Security Project	2020	182.95	220.14
20 . . .	Various road construction	2020	352.39	424.03
21 . . .	Xinggang Road Road Reconstruction Project	2020	1,041.38	1,253.09
22 . . .	Renovation of Dalu and Yaoqiao Market Towns	2020	3,616.72	4,352.00
23 . . .	Maintenance of Pyeongchang Kindergarten and Pingchang Elementary School	2020	138.53	166.70
24 . . .	Widening of Linjiang East Road	2020	79.42	95.56
25 . . .	Construction of gateball courts and gas volleyball courts for public sports facilities	2020	170.65	205.35
26 . . .	2010-Weiliu Road	2020	1,224.56	1,473.51
27 . . .	2017-Chimei, BASF sewage pipeline construction	2020	215.83	259.71
28 . . .	2017-Longquan Interchange Water Point Reconstruction	2020	241.38	290.46
29 . . .	2017-X202 Yaohou line transformation	2020	580.71	698.77
30 . . .	Qijiagang West Extension and Dredging Project	2020	19	22.86
31 . . .	Energy-saving renovation of Gangzhong New Village	2020	26.61	32.02
32 . . .	Pingchang Road	2020	32.23	38.79
33 . . .	2011-Supporting Service Center of Chemical Logistics Park	2020	628.39	756.14
34 . . .	2017-Sewage facilities construction in Yaoqiao Town	2020	166.25	200.00
35 . . .	2017-Reconstruction of stagnant water points in Dagang and Dingmao areas	2020	23.76	28.59
36 . . .	Road sporadic works	2020	510.50	614.29
37 . . .	2016-Fire Brigade Emergency Material Reserve	2020	401.81	483.50
38 . . .	The other road	2020	0.30	0.36
39 . . .	Fengxi Road	2020	3.41	4.10
40 . . .	Yinhuan Road	2020	1.37	1.65
41 . . .	Dingmao District	2020	0.75	0.91
42 . . .	Liucun Road	2020	2.20	2.65
43 . . .	Central Business District	2019	915.61	1,101.75
44 . . .	Yinshan South Road	2019	224.28	269.87
45 . . .	Jing Twelve Road	2019	225.48	271.32
46 . . .	Qinglong Mountain Environmental Remediation	2019	46.72	56.22
47 . . .	Science and Technology Park Phase II Project	2019	29,361.98	35,331.28

No.	Name	Year	Total Investment Amount	Total Amount Recognised
			(RMB in 10,000s)	*(RMB in 10,000s)*
48 . . .	Six roads and one lake	2019	4,515.71	5,433.76
49 . . .	Aviation Industry Park	2019	2,634.38	3,169.95
50 . . .	Engineering Technology Innovation Park	2019	15,316.37	18,430.19
51 . . .	Dinggang New Street	2019	30.87	37.15
52 . . .	New town	2019	3,867.68	4,653.97
53 . . .	New district flat project	2019	9,322.35	11,217.58
54 . . .	Supporting roads in the new science and technology city area	2019	349.68	420.77
55 . . .	Broken Hilldun Ruins Park	2019	39.60	47.65
56 . . .	Saifei Silicon Carbide Project	2019	8.00	9.63
57 . . .	Yinshan Elementary School	2019	12,923.14	15,550.41
58 . . .	Daluji Town River Improvement	2019	6.10	7.34
59 . . .	Jia Family Residence	2019	142.56	171.54
60 . . .	Dalu Health Center	2019	5.77	6.94
61 . . .	Yaoqiao Health Center	2019	19.32	23.24
62 . . .	Other sporadic projects	2019	76.66	92.25
63 . . .	Dagang Farmers Market	2018	1,702.19	1,722.61

Investment Properties

The Group's investment property business involves the sales of investment properties, which are mainly land use rights held by the Group with intention to sell after appreciation.

For the years ended 31 December 2018, 2019 and 2020, operating revenue generated from the Group's investment properties business was RMB2,655.9 million, RMB1,288.8 million and RMB2,186.2 million, respectively, representing 54.1 per cent., 24.1 per cent. and 39.5 per cent. of the Group's total operating revenue for the same periods.

Other Businesses

The Group also conducts other ancillary businesses, including property leasing and other businesses. For the years ended 31 December 2018, 2019 and 2020, operating revenue generated from the Group's other businesses was RMB405.6 million, RMB266.8 million and RMB141.2 million, respectively, representing 8.3 per cent., 5.0 per cent. and 2.6 per cent. of the Group's total operating revenue for the same periods.

OPERATIONAL PROCESS

The Group's operational process primarily involves project identification, financing, management, on-site management, project monitoring, quality control and project completion.

Project Identification

The Group relies on the Zhenjiang New Area Management Committee to identify and propose new projects for the Group to undertake. The Group will then evaluate the project feasibility and investment budget with Zhenjiang New Area Construction Bureau and Zhenjiang New Area Management Committee, taking into the account the scale and costs of such projects.

Financing

The financing arrangements for each project are arranged by the Group's investment and financing department. For each project, the Group will discuss with banks and determine a proper financing arrangement with the relevant bank. All proposals for any financing arrangements will be reviewed and approved by the Group's senior management. The Group's financing sources include bonds issuances, financial leasing, trust financing and bank loans.

On-site Management

The Group appoints a project manager to facilitate communication and coordinate the relationships between designers, contractors, supervision companies and the government. The project manager prepares and submits a monthly progress report to a manager in charge of the project.

Monitoring of Project Construction

The Group typically engages a supervision company to monitor the construction of each project as well as the project schedule. The Group also cooperates with the specialist in the Construction Bureau of Zhenjiang Municipal Government in supervising the construction work performed by the contractors. The Construction Bureau of Zhenjiang Municipality will perform the final assessment and inspection of the project to determine whether a project could be accepted.

The actual progress of each project is monitored based on a monthly construction report. Contractors are required to complete their work according to the agreed schedule. No incentives are provided to contractors for completing their work prior to the agreed schedule. However, contractors who fail to meet the schedule may be liable to pay damages to the Group.

Quality Control

The Group provides a project quality assurance certificate whenever they enter into a project agreement. The quality management of a project is monitored by an independent third party who will provide project reports to the Group which will include information on a project's construction quality and progress.

Completion

Upon project completion, the government will inspect the project and check the progress and quality of the completed works. The Zhenjiang New Area Management Committee will retain approximately five per cent. of the project fees to cover the costs of any maintenance works to be undertaken during the maintenance period.

GOVERNMENT REGULATIONS

The operations of the Group are subject to various laws and regulations in the jurisdiction in which it operates. The Group's properties are subject to routine inspections by government officials with regard to various safety and environmental issues.

Except as disclosed above, the Group believes that it is in compliance in all material respects with government regulations currently in effect in the jurisdictions in which it operates. Except as disclosed above, the Group is not aware of significant problems experienced by any member of the Group with respect to compliance with government regulations in relation to its operations which could materially adversely affect its properties or operations, nor is it aware of any pending government legislation that might have a material adverse effect on its properties or operations.

RISK MANAGEMENT

The Group has established a risk management committee to ensure compliance with regulatory requirements and to implement risk control measures to lower operational and investment risks. The risk management system covers different aspects of the Group's operations, including budget management, invested projects finance management, guarantee management, remuneration management, safety production, subsidiaries management, investment and financing management, connected transaction, information disclosure and incidents management. Each level and department of the Group is well informed of the Group's internal control and risk management policies. The systematic approach adopted by the Group has helped the Group to manage its business in a disciplined manner.

OCCUPATIONAL SAFETY AND ENVIRONMENTAL PROTECTION

The Group adopts a comprehensive work safety system to ensure employee safety. The Group has established safety protocols and also implemented guidelines setting out the responsibilities of safety officers. The safety officer is involved in the planning and implementation of each project to ensure that safety objectives are met and plays a key role in monitoring the effectiveness of the safety measures, educating project members on the safety requirements, handling any infractions, ensuring safety records are properly kept and managing onsite safety and emergency incidents. The Group believes that it is in compliance in all material respects with applicable safety regulations.

The Group is subject to environmental laws and regulations governing air pollution, noise emissions, hazardous substances, water and waste discharge and other environmental matters issued by the government authorities in the PRC. The Group believes that it is in compliance in all material respects with applicable environmental laws and regulations. As at the date of the Offering Circular, the Group is not aware of any environmental proceedings or investigations to which it is or might become a party.

INSURANCE

The Group is required to obtain contractors all-risk and third-party liability insurance for most of the projects it undertakes. Such policies generally extend for the entire contract period, including the maintenance period following completion of the project. In addition, with regard to its construction business, the Group generally purchases insurance for its fixed assets, such as its key equipment, stock and office buildings. The Group also purchases pension insurance, unemployment insurance and medical insurance for its employees according to the relevant PRC laws and regulations. The Group maintains insurance coverage in amounts that it believes are commensurate with its risk of loss and industry practice. Consistent with what the Group believes to be customary practice in the PRC, it does not carry any business interruption insurance, key-man insurance or insurance covering potential environmental damage claims. Such insurance is not mandatory under the laws and regulations of the PRC, and such insurance is either unavailable in the PRC or requires substantial cost.

EMPLOYEES

As at 31 December 2020, the Group had 161 employees. In accordance with the applicable regulations of local governments in regions where the Group has business operations, the Group makes contributions to the pension contribution plan, medical insurance, unemployment insurance, maternity insurance and personal injury insurance. The amount of contributions is based on the specified percentages of employees' aggregate salaries as required by relevant PRC authorities. The Group also makes contributions to an employee housing fund according to applicable PRC regulations. In addition to statutory contributions, the Group provides annual bonuses and supplemental commercial insurance policies to employees. The Group enters into an employment contract with each of its employees in accordance with applicable PRC laws. Such contracts include provisions on wages, vacation, employee benefits, training programmes, health and safety, confidentiality obligations and grounds for termination.

LEGAL PROCEEDINGS

The Group is from time to time involved in disputes and legal proceedings arising in the ordinary course of its business. See "*Risk Factors – Risks Relating to the Group's Business – The Group is exposed to litigation risks*".

PRC LAWS AND REGULATION

This section summarises the principal PRC laws and regulations which are relevant to the Group's business and operations. As this is a summary, it does not contain a detailed analysis of the PRC laws and regulations which are relevant to the Group's business and operations.

MAIN REGULATORY AUTHORITIES AND CONTENTS OF SUPERVISION

China's building and construction industry implements a regulatory system with the combination of comprehensive supervision and professional supervision. Government supervision over the building and construction industry mainly includes three aspects: the management on the competency and qualification of market players, the whole process management on the construction projects, and the management on the economic and technical standards of construction projects. The main regulatory authorities include:

- Ministry of Housing and Urban-Rural Development of the People's Republic of China ("**MOHURD**") (formerly Ministry of Construction of the People's Republic of China, "**MOC**") and the competent local departments of MOHURD at various levels are responsible for the comprehensive supervision over the construction industry as well as the real estate development qualifications. Such management mainly includes: management on the competency and qualification of market players, approval and verification of the qualifications of various construction enterprises for access to market, examination and approval of occupational qualifications of individuals in the construction industry, supervision over and management on construction projects, and establishment of industrial standards, etc.

- Ministry of Transport of the People's Republic of China ("**MOT**") and the competent local departments of MOT at various levels are responsible for the construction projects of ports and highways nationwide.

- Ministry of Environmental Protection of the People's Republic of China (formerly State Environmental Protection Administration, "**SEPA**") and the competent local departments of environmental protection at various levels are responsible for the environmental protection management of construction projects.

MAJOR LAWS AND REGULATIONS

Regulation on Fiscal Debts of Local Governments

In accordance with Guidance on Further Strengthening Adjustment of Credit Structure to Promote Fast and Smooth Development of National Economy (中國人民銀行、中國行業監督管理委員會關於進一步加強信貸結構調整促進國民經濟平穩較快發展的指導意見) issued jointly by PBOC and CBIRC in March 2009, local governments are encouraged to establish financing platforms to issue financing instruments such as enterprise bonds and medium term notes. In order to strengthen the management of financing platforms and effectively prevent fiscal financial risks, Circular of the State Council on Relevant Issues Concerning Strengthening the Management of Financing Platform Companies of Local Governments (國務院關於加強地方政府融資平台公司管理有關問題的通知) was promulgated by the State Council in June 2010 ("**Circular 19**") and Circular of the General Office of the National Development and Reform Commission on Further Standardizing the Bond Issuing Behaviour of Local Government Investment and Financing Platform Companies (國家發展改革委辦公廳關於進一步規範地方政府投融資平台公司發行債券行為有關問題的通知) was promulgated by the NDRC in November 2010 ("**Circular 2881**"). In accordance with Circular 19, all levels of local governments shall clear up the debts of their respective financing platforms. In accordance with Circular 2881, the level of indebtedness of local governments will impact a financing platform's issuance of enterprise bonds.

On 21 September 2014, Circular 43 was promulgated by the State Council. Circular 43 aims at regulating the financing system of local government and three channels are presented. In accordance with Circular 43, financing platforms shall no longer serve the fiscal financing functions nor incur new government debts. Public interest projects may be funded by the government through issuing government bonds, since the new Budget Law of the PRC, which was last amended on 29 December 2018, empowers local governments to issue government bonds, and public interest projects with income generated, such as city infrastructure construction, may be operated independently by social investors or jointly by the government and social investors through the establishment of special purpose companies. Social investors or such special purpose companies shall invest in accordance with market-oriented principles and may be funded by, among other market-oriented approaches, bank loans, enterprise bonds, project revenue bonds and asset-backed securitisation. Social investors or the special purpose companies shall bear the obligation to pay off such debts and the government shall not be liable for any of the social investors' or special purpose companies' debts. Circular 43 also sets forth the general principles of dealing with existing debts of financing platforms. Based on the auditing results of such debts run by the local governments, the existing debts that should be repaid by the local governments shall be identified, reported to State Council for approval, and then included in the budget plan of local governments.

On 11 May 2015, Opinion on the Proper Solution of the Follow-up Financing Issues for Projects under Construction of Financing Platform of Local Governments issued jointly by the Ministry of Finance of the PRC, PBOC and the CBRC (財政部人民銀行銀監會關於妥善解決地方政府融資平台公司在建專案後續融資問題的意見) ("**Circular 40**") was promulgated by the General Office of the State Council of the PRC. In accordance with Circular 40, local governments at all levels and banking financial institutions shall properly deal with follow-up financing issues for projects under construction of financing platform companies. Projects under construction refer to projects that have started construction upon the completion of examination, approval or filing procedures in accordance with relevant regulations by competent investment authorities before the date when the Circular 43 was promulgated.

Regulation on the Agency Construction

On 16 November 2004, the Ministry of Construction published the "Pilot Measures for the Administration of Construction Projects" (建設工程項目管理試行辦法) (the "**Pilot Measures**"), which became effective on 1 December 2004. The Pilot Measures provides for stipulations with regard to the carrying out of management activities for construction projects in the PRC. According to the Pilot Measures, project management enterprises shall possess one or more qualifications such as project inspection, design, construction, supervision, cost consultancy, invitation for tender agency, etc. The owner of construction projects can choose project management enterprises by public tender or other methods, and shall sign agency contract with the chosen project management enterprise in writing. Where project inspection enterprises, design enterprises and supervision enterprises, etc., undertake the roles of management as well as project inspection, design and supervision (within its scope of qualification) for the same construction project at the same time, those enterprises shall be chosen through public tender if required by the relevant laws and regulations. Construction enterprises shall not engage in both project management and project construction for the same project.

Qualification of Construction Enterprises

In accordance with the Construction Law of the People's Republic of China (中華人民共和國建築法) last amended by Standing Committee of the National People's Congress (the "**SCNPC**") on 23 April 2019 and became effective on the same date, Regulations on Qualification Management of Construction Enterprises (建築業企業資質管理規定) last amended by MOHURD on 22 December 2018 which became effective on the same date. Detailed Rules of Regulations on Qualification Management and Implementing Opinions of Qualification Standard of Construction Enterprises (建築業企業資質管理規定和資質標準實施意見) issued by MOHURD on 31 January 2015 and became effective on 1 March 2015, Criterion for Qualification of Construction Enterprises (建築業企業資質標準) promulgated by MOHURD on 6 November 2014 which became effective on 1 January 2015, and Criterion for Premium Qualification of Construction General Contracting Enterprises (施工總承包企業特級資質標準) issued by MOC on 13 March 2007 and became effective on the same date, Provisions on the Management of Survey and Design

Qualification of Construction Projects (建設工程勘察設計資質管理規定) promulgated by MOC on 26 June 2007 which became effective on 1 September 2007, Detailed Rules of Provisions on the Management of Survey and Design Qualification of Construction Projects (建設工程勘察設計資質管理規定實施意見) issued by MOC on 21 August 2007 and became effective on the same date, Provisions on Qualification Management of Project Supervision Enterprises (工程監理企業資質管理規定) promulgated by MOC on 26 June 2007 and became effective on 1 August 2007, Detailed Rules of Provisions on Qualification Management of Project Supervision Enterprises (工程監理企業資質管理規定實施意見) issued by MOC on 31 July 2007 and became effective on the same date and was amended on 16 June 2016, as well as other relevant laws and regulations, enterprises engaging in the business of construction, survey, design and supervision of construction projects may only carry out construction activities within the scope of their qualification grade certificates.

In accordance with the Regulations on Qualification Management of Construction Enterprises, construction enterprises shall apply for their qualifications according to their assets, professionals, projects completed, and technical equipment. Qualifications of construction enterprises include the qualification of general contractor, the qualification of professional contractor and the qualification of construction labour service.

Any enterprise that has obtained the qualification of a general contractor may enter into a contract to undertake general contracting work for the whole project or main works. The enterprise undertaking the general contracting work may carry out the whole construction project by itself or subcontract the work other than the main work or the labour service to other construction enterprises that have requisite qualifications.

Any enterprise that has obtained the qualification of a professional contractor may undertake the professional work subcontracted by the general contractor or the professional work contracted by a construction unit. A professional contracting enterprise may carry out construction by itself or subcontract the labour service work to a labour service enterprise that has the corresponding qualification.

Bidding and Tendering Management

Bidding and tendering of various construction projects have been provided in the Bidding and Tendering Law of the People's Republic of China (中華人民共和國招標投標法) promulgated by the SCNPC on 30 August 1999 which became effective on 1 January 2000, Regulation on the Implementation of the Bidding and Tendering Law of the People's Republic of China (中華人民共和國招標投標法實施條例) promulgated by State Council on 20 December 2011 which became effective on 1 February 2012, Measures for the Construction Bidding and Tendering of Construction Projects (工程建設項目施工招標投標辦法) jointly promulgated by NDRC, MOC, MOR, MOT, Ministry of Information Industry of the People's Republic of China, Ministry of Water Resources of the People's Republic of China, and Civil Aviation Administration of China in 8 March 2003 which was amended and became effective on 1 May 2013, Administrative Measures for the Bidding and Tendering of Design of Construction Projects (建築工程設計招標投標管理辦法) issued by MOC on 18 October 2000 and became effective on the same date, Administrative Measures for the Bidding and Tendering of Housing Construction and Municipal Infrastructure Work (房屋建築和市政基礎設施工程施工招標投標管理辦法) issued by MOC on 1 June 2001 and became effective on the same date, and Measures for the Administration of Bidding and Bidding of Highway Engineering Construction Projects (公路工程建設項目招標投標管理辦法) promulgated by MOT on 8 December 2015 which became effective on 1 February 2016. In accordance with the Bidding and Tendering Law of the People's Republic of China, certain types of projects shall go through bidding processes during phases, including project survey, design, construction, supervision and procurement of the essential equipment and materials relating to the project construction. Such projects include projects relating to social public interests and public security, including large infrastructure and utilities; projects invested by using state-owned fund or financed by the government in whole or in part; projects using loans or aid funds of international organisations or foreign government, etc.

The process of bidding and tendering consists of five stages including bid invitation, tendering, bid opening, bid evaluation and bid award. The principle of openness, fairness and equal competition shall be followed in the bidding and tendering for construction project contracting, and the contractor shall be chosen after evaluation. After the contractor is determined, the tenderee shall issue the notification to the successful bidder. The notification is legally binding on both the tenderee and the bid winner.

In accordance with the Bidding and Tendering Law of the People's Republic of China and Measures for the Construction Bidding and Tendering of Construction Projects, if any project that shall undergo bidding as required by law fails to go through the bidding process, or the items subject to bidding are broken up into pieces or the bidding requirement is otherwise evaded, the relevant administrative supervision department shall order rectification within a specified period, and may impose a fine of 0.5 per cent. up to 1 per cent. of the contract amount of the project. For projects using the state-owned funds in whole or in part, the project approval authority may suspend the implementation of the project or suspend the fund appropriation, and impose punishment on the person direct in charge of the entity or other person directly liable. Further, in accordance with Interpretation of the Supreme People's Court on Issues Concerning the Application of Law in the Trial of Contract Disputes for Construction Projects (I) (最高人民法院關於審理建設工程施工合同糾紛案件適用法律問題的解釋(壹)) issued by the Supreme People's Court on 29 December 2020 and became effective on 1 January 2021, if any project that is required to undergo a bidding process fails to go through the bidding process or the bid award is invalid, the construction contract for building projects shall become invalid.

Quality Management

Laws and regulations on project quality mainly include Construction Law of the People's Republic of China, Regulation on Quality Management of Construction Projects (建設工程質量管理條例) issued by the State Council on 30 January 2000 and became effective on the same date, Administrative Measures for Quality Management of Construction Project Survey (建設工程勘察品質管理辦法) amended by MOC on 22 November 2007 and became effective on the same date, Interim Measures for the Administration of Quality Warranty Funds of Construction Projects (建設工程品質保證金管理暫行辦法) issued jointly by MOC and MOF on 12 January 2005 and became effective on the same date, Administrative Measures for Completion Acceptance Record of Building Construction and Municipal Infrastructure Projects (房屋建築和市政基礎設施工程竣工驗收備案管理辦法) issued by MOHURD on 19 October 2009 and became effective on the same date, Measures for Quality Warranty of Building Construction Projects (房屋建築工程品質保修辦法) issued by MOC on 30 June 2000 and became effective on the same date, Measures for Completion Acceptance of Port Works (港口工程竣工驗收辦法) promulgated by MOT on 12 April 2005 which became effective on 1 June 2005 and amended on 5 September 2014 and Measures for Completion (Delivery) Acceptance of Highway Works (公路工程竣(交)工驗收辦法) promulgated by MOT on 31 March 2004 and became effective on 1 October 2004, and its Implement which is promulgated on 1 May 2010.

According to the Regulation on Quality Management of Construction Projects, all the building, surveying, designing, construction and supervision units shall be responsible for the quality of the construction projects. The competent administrative department of construction at or above county level is the competent authority for quality supervision and management of construction projects.

Work Safety Management

Major laws and regulations on work safety during the project contracting process include Work Safety Law of the People's Republic of China (中華人民共和國安全生產法) promulgated by the SCNPC on 29 June 2002 which became effective on 1 November 2002, and amended on 31 August 2014 which amendment became effective on 1 December 2014, Regulation on Work Safety Management of Construction Projects (建設工程安全生產管理例) promulgated by State Council on 24 November 2003 which became effective on 1 February 2004, Regulation on Work Safety Licences (安全生產許可證例) by State Council on 13 January 2004 and became effective on the same date, and amended on 29 July 2014 which amendment became effective on the same date. Interim Regulation of Penalty and Fine on Regulation on Work Safety Accident Report and Investigation (生產安全事故報告和調查處理條例罰款處罰暫行規定) promulgated

by State Council on 12 July 2007 which became effective on the same date, and amended on 2 April 2015 which amendment became effective on 1 May 2015, and Administrative Provisions on Work Safety Licences of Construction Enterprises (建築施工企業安全生產授權管理規定) issued by MOC on 5 July 2004 and became effective on the same date and amended on 22 January 2015.

In accordance with the Work Safety Law of the People's Republic of China, Regulation on Work Safety Licences and other related regulations, the state implements the work safety license system to construction enterprises. Any enterprise failing to obtain the work safety license shall not carry out production activity. In accordance with the Regulation on Work Safety Management of Construction Projects, all the building, surveying, designing, construction and supervision units shall be responsible for the work safety of construction projects. For general contracting projects, the general contractor shall assume full responsibility for the work safety of the construction site, and the subcontractor shall be jointly liable for the work safety of the subcontracted portions of work.

Environmental Protection Management

Major laws and regulations on environmental protection during the project construction process include the Environmental Protection Law of the People's Republic of China (中華人民共和國環境保護法) amended by SCNPC on 24 April 2014 which became effective on 1 January 2015, Law on Environmental Impact Assessment of the People's Republic of China (中華人民共和國環境影響評價法) promulgated by SCNPC on 28 October 2002 which became effective on 1 September 2003, Administrative Regulations on Environmental Protection of Construction Projects (建設項目環境保護管理條例) issued by State Council on 29 November 1998 and became effective on the same date, and Administrative Measures for Environmental Protection Acceptance of Construction Projects upon Completion (建設專案竣工環境保護驗收管理辦法) promulgated by SEPA on 27 December 2001 which became effective on 1 February 2002 and amended on 22 December 2010 which amendment became effective on the same date.

In accordance with the provisions of the Administrative Regulations on Environmental Protection of Construction Projects and Administrative Measures for Environmental Protection Acceptance of Construction Projects upon Completion, the PRC government implements the system of environmental impact assessment on construction projects. After the completion of a construction project, the competent administrative department of environmental protection will undergo an environmental protection acceptance process and assess whether the construction project has met the requirements for environmental protection.

Qualification of a Real Estate Developer

Under the Provisions on Administration of Qualifications of Real Estate Developers (房地產開發企業資質管理規定) promulgated by MOC on 29 March 2000 and amended on 4 May 2015 which amendment became effective on the same date, a real estate developer must apply for a qualification classification certificate. An enterprise may not engage in the development and operation of properties without a qualification classification certificate for real estate development. MOC is in charge of monitoring the qualifications of all real estate developers within the PRC, and local real estate development authorities at or above the county level are in charge of monitoring the qualifications of local real estate developers.

Engaging in real estate development and operation by a developer without obtaining the required provisional or formal qualification certificate, or by overstepping its qualification class, may result in a fine ranging from RMB50,000 to RMB100,000. If the developer fails to rectify within the specified time limit, the authorities shall revoke the qualification certificate, and submit the matters to administrative authorities for industry and commerce for the revocation of the business license. Pursuant to the Provisions on Administration of Qualifications, the qualification of a real estate developer should be annually inspected.

Labour

Employment Contracts

The Labour Contract Law (勞動合同法), promulgated by the SCNPC on 29 June 2007, which became effective on 1 January 2008 and was amended on 28 December 2012 and became effective on 1 July 2013, governs the relationship between employers and employees and provides for specific provisions in relation to the terms and conditions of an employee contract. The Labour Contract Law stipulates that employee contracts shall be in writing and signed. It imposes more stringent requirements on employers in relation to entering into fixed-term employment contracts, hiring of temporary employees and dismissal of employees. Pursuant to the Labour Contract Law, employment contracts lawfully concluded prior to the implementation of the Labour Contract Law and continuing as at the date of its implementation shall continue to be performed. Where an employment relationship was established prior to the implementation of the Labour Contract Law, but no written employment contract was concluded, a contract shall be concluded within one month after its implementation.

Employee Funds

Under applicable PRC laws, regulations and rules, including the Social Insurance Law (社會保險法), promulgated by the SCNPC on 28 October 2010, which became effective on 1 July 2011, the Interim Regulations on the Collection and Payment of Social Insurance Premiums (社會保險費徵繳暫行條例), promulgated by the State Council on 22 January 1999, which became effective on 22 January 1999, and Administrative Regulations on the Housing Provident Fund (住房公積金管理條例), promulgated by the State Council on 3 April 1999, which became effective on 3 April 1999 and as amended on 24 March 2002, employers are required to contribute, on behalf of their employees, to a number of social security funds, including funds for basic pension insurance, unemployment insurance, basic medical insurance, occupational injury insurance, maternity leave insurance, and to housing provident funds. These payments are made to local administrative authorities and any employer who fails to contribute may be fined and ordered to pay the outstanding amount within a stipulated time period.

Regulations Regarding Overseas Investment, Financing and Acquisition Activities

MOFCOM Supervision

The Ministry of Commerce of the PRC ("**MOFCOM**") issued the new version of the Overseas Investment Administration Rules (境外投資管理辦法) on 6 September 2014, effective from 6 October 2014 (the "**New Overseas Investment Rules**"). Under the New Overseas Investment Rules, a domestic enterprise intending to carry out any overseas investment shall report to the competent department of commerce for verification or filing and the competent department of commerce shall, with regard to an enterprise so verified or filed, issue thereto an Enterprise Overseas Investment Certificate (企業境外投資證書). If two or more enterprises make a joint investment to establish an overseas enterprise, the larger (or largest) shareholder shall be responsible for the verification or filing procedure after obtaining written consent of other investing parties.

An enterprise that intends to invest in a sensitive country or region or a sensitive industry shall apply for the verification by MOFCOM. "Sensitive countries and regions" mean those countries without a diplomatic relationship with the PRC, or subject to the UNSC sanctions or otherwise under the list of verified countries and regions published by MOFCOM from time to time. "Sensitive industries" mean those industries involving the products and technologies which are restricted from being exported, or affecting the interests of more than one country (or region). In accordance with the New Overseas Investment Rules, a central enterprise shall apply to MOFCOM for verification and MOFCOM shall, within 20 working days after accepting such application, decide whether or not the verification is granted. For a local enterprise, it shall apply through the provincial department of commerce to MOFCOM for such verification. The provincial department of commerce shall give a preliminary opinion within 15 working days after accepting such local enterprise's application and submit all application documents to MOFCOM, while MOFCOM shall decide whether or not the verification is granted within 15 working days of receipt of such preliminary opinion from the provincial department of commerce. Upon verification, the Enterprise Overseas Investment Certificate shall be issued to the investing enterprise by MOFCOM.

Other than those overseas investments subject to MOFCOM verification as described above, all other overseas investments are subject to a filing procedure. The investing enterprise shall complete the filing form through the Overseas Investment Management System, an online system maintained by MOFCOM and print out a copy of such filing form for stamping with the company chop, and then submit such stamped filing form together with a copy of its business licence, for filing at MOFCOM (for a central enterprise (中央企業)) or the provincial department of commerce (for a local enterprise) respectively.

Where the filing form is found to be truthful, complete and in compliance certain requirements, MOFCOM or the provincial department of commerce shall accept the filing and issue the Enterprise Overseas Investment Certificate within three working days of receipt of such filing form.

The investing enterprise must carry out the investment within two years of the date of the relevant Enterprise Overseas Investment Certificate, otherwise such certificate will automatically become invalid and a new filing or verification application has to be made by the investing enterprise. In addition, if any item specified in such certificate is changed, the investing enterprise shall make the change of registration at MOFCOM or the provincial department of commerce (as the case may be).

If an overseas invested company carries out a re-investment activity offshore, the investing enterprise shall report such re-investment activity to MOFCOM or the provincial department of commerce (as the case may be) after the legal process of the investment is completed offshore. The investing enterprise shall complete and print out a copy of the Overseas Chinese-invested Enterprise Re-investment Report Form (境外中資企業再投資報告表) from the Overseas Investment Management System and stamp and submit such form to MOFCOM or the provincial department of commerce.

FOREIGN EXCHANGE ADMINISTRATION

SAFE issued the Administrative Measures for Foreign Debt Registration (外債登記管理辦法) (the "**Foreign Debt Registration Measures**") on 28 April 2013, which came into effect on 13 May 2013 and was amended on 4 May 2015. According to the Foreign Debt Registration Measures, the debtor shall submit foreign debt registration when borrowing foreign debts in accordance with laws and regulations. For the domestic debtors besides financial institutions and banks ("**Non-Bank Debtors**"), they shall submit filing or registration procedures of foreign debts with the local counterparts of SAFE. According to the Operation Guidelines for Administration of Foreign Debt Registration (外債登記管理操作指引) promulgated together with Foreign Debt Registration Measures, Non-Bank Debtors shall complete foreign debt registration procedure within 15 working days after execution of related deeds of foreign debts.

According to Notice of the State Administration of Foreign Exchange on Further Simplifying and Improving the Foreign Exchange Management Policies for Direct Investment (國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知) effective from 1 June 2015, the banks will review and carry out foreign exchange registration under overseas direct investment directly, and the SAFE and its branches shall implement indirect supervision over foreign exchange registration of direct investment via the banks. The domestic institution may select the banks in the places where they are registered for carrying out foreign exchange registration before proceeding with such operations as opening of the direct investment related account and fund remittance/settlement (including outbound remittance or inbound remittance of profits and dividends).

NDRC Supervision

On 26 December 2017, NDRC issued the Administrative Measures for the Outbound Investment by Enterprises (the "**Administrative Measures for the Outbound Investment by Enterprises**") which became effective on 1 March 2018. According to the Administrative Measures for the Outbound Investment by Enterprises, to make an outbound investment, any investor shall go through such formalities as the approval and filing for the outbound investment project, the reporting of relevant information, and the cooperation in the supervision and inspection over the outbound investment. Projects subject to approval are sensitive projects to be carried out by investors either directly or through overseas enterprises controlled thereby and the approval authority is NDRC; Projects subject to filing are non-sensitive projects

directly carried out by investors, namely the non-sensitive projects involving the direct investment of assets and equities or the provision of financing or guarantees. For a project requiring filing, the authority in charge of filing is (i) NDRC, if the investor is a centrally administered enterprise (a centrally administered financial enterprise or an enterprise directly subordinate to the administration by the State Council or its subordinate organ, the same below); (ii) NDRC, if the investor is a local enterprise and the amount of Chinese investment is USD0.3 billion or above; and (iii) the provincial development and reform authority at the place where the investor is registered, if the investor is a local enterprise and the amount of Chinese investment is less than USD0.3 billion. Investment projects to be carried out in Hong Kong and/or the Macao Special Administrative Region shall be governed by the Administrative Measures for the Outbound Investment by Enterprises.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

DIRECTORS

The board of directors of the Company consists of five members, including a chairman and four directors. The board of directors determines major matters of the Company and is primarily responsible for implementing the decisions of and reporting to Zhenjiang SASAC and determining the business plans and investment proposals, making the annual financial budget plans and major financing and restructuring plans, determining the management structure of the Company and appointing the general manager and other senior management of the Company.

The following table sets forth the Company's directors as at the date of the Offering Circular:

Name	Age	Position
Chen Zhenkuan (陳振寬)	41	Chairman
Tian Miaoqing (田苗青)	51	Director
Zhao Peng (趙鵬)	45	Director and general manager
Wang Peigang (王培剛)	54	Director
Lu Ping (陸平)	57	Director

Mr. Chen Zhenkuan (陳振寬) has been the chairman of the Company since April 2020 and is also the chairman of Jiangsu Hanrui Construction Group Co., Ltd. (江蘇瀚瑞建設集團有限公司). Mr. Chen previously served as deputy general manager in Zhenjiang New District Urban Management Bureau and New District Greening Company (鎮江新區城管局兼新區綠化公司), director of comprehensive department of Zhenjiang Mountain Scenic Area Management Committee (鎮江圌山風景區管委會), director of comprehensive department of New District Public Construction Development Company (新區公用建設發展公司), director of engineering department of New District Urban Construction Investment Company (新區城市建設投資公司), general manager of Jiangsu Dingxin Construction Project Management Co., Ltd. (江蘇鼎新建設項目管理有限公司), deputy general manager of Hanrui Construction Group Co., Ltd., deputy general manager and general manager of Jiangsu Hanrui Railway Investment Development Co., Ltd. (江蘇瀚瑞鐵路投資發展有限公司), deputy general manager of Zhenjiang Xinnong Development Investment Co., Ltd. (鎮江新農發展投資有限公司). Mr. Chen is a senior engineer and holds a bachelor's degree.

Mr. Tian Miaoqing (田苗青) has been the Director of the Company since April 2020. Mr. Tian is a member of the communist party committee and the deputy general manager of Jiangsu Hanrui Investment Holdings Co., Ltd. (江蘇瀚瑞投資控股有限公司). Mr. Tian previously served as deputy general manager and chairman of Zhenjiang New Area SME Financing Guarantee Co., Ltd. (鎮江新區中小企業融資擔保有限公司), deputy general manager of Zhenjiang New Area Golden Port Rural Microfinance Co., Ltd. (鎮江新區金港農村小額貸款有限公司), general manager of Jiangsu Hanrui Financial Holding Investment Co., Ltd., member of the communist party committee and executive deputy manager of Jiangsu Dagang Co., Ltd (江蘇大港股份有限公司). Mr. Tian holds a bachelor's degree.

Mr. Zhao Peng (趙鵬) has been the Director and general manager of the Company since April 2020 and is the general manager of Jiangsu Hanrui Construction Group Co., Ltd. (江蘇瀚瑞建設集團有限公司). Mr. Zhao previously served as deputy director of engineering department, director of Real Estate Development Division of Jiangsu Dagang Co., Ltd., deputy general manager of Zhenjiang Port Development Group Co., Ltd. (鎮江市港口發展集團有限公司), general manager of Zhenjiang Gangrun Property Co., Ltd. (鎮江港潤物業有限責任公司), deputy director of engineering department of Zhenjiang New District Urban Construction Investment Co., Ltd. (鎮江新區城市建設投資有限公司), deputy director of the Industrial Management Center of Zhenjiang New Area Economic Development Corporation (鎮江新區經濟開發總公司), deputy general manager of Zhenjiang New Area Transportation Construction Investment Co., Ltd. (鎮江新區交通建設投資有限公司), general manager of Jiangsu Zhenjiang Ruicheng Real Estate Development Co., Ltd. (江蘇鎮江瑞城房地產開發有限公司), deputy general manager of Jiangsu Hanrui Construction Group Co., Ltd. Mr. Zhao is a senior engineer and holds a bachelor's degree.

Mr. Wang Peigang (王培剛) has been the Director of the Company since April 2020. He is also the president and director of Shanghai Gimpo Urban Development Equity Investment Fund Management Co., Ltd. (上海金浦城市發展股權投資基金管理有限公司). Mr. Wang previously served as general manager of the international business department and president of the investment bank of China Construction Bank Jiangsu Lianyungang branch (建設銀行江蘇省連雲港分行), deputy general manager of the corporate department and international business department of China CITIC Bank Shanghai branch (中信銀行上海分行), and became a partner and chief executive officer of Haifu Jinhui (Tianjin) Capital Management Enterprise (海富金匯(天津)資本管理企業) in 2009, and served as director of the office of the Shanghai Gimpo Urban Development Equity Investment Fund Management Co., Ltd. since 2010. Mr. Wang holds a master's degree.

Mr. Lu Ping (陸平) has been the Director of the Company since April 2020. Mr. Lu is a member of the Party Committee and vice president of the Nanjing Branch of the Agricultural Bank of China, Jiangsu Province (中國農業銀行江蘇省南京分行). Mr. Lu previously served as clerk, staff member, and deputy chief staff member of the Industrial Credit Division of Jiangsu Branch of Agricultural Bank of China (中國農業銀行江蘇省分行), chief and general manager of Credit Management Department of the Business Department of Agricultural Bank of China Jiangsu Branch, member of the Party Committee, vice president of Yangzhou Branch of Jiangsu Province, deputy general manager of the business department of Agricultural Bank of China Jiangsu Branch (中國農業銀行江蘇省揚州分行).

SUPERVISORS

The board of supervisors is responsible for monitoring the Company's financial matters and overseeing the actions of the board of directors and the management of the Company. The board of supervisors currently consists of five supervisors.

The following table sets forth the Company's board of supervisors as at the date of the Offering Circular:

Name	Age	Position
Zong Zehui (宗澤會)	47	Chairman
Chen Guangyu (陳廣宇)	49	Supervisor
Zhu Yu (朱煜)	32	Supervisor
Ding Hui (丁慧)	39	Employee representative supervisor
Ma Zhihong (馬志紅)	46	Employee representative supervisor

Mr. Zong Zehui (宗澤會) has been the chairman of the board of supervisors of the Company since April 2020. Mr. Zong is the head of the discipline inspection team of the Internal Control and Compliance Supervision Department of Jiangsu Hanrui Investment Holdings Co., Ltd. Mr. Zong previously served as a section chief, deputy general manager, and general manager of Zhenjiang Economic Development Zone Public Utilities Co., Ltd. (鎮江經濟開發區公用事業有限責任公司), deputy general manager of Zhenjiang New Area Public Utilities Development Co., Ltd. (鎮江新區公用建設發展有限公司), and general manager of Zhenjiang Xinnong Development Investment Co., Ltd. (鎮江新農發展投資有限公司).

Mr. Chen Guangyu (陳廣宇) has been a supervisor of the Company since April 2020. Mr. Chen previously served as project manager of information technology department of Shanghai Pudong Development Bank (上海浦東發展銀行), executive deputy general manager of Shanghai Jiaji Express Co., Ltd. (上海佳吉快運有限公司常務副總經理), general manager of CIO and Shanghai Bangzhen Technology Development Co., Ltd. (上海邦震科技發展有限公司), investment vice president and manager of Investment Department of Shanghai Jiayi Venture Capital Co., Ltd. (上海嘉懿創業投資有限公司), director of Gimpo Industry Business Director of Investment Fund Management Co., Ltd. (金浦產業投資基金管理有限公司), director of Xinjiang Meike Chemical Co., Ltd. (新疆美克化工股份有限公司), deputy general manager of Shanghai Gimpo Urban Development Equity Investment Fund Management Co., Ltd. (上海金浦城市發展股權投資基金管理有限公司). Mr. Chen holds a master's degree.

Mr. Zhu Yu (朱煜) has been a supervisor of the Company since April 2020. Mr. Zhu is the deputy director of the Strategic Development Operation Department of Jiangsu Hanrui Investment Holding Co., Ltd. Mr. Zhu previously served as a staff member of Yamaha Engine Intelligent Machine (Suzhou) Co., Ltd. (雅馬哈發動機智能機器(蘇州)有限公司), a staff member of the Investment Department of Jiangsu Hanrui Investment Holding Co., Ltd.

Ms. Dinghui (丁慧) has been a supervisor of the Company since April 2020 and is the director of general Department of Jiangsu Hanrui Investment Holdings Co., Ltd. Ms. Ding previously served as a staff member and deputy general manager of the engineering department of Jiangsu Dagang Co., Ltd., deputy general manager of Zhenjiang Port Development Group Co., Ltd., and head of the comprehensive department of Zhenjiang New Area Transportation Construction Investment Co., Ltd. (鎮江新區交通建設投資有限公司). Ms. Ding holds a bachelor's degree.

Ms. Ma Zhihong (馬志紅) has been a supervisor of the Company since April 2020 and is the director of Engineering Management Center of Jiangsu Hanrui Construction Group Co., Ltd. Ms. Ma previously served as a staff member of the Zhenjiang Runyang Transportation Engineering Office (鎮江潤揚交通工程處), a staff member of the Zhenjiang New Area Economic Development Corporation (鎮江新區經濟開發公司), and the head of the operation and development department of Zhenjiang New Area Urban Construction Investment Co., Ltd (鎮江新區城市建設投資有限公司). Ms. Ma is a senior engineer and holds a master's degree.

SENIOR MANAGEMENT

The following table sets forth the Company's senior management as at the date of the Offering Circular:

Name	Age	Position
Zhao Peng (趙鵬)	45	Director and general manager
Li Zhenhai (李振海)	50	Deputy general manager
Wang Chengli (王成立)	33	Deputy general manager
Qiu Chengbin (邱成彬)	52	Deputy general manager

Mr. Zhao Peng (趙鵬) has been a general manager of the Company since April 2020. For Mr. Zhao's biography, see "*Directors*" above.

Mr. Li Zhenhai (李振海) has been a deputy general manager of the Company since April 2020. Mr. Li previously served as minister of Jiangsu Dagang Co., Ltd., minister of engineering department of Zhenjiang New District Urban Construction Investment Co., Ltd., and director of safety supervision department of Hanrui Investment Holdings Co., Ltd. In August 2019, he served as the deputy general manager of Jiangsu Hanrui Construction Group Co., Ltd.

Mr. Wang Chengli (王成立) has been a deputy general manager of the Company since January 2021. Mr. Wang previously served as staff of Jiangsu Xinrong Shipbuilding Co., Ltd. (江蘇欣榮船舶修造有限公司), director of the human resources department, chairman of the Sub-union of Shanghai Waigaoqiao Shipbuilding & Offshore Engineering Co., Ltd. (上海外高橋造船海洋工程有限公司), director of the Investment Promotion Office of the Headquarters Economic Office of Jingkou District (京口區總部經濟辦公室), director of the Business Service Center of Dashikou Street Office in Jingkou District (京口區大市口街道辦經服中心), director of the Party and Government Office of Dashikou Street, Jingkou District (京口區大市口街道黨政辦) and head of the Comprehensive Management Department of Jiangsu Hanrui Investment Holdings Co., Ltd. Mr. Wang obtained his bachelor's degree in public service management from Jiangsu University of Science and Technology (江蘇科技大學).

Mr. Qiu Chengbin (邱成彬) has been a deputy general manager of the Company since April 2020. Mr. Qiu previously served as a staff member of the Engineering Management Center of Zhenjiang New Area Economic Development Corporation, deputy chief engineer and director of the chief engineering office of Jiangsu Hanrui Construction Group Co., Ltd.

EXCHANGE RATE INFORMATION

The People's Bank of China sets and publishes daily a base exchange rate with reference primarily to the supply and demand of Renminbi with reference to a basket of currencies in the market during the prior day. On 21 July 2005, the PRC government introduced a managed floating exchange rate system to allow the value of the Renminbi to fluctuate within a regulated band based on market supply and demand and by reference to a basket of currencies. The PRC government has since made and in the future may make further adjustments to the exchange rate system. On 18 May 2007, the PBOC enlarged, effective on 21 May 2007, the floating band for the trading prices in the interbank foreign exchange spot market of Renminbi against the U.S. dollar from 0.3 per cent. to 0.5 per cent. around the central parity rate. This allows the Renminbi to fluctuate against the U.S. dollar by up to 0.5 per cent. above or below the central parity rate published by the PBOC. On 20 June 2010, the PBOC announced that it intended to further reform the Renminbi exchange rate regime by allowing greater flexibility in the Renminbi exchange rate and on 16 April 2012, the band was expanded to 1.0 per cent. The band was further expanded to 2.0 per cent. on 14 March 2014. On 11 August 2015, the PBOC announced to improve the central parity quotations of Renminbi against the U.S. dollar by authorising market-makers to provide central parity quotations to the China Foreign Exchange Trading Centre (the "**CFETS**") daily before the opening of the interbank foreign exchange market with reference to the interbank foreign exchange market closing rate of the previous day, the supply and demand for foreign exchange as well as changes in major international currency exchange rates. Following the announcement by the PBOC on 11 August 2015, Renminbi depreciated significantly against the U.S. dollar. On 11 December 2015, CFETS, a sub-institutional organisation of the PBOC, published the CFETS Renminbi exchange rate index for the first time which weighs the Renminbi based on 13 currencies, to guide the market in order to measure the Renminbi exchange rate from a new perspective. In January and February 2016, Renminbi experienced further fluctuations in value against the U.S. dollar. From 1 January 2017, according to the sampling rule of "CNY versus FX currency pair listed on CFETS", CFETS will add 11 currencies newly listed on CFETS in 2016 and the number of basket currencies will increase from 13 to 24. Following the gradual appreciation against U.S. dollar in 2017, Renminbi experienced a recent depreciation in value against U.S. dollar followed by a fluctuation in 2018 and early 2019. On 5 August 2019, the PBOC set the Renminbi's daily reference rate above RMB7 per U.S. dollar for the first time in over a decade amidst an uncertain trade and global economic climate. The PRC government may adopt further reforms of its exchange rate system, including making the Renminbi freely convertible in the future.

The following table sets forth the exchange rate of the Renminbi against the U.S. dollar for the periods presented.

	Noon buying rate[1]			
Period	**Low**	**Average[2]**	**High**	**Period End**
	RMB per U.S.$1.00			
2015	6.1870	6.2869	6.4896	6.4778
2016	6.4480	6.6549	6.9580	6.9430
2017	6.4773	6.7350	6.9575	6.5063
2018	6.2649	6.6292	6.9737	6.8755
2019	6.6822	6.9014	7.1786	6.9618
2020	6.5208	6.8878	7.1681	6.5250
October	6.6503	6.7254	6.7898	6.6919
November	6.5556	6.6029	6.6899	6.5760
December	6.5208	6.5393	6.5705	6.5250
2021				
January	6.4282	6.4672	6.4822	6.4282
February	6.4344	6.4601	6.4869	6.4730
March	6.4648	6.5108	6.5716	6.5518
April	6.4710	6.5186	6.5645	6.4749
May (through 7 May)	6.4310	6.4638	6.4749	6.4310

Notes:

1. Exchange rates between Renminbi and U.S. dollar represent the noon buying rates as set forth in the H.10 statistical release of the Federal Reserve Board.

2. Annual averages have been calculated from month-end rate. Monthly averages have been calculated using the average of the daily rates during the relevant period.

TAXATION

The following summary of certain tax consequences of the purchase, ownership and disposition of the Bonds is based upon applicable laws, regulations, rulings and decisions in effect as at the date of this Offering Circular, all of which are subject to change (possibly with retroactive effect). This discussion does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Bonds and does not purport to deal with consequences applicable to all categories of investors, some of which may be subject to special rules. Neither these statements nor any other statements in this Offering Circular are to be regarded as advice on the tax position of any Bondholder or any persons acquiring, selling or otherwise dealing in the Bonds or on any tax implications arising from the acquisition, sale or other dealings in respect of the Bonds. Persons considering the purchase of the Bonds should consult their own tax advisors concerning the possible tax consequences of buying, holding or selling any Bonds under the laws of their country of citizenship, residence or domicile.

HONG KONG

Withholding Tax

No withholding tax is payable in Hong Kong in respect of payments of principal or interest on the Bonds or in respect of any capital gains arising from the sale of the Bonds.

Profits Tax

Hong Kong profits tax is chargeable on every person carrying on a trade, profession or business in Hong Kong in respect of profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets).

Interest on the Bonds may be deemed to be profits arising in or derived from Hong Kong from a trade, profession or business carried on in Hong Kong in the following circumstances:

(i) interest on the Bonds is derived from Hong Kong and is received by or accrues to a corporation carrying on a trade, profession or business in Hong Kong;

(ii) interest on the Bonds is derived from Hong Kong and is received by or accrues to a person, other than a corporation, carrying on a trade, profession or business in Hong Kong and is in respect of the funds of that trade, profession or business;

(iii) interest on the Bonds is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance (Cap. 112) of Hong Kong (the "**IRO**")) and arises through or from the carrying on by the financial institution of its business in Hong Kong; or

(iv) interest on the Bonds is received by or accrues to a corporation, other than a financial institution, and arises through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO).

Sums received by or accrued to a financial institution by way of gains or profits arising through or from the carrying on by the financial institution of its business in Hong Kong from the sale, disposal and redemption of Bonds will be subject to Hong Kong profits tax. Sums received by or accrued to a corporation, other than a financial institution, by way of gains or profits arising through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO) from the sale, disposal or other redemption of Bonds will be subject to Hong Kong profits tax.

Sums derived from the sale, disposal or redemption of Bonds will be subject to Hong Kong profits tax where received by or accrued to a person, other than a financial institution, who carries on a trade, profession or business in Hong Kong and the sum has a Hong Kong source unless otherwise exempted. The source of such sums will generally be determined by having regard to the manner in which the Bonds are acquired and disposed of.

In certain circumstances, Hong Kong profits tax exemptions (such as concessionary tax rates) may be available. Investors are advised to consult their own tax advisors to ascertain the applicability of any exemptions to their individual position.

Stamp Duty

No Hong Kong stamp duty will be chargeable upon the issue or transfer of a Bond.

PRC

The following summary accurately describes the principal PRC tax consequences of ownership of the Bonds by beneficial owners who, or which, are not residents of mainland China for PRC tax purposes. These beneficial owners are referred to as non-PRC Bondholders in this "Taxation – PRC" section. In considering whether to invest in the Bonds, investors should consult their individual tax advisors with regard to the application of PRC tax laws to their particular situations as well as any tax consequences arising under the laws of any other tax jurisdiction. Reference is made to PRC taxes from the taxable year beginning on or after 1 January 2008.

EIT and IIT

Pursuant to the EIT Law, the IIT Law and the implementation regulations in relation to both the EIT Law and the IIT Law, PRC income tax at a rate of 10 per cent. or 20 per cent. is normally applicable to PRC-source income derived by non-resident enterprises or individuals, respectively, subject to adjustment by applicable treaty. As the Group is a PRC resident enterprise for tax purposes, interest paid to non-resident Bondholders may be regarded as PRC-sourced, and therefore be subject to PRC income tax at a rate of 10 per cent. for non-resident enterprise Bondholders and at a rate of 20 per cent. for non-resident individual Bondholders (or a lower treaty rate, if any).

Such income tax shall be withheld by the Issuer that is acting as the obligatory withholder and such PRC enterprise shall withhold the tax amount from each payment or payment due. To the extent that the PRC has entered into arrangements relating to the avoidance of double taxation with any jurisdiction, such as Hong Kong, that allow a lower rate of withholding tax, such lower rate may apply to qualified non-PRC resident enterprise Bondholders.

Under the EIT Law and its implementation rules, any gains realised on the transfer of the Bonds by holders who are deemed under the EIT Law as non-resident enterprises may be subject to PRC enterprise income tax if such gains are regarded as income derived from sources within the PRC. Under the EIT Law, a "non-resident enterprise" means an enterprise established under the laws of a jurisdiction other than the PRC and whose actual administrative organisation is not in the PRC, which has established offices or premises in the PRC, or which has not established any offices or premises in the PRC but has obtained income derived from sources within the PRC. There remains uncertainty as to whether the gains realised on the transfer of the Bonds by enterprise holders would be treated as incomes derived from sources within the PRC and be subject to PRC enterprise income tax. In addition, under the IIT Law, any individual who has no domicile and does not live within the territory of the PRC or who has no domicile but has lived within the territory of China for less than 183 days cumulatively within a tax year shall pay individual income tax for any income obtained within the PRC. There is uncertainty as to whether gains realised on the transfer of the Bonds by individual holders who are not PRC citizens or residents will be subject to PRC individual income tax. If such gains are subject to PRC income tax, the 10 per cent. enterprise income tax rate and 20 per cent. individual income tax rate will apply respectively unless there is an applicable tax treaty or arrangement that reduces or exempts such income tax. The taxable income will be the balance

of the total income obtained from the transfer of the Bonds minus all costs and expenses that are permitted under PRC tax laws to be deducted from the income. According to the Arrangement, Bondholders who are Hong Kong residents, including both enterprise holders and individual holders, will be exempted from PRC income tax on capital gains derived from a sale or exchange of the Bonds if such capital gains are not connected with an office or establishment that the Bondholders have in the PRC and all the other relevant conditions are satisfied.

VAT

On 23 March 2016, the MOF and the State Administration of Taxation (the "**SAT**") issued the Circular of Full Implementation of Business Tax to VAT Reform (關於全面推開營業税改徵增值税試點的通知, Caishui [2016] No. 36, "**Circular 36**"), which confirms that business tax will be completely replaced by VAT from 1 May 2016. Since then, the income derived from the provision of financial services which attracted business tax will be entirely replaced by and be subject to VAT.

According to Circular 36, entities and individuals providing services within the PRC are subject to VAT. The services potentially subject to VAT include the provision of financial services such as the provision of loans. Although the issuance of the Bonds is likely to be treated as financial services for VAT purposes, Circular 36 stipulates that services are treated as being provided within the PRC where either the service provider or the service recipient is located in the PRC. In connection with the issue of the Bonds, none of the Issuer and/or the Bondholders is located in the PRC.

However, Circular 36 and laws and regulations pertaining to VAT are relatively new, the interpretation and enforcement of such laws and regulations involve uncertainties, and the above statement may be subject to further change upon the issuance of further clarification rules and/or different interpretation by the competent tax authority. There is uncertainty as to the application of Circular 36.

Stamp Duty

No PRC stamp duty will be imposed on non-PRC Bondholders either upon issuance of the Bonds or upon a subsequent transfer of Bonds to the extent that the register of holders of the Bonds is maintained outside the PRC and the issuance and the sale of the Bonds is made outside of the PRC.

FATCA

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. The Group may be a foreign financial institution for these purposes. A number of jurisdictions (including Hong Kong and the PRC) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Bonds, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Bonds, are uncertain and may be subject to change.

Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Bonds, such withholding would not apply prior to the date that is two years after the publication of the final regulations defining "foreign passthru payment". Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Bonds. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Bonds, no person will be required to pay additional amounts as a result of the withholding.

SUMMARY OF PROVISIONS RELATING TO THE BONDS IN GLOBAL FORM

The Global Certificate contains provisions which apply to the Bonds in respect of which the Global Certificate is issued, some of which modify the effect of the Terms and Conditions of the Bonds set out in this Offering Circular. Terms defined in the Terms and Conditions of the Bonds have the same meaning in the paragraphs below. The following is a summary of those provisions:

The Bonds will be represented by the Global Certificate in registered form, which will be registered in the name of a nominee of, and deposited with, a common depositary for Euroclear and Clearstream, Luxembourg.

Under the Global Certificate, the Issuer, for value received, promises to pay such principal and interest on the Bonds to the holder of the Bonds on such date or dates as the same may become payable in accordance with the Terms and Conditions of the Bonds, save that the calculation is made in respect of the total aggregate amount of the Bonds represented by the Global Certificate. So long as the Bonds are represented by a Global Certificate and the relevant Global Certificate is held on behalf of a clearing system, the Issuer has promised, *inter alia*, to pay interest in respect of such Bonds from the Issue Date in arrear at the rates, on the dates for payment, and in accordance with the method of calculation provided for in the Terms and Conditions, save that the calculation is made in respect of the total aggregate amount of the Bonds represented by such Global Certificate.

Owners of interests in the Bonds in respect of which the Global Certificate is issued will be entitled to have title to the Bonds registered in their names and to receive individual definitive Certificates if either Euroclear or Clearstream, Luxembourg or any other clearing system (an "**Alternative Clearing System**") is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so. In such circumstances, the Issuer will cause sufficient individual definitive Certificates to be executed and delivered to the Registrar for completion, authentication and despatch to the relevant holders of the Bonds. A person with an interest in the Bonds in respect of which the Global Certificate is issued must provide the Registrar not less than 30 days' notice at its specified office of such holder's intention to effect such exchange and a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such individual definitive Certificates.

PAYMENT

So long as the Bonds are represented by the Global Certificate, each payment in respect of the Global Certificate will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the Clearing System Business Day immediately prior to the due date for such payments, where "**Clearing System Business Day**" means a weekday (Monday to Friday inclusive) except 25 December and 1 January.

TRUSTEE'S POWERS

In considering the interests of the Bondholders while the Global Certificate is registered in the name of a nominee for a clearing system, the Trustee may, to the extent it considers it appropriate to do so in the circumstances, but without being obliged to do so, (a) have regard to any information as may have been made available to it by or on behalf of the relevant clearing system or its operator as to the identity of its accountholders (either individually or by way of category) with entitlements in respect of the Bonds and (b) consider such interests on the basis that such accountholders were the holder of the Bonds in respect of which this Global Certificate is issued.

NOTICES

So long as the Bonds are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear or Clearstream, Luxembourg or any Alternative Clearing System, notices to the Bondholders shall be validly given by delivery of the relevant notice to Euroclear or Clearstream or the Alternative Clearing System, for communication by it to accountholders in substitution for notification as required by the Terms and Conditions of the Bonds and shall be deemed to have been given at the time of delivery to the relevant clearing system(s).

The Global Certificate shall not become valid for any purpose until authenticated by or on behalf of the Registrar.

BONDHOLDER'S REDEMPTION

The Bondholder's redemption option in Condition 7(c) may be exercised by the holder of the Global Certificate giving notice to any Principal Paying Agent of the principal amount of Bonds in respect of which the option is exercised within the time limits specified in the Conditions.

TRANSFERS

Transfers of beneficial interests in the Bonds represented by the Global Certificate will be effected through the records of Euroclear and Clearstream (or any Alternative Clearing System) and their respective participants in accordance with the rules and procedures of Euroclear and Clearstream (or any Alternative Clearing System) and their respective direct and indirect participants.

CANCELLATION

Cancellation of any Bond by the Issuer following its redemption or purchase by the Issuer and its respective Subsidiaries will be effected by reduction in the principal amount of the Bonds in the register of the Bondholders, whereupon the Registrar shall procure the making of an appropriate entry on the Schedule hereto.

MEETINGS

For the purposes of any meeting of Bondholders, the holder of the Bonds represented by the Global Certificate shall be treated as two persons for the purposes of any quorum requirements of a meeting of Bondholders and as being entitled to one vote in respect of each U.S.$1,000 in principal amount of the Bonds so produced or for which he is a proxy or representative.

SUMMARY OF CERTAIN DIFFERENCES BETWEEN PRC GAAP AND IFRS

The Group's consolidated financial statements included in this Offering Circular were prepared and presented in accordance with PRC GAAP. PRC GAAP are substantially in line with IFRS, except for certain modifications, between PRC GAAP and IFRS. The following is a general summary of certain differences between PRC GAAP and IFRS on recognition and presentation as applicable to the Group. The Group is responsible for preparing the summary below. Since the summary is not meant to be exhaustive, there is no assurance regarding the completeness of the financial information and related footnote disclosure between PRC GAAP and IFRS and no attempt has been made to quantify such differences. Had any such quantification or reconciliation been undertaken by the Group, other potentially significant accounting and disclosure differences may have required that are not identified below. Additionally, no attempt has been made to identify possible future differences between PRC GAAP and IFRS as a result of prescribed changes in accounting standards. Regulatory bodies that promulgate PRC GAAP and IFRS have significant ongoing projects that could affect future comparisons or events that may occur in the future. Accordingly, no assurance is provided that the following summary of differences between PRC GAAP and IFRS is complete.

In making an investment decision, each investor must rely upon its own examination of the Issuer and the Group, the terms of the offering and other disclosure contained herein. Each investor should consult its own professional advisers for an understanding the differences between PRC GAAP and IFRS and/or between PRC GAAP and other generally accepted accounting principles, and how those differences might affect the financial information contained herein.

ACCOUNTING YEAR

Under the PRC GAAP, the accounting year shall run from 1 January to 31 December.

IFRS requires financial statements to be presented at least annually. However, it does not specify the start or end of the financial reporting period and permits an entity to change its reporting date.

REVERSAL OF AN IMPAIRMENT LOSS

Under PRC GAAP, once an impairment loss is recognised for a long-term asset (including fixed assets, intangible assets and goodwill, etc.) it shall not be reversed in any subsequent period.

Under IFRS, an impairment loss recognised in prior periods for an asset other than goodwill could be reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount due to reversal should not be more than what the depreciated historical cost would have been if the impairment had not been recognised.

CLASSIFICATION OF EXPENSES IN THE INCOME STATEMENT/STATEMENT OF COMPREHENSIVE INCOME

Under the PRC GAAP, expenses must be classified based on their function in the income statement.

Under IFRS, enterprises may classify expenses either based on the nature of the expenses or their function in the statement of comprehensive income, depending on which format is considered reliable and more relevant.

RELATED PARTY

Under PRC GAAP, government-related entities are not treated as related parties.

Under IFRS, government-related entities are still treated as related parties.

SUBSEQUENT MEASUREMENT OF FIXED ASSETS AND INTANGIBLE ASSETS

Under PRC GAAP, only the cost model is allowed.

Under IFRS, an entity can choose either the cost model or the revaluation model as its accounting policy.

SUBSCRIPTION AND SALE

The Issuer has entered into a subscription agreement with the Joint Lead Managers dated 21 May 2021 (the "**Subscription Agreement**"), pursuant to which and subject to certain conditions contained therein, the Group has agreed to sell to the Joint Lead Managers, and the Joint Lead Managers have agreed to, severally but not jointly, subscribe and pay for, or to procure subscribers to subscribe and pay for, the aggregate principal amount of the Bonds indicated in the following table.

	Principal amount of the Bonds to be subscribed
	U.S.$
Zhongtai International Securities Limited	43,000,000
Zhongtai International Securities (Singapore) Pte. Ltd.	1,000,000
Luso International Banking Ltd.	5,500,000
JQ Securities (Hong Kong) Limited	500,000
Total	50,000,000

The Subscription Agreement provides that the Joint Lead Managers and their respective affiliates, and their respective directors, officers and employees will be indemnified against certain liabilities in connection with the offer and sale of the Bonds. The Subscription Agreement provides that the obligations of the Joint Lead Managers are subject to certain conditions precedent, and entitles the Joint Lead Managers to terminate it in certain circumstances prior to payment being made to the Issuer.

In connection with the issue of the Bonds, any of the Joint Lead Managers appointed and acting in its capacity as a Stabilisation Manager or any person acting on behalf of the Stabilisation Manager may, to the extent permitted by applicable laws and directives, over-allot the Bonds or effect transactions with a view to supporting the market price of the Bonds at a level higher than that which might otherwise prevail, but in so doing, the Stabilisation Manager or any person acting on behalf of the Stabilisation Manager shall act as principal and not as the Group's agent. However, there is no assurance that the Stabilisation Manager or any person acting on behalf of the Stabilisation Manager will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the Bonds is made and, if begun, may be ended at any time, but must end after a limited period. Any loss or profit sustained as a consequence of any such over-allotment or stabilisation shall be for the account of the Stabilisation Manager.

The Joint Lead Managers and certain of their respective subsidiaries or affiliates may perform certain investment banking and advisory services for, and enter into certain commercial banking transactions with the Issuer from time to time, for which they may receive customary fees and expenses. The Joint Lead Managers and their respective subsidiaries or affiliates may, from time to time, engage in transactions with and perform services for the Issuer in the ordinary course of business.

In connection with the offering of the Bonds, the Joint Lead Managers and/or their respective affiliate(s) may act as an investor for its own account and may take up Bonds in the offering and in that capacity may retain, purchase or sell for its own account such securities and any securities of the Issuer and may offer or sell such securities or other investments otherwise than in connection with the offering of the Bonds. Accordingly, references herein to the Bonds being "offered" should be read as including any offering of the Bonds to the Joint Lead Managers and/or their respective affiliates acting in such capacity. Such persons do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any applicable legal or regulatory requirements. The Joint Lead Managers or their respective affiliates may purchase the Bonds for its own account or for the accounts of their customers and enter into transactions, including credit derivative, such as asset swaps, repackaging and credit default

swaps relating to the Bonds and/or other securities of the Issuer at the same time as the offer and sale of the Bonds or in secondary market transactions. Such transactions would be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Bonds to which this Offering Circular relates (notwithstanding that such selected counterparties may also be purchasers of the Bonds). Should any of the foregoing transactions occur the trading price and liquidity of the Bonds may be impacted.

In the ordinary course of their various business activities, the Joint Lead Managers and their respective affiliates make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Issuer, including the Bonds and could adversely affect the trading price and liquidity of the Bonds. The Joint Lead Managers and their affiliates may make investment recommendations and/or publish or express independent research views (positive or negative) in respect of the Bonds or the Group's other financial instruments, and may recommend to their clients that they acquire long and/or short positions in the Bonds or the Group's other financial instruments.

GENERAL

The distribution of this Offering Circular or any offering material and the offering, sale or delivery of the Bonds is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Offering Circular or any offering material are advised to consult their own legal advisers as to what restrictions may be applicable to them and to observe such restrictions. This Offering Circular may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

No action has been or will be taken in any jurisdiction by the Issuer or the Joint Lead Managers that would permit a public offering, or any other offering under circumstances not permitted by applicable law, of the Bonds, or possession or distribution of this Offering Circular, any amendment or supplement thereto issued in connection with the proposed resale of the Bonds or any other offering or publicity material relating to the Bonds, in any country or jurisdiction where action for that purpose is required. Accordingly, the Bonds may not be offered or sold, directly or indirectly, and neither this Offering Circular nor any other offering material or advertisements in connection with the Bonds may be distributed or published, by the Issuer or the Joint Lead Managers, in or from any country or jurisdiction, except in circumstances which will result in compliance with all applicable rules and regulations of any such country or jurisdiction and will not impose any obligations on the Issuer or the Joint Lead Managers. If a jurisdiction requires that an offering of Bonds be made by a licensed broker or dealer and the Joint Lead Managers or any affiliate of the Joint Lead Managers is a licensed broker or dealer in that jurisdiction, such offering shall be deemed to be made by the Joint Lead Managers or such affiliate on behalf of the Issuer in such jurisdiction.

UNITED STATES

The Bonds have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States.

The Bonds are being offered and sold outside the United States in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of the Bonds, an offer or sale of Bonds within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Prohibition of Sales to EEA Retail Investors

Each of the Joint Lead Managers has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Bonds which are the subject of the offering contemplated by the Offering Circulars in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

    (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

    (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended or superseded, the "**Insurance Mediation Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

UNITED KINGDOM

Each of the Joint Lead Managers has represented, warranted and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**")) received by it in connection with the issue or sale of the Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

HONG KONG

Each of the Joint Lead Managers has represented, warranted and undertaken that

(i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Bonds other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

(ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Bonds, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Bonds which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

THE PEOPLE'S REPUBLIC OF CHINA

Each of the Joint Lead Managers has represented, warranted and undertaken that the Bonds are not being offered or sold and may not be offered or sold, directly or indirectly, in the PRC (for such purposes, not including Hong Kong and the Macau Special Administrative Region or Taiwan), except as permitted by applicable laws of the PRC.

SINGAPORE

Each of the Joint Lead Managers has acknowledged that this Offering Circular has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each of the Joint Lead Managers has represented, warranted and undertaken that it has not offered or sold any Bonds or caused the Bonds to be made the subject of an invitation for subscription or purchase and will not offer or sell any Bonds or cause the Bonds to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Bonds, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Bonds are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interests (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Bonds pursuant to an offer made under Section 275 of the SFA except:

(i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) as specified in Section 276(7) of the SFA; or

(v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

*Singapore SFA Product Classification: In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Group has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Bonds are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).*

JAPAN

The Bonds have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**Financial Instruments and Exchange Act**"). Accordingly, each of the Joint Lead Managers has represented, warranted and undertaken that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Bonds in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

GENERAL INFORMATION

1. **Clearing System:** The Bonds have been accepted for clearance through Euroclear and Clearstream under Common Code 234114255, the ISIN XS2341142557 and the Legal Entity Identifier 300300O72TAHCPXTEL23.

2. **Authorisations:** The Group has obtained all necessary consents, approvals and authorisations in connection with the issue and performance of its obligations under the Bonds, the Trust Deed and the Agency Agreement. The issue of the Bonds was authorised by a resolution of the Issuer's board of directors dated 29 April 2021 and a resolution of the Issuer's shareholders dated 29 April 2021.

3. **No Material and Adverse Change:** Save as disclosed in this Offering Circular, there has been no material adverse change, or any development or event involving a prospective change, in the condition (financial or other), prospects, results of the Group's operations or general affairs since 31 December 2020.

4. **Litigation:** The Group is not involved in any litigation or arbitration proceedings which could have a material and adverse effect on their businesses, results of operations and financial condition nor are the Group aware that any such proceedings are pending or threatened.

5. **Available Documents:** Copies of the Group's Audited financial statements, the Trust Deed and the Agency Agreement relating to the Bonds will be available for inspection from the Issue Date at the Group's registered office at Building 1, Tongduya Apartment Dagang, Zhenjiang New Area, Zhenjiang City, Jiangsu Province, PRC. Copies of the Trust Deed, the Agency Agreement and the Standby Letter of Credit will be available for inspection at all reasonable times during normal business hours (being between 9.00 a.m. (Hong Kong time) and 3.00 p.m. (Hong Kong time), Monday to Friday (other than public holidays)) by the Bondholders at the principal office of the Trustee (being as at the date of this Offering Circular at 20/F, CCB Tower, 3 Connaught Road Central, Central, Hong Kong) and at the specified office of the Principal Paying Agent, in each case following prior written request and proof of identity and holding to the satisfaction of the Trustee or, as the case may be, the Principal Paying Agent.

6. **Financial Statements:** the Group's Audited Financial Statements, which are included elsewhere in this Offering Circular, have been audited by, Suya Jincheng, the Group's independent auditor, as stated in its report appearing herein.

7. **Listing of Bonds:** Application will be made to the HKSE for the listing of, and permission to deal in the Bonds by way of debt issue to Professional Investors only and such permission is expected to become effective on or about 27 May 2021.

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Zhenjiang New Area Urban Construction Investment CO., LTD.

Auditors' Report

SYZCPA20210052

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Translation of a report originally issued in Chinese based on our work performed in accordance with the audit regulations in force in China. In the event of a discrepancy, the Chinese-language version prevails.

AUDITOR'S REPORT

SYZCPA20210052

To the shareholders of Zhenjiang New Area Urban Construction Investment CO., LTD.:

Opinion

We have audited the financial statements of Zhenjiang New Area Urban Construction Investment CO., LTD. (hereinafter referred to as the "Company"), which comprise the consolidated balance sheet and balance sheet as at 31 December 2020, consolidated income statement and income statement, consolidated cash flow statement and cash flow statement, consolidated statement of changes in owners' equity and statement of changes in owners' equity for the year then ended; and notes to the financial statements.

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

Basis for Opinion

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

basis for our opinion.

Other Information

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and those Charged with Governance for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements that give a true and fair view in accordance with the disclosure requirements of Accounting Standards for Business Enterprises, and designing, implementing and maintaining internal control that is necessary to ensure the financial statements are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors. Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the

disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Suya Jincheng Certified Public Accountants LLP

Nanjing, China

Hengqing Wu

Certified Public Accountant of China

Sixin Chang

Certified Public Accountant of China

April 25, 2021

Consolidated Balance Sheet

As at December 31, 2020

Prepared by： Zhenjiang New Area Urban Construction Investment CO., LTD　　Monetary Unit:CNY

Assets	Note	Balance as at December 31, 2020	Balance as at December 31, 2019
Current Assets:			
Cash and cash equivalents	V.1	2,318,365,959.32	3,383,630,593.34
Financial assets measured at fair value through current profit or loss		-	-
Derivative financial assets		-	-
Notes receivable	V.2	24,101,054.37	56,532,843.42
Accounts receivable	V.3	3,505,776,983.97	2,336,287,128.76
Prepayment	V.4	177,776,655.53	126,778,269.34
Other receivables	V.5	15,775,488,248.91	17,788,795,652.99
Inventories	V.6	2,549,611,009.58	2,841,955,852.73
Assets held for sale	V.7	-	492,181,590.40
Non-current assets maturing within one year	V.8	1,572,507,000.00	1,400,992,000.00
Other current assets	V.9	1,167,527,103.50	1,067,626,340.13
Total current assets		27,091,154,015.18	29,494,780,271.11
Non-current assets:		-	-
Available-for-sale financial assets	V.10	140,490,000.00	140,490,000.00
Held-to-maturity investment		-	-
Long-term receivables		-	-
Long-term equity investments	V.11	147,061,593.39	180,280,622.04
Investment properties	V.12	6,419,083,600.00	8,332,975,105.43
Fixed assets	V.13	131,228,661.82	155,845,153.41
Construction in progress	V.14	18,819,185.57	-
Productive biological assets		-	-
Oil and gas assets		-	-
Intangible assets	V.15	48,298,800.44	49,005,266.24
Development expenses		-	-
Goodwill		-	-
Long-term deferred expenses	V.16	72,029,466.60	150,072,045.37
Deferred tax assets	V.17	20,978,005.06	26,915,481.90
Other non-current assets	V.18	14,073,693,700.00	15,241,000,700.00
Total non-current assets		21,071,683,012.88	24,276,584,374.39
Total of assets		48,162,837,028.06	53,771,364,645.50

Legal representative:Zhenkuan Chen　Person in charge of accounting affairs:Zhenkuan Chen　Person in charge of accounting department：Hui Zhang

Consolidated Balance Sheet

As at December 31, 2020

Prepared by： Zhenjiang New Area Urban Construction Investment CO., LTD　　Monetary Unit:CNY

Liabilities and owners' equity	Note	Balance as at December 31, 2020	Balance as at December 31, 2019
Current Liabilities:			
Short-term loans	V.20	1,667,960,000.00	1,598,759,774.00
Financial liabilities measured at fair value through current profit or loss		-	-
Derivative financial liabilities		-	-
Notes payable	V.21	500,130,000.00	657,337,500.00
Accounts payable	V.22	1,710,952,393.59	1,654,381,895.17
Advances from customers	V.23	919,004,239.41	2,365,707,554.76
Employee benefits payable	V.24	5,099,816.80	6,597,045.94
Taxes and surcharges payable	V.25	112,492,337.58	188,485,911.34
Other payables	V.26	812,637,623.96	1,326,836,926.77
Held-for-sale liabilities		-	-
Non-current liabilities maturing within one year	V.27	2,752,949,676.57	4,210,314,988.35
Other current liabilities	V.28	273,670,000.00	196,730,000.00
Total current liabilities		8,754,896,087.91	12,205,151,596.33
Non-current liabilities:		-	-
Long-term loans	V.29	4,479,259,800.00	4,738,549,800.00
Bonds payable	V.30	1,614,000,000.00	3,076,000,000.00
Including: preference shares		-	-
Perpetual bonds		-	-
Long-term payables	V.31	459,894,500.67	775,794,390.47
Provisions		-	-
Deferred income	V.32	88,509,701.96	70,109,872.90
Deferred income tax liabilities	V.17	446,634,191.70	382,088,505.64
Other non-current liabilities		57,610,000.00	164,420,000.00
Total non-current liabilities		7,145,908,194.33	9,206,962,569.01
Total liabilities		15,900,804,282.24	21,412,114,165.34
Owners' equity (or shareholders' equity)		-	-
Paid-in capital	V.33	8,196,627,661.34	8,196,627,661.34
Other equity instruments		-	-
Including: preference shares		-	-
Perpetual bonds		-	-
Capital reserves	V.34	19,356,307,255.38	19,450,182,242.23
Less: treasury stock		-	-
Other comprehensive income	V.35	1,025,874,050.35	1,099,248,219.52
Special reserves		-	-
Surplus reserves	V.36	213,623,423.69	204,863,672.94
Undistributed profits	V.37	2,564,929,159.03	2,504,960,916.19
Total equity attributable to owners of the parent company		31,357,361,549.79	31,455,882,712.22
Non-controlling interests		904,671,196.03	903,367,767.94
Total owners' equity		32,262,032,745.82	32,359,250,480.16
Total liabilities and owners' equity		48,162,837,028.06	53,771,364,645.50

Legal representative:Zhenkuan Chen　Person in charge of accounting affairs:Zhenkuan Chen　Person in charge of accounting department：Hui Zhang

Consolidated Income statements

For the year ended December 31, 2020

Prepared by：Zhenjiang New Area Urban Construction Investment CO., LTD. Monetary Unit:CNY

Items	Note	Year 2020	Year 2019
1. Operating income	V.38	5,531,285,848.21	5,354,650,989.70
Less: operating costs	V.38	5,406,473,760.99	4,456,489,635.66
Taxes and surcharges	V.39	316,910,931.70	179,955,545.36
Selling and distribution expenses		861,091.00	574,768.77
General and administrative expenses	V.40	45,149,595.30	51,915,692.63
R&D expenses		-	-
Financial expenses	V.41	931,276,824.25	596,657,695.97
Including: interest expenses		1,846,489,408.03	1,303,797,748.27
Interest income		920,145,511.93	720,815,495.00
Plus: other income	V.42	479,000,000.00	431,222,896.00
Investment income ("-" for losses)	V.43	361,521,991.38	206,695,572.51
Including: income from investment in associates and joint ventures		-33,219,028.65	-31,063,944.67
Gains from changes in fair value ("-" for losses)	V.44	533,970,150.58	-338,892,552.17
Losses from asset impairment ("-" for losses)	V.45	-847,754.52	-70,955,417.87
Gains from disposal of assets("-" for losses)	V.46	12,601,981.11	2,197,096.66
2. Operating profits ("-" For Losses)		216,860,013.52	299,325,246.44
Plus: non-operating income	V.47	113,780.14	35,001.26
Less: non-operating expenses	V.48	18,746,598.20	33,851,891.48
3. Total profits before tax ("-" For Total Losses)		198,227,195.46	265,508,356.22
Less: income tax expenses	V.49	96,959,436.40	-38,721,352.83
4. Net profit ("-" For Net Loss)		101,267,759.06	304,229,709.05
4.1 Classification by operating continuity		101,267,759.06	304,229,709.05
4.1.1 Net profit from continuing operation ("-" for losses)		101,267,759.06	304,229,709.05
4.1.2 Net profit from discontinued operation ("-" for losses)		-	-
4.2 Classification by owners		101,267,759.06	304,229,709.05
4.2.1 Attributable to owners of the parent company ("-" for losses)		99,964,193.59	271,804,230.73
4.2.2 Attributable to non-controlling interests("-" for losses)		1,303,565.47	32,425,478.32
5 Net of tax from other comprehensive income	V.50	-73,374,306.55	-261,550,324.14
Net of tax from other comprehensive income to the owner of the parent company		-73,374,169.17	-261,549,901.27
5.1 Other comprehensive income cannot reclassified into the profit and loss		-	-
5.1.1 Remeasure the variation of defined benefit plans		-	-
5.1.2 Other comprehensive income that cannot be classified into profit and loss under equity method		-	-
5.2 Other comprehensive income that will be reclassified into the profit and loss		-73,374,169.17	-261,549,901.27
5.2.1Other comprehensive income that will be classified into profit and loss under equity method		-	-
5.2.2 Changes in fair value through profit and loss of available-for-sale financial assets		-	-
5.2.3 Held-to-maturity investment reclassified into available-for-sale financial assets		-	-
5.2.4 Inventory or real estate for its own use transferred into investment properties		-73,374,169.17	-261,549,901.27
5.2.5 Effective part of cash-flow hedge profit and loss		-	-
5.2.6 Balance arising from the translation of foreign currency financial statements		-	-
Net of tax from other comprehensive income to non-controlling interests		-137.38	-422.87
6 Total comprehensive income		27,893,452.51	42,679,384.91
Total comprehensive income attributable to owners of the parent company		26,590,024.42	10,254,329.46
Total comprehensive income attributable to non-controlling interests		1,303,428.09	32,425,055.45
7 Earning per share		-	-
7.1 Basic earning per share		-	-
7.2 Diluted earning per share		-	-

For the business combination under common control during current period，net profit of the merged party from the beginning of the current period to the date of the merger is RMB-5,271,005.98,and net profit of the merged party during the comparison period is RMB3,597,911.97.

Legal representative:Zhenkuan Chen Person in charge of accounting affairs:Zhenkuan Chen Person in charge of accounting department：Hui Zhang

Consolidated Statement of Cash Flows

For the year ended December 31, 2020

Prepared by： Zhenjiang New Area Urban Construction Investment CO., LTD. Monetary Unit:CNY

Items	Note	Year 2020	Year 2019
1.Cash Flows from Operating Activities:			
Cash received from sales of goods or rendering of services		3,004,282,574.25	2,373,402,772.94
Refund of taxes and surcharges		-	-
Cash received from other operating activities	V.51.1	3,298,771,700.65	6,866,373,525.33
Sub-total of cash inflows from operating activities		6,303,054,274.90	9,239,776,298.27
Cash paid for goods purchased and services received		3,185,336,597.02	2,669,074,561.31
Cash paid to and on behalf of employees		26,615,374.88	39,320,328.68
Cash paid for taxes and surcharges		317,976,875.69	479,059,893.26
Cash paid for other operating activities	V.51.2	853,846,053.02	2,202,684,758.93
Sub-total of cash outflows from operating activities		4,383,774,900.61	5,390,139,542.18
Net cash flows from operating activities		1,919,279,374.29	3,849,636,756.09
2.Cash Flows from Investing Activities:			
Cash received from disposal of investments		1,056,000,000.00	1,554,000,000.00
Cash received from returns on investments		399,143,362.11	221,688,798.01
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		1,269,485,131.25	2,595,968,485.71
Net cash received from disposal of subsidiaries and other business units		-	-
Cash received from other investing activities		-	-
Sub-total of cash inflows from investing activities		2,724,628,493.36	4,371,657,283.72
Cash paid to acquire and construct fixed assets, intangible assets and other long-term assets		99,620,104.92	472,866,792.08
Cash paid to investments		447,660,000.00	7,903,993,700.00
Net cash paid to acquire subsidiaries and other business units		-	-
Cash paid for other investing activities	V.51.3	104,807,790.97	-
Sub-total of cash outflows from investing activities		652,087,895.89	8,376,860,492.08
Net cash flows from investing activities		2,072,540,597.47	-4,005,203,208.36
3.Cash Flows from Financing Activities:			
Cash received from investors		-	1,000,000,000.00
Including: cash received by subsidiaries from investments by minority shareholders		-	-
Cash received from loans		5,220,380,000.00	5,993,756,213.87
Cash received from other financing activities	V.51.4	753,116,221.24	1,061,918,521.55
Sub-total of cash inflows from financing activities		5,973,496,221.24	8,055,674,735.42
Cash paid for debt repayments		8,778,800,928.50	6,117,311,171.83
Cash paid for distribution of dividends and profits or payment of interest		1,431,513,163.81	1,235,622,487.23
Including: dividends and profits paid to minority shareholders by subsidiaries		-	-
Cash paid for other financing activities	V.51.5	479,241,505.72	643,674,519.77
Sub-total of cash outflows from financing activities		10,689,555,598.03	7,996,608,178.83
Net cash flows from financing activities		-4,716,059,376.79	59,066,556.59
4. Effect of fluctuation in exchange rate on cash and cash equivalents		-289,221.79	-
5.Net Increase in Cash and Cash Equivalents		-724,528,626.82	-96,499,895.68
Plus: balance of cash and cash equivalents at the beginning of the period		1,218,567,718.89	1,315,067,614.57
6. Balance of cash and cash equivalents at the end of the period		494,039,092.07	1,218,567,718.89

Legal representative:Zhenkuan Chen Person in charge of accounting affairs:Zhenkuan Chen Person in charge of accounting department：Hui Zhang

Consolidated statement for owners' equity and its change

For the year ended December 31, 2020

Prepared by：Zhenjiang New Area Urban Construction Investment CO., LTD.

Monetary Unit:CNY

Items	Year 2020												Year 2019											
	Equity attributable to owners of the parent company										Non-controlling interests	Total owners' equity	Equity attributable to owners of the parent company										Non-controlling interests	Total owners' equity
	Paid-in capital(or capital stock)	Other equity instruments			Capital reserves	Less: treasury stock	Special reserves	Other comprehensive income	Surplus reserves	Undistributed profit			Paid-in capital(or capital stock)	Other equity instruments			Capital reserves	Less: treasury stock	Special reserves	Other comprehensive income	Surplus reserves	Undistributed profit		
		Preference shares	Perpetual bonds	Others										Preference shares	Perpetual bonds	Others								
1. Balance as at December 31 of last year	8,196,627,661.34	-	-	-	19,450,192,242.23	-	-	1,099,248,219.52	204,863,672.94	2,504,960,916.19	903,367,767.94	32,359,250,480.16	7,916,950,528.90	-	-	-	18,725,005,505.18	-	-	1,360,798,120.79	295,401,504.92	2,199,523,444.58	870,942,712.49	31,274,699,314.86
Plus: adjustments for changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments for correction of accounting errors in prior year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Business Combinations Under Common Control	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	51,000,000.00	-	-	-	-	37,015,409.20	-	88,015,409.20
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Balance as at January 1 of the current year	8,196,627,661.34	-	-	-	19,450,192,242.23	-	-	1,099,248,219.52	204,863,672.94	2,504,960,916.19	903,367,767.94	32,359,250,480.16	7,916,950,528.90	-	-	-	18,776,005,505.18	-	-	1,360,798,120.79	295,401,504.92	2,236,538,853.78	870,942,712.49	31,162,735,223.76
3. Increases/decreases in the current year	-	-	-	-	-93,874,986.85	-	-	-73,374,169.17	8,759,750.75	59,968,242.84	1,303,428.09	-97,217,734.34	279,677,132.44	-	-	-	-674,175,710.05	-	-	-261,549,901.27	3,382,168.32	268,422,062.41	32,425,055.45	996,535,256.40
(1) Total comprehensive income	-	-	-	-	-	-	-	-73,374,169.17	-	99,964,193.59	1,303,428.09	27,893,452.51	-	-	-	-	-	-	-	-261,549,901.27	-	271,804,230.73	32,425,055.45	42,679,384.91
(2) Capital contributed or reduced by owners	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
a. Capital contributions by owners	-	-	-	-	-	-	-	-	-	-	-	-	279,677,132.44	-	-	-	720,322,867.56	-	-	-	-	-	-	1,000,000,000.00
b. Capital contributions by other equity instruments holders	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
c. Amounts of share-based payments recognized in owners' equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
d. Others	-	-	-	-	-93,874,986.85	-	-	-	-	-	-	-93,874,986.85	-	-	-	-	-46,144,128.51	-	-	-	-	-	-	-46,144,128.51
(3) Profit distribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
a. Withdrawal of surplus reserves	-	-	-	-	-	-	-	-	8,759,750.75	-8,759,750.75	-	-	-	-	-	-	-	-	-	-	3,382,168.32	-3,382,168.32	-	-
b. Profit distributed to owners (or shareholders)	-	-	-	-	-	-	-	-	-	-31,236,200.00	-	-31,236,200.00	-	-	-	-	-	-	-	-	-	-	-	-
c. Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.4 Internal carry-forward of owners' equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
a. Conversion of capital reserves into paid-in capital(or capital stock)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
b. Conversion of surplus reserves into paid-in capital(or capital stock)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
c. Surplus reserves offsetting losses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
d. Variation of defined benefit plans classified into profit and loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
e. Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.5 Special reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
a. Withdrawal for the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
b. Use for the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Balance as at December 31 of the current year	8,196,627,661.34	-	-	-	19,356,307,255.38	-	-	1,025,874,050.35	213,623,423.69	2,564,929,159.03	904,671,196.03	32,262,032,745.82	8,196,627,661.34	-	-	-	18,050,182,242.23	-	-	1,099,248,219.52	298,783,672.94	2,504,960,916.19	903,367,767.94	32,359,250,480.16

Legal representative:Zhenkuan Chen　　Person in charge of accounting affairs:Zhenkuan Chen　　Person in charge of accounting department：Hui Zhang

Balance Sheet

As at December 31, 2020

Prepared by :

Monetary Unit:CNY

Assets	Note	Balance as at December 31, 2020	Balance as at December 31, 2019
Current Assets:			
Cash and cash equivalents		496,014,092.84	1,027,968,994.07
Financial assets measured at fair value through current profit or loss		-	-
Derivative financial assets		-	-
Notes receivable		23,884,071.20	15,005,682.56
Accounts receivable	XIII.1	1,668,691,193.56	1,368,620,558.35
Prepayment		41,078,210.67	25,946,210.67
Other receivables	XIII.2	13,808,108,286.30	13,162,534,693.26
Inventories		656,030,236.52	807,441,560.94
Assets held for sale		-	492,181,590.40
Non-current assets maturing within one year		1,572,507,000.00	1,400,992,000.00
Other current assets		500,000.00	183,242,375.61
Total current assets		18,266,813,091.09	18,483,933,665.86
Non-current assets:		-	-
Available-for-sale financial assets		140,490,000.00	140,490,000.00
Held-to-maturity investment		-	-
Long-term receivables		-	-
Long-term equity investments	XIII.3	4,335,059,270.99	4,266,565,124.89
Investment properties		5,715,991,800.00	7,625,117,005.43
Fixed assets		86,411,135.14	92,412,391.90
Construction in progress		20,094,092.92	-
Productive biological assets		-	-
Oil and gas assets		-	-
Intangible assets		41,058,534.96	41,542,379.40
Development expenses		-	-
Goodwill		-	-
Long-term deferred expenses		71,478,339.10	140,307,691.48
Deferred tax assets		6,696,075.66	16,118,766.87
Other non-current assets		11,404,291,100.00	12,571,598,100.00
Total non-current assets		21,821,570,348.77	24,894,151,459.97
Total of assets		40,088,383,439.86	43,378,085,125.83

Legal representative:Zhenkuan Chen Person in charge of accounting affairs:Zhenkuan Chen Person in charge of accounting department: Hui Zhang

Balance Sheet

As at December 31, 2020

Prepared by：　　Monetary Unit:CNY

Liabilities and owners' equity(or shareholders' equity)	Note	Balance as at December 31, 2020	Balance as at December 31, 2019
Current Liabilities:			
Short-term loans		-	150,759,774.00
Financial liabilities measured at fair value through current profit or loss		-	-
Derivative financial liabilities		-	-
Notes payable		99,150,000.00	29,410,000.00
Accounts payable		703,849,169.44	428,752,204.49
Advances from customers		59,934,796.85	1,318,562,359.57
Employee benefits payable		2,123,761.36	868,138.28
Taxes and surcharges payable		48,584,984.95	111,668,600.18
Other payables		3,606,252,332.20	3,240,224,594.99
Held-for-sale liabilities		-	-
Non-current liabilities maturing within one year		2,230,259,676.57	2,844,114,988.35
Other current liabilities		273,670,000.00	196,730,000.00
Total current liabilities		7,023,824,721.37	8,321,090,659.86
Non-current liabilities:		-	-
Long-term loans		2,836,050,000.00	2,872,650,000.00
Bonds payable		1,614,000,000.00	3,046,000,000.00
Including：preference shares		-	-
Perpetual bonds		-	-
Long-term payables		309,894,500.67	775,794,390.47
Provisions		-	-
Deferred income		69,869,501.96	51,469,672.90
Deferred income tax liabilities		435,752,516.34	380,733,741.71
Other non-current liabilities		57,610,000.00	164,420,000.00
Total non-current liabilities		5,323,176,518.97	7,291,067,805.08
Total liabilities		12,347,001,240.34	15,612,158,464.94
Owners' equity (or shareholders' equity)		-	-
Paid-in capital		8,196,627,661.34	8,196,627,661.34
Other equity instruments		-	-
Including: preference shares		-	-
Perpetual bonds		-	-
Capital reserves		16,413,121,000.71	16,420,653,672.37
Less: treasury stock		-	-
Other comprehensive income		1,025,170,571.19	1,098,543,668.35
Special reserves		-	-
Surplus reserves		213,623,423.69	204,863,672.94
Undistributed profits		1,892,839,542.59	1,845,237,985.89
Total owners' equity		27,741,382,199.52	27,765,926,660.89
Total liabilities and owners' equity		40,088,383,439.86	43,378,085,125.83

Legal representative:Zhenkuan Chen　Person in charge of accounting affairs:Zhenkuan Chen　Person in charge of accounting department：Hui Zhang

Income statements

For the year ended December 31, 2020

Prepared by : Monetary Unit:CNY

Items	Note	Year 2020	Year 2019
1. Operating income	XIII.4	**2,612,927,822.92**	**2,386,545,235.55**
Less: operating costs	XIII.4	**2,676,333,646.92**	**1,738,476,134.11**
Taxes and surcharges		**290,332,245.86**	**135,240,140.60**
Selling and distribution expenses		-	-
General and administrative expenses		**27,460,100.23**	**27,016,867.03**
R&D expenses		-	-
Financial expenses		**564,958,014.38**	**442,253,711.17**
Including: interest expenses		**1,423,920,835.79**	**971,846,814.37**
Interest income		**862,512,870.08**	**539,027,723.00**
Plus: other income		**379,000,000.00**	**200,000,000.00**
Investment income ("-" for losses)	XIII.5	**242,247,486.41**	**164,076,641.85**
Including: income from investment in associates and joint ventures		**-17,348,169.09**	**-22,758,841.17**
Gains from changes in fair value ("-" for losses)		**514,606,548.57**	**-351,847,865.33**
Losses from asset impairment ("-" for losses)		**-7,174,624.64**	**-41,049,187.72**
Gains from disposal of assets("-" for losses)		**12,575,795.26**	**2,088,844.25**
2. Operating profits ("-" For Losses)		**195,099,021.13**	**16,746,815.69**
Plus: non-operating income		**2,122.82**	-
Less: non-operating expenses		**18,604,471.61**	**33,806,074.11**
3. Total profits before tax ("-" For Total Losses)		**176,496,672.34**	**-17,059,258.42**
Less: income tax expenses		**88,899,164.89**	**-50,880,941.64**
4. Net profit ("-" For Net Loss)		**87,597,507.45**	**33,821,683.22**
4.1 Net profit from continuing operation ("-" for losses)		**87,597,507.45**	**33,821,683.22**
4.2 Net profit from discontinued operation ("-" for losses)		-	-
5 Other comprehensive income after tax		**-73,373,097.16**	**-261,546,601.76**
5.1 Other comprehensive income cannot reclassified into the profit and loss		-	-
5.1.1 Remeasure the variation of defined benefit plans		-	-
5.1.2 Other comprehensive income that cannot be classified into profit and loss under equity method		-	-
5.2 Other comprehensive income that will be reclassified into the profit and loss		**-73,373,097.16**	**-261,546,601.76**
5.2.1Other comprehensive income that will be classified into profit and loss under equity method		-	-
5.2.2 Changes in fair value through profit and loss of available-for-sale financial assets		-	-
5.2.3 Held-to-maturity investment reclassified into available-for-sale financial assets		-	-
5.2.4 Inventory or real estate for its own use transferred into investment properties		**-73,373,097.16**	**-261,546,601.76**
5.2.5 Effective part of cash-flow hedge profit and loss		-	-
5.2.6 Balance arising from the translation of foreign currency financial statements		-	-
6 Total comprehensive income		**14,224,410.29**	**-227,724,918.54**
7 Earning per share			
7.1 Basic earning per share		-	-
7.2 Diluted earning per share		-	-

Legal representative:Zhenkuan Chen Person in charge of accounting affairs:Zhenkuan Chen Person in charge of accounting department：Hui Zhang

Statement of Cash Flows

For the year ended December 31, 2020

Prepared by：　　Monetary Unit:CNY

Items	Year 2020	Year 2019
1.Cash Flows from Operating Activities:		
Cash received from sales of goods or rendering of services	381,417,589.06	148,360,271.67
Refund of taxes and surcharges	-	-
Cash received from other operating activities	1,618,495,538.67	6,447,590,874.18
Sub-total of cash inflows from operating activities	1,999,913,127.73	6,595,951,145.85
Cash paid for goods purchased and services received	143,581,402.67	23,114,047.92
Cash paid to and on behalf of employees	6,109,461.07	6,315,361.19
Cash paid for taxes and surcharges	257,699,151.09	458,212,584.12
Cash paid for other operating activities	684,301,931.05	2,923,504,988.32
Sub-total of cash outflows from operating activities	1,091,691,945.88	3,411,146,981.55
Net cash flows from operating activities	908,221,181.85	3,184,804,164.30
2.Cash Flows from Investing Activities:		
Cash received from disposal of investments	990,000,000.00	1,468,000,000.00
Cash received from returns on investments	275,701,292.35	186,835,483.02
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	1,269,302,350.18	2,594,681,116.01
Net cash received from disposal of subsidiaries and other business units	-	-
Cash received from other investing activities	-	-
Sub-total of cash inflows from investing activities	2,535,003,642.53	4,249,516,599.03
Cash paid to acquire and construct fixed assets, intangible assets and other long-term assets	93,427,762.70	442,063,014.25
Cash paid to investments	-	6,436,561,428.51
Net cash paid to acquire subsidiaries and other business units	-	-
Cash paid for other investing activities	-	-
Sub-total of cash outflows from investing activities	93,427,762.70	6,878,624,442.76
Net cash flows from investing activities	2,441,575,879.83	-2,629,107,843.73
3.Cash Flows from Financing Activities:		
Cash received from investors	-	1,000,000,000.00
Cash received from loans	2,719,420,000.00	1,990,010,413.87
Cash received from other financing activities	602,480,221.24	138,735,155.72
Sub-total of cash inflows from financing activities	3,321,900,221.24	3,128,745,569.59
Cash paid for debt repayments	5,456,600,928.50	2,802,685,721.24
Cash paid for distribution of dividends and profits or payment of interest	1,055,174,520.94	907,495,290.32
Cash paid for other financing activities	95,672,253.79	251,888,986.76
Sub-total of cash outflows from financing activities	6,607,447,703.23	3,962,069,998.32
Net cash flows from financing activities	-3,285,547,481.99	-833,324,428.73
4. Effect of fluctuation in exchange rate on cash and cash equivalents	-289,221.79	-
5.Net Increase in Cash and Cash Equivalents	63,960,357.90	-277,628,108.16
Plus: balance of cash and cash equivalents at the beginning of the period	68,130,772.83	345,758,880.99
6. Balance of cash and cash equivalents at the end of the period	132,091,130.73	68,130,772.83

Legal representative:Zhenkuan Chen　Person in charge of accounting affairs:Zhenkuan Chen　Person in charge of accounting department：Hui Zhang

Statement for owners' equity and its change

For the year ended December 31, 2020

Prepared by: Monetary Unit:CNY

Items	Year 2020											Year 2019									
	Paid-in capital(or capital stock)	Other equity instruments			Capital reserves	Less: treasury stock	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profit	Total owners' equity	Paid-in capital(or capital stock)	Other equity instruments			Capital reserves	Less: treasury stock	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profit	Total owners' equity
		Preference shares	Perpetual bonds	Others									Preference shares	Perpetual bonds	Others							
1. Balance as at December 31 of last year							1,098,543,668.35			1,845,237,985.89								1,360,090,270.11			1,814,798,470.99	
Plus: adjustments for changes in accounting policies																						
Adjustments for correction of accounting errors in prior year																						
Others																						
2. Balance as at January 1 of the current year							1,098,543,668.35			1,845,237,985.89								1,360,090,270.11			1,814,798,470.99	
3. Increases/decreases in the current year (“-” for decreases)					-7,552,671.66		-73,373,097.16		8,759,750.75	87,597,507.45	14,229,489.28					6,657,453.78		-261,546,601.76		3,382,168.32	30,439,514.90	
(1) Total comprehensive income							-73,373,097.16			87,597,507.45	14,229,489.28							-261,546,601.76			33,821,683.22	
(2)Capital contributed or reduced by owners																						
a. Capital contributions by owners																						
b.Amounts of share-based payments recognized in owners' equity																						
c. Others					-7,552,671.66						-7,552,671.66					6,657,453.78						6,657,453.78
(3)Profit distribution																						
a. Withdrawal of surplus reserves									8,759,750.75	-8,759,750.75										3,382,168.32	-3,382,168.32	
b. Profit distributed to owners (or shareholders)										-31,756,300.00	-31,756,300.00											
c. Others																						
3.4 Internal carry-forward of owners' equity																						
a. Conversion of capital reserves into paid-in capital (or capital stock)																						
b. Conversion of surplus reserves into paid-in capital (or capital stock)																						
c. Surplus reserves offsetting losses																						
d. Variation of defined benefit plans classified into profit and loss																						
e. Others																						
3.5 Special reserves																						
a. Withdrawal for the period																						
b. Use for the period																						
4. Balance as at December 31 of the current year							1,025,170,571.19			1,890,838,543.39								1,098,543,668.35			1,845,237,985.89	

Legal representative: Person in charge of accounting affairs: Person in charge of accounting department:

Zhenjiang New Area Urban Construction Investment CO., LTD.

Notes to Financial Statements

For the Year Ended December 31, 2020

(All amounts are expressed in RMB unless otherwise stated)

I. Company profile

1. Company overview

Zhenjiang New Area Urban Construction Investment CO., LTD. (hereinafter referred to as "the Company") was founded on December 7, 1992 and originally named as Zhenjiang New Area Urban Construction Investment Company. On December 2009, the Company changed its name to Zhenjiang New Area Urban Construction Investment CO., LTD. The original registered capital of the Company is RMB 1,068.57 million, consisting of RMB 933.54 million taking 87.36% of the total registered capital from Jiangsu Hanrui Investment Holdings Co., Ltd.(originally named as Zhenjiang New Area Economic Development General Company)and RMB 135.03 million taking 12.64% of the total registered capital from Suzhou Trust Co., Ltd..

According to the decision made on the shareholders' resolution meeting on November 2, 2011, Suzhou Trust Co., Ltd., one of the shareholders of the Company, transferred the 12.64% equity to Jiangsu Hanrui Investment Holdings Co., Ltd. and completed industrial and commercial change registration on November 11, 2011. The registered capital of the Company was RMB 1,068.75 million solely funded by Jiangsu Hanrui Investment Holdings Co., Ltd.

According to the decision made on the shareholders' resolution meeting in 2015, Jiangsu Hanrui Investment Holdings Co., Ltd increased capital by RMB 3,950.00 million, the registered capital of the Company changed to RMB 5,018.57 million.

According to the decision made on the shareholders' resolution meeting and related investment agreements in 2016, the registered capital of the Company changed to RMB 7,319,521,454.40. Aside from Jiangsu Hanrui Investment Holdings Co., Ltd, the Company added another two shareholders including Zhenjiang Jinpu Urban Development Investment Fund (Limited Partnership) and Zhenjiang New Area Ruijian Industry Fund Center (Limited Partnership). As the end of 2016, the Company had received the contribution paid RMB 986,120,980.40 from the shareholder Zhenjiang New Area Ruijian Industry Fund Center (Limited Partnership); the paid-in capital of the Company changed to RMB 6,004,693,480.40.

According to the decision made on the shareholders' resolution meeting and related investment agreements in 2017, the registered capital of the Company changed to RMB 7,916,950,528.90. The increased amount of registered capital was provided by Zhenjiang New Area Ruijian Industry Fund Center (Limited Partnership). As the end of 2017, the Company has received the contribution paid RMB 1,912,257,048.50(including the amount of contribution paid received in the previous year) from the shareholder Zhenjiang New Area Ruijian Industry Fund Center (Limited Partnership); the paid-in capital of the Company changed to RMB 7,916,950,528.90.

According to the decision made on the shareholders' resolution meeting and related investment agreements in 2019, the registered capital of the Company changed to RMB 8,196,627,661.34; the

industrial and commercial change registration was completed on March 27, 2020. As the end of December 31, 2019, the Company had received the contribution paid RMB 279,677,132.44 from the new shareholder Agricultural Bank Financial Assets Investment Co., Ltd.; the paid-in capital of the Company changed to RMB 8,196,627,661.34.

On August 16, 2019, the legal representative of the Company changed to Zhenkuan Chen; the industrial and commercial change registration was completed on March 27, 2020.

The Company receives the unified social credit code 91321191141393725H Business License granted by Zhenjiang Economic and Technological Development Zone Management Committee. Business scope: Raise urban construction funds, investment in urban infrastructure projects, urban infrastructure construction; house leasing; water conservancy project construction; production and sales of automation equipment and electrical equipment; construction of charging facilities, and provision of charging services. (Projects that are subject to approval in accordance with the law can be operated only after being approved by relevant departments.)

2. Consolidated Financial Statement Scope

The scope of the Company's consolidated financial statements is based on control, and all subsidiaries controlled are included in the consolidation scope of the consolidated financial statements.

Change of consolidated financial statement scope is shown as follows:

(1) The business entities, the structural entities or business entities forming control in the other waythat are newly incorporated into the scope of the merger in the current period

Name	Getting Way
Jiangsu Hanrui Engineering Co., Ltd.	Combinations Under Common Control

(2) The business entities, the structural entities or business entities forming control in the other way that are not incorporated into the scope of the merger in the current period

Name	Reason of not incorporated into the scope
Zhenjiang First Foreign Language School	Disposal

Details of the sub companies incorporated into the consolidated financial statements are shown on 'VII.1 Interests in subsidiaries'. Changes in the scope of consolidation are shown on 'VI. changes in consolidated scope'.

II. Basis of preparation of financial statements

1. Preparation basis

The Company has prepared its financial statements on a going concern basis, recognized and measured its accounting items in compliance with the Accounting Standards for Business Enterprises—Basic Standards and various specific accounting standards and other relevant provisions on the basis of actual transactions and events. (hereinafter referred as ASBE)

2. Going concern

Management believes that the Company has the ability to continue as a going concern for at least 12 months since the financial statements date.

III. Significant Accounting Policies and Accounting Estimates

1. Statement of compliance with the ASBE

The financial statements of the Company have been prepared in accordance with ASBE, and present truly and completely the Company's financial position, financial performance, changes in owners' (shareholders') equity and cash flows for the reporting period.

2. Accounting period

The accounting year of the Company is from January 1 to December 31 in calendar year.

3. Functional currency

The Company adopts RMB as functional currency.

4. The accounting treatment of business combinations involving enterprises under common control and business combinations not involving enterprises under common control

4.1 Accounting treatment method for business combination under common control

Business combination under common control is accounted for under pooling of interest method. Assets and liabilities obtained by the Company through business combination under common control shall be measured at the book value as stated in the combine's accounting record on the combination date. The share of the book value of the merged party's owner's equity in the consolidated financial statements is taken as the initial investment cost of long-term equity investments in individual financial statements. The capital reserve (stock premium or capital premium) is adjusted according to the difference between the book value of net asset acquired through combination and the book value of consideration paid for the combination (or total par value of shares issued). If the capital reserve (stock premium or capital premium) is insufficient to offset, the retained earnings shall be adjusted.

4.2 Accounting treatment method of business combination not under common control

The Company accounts for business combination not under common control under purchase method.

a) All the net identifiable assets, liabilities or contingent liabilities obtained by the Company through business combination not under common control shall be measured based on the fair values of assets paid, liabilities incurred or assumed and the equity securities issued as consideration for combination on the acquisition date, and differences between their fair values and book values shall be included in the current profit and loss.

b) The cost of acquisition shall be respectively determined for the following conditions;

i. Business combination of a transaction implementation, the combination cost shall be the sum of the fair values of the assets given, the liabilities incurred or assumed and the equity securities issued by the Company in exchange for the control on the acquisition date, and contingent considerations meeting the recognition conditions. The combination cost is the initial investment costs of long-term equity investments in individual financial statements.

ii. Business combination through multiple transactions step by step to realized, the combination cost shall be the sum of the fair value measurement on the acquisition of the equity investment that holding before the acquisition date and cost of all the new investment on the acquisition date. Long-term equity investment cost in individual financial statements shall be the sum of the book value of the equity investment that holding before the acquisition date and cost of all the new investment on the acquisition date. Except for a package deal.

c) The Company, on the acquisition date, allocates the combination costs between the identifiable assets and liabilities acquired

i. All assets of the acquiree obtained by the Company through business combination (not limited to those that have been recognized by the acquiree), other than intangible assets, shall be separately recognized and measured at fair value when the future economic benefits arising thereafter are expected to flow into the Company and the fair value can be reliably measured.

ii. Intangible assets of the acquiree obtained by the Company through business combination shall be separately recognized and measured at fair value when their fair values can be reliably measured.

iii. All liabilities of the acquiree obtained by the Company through business combination, other than contingent liabilities, shall be separately recognized and measured at fair value when fulfillment of relevant obligations are expected to bring future economic benefits outflow of the Company and the fair value can be reliably measured.

iv. Contingent liabilities of the acquiree obtained by the Company through business combination shall be separately recognized as liabilities and measured at fair value when their fair values can be reliably measured.

v. When the Company allocates the cost of business combination and recognizes the identifiable assets and liabilities acquired through combination, it shall not include any goodwill and deferred income taxes that have been recognized by the acquiree before the business combination.

d) Treatment of the difference between the business combination costs and the fair value of net identifiable asset acquired from the acquiree through combination

i. The Company shall recognize the difference of the combination costs in excess of the fair value of the net identifiable asset acquired from the acquiree through combination as goodwill.

ii. The Company shall recognize the difference of the combination costs in short of the fair value of the net identifiable asset acquired from the acquiree through combination according to the following provisions:

1) Review the measurement of fair values of all the identifiable assets, liabilities and

contingent liabilities acquired from the acquiree and the combination costs;

2) After the review, if the combination costs are still in short of the fair value of the net identifiable asset acquired from the acquiree through combination, include the difference in the current profit and loss.

4.3 Treatment of relevant expenses arising from the Company's business combination

a) Relevant expenses directly arising from the business combination of the Company (including the expenses for audit, legal services, evaluation and consultation or other intermediary costs for business combination and other relevant administrative fees etc.) shall be included in the current profit and loss when they are incurred.

b) Commissions, fees and other expenses paid on issuance of bonds and undertaking of other debts for the business combination shall be included in the initial measurement amount of debt securities.

i. Where the bonds are issued at discount or par value, that part of expenses will increase the amount of the discount;

ii. Where the bonds are issued at premium, that part of expenses will decrease the amount of the premium.

c) Fees, commissions, and other transaction expenses paid on issuance of equity securities as combination consideration in the business combination shall be included in the initial measurement amount of equity securities.

i. Where the equity securities are issued at premium, that part of expenses shall be deducted from capital reserves (stock premium);

ii. Where the equity securities are issued at par value or discount, that part of expenses shall be deducted from the retained earnings.

5. Preparation of consolidated financial statements

5.1 Consistency of accounting policies and accounting period

All the subsidiaries within the consolidation scope of consolidated financial statements shall adopt the same accounting policies and accounting periods as those of the Company. If the accounting policies or accounting periods of a subsidiary are different from those of the Company, the financial statements of the subsidiary, upon preparation of consolidated financial statements, shall be adjusted according to the accounting policies and accounting periods of the Company.

5.2 Preparation method of consolidated financial statements

The consolidated financial statements are based on the financial statements of the Company and its subsidiaries and are prepared by the parent company according to other relevant information after the adjustment to long-term equity investments in subsidiaries under the equity method and the elimination of effects of the internal transactions between the Company and its subsidiaries and between the subsidiaries on the consolidated financial statement.

5.3 Reflection of excess losses incurred to a subsidiary in the consolidated financial statements

In the consolidated financial statements, where the current losses undertaken by the parent company are in excess of its share of owners' equity in the subsidiary at the beginning of the period, the balance shall reduce the owners' equity (retained earnings) of the parent company; where the current losses undertaken by a subsidiary's non-controlling shareholders excess those non-controlling shareholders' share of owners' equity in the subsidiary at the beginning of the period, the balance shall reduce the non-controlling interests.

5.4 Changes in number of subsidiaries during the reporting period

a) Acquisition of subsidiaries during the reporting period

i. Treatment of acquiring subsidiaries from business combination under common control during the reporting period

During the reporting period, if the Company acquires subsidiaries from the business combination under common control, the Opening Balance in the consolidated balance sheet shall be adjusted. The income, expenses and profits of the newly acquired subsidiaries from the beginning to the end of the reporting period shall be included in the consolidated income statement. The cash flow of the newly acquired subsidiaries from the beginning to the end of the reporting period shall be included in the consolidated statement of cash flow.

ii. Treatment of acquiring subsidiaries from business combination not under common control during the reporting period

During the reporting period, if the Company acquires subsidiaries from the business combination not under common control, the Opening Balance in the consolidated balance sheet shall not be adjusted. The income, expenses and profits of the newly acquired subsidiaries from the acquisition date to the end of the reporting period shall be included in the consolidated income statement. The cash flow of the newly acquired subsidiaries from the acquisition date to the end of the reporting period shall be included in the consolidated statement of cash flow.

b) Treatment of disposing subsidiaries during the reporting period

During the reporting period, if the Company disposes subsidiaries, the Opening Balance in the consolidated balance sheet shall not be adjusted. The income, expenses and profits of the newly disposed subsidiaries from the beginning to the disposal date shall be included in the consolidated income statement. The cash flow from the beginning to the disposal date shall be included in the consolidated statement of cash flow.

6. Cash and cash equivalents

Cash comprises cash on hand and deposits that can be readily withdrawn on demand.

Cash equivalents are the Company's short-term (due within 3 months from purchase date), highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

7. Foreign currency transactions and translation of foreign currency statements

7.1 Accounting method of foreign currency transactions

7.1.1 Initial recognition of foreign currency transactions

For foreign currency transactions incurred, the Company converts the amount in foreign currency into the amount in functional currency at the spot exchange rate (middle rate) announced by the People's Bank of China on the transaction date. Among them, for foreign currency exchange occurred or transaction involving foreign currency exchange, the Company converts at the exchange rate actually adopted on the transaction date.

7.1.2 Adjustment or settlement on the balance sheet date or settlement date

On the balance sheet date or the settlement date, the Company handles foreign currency monetary items and foreign currency non-monetary items separately in accordance with the following methods:

a) Accounting principles for handling foreign currency monetary items

For foreign currency monetary items, on the balance sheet date or the settlement date, the Company converts them by using the spot exchange rate (middle rate) prevailing on the balance sheet date or settlement date and adjusts the amount in functional currency of foreign currency monetary items in respect of the difference arising from exchange rate fluctuations, which shall be treated as exchange difference at the same time. Among them, the exchange differences arising from foreign currency borrowings relating to the acquisition, construction or production of assets eligible for capitalization shall be included in the costs of assets eligible for capitalization; other exchange differences shall be included in the current financial expenses.

b) Accounting principles for handling foreign currency non-monetary items

i. For foreign currency non-monetary items measured at historical cost, the Company shall convert them at the spot exchange rate (middle rate) prevailing on the transaction date, with their amounts in functional currency remaining unchanged and no exchange differences incurred.

ii. For an inventory that is measured at the lower of its costs or its net realizable values, if the net realizable value is determined in foreign currency, the Company, when determining the value of the inventory at the end of the period, shall firstly convert the net realizable value into functional currency and then compare it with the inventory cost reflected in functional currency.

iii. Non-monetary items measured at fair value that is reflected in foreign currency at the end of the period, the Company shall firstly translate the foreign currency into the amount in functional currency at the spot exchange rate on the date when the fair value is determined, and then compare it with the original functional currency amount. Difference between the translated functional currency amount and the original functional currency amount is treated as profit or loss from changes in fair value (including changes in exchange rate) and is recognized in current profit and loss.

8. Financial instruments

Financial instruments include financial assets, financial liabilities and equity instruments.

8.1 Classification of financial instruments

a) Classification of financial assets

Based on business characteristics, investment strategies and risk management requirements, the Company classifies the financial assets it has obtained into the following four categories: (1) financial assets measured at fair value through current profit and loss; (2) held-to-maturity investments; (3) loans and receivables; and (4) available-for-sale financial assets.

Financial assets measured at fair value through current profit and loss include:(1) financial assets held for trading ;(2) financial assets directly designated to be measured at fair value through current profit and loss;(3)investments in subsidiaries that shall not be consolidated by the investment entities ;(4)investments held by venture capital organizations, mutual funds or similar entities.

The equity investment which hasn't control, joint control or significant influence over the investee, based on business characteristics, investment strategies and risk management requirements, can be divided into the first kind of financial assets measured at fair value through current profit and loss or the fourth kind of available-for-sale financial assets. In some special cases, the equity investment of available-for-sale financial assets can be measured under the cost method.

b) Classification of financial liabilities

Based on business characteristics and risk management requirements, the Company classifies the financial liabilities it undertakes into the following two categories: (1) financial liabilities measured at fair value through current profit and loss (including financial liabilities held for trading and financial liabilities directly designated to be measured at fair value through current profit and loss); and (2) other financial liabilities.

8.2 Recognition basis and measurement method of financial instruments

a) Recognition basis of financial instruments

When the Company becomes a party to a financial instrument, it shall recognize a financial asset or financial liability.

b) Measurement method of financial instruments

i. Financial assets or financial liabilities measured at fair value through current profit and loss: they are initially measured at the amount of fair value upon acquisition, and relevant transaction expenses are included in the current profit and loss when incurred. For cash dividends declared but not distributed or bond interest matured but not drawn that have been included in the actual price paid, they shall be separately recognized as dividends receivable or interest receivable. Cash dividends or bond interest gained during the holding period shall be recognized as investment income. On the balance sheet date, they shall be measured at fair values and the changes in their fair values shall be included in current profit or loss. When disposing of a financial asset held for trading, the Company recognizes the difference between the payment actually received (dividends receivable or interest receivable, if any, shall be deducted) and the book value of the financial asset held for trading on the disposal date, and

transfers the accumulative amount previously included in profit or loss on changes in fair value to the investment income.

ii. Held-to-maturity investments: they are initially measured at the total amount of their fair values upon acquisition and related transaction expenses. For bond interest matured but not drawn that is included in the actual price paid, they are independently recognized as interest receivable. Interest income is calculated and recognized during the holding period according to the amortized cost and effective interest rates and included in the investment income. The effective interest rate is determined upon acquisition and remains unchanged during the expected duration or any applicable shorter period. On the balance sheet date, they are measured at amortized costs. Upon disposal, the difference between the actual proceeds (interest receivable, if any, shall be deducted) and the book value of the held-to-maturity investment is recognized as investment income.

iii. Loans and Receivables: Loans and Receivables are mainly loans granted from financial entities and creditor's rights receivable arising from external sales of goods or rendering of service by general entities, Loans and receivables are measured at amortized cost, using effective interest method. Loans are initially measured at principal and related transaction expenses based on the loans granted at market conditions. For creditor's rights receivable arising from external sales of goods or rendering of service by general entities their initial recognition amounts shall be the contract price or agreement price receivable from the purchaser Interest income during the holding period is recognized under the effective interest method. Receivables are measured at their amortized costs on the balance sheet date. Upon recovery or disposal, the difference between the price received and the book value of loans and receivables are included in the current profit and loss.

iv. Available-for-sale financial assets: they are initially recognized at the sum of fair value upon acquisition and relevant transaction expenses. For cash dividends declared but not distributed or bond interest matured but not drawn that has been included in the actual price paid, it shall be separately recognized as dividends receivable or interest receivable. Cash dividends or bond interest gained during the holding period shall be recognized as investment income. On the balance sheet date, the available-for-sale financial assets are measured at fair values and the changes in their fair values are included in other comprehensive income. Upon disposal, the difference between the payment actually received (dividends receivable or interest receivable, if any, shall be deducted) and the book value of an available-for-sale financial asset shall be included in investment income; and meanwhile, the amount arising from the accumulated changes in fair value, which have been previously included in other comprehensive income, shall be transferred out and included in the investment profit or loss.

v. Other financial liabilities: they are initially recognized at fair values at the time of occurrence plus related transaction costs. Other financial liabilities, whose interest expenses are recognized by using the effective interest method, are measured at their amortized costs on the balance sheet date.

8.3 Recognition basis and measurement method of transfer of financial assets

a) Derecognition criteria of financial assets

When transfer of financial assets occurs, if nearly all of the risks and rewards of ownership of the financial assets have been transferred to the transferee, the Company derecognizes the financial assets; if nearly all of the risks and rewards of ownership of the financial assets are retained, the Company shall not derecognize the financial assets.

When determining whether the transfer of a financial asset meets the above derecognition criteria of financial assets, the Company adopts the principle of substance over form.

b) Treatment of transfer of financial assets satisfying the criteria of derecognition

The Company classifies the transfer of a financial asset into the entire transfer and the partial transfer of financial asset.

i. If the entire transfer of financial asset satisfies the criteria of derecognition, the difference between the amounts of the following two items shall be included in the current profit and loss:

The book value of the transferred financial asset;

The sum of the consideration received from the transfer and the accumulated amount of the changes in fair value originally and directly included in other comprehensive income (the situation where the financial asset transferred is an available-for-sale financial asset is involved in).

ii. If the partial transfer of financial asset satisfies the criteria of derecognition, the entire book value of the transferred financial asset shall be divided between the derecognized and recognized parts according to their respective fair values and the difference between the amounts of the following two items shall be included in the current profit and loss:

The book value of derecognized part;

The sum of the consideration for the derecognized part and the portion of derecognition corresponding to the accumulated amount of the changes in fair value originally and directly included in other comprehensive income (the situation where the financial asset transferred is an available-for-sale financial asset is involved in).

c) Treatment of transfer of financial assets not satisfying the criteria of derecognition

If the transfer of financial assets does not meet the derecognition criteria, the financial assets shall continue to be recognized, and the consideration received will be recognized as a financial liability.

8.4 Derecognition criteria of financial liabilities

a) A financial liability shall be wholly or partly derecognized if its present obligations are wholly or partly dissolved. Where the Company enters into an agreement with a creditor so as to substitute the existing financial liabilities with any new financial liability, and the new financial liability is substantially different from the contractual stipulations regarding the existing financial liability, it shall derecognize the existing financial liability, and recognize a new one at the same time.

b) Where substantial revisions are made to some or all of the contractual stipulations of the existing financial liability, the Company shall derecognize the existing financial liability wholly or partly, and at the same time recognize the financial liability with revised contractual stipulations as a new financial liability.

c) Upon whole or partial derecognition of financial liabilities, the difference between the book value of the financial liabilities derecognized and the consideration paid (including non-cash assets surrendered or new financial liabilities assumed) shall be included in the current profit and loss.

d) Where the Company repurchases part of its financial liabilities, it shall, on the repurchase date, allocate the entire book value of financial liabilities according to the comparative fair value of the part that continues to be recognized and de-recognized part. The difference between the book value allocated to the derecognized part and the considerations paid (including non-cash assets surrendered and the new financial liabilities assumed) shall be included in the current profit and loss.

8.5 Method to determine the fair value of financial instrument

a) The fair value of a financial asset or financial liability for which there is an active market shall be determined in accordance with the quoted price in such active market at the measurement date.

b) The fair value of a financial asset or financial liability for which there isn't an active market shall be using valuation techniques. The recognition of the specific principles and methods are dealt with under "Accounting Standard for Business Enterprises No.39—Fair Value Measurement".

8.6 Criteria to identify, way to test and method to provide for the impairment of financial assets (excluding receivables)

On the balance sheet date, the Company shall check the book values of its financial assets (excluding the financial assets measured at fair value through current profit and loss), whether on an individual basis or on a combination basis, recognizes impairment losses on the financial assets with objective evidence of impairment, and provides reserves for the impairment.

The objective evidence of impairment of a financial asset includes the serious financial difficulties faced by the issuer or debtor, potential bankruptcy or other financial reorganization incurred to the debtor, and the incapability of the financial asset to be continuously traded in active market caused by the serious financial difficulties incurred to the issuer, severe or prolonged decline in the fair value of equity instrument investment and other adverse situations.

a) Methods to test and make provision for impairment of held-to-maturity investment

On the balance sheet date, if there is any objective evidence showing that any impairment has occurred to a held-to-maturity investment, the impairment loss is recognized at the difference between its book value and its present value of estimated future cash flows.

i. For a held-to-maturity investment that is individually significant, the Company conducts separate impairment test. If there is any objective evidence of impairment, the Company recognizes the impairment losses at the difference of its present value of estimated future cash flows in short of its book value and shall accordingly make the provision for such impairment.

ii. For held-to-maturity investments that are individually insignificant and held-to-maturity investments that are individually significant but have no impairment according to the separate test, they are divided into several groups according to similar credit risk characteristics. The impairment losses and provisions for impairment of these groups are calculated and determined based on certain proportions of their balances on the balance sheet date.

b) Methods to test and make provision for impairment of available-for-sale financial asset

On the balance sheet date, if there is any objective evidence showing that an available-for-sale financial asset is impaired, the impairment provision shall be accrued and the impairment loss shall be recognized. For an equity instrument investment, if significant or non-temporarydecline in fair value of the available-for-sale equity investment is found after giving comprehensive consideration to relevant factors, it can be concluded that the available-for-sale equity investment is impaired. The "significant decline" refers to a cumulative decline in the fair value exceeding 50% of the cost; and the "non-temporary decline" refers to a continuous decline in the fair value of more than 12 months.

When making provision for the impairment of an available-for-sale financial asset, the accumulated loss arising from the decline in fair value that is previously included in other comprehensive income shall be transferred out and included in the current profit and loss. The accumulated loss transferred out shall be balance of the available-for-sale financial asset's initial acquisition cost after deducting the principal recovered and amortized amount, present fair value and impairment loss previously recorded in profit or loss.

After the recognition of an impairment loss, if there is objective evidence showing that the value of financial assets has been recovered and such recovery is objectively related to the events occurring after the recognition of such loss, the impairment loss previously recognized shall be reversed, the impairment loss of available-for-sale equity investment shall be reversed and recognized as other comprehensive income, and the impairment loss of available-for-sale debt instrument shall be reversed and included in the current profit and loss.

For an equity instrument investment that has no quoted price in active market and whose fair value cannot be reliably measured, or a derivative financial asset that is linked to the equity instrument and settled through delivery of such equity instrument, when they are impaired, the difference between the book value of the financial asset and the present value of future cash flows discounted based on the prevailing market rate of return for a similar financial asset shall be recognized as an impairment loss and included in the current profit and loss. Once recognized, the impairment loss shall not be reversed.

8.7 Accounting treatment method of reclassifying the undue held-to-maturity investments as available-for-sale financial assets

Where it is not suitable to classify one investment as a held-to-maturity investment any more due to the change in intention or ability to hold the investment, the Company shall reclassify such investment as available-for-sale financial assets; where the Company partly disposes or reclassifies a held-to-maturity investment large in amount, and such disposal or reclassification does not arise from any independent event that is not under the control of the Company, not expected to recur and difficult to reasonably anticipated, the remaining portion of the investment shall also be classified as available-for-sale financial asset.

9. Receivables

9.1 Recognition criteria and provision method of bad debts of individually significant receivables

a) Recognition criteria of individually significant receivables

Individually significant receivables refer to accounts receivable whose closing balances are over RMB 10 million.

b) Provision method of individually significant receivables

On the balance sheet date, the Company separately conducts impairment tests on those individually significant receivables. If there is any objective evidence of impairment, an impairment loss is recognized and a provision for bad debt is made, according to the difference of the present value of estimated future cash flows in short of the book value; Individually significant receivables that are proved to be not impaired according to the tests shall be incorporated into other individually insignificant receivables, and their provisions for bad debts shall be made by using the aging analysis method based on their closing balances.

Objective evidence of impairment incurred to receivables includes: (1) the debtor has significant financial difficulty; (2) the debtor violates contractual terms (such as the breach of contract or delay in repaying interest or principal); (3) a concession is made to the debtor in financial difficulty after considering economic or legal reasons; (4) the debtor is likely to face bankruptcy or other debt restructuring.

9.2 Receivables whose bad debt provisions are made by credit risk characteristics portfolio

a) Basis to determine portfolio

Aging portfolios

Receivables that are individually significant but not accrued bad debt provisions after separate tests, and receivables that are individually insignificant after deduction of bad debt provisions separately made, shall all be classified into portfolios of receivables with similar credit risk characteristics by aging.

Other portfolios

Receivables are from the related parties and the government.

b) Method to making provision for bad debt by portfolio

As for aging portfolios, the Company makes bad debt provisions at the following proportions by aging analysis method:

Aging	Proportion of provision for accounts receivable (%)	Proportion of provision for other receivables (%)
Within 1 Year (Inclusive)	5.00	5.00
1-2 years	10.00	10.00
2-3 Years	30.00	30.00
3-5 Years	50.00	50.00
Over 5 Years	100.00	100.00

As for other portfolios, the Company does not make bad debt provisions.

c) Accounts receivable that are individually insignificant but separately accrued bad debt provisions

Individually insignificant receivables refer to accounts receivable whose single amount is less than RMB10 million.

The Company carries out separate impairment tests on receivables that are individually insignificant but have the following characteristics (such as receivables involved in dispute or litigation with the debtor and requiring arbitration; and receivables for which there are clear indications that the debtor is unable to fulfill the repayment obligations). If there is any objective evidence of impairment, the Company shall recognize the impairment loss and make the bad debt provision according to the difference of the present value of future cash flows in short of the book value. Meanwhile, for receivables that are individually insignificant after the bad debt provisions separately made are deducted, their bad debt provisions shall be made according to principles applied to portfolios of receivables with similar credit risk characteristics by aging.

10. Inventories

10.1 Classification of inventories

Inventories are classified as: inventory goods, development goods, development costs, etc.

10.2 Measurement method of dispatched inventories

Precious metals, steel, initial and other variable price inventory are accounted for by using first in and first out method.

Other inventories are accounted for by weighted average method or the specific identification method.

10.3 Basis to determine net realizable values of inventories and method of provision for diminution in value of inventories

a) Determination basis of net realizable values of inventories

i. In normal operation process, for merchandise inventories held directly for sale, including stock commodities (finished goods) and materials for sale, their net realizable values are determined at their estimated selling prices minus their estimated selling expenses and relevant taxes and surcharges.

ii. In normal operation process, for material inventories that need further processing, their net realizable values are determined at the estimated selling prices of finished goods minus estimated costs to completion, estimated selling expenses and relevant taxes and surcharges.

iii. For inventories held to execute sales contract or service contract, their net realizable values are calculated on the basis of contract price. If the quantities of inventories specified in the sales contracts are less than the quantities held by the Company, the net realizable value of the excess portion of inventories shall be based on general selling prices.

iv. The materials held for production shall be measured at cost if the net realizable value of the finished products is higher than the cost. If a decline in the value of materials shows that the net realizable value of the finished products is lower than the cost, the materials shall be measured at the net realizable value.

b) Provision for diminution in value of inventory

i. Provisions fordiminution in value of inventory are made at the lower of costs or net realizable values on a single basis.

ii. For inventories that have large quantities but low value, the Company provides for diminution in value of inventory on a category basis.

iii. For inventories that are related to product ranges produced and sold in the same district or used for the same or similar ultimate purpose and are difficult to be measured separately from other inventories, the Company provides for diminution in value of inventory on a consolidation basis.

10.4 Inventory system

The Company adopts perpetual inventory system and takes physical inventory counts on a regular basis.

10.5 Amortization method of revolving materials.

a. Amortization method of low-cost consumables:

Low-cost consumables are amortized in full at once.

b. Amortization method of packaging materials

Packing materials are amortized in full at once.

11. Assets held for sale and termination of operations

11.1 Assets held for sale

a) Scope of held for sale

When the Company mainly sells (including the exchange of non-monetary assets with commercial substance) instead of continuously using a non-current asset or disposal group to recover its book value, the non-current asset or disposal group is classified as held for sale.

Disposal group is a group of assets that are disposed as a whole through sales or other ways in one transaction and liabilities directly related to these assets delivered in the transaction.

b) Recognition criteria of held for sale

The Company recognizes its component (or non-current asset) that satisfies the following conditions as assets held for sale:

i. The assets (or disposal group) must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal groups);

ii. Its sale must be highly probable. The Company has already made a decision to dispose the component and has a commitment from the purchaser, the transfer will be completed within one year. If it requires shareholders' approval or supervisors' approval according to regulations, it has already received approval from the general meeting of stockholders or

relative authority institution.

c) Accounting treatment and presentation of assets held-for-sale

i. The non-current asset (or disposal group) is first classified as held for sale, the Company should measure the non-current assets or assets and liabilities made up of disposal group in accordance with relevant accounting standards.

ii. When the Company measure a non-current asset (or disposal group) held for sale initially or re-measure at balance sheet date subsequently, the impairment loss should be recognized if the book value is higher than fair value lee costs to sell at the amount of the difference of these two in profit and loss, the provision for assets held for sale need to be recognized at the same time. For the impairment of disposal group, should write off goodwill if existing, and then write down the related assets proportionally. Depreciation or amortization should cease for the non-current asset held for sale.

iii. No matter the asset is classified as individual asset held for sale or asset belonging to disposal group, the asset is presented as current assets under "assets held for sale" item; liabilities related to the asset transferred in the disposal group held for sale is presented as current liabilities under "liabilities held for sale" item in the balance sheet.

iv. The Company is committed to a sale plan involving loss of control of subsidiary shall classify all the assets and liabilities of that subsidiary held for sale in consolidated balance sheets when the above criteria are met, regardless of whether the Company retain a non-controlling interests in its former subsidiary after the sale. In the balance sheets of parent company, the investment should be classified as held for sale in full.

11.2 Termination of operations

Termination of operations refers to a separately distinguishable component part of a company that meets one of the following conditions, and the component part has been disposed of or classified as held for sale:

a) This component represents an independent main business or a separate main business area;

b) This component is part of a related plan to dispose of an independent main business or a separate main business area;

c) This component is a subsidiary acquired exclusively for resale.

12. Long-term equity investments

12.1 Recognition of the initial investment costs of long-term equity investments

a) For long-term equity investments from business combinations, the initial investment cost shall be recognized in accordance with the provisions mentioned in III-4, Accounting Method for Long-term Equity Investment from Business Combinations under Common Control and Business Combination not under Common Control.

b) Except for the long-term equity investments arising from business combinations, those obtained by other means shall recognize their initial investment costs in accordance with the following

provisions:

i. For the long-term equity investments obtained by cash paid, non-monetary assets paid or the equity securities issued by the acquirer or otherwise, the Company recognizes their fair value as the initial investment costs.

ii. For the long-term equity investments acquired by the issue of equity securities, the initial investment cost shall be the fair value of the equity securities issued. If the fair value of the long-term equity investment obtained is more reliable than equity securities issued, the initial investment cost shall be the fair value of the long-term equity investment made by the investors. The cost directly attributable to the issue of equity securities, including fees, commissions, etc., write-downs premium price of the issue, if premium price of the issue is insufficient, write-downs surplus reserve and undistributed profit in turn. For the long-term equity investments acquired by the issue of debt securities, reference through the issuance of equity securities.

iii. For long-term equity investments obtained by debt restructuring, the Company recognizes the fair value of shares of debt-for-equity swap as the initial investment costs.

iv. For long-term equity investments obtained by non-monetary assets exchange, under the condition that an exchange of non-monetary assets is of commerce nature and the fair value of assets exchanged can be reliably measured, non-monetary assets traded in is initially stated at the fair value of the assets traded out, unless there is conclusive evidence indicating that the fair value of the assets traded in is more reliable; if the above conditions are not satisfied, initial investment costs of long-term equity investments traded in shall be recognized at the book value of the assets traded out and the relevant taxes and surcharges payable.

Expenses, taxes and other necessary expenses incurred to the Company and that are directly related to the obtainment of long-term equity investments shall be recognized as the initial investment costs of long-term equity investments.

For long-term equity investments obtained by the Company by any means, cash dividends or profits declared but not yet distributed in the actual payments or the consideration actually paid for the investment shall be separately accounted as dividends receivable and shall not constitute the costs of long-term equity investments.

12.2 Subsequent measurement and recognition of gains and losses of long-term equity investments

a) Long-term equity investments measured under the cost method

i. Long-term equity investments that can control the investee, which are long-term equity investments in subsidiaries, are measured under the cost method.

ii. For long-term equity investments accounted at the cost method, except cash dividends or profits declared but not yet distributed which are included in the actual payments or the consideration actually paid for the investment, the cash dividends or profits declared by the investee shall be recognized as the investment income irrespective of net profits realized by the investee before investment or after investment.

b) Long-term equity investments measured under the equity method

i. For the long-term equity investment which has joint control or significant influence over the investee, the equity method is adopted for accounting.

ii. For long-term equity investments measured at the equity method, if the initial investment costs are higher than the investor's attributable share of the fair value of the investee's identifiable net assets, no adjustment will be made to the initial costs of the long-term equity investments; if the initial investment costs are lower than the investor's attributable share of the fair value of the investee's identifiable net assets, the difference shall be recognized in current profit and loss and at the same time the adjustment will be made to the initial costs of the long-term equity investments.

iii. After obtaining the long-term equity investments, the Company shall, according to the shares of net profits and losses and other comprehensive income realized by the investee that shall be enjoyed or borne by the Company, recognize the profit and loss on the investments and adjust the book value of the long-term equity investments. When recognizing the net profits and losses and other comprehensive income of the investee that the Company shall enjoy or bear, the Company shall make a recognition and calculation based on the net book profits and losses of the investee after appropriate adjustments. However, where the Company is unable to obtain the relevant information due to failure to reasonably determine the fair value of the investee's identifiable assets, minor difference between the investee's identifiable assets and the book value thereof or other reasons, the profits or losses on the investments shall be directly calculated and recognized based on the net book profits and losses of the investee. The Company shall calculate the part distributed from cash dividends or profits declared by the investee and correspondingly reduce the book value of the long-term equity investments.

When recognizing the income from investments in associates and joint ventures, the Company shall write off the part of incomes from internal unrealized transactions between the Company and associates and joint ventures which are attributable to the Company and recognize the profit and loss on investments on such basis. Where the losses on internal transactions between the Company and the investee fall into the scope of losses on assets impairment, full amounts of such losses shall be recognized. Profit and loss from internal unrealized transactions between the Company's subsidiaries included into the combination scope and associates and joint ventures shall be written off according to the above principles and the profit and loss on investments thereafter shall be recognized on such basis.

When the share of net loss of the investee attributable to the Company is recognized, it is treated in the following sequence: Firstly, write off the book value of the long-term equity investments; where the book value of the long-term equity investments is insufficient to cover the loss, investment losses are recognized to the extent that book value of long-term equity which form net investment in the investee in other substances and the book value of long-term receivables shall be written off; after all the above treatments, if the Company still assumes additional obligation according to investment contracts or agreements, the obligation expected to be assumed should be recognized as provision and included into the investment loss in the current period. If the investee is profitable in subsequent accounting periods, the Company shall treat the loss in reverse order against that described above after deducting unrecognized share of loss: i.e., write down the book value of the recognized provision, then restore the

book value of long-term interests which substantially form net investments in the investee, then restore the book value of long-term investments, and recognize investment income at the same time.

12.3 Basis for judgment of common control or significant influence over the investee

a) Basis for judgment of common control over investee

Common control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Relevant activities of an arrangement usually include selling and purchasing of goods or services, managing financial assets, acquiring or disposing of assets, researching and developing activities and financing activities. A joint venture is a joint arrangement whereby the joint ventures have rights to the net assets of the arrangement. The parties have rights to the assets, and obligations for the liabilities, relating to the arrangement, which is a joint operation, but not a joint venture.

b) Basis for judgment of significant influence over investee

The term 'significant influence' refers to the power to participate in decision-making on the financial and operating policies of the investee, but with no control or joint control over the formulation of these policies. Where the Company is able to exert significant influence over the investee, the investee is its associate.

13. Investment property

13.1 The scope of investment property

Investment property is the property that is held to earn rent or capital appreciation or both and can be measured and sold separately. The Company's investment property includes buildings already rent, land use right already rent, and land use right held for appreciation and then sold.

13.2 The conditions for recognition of investment property

Investment property shall be recognized only when both of the following conditions are satisfied,

a) It is probable that the future economic benefits that are associated with the investment property will flow to the Company.

b) The cost of the investment property can be measured reliably.

13.3 Investment property subsequently measured using the fair value model

a) Basis of using fair value model for subsequent measurement

If there is solid evidence suggests that the investment property acquired can be measured at fair value continuously and reliably, the Company can use fair value model for subsequent measurement.

The Company can use fair value model for subsequent measurement when satisfying the following conditions at the same time:

i. There is an active real estate transaction market at the place where the investment property is

located.

ii. The Company can get price and other relevant information of congener or similar real estate transaction market, so as to make reasonable estimates of the fair value of investment property.

b) Determination of fair value of investment property

When the current market price of congeneric or similar real estate market is available, the Company determines the fair value of investment property, referring to the current market price (market public quote) of congener or similar real estate in the active market.

When the current market price of congeneric or similar real estate market is unavailable, the Company reasonably estimates the fair value of investment property, referring to the latest transaction price of congeneric or similar real estate in the active market, and considering transaction conditions, transaction date, location and other factors, or based on the present value of the rent gain and relevant cash flow in the future estimated.

Congeneric or similar buildings are buildings that are located in the same geographical position and geographical environment and have same or similar nature and structure type at the same or similar aging degree and use state. Congeneric or similar land use rights are those who are in the same location area and are in the same or similar geographical environment at the same or similar use state.

c) For the investment property measured at fair value model, the Company does not provide depreciation or amortization. Adjust its book value based on the fair value of investment property at the balance sheet date, the difference between the fair value and book value through current profit and loss.

14. Fixed assets

14.1 Recognition and measurement of fixed assets

Fixed assets refer to tangible assets held for the purpose of producing commodities, providing services, renting or business management with useful life exceeding one accounting year. Fixed assets are recognized when the following criteria are satisfied simultaneously:

a) It is probable that the economic benefits relating to the fixed assets will flow into the Company;

b) The cost of the fixed assets can be measured reliably.

14.2 Depreciation of fixed assets

a) Except for the fixed assets that have been fully depreciated but are still in use and the land, the Company makes provisions for depreciation of all fixed assets.

b) Depreciation of fixed assets of the Company is provided for on a straight-line basis from the month immediately following the month when they reach the working condition for their intended use. The depreciation amount and depreciation rate shall be calculated and recognized according to the category, estimated useful lives and estimated net residual value rate of fixed assets and respectively included into the costs of the relevant assets or the current profit and loss by purpose.

c) Category, estimated useful lives, estimated net residual value rate and annual depreciation rate of fixed assets are listed as follows:

Category of fixed assets	Estimated useful life (years)	Estimated residual value rate (%)	Annual depreciation rate (%)
Buildings& Constructions	40-45	5.00	2.11-2.375
Transportation equipment	5	5.00	19.00
Electronic equipment	5	5.00	19.00
Other equipment	5	5.00	19.00

When making provision for impairment on fixed assets, the Company shall recalculate the depreciation rate and depreciation amount according to the book value, the estimated net residual value rate and useful lives of the fixed assets.

On the balance sheet date, the Company reviews the estimated useful life, estimated net residual value rate and depreciation method of the fixed assets. If there is any change, they shall be treated as changes in accounting estimate.

d) For decoration costs of fixed assets that are satisfied with capitalization conditions, depreciation is provided for on a straight-line basis separately, during the shorter period of the two decoration periods and useful lives of the fixed assets.

e) For fixed assets acquired through finance lease, if the ownership of the leasing assets can be determined reasonably, make depreciations during the useful life of the leasing assets. If the ownership of the leasing assets cannot be determined reasonably, make depreciations during the shorter period of the lease term and the useful life of the leasing assets.

14.3 Recognition standard, valuation and depreciation method for fixed assets acquired under financing lease

a) Recognition standard for fixed assets acquired under financing lease

At the inception of the lease, the Company recognizes the leased fixed assets meeting the standards for financial leases as fixed assets acquired under financing leases.

b) Valuation method for fixed assets acquired under financing lease

At the inception of the lease, the Company shall state the assets acquired under financing lease at the lower of the fair value of the leased assets or the present value of the minimum lease payments, as well as the initial and direct expenses occurred, recognize a long-term payable at the amount of the minimum lease payments, and shall charge the difference of the lower of the fair value of the leased assets or the present value of the minimum lease payments and the minimum lease payments to unrecognized finance expenses. Unrecognized finance expenses shall be amortized at the effective interest rate method in each period during the lease term.

c) Depreciation for fixed assets acquired under financing lease

Adapt the same depreciation method as the one used on other fixed assets owned by the Company. If there is reasonable assurance that the Company will obtain the ownership of the leased assets

when the lease term expires, the leased assets should be depreciated over its useful life; if there is no reasonable assurance that the Company will obtain the ownership of the leased assets when the lease term expires, the leased assets should be depreciated over the shorter of the lease term or the useful life of the leased assets.

15. Construction in progress

15.1 Category

Construction in progress is accounted on individual project basis.

15.2 Criteria and time-point of conversion of construction in progress into fixed assets

The book entry values of the fixed assets are stated at total expenditures incurred before construction in progress reaches the working condition for their intended use. For self-operating projects, total expenditures are measured according to the expenditures of direct materials, direct labor, direct measurement mechanical construction costs and other expenditures; for contracting projects, total expenditures are measured according to project costs payable and other expenditures. Borrowing costs incurred before the projects that are undertaking with borrowing costs reach working condition for their intended use and meeting the condition for capitalization shall be capitalized and included into the costs of construction in progress.

For construction in progress that has reached working condition for intended use but for which the completion of settlement has not been handled, it shall be transferred into fixed assets at the estimated value according to the project budget, construction price or actual cost, etc. from the date when it reaches the working condition for intended use and the fixed assets shall be depreciated in accordance with the Company's policy on fixed asset depreciation; adjustment shall be made to the estimated value based on the actual cost after the completion of settlement is handled, but depreciation already provided will not be adjusted.

16. Borrowing costs

16.1 Scope

The Company's borrowing costs include interest thereon, amortization of discounts or premiums, ancillary expenses and exchange differences incurred from foreign currency borrowings, etc.

16.2 Recognition principles of capitalization of borrowing costs

The borrowing costs incurred to the Company and directly attributable to the acquisition and construction or production of assets eligible for capitalization should be capitalized and recorded into relevant asset costs; other borrowing costs should be recognized as costs according to the amount incurred and be included into the current profit and loss.

Assets eligible for capitalization include fixed assets, investment properties, inventories and other assets which may reach the working condition for their intended use or sale by acquisition and construction or production activities for quite long time.

16.3 Recognition of capitalization period of borrowing costs

a) Recognition of commencement of capitalization of borrowing costs

Borrowing costs may be capitalized when asset disbursements have already been incurred, borrowing costs have already been incurred and the acquisition and construction or production activities which are necessary to prepare the assets for their intended use or sale have already been started. Among which, asset disbursements include those incurred by cash payment, the transfer of non-cash assets or the undertaking of interest-bearing debts for acquiring and constructing or producing assets eligible for capitalization.

b) Recognition of period of capitalization suspension of borrowing costs

If the acquisition and construction or production activities of assets eligible for capitalization are interrupted abnormally and this condition lasts for more than three months, the capitalization of borrowing costs should be suspended. The borrowing costs incurred during interruption are charged to profit or loss for the current period, and the capitalization of borrowing costs continues when the acquisition and construction or production activities of the asset resume. If the interruption is necessary for the acquisition and construction or production to prepare the assets for their intended use or sale, the capitalization of borrowing costs should continue.

c) Recognition of period of capitalization cessation of borrowing costs

Capitalization of borrowing costs should cease when the acquired and constructed or produced assets eligible for capitalization have reached the working condition for their intended use or sale. Borrowing costs incurred after the assets eligible for capitalization have reached the working condition for their intended use or sale should be recognized as the current profit and loss when they incur.

If parts of the acquired and constructed or produced assets are completed separately , each part may be used or sold externally in the process of continuous construction of other parts and the necessary acquisition or production activities have been substantially completed to make the part of assets reach the working condition for their intended use or sale, the capitalization of borrowing costs related to the part of assets should be ceased; if parts of the acquired and constructed or produced assets are completed separately but the assets cannot be used or sold externally until overall completion, the capitalization of borrowing costs should cease at the time of overall completion of the said assets.

16.4 Recognition of capitalized amounts of borrowing costs

a) Recognition of capitalized amounts of interest on borrowing costs

During the period of capitalization, capitalized amount of the interest of each accounting period (including amortization of discounts or premiums) shall be recognized according to the following provisions:

i. As for special borrowings borrowed for acquiring and constructing or producing assets eligible for capitalization, borrowing costs of special borrowing actually incurred in the current period less the interest income of the loans unused and deposited in bank or return on temporary investment should be recognized as the capitalization amount of borrowing costs.

ii. As for general borrowings used for acquiring and constructing or producing assets eligible for capitalization, the interest of general borrowings to be capitalized should be calculated by multiplying the weighted average of asset disbursements of the part of accumulated asset disbursements in excess of special borrowings by the capitalization rate of used general borrowings. The capitalization rate is calculated by weighted average interest rate of general borrowings.

iii. Where there are discounts or premiums on borrowings, the amounts of interest for each accounting period should be adjusted taking account of amortizable discount or premium amounts for the period by effective interest method.

iv. During the period of capitalization, the capitalized amount of interest of each accounting period shall not exceed the current actual interest of the relevant borrowings.

b) Recognition of capitalized amounts of auxiliary expenses of borrowings

i. Auxiliary expenses incurred from special borrowings before the acquired or constructed assets eligible for capitalization reach the working condition for their intended use or sale should be capitalized when they incur and charged to the costs of assets eligible for capitalization; those incurred after the acquired or constructed assets eligible for capitalization reach the working condition for their intended use or sale should be recognized as costs according to the amounts incurred when they incur and charged to the current profit or loss.

ii. Auxiliary expenses incurred from general borrowings shall be recognized as costs according to the amounts incurred when they occur and included in the current profit and loss.

c) Recognition of capitalized amount of exchange differences

During the period of capitalization, exchange differences incurred from the principal and interest of special foreign currency borrowings should be capitalized and included in the costs of the assets eligible for capitalization.

17. Intangible assets

17.1 Initial measurement of intangible assets

1) Initial measurement of intangible assets purchased

Costs of intangible assets purchased include purchase price, related tax and expenses and other expenditure that can be distributed to the asset directly to reach its expected use. If payment of the purchase price of intangible assets can be deferred and exceeds normal credit conditions, the purchase has the nature of finance in fact and cost of the intangible asset shall be determined on the basis of present value of the purchase price. The difference between the amount actually paid and the present value of the purchase price should be recorded into current profit or loss other than those should be capitalized during the credit period.

2) Initial measurement of internally researched and developed intangible assets

Costs of internally researched and developed intangible assets shall be recognized according to the total expenses during the period after the assets are eligible for capitalization and before they reach the intended purpose and the expenses that have been included in the previous periods shall no

longer be adjusted.

Expenses on the research phase of internally researched and developed intangible assets shall be included in the current profit and loss when they incur; those on the development phase ineligible for capitalization shall be included in the current profit and loss; those eligible for capitalization shall be recognized as intangible assets. If it is unable to distinguish expenditure on the research phase and expenditure on development phase, the research and development expenditures shall be all included in the current profit and loss.

17.2 Subsequent measurement of intangible assets

The useful lives of intangible assets are analyzed on acquisition. Intangible assets obtained by the Company are divided into intangible assets with limited useful lives and intangible assets with indefinite useful lives.

a) Subsequent measurement of intangible assets with limited useful lives

The intangible assets with limited useful lives are amortized on a straight-line basis when they reach intended use over their useful lives with no residual value reserved. Amortizations of intangible assets are usually recorded into the current profit and loss; where the economic benefits of an intangible asset are realized by the products or other assets produced thereafter, the amortizations are recorded into the costs of the relevant assets.

Category, estimated useful life, estimated net residual value rate and annual amortization rate of intangible assets are shown below:

Category of intangible assets	Estimated useful life(years)	Estimated net residual Value rate (%)	Annual amortization rate (%)
Land use right	40-50 Per Land Certification	0.00	2.00-2.50
Software	3-10 According to the Contract	0.00	10.00-33.33

The useful lives and amortization methods of intangible assets at the end of the current year are not different from previous estimates after review.

b) Subsequent measurement of intangible assets with indefinite useful lives

Intangible assets with indefinite useful lives are not amortized in the holding period.

17.3 Estimates of useful lives of intangible assets

a) For intangible assets from any contractual right or other statutory rights, their useful lives shall be recognized according to the period no more than that of the contractual or other statutory rights; when the contractual right or other statutory rights contract is extended due to renewal of contracts and there is evidence that the renewal of the Company does not need large costs, the renewal period shall be included into the useful lives.

b) Where the contract or the law fails to specify the useful lives, the Company integrates situations in all aspects and determine the period of intangible assets that can bring economic benefits for the Company by hiring the relevant experts to demonstrate or comparing with the situation of the industry as well as referring to the Company's historical experience or otherwise.

c) If it is still unable to reasonably determine that intangible assets may bring economic benefits for

the Company according to the above methods, the intangible assets are taken as intangible assets with indefinite useful lives.

17.4 Specific criteria for classifying the research phase and the development phase of an internal research and development project

According to the actual situation of the research and development, the Company classifies the research and development project into that on the research phase and that on the development phase.

a) Research stage

Research stage is the stage when creative and planned investigations and research activities are conducted to acquire and understand new scientific or technological knowledge.

b) Development stage

Development stage is the stage when the research achievements or other knowledge are applied to a plan or design, prior to the commercial production or use, so as to produce any new or substantially improved material, device or product.

Expenditure of an internal research and development project on the research phase shall be included in current profit and loss when it occurs.

17.5 Specific criteria for qualifying expenditure on the development phase for capitalization

Expenditure on the development phase of an internal research and development project shall be recognized as intangible assets only when the following conditions are simultaneously satisfied:

a) It is technically feasible to finish intangible assets for use or sale;

b) It is intended to finish and use or sell the intangible assets;

c) The usefulness of methods for intangible assets to generate economic benefits shall be proved, including being able to prove that there is a potential market for the products manufactured by applying the intangible assets or there is a potential market for the intangible assets themselves or the intangible assets will be used internally;

d) It is able to finish the development of the intangible assets, and able to use or sell the intangible assets, with the support of sufficient technologies, financial resources and other resources;

e) The expenditure attributable to the intangible asset during its development phase can be measured reliably.

17.6 Treatment of land use right

a) The land use right obtained by the Company is usually recognized as intangible assets, but the purpose of the land use right is changed to be used for earning rent or increasing capital; it shall be transferred to investment property.

b) For plants and other buildings developed and constructed by the Company, the relevant land use right and buildings shall be treated separately.

c) Payments for externally purchased land and buildings are distributed between the value of buildings and the land use right; those difficult to be distributed shall be all taken as fixed assets.

18. Impairment of long-term assets

If there are impairment indicators of long-term equity investment, investment properties measured at cost model, fixed assets, construction in progress, intangible assets with limited useful lives and other long-term assets at balance sheet date, impairment test should be performed. If the result of impairment test shows that recoverable amount is less than its book value, the difference should be provided for impairment and recorded into impairment loss. The recoverable amount is the higher of fair values less costs of disposal and the present values of the future cash flows expected to be derived from the asset. Provision for impairment is calculated and recognized on the basis of individual asset. If recoverable amount of individual asset is difficult to be estimated, the Company should recognize the recoverable amount of the asset group which the individual asset belongs to. Asset group is the minimum asset group which can generate cash inflow separately.

The Company should perform impairment test for goodwill and intangible assets with indefinite life at least at each year end, no matter whether there is impairment indicator or not.

When the Company performs impairment test, book value of goodwill arising from business combination should be amortized to relevant asset group using the reasonable method from the date of purchase. If it is difficult to amortize it to relevant asset group, amortize it to relevant asset group portfolio. Apportion book value of goodwill to relevant asset group or asset group portfolio according to the proportion of fair value of asset group or asset group portfolio accounting for total amount of relevant asset group or asset group portfolio. If fair value is difficult to be measured reliably, amortize according to the proportion of book value of asset group or asset group portfolio accounting for total amount of relevant asset group or asset group portfolio. When perform impairment test for asset group or asset group portfolio including goodwill, if there is impairment indicator of asset group or asset group portfolio relevant to goodwill, perform impairment test for asset group or asset group portfolio without goodwill firstly, calculate its recoverable amount, compare with relevant book value and recognize impairment loss. Then perform impairment test for asset group or asset group portfolio including goodwill, compare book value of the asset group or asset group portfolio (including proportional book value of goodwill) and its recoverable amount, if recoverable amount of relevant asset group or asset group portfolio is less than its book value, recognize impairment loss of goodwill.

Once impairment loss stated above is recognized, reversal is not allowed in the subsequent accounting periods.

19. Long-term deferred expenses

19.1 Scope

Long-term deferred expenses refer to various expenses which have been already incurred but will be born in this period and in the future with an amortization period of over 1 year (exclusive),including improvement expenditure of fixed assets under operating lease etc.

19.2 Initial measurement of long-term deferred expenses

Long-term deferred expenses shall be initially measured according to the actual costs incurred.

19.3 Amortization of long-term deferred expenses

Long-term deferred expenses are amortized using the straight-line method over the beneficial period.

20. Employee benefits

Employee benefits include short-term employee benefits, post-employment benefits, termination benefits and other long-term employee benefits.

20.1 Short-term employee benefits

Short-term employee benefits are the employee benefits that the Company expects to pay in full within 12 months after the end of the annual reporting period in which the employee provided relevant services, excluding the compensation for employment termination.

Short-term employee benefits include: employee wages or salaries, bonus, allowance and subsidies, staff welfare, social security contributions such as premiums or contributions on medical insurance, work injury insurance and maternity insurance, housing funds, union running costs and employee education costs, short-term paid absences, short-term profit-sharing plan, non-monetary welfare and other short-term benefits.

Actual short term benefits will be recognized as liability during the accounting period in which the employee is providing the relevant service to the Company. The liability will be included in the current profits and losses or the cost relevant assets.

20.2 Post-employment benefits --defined contribution plans

The defined contribution plan of the Company includes payments of basic pension, unemployment insurance, annuity, etc. according to relevant provisions. The amount which the Company deposits on balance sheet date in exchange for the service of the employee during the accounting period will be recognized as employee benefits liability and shall be included into the profit or loss for the current period.

20.3 Termination benefits

Termination benefits are the benefits the Company provides to the employee when the Company terminates the employment before labor contract expires or encourages voluntary resignation. Employee benefits liabilities shall be recognized and included into profit or loss for the current period on the earlier date of the two following circumstances:

a) When the Company is not able to withdraw the benefits from termination of employment or resignation persuasion unilaterally;

b) When the Company recognizes costs and fees relevant to reforming the termination benefits payment.

20.4 Other long-term employee benefits

Other long-term employee benefits are all employee benefits other than short-term benefits, post-employment benefits and termination benefits. At the end of reporting period, the Company will recognize the employee benefits cost from other long-term employee benefits as the following components:

a) Service cost;

b) Net amount of interest from other long-term employee benefits net liabilities or assets;

c) Changes from recalculation of the net liabilities or assets from other long-term employee benefits.

In order to simplify related accounting procedure, the net amount of the above subjects shall be included into current profit or loss or the cost of relevant assets.

21. Provisions

21.1 Recognition principles of provisions

When obligations related to external guarantees, pending actions or arbitration, product quality assurance, onerous contracts, reorganization and contingencies satisfy the following three conditions, they shall be recognized as provisions:

a) This obligation is a present obligation of the Company;

b) The performance of such obligation is likely to result in outflow of economic benefits from the Company; and

c) The amount of the obligation can be measured reliably.

21.2 Measurement method of provisions

The amount of provisions is measured at the best estimate of expenses required for contingencies.

a) If there is continuous range for the necessary expenses, and probabilities of occurrence of all the outcomes within this range are equal, the best estimate shall be determined at the median of the range.

b) The best estimate shall be accounted as follows in other cases:

i. If the contingency involves a single item, the best estimate shall be determined at the most likely outcome.

ii. If the contingency involves two or more items, the best estimate should be determined according to all the possible outcomes with their relevant probabilities.

22. Revenue

Operating revenue of the Company mainly includes revenue from sales of goods, revenue from rendering of service, and revenue from transfer of asset use right, for which the recognition principles are as follows:

22.1 Recognition principals of revenue from sales of goods

Revenue from sales of goods is recognized when the Company has transferred significant risks and rewards of ownership of the goods to the purchaser; the Company retains neither continuing managerial involvement usually related to the ownership nor effective control over the sold goods; revenues can be measured reliably; the relevant economic benefits are highly likely to flow into the Company; and the relevant costs incurred or to be incurred can be measured reliably.

22.2 Recognition principals of revenues of rendering of services

a) Recognition principals of revenue from rendering of service under the circumstance that the outcome of service transactions can be estimated reliably

The Company recognizes revenue from rendering of service using the percentage-of-completion method on the balance sheet date when the outcome of service transactions can be estimated reliably.

When the amount of revenues can be measured reliably, related economic interests are likely to flow into the Company, schedule of completion of the transitions can be measured reliably and the cost of transactions incurred or to be incurred can be measured reliably, the outcome of service transactions can be estimated reliably.

b) Recognition principals of revenue from rendering of service under the circumstance that the outcome of service transactions cannot be estimated reliably

If the outcome of rendering of services on the balance sheet date cannot be measured reliably, the revenues from rendering of services shall be recognized according to the following three conditions:

i. If the labor costs that have already incurred can be fully compensated, the revenues from rendering of services are recognized at the amounts recovered or expected to be recovered and the labor costs that have already incurred shall be carried forward;

ii. If the labor costs that have already incurred can be partially compensated, the revenues from rendering of services are recognized at the recoverable amounts of compensated labor costs and the labor costs that have already incurred shall be carried forward;

iii. If it is expected that all the labor costs that have already incurred cannot be compensated, the labor costs that have already incurred are included into the current profit and loss (costs of primary business) and the revenues from rendering of services are not recognized.

22.3 Recognition principals of revenue from transfer of asset use right

The Company recognizes revenue from transfer of asset use right when the relevant economic benefits are highly likely to flow into the Company and the amount of revenue can be reliably measured.

22.4 Recognition principals of revenue from construction project

After the completion of the construction project, the Company submits to the project construction entrusting party for acceptance. The construction entrusting party signs the construction project transfer settlement agreement after passing the project quality acceptance, and the Company confirms revenue after completing the project transfer procedures.

22.5 Recognition principals of revenue from resettlement housing

The Company's resettlement houses are sold as a whole to the demolition unit (purchaser). According to the sales contract signed with the resettlement house purchaser, after the overall completion of the project, both parties will go through the comprehensive acceptance and handover procedures. The Company will confirm the resettlement house according to the signed delivery and settlement agreement.

22.6 Recognition principals of revenue from investment real estate

When the Company disposes of investment real estate, it signs an asset sale (or transfer contract) and compensation agreement for the acquisition of state-owned land use rights with the purchaser. According to the price agreed in the contract and the agreement, the disposal income is recognized after the asset is handed over.

23. Government grants

23.1 Types of government grants

Government grants are monetary assets and non-monetary assets acquired free of charge by the Company from the government, including government grants related to assets and government grants related to income.

Government grants related to assets are government grants that are acquired by the Company and used for forming long-term assets through purchasing and constructing or other ways.

Government grants related to income are government grants other than government grants related to assets.

23.2 Recognition principles of government grants

Government grants are recognized when both of the following conditions are met:

a) The Company can meet the attached conditions for the government grants;

b) The Company can receive the grants.

23.3 Measurement of government grants

a) If a government grant is a monetary asset, it shall be measured in the light of the received or receivable amount.

b) If a government grant is a non-monetary asset, it shall be measured at its fair value; and if its fair value cannot be obtained in a reliable way, it shall be measured at a nominal amount (a nominal amount is RMB 1).

23.4 Accounting treatment method of government grants

a) The government grants related to assets shall be set off of the book value of the related assets or recognized as deferred income at the actual entry amount on acquisition. Government grants recognized as deferred income shall be allocated evenly over the useful lives of the relevant assets and included in the current profit or loss. Government grants measured at the nominal amount shall be directly included in current profit and loss.

b) Government grants related to income shall be separately handled according to the following

circumstances:

i. If government grants related to income are used to compensate the Company's relevant expenses or losses in future periods, such government grants should be recognized as deferred income on acquisition and be included into the current profit and loss or written off of the related costs when the relevant expenses, losses are recognized.

ii. If government grants related to income are used to compensate the Company's relevant expenses or losses incurred, such government grants are directly included into the current profit and loss on acquisition or written off of the related costs.

c) If a government grants includes both the government grants related to assets and the government grants related to income, the government grants related to assets and the government grants related to income should be treated respectively when they can be distinguished. If it is hard to separate, government grants shall be treated as related to income as a whole.

d) The government grants related to company's daily operation shall be recorded into other income or written off relevant expenses, costs. The government grants unrelated to company's daily operation shall be recorded in non-operating income. The interest subsidy which was allocated directly to the Company from finance bureau should offset relevant borrowing cost.

e) Government grants already recognized required to be refunded shall be handled according to the following circumstances:

i. If the grants have written down the book value of assets, the book value shall be adjusted.

ii. If there is related deferred income, the book value of relevant deferred income is written down and the exceeding part is recorded in the current profit and loss.

iii. Besides, the government grants are directly included in the current profit and loss.

24. Deferred tax

The Company adopts the balance sheet liability method to account for income tax.

24.1 Recognition of deferred tax assets or deferred tax liabilities

a) The Company recognizes its tax base on acquisition of assets and liabilities. On the balance sheet date, the Company analyzes and compares the book value of the assets and liabilities with the tax base. If there are temporary differences between book value of the assets and liabilities and tax base, under the circumstance that the temporary differences incur in the current period and meet the recognition criteria, the Company shall respectively recognize taxable temporary differences or deductible temporary differences as deferred tax liability or deferred tax assets.

b) Recognition basis of deferred tax assets

i. Deferred tax assets incurred from deductible temporary differences are recognized to the extent that they shall not exceed the taxable income probably obtained in future periods to be against the deductible temporary difference. In determining the taxable income probably obtained in future periods, including the taxable income from normal production and operation activities in future periods and the increase of taxable income due to the reversal of

taxable temporary differences during the period of reversal of deductible temporary differences.

ii. For deductible losses and tax credits that can be carried forward to the next years, the Company is likely to recognize the corresponding deferred tax assets to the extent that the assets shall not exceed the taxable income in the future for deducting deductible losses and tax credits and that are probably obtained by the Company.

iii. On the balance sheet date, the Company reviews the book value of deferred tax assets. If it is probably unable to obtain sufficient taxable income in the future period to offset the benefits of the deferred tax assets, the Company shall write down the book value of the deferred tax assets; when it is probable to obtain sufficient taxable income, the write-downs shall be reversed.

c) Recognition basis of deferred tax liabilities

The Company recognizes the current and previous taxable temporary differences payable but unpaid as deferred tax liabilities. But they exclude temporary differences arising from goodwill, transactions which are formed other than from business combinations and neither affect the accounting profits nor affect taxable income at the time of occurrence.

24.2 Measurement of deferred tax assets or deferred tax liabilities

a) On the balance sheet date, the deferred tax assets and deferred tax liabilities are measured at the applicable tax rate during the period of expected recovery of the assets or liquidation of the liabilities in accordance with the provisions of the tax law.

b) Where the applicable tax rate changes, the Company remeasures deferred tax assets and deferred tax liabilities recognized, except for those incurred in transactions or events directly recognized in the owner's equity, of which the effect shall be included in the income tax expenses in the current period when the rate changes.

c) When the Company measures the deferred tax assets and deferred tax liabilities, the tax rate and tax base in consistent with the expected recovery of assets or liquidation of liabilities shall be adopted.

d) Deferred tax assets and deferred tax liabilities of the Company shall not be discounted.

25. Operating lease and financial lease

The Company distinguishes operating lease from financial lease from the beginning day of the lease.

25.1 Accounting treatment of operating lease

Lessee records rents of operating lease into cost of related assets or current profit or loss using straight line method in each period of the lease term. Initial direct expenses incurred are recorded into current profit or loss. Contingent rents are recorded into current profit or loss when occur.

Lessor includes assets used for operating lease in the related items of financial statements. Rent of operating lease is recognized into current profit or loss using straight line method in the various

period of the lease term. Initial direct expenses are recorded into current profit or loss. Depreciate fixed asset in the operating lease using depreciation policy of the similar assets. Amortize other operating lease assets using systematic reasonable method. Contingent rent is recorded into current profit or loss when occur.

25.2 Accounting treatment of financial lease

As the lessee, recognize the lower of fair value of lease asset and minimum lease payment at the beginning day of the lease as the initial value of the asset leased in and the minimum lease payment as long-term payable, the difference as unrealized finance expense. Bank charges, lawyer fee, travel allowances, stamp taxes and other initial direct expenses that can be attributable to lease project in the lease negotiation and signing the lease contract are recorded into the asset leased in. Unrealized finance expense is amortized in the period during the lease term and recognized as current finance expenses using actual effective rate method. Contingent rent is recorded into current profit or loss when actually occur.

As the lessor, recognize the total of minimum lease amount received and initial direct expenses as the initial value of financial lease amount receivable and record the residual amount not guaranteed at the same time. Recognize the difference between the total of minimum lease amount received initial direct expenses and residual amount not guaranteed and present value of that as unrealized finance income. Amortize unrealized finance income in the period during the lease term and use effective interest rate to recognize current finance income. Contingent rent is recorded into current profit or loss when actually occur.

26. Changes in significant accounting policies and accounting estimates

26.1 Changes in significant accounting policies

The Company does not have changes in important accounting policies in the reporting period.

26.2 Changes in significant accounting estimates

The Company does not have changes in major accounting estimates in the reporting period.

IV. Taxation

1.Major tax types and tax rates

Tax type	Taxation Basis	Tax rate
Value-added tax	Output tax less input tax	13%, 9%, 6% (collection rate)
Value-added tax（simple tax）	Sales revenue	3%, 5% (collection rate)
Urban maintenance and construction tax	Applicable turnover tax amount	7%
Educational surcharge	Applicable turnover tax amount	3%
Local education surcharge	Applicable turnover tax amount	2%
Enterprise income tax	Applicable taxable income	25%

2.Tax preferences and approvals

(None)

V. Explanations for the major items on the consolidated financial statements(All amounts are expressed in RMB yuan unless otherwise stated)

1. Cash and cash equivalents

Item	December 31,2020	December 31,2019
Cash	-	35,473.55
Bank deposit	906,712,054.18	1,218,370,466.58
Other cash and cash equivalents	1,411,653,905.14	2,165,224,653.21
Total	2,318,365,959.32	3,383,630,593.34

Note: Restricted assets

Item	Reason for restriction	December 31,2020	December 31,2019
Bank deposit	Pledge of fixed deposits	311,000,000.00	459,588,221.24
Bank deposit	Frozen funds	100,913,216.89	100,250,000.00
Bank deposit	Frozen pool collection business	13,216.89	-
Other cash and cash equivalents	Pledge of margin	1,411,653,905.14	1,605,224,653.21
Total		1,824,326,867.25	2,165,062,874.45

Among the bank deposits frozen by the court, RMB101,009,745.22 was due to the plaintiff Jiangsu Zili Construction Group Co., Ltd. and the Company's construction contract dispute, and the application for the court to seal and freeze the Company's Everbright Bank Zhenjiang branch account, etc. According to the Civil Judgment of the Intermediate People's Court of Zhenjiang City, Jiangsu Province (2017) Su 11 Min Chu No. 275 on December 31, 2019, the Company was sentenced to pay the plaintiff's road and greening project construction costs, interest, and case acceptance fees in a total of RMB 92,113,800.The Company dissatisfied with the above judgment and appealed to the Jiangsu Higher People's Court on January 15, 2020. As of the audit report date, no judgment has been made. The plaintiffs in the remaining courts freezing bank deposits of RMB650,000 have withdrawn the lawsuit on December 25, 2020, and the freezing of bank deposits was unfrozen on January 7, 2021.

2. Notes receivable

2.1 Classification of notes receivable

Item	December 31,2020	December 31,2019
Bank acceptance bill	23,221,251.92	56,532,843.42
Commercial acceptance bill	879,802.45	-
Total	24,101,054.37	56,532,843.42

2.2 Notes receivable endorsed or discounted by the Company at the end of the period that not yet due on the balance sheet date

Item	Amount of derecognition at the end of the period	Amount not derecognized at the end of the period
Bank acceptance bill	92,320,816.88	-
Commercial acceptance bill	18,865,453.00	-
Total	111,186,269.88	-

3. Accounts receivable

a) Analysis by categories

Category	December 31,2020				
	Book Balance	Proportion (%)	Provision for bad debt	Provision Proportion (%)	Book Value
Accounts receivable with significant single amount for which bad debt provision separately accrued	-	-	-	-	-
Accounts receivable whose bad debt provisions are made by credit risk characteristics portfolio	3,520,166,608.59	100.00	14,389,624.62	0.41	3,505,776,983.97
Including: aging portfolios	230,231,864.15	6.54	14,389,624.62	6.25	215,842,239.53
Other portfolios	3,289,934,744.44	93.46	-	-	3,289,934,744.44
Accounts receivable with insignificant single amount for which bad debt provision separately accrued	-	-	-	-	-
Total	3,520,166,608.59	100.00	14,389,624.62	/	3,505,776,983.97

(Continued)

Category	December 31,2019				
	Book Balance	Proportion (%)	Provision for bad debt	Provision Proportion (%)	Book Value
Accounts receivable with significant single amount for which bad debt provision separately accrued	-	-	-	-	-
Accounts receivable whose bad debt provisions are made by credit risk characteristics portfolio	2,368,080,747.60	100.00	31,793,618.84	1.34	2,336,287,128.76
Including: aging portfolios	441,441,501.99	18.64	31,793,618.84	7.20	409,647,883.15

Category	December 31,2019				
	Book Balance	Proportion (%)	Provision for bad debt	Provision Proportion (%)	Book Value
Other portfolios	1,926,639,245.61	81.36	-	-	1,926,639,245.61
Accounts receivable with insignificant single amount for which bad debt provision separately accrued	-	-	-	-	-
Total	2,368,080,747.60	100.00	31,793,618.84	/	2,336,287,128.76

Account receivables using the aging analysis method to provide bad debts for impairment in portfolios

Aging	December 31,2020			December 31,2019		
	Account Receivable	Provision for bad debt	Provision Proportion (%)	Account Receivable	Provision for bad debt	Provision Proportion (%)
Within 1 year	214,382,087.29	10,719,104.37	5.00	256,435,468.05	12,821,773.40	5.00
1-2 years	8,037,353.30	803,735.33	10.00	183,169,823.70	18,316,982.37	10.00
2-3 years	6,497,134.32	1,949,140.30	30.00	1,316,210.24	394,863.07	30.00
3-5 years	795,289.24	397,644.62	50.00	520,000.00	260,000.00	50.00
Over 5 years	520,000.00	520,000.00	100.00	-	-	-
Total	230,231,864.15	14,389,624.62	/	441,441,501.99	31,793,618.84	/

Account receivables using other method to provide bad debts for impairment in portfolios

Portfolio name	December 31,2020		
	Account receivable	Provision for bad debts	Provision Proportion (%)
Other portfolio	3,289,934,744.44	-	-
Total	3,289,934,744.44	-	-

b) Top five entities with the largest balances of the account receivables

Company name	Amount	Aging	Proportion in the total (%)
Zhenjiang New District Management Committee	2,761,867,209.28	Within 1 year: 1,747,997,238.99 1-2 years: 854,676,658.35 Over 5 years: 159,193,311.94	78.46
Zhenjiang Economic and Technological Development Zone Land Reserve Center	267,350,500.00	Within 1 year	7.59
Jiangsu Chuishan Tourism and Culture Development Co., Ltd.	175,754,420.76	Within 1 year: 400,000.00 1-2 years: 4,915,520.76 2-3years: 22,495,000.00 3-5 years: 147,943,900.00	4.99
China Railway 11th Bureau Group Fourth Engineering Co., Ltd.	130,515,321.81	Within 1 year	3.71

Company name	Amount	Aging	Proportion in the total (%)
Jiangsu Hanrui Investment Holdings Co., Ltd.	69,048,174.58	Within 1 year: 26,443,113.89 1-2years: 24,949,979.38 2-3years: 17,655,081.31	1.96
Total	3,404,535,626.43		96.71

4. Prepayment

Aging	December 31,2020		December 31,2019	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	102,203,944.91	57.49	58,887,349.75	46.45
1-2 years	10,241,089.29	5.76	16,773,721.93	13.23
2-3 years	14,214,423.67	8.00	19,747,879.20	15.58
Over 3 years	51,117,197.66	28.75	31,369,318.46	24.74
Total	177,776,655.53	100.00	126,778,269.34	100.00

5. Other receivables

5.1 Classification

Item	December 31,2020	December 31,2019
Interests receivable	32,715,972.77	31,312,751.91
Dividends receivable	3,122,502.99	3,122,502.99
Other receivables	15,739,649,773.15	17,754,360,398.09
Total	15,775,488,248.91	17,788,795,652.99

5.2 Interests receivable

Item	December 31,2020	December 31,2019
Fixed deposit, security deposit	32,715,972.77	31,312,751.91
Total	32,715,972.77	31,312,751.91

5.3 Dividend receivable

Item (Investee)	December 31,2020	December 31,2019
Zhenjiang New District Jingang Rural Small Loan Co., Ltd.	2,621,475.35	2,621,475.35
Zhenjiang Gangneng Electric Power Co., Ltd.	501,027.64	501,027.64
Total	3,122,502.99	3,122,502.99

5.4 Other receivables

a)Other receivables classified by category

Category	December 31,2020				
	Book balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Provision Proportion (%)	
Other receivables with significant single amount for which bad debt provision separately accrued	30,749,880.12	0.19	30,749,880.12	100.00	-
Other receivables whose bad debt provisions are made by credit risk characteristics portfolio	15,791,965,084.58	99.81	52,315,311.43	0.33	15,739,649,773.15
Including: aging portfolios	186,140,680.06	1.18	52,315,311.43	28.11	133,825,368.63
Other portfolios	15,605,824,404.52	98.63	-	-	15,605,824,404.52
Other receivables with insignificant single amount for which bad debt provision separately accrued	-	-	-	-	-
Total	15,822,714,964.70	100.00	83,065,191.55	/	15,739,649,773.15

(Continued)

Category	December 31,2019				
	Book balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Provision Proportion (%)	
Other receivables with significant single amount for which bad debt provision separately accrued	28,344,951.88	0.16	28,344,951.88	100.00	-
Other receivables whose bad debt provisions are made by credit risk characteristics portfolio	17,790,866,253.27	99.84	36,505,855.18	0.21	17,754,360,398.09
Including: balance portfolios	299,014,527.30	1.68	36,505,855.18	12.21	262,508,672.12
Other portfolios	17,491,851,725.97	98.16	-	-	17,491,851,725.97
Other receivables with insignificant single amount for which bad debt provision separately accrued	-	-	-	-	-
Total	17,819,211,205.15	100.00	64,850,807.06	/	17,754,360,398.09

Other receivables with a single significant amount and a single provision for bad debts at the end of the year

Other receivables	December 31,2020			
	Amount	Bad debt provision amount	Provision Proportion (%)	Reason for provision
Substitution of electricity charges	30,749,880.12	30,749,880.12	100.00	Unable to recover
Total	30,749,880.12	30,749,880.12	/	

Other receivables using the aging analysis method to provide bad debts for impairment in portfolios

Aging	December 31,2020			December 31,2019		
	Amount	Bad debt provision amount	Provision Proportion (%)	Amount	Bad debt provision amount	Provision Proportion (%)
Within 1 year	30,150,960.69	1,507,548.04	5.00	179,916,835.30	8,995,341.77	5.00
1-2 years	46,308,892.12	4,632,239.21	10.00	80,534,697.71	8,053,469.77	10.00
2-3 years	72,258,855.86	21,673,606.76	30.00	17,892,803.39	5,367,841.02	30.00
3-5 years	25,840,107.94	12,920,053.97	50.00	13,161,976.57	6,580,988.29	50.00
Over 5 years	11,581,863.45	11,581,863.45	100.00	7,508,214.33	7,508,214.33	100.00
Total	186,140,680.06	52,315,311.43	/	299,014,527.30	36,505,855.18	/

Other receivables using other method to provide bad debts for impairment in portfolios

Portfolio name	December 31,2020		
	Other receivables	Bad debt provision	Provision Proportion (%)
Other portfolio	15,605,824,404.52	-	-
Total	15,605,824,404.52	-	-

b) Top five with the largest balances of other receivables

Company Name	Content	December 31,2020	Aging	Proportion in the total (%)
Zhenjiang New District Management Committee	Lending	8,229,862,613.56	Within 1 year: 1,367,173,015.24 1- 2 years: 3,925,440,497.99 2-3 years: 659,175,397.86 3-5 years: 1,032,707,837.01 Over 5 years: 1,245,365,865.46	52.01
Jiangsu Hanrui Investment Holdings Co., Ltd.	Lending	3,635,961,697.52	Within 1 year	22.98
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	Lending	1,166,356,683.99	Within 1 year	7.37
Zhenjiang New Area Security Housing Construction Development Co., Ltd.	Lending	905,550,328.40	Within 1 year: 732,992,524.71 1-2 years: 172,557,803.69	5.72
Zhenjiang New District Shanty Town Reconstruction and Development Co., Ltd.	Lending	647,771,858.68	Within 1 year: 390,555,748.63 1-2 years: 257,216,110.05	4.09
Total	/	14,585,503,182.15		92.17

6. Inventories

Category	December 31,2020			December 31,2019		
	Book Balance	Provision for depreciation	Book Value	Book Balance	Provision for depreciation	Book Value
Development Cost	2,502,577,526.57	-	2,502,577,526.57	2,803,782,570.48	-	2,803,782,570.48
Development Products	37,490,690.49	-	37,490,690.49	37,784,932.73	-	37,784,932.73
Inventory Goods	9,542,792.52	-	9,542,792.52	388,349.52	-	388,349.52
Total	2,549,611,009.58	-	2,549,611,009.58	2,841,955,852.73	-	2,841,955,852.73

7. Assets held for sale

7.1 Categories of assets held for sale

There were no assets held for sale at the end of the period.

7.2 Provision impairment for assets held for sale

Item	December 31,2019	Addition		decrease		December 31,2020
		Accrual	other	Reversal / written off	other	
Non-current Assets	44,865,389.46	-	-	44,865,389.46	-	-
Total	44,865,389.46	-	-	44,865,389.46	-	-

8. Non-current assets due within one year

Item	December 31,2020	December 31,2019
Fund lending	1,568,000,000.00	1,390,000,000.00
Financing margin	4,507,000.00	10,992,000.00
Total	1,572,507,000.00	1,400,992,000.00

9. Other current assets

Item	December 31,2020	December 31,2019
Entrusted Loan	500,000.00	500,000.00
One-year financial products	-	11,000,000.00
One-year fund lending	1,105,660,000.00	778,000,000.00
Prepaid taxes	61,182,934.57	278,126,340.13
Input tax to be deducted	184,168.93	-
Total	1,167,527,103.50	1,067,626,340.13

10. Available-for-sale financial assets

10.1 Details of available-for-sale financial assets

Item	December 31,2020			December 31,2019		
	Book Balance	Provision for impairment	Book Value	Book Balance	Provision for impairment	Book Value
Available –for-sale debentures	-	-	-	-	-	-
Available-for-sale equity instruments	-	-	-	-	-	-
Of which: Measured at fair value	-	-	-	-	-	-
Measured by cost	140,490,000.00	-	140,490,000.00	140,490,000.00	-	140,490,000.0(
Total	140,490,000.00	-	140,490,000.00	140,490,000.00	-	140,490,000.00

10.2 Available-for-sale financial assets measured by cost at period end

Investee	Book Balance			
	December 31,2019	Increase in Current Period	Decrease in Current Period	December 31,2020
Zhenjiang New Area Sme Investment Guarantee Co., Ltd.	60,000,000.00	-	-	60,000,000.00
Zhenjiang Xinnong Development Investment Co., Ltd.	55,000,000.00	-	-	55,000,000.00
Zhenjiang New District Jingang Rural Small Loan Co., Ltd.	10,990,000.00	-	-	10,990,000.00
HuachuangTianyuan Industrial Developing Co., Ltd.	4,500,000.00	-	-	4,500,000.00
Zhenjiang University Science Park Development Co., Ltd.	10,000,000.00	-	-	10,000,000.00
Total	140,490,000.00	-	-	140,490,000.00

（Continued）

Investee	Provision for impairment				Proportion of Equity Held in Investee (%)	Current Period Cash dividends
	December 31,2019	Increase in Current Period	Decrease in Current Period	December 31,2020		
Zhenjiang New Area Sme Investment Guarantee Co., Ltd.	-	-	-	-	10.00	-
Zhenjiang Xinnong Development Investment Co., Ltd.	-	-	-	-	10.00	-
Zhenjiang New District Jingang Rural Small Loan Co., Ltd.	-	-	-	-	20.00	-

Investee	Provision for impairment				Proportion of Equity Held in Investee (%)	Current Period Cash dividends
	December 31,2019	Increase in Current Period	Decrease in Current Period	December 31,2020		
HuachuangTianyuan Industrial Developing Co., Ltd.	-	-	-	-	0.86	-
Zhenjiang University Science Park Development Co., Ltd.	-	-	-	-	10.00	-
Total	-	-	-	-	/	-

Note: Although the investment in Zhenjiang New Area Jingang Rural Small Loan Co., Ltd. has reached 20%, the Company has not appointed members of the board of directors or participated in its operation and management and has no significant impact on its production and operation.

11. Long-term equity investments

Investee	December 31,2019	Changes in Current Period								December 31,2020	Closing Balance of provision for impairment
		Increase	Decrease	Profit or loss recognized under equity method	Adjustments of other comprehensive income	Other changes in equity	Cash divided or profit declared	Provision for impairment	Other		
Joint Venture											
Zhenjiang Ruikang Hospital Co., Ltd.	90,090,881.48	-	-	-17,348,169.09	-	-	-	-	-	72,742,712.39	-
Zhenjiang Biancheng Real Estate Co., Ltd.	86,096,153.65	-	-	-15,992,376.18	-	-	-	-	-	70,103,777.47	-
Zhenjiang Gangneng Electric Power Co., Ltd.	4,093,586.91	-	-	121,516.62	-	-	-	-	-	4,215,103.53	-
Subtotal	180,280,622.04	-	-	-33,219,028.65	-	-	-	-	-	147,061,593.39	-

12. Investment properties

Investment properties measured at fair value model

Item	Properties and buildings	Land use rights	Construction in process	Total
December 31,2019	3,583,777,005.43	4,749,198,100.00	-	8,332,975,105.43
Movement this period	-1,874,732,205.43	-39,159,300.00	-	-1,913,891,505.43
Add: Purchase	128,011,840.94	-	-	128,011,840.94
Transferr from inventory\ fixed assets\ construction in process	-	-	-	-
Less: Disposal	2,154,032,977.93	254,465,017.56	-	2,408,497,995.49
Less: Other	167,375,501.46	-	-	167,375,501.46
Add: Fair value change	318,664,433.02	215,305,717.56	-	533,970,150.58
December 31,2020	1,709,044,800.00	4,710,038,800.00	-	6,419,083,600.00

13. Fixed Assets

13.1 Classification

Item	December 31,2020	December 31,2019
Fixed assess	131,228,661.82	155,845,153.41
Fixed assets liquidation	-	-
Total	131,228,661.82	155,845,153.41

13.2 Details of Fixed Assets

Item	Buildings and constructions	Transportation equipment	Electronic equipment	Other equipment	Total
I . Original cost of fixed assets					
1. December 31,2019	168,994,168.39	909,721.36	24,424,059.25	6,001,514.75	200,329,463.75
2.Increase in current period	8,152,259.29	-	5,200.00	1,462,474.88	9,619,934.17
(1)External purchase	-	-	5,200.00	1,462,474.88	1,467,674.88
(2)Transfer from construction in progress	8,152,259.29	-	-	-	8,152,259.29
(3) Increase from business combination	-	-	-	-	-
3.Decrease in current period	16,490,129.40	899,371.36	23,578,573.10	2,610,766.63	43,578,840.49
(1)Disposal or scrap	16,490,129.40	-	-	-	16,490,129.40
(2)Transfer into assets held for sale	-	-	-	-	-
(3) Decrease from business combination	-	899,371.36	23,578,573.10	2,610,766.63	27,088,711.09

Item	Buildings and constructions	Transportation equipment	Electronic equipment	Other equipment	Total
4. December 31,2020	160,656,298.28	10,350.00	850,686.15	4,853,223.00	166,370,557.43
II. Accumulated depreciation					
1. December 31,2019	34,075,465.24	636,045.16	8,329,419.80	1,443,380.14	44,484,310.34
2.Increase in current period	4,007,257.72	103,927.62	1,268,399.00	970,193.97	6,349,778.31
(1)Provision	4,007,257.72	103,927.62	1,268,399.00	970,193.97	6,349,778.31
(2) Increase from business combination	-	-	-	-	-
3.Decrease in current period	5,064,581.12	729,622.78	8,806,971.16	1,091,017.98	15,692,193.04
(1)Disposal or scrap	5,064,581.12	-	-	-	5,064,581.12
(2)Transfer into assets held for sale	-	-	-	-	-
(3) Decrease from business combination	-	729,622.78	8,806,971.16	1,091,017.98	10,627,611.92
4. December 31,2020	33,018,141.84	10,350.00	790,847.64	1,322,556.13	35,141,895.61
III. Provision for fixed asset impairment					
1. December 31,2019	-	-	-	-	-
2.Increase in current period	-	-	-	-	-
(1)Provision	-	-	-	-	-
(2) Increase from business combination	-	-	-	-	-
3.Decrease in current period	-	-	-	-	-
(1)Disposal or scrap	-	-	-	-	-
(2)Decrease from business combination	-	-	-	-	-
4. December 31,2020	-	-	-	-	-
IV. Book value					-
1. December 31,2020book value	127,638,156.44	-	59,838.51	3,530,666.87	131,228,661.82
2. December 31,2019book value	134,918,703.15	273,676.20	16,094,639.45	4,558,134.61	155,845,153.41

Note: Among houses and buildings, the book value of the real estate used for financing mortgage is RMB84.0694 million.

14. Construction in process

14.1 Classification

Item	December 31,2020	December 31,2019
Construction in process	18,819,185.57	-
Engineer material	-	-
Total	18,819,185.57	-

14.2 Construction in process

Item	December 31,2020			December 31,2019		
	Book Balance	Provision for impairment	Book Value	Book Balance	Provision for impairment	Book Value
Technology center construction project	18,819,185.57	-	18,819,185.57	-	-	-
Total	18,819,185.57	-	18,819,185.57	-	-	-

15. Intangible assets

Item	Land use right	Computer software	Total
Ⅰ. Original cost of intangible assets			
1. December 31,2019	51,503,802.50	280,000.00	51,783,802.50
2.Increase in current period	-	-	-
(1) External purchase	-	-	-
(2) Internally developed	-	-	-
(3) Business combination	-	-	-
3.Decrease in current period	-	-	-
(1) Disposal	-	-	-
(2) Transfer into assets held for sale	-	-	-
4. December 31,2020	51,503,802.50	280,000.00	51,783,802.50
Ⅱ. Accumulated amortization of intangible assets			
1. December 31,2019	2,666,536.26	112,000.00	2,778,536.26
2.Increase in current period	678,465.80	28,000.00	706,465.80
(1) Provision	678,465.80	28,000.00	706,465.80

Item	Land use right	Computer software	Total
(2) Business combination	-	-	-
3.Decrease in current period	-	-	-
(1) Disposal	-	-	-
(2) Transfer into assets held for sale	-	-	-
4. December 31,2020	3,345,002.06	140,000.00	3,485,002.06
III. Impairment provision			
1. December 31,2019	-	-	-
2.Increase in current period	-	-	-
(1) Provision	-	-	-
(2) Business combination	-	-	-
3.Decrease in current period	-	-	-
(1) Disposal	-	-	-
(2) Business combination	-	-	-
4. December 31,2020	-	-	-
IV. Book value of intangible assets			
1. December 31,2020Book Value	48,158,800.44	140,000.00	48,298,800.44
2. December 31,2019 Book Value	48,837,266.24	168,000.00	49,005,266.24

16. Long-term prepaid expenses

Item	December 31,2019	Increase in the current period	Amortization for the current period	Other decreases	December 31,2020
Zhenjiang New City Bond Underwriting Fee	46,244,358.15	-	15,232,685.71	-	31,011,672.44
Financing consulting service fee	68,613,333.33	-	36,746,666.67	-	31,866,666.66
Finance lease underwriting fee	14,725,000.00	-	6,125,000.00	-	8,600,000.00
Huachuang Bond Underwriting Fee	10,725,000.00	-	10,725,000.00	-	-

Item	December 31,2019	Increase in the current period	Amortization for the current period	Other decreases	December 31,2020
Parking lot renovation and surrounding renovation	-	700,881.47	149,753.97	-	551,127.50
School renovation project	7,629,929.40	-	1,172,594.04	6,457,335.36	-
Service charge	2,134,424.49	-	813,835.20	1,320,589.29	-
Total	150,072,045.37	700,881.47	70,965,535.59	7,777,924.65	72,029,466.60

17. Deferred tax assets/ deferred tax liabilities

17.1Deferred tax assets before offset

Item	December 31,2020		December 31,2019	
	Deductible Temporary Differences	Deferred Tax Assets	Deductible Temporary Differences	Deferred Tax Assets
Provision for asset impairment	83,912,020.23	20,978,005.06	107,661,927.54	26,915,481.90
Difference between the book value of investment real estate and the tax base	-	-	-	-
Total	83,912,020.23	20,978,005.06	107,661,927.54	26,915,481.90

17.2Deferred tax liabilities before offset

Item	December 31,2020		December 31,2019	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Difference between the book value of investment real estate and the tax base	1,786,536,766.83	446,634,191.70	1,528,354,022.55	382,088,505.64
Total	1,786,536,766.83	446,634,191.70	1,528,354,022.55	382,088,505.64

17.3Details of unrecognized deferred tax assets

Item	December 31,2020	December 31,2019
Deductible temporary differences-provision for bad debts of some subsidiaries	13,542,795.94	33,847,887.82
Total	13,542,795.94	33,847,887.82

18. Other non-current assets

Item	December 31,2020	December 31,2019
Principal of borrowed funds	14,033,493,700.00	15,201,493,700.00
Financing margin	40,200,000.00	39,507,000.00
Total	14,073,693,700.00	15,241,000,700.00

19. Provision for asset impairment

Item	December 31,2019	Increase in current period	Decrease in current period		December 31,2020
			Reversed	Write-off	
Bad debt provision	96,644,425.90	24,971,961.66	24,124,207.14	37,364.25	97,454,816.17
Assets held for sale impairment provision	44,865,389.46	-	44,865,389.46	-	-
Total	141,509,815.36	24,971,961.66	68,989,596.60	37,364.25	97,454,816.17

20. Short-term loans

Category	December 31,2020	December 31,2019
Pledged loans	274,550,000.00	622,050,000.00
Pledged Guaranteed loans	10,000,000.00	-
Mortgage loans	181,000,000.00	50,000,000.00
Mortgage Guaranteed loans	180,000,000.00	-
Pledged Mortgage Guaranteed loans	-	240,000,000.00
Guaranteed loans	350,950,000.00	686,709,774.00
Credit loans	671,460,000.00	-
Total	1,667,960,000.00	1,598,759,774.00

21. Notes payable

Category	December 31,2020	December 31,2019
Bank acceptances	281,000,000.00	340,427,500.00
Commercial acceptances	219,130,000.00	316,910,000.00
Total	500,130,000.00	657,337,500.00

22. Accounts payable

22.1 Presentation of accounts payable

Item	December 31,2020	December 31,2019
Within 1 year	684,955,096.08	265,870,101.44
1-2 years	131,850,851.67	37,144,209.31
2-3 years	11,588,728.55	815,352,169.19
Over 3 years	882,557,717.29	536,015,415.23
Total	1,710,952,393.59	1,654,381,895.17

22.2 Description of significant accounts payable aged more than 1 year

Item	December 31,2020	Reason for not being settled
Jiangsu Shengyu Construction Engineering Co., Ltd.	164,375,000.00	The contractual payment deadline has not arrived
CSCEC Zhenjiang Construction Development Co., Ltd.	135,828,696.23	The contractual payment deadline has not arrived
Changzhou Changwu Construction Engineering Co., Ltd	135,000,000.00	The contractual payment deadline has not arrived
Yangzhou Xiangsheng Municipal Environmental Protection Engineering Co., Ltd.	82,414,000.00	The contractual payment deadline has not arrived
Zhenjiang Jiangtai Construction Installation Co., Ltd.	80,985,536.76	The contractual payment deadline has not arrived
Jiangsu Huafei Construction Engineering General Contracting Co., Ltd.	77,057,348.46	The contractual payment deadline has not arrived
Jiangsu Shengfeng Construction Co., Ltd.	36,331,744.60	The contractual payment deadline has not arrived
Total	711,992,326.05	/

23. Advance from customers

23.1 Presentation of advances from customers

Item	December 31,2020	December 31,2019
Advance collection of resettlement housing sales payment	667,692,851.57	853,219,736.70
Project construction funds received in advance	190,109,188.00	190,109,188.00
Tuition and fees collected in advance	864,164.77	3,301,039.26
Advance collection of real estate sales	8,053,695.79	1,315,889,173.57
Advance rent	52,138,113.31	3,000,000.00
Advance payment	85,378.97	188,417.23
Parking fees collected in advance	60,847.00	-
Total	919,004,239.41	2,365,707,554.76

23.2 Description of significant advance from customers aged more than 1 year

Item	December 31,2020	Reason for not settled
Zhenjiang New District Management Committee	189,609,188.00	The project has not yet been completed
Total	189,609,188.00	

24. Employee benefits payable

24.1 Employee benefits payable shown as follows:

Item	December 31,2019	Increase in Current Period	Decrease in Current Period	Consolidated reduction in current period	December 31,2020
I .Short-term employee benefits	6,594,609.95	24,691,863.90	26,189,093.04	-	5,097,380.81
II .Post-employment benefits--defined contribution plans	2,435.99	423,073.59	423,073.59	-	2,435.99
III.Termination benefits	-	-	-	-	-
IV.Other benefits due in 1 year	-	-	-	-	-
Total	6,597,045.94	25,114,937.49	26,612,166.63	-	5,099,816.80

24.2 Short-term employee benefits payable shown as follows:

Item	December 31,2019	Increase in Current Period	Decrease in Current Period	Consolidated reduction in	December 31,2020
I . Wages, bonuses, allowances and grants	6,592,024.69	20,414,758.77	21,911,987.91	-	5,094,795.55
II . Employees' welfare	-	1,347,553.10	1,347,553.10	-	-
III. Social insurance premiums	1,013.68	1,004,556.89	1,004,556.89	-	1,013.68
Including: 1. Medical insurance premium	1,013.68	989,390.82	989,390.82	-	1,013.68
2.Work-related injury insurance premium	-	8,514.29	8,514.29	-	-
3.Maternity insurance premium	-	6,651.78	6,651.78	-	-
IV. Housing funds	1,571.58	1,793,283.00	1,793,283.00	-	1,571.58
V . Labor union expenditures and employee education funds	-	131,712.14	131,712.14	-	-
VI. Short-term paid absences profit-sharing plan	-	-	-	-	-
VII. Short-term profit sharing plan	-	-	-	-	-
Total	6,594,609.95	24,691,863.90	26,189,093.04	-	5,097,380.81

24.3Defined Contribution Plan shown as follows:

Item	December 31,2019	Increase in Current Period	Decrease in Current Period	Consolidated reduction in current period	December 31,2020
1. Basic endowment insurance premium	2,200.25	407,908.21	407,908.21	-	2,200.25
2. Unemployment insurance premium	235.74	3,048.39	3,048.39	-	235.74
3. Corporate Annuity Payment	-	12,116.99	12,116.99	-	-
Total	2,435.99	423,073.59	423,073.59	-	2,435.99

25. Taxes and surcharges payables

Item	December 31,2020	December 31,2019
Enterprise income tax	37,346,640.79	86,046,512.68
Value-added tax	12,344,973.26	36,593,785.31
Business tax	49,504,986.20	49,504,986.20
Land used tax	2,604,110.43	4,395,072.70
Property tax	3,924,755.16	4,338,006.38
Urban maintenance and construction tax	3,960,973.06	4,439,921.59
Education surcharge	2,803,369.77	3,145,475.88
Withholding individual income tax	2,528.91	22,150.60
Total	112,492,337.58	188,485,911.34

26. Other payables

26.1 Categories by nature

Item	December 31,2020	December 31,2019
Interest payable	57,536,473.81	91,195,257.98
Dividend payable	-	-
Other payables	755,101,150.15	1,235,641,668.79
Total	812,637,623.96	1,326,836,926.77

26.2 Interest payable

Item	December 31,2020	December 31,2019
Interest on long-term loans that are due for repayment by installment	13,472,787.59	3,800,174.44
Corporate Bond Interest	44,063,686.22	87,233,287.65
Interest payable on short-term loans	-	161,795.89
Total	57,536,473.81	91,195,257.98

26.3 Other payable

a) Other payables by aging

Item	December 31,2020	December 31,2019
Within 1 year	387,101,807.13	848,070,808.63
1-2 years	1,985,386.34	31,113,034.17
2-3 years	9,822,356.29	7,489,174.08
Over 3 years	356,191,600.39	348,968,651.91
Total	755,101,150.15	1,235,641,668.79

b) Other important payables aging more than 1 year

Item	December 31,2020	Reasons for Being Unpaid or Transferred
Zhenjiang New District Management Committee	280,177,800.00	Not due for payment
Total	280,177,800.00	

27. Non-current liabilities due within one year

Item	December 31,2020	December 31,2019
Long-term loans due within one year	1,617,550,000.00	2,474,750,000.00
Bond payable due within one year	532,000,000.00	532,000,000.00
Long-term payable due within one year	603,399,676.57	1,203,564,988.35
Total	2,752,949,676.57	4,210,314,988.35

28. Other current liabilities

Item	December 31,2020	December 31,2019
Short-term financing	-	50,000,000.00
Short-term non-public targeted financing products	273,670,000.00	146,730,000.00
Total	273,670,000.00	196,730,000.00

29. Long-term loans

Item	December 31,2020	December 31,2019
Mortgage loans	1,305,200,000.00	628,500,000.00
Mortgage guaranteed loans	445,390,000.00	-
Pledge mortgage Guaranteed loan	-	695,380,000.00
Loan for sure	2,728,669,800.00	3,414,669,800.00
Total	4,479,259,800.00	4,738,549,800.00

30. Bonds payable

30.1 Bonds payable exhibit by item

Item	December 31,2020	December 31,2019
14Zhenjiang New City Bond 01	-	150,000,000.00
14Zhenjiang New City Bond 02	-	150,000,000.00
16Zhenjiang New Parking Lot Special Bond	464,000,000.00	696,000,000.00
17 Zhenjiang New Bond	-	900,000,000.00
18 Zhenjiang New City Medium-term notes	1,150,000,000.00	1,150,000,000.00
Hanrui Engineering No.1	-	30,000,000.00
Total	1,614,000,000.00	3,076,000,000.00

30.2 Changes in bonds payable (excluding other financial tools like preferred stock categorized as financial liability or indefinite bonds)

Name	Nominal value	Issue date	Bond maturity	Issuance amount	December 31,2019	Issued in the current period	Decrease in the current period	December 31,2020
14Zhenjiang New City Bond01	750,000,000.00	2014/1/16	7 years	750,000,000.00	150,000,000.00	-	150,000,000.00	-
14Zhenjiang New City Bond 02	750,000,000.00	2014/2/26	7 years	750,000,000.00	150,000,000.00	-	150,000,000.00	-
16Zhenjiang New Parking Lot Special Bond	1,160,000,000.00	2016/7/14	7 years	1,160,000,000.00	696,000,000.00	-	232,000,000.00	464,000,000.00
17 Zhenjiang New Bond	900,000,000.00	2017/12/13	3 years	900,000,000.00	900,000,000.00	-	900,000,000.00	-
18 Zhenjiang New City Medium-term notes	1,150,000,000.00	2018/12/21	5 years	1,150,000,000.00	1,150,000,000.00	-	-	1,150,000,000.00
Hanrui Engineering No.1	30,000,000.00	2019/10/28	1 year	30,000,000.00	30,000,000.00	-	30,000,000.00	-
Total	/	/	/	4,740,000,000.00	3,076,000,000.00	-	1,462,000,000.00	1,614,000,000.00

31. Long-term payable

31.1 Long-term payable presented by nature

Item	December 31,2020	December 31,2019
Long-term payables	459,894,500.67	775,794,390.47
Special payables	-	-
Total	459,894,500.67	775,794,390.47

31.2 Long-term payable

Item	December 31,2020	December 31,2019
Bangyin Financial Leasing Co., Ltd.	99,969,573.15	199,950,922.83
Cedar International Trust Co., Ltd.	-	199,950,922.83
China National Foreign Trade Financial & Leasing Co., Ltd.	29,998,846.82	89,983,009.16
Suzhou Agricultural Development Financial Leasing Co., Ltd.	22,117,362.73	43,121,398.59
Aerospace Science and Industry Financial Leasing Co., Ltd.	49,873,571.37	113,552,091.10
Huishang Bank Financial Leasing Co., Ltd.	68,818,830.60	129,236,045.96
Jiangsu Hanruijingang Financial Leasing Co., Ltd.	39,116,316.00	-
2020 shed reform special bond	150,000,000.00	-
Total	459,894,500.67	775,794,390.47

32. Deferred Incomes

Item	December 31,2019	Increase in Current Period	Decrease in Current Period	December 31,2020	Forming reason
Abandoned mine remediation subsidy	3,827,608.70	9,924,779.20	-	13,752,387.90	Related costs have not been confirmed
Special guidance fund for building energy conservation and emission reduction in the central business district of Zhenjiang New District	2,500,000.00	-	-	2,500,000.00	Related costs have not been confirmed
Special Fund for Green Building Regional Demonstration in Central Business District	1,430,000.00	-	-	1,430,000.00	Related costs have not been confirmed
City Central Park Special Fund	300,000.00	-	-	300,000.00	Related costs have not been confirmed
2017 the central financial security housing project (shantytown renovation)	17,049,700.00	-	-	17,049,700.00	Related costs have not been confirmed
2018 the central financial security housing project (shantytown reconstruction)	1,590,500.00	-	-	1,590,500.00	Related costs have not been confirmed

Item	December 31,2019	Increase in Current Period	Decrease in Current Period	December 31,2020	Forming reason
Abandoned mine remediation subsidy	40,000,000.00	-	-	40,000,000.00	Related costs have not been confirmed
Fire protection, technical renovation, maintenance and renovation project funds	3,412,064.20	7,912,549.86	-	11,324,614.06	Related costs have not been confirmed
Zhenjiang sports park disaster prevention refuge subsidy income	-	562,500.00	-	562,500.00	Related costs have not been confirmed
Total	70,109,872.90	18,399,829.06	-	88,509,701.96	/

33. Paid-in capital

Shareholder name	December 31,2019		Increase in the current period	Decrease in the current period	December 31,2020		Remarks
	Investment amount	Proportion			Investment amount	Proportion	
Jiangsu Hanrui Investment Holdings Co., Ltd.	5,018,572,500.00	61.23	-	-	5,018,572,500.00	61.23	
Zhenjiang New Area Ruijian Industry Fund Center (Limited Partnership)	986,120,980.40	12.03	-	-	986,120,980.40	12.03	
Zhenjiang Jinpu Urban Development Investment Fund (Limited Partnership)	1,912,257,048.50	23.33	-	-	1,912,257,048.50	23.33	
Agricultural Bank Financial Assets Investment Co., Ltd.	279,677,132.44	3.41	-	-	279,677,132.44	3.41	
Total	8,196,627,661.34	100.00	-	-	8,196,627,661.34	100.00	

34. Capital reserves

Item	December 31,2019	Increase in Current Period	Decrease in Current Period	December 31,2020
Capital premium (equity premium)	10,197,292,165.43	-	93,874,986.85	10,103,417,178.58
Other capital reserves	9,252,890,076.80	-	-	9,252,890,076.80
Total	19,450,182,242.23	-	93,874,986.85	19,356,307,255.38

Note: The decrease in capital premium for the current period is due to the merger of the same control to reduce the capital reserve.

35. Other Comprehensive Incomes

Item	December 31,2019	Current Period						December 31,2020
		Amount in current period before income tax	Less: Previously recognized in other comprehensive income transferred to profit or loss	Less: income tax	Amount attribute to parent company after tax	Amount attribute to non-controlling shareholders after tax	Other	
Ⅰ. Other comprehensive incomes that cannot be reclassified into the profit and loss	1,099,248,219.52	-	97,832,408.73	-24,458,102.18	-73,374,169.17	-137.38	-	1,025,874,050.35
Ⅱ. Other consolidate incomes that will be reclassified into profit and loss	1,099,248,219.52	-	97,832,408.73	-24,458,102.18	-73,374,169.17	-137.38	-	1,025,874,050.35
Include: Conversion of inventory or self-use real estate to investment real estate	1,099,248,219.52	-	97,832,408.73	-24,458,102.18	-73,374,169.17	-137.38	-	1,025,874,050.35
Other comprehensive Income Total	1,099,248,219.52	-	97,832,408.73	-24,458,102.18	-73,374,169.17	-137.38	-	1,025,874,050.35

36. Surplus reserves

Item	December 31,2019	Increase in Current Period	Decrease in Current Period	December 31,2020
Statutory surplus reserve	204,863,672.94	8,759,750.75	-	213,623,423.69
Total	204,863,672.94	8,759,750.75	-	213,623,423.69

37. Undistributed profits

Item	Amount	Proportion
Undistributed profit before adjustment at the end of the last year	2,504,960,916.19	--
Adjustment in the total undistributed profits at the beginning of year	-	--
Undistributed profit after adjustment at the beginning of year	2,504,960,916.19	--
Plus: net profit attributable to owners of the parent company for the current period	99,964,193.59	--
Less: Withdrawal of statutory surplus reserves	8,759,750.75	10%
Withdrawal of discretionary surplus reserves	-	
Withdrawal of general risk preparation	-	
Ordinary share dividends payable	31,236,200.00	
Conversion of ordinary share dividends into share capital	-	
Undistributed profits at the end of the period	2,564,929,159.03	

38. Operating income and operating costs

38.1 Basic situation of operating income and operating costs

Item	2020		2019	
	Operating income	Operating cost	Operating income	Operating cost
Main business	3,288,988,055.73	3,050,766,805.72	3,888,768,197.36	3,513,087,964.66
Other business	2,242,297,792.48	2,355,706,955.27	1,465,882,792.34	943,401,671.00
Total	5,531,285,848.21	5,406,473,760.99	5,354,650,989.70	4,456,489,635.66

38.2 The composition of the main business income and cost

Item	2020		2019	
	Operating income	Operating cost	Operating income	Operating cost
Resettlement housing sales	790,493,861.68	673,818,522.44	1,341,964,915.28	1,151,901,214.84
Construction	508,798,277.63	422,835,766.34	963,028,039.16	800,322,479.13
Trading	1,904,667,465.32	1,880,082,763.29	1,494,012,183.03	1,478,912,295.38

Item	2020		2019	
	Operating income	Operating cost	Operating income	Operating cost
Engineering construction	70,455,866.26	61,226,263.60	52,140,280.12	45,987,464.52
Tuition and fees	12,232,785.79	11,172,310.71	32,601,268.21	32,458,071.17
Auto City Project Sales	843,384.40	398,835.19	4,935,797.27	3,418,439.62
Parking lot rental income	808,534.28	253,789.79	85,714.29	88,000.00
Project management income	85,392.37	-	-	-
Others	602,488.00	978,554.36	-	-
Total	3,288,988,055.73	3,050,766,805.72	3,888,768,197.36	3,513,087,964.66

38.3The composition of other business income and cost

Item	2020		2019	
	Operating income	Operating cost	Operating income	Operating cost
Investment real estate	2,186,153,872.32	2,352,337,105.03	1,288,829,590.86	936,210,792.12
Other	56,143,920.16	3,369,850.24	177,053,201.48	7,190,878.88
Total	2,242,297,792.48	2,355,706,955.27	1,465,882,792.34	943,401,671.00

39. Business taxes and surcharges

Item	2020	2019
Business tax	-	1,434,844.09
Urban maintenance and construction tax	12,090,854.56	4,319,397.75
Education surcharge and local education surcharge	8,635,847.88	3,083,982.40
Property tax	7,202,186.31	41,462,950.46
Land used tax	11,315,971.39	17,199,185.15
Stamp duty	4,341,531.80	2,052,797.20
Land value increment tax	272,359,037.64	109,348,641.43
Environmental tax	965,502.12	1,053,746.88
Total	316,910,931.70	179,955,545.36

40. Administrative expenses

Item	2020	2019
Intermediary agency consultation and service fee	17,120,017.58	4,043,278.72
Wage	15,850,590.80	13,244,063.91
Depreciation and amortization	6,147,852.32	23,834,594.51
Social Security and Provident Fund	1,509,099.71	3,702,073.39
Welfare fee	1,161,619.59	1,550,532.74
Daily office expenses Daily office expenses	844,153.39	562,579.27
Employee education expenses	62,581.74	47,222.65
Union funds	63,080.40	144,738.88
Travel expenses	37,465.19	21,575.10
Security cleaning service fee	15,900.00	2,798,280.64
Vehicle fee	17,227.09	114,470.61
Business Hospitality	22,949.00	88,858.66
Other fee	2,297,058.49	1,763,423.55
Total	45,149,595.30	51,915,692.63

41. Financial expenses

Item	2020	2019
Interest expenses	1,846,489,408.03	1,303,797,748.27
Less: Interest income	920,145,511.93	720,815,495.00
Plus: Losses from exchange loss (minus gain)	1,590,178.54	7,528,593.99
Plus: Handling fees	1,525,482.67	1,770,967.52
Plus: Bill discounting expense	-	-
Plus: Financing costs	1,817,266.94	4,375,881.19
Plus: Ohter	-	-
Total	931,276,824.25	596,657,695.97

42. Other income

Item	2020	2019	The amount included in the extraordinary gains and losses of the current period
Government grants received	479,000,000.00	431,222,896.00	479,000,000.00
Government grants refund	-	-	-
Total	479,000,000.00	431,222,896.00	479,000,000.00

Note: Please refer to Note V-55. Government grants for details.

43. Investment income

Item	2020	2019
Investment income from long-term equity investments under the equity method	-33,219,028.65	-31,063,944.67
Investment income from disposal of subsidiaries	16,504,468.11	-
Investment income gained during the period of holding the available-for-sale financial assets	-	10,000,000.00
Others investment income from fund borrowing	378,236,551.92	227,759,517.18
Total	361,521,991.38	206,695,572.51

44. Gains or losses of fair value changes

Origins of gains or losses of fair value changes	2020	2019
Investment properties measured at fair value	533,970,150.58	-338,892,552.17
Total	533,970,150.58	-338,892,552.17

45. Impairment losses ("-" for losses)

Item	2020	2019
Bad debts loss	-847,754.52	-26,090,028.41
Impairment losses on assets held for sale	-	-44,865,389.46
Total	-847,754.52	-70,955,417.87

46. Gains from disposal of assets

Item	2020	2019	The amount included in the extraordinary gains and losses of the current period
Gains or losses from disposal of fixed assets	12,601,981.11	2,197,096.66	12,601,981.11
Total	12,601,981.11	2,197,096.66	12,601,981.11

47. Non-operating income

Item	2020	2019	The amount included in the extraordinary gains and losses of the current period
Receiving donations	-	-	-
Government grants	-	25,000.00	-
Profit	-	-	-
Income from business combination not under common control	-	-	-
Fine income	-	10,000.00	-
Other	113,780.14	1.26	113,780.14
Total	113,780.14	35,001.26	113,780.14

48. Non-Operating Expenses

Item	2020	2019	The Amount Included in Extraordinary Gains & Losses in Previous Period
Donation expenditure	8,000.00	121,680.33	8,000.00
Special loss	-	-	-
Loss	-	-	-
Fine expenditure	545,015.29	129.11	545,015.29
Confirmed external guarantee loss	-	-	-
Confirmed pending litigation	-	-	-
Confirmed pending arbitration	-	-	-
Confirmed loss contract	-	-	-

Item	2020	2019	The Amount Included in Extraordinary Gains & Losses in Previous Period
Confirmed subsidy expenditure	18,081,945.91	19,322,886.00	18,081,945.91
Other	111,637.00	14,407,196.04	111,637.00
Total	18,746,598.20	33,851,891.48	18,746,598.20

49. Income Tax Expense

Item	2020	2019
Current Period Income Tax	2,018,171.32	50,699,252.97
Deferred Income Tax	94,941,265.08	-89,420,605.80
Total	96,959,436.40	-38,721,352.83

50. Net other comprehensive income after tax

Please refer to Note V-35. Current period for details

51. Consolidated Cash Flow Items

51.1 Cash Received from Other Operation Activities

Item	2020	2019
Current payment	1,882,230,120.37	5,690,357,234.12
Government subsidy	497,399,829.06	450,248,560.20
Interest income	919,035,141.02	707,732,729.75
Other	106,610.20	18,035,001.26
Total	3,298,771,700.65	6,866,373,525.33

51.2 Cash Paid for Other Operating Activities

Item	2020	2019
Current payment	824,039,516.42	2,159,304,269.79
Expenses for the period	28,383,574.49	43,380,489.14

Item	2020	2019
Non-cash deposit	1,422,962.11	-
Total	853,846,053.02	2,202,684,758.93

51.3Cash Paid from Other Investing Activities

Item	2020	2019
End-of-period cash balance of disposal of subsidiaries	104,807,790.97	-
Total	104,807,790.97	-

51.4Cash Received for Other Financing Activities

Item	2020	2019
Financing transactions	-	17,133,865.83
Recovery of non-cash deposits	596,688,221.24	1,017,983,755.72
Financing margin	6,428,000.00	26,800,900.00
Government special debt received	150,000,000.00	-
Total	753,116,221.24	1,061,918,521.55

51.5Cash Paid for Other Financing Activities

Item	2020	2019
Interest-bearing fund borrowing	-	250,000,000.00
Financing transactions	150,000,000.00	139,904,374.34
Non-cash deposit	233,549,251.93	202,474,153.21
Financing costs	1,817,266.94	2,555,963.71
Financing margin	-	2,595,900.00
Obtain the consideration of a subsidiary under the same control	93,874,986.85	46,144,128.51
Total	479,241,505.72	643,674,519.77

52. Supplementary Information to Consolidated Statement of Cash Flow

52.1 Supplementary Information to Consolidated Statement of Cash Flow

Item	2020	2019
1. Reconciliation of net profit to cash flow from operating activities		
Net Profit	101,267,759.06	304,229,709.05
Add: Provision for Asset Impairment	847,754.52	70,955,417.87
Depreciation of Fixed Asset, Oil & Gas Assets and Productive Biological Assets	6,349,778.31	20,602,620.52
Amortization of Intangible Assets	706,465.80	2,881,356.22
Amortization of Long-Term Deferred Expenses	2,136,183.21	5,826,543.97
Losses from Disposal of Fixed Assets, Intangible Assets and Other Long-Term Assets ("-" for gains)	153,581,251.60	-354,815,895.40
Losses on Write-off of Fixed Assets ("-" for gains)	-	-
Losses from Changes in Fair Value ("-" for gains)	-533,970,150.58	338,892,552.17
Financial Expenses ("-" for gains)	1,849,896,853.51	1,315,319,236.37
Losses on Investments ("-" for gains)	-361,521,991.38	-206,695,572.51
Decrease in Deferred Tax Asset ("-" for gains)	5,937,879.97	-10,694,893.09
Increase in Deferred Tax Liabilities ("-" for gains)	89,003,385.11	-78,725,712.71
Decrease in Inventory ("-" for gains)	292,344,843.15	1,220,346,191.89
Decrease in Operation Receivables ("-" for gains)	2,011,437,318.43	7,089,319,164.94
Increase in Operation Payables ("-" for gains)	-1,698,737,956.42	-5,867,803,963.20
Other	-	
Net Cash Flow from Operating Activities	1,919,279,374.29	3,849,636,756.09
2.Significant Investing and Financing Activities not Involving Cash Flow:		
Conversion of Debt into Capital	-	-
Convertible Bonds Maturing within 1 Year	-	-
Fixed Assets Acquired under Financial Lease	-	-

Item	2020	2019
3.Net Change in Cash & Cash Equivalents		
Closing Balance of Cash	494,039,092.07	1,218,567,718.89
Less: Opening Balance of Cash	1,218,567,718.89	1,315,067,614.57
Add: Closing Balance of Cash Equivalent	-	-
Less: Opening Balance of Cash Equivalents	-	-
Net Change in Cash and Cash Equivalents	-724,528,626.82	-96,499,895.68

Transfer amount of bank acceptance bills received by the company for sales of goods in the current year is RMB98,320,816.88, and transfer amount of commercial acceptance bills received by the company for sales of goods in the current year is RMB18,865,453.00.

52.2Composition of Cash & Cash Equivalent

Item	2020	2019
Ⅰ. Cash	494,039,092.07	1,218,567,718.89
Including: Cash on Hand	-	35,473.55
Unrestricted Bank Deposit	494,039,092.07	658,532,245.34
Other Unrestricted Cash & Cash Equivalents	-	560,000,000.00
Restricted Deposits in Central Bank	-	-
Inter-Bank Deposits	-	-
Inter-Bank Offers	-	-
Ⅱ. Cash Equivalents	-	-
Including: Bond Investment Maturing within 3 Months	-	-
Ⅲ. Closing Balance of Cash & Cash Equivalents	494,039,092.07	1,218,567,718.89
Including: Restricted-using cash and cash equivalents of the parent company or subsidiary within the group	-	-

53. Assets with Restricted Ownership or Use Rights

Item	2020	2019
Cash & Cash Equivalents	1,824,326,867.25	Pledge, Freeze, Margin
Accounts Receivable	15,000,000.00	Pledge
Inventories	1,170,765.21	Mortgage
Fixed assets	84,069,361.94	Mortgage
Investment real estate	4,314,225,100.00	Mortgage
Intangible assets	26,373,402.54	Court seizure, Mortgage
Total	6,265,165,496.94	/

54. Foreign Currency Transactions

Item	December 31,2020 Foreign Currency	Exchange Rate	December 31,2020 CNY
Cash & Cash Equivalents			
Including：USD	27,548.06	6.5249	179,748.34
HKD	8,289,067.84	0.84164	6,976,411.06

55. Government grants

55.1 Details of government grants included in profit and loss or deduction of costs

Item	Related to Assets / Related to income	Amount	Presentation	Amount included in Profit or loss
New District Financial Development Support Fund	Related to income	479,000,000.00	Other income	479,000,000.00
Total		479,000,000.00		479,000,000.00

55.2 Details of government grants recorded into deferred income

Item	Related to Assets / Related to income	December 31,2019	Increase in the current period	Transfer to profit or loss or deduction costs	other	December 31,2020	Presentation when transferring to profit or loss or deduction costs
Special guidance fund for building energy conservation and emission reduction in the central business district of Zhenjiang New District	Related to Assets	2,500,000.00	-	-	-	2,500,000.00	
Special Fund for Green Building Regional Demonstration in Central Business District	Related to Assets	1,430,000.00	-	-	-	1,430,000.00	
City Central Park Special Fund	Related to Assets	300,000.00	-	-	-	300,000.00	
2017 the central financial security housing project (shantytown renovation)	Related to Assets	17,049,700.00	-	-	-	17,049,700.00	
Abandoned mine remediation subsidy income	Related to Assets	43,827,608.70	9,924,779.20	-	-	53,752,387.90	
Fire protection, technical renovation, maintenance and renovation project funds	Related to Assets	3,412,064.20	7,912,549.86	-	-	11,324,614.06	
2018 the central government's special fund for the urban security housing project for shanty renovation	Related to Assets	1,590,500.00	-	-	-	1,590,500.00	
Zhenjiang Sports Park Disaster Prevention Refuge Subsidy Income	Related to Assets	-	562,500.00	-	-	562,500.00	
Total		70,109,872.90	18,399,829.06	-	-	88,509,701.96	

VI. Changes in Consolidated Scope

1. Business Combination under common Control

(1) Business Combination under Common Control during Current Period

Acquiree's name	Proportion of equity obtained in business combination	Basis for the form of the business combination under common control	Merger date	Basis for determining the merger date	Income of the merged party from the beginning of the current period to the date of the merger	Net profit of the merged party from the beginning of the current period to the date of the merger	Income of the merged party during the comparison period	Net profit of the merged party during the comparison period
Jiangsu Hanrui Engineering Co., Ltd.	100.00%	Controlled by the same party before and after the merger	2020.5.31	Completion of consideration payment and industrial and commercial change registration	18,305,835.75	-5,271,005.98	52,140,280.12	3,597,911.97

(2) Combination cost

Combination cost	Jiangsu Hanrui Engineering Co., Ltd.
--Cash	93,874,986.85

(3) Identifiable assets and liabilities of acquires at the date of acquisition date

Item	Jiangsu Hanrui Engineering Co., Ltd.	
	Merged date	December 31,2019
Assets:		
Money funds	213,891,982.96	562,090,295.20
Accounts receivable	139,044,983.75	167,661,282.84
Prepayment	80,193,264.06	58,869,771.49
Other receivables	1,076,566,004.46	892,010,344.94
Other current assets	942,666,789.00	368,000,000.00
Long-term equity investment	4,093,586.91	4,093,586.91
Fixed assets	8,819.86	9,033.46
Deferred tax assets	5,808,845.78	1,121,073.16
Liabilities:		
Short-term loan	1,062,660,000.00	438,000,000.00
Bills payable	-	150,000,000.00
Accounts payable	100,867,991.15	102,530,344.25
Prepayment	2,400,000.00	-
Employee compensation payable	-	411,370.28
Taxes payable	3,367,610.84	4,954,651.93
Other payables	1,176,636,359.60	1,236,345,700.37
Bonds payable	30,000,000.00	30,000,000.00
Net assets	86,342,315.19	91,613,321.17
Less: Minority shareholders' equity	-	-
Net assets acquired	86,342,315.19	91,613,321.17

2. Disposal of subsidiaries

Circumstances where a single disposal of investment in a subsidiary company loses control

Item	Zhenjiang First Foreign Language School
Equity disposal price	0.00
Equity disposal proportion (%)	100.00

Item	Zhenjiang First Foreign Language School
Equity disposal method	Sale
Time of loss of control	2020.3.31
The basis for determining the point of loss of control	Board Resolution
The difference between the disposal price and the disposal investment of the subsidiary's net asset share at the consolidated financial statement level	16,504,468.11
Proportion of remaining equity on the date of loss of control	
Book value of remaining equity on the date of loss of control	
The fair value of the remaining equity on the date of loss of control	
Re-measure the gains or losses arising from the remaining equity at fair value	
The method and main assumptions for determining the fair value of the remaining equity on the date of loss of control	
The amount of other comprehensive income related to the equity investment of the atomic company transferred to the investment profit and loss	

VII. Interests in Other Entities

1. Interests in Subsidiaries

1.1 Group Composition:

Name of Subsidiary	Operation Site	Registration Place	Business Nature	Share-holding Ratio (%)		Way of obtaining
				Direct	Indirect	
Jiangsu Ruicheng Real Estate Development Co., Ltd.	Zhenjiang, Jiangsu	Zhenjiang, Jiangsu	Affordable housing construction, real estate development	88.64	-	Cash contribution
Zhenjiang Xinqu Software Industry Co., Ltd.	Zhenjiang, Jiangsu	Zhenjiang, Jiangsu	Infrastructure Development and Construction of Software Industrial Park	75.00	-	Cash contribution
Zhenjiang Xinyu Environmental Engineering Co., Ltd.	Zhenjiang, Jiangsu	Zhenjiang, Jiangsu	Comprehensive treatment of waters	75.00	-	Cash contribution
Zhenjiang Ruihe Parking Lot Operation Management Co., Ltd.	Zhenjiang, Jiangsu	Zhenjiang, Jiangsu	Vehicle management, provision of parking services	100.00	-	Cash contribution
Nanjing Normal University affiliated Zhenjiang Kindergarten Co., Ltd.	Zhenjiang, Jiangsu	Zhenjiang, Jiangsu	Preschool education	100.00	-	Not yet funded
Jiangsu Dingxin Construction Project Management Co., Ltd.	Zhenjiang, Jiangsu	Zhenjiang, Jiangsu	Construction project supervision, construction project management services	100.00	-	Purchase
Jiangsu Hanrui Engineering Co., Ltd.	Zhenjiang, Jiangsu	Zhenjiang, Jiangsu	Engineering construction	100.00	-	Purchase

1.2 Important Non-Wholly-Owned Subsidiaries

Name of Subsidiary	Proportion of Share Holdings of Non-Controlling Shareholders (%)	Gains & Losses Attribute to Non-Controlling Shareholders during Current Period	Other comprehensive income attributable to minority shareholders for the year	Dividends Paid to Non-Controlling Shareholders during Current Period	Closing Balance of Non-Controlling Shareholders Interests
Jiangsu Ruicheng Real Estate Development Co., Ltd.	11.36	1,455,510.56	-137.38	-	790,305,620.56
Total	11.36	1,455,510.56	-137.38	-	790,305,620.56

1.3 Major Financial Information of Important Non-Wholly-Owned Subsidiaries

Item	December 31,2020	December 31,2019
	Jiangsu Ruicheng Real Estate Development Co., Ltd.	Jiangsu Ruicheng Real Estate Development Co., Ltd.
Current assets	7,791,954,853.83	8,914,643,216.21
Non-current assets	2,037,786,503.57	2,059,334,768.63
Total assets	9,829,741,357.40	10,973,977,984.84
Current liabilities	1,956,003,808.07	3,124,578,730.51
Non-current liabilities	733,521,875.36	721,994,963.93
Total Liabilities	2,689,525,683.43	3,846,573,694.44
Operating income	929,589,240.13	1,387,348,833.18
Net profit	12,812,592.96	281,225,610.53
Total comprehensive income	12,811,383.57	281,221,888.15
Cash flow from operating activities	837,732,193.44	-199,399,407.23

2. Interests in Joint Ventures or Associates

2.1 Important Joint Ventures or Associates

Name of Joint Venture/Associate	Operation Site	Registration Place	Business Nature	Shareholding Proportion (%)		Accounting Method
				Direct	Indirect	
Zhenjiang Ruikang Hospital Co., Ltd.	Zhenjiang New District	No. 2 Dingmao Rende Road, Zhenjiang New District	Medical insurance	49.00	-	Equity method
Zhenjiang Biancheng Real Estate Co., Ltd.	Zhenjiang New District	No. 9 Panzong Road, High-tech Industrial Development Park, Zhenjiang New District	Real estate development	40.00	-	Equity method

2.2 Major Financial Information of Important Joint Ventures

Item	Closing Balance/Current Period Amount		Opening Balance/ Previous period Amount	
	Zhenjiang Ruikang Hospital Co., Ltd.	Zhenjiang Biancheng Real Estate Co., Ltd.	Zhenjiang Ruikang Hospital Co., Ltd.	Zhenjiang Biancheng Real Estate Co., Ltd.
Current Asset	41,056,278.27	658,376,458.08	34,795,539.16	613,697,793.71
Non-Current Asset	360,486,131.57	212,250.54	384,247,558.80	175,452.07
Total Asset	401,542,409.84	658,588,708.62	419,043,097.96	613,873,245.78
Current Liability	84,410,850.24	468,805,454.85	57,263,452.57	384,109,051.57
Non-Current Liability	168,677,044.51	-	177,920,703.59	-
Total Liability	253,087,894.75	468,805,454.85	235,184,156.16	384,109,051.57
Net assets	148,454,515.09	189,783,253.77	183,858,941.80	229,764,194.21
Net assets calculated based on shareholding ratio	72,742,712.39	75,913,301.50	90,090,881.48	91,905,677.68
Adjustments	-	-	-	-
—Goodwill	-	-	-	-
—Unrealized Profits from Internal Transactions	-	-5,809,524.03	-	-5,809,524.03
—Others	-	-	-	-
Book Value of Equity Investment in Joint Ventures	72,742,712.39	70,103,777.47	90,090,881.48	86,096,153.65
Fair Value of Equity Investment that has public quote	-	-	-	-
Operating Income	108,673,233.95		88,826,050.78	-
Net Profit	-35,404,426.71	-39,980,940.44	-46,446,614.63	-16,355,183.43
Other Comprehensive income	-	-	-	-
Total Comprehensive income	-35,404,426.71	-39,980,940.44	-46,446,614.63	-16,355,183.43
Dividends Received from Joint Ventures During the Period	-	-	-	-

2.3 Excess losses incurred by joint ventures or associates

(None)

2.4 Unconfirmed commitments related to joint venture investment

(None)

2.5Contingent liabilities related to joint ventures or associates

(None)

VIII. Fair Value Disclosure

1. Continuous measurement at fair value and discontinuous measurement at fair value

Item	December 31,2020 fair value			
	Measurement at fair value at the first level	Measurement at fair value at the second level	Measurement at fair value at the third level	Total
Ⅰ. Disclosure of continuous measurement at fair value				
Investment properties				
1.Land use right rent	-	-	-	-
2.Buildings rent	-	1,709,044,800.00	-	1,709,044,800.00
3.Land use right held for appreciation and sale	-	4,710,038,800.00	-	4,710,038,800.00
Total amount of assets measured at fair value continuously		6,419,083,600.00		6,419,083,600.00

2. Items measured at fair value continuously and discontinuously at the second level, valuation technique adopted and quantitative and qualitative information of important parameters

Item	Fair value at Dec 31st,2020	Valuation technique	Input value observable
Ⅰ. Disclosure of continuous measurement at fair value			
Investment properties			
1.Land use right rent	-		
2.Buildings rent	1,709,044,800.00	Income method	
3.Land use right held for appreciation and sale	4,710,038,800.00	Market comparison method	
Total amount of assets measured at fair value continuously	6,419,083,600.00		

For the above-mentioned investment real estate, the Company entrusts an external appraiser to evaluate its fair value. According to the characteristics of different assets, the market comparison method and the income method are used respectively: when the market comparison method is used for evaluation, the input value used mainly includes transaction price, transaction status, transaction date, regional factors, etc. similar to those on active markets; when using the income method to evaluate, the input value used mainly includes the expected future rental income, discount rate, etc.

IX. Related Parties and Related Party Transactions

1. The Parent Company of the Company

Parent Company/Actual Controller	Registration Place	Business Nature	Registered Capital (million)	Shareholding Proportion by the Parent Company (%)	Voting rights Proportion by the Parent Company (%)
Jiangsu Hanrui Investment Holdings Co., Ltd.	Zhenjiang, Jiangsu	Infrastructure development and construction	5,500.00	61.23	61.23

2. Subsidiaries of the Company:

For details, please see Note VII.1.

3. Joint Venture and Associate of the Company

For details, please see Note VII.2.

Other joint ventures or associates that have related party transactions with the Company in the current period or in the previous period and result in balance are as follows:

Name of joint ventures or associate	Relationship with the Company
Zhenjiang Gangneng Electric Power Co., Ltd.	Joint venture

4. Other Related Party of the Company

Name of Other Related Party	Relationship with the Company
Zhenjiang New District Management Committee	Substantive controlling party
Zhenjiang New District Transportation Construction Investment Co., Ltd.	Same parent company
Jiangsu Hanrui Engineering Co., Ltd.	Same parent company
Zhenjiang New Area Smc Investment Guarantee Co., Ltd.	Same parent company
Zhenjiang Xinnong Development Investment Co., Ltd.	Same parent company
Jiangsu Zhenjiang Economic Development Zone Public Utilities Co., Ltd.	Same parent company
Zhenjiang Export Processing Zone Gangcheng International Trade Co., Ltd.	Same parent company
Jiangsu Dagang Co., Ltd.	Same parent company
Jiangsu Hanrui Asset Management Co., Ltd.	Same parent company
Zhenjiang New Area Tongda Logistics Park Development Co., Ltd.	Same parent company
Jiangsu Hanruijingang Financial Leasing Co., Ltd.	Same parent company

Name of Other Related Party	Relationship with the Company
Jiangsu Hanrui Financial Leasing Co., Ltd.	Same parent company
Zhenjiang New District Jingang Rural Small Loan Co., Ltd.	Same parent company
Zhenjiang Riyue Lighting Co., Ltd.	Same parent company
Jiangsu Lianrui Asset Management Co., Ltd.	Same parent company
Jiangsu Hanrui Railway Investment Development Co., Ltd.	Same parent company
Jiangsu Hanrui Hotel Management Co., Ltd.	Same parent company
Zhenjiang Gangrun Property Co., Ltd.	Same parent company
Zhenjiang Gaoxin Venture Capital Co., Ltd. Zhenjiang Gaoxin Venture Capital Co., Ltd.	Same parent company
Zhenjiang New Area Rungang Passenger Transport Service Co., Ltd.	Same parent company
Shanghai Hanrui Commercial Factoring Co., Ltd.	Same parent company
Jiangsu Chuishan Tourism Culture Development Co., Ltd.	Controlled by the same substantial controller
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	Controlled by the same substantial controller
Zhenjiang New District New Town Construction Co., Ltd.	Controlled by the same substantial controller
Zhenjiang New Area Security Housing Construction Development Co., Ltd.	Controlled by the same substantial controller
Zhenjiang Economic and Technological Development Zone Land Reserve Center	Controlled by the same substantial controller
Zhenjiang University Science Park Development Co., Ltd.	Controlled by the same substantial controller
Zhenjiang New District Xinggang Water Conservancy Development Co., Ltd.	Controlled by the same substantial controller
Zhenjiang Pingchang Agricultural and Sideline Products Direct Market Co., Ltd.	Controlled by the same substantial controller
Zhenjiang Ganghe New Building Materials Co., Ltd.	Controlled by the same substantial controller
Zhenjiang New Area Greening and Gardening Engineering Company	Controlled by the same substantial controller
Zhenjiang Yinshan Capital Investment and Operation Co., Ltd.	Controlled by the same substantial controller
Zhenjiang First Foreign Language School	Controlled by the same substantial controller
Zhenjiang New District Shanty Town Reconstruction and Development Co., Ltd.	Controlled by the same substantial controller

Name of Other Related Party	Relationship with the Company
Zhenjiang New District Demolition Office	Controlled by the same substantial controller
Zhenjiang Jiangdajiangkeda University Sci.&Tech. Park Co., Ltd.	Joint venture of the parent company

5. Related Party Transactions

5.1Related Transactions of Purchase and Sales of Goods / Supply and Receipt of Services

Statements of Sales of Goods and Rendering of Service

Name of Related Party	Transaction	2020	2019
Zhenjiang New District Management Committee	Construction project	508,798,277.63	963,028,039.16
Zhenjiang New Area Security Housing Construction Development Co., Ltd.	Resettlement house	790,493,861.68	1,341,964,915.28
Zhenjiang Export Processing Zone Gangcheng International Trade Co., Ltd.	Polycrystalline cell	-	16,588,333.47
Jiangsu Hanrui Investment Holdings Co., Ltd.	Construction project	22,333,132.01	22,681,037.86
Zhenjiang New District Transportation Construction Investment Co., Ltd.	Construction project	3,730,321.70	-
Jiangsu Chuishan Tourism and Culture Development Co., Ltd.	Construction project	366,972.48	4,438,838.71
Jiangsu Hanrui Asset Management Co., Ltd.	Construction project	8,113,836.57	-
Jiangsu Dagang Co., Ltd.	Construction project	6,014,435.27	-
Zhenjiang Pingchang Agricultural and Sideline Products Direct Market Co., Ltd.	Construction project	130,581.37	-
Total		1,339,981,418.71	2,348,701,164.48

Statement of Purchase of Goods / Receipt of Services

Name of Related Party	Transaction	2020	2019
Zhenjiang Export Processing Zone Gangcheng International Trade Co., Ltd.	Latex, paint, printing paper	-	5,075,419.70
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	Steel	-	14,919,890.76
Zhenjiang Gangrun Property Co., Ltd.	Property costs	-	88,000.00
Jiangsu Chuishan Tourism and Culture Development Co., Ltd.	Construction project	-	31,437.80
Total		-	20,114,748.26

5.2 Related Party Trusteeship and Entrust management

The Company as Lessor:

Name of Lessee	Type of Leased Asset	Leasehold Income Recognized during Current Reporting Period	Leasehold Income Recognized during Previous Reporting Period
Jiangsu Hanrui Asset Management Co., Ltd.	Investment real estate	44,355,928.55	170,636,181.85
Jiangsu Hanrui Asset Management Co., Ltd.	Parking lot	-	85,714.29
Jiangsu Hanrui Financial Leasing Co., Ltd.	Parking lot	18,651.43	-
Zhenjiang New District Jingang Rural Small Loan Co., Ltd.	Parking lot	20,982.86	-
Jiangsu Hanruijingang Financial Leasing Co., Ltd.	Parking lot	23,314.29	-
Zhenjiang Gangrun Property Co., Ltd.	Parking lot	1,107.62	-
Zhenjiang New Area Small Investment Guarantee Co., Ltd.	Parking lot	44,297.14	-
Zhenjiang Gaoxin Venture Capital Co., Ltd.	Parking lot	33,611.43	-
Jiangsu Dagang Co., Ltd.	Parking lot	11,657.14	-

5.3 Related Party Guarantees

The Company as Guarantor

Name of Guarantor	Name of Guarantee	Amount of Guarantee (million)	Balance of Guarantee (million)	Starting Date of Guarantee	Ending Date of Guarantee	Has the Guarantee Been Performed or not
Zhenjiang New Area Urban Construction Investment CO., LTD.	Zhenjiang New District Shanty Town Reconstruction and Development Co., Ltd.	603.00	603.00	2019/8/26	2036/5/3	NO
Zhenjiang New Area Urban Construction Investment CO., LTD.	Zhenjiang New District Shanty Town Reconstruction and Development Co., Ltd.	400.00	308.00	2018/5/4	2036/5/3	NO
Zhenjiang New Area Urban Construction Investment CO., LTD.	Zhenjiang New District Shanty Town Reconstruction and Development Co., Ltd.	200.00	200.00	2018/8/22	2036/5/3	NO
Zhenjiang New Area Urban Construction Investment CO., LTD.	Zhenjiang New District Shanty Town Reconstruction and Development Co., Ltd.	100.00	100.00	2018/9/11	2036/5/3	NO
Zhenjiang New Area Urban Construction Investment CO., LTD.	Zhenjiang New District Shanty Town Reconstruction and Development Co., Ltd.	60.00	60.00	2018/12/26	2036/5/3	NO
Zhenjiang New Area Urban Construction Investment CO., LTD.	Zhenjiang New District Shanty Town Reconstruction and Development Co., Ltd.	45.00	45.00	2019/5/22	2036/5/3	NO
Zhenjiang New Area Urban Construction Investment CO., LTD.	Zhenjiang New District Shanty Town Reconstruction and Development Co., Ltd.	42.00	42.00	2019/1/14	2036/5/3	NO
Zhenjiang New Area Urban Construction Investment CO., LTD.	Zhenjiang New Area Security Housing Construction Development Co., Ltd.	270.00	134.00	2019/3/26	2035/3/19	NO
Zhenjiang New Area Urban Construction Investment CO., LTD.	Zhenjiang New Area Security Housing Construction Development Co., Ltd.		20.00	2019/4/22	2036/3/19	NO
Zhenjiang New Area Urban Construction Investment CO., LTD.	Zhenjiang Economic and Technological Development Zone Land Reserve Center	400.00	121.00	2015/6/12	2022/12/29	NO
Zhenjiang New Area Urban Construction Investment CO., LTD.	Zhenjiang Economic and Technological Development Zone Land Reserve Center	300.00	92.28	2015/6/29	2022/12/29	NO

Name of Guarantor	Name of Guarantee	Amount of Guarantee (million)	Balance of Guarantee (million)	Starting Date of Guarantee	Ending Date of Guarantee	Has the Guarantee Been Performed or not
Zhenjiang New Area Urban Construction Investment CO., LTD.	Zhenjiang Economic and Technological Development Zone Land Reserve Center	300.00	84.00	2015/3/24	2022/12/29	NO
Zhenjiang New Area Urban Construction Investment CO., LTD.	Zhenjiang Economic and Technological Development Zone Land Reserve Center	197.00	81.16	2015/11/17	2022/12/29	NO
Zhenjiang New Area Urban Construction Investment CO., LTD.	Zhenjiang Economic and Technological Development Zone Land Reserve Center	200.00	46.92	2015/10/29	2022/12/29	NO
Zhenjiang New Area Urban Construction Investment CO., LTD.	Zhenjiang Economic and Technological Development Zone Land Reserve Center	90.00	27.00	2015/5/15	2022/12/29	NO
Zhenjiang New Area Urban Construction Investment CO., LTD.	Zhenjiang Economic and Technological Development Zone Land Reserve Center	10.00	2.80	2015/4/13	2022/12/29	NO
Zhenjiang New Area Urban Construction Investment CO., LTD.	Zhenjiang Economic and Technological Development Zone Land Reserve Center	3.00	0.84	2014/12/31	2022/12/29	NO
Zhenjiang New Area Urban Construction Investment CO., LTD.	Jiangsu Hanrui Investment Holdings Co., Ltd.	400.00	44.45	2016/8/16	2021/8/15	NO
Zhenjiang New Area Urban Construction Investment CO., LTD.	Jiangsu Hanrui Investment Holdings Co., Ltd.		43.40	2016/8/16	2021/2/15	NO
Zhenjiang New Area Urban Construction Investment CO., LTD.	Zhenjiang Ruikang Hospital Co., Ltd.	171.50	143.47	2019/8/5	2026/12/31	NO
Zhenjiang New Area Urban Construction Investment CO., LTD.	Jiangsu Hanrui Investment Holdings Co., Ltd.	300.00	34.19	2016/4/27	2021/4/27	NO
Zhenjiang New Area Urban Construction Investment CO., LTD.	Jiangsu Hanrui Investment Holdings Co., Ltd.	581.82	581.82	2019/12/31	2024/12/30	NO
Zhenjiang New Area Urban Construction Investment CO., LTD.	Zhenjiang Xinnong Development Investment Co., Ltd.	215.63	215.63	2019/12/31	2024/12/30	NO
Zhenjiang New Area Urban Construction Investment CO., LTD.	Zhenjiang New Area Greening and Gardening Engineering Company	62.59	62.59	2019/12/31	2024/12/30	NO

Name of Guarantor	Name of Guarantee	Amount of Guarantee (million)	Balance of Guarantee (million)	Starting Date of Guarantee	Ending Date of Guarantee	Has the Guarantee Been Performed or not
Zhenjiang New Area Urban Construction Investment CO., LTD.	Zhenjiang New District Xinggang Water Conservancy Development Co., Ltd.	295.01	295.01	2019/12/31	2024/12/30	NO
Zhenjiang New Area Urban Construction Investment CO., LTD.	Jiangsu Zhenjiang Economic Development Zone Public Utilities Co., Ltd.	227.48	227.48	2016/3/25	2021/12/20	NO
Zhenjiang New Area Urban Construction Investment CO., LTD.	Zhenjiang New District Xinggang Water Conservancy Development Co., Ltd.	450.00	250.00	2013/11/22	2022/11/20	NO
Zhenjiang New Area Urban Construction Investment CO., LTD.	Zhenjiang New District Shanty Town Reconstruction and Development Co., Ltd.	700.00	700.00	2018/1/3	2023/1/2	NO
Zhenjiang New Area Urban Construction Investment CO., LTD.	Jiangsu Hanrui Investment Holdings Co., Ltd.	439.43	16.70	2019/8/1	2023/8/1	NO
Zhenjiang New Area Urban Construction Investment CO., LTD.	Jiangsu Hanrui Investment Holdings Co., Ltd.	102.74	16.70	2019/8/1	2023/8/1	NO
Zhenjiang New Area Urban Construction Investment CO., LTD.	Jiangsu Chuishan Tourism and Culture Development Co., Ltd.	160.00	90.00	2017/1/23	2023/12/21	NO
Zhenjiang New Area Urban Construction Investment CO., LTD.	Jiangsu Hanrui Investment Holdings Co., Ltd.	500.00	500.00	2019/3/15	2021/3/15	NO
Zhenjiang New Area Urban Construction Investment CO., LTD.	Zhenjiang New Area Greening and Gardening Engineering Company	100.00	84.40	2020/6/23	2023/6/23	NO
Zhenjiang New Area Urban Construction Investment CO., LTD.	Jiangsu Hanrui Investment Holdings Co., Ltd.	564.00	470.00	2020/12/30	2027/12/20	NO
Zhenjiang New Area Urban Construction Investment CO., LTD.	Zhenjiang New Area Rungang Passenger Transport Service Co., Ltd.	16.00	16.00	2017/12/20	2026/12/30	NO
Zhenjiang New Area Urban Construction Investment CO., LTD.	Jiangsu Hanrui Investment Holdings Co., Ltd.	90.00	90.00	2020/7/14	2023/7/14	NO
Zhenjiang New Area Urban Construction Investment CO., LTD.	Zhenjiang New Area Greening and Gardening Engineering Company	10.00	10.00	2020/10/21	2021/10/19	NO

Name of Guarantor	Name of Guarantee	Amount of Guarantee (million)	Balance of Guarantee (million)	Starting Date of Guarantee	Ending Date of Guarantee	Has the Guarantee Been Performed or not
Zhenjiang New Area Urban Construction Investment CO., LTD.	Zhenjiang Pingchang Agricultural and Sideline Products Direct Market Co., Ltd.	11.00	11.00	2020/12/28	2021/12/28	NO
Jiangsu Ruicheng Real Estate Development Co., Ltd.	Jiangsu Hanruijingang Financial Leasing Co., Ltd.	148.71	148.71	2018/10/15	2023/10/14	NO
Jiangsu Ruicheng Real Estate Development Co., Ltd.	Jiangsu Hanrui Investment Holdings Co., Ltd.	464.31	464.31	2018/8/6	2022/8/6	NO
Jiangsu Ruicheng Real Estate Development Co., Ltd.	Jiangsu Hanrui Investment Holdings Co., Ltd.	65.89	65.89	2019/6/22	2023/6/22	NO
Jiangsu Ruicheng Real Estate Development Co., Ltd.	Jiangsu Hanrui Investment Holdings Co., Ltd.	400.00	350.00	2019/9/19	2021/9/18	NO
Jiangsu Ruicheng Real Estate Development Co., Ltd.	Jiangsu Hanrui Asset Management Co., Ltd.	4.20	4.20	2019/6/26	2024/6/26	NO
Jiangsu Ruicheng Real Estate Development Co., Ltd.	Zhenjiang New Area Greening and Gardening Engineering Company	200.00	200.00	2020/12/24	2021/6/24	NO
Jiangsu Ruicheng Real Estate Development Co., Ltd.	Zhenjiang New Area Greening and Gardening Engineering Company	100.00	100.00	2020/12/28	2021/6/28	NO
Jiangsu Ruicheng Real Estate Development Co., Ltd.	Zhenjiang New Area Greening and Gardening Engineering Company	180.00	180.00	2020/10/28	2021/1/28	NO
Jiangsu Ruicheng Real Estate Development Co., Ltd.	Zhenjiang University Science Park Development Co., Ltd.	115.00	115.00	2020/10/28	2021/10/28	NO
Jiangsu Ruicheng Real Estate Development Co., Ltd.	Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	35.75	35.75	2020/1/11	2021/1/11	NO
Jiangsu Ruicheng Real Estate Development Co., Ltd.	Zhenjiang Ganghe New Building Materials Co., Ltd.	180.00	180.00	2020/12/30	2021/3/30	NO
Jiangsu Ruisheng Supply Chain Management Co., Ltd.	Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	50.00	50.00	2020/4/24	2023/4/28	NO

Name of Guarantor	Name of Guarantee	Amount of Guarantee (million)	Balance of Guarantee (million)	Starting Date of Guarantee	Ending Date of Guarantee	Has the Guarantee Been Performed or not
Jiangsu Ruisheng Supply Chain Management Co., Ltd.	Jiangsu Hanruijingang Financial Leasing Co., Ltd.	110.00	110.00	2020/6/8	2021/6/8	NO
Total		10,671.06	7,874.70			

The Company as Guarantee

Name of Guarantor	Name of Guarantee	Amount of Guarantee (million)	Balance of Guarantee (million)	Starting Date of Guarantee	Ending Date of Guarantee	Has the Guarantee Been Performed or not
Jiangsu Hanrui Investment Holdings Co., Ltd.	Zhenjiang New Area Urban Construction Investment CO., LTD.	300.00	30.00	2017/1/15	2022/1/15	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Zhenjiang New Area Urban Construction Investment CO., LTD.	100.00	22.12	2017/9/22	2022/9/22	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Zhenjiang New Area Urban Construction Investment CO., LTD.	300.00	49.87	2017/9/29	2022/9/29	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Zhenjiang New Area Urban Construction Investment CO., LTD.	279.00	68.82	2018/8/13	2023/8/13	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Zhenjiang New Area Urban Construction Investment CO., LTD.	400.00	99.97	2019/7/31	2022/9/29	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Zhenjiang New Area Urban Construction Investment CO., LTD.	20.00	12.75	2020/11/12	2023/11/12	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Zhenjiang New Area Urban Construction Investment CO., LTD.	50.00	26.37	2020/6/29	2023/6/28	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Zhenjiang New Area Urban Construction Investment CO., LTD.	600.00	350.00	2014/12/26	2024/12/24	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Zhenjiang New Area Urban Construction Investment CO., LTD.	282.00	225.60	2017/1/17	2023/1/17	NO

Name of Guarantor	Name of Guarantee	Amount of Guarantee (million)	Balance of Guarantee (million)	Starting Date of Guarantee	Ending Date of Guarantee	Has the Guarantee Been Performed or not
Jiangsu Hanrui Investment Holdings Co., Ltd.	Zhenjiang New Area Urban Construction Investment CO., LTD.	218.00	174.40	2017/2/14	2023/1/17	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Zhenjiang New Area Urban Construction Investment CO., LTD.	250.00	100.00	2015/5/27	2025/5/20	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Zhenjiang New Area Urban Construction Investment CO., LTD.	60.00	60.00	2019/3/26	2021/3/25	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Zhenjiang New Area Urban Construction Investment CO., LTD.	80.00	80.00	2019/4/1	2021/3/31	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Zhenjiang New Area Urban Construction Investment CO., LTD.	400.00	400.00	2016/6/21	2021/6/21	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Zhenjiang New Area Urban Construction Investment CO., LTD.	520.00	518.00	2019/11/15	2022/2/15	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Zhenjiang New Area Urban Construction Investment CO., LTD.	205.00	195.00	2020/1/20	2023/1/19	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Zhenjiang New Area Urban Construction Investment CO., LTD.	530.00	530.00	2019/2/18	2026/2/11	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Zhenjiang New Area Urban Construction Investment CO., LTD.	180.00	180.00	2019/11/22	2021/11/19	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Zhenjiang New Area Urban Construction Investment CO., LTD.	20.00	20.00	2019/12/5	2021/11/25	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Zhenjiang New Area Urban Construction Investment CO., LTD.	499.20	479.20	2020/4/23	2028/3/20	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Zhenjiang New Area Urban Construction Investment CO., LTD.	400.00	50.70	2019/11/1	2021/12/6	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Zhenjiang New Area Urban Construction Investment CO., LTD.	250.00	225.00	2019/2/28	2022/2/27	NO

Name of Guarantor	Name of Guarantee	Amount of Guarantee (million)	Balance of Guarantee (million)	Starting Date of Guarantee	Ending Date of Guarantee	Has the Guarantee Been Performed or not
Jiangsu Hanrui Asset Management Co., Ltd.						
Jiangsu Hanrui Investment Holdings Co., Ltd.	Zhenjiang New Area Urban Construction Investment CO., LTD.	300.00	280.00	2020/1/13	2028/12/1	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Zhenjiang New Area Urban Construction Investment CO., LTD.	750.00	150.00	2014/1/16	2021/1/15	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Zhenjiang New Area Urban Construction Investment CO., LTD.	750.00	150.00	2014/2/26	2021/2/25	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Zhenjiang New Area Urban Construction Investment CO., LTD.	1,150.00	1,150.00	2018/12/21	2023/12/21	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Zhenjiang Ruihe Parking Lot Operation Management Co., Ltd.	278.13	259.93	2019/5/24	2027/1/20	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Zhenjiang Ruihe Parking Lot Operation Management Co., Ltd.	29.11	29.11	2019/6/25	2028/11/21	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Zhenjiang Ruihe Parking Lot Operation Management Co., Ltd.	64.48	64.48	2019/6/14	2028/4/21	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Jiangsu Ruicheng Real Estate Development Co., Ltd.	238.00	226.00	2019/9/16	2029/8/29	NO
Jiangsu Hanrui Investment Holdings Co., Ltd. Zhenjiang Xinnong Development Investment Co., Ltd.	Jiangsu Ruicheng Real Estate Development Co., Ltd.	680.00	476.00	2019/6/28	2024/6/25	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Jiangsu Ruisheng Supply Chain Management Co., Ltd.	100.00	100.00	2019/4/29	2021/4/29	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Jiangsu Ruisheng Supply Chain Management Co., Ltd.	95.99	95.99	2019/5/17	2021/5/17	NO

Name of Guarantor	Name of Guarantee	Amount of Guarantee (million)	Balance of Guarantee (million)	Starting Date of Guarantee	Ending Date of Guarantee	Has the Guarantee Been Performed or not
Jiangsu Hanrui Investment Holdings Co., Ltd.	Jiangsu Ruisheng Supply Chain Management Co., Ltd.	5.00	5.00	2020/4/3	2021/4/1	NO
Zhenjiang New District Xinggang Water Conservancy Development Co., Ltd.	Jiangsu Ruisheng Supply Chain Management Co., Ltd.	47.50	47.50	2020/7/29	2021/7/27	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Jiangsu Ruisheng Supply Chain Management Co., Ltd.	50.00	50.00	2020/10/10	2021/10/9	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Jiangsu Ruisheng Supply Chain Management Co., Ltd.	180.00	180.00	2020/11/18	2021/9/17	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Jiangsu Ruisheng Supply Chain Management Co., Ltd.	10.00	10.00	2020/11/26	2021/11/25	NO
Jiangsu Hanrui Railway Investment Development Co., Ltd.	Jiangsu Ruisheng Supply Chain Management Co., Ltd.	218.00	218.00	2020/11/16	2021/11/15	NO
Zhenjiang New District New Town Construction Co., Ltd.	Jiangsu Ruisheng Supply Chain Management Co., Ltd.	49.80	49.80	2020/2/18	2021/2/18	NO
Zhenjiang New District New Town Construction Co., Ltd.	Jiangsu Ruisheng Supply Chain Management Co., Ltd.	49.68	49.68	2020/2/20	2021/2/20	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Jiangsu Ruisheng Supply Chain Management Co., Ltd.	20.50	20.50	2020/10/28	2021/10/28	NO
Total		11,009.39	7,509.79			

5.4 Funds borrowing from related parties

Related party	Loan amount	Starting date	Ending date	Interest rate	Remark
Borrowed in funds					
Jiangsu Hanruijingang Financial Leasing Co., Ltd.	18,464,297.99	2020/11/12	2023/11/12	7.12%	
Jiangsu Hanruijingang Financial Leasing Co., Ltd.	42,473,211.84	2020/6/29	2023/6/28	7.63%	
Shanghai Hanrui commercial factoring Co., Ltd.	10,000,000.00	2020/7/7	2021/7/7	8.52%	
Total	70,937,509.83				
Borrowed out funds	-				
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	2,420,000,000.00	2018/12/30	2024/12/29	1.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	50,000,000.00	2019/8/19	2022/8/18	3.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	52,000,000.00	2019/9/6	2022/9/5	3.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	106,000,000.00	2019/9/18	2022/9/17	3.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	50,000,000.00	2019/9/20	2022/9/19	3.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	56,000,000.00	2019/11/17	2022/11/17	3.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	280,000,000.00	2019/12/31	2022/12/30	3.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	280,000,000.00	2019/12/31	2022/12/30	3.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	400,000,000.00	2020/9/19	2023/9/19	3.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	300,000,000.00	2018/9/30	2024/9/29	1.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	200,000,000.00	2018/9/30	2024/9/29	1.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	830,000,000.00	2018/10/31	2024/10/30	1.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	296,500,000.00	2018/11/24	2024/11/23	1.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	293,000,000.00	2018/11/24	2021/11/23	1.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	99,000,000.00	2018/11/29	2021/11/28	1.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	100,000,000.00	2018/12/15	2021/12/14	1.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	100,000,000.00	2018/12/21	2021/12/20	1.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	216,000,000.00	2018/12/31	2021/12/30	1.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	20,000,000.00	2018/12/31	2021/12/30	1.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	70,000,000.00	2018/12/31	2021/12/30	1.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	100,000,000.00	2018/12/31	2021/12/30	1.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	90,000,000.00	2018/12/31	2021/12/30	1.00%	

Related party	Loan amount	Starting date	Ending date	Interest rate	Remark
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	480,000,000.00	2018/12/24	2021/12/23	1.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	970,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	181,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	200,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	150,075,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	59,600,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	32,500,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	40,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	3,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	5,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	120,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	410,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	26,400,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	320,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	500,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	200,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	250,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	1,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	150,000.00	2019/7/5	2022/7/4	3.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	900,000.00	2019/7/8	2022/7/7	3.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	50,000.00	2019/7/10	2022/7/9	3.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	2,940,000.00	2019/7/23	2022/7/22	3.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	150,000,000.00	2019/8/26	2022/8/25	3.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	300,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	105,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	100,000,000.00	2019/9/17	2022/9/16	3.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	217,000,000.00	2019/12/24	2022/12/23	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	50,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	60,000,000.00	2019/7/1	2022/6/30	3.00%	

Related party	Loan amount	Starting date	Ending date	Interest rate	Remark
Zhenjiang New District Transportation Construction Investment Co., Ltd.	20,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	30,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	30,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	100,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	350,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	11,224,100.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	10,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	4,540,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	5,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	233,400,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	500,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	14,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	1,050,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	890,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	2,840,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	8,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	3,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	3,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	200,140,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	5,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	32,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	10,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	50,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	50,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	321,762,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	2,900,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	8,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	100,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	50,000,000.00	2019/7/1	2022/6/30	3.00%	

Related party	Loan amount	Starting date	Ending date	Interest rate	Remark
Zhenjiang New District Transportation Construction Investment Co., Ltd.	250,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	20,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	100,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	20,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	20,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	42,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	4,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	10,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	32,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	5,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	15,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	10,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	40,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	8,600,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	72,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	72,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	72,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	5,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	4,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	5,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	5,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	2,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	3,000,000.00	2019/8/1	2022/7/29	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	5,000,000.00	2019/8/2	2022/8/1	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	19,830,000.00	2019/8/6	2022/8/5	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	2,000,000.00	2019/8/20	2022/8/19	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	10,000,000.00	2019/9/10	2022/9/9	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	300,000.00	2019/9/16	2022/9/15	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	28,000,000.00	2019/9/25	2022/9/24	3.00%	

Related party	Loan amount	Starting date	Ending date	Interest rate	Remark
Zhenjiang New District New Town Construction Co., Ltd.	1,048,000,000.00	2019/7/10	2022/7/9	3.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	45,000,000.00	2019/5/26	2022/5/25	1.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	8,000,000.00	2019/6/13	2022/6/12	1.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	35,000,000.00	2019/8/31	2022/8/30	3.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	792,000,000.00	2019/9/27	2022/9/26	3.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	4,750,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	15,500,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	4,700,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	294,852,600.00	2019/8/14	2022/8/13	3.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	7,920,000.00	2019/9/26	2022/9/25	3.00%	
Zhenjiang New District New Town Construction Co., Ltd.	156,000,000.00	2019/9/30	2022/9/29	3.00%	
Zhenjiang New District New Town Construction Co., Ltd.	90,000,000.00	2019/9/30	2022/9/29	3.00%	
Zhenjiang New District New Town Construction Co., Ltd.	350,000,000.00	2019/9/30	2022/9/29	3.00%	
Zhenjiang New District New Town Construction Co., Ltd.	28,000,000.00	2019/9/30	2022/9/29	3.00%	
Zhenjiang New District New Town Construction Co., Ltd.	270,000,000.00	2019/9/30	2022/9/29	3.00%	
Zhenjiang New District New Town Construction Co., Ltd.	42,680,000.00	2019/9/30	2022/9/29	3.00%	
Zhenjiang New District New Town Construction Co., Ltd.	175,000,000.00	2019/9/30	2022/9/29	3.00%	
Zhenjiang New Area Security Housing Construction Development Co., Ltd.	45,000,000.00	2020/6/18	2021/6/11	5.724%	
Zhenjiang New Area Security Housing Construction Development Co., Ltd.	5,000,000.00	2020/4/3	2021/4/1	12.190%	
Zhenjiang New Area Security Housing Construction Development Co., Ltd.	50,000,000.00	2020/10/10	2021/10/10	5.303%	
Zhenjiang New Area Security Housing Construction Development Co., Ltd.	180,000,000.00	2020/11/18	2021/9/17	5.300%	
Zhenjiang New Area Security Housing Construction Development Co., Ltd.	10,000,000.00	2020/11/26	2021/11/25	4.611%	
Zhenjiang New Area Security Housing Construction Development Co., Ltd.	200,000,000.00	2020/3/27	2021/3/26	6.000%	
Zhenjiang New Area Security Housing Construction Development Co., Ltd.	196,660,000.00	2020/3/19	2021/3/19	6.000%	
Zhenjiang New Area Security Housing Construction Development Co., Ltd.	50,000,000.00	2020/5/14	2021/5/13	6.000%	
Zhenjiang New Area Security Housing Construction Development Co., Ltd.	38,000,000.00	2020/9/17	2021/3/17	6.000%	
Zhenjiang New Area Security Housing Construction Development Co., Ltd.	48,000,000.00	2020/9/23	2021/9/22	6.000%	
Zhenjiang New Area Security Housing Construction Development Co., Ltd.	228,000,000.00	2020/10/19	2021/10/18	6.000%	
Zhenjiang New Area Security Housing Construction Development Co., Ltd.	45,000,000.00	2020/12/25	2021/12/23	6.000%	

Related party	Loan amount	Starting date	Ending date	Interest rate	Remark
Zhenjiang New Area Security Housing Construction Development Co., Ltd.	10,000,000.00	2020/12/25	2021/4/9	6.000%	
Total	16,357,153,700.00				

5.5 Related Party Asset Transfer & Debt Restructuring

Related Party	Transaction	2020	2019
Zhenjiang Economic and Technological Development Zone Land Reserve Center	Land	267,350,500.00	758,793,600.00
Zhenjiang New Area Security Housing Construction Development Co., Ltd.	Real estate	369,335,619.03	529,473,142.86
Jiangsu Hanrui Asset Management Co., Ltd.	Real estate	1,549,095,618.89	-
Zhenjiang Yinshan Capital Investment and Operation Co., Ltd.	Investment income	16,504,468.11	-
Zhenjiang Yinshan Capital Investment and Operation Co., Ltd.	Net profit of disposal of fixed assets	-5,206,814.30	-

5.6Other related party transactions

Related party	Transaction	2020	2019
Zhenjiang New District Management Committee	Capital occupation fee	876,000,000.00	652,500,000.00
	Subtotal of capital occupation fee	876,000,000.00	652,500,000.00
Zhenjiang New District Management Committee	Government subsidies	479,000,000.00	430,000,000.00
	Subtotal of government subsidies	479,000,000.00	430,000,000.00
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	Funds borrowing income	188,926,110.66	140,115,812.03
Zhenjiang New Area Security Housing Construction Development Co., Ltd.	Funds borrowing income	53,447,121.82	26,922,586.08
Zhenjiang New District Transportation Construction Investment Co., Ltd.	Funds borrowing income	74,688,285.87	37,120,171.32
Zhenjiang New District New Town Construction Co., Ltd.	Funds borrowing income	61,123,018.87	22,069,858.22
Zhenjiang Ruikang Hospital Co., Ltd.	Funds borrowing income	-	1,526,694.88
	Subtotal of Funds Borrowing Income	378,184,537.22	227,755,122.53
Jiangsu Hanrui Financial Leasing Co., Ltd.	Interest expense	-	13,325,000.00
Jiangsu Hanruijingang Financial Leasing Co., Ltd.	Interest expense	21,694,264.73	23,348,930.56
Jiangsu Lianrui Asset Management Co., Ltd.	Interest expense	-	18,971,527.77
Shanghai Hanrui commercial factoring Co., Ltd	Interest expense	375,416.65	-
	Subtotal of interest expense	22,069,681.38	55,645,458.33
Jiangsu Dagang Co., Ltd.	Subsidy expenditure	18,081,945.91	19,322,886.00

Related party	Transaction	2020	2019
	Subtotal of subsidy expenditure	18,081,945.91	19,322,886.00
Jiangsu Hanruijingang Financial Leasing Co., Ltd.	Compensation expenditure	-	14,000,000.00
	Subtotal of compensation expenditure	-	14,000,000.00
Zhenjiang New Area Small Investment Guarantee Co., Ltd.	Investment income	-	10,000,000.00
	Subtotal of investment income	-	10,000,000.00

6. Receivables and Payables of Related Parties

6.1Receivables

Item	Related Party	December 31,2020		December 31,2019	
		Book Balance	Provision for Bad Debt	Book Balance	Provision for Bad Debt
Accounts receivable	Zhenjiang New District Management Committee	2,761,867,209.28	-	1,592,159,970.29	-
Accounts receivable	Zhenjiang Jiangdajiangkeda University Sci.&Tech. Park Co., Ltd.	1,800.00	-	1,800.00	-
Accounts receivable	Jiangsu Chuishan Tourism Culture Development Co., Ltd.	175,754,420.76	-	181,004,420.76	-
Accounts receivable	Zhenjiang Economic and Technological Development Zone Land Reserve Center	267,350,500.00	-	-	-
Accounts receivable	Jiangsu Hanrui Asset Management Co., Ltd.	5,039,081.86	-	-	-
Accounts receivable	Jiangsu Dagang Co., Ltd.	78,071.62	-	4,765,831.62	-
Accounts receivable	Zhenjiang Xinnong Development Investment Co., Ltd.	8,078,310.00	-	18,948,710.00	-
Accounts receivable	Zhenjiang Export Processing Zone Urban Investment Materials Development Co..	-	-	40,508,436.93	-
Accounts receivable	Jiangsu Hanrui Investment Holdings Co., Ltd.	69,048,174.58	-	88,066,576.01	-
Accounts receivable	Zhenjiang New District Transportation Construction Investment Co., Ltd.	2,539,050.65	-	533,000.00	-

Item	Related Party	December 31,2020		December 31,2019	
		Book Balance	Provision for Bad Debt	Book Balance	Provision for Bad Debt
Accounts receivable	Jiangsu Zhenjiang Economic Development Zone Public Utilities Co., Ltd.	500.00	-	500.00	-
Accounts receivable	Zhenjiang Gaoxin Venture Capital Co., Ltd.	35,292.00	-	-	-
Accounts receivable	Zhenjiang Pingchang Agricultural and Sideline Products Direct Market Co., Ltd.	142,333.69	-	-	-
Total accounts receivable		3,289,934,744.44	-	1,925,989,245.61	-
Bill receivable	Jiangsu Hanrui Investment Holdings Co., Ltd.	662,819.28	-	-	-
Total bill receivable		662,819.28	-	-	-
Prepayment	Zhenjiang Riyue Lighting Co., Ltd.	11,362.00	-	-	-
Prepayment	Jiangsu Zhenjiang Economic Development Zone Public Utilities Co., Ltd.	240,000.00	-	-	-
Prepayment	Zhenjiang Gangneng Electric Power Co., Ltd.	109,689.17	-	-	-
Total prepayment		361,051.17	-	-	-
Dividend receivable	Zhenjiang New District Jingang Rural Small Loan Co., Ltd.	2,621,475.35	-	2,621,475.35	-
Dividend receivable	Zhenjiang Gangneng Electric Power Co., Ltd.	501,027.64		501,027.64	
Total dividends receivable		3,122,502.99	-	3,122,502.99	-
Other receivables	Zhenjiang New District Management Committee	8,229,862,613.56	-	7,959,843,022.86	-
Other receivables	Zhenjiang New District Transportation Construction Investment Co., Ltd.	196,059,666.90	-	1,794,683,582.95	-

Item	Related Party	December 31,2020		December 31,2019	
		Book Balance	Provision for Bad Debt	Book Balance	Provision for Bad Debt
Other receivables	Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	1,166,356,683.99	-	710,363,565.68	-
Other receivables	Zhenjiang New District New Town Construction Co., Ltd.	282,710,182.35	-	295,045,670.74	-
Other receivables	Zhenjiang New Area Small Investment Guarantee Co., Ltd.	-	-	11,530,000.00	-
Other receivables	Zhenjiang Ruikang Hospital Co., Ltd.	26,198,258.47	-	26,198,258.47	-
Other receivables	Zhenjiang Riyue Lighting Co., Ltd.	1,000,000.00	-	1,000,000.00	-
Other receivables	Zhenjiang Xinnong Development Investment Co., Ltd.	143,158.15	-	143,158.15	-
Other receivables	Jiangsu Hanrui Investment Holdings Co., Ltd.	3,635,961,697.52	-	4,110,455,815.77	-
Other receivables	Zhenjiang First Foreign Language School	-	-	-	-
Other receivables	Zhenjiang University Science Park Development Co., Ltd.	115,819,025.67	-	115,819,025.67	-
Other receivables	Jiangsu Hanrui Railway Investment Development Co., Ltd.	-	-	353,271,095.35	-
Other receivables	Zhenjiang New Area Security Housing Construction Development Co., Ltd.	905,550,328.40	-	1,105,368,078.90	-
Other receivables	Zhenjiang New Area Tongda Logistics Park Development Co., Ltd.	92,707,390.84	-	81,687,390.84	-
Other receivables	Zhenjiang Jiangdajiangkeda University Sci.&Tech. Park Co., Ltd.	1,416,000.00	-	1,416,000.00	-
Other receivables	Zhenjiang New Area Greening and Gardening Engineering Company	15,294,171.79	-	276,712,858.95	-

Item	Related Party	December 31,2020		December 31,2019	
		Book Balance	Provision for Bad Debt	Book Balance	Provision for Bad Debt
Other receivables	Zhenjiang New District Shanty Town Reconstruction and Development Co., Ltd.	647,771,858.68	-	637,806,110.05	-
Other receivables	Jiangsu Hanrui Asset Management Co., Ltd.	143,860.60	-	135,860.60	-
Other receivables	Zhenjiang Ganghe New Building Materials Co., Ltd.	5,531,012.34	-	-	-
Other receivables	Zhenjiang First Foreign Language School	42,094,091.50	-	-	-
Other receivables	Zhenjiang New District Xinggang Water Conservancy Development Co., Ltd.	56,346,947.78	-	-	-
Other receivables	Zhenjiang New District Demolition Office	54,000,000.00	-	-	-
Total other receivables		15,474,966,948.54	-	17,481,479,494.98	-
Non-current assets due within 1 year	Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	1,568,000,000.00	-	1,390,000,000.00	-
Total non-current assets due within 1 year		1,568,000,000.00	-	1,390,000,000.00	-
Other current assets	Zhenjiang New Area Security Housing Construction Development Co., Ltd.	1,105,660,000.00	-	778,000,000.00	-
Total other current assets		1,105,660,000.00	-	778,000,000.00	-
Other non-current assets	Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	8,884,827,600.00	-	10,052,827,600.00	-
Other non-current assets	Zhenjiang New District New Town Construction Co., Ltd.	2,159,680,000.00	-	2,159,680,000.00	-
Other non-current assets	Zhenjiang New District Transportation Construction Investment Co., Ltd.	2,638,986,100.00	-	2,638,986,100.00	-
Total other non-current assets		13,683,493,700.00	-	14,851,493,700.00	-

6.2Payables

Item	Related Party	December 31,2020	December 31,2019
Other payables	Zhenjiang New District Management Committee	280,177,800.00	280,177,800.00
Other payables	Zhenjiang New District Transportation Construction Investment Co., Ltd.	-	258,804,984.65
Other payables	Jiangsu Dagang Co., Ltd.	18,081,945.91	19,322,886.00
Other payables	Zhenjiang New Area Greening and Gardening Engineering Company	-	50,000.00
Other payables	Jiangsu Hanrui Investment Holdings Co., Ltd.	4,541.23	565,033,132.68
Other payables	Jiangsu Hanrui Hotel Management Co., Ltd.	6,347,950.00	6,350,000.00
Other payables	Zhenjiang Yinshan Capital Investment and Operation Co., Ltd.	242,000,000.00	-
Other payables	Jiangsu Hanrui Railway Investment Development Co., Ltd.	116,669,445.04	-
Total other payables		663,281,682.18	1,129,738,803.33
Accounts payable	Zhenjiang Riyue Lighting Co., Ltd.	1,607,718.00	5,514,618.00
Accounts payable	Zhenjiang Ganghe New Building Materials Co., Ltd.	536,128.13	-
Accounts payable	Zhenjiang New Area Greening and Gardening Engineering Company	7,650,041.36	-
Accounts payable	Jiangsu Zhenjiang Economic Development Zone Public Utilities Co., Ltd.	310,166.80	-
Total accounts payable		10,104,054.29	5,514,618.00
Bills payable	Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	281,000,000.00	150,000,000.00
Bills payable	Zhenjiang New Area Greening and Gardening Engineering Company	-	230,000,000.00
Bills payable	Zhenjiang New District New Town Construction Co., Ltd.	99,480,000.00	-
Bills payable	Jiangsu Hanrui Railway Investment Development Co., Ltd.	20,500,000.00	-
Total bills payable		400,980,000.00	380,000,000.00
Advance receipt	Zhenjiang New District Management Committee	189,609,188.00	189,609,188.00
Advance receipt	Zhenjiang New Area Security Housing Construction Development Co., Ltd.	667,692,851.57	1,222,555,355.73

Item	Related Party	December 31,2020	December 31,2019
Advance receipt	Zhenjiang Yinshan Capital Investment and Operation Co., Ltd.	-	542,950,971.44
Advance receipt	Jiangsu Hanrui Asset Management Co., Ltd.	126,683.54	375,976,969.10
Total advance receipt		857,428,723.11	2,331,092,484.27
Short-term loan	Shanghai Hanrui commercial factoring Co., Ltd	10,000,000.00	-
Total short-term loan		10,000,000.00	-
Other current liabilities	Jiangsu Hanruijingang Financial Leasing Co., Ltd.	-	50,000,000.00
Total other current liabilities		-	50,000,000.00
Non-current liabilities due within 1 year	Jiangsu Hanruijingang Financial Leasing Co., Ltd.	21,821,193.83	150,000,000.00
Non-current liabilities due within 1 year	Jiangsu Hanrui Financial Leasing Co., Ltd.	-	55,000,000.00
Total non-current liabilities due within 1 year		21,821,193.83	205,000,000.00
Long-term payables	Jiangsu Hanruijingang Financial Leasing Co., Ltd.	39,116,316.00	-
Total long-term payables		39,116,316.00	-

X. Commitments and Contingencies

1. Commitment Issue

As of December 31, 2020, the Company has no major commitments that need to be disclosed.

2. Contingencies

External guarantees

Name of guarantor	Name of guarantee	Amount of guarantee (million)	Balance of guarantee (million)	Starting date of guarantee	Ending date of guarantee	Has the guarantee been performed or not
Group guarantee						
Zhenjiang New Area Urban Construction Investment CO., LTD.	Jiangsu Ruisheng Supply Chain Management Co., Ltd.	670.00	499.39	2016/1/29	2031/1/28	NO
Zhenjiang New Area Urban Construction Investment CO., LTD.	Jiangsu Ruisheng Supply Chain Management Co., Ltd.	380.00	300.00	2016/6/30	2025/12/29	NO
Zhenjiang New Area Urban Construction Investment CO., LTD.	Jiangsu Ruisheng Supply Chain Management Co., Ltd.	10.00	10.00	2020/7/7	2021/7/7	NO
Zhenjiang New Area Urban Construction Investment CO., LTD.	Jiangsu Ruisheng Supply Chain Management Co., Ltd.	180.00	180.00	2020/11/18	2021/9/17	NO
Zhenjiang New Area Urban Construction Investment CO., LTD.	Zhenjiang Xinyu Environmental Engineering Co., Ltd.	75.00	75.00	2015/4/9	2022/12/27	NO
Zhenjiang New Area Urban Construction Investment CO., LTD.	Zhenjiang Xinyu Environmental Engineering Co., Ltd.	50.00	20.00	2013/12/6	2022/12/27	NO
Zhenjiang New Area Urban Construction Investment CO., LTD.	Jiangsu Hanrui Engineering Co., Ltd.	38.00	38.00	2020/9/17	2021/3/17	NO
Zhenjiang New Area Urban Construction Investment CO., LTD.	Jiangsu Dingxin Construction Project Management Co., Ltd.	5.00	5.00	2020/9/29	2021/9/6	NO
Zhenjiang New Area Urban Construction Investment CO., LTD.	Zhenjiang Xinyu Environmental Engineering Co., Ltd.	400.00	20.00	2012/10/12	2021/11/29	NO
Zhenjiang New Area Urban Construction Investment CO., LTD.	Jiangsu Ruicheng Real Estate Development Co., Ltd.	680.00	476.00	2019/6/28	2024/6/25	NO
Jiangsu Ruicheng Real Estate Development Co., Ltd.	Jiangsu Hanrui Engineering Co., Ltd.	200.00	200.00	2020/3/26	2021/3/26	NO
Total Group guarantee		2,688.00	1,823.39			
Out-of-group guarantee						
1. Guarantee to related parties		10,671.06	7,874.70		Note IX. 5(3)	
2. Guarantee to non-related parties		-	-			
Zhenjiang New Area Urban Construction Investment CO., LTD.	Zhenjiang New District Municipal Public Utilities Company	301.88	301.88	2019/12/31	2024/12/30	NO

Name of guarantor	Name of guarantee	Amount of guarantee (million)	Balance of guarantee (million)	Starting date of guarantee	Ending date of guarantee	Has the guarantee been performed or not
Zhenjiang New Area Urban Construction Investment CO., LTD.	Zhenjiang New District Municipal Public Utilities Company	250.00	250.00	2018/6/25	2021/6/25	NO
Subtotal		551.88	551.88			
Total Out-of-group guarantee		11,222.94	8,426.58			
Total		13,910.94	10,249.97			

XI. Post Balance Sheet Event

2018, Tibet Financial Leasing Co., Ltd. (hereinafter referred to as "Tibet Financial Leasing") and the Company signed the "Financial Lease Contract (Leaseback)" (hereinafter referred to as the "Financial Lease Contract"), and the guarantor was Jiangsu Hanrui Investment Holdings Co.,Ltd (hereinafter referred to as "Hanrui Holdings"). In October 2018, Tibet Financial Leasing provided a purchase price of RMB 300 million under the financing lease contract. Since then, the Company, in accordance with the "Rent Payment Notice" issued by Tibet Financial Leasing, shall perform its repayment obligations to Tibet Financial Leasing in accordance with the "Financial Lease Contract". In December 2019, Tibet Financial Rent signed an agreement with the Company and related parties to transfer the remaining RMB 150 million of principal and interest claims to Jiangsu Hanrui Financial Leasing Co., Ltd. (hereinafter referred to as "Hanrui Financial Leasing"). After the completion of the transfer, the Company will repay the principal and interest of the RMB150 million to Hanrui Financial Leasing. As of the end of 2020, the debt has been repaid. In March 2021, the Company and Hanrui Holdings received the litigation materials from Gansu Trust Investment Co., Ltd. (hereinafter referred to as "Gansu Trust"), which claimed that Tibet Financial Rent had transferred the above-mentioned claims on the Company to Gansu Trust, but before receiving the lawsuit materials, the Company and Hanrui Holdings were not aware of the transfer of claims between Tibet Golden Rent and Gansu Trust. Gansu Trust filed a lawsuit with Beijing No. 2 Intermediate People's Court and applied for property preservation. As a result, part of Jiangsu Dagang Co.,Ltd.'s shares held by Han Rui Holdings (stock code: 002077) were seized and frozen. Part of the Company's bank deposits and the equity of some subsidiaries were frozen. The case has held a pre-trial meeting on April 8, 2021. In order to ascertain the circumstances of the case, Beijing No. 2 Intermediate People's Court has agreed to add Tibet Financial Leasing as a third party. The case will be heard again on May 18, 2021.

Except for the matters mentioned in the preceding paragraph, as of the date of approval of this financial statement, the Company has no other major post-balance sheet

matters that need to be disclosed.

XII. Other Important Information

During the reporting period, there were no major prior-period error corrections and other important matters that need to be disclosed.

XIII. Notes to the Main Items of the Financial Statements of Parent Company (All amounts are expressed in Renminbi yuan unless otherwise stated)

1. Accounts receivable

1.1 An analysis of accounts receivable by categories

Type	December 31,2020				
	Book balance	Proportion (%)	Provision for bad debt	Provision Proportion (%)	Book value
Accounts receivable with significant single amount for which bad debt provision separately accrued	-	-	-	-	-
Accounts receivable whose bad debt provisions are made by credit risk characteristics portfolio	1,668,691,193.56	100.00	-	-	1,668,691,193.56
Including: aging portfolios	-	-	-	-	-
Other portfolios	1,668,691,193.56	100.00	-	-	1,668,691,193.56
Accounts receivable with insignificant single amount for which bad debt provision separately accrued	-	-	-	-	-
Total	1,668,691,193.56	100.00	-	/	1,668,691,193.56

(Continued)

Type	December 31,2019				
	Book balance	Proportion (%)	Provision for bad debt	Provision Proportion (%)	Book value
Accounts receivable with significant single amount for which bad debt provision separately accrued	-	-	-	-	-
Accounts receivable whose bad debt provisions are made by credit risk characteristics portfolio	1,368,620,558.35	100.00	-	-	1,368,620,558.35
Including: aging portfolios	-	-	-	-	-
Other portfolios	1,368,620,558.35	100.00	-	-	1,368,620,558.35
Accounts receivable with insignificant single amount for which bad debt provision separately accrued	-	-	-	-	-
Total	1,368,620,558.35	100.00	-	/	1,368,620,558.35

Account receivables using other method to provide bad debts for impairment in portfolios

Other portfolios	December 31,2010		
	Account receivable	Provision for bad debts	Provision Proportion (%)
Other portfolio	1,668,691,193.56	-	-
Total	1,668,691,193.56	-	-

1.2 The accounts receivable of the top two balances at the end of the year

Name of debtor	Amount owed	Aging	Proportion of total accounts receivable (%)
Zhenjiang New District Management Committee	1,253,396,793.56	Within 1 year: 398,720,135.21 1-2 years: 854,676,658.35	75.11
Zhenjiang Economic and Technological Development Zone Land Reserve Center	267,350,500.00	Within 1 year	16.02
Jiangsu Chuishan Tourism Culture Development Co., Ltd.	147,943,900.00	3-5 years	8.87
Total	1,668,691,193.56		100.00

2. Other receivables

2.1 Categories

Item	December 31,2020	December 31,2019
Interest receivable	25,319,705.01	25,534,996.43
Dividend receivable	2,621,475.35	2,621,475.35
Other receivables	13,780,167,105.94	13,134,378,221.48
Total	13,808,108,286.30	13,162,534,693.26

2.2 Interest receivable

Item	December 31,2020	December 31,2019
Time deposit	25,319,705.01	25,534,996.43
Total	25,319,705.01	25,534,996.43

2.3 Dividend receivable

Item (or investee)	December 31,2020	December 31,2019
Zhenjiang New District Jingang Rural Small Loan Co., Ltd.	2,621,475.35	2,621,475.35
Total	2,621,475.35	2,621,475.35

2.4 Other receivables

a)Other receivables classified by category

Category	December 31,2020				
	Book Balance	Proportion (%)	Provision for bad debt	Provision Proportion (%)	Book Value
Other receivables with significant single amount for which bad debt provision separately accrued	-	-	-	-	-
Other receivables whose bad debt provisions are made by credit risk characteristics portfolio	13,806,951,408.53	100.00	26,784,302.59	0.19	13,780,167,105.94
Including: aging portfolios	67,197,231.02	0.49	26,784,302.59	39.86	40,412,928.43
Other portfolios	13,739,754,177.51	99.51	-	-	13,739,754,177.51
Other receivables with insignificant single amount for which bad debt provision separately accrued	-	-	-	-	-
Total	13,806,951,408.53	100.00	26,784,302.59	/	13,780,167,105.94

(Continued)

Category	December 31,2019				
	Book Balance	Proportion (%)	Provision for bad debt	Provision Proportion (%)	Book Value
Other receivables with significant single amount for which bad debt provision separately accrued	-	-	-	-	-
Other receivables whose bad debt provisions are made by credit risk characteristics portfolio	13,153,987,899.43	100.00	19,609,677.95	0.15	13,134,378,221.48
Including: aging portfolios	57,338,894.57	0.44	19,609,677.95	34.20	37,729,216.62
Other portfolios	13,096,649,004.86	99.56	-	-	13,096,649,004.86
Other receivables with insignificant single amount for which bad debt provision separately accrued	-	-	-	-	-
Total	13,153,987,899.43	100.00	19,609,677.95	/	13,134,378,221.48

An analysis of provision under the aging analysis method

Aging	December 31,2020			December 31,2019		
	Other receivables	Provision for bad debt	Provision Proportion (%)	Other receivables	Provision for bad debt	Provision Proportion (%)
Within 1 year	15,621,945.66	781,097.28	5.00	13,248,405.18	662,420.26	5.00
1-2 years	9,500,105.18	950,010.52	10.00	7,174,975.57	717,497.56	10.00

Aging	December 31,2020			December 31,2019		
	Other receivables	Provision for bad debt	Provision Proportion (%)	Other receivables	Provision for bad debt	Provision Proportion (%)
2-3 years	6,135,193.97	1,840,558.19	30.00	17,499,092.43	5,249,727.73	30.00
3-5 years	25,454,699.23	12,727,349.62	50.00	12,872,777.99	6,436,389.00	50.00
Over 5 years	10,485,286.98	10,485,286.98	100.00	6,543,643.40	6,543,643.40	100.00
Total	67,197,231.02	26,784,302.59	/	57,338,894.57	19,609,677.95	/

Other receivables using other method to provide bad debts for impairment in portfolios

Other portfolio	December 31,2020		
	Other receivable	Provision for bad debts	Provision Proportion (%)
Other portfolio	13,739,754,177.51	-	-
Total	13,739,754,177.51	-	/

b) Top five entities with the largest balances of the other receivables

Company Name	Category	December 31,2020	Aging	Proportion in total receivables
Zhenjiang New District Management Committee	Lending	6,837,828,214.11	Within 1 year: 1,367,023,015.24 1-2 years: 3,828,421,964.00 2-3years: 659,175,397.86 3-5years: 983,207,837.01	49.52
Jiangsu Hanrui Investment Holdings Co., Ltd.	Lending	3,635,961,697.52	Within 1 year	26.33
Zhenjiang New District Shanty Town Reconstruction and Development Co., Ltd.	Lending	647,771,858.68	Within 1 year: 390,555,748.63 1-2 years: 257,216,110.05	4.69
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	Lending	505,319,288.31	Within 1 year	3.66
Zhenjiang New Area Urban Construction Investment Company	Lending	267,304,054.18	Within 1 year	1.94
Total	/	11,894,185,112.80	/	86.14

3. Long-term equity investment

Item	December 31,2020			December 31,2019		
	Book balance	Provision for impairment	Book Value	Book balance	Provision for impairment	Book Value
Investment in subsidiary	4,262,316,558.60	-	4,262,316,558.60	4,176,474,243.41	-	4,176,474,243.41
Investment in associate, joint venture	72,742,712.39	-	72,742,712.39	90,090,881.48	-	90,090,881.48
Total	4,335,059,270.99	-	4,335,059,270.99	4,266,565,124.89	-	4,266,565,124.89

3.1 Investment in subsidiary

Investee	December 31,2019	Increase in the current period	Decrease in the current period	December 31,2020	Provision for impairment in the current period	Closing balance of provision for impairment
Jiangsu Ruicheng Real Estate Development Co., Ltd.	2,674,300,000.00	-	-	2,674,300,000.00	-	-
Zhenjiang Xinqu Software Industry Co., Ltd.	535,195,254.24	-	-	535,195,254.24	-	-
Zhenjiang Xinyu Environmental Engineering Co., Ltd.	438,943,206.88	-	-	438,943,206.88	-	-
Jiangsu Ruisheng Supply Chain Management Co., Ltd.	311,208,000.00	-	-	311,208,000.00	-	-
Zhenjiang First Foreign Language School	500,000.00	-	500,000.00	-	-	-
Zhenjiang Ruihe Parking Lot Operation Management Co., Ltd.	163,526,200.00	-	-	163,526,200.00	-	-
Nanjing Normal University affiliated Zhenjiang Kindergarten Co., Ltd.	-	-	-	-	-	-
Jiangsu Dingxin Construction Project Management Co., Ltd.	52,801,582.29	-	-	52,801,582.29	-	-
Jiangsu Hanrui Engineering Co., Ltd.	-	86,342,315.19	-	86,342,315.19	-	-
Total	4,176,474,243.41	86,342,315.19	500,000.00	4,262,316,558.60	-	-

3.2 Investment in associate, joint venture

Investee	December 31,2019	Changes in Current Period								December 31,2020	Closing Balance of provision for impairment
		Increase	Decrease	Profit or loss recognized under equity method	Adjustments of other comprehensive income	Other changes in equity	Cash divided or profit declared	Provision for impairment	Others		
Joint Venture											
Zhenjiang Ruikang Hospital Co., Ltd.	90,090,881.48	-	-	-17,348,169.09	-	-	-	-	-	72,742,712.39	-
Total	90,090,881.48	-	-	-17,348,169.09	-	-	-	-	-	72,742,712.39	-

4. Sales and cost of sales

4.1 Basic situation of operating income and operating costs

Item	2020		2019	
	Sales	Cost of sales	Sales	Cost of sales
Main business	387,106,927.38	321,704,419.00	963,028,039.16	800,322,479.13
Other business	2,225,820,895.54	2,354,629,227.92	1,423,517,196.39	938,153,654.98
Total	2,612,927,822.92	2,676,333,646.92	2,386,545,235.55	1,738,476,134.11

4.2 Operating income of the Company's top four customers

Client's name	Operating income	Percentage of the Company's total operating income (%)
Jiangsu Hanrui Asset Management Co., Ltd.	1,578,022,509.37	60.39
Zhenjiang New District Management Committee	387,106,927.38	14.82
Zhenjiang New Area Security Housing Construction Development Co., Ltd.	369,335,619.03	14.13
Zhenjiang Economic and Technological Development Zone Land Reserve Center	267,350,500.00	10.23
Total	2,601,815,555.78	99.57

5. Investment income

Item	2020	2019
Investment income from long-term equity investments under equity method	-17,348,169.09	-22,758,841.17
Investment income gained during the period of holding available-for-sale investments	-	10,000,000.00
Investment income from disposing held-for-maturity investments	-500,000.00	-
Investment income from disposing available-for-sale financial assets	-	-
Other Investment income - funds borrowing income	260,095,655.50	176,835,483.02
Total	242,247,486.41	164,076,641.85

6. Supplementary information on cash flow statement

Item	2020	2019
1. Adjust net profit to cash flow from operating activities		
Net profit	87,597,507.45	33,821,683.22
Add: Provision for asset impairment	7,174,624.64	41,049,187.72

Item	2020	2019
Depreciation of fixed assets, depletion of oil and gas assets, Depreciation of productive biological assets	2,884,561.99	14,896,508.05
Amortization of intangible assets	483,844.44	2,658,734.86
Amortization of long-term deferred expenses	-	-
Disposal of fixed assets, intangible assets and other long-term Loss of assets (returns are listed with "-")	153,450,842.23	-355,692,526.96
Loss from scrapping of fixed assets (returns are listed with "-")	-	-
Loss from changes in fair value (returns are listed with "-")	-514,606,548.57	351,847,865.33
Financial expenses (returns are listed with "-")	1,427,308,281.27	981,179,938.26
Investment loss (return is listed with "-")	-242,247,486.41	-164,076,641.85
Decrease in deferred income tax assets (Add "-" to fill in)	9,422,691.21	-10,262,296.94
Increase in deferred income tax liabilities (Reducing to fill in with "-")	79,476,473.68	-80,080,476.64
Decrease in inventory (increase is listed with "-")	151,411,324.42	727,968,588.37
Decrease in operating receivables (Add "-" to fill in)	-525,427,261.37	4,536,087,731.92
Increase in operating payables (Reducing to fill in with "-")	271,292,326.87	-2,894,594,131.04
Other		
Net cash flow from operating activities	908,221,181.85	3,184,804,164.30
2. Major investment and financing activities that do not involve cash receipts and expenditures		
Conversion of debt into capital	-	-
Convertible corporate bonds due within one year	-	-
Financing lease of fixed assets	-	-
3. Net changes in cash and cash equivalents		
Year-end balance of cash	132,091,130.73	68,130,772.83
Less: cash balance at the beginning of the year	68,130,772.83	345,758,880.99
Plus: the year-end balance of cash equivalents	-	-
Less: opening balance of cash equivalents	-	-
Net increase in cash and cash equivalents	63,960,357.90	-277,628,108.16

XIV. Approval of Financial Statements

Financial statements of the Company for the current year have been approved by board of directors at April 29, 2021.

Zhenjiang New Area Urban Construction Investment CO., LTD.

April 25, 2021

Zhenjiang New Area Urban Construction Investment CO., LTD.

Auditors' Report

SYZCPA20200078

Audit firm: Suya Jincheng Certified Public Accountants LLP

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Translation of a report originally issued in Chinese based on our work performed in accordance with the audit regulations in force in China. In the event of a discrepancy, the Chinese-language version prevails.

AUDITOR'S REPORT

SYZCPA20200078

To the shareholders of Zhenjiang New Area Urban Construction Investment CO., LTD.:

Opinion

We have audited the financial statements of Zhenjiang New Area Urban Construction Investment CO., LTD. (hereinafter referred to as the "Company"), which comprise the consolidated balance sheet and balance sheet as at 31 December 2019, consolidated income statement and income statement, consolidated cash flow statement and cash flow statement, consolidated statement of changes in owners' equity and statement of changes in owners' equity for the year then ended; and notes to the financial statements.

In our opinion, the attached financial statements are prepared, in all material respects, in accordance with Accounting Standards for Business Enterprises and present fairly the financial position of the company as at 31 December 2019 and its operating results and cash flow for the year then ended.

Basis for Opinion

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

basis for our opinion.

Other Information

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and those Charged with Governance for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements that give a true and fair view in accordance with the disclosure requirements of Accounting Standards for Business Enterprises, and designing, implementing and maintaining internal control that is necessary to ensure the financial statements are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors. Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the

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disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Suya Jincheng Certified Public Accountants LLP

Nanjing, China

Hengqing Wu

Certified Public Accountant of China

Sixin Chang

Certified Public Accountant of China

April 29, 2020

Consolidated Statement of Financial Position

As at December 31, 2019

Prepared by： Zhenjiang New Area Urban Construction Investment Company　　Monetary Unit:CNY

Assets	Note	December 31, 2019	December 31, 2018
Current Assets:			
Cash and cash equivalents	V.1	2,821,540,298.14	3,691,886,080.57
Financial assets measured at fair value through current profit or loss		-	-
Derivative financial assets		-	-
Notes receivable	V.2	56,532,843.42	400,000.00
Accounts receivable	V.3	2,168,665,845.92	4,136,097,953.44
Prepayment	V.4	67,908,497.85	51,844,314.87
Other receivables	V.5	17,292,552,290.67	19,833,270,863.65
Inventories	V.6	2,841,955,852.73	4,062,302,044.62
Assets held for sale	V.7	492,181,590.40	-
Non-current assets maturing within one year	V.8	1,400,992,000.00	3,240,000,000.00
Other current assets	V.9	699,626,340.13	256,067,692.40
Total current assets		27,841,955,559.26	35,271,868,949.55
Non-current assets:		-	-
Available-for-sale financial assets	V.10	140,490,000.00	140,490,000.00
Held-to-maturity investment		-	-
Long-term receivables		-	-
Long-term equity investments	V.11	176,187,035.13	205,487,949.67
Investment properties	V.12	8,332,975,105.43	9,717,579,000.00
Fixed assets	V.13	155,836,119.95	617,114,013.34
Construction in progress		-	-
Productive biological assets		-	-
Oil and gas assets		-	-
Intangible assets	V.14	49,005,266.24	116,805,957.38
Development expenses		-	-
Goodwill		-	-
Long-term deferred expenses	V.15	150,072,045.37	238,168,871.23
Deferred tax assets	V.16	25,794,408.74	15,311,821.17
Other non-current assets	V.17	15,241,000,700.00	7,354,500,000.00
Total non-current assets		24,271,360,680.86	18,405,457,612.79
Total of assets		52,113,316,240.12	53,677,326,562.34

Legal representative:Zhenkuan Chen　Person in charge of accounting affairs:Zhenkuan Chen　Person in charge of accounting department：Yanwei Xie

Consolidated Balance Sheet

As at December 31, 2019

Prepared by： Zhenjiang New Area Urban Construction Investment Company　　Monetary Unit:CNY

Liabilities and owners' equity	Note	December 31, 2019	December 31, 2018
Current Liabilities:			
Short-term loans	V.19	1,160,759,774.00	1,207,500,000.00
Financial liabilities measured at fair value through current profit or loss		-	-
Derivative financial liabilities		-	-
Notes payable	V.20	507,337,500.00	186,000,000.00
Accounts payable	V.21	1,551,891,550.92	2,235,428,847.00
Advances from customers	V.22	2,365,707,554.76	1,872,772,623.31
Employee benefits payable	V.23	6,185,675.66	5,649,351.55
Taxes and surcharges payable	V.24	183,531,259.41	171,347,713.69
Other payables	V.25	486,258,209.02	2,655,667,810.95
Held-for-sale liabilities		-	-
Non-current liabilities maturing within one year	V.26	4,210,314,988.35	3,420,774,417.37
Other current liabilities	V.27	196,730,000.00	303,800,000.00
Total current liabilities		10,668,716,512.12	12,058,940,763.87
Non-current liabilities:		-	-
Long-term loans	V.28	4,738,549,800.00	3,715,459,090.00
Bonds payable	V.29	3,046,000,000.00	3,578,000,000.00
Including： preference shares		-	-
Perpetual bonds		-	-
Long-term payables	V.30	775,794,390.47	2,280,506,266.28
Provisions		-	-
Deferred income	V.31	70,109,872.90	81,084,208.70
Deferred income tax liabilities	V.16	382,088,505.64	547,996,418.93
Other non-current liabilities		164,420,000.00	140,640,000.00
Total non-current liabilities		9,176,962,569.01	10,343,685,983.91
Total liabilities		19,845,679,081.13	22,402,626,747.78
Owners' equity (or shareholders' equity)		-	-
Paid-in capital	V.32	8,196,627,661.34	7,916,950,528.90
Other equity instruments		-	-
Including: preference shares		-	-
Perpetual bonds		-	-
Capital reserves	V.33	19,399,182,242.23	18,725,003,503.18
Less: treasury stock		-	-
Other comprehensive income	V.34	1,099,248,219.52	1,360,798,120.79
Special reserves		-	-
Surplus reserves	V.35	204,863,672.94	201,481,504.62
Undistributed profits	V.36	2,464,347,595.02	2,199,523,444.58
Total equity attributable to owners of the parent company		31,364,269,391.05	30,403,757,102.07
Non-controlling interests		903,367,767.94	870,942,712.49
Total owners' equity		32,267,637,158.99	31,274,699,814.56
Total liabilities and owners' equity		52,113,316,240.12	53,677,326,562.34

Legal representative:Zhenkuan Chen　Person in charge of accounting affairs:Zhenkuan Chen　Person in charge of accounting department： Yanwei Xie

Consolidated Statement of Comprehensive Income

For the year ended December 31, 2019

Prepared by：Zhenjiang New Area Urban Construction Investment Company　　Monetary Unit:CNY

Items	Note	2019	2018
1. Operating income	**V.37**	5,302,510,709.58	4,908,640,669.61
Less: operating costs	**V.37**	4,410,502,171.14	3,938,138,221.36
Taxes and surcharges	**V.38**	179,685,460.50	281,193,778.94
Selling and distribution expenses		574,768.77	241,210.44
General and administrative expenses	**V.39**	48,852,694.82	49,968,301.73
R&D expenses		-	-
Financial expenses	**V.40**	579,118,048.13	499,464,347.42
Including: interest expenses		1,286,647,333.78	1,066,155,524.48
Interest income		719,300,354.01	649,165,489.34
Plus: other income	**V.41**	431,222,896.00	234,065,000.00
Investment income ("-" for losses)	**V.42**	191,324,736.81	38,585,109.57
Including: income from investment in associates and joint ventures		-29,300,914.54	-31,003,226.34
Gains from changes in fair value ("-" for losses)	**V.43**	-338,892,552.17	-17,077,219.82
Losses from asset impairment ("-" for losses)	**V.44**	-74,250,590.15	-58,703,313.19
Gains from disposal of assets("-" for losses)	**V.45**	2,008,844.25	1,452,143.36
2. Operating profits ("-" For Losses)		295,190,900.96	337,956,529.64
Plus: non-operating income	**V.46**	25,001.26	8,594.00
Less: non-operating expenses	**V.47**	33,806,786.15	22,034,895.27
3. Total profits before tax ("-" For Total Losses)		261,409,116.07	315,930,228.37
Less: income tax expenses	**V.48**	-39,222,681.01	20,536,581.35
4. Net profit ("-" For Net Loss)		300,631,797.08	295,393,647.02
4.1 Classification by operating continuity		300,631,797.08	295,393,647.02
4.1.1 Net profit from continuing operation ("-" for losses)		300,631,797.08	295,393,647.02
4.1.2 Net profit from discontinued operation ("-" for losses)		-	-
4.2 Classification by owners		300,631,797.08	295,393,647.02
4.2.1 Attributable to owners of the parent company ("-" for losses)		268,206,318.76	269,797,242.64
4.2.2 Attributable to non-controlling interests("-" for losses)		32,425,478.32	25,596,404.38
5 Net of tax from other comprehensive income	**V.49**	-261,550,324.14	-449,015,298.75
Net of tax from other comprehensive income to the owner of the parent company		-261,549,901.27	-449,015,298.75
5.1 Other comprehensive income cannot reclassified into the profit and loss		-	-
5.1.1 Remeasure the variation of defined benefit plans		-	-
5.1.2 Other comprehensive income that cannot be classified into profit and loss under equity method		-	-
5.2 Other comprehensive income that will be reclassified into the profit and loss		-261,549,901.27	-449,015,298.75
5.2.1Other comprehensive income that will be classified into profit and loss under equity method		-	-
5.2.2 Changes in fair value through profit and loss of available-for-sale financial assets		-	-
5.2.3 Held-to-maturity investment reclassified into available-for-sale financial assets		-	-
5.2.4 Inventory or real estate for its own use transferred into investment properties		-261,549,901.27	-449,015,298.75
5.2.5 Effective part of cash-flow hedge profit and loss		-	-
5.2.6 Balance arising from the translation of foreign currency financial statements		-	-
Net of tax from other comprehensive income to non-controlling interests		-422.87	-
6 Total comprehensive income		39,081,472.94	-153,621,651.73
Total comprehensive income attributable to owners of the parent company		6,656,417.49	-179,218,056.11
Total comprehensive income attributable to non-controlling interests		32,425,055.45	25,596,404.38
7 Earning per share		-	-
7.1 Basic earning per share		-	-
7.2 Diluted earning per share		-	-

For the business combination under common control during current period，net profit of the merged party from the beginning of the current period to the date of the merger is RMB6,657,453.78,and net profit of the merged party during the comparison period is RMB14,482,792.96.

Legal representative:Zhenkuan Chen　Person in charge of accounting affairs:Zhenkuan Chen　Person in charge of accounting department：Yanwei Xie

Consolidated Statement of Cash Flows

For the year ended December 31, 2019

Prepared by： Zhenjiang New Area Urban Construction Investment Company　　Monetary Unit:CNY

Items	Note	2019	2018
1.Cash Flows from Operating Activities:			
Cash received from sales of goods or rendering of services		2,283,383,359.49	5,901,541,031.06
Refund of taxes and surcharges		-	-
Cash received from other operating activities	V.50.1	6,944,172,058.65	2,835,176,853.41
Sub-total of cash inflows from operating activities		9,227,555,418.14	8,736,717,884.47
Cash paid for goods purchased and services received		2,592,156,929.77	1,430,417,613.82
Cash paid to and on behalf of employees		36,799,487.63	31,150,267.22
Cash paid for taxes and surcharges		477,284,960.28	398,066,684.35
Cash paid for other operating activities	V.50.2	2,281,209,969.91	930,854,694.27
Sub-total of cash outflows from operating activities		5,387,451,347.59	2,790,489,259.66
Net cash flows from operating activities		3,840,104,070.55	5,946,228,624.81
2.Cash Flows from Investing Activities:			
Cash received from disposal of investments		1,554,000,000.00	173,300,000.00
Cash received from returns on investments		221,688,798.01	72,687,257.03
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		2,595,243,964.01	881,978,645.41
Net cash received from disposal of subsidiaries and other business units		-	-
Cash received from other investing activities	V.50.3	-	27,000,000.00
Sub-total of cash inflows from investing activities		4,370,932,762.02	1,154,965,902.44
Cash paid to acquire and construct fixed assets, intangible assets and other long-term assets		472,866,792.08	242,990,600.80
Cash paid to investments		7,903,993,700.00	566,000,000.00
Net cash paid to acquire subsidiaries and other business units		-	-
Cash paid for other investing activities	V.50.4	-	25,517,425.69
Sub-total of cash outflows from investing activities		8,376,860,492.08	834,508,026.49
Net cash flows from investing activities		-4,005,927,730.06	320,457,875.95
3.Cash Flows from Financing Activities:			
Cash received from investors		1,000,000,000.00	-
Including: cash received by subsidiaries from investments by minority shareholders		-	-
Cash received from loans		5,485,756,213.87	6,452,673,549.14
Cash received from other financing activities	V.50.5	1,044,784,655.72	135,500,000.00
Sub-total of cash inflows from financing activities		7,530,540,869.59	6,588,173,549.14
Cash paid for debt repayments		5,847,311,171.83	10,835,158,789.23
Cash paid for distribution of dividends and profits or payment of interest		1,218,472,072.74	1,174,734,556.86
Including: dividends and profits paid to minority shareholders by subsidiaries		-	-
Cash paid for other financing activities	V.50.6	503,770,145.43	1,509,655,658.92
Sub-total of cash outflows from financing activities		7,569,553,390.00	13,519,549,005.01
Net cash flows from financing activities		-39,012,520.41	-6,931,375,455.87
4. Effect of fluctuation in exchange rate on cash and cash equivalents		-	7,001,809.84
5.Net Increase in Cash and Cash Equivalents		-204,836,179.92	-657,687,145.27
Plus: balance of cash and cash equivalents at the beginning of the period		861,313,603.61	1,519,000,748.88
6. Balance of cash and cash equivalents at the end of the period		656,477,423.69	861,313,603.61

Legal representative:Zhenkuan Chen　Person in charge of accounting affairs:Zhenkuan Chen　Person in charge of accounting department： Yanwei Xie

Consolidated Statement of Changes in Equity

For the year ended December 31, 2019

Prepared by : Zhenjiang New Area Urban Construction Investment Company

Monetary Unit: CNY

Items	2019											2018									
	Equity attributable to owners of the parent company									Non-controlling interests	Total owners' equity	Equity attributable to owners of the parent company								Non-controlling interests	Total owners' equity
	Paid-in capital(or capital stock)	Other equity instruments			Capital reserves	Less: treasury stock	Special reserves	Other comprehensive income	Surplus reserves	Undistributed profit			Other equity instruments									
		Preference shares	Perpetual bonds	Others									Preference shares	Perpetual bonds	Others						
1. Balance as at December 31 of last year	[illegible]	-	-	-	[illegible]	-	-	1,360,798,120.79	[illegible]	2,199,523,484.58	[illegible]	[illegible]	-	-	-	[illegible]	-	-	1,809,813,419.54	[illegible]	1,934,350,330.05	[illegible]	[illegible]
Plus: adjustments for changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments for correction of accounting errors in prior year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Business Combinations Under Common Control	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	[illegible]	-	-	-	-	21,663,355.55	-	31,663,355.55
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Balance as at January 1 of the current year	[illegible]	-	-	-	[illegible]	-	-	1,360,798,120.79	[illegible]	2,199,523,484.58	[illegible]	[illegible]	-	-	-	[illegible]	-	-	1,809,813,419.54	[illegible]	1,934,701,685.60	[illegible]	[illegible]
3. Increases/decreases in the current year	[illegible]	-	-	-	[illegible]	-	-	-261,549,901.27	[illegible]	264,824,150.44	[illegible]	[illegible]	-	-	-	[illegible]	-	-	-449,015,298.75	[illegible]	260,931,778.98	[illegible]	[illegible]
(1) Total comprehensive income	-	-	-	-	-	-	-	-261,549,901.27	-	264,206,318.76	[illegible]	[illegible]	-	-	-	-	-	-	-449,015,298.75	-	269,797,242.64	[illegible]	[illegible]
(2) Capital contributed or reduced by owners	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
a. Capital contributions by owners	[illegible]	-	-	-	[illegible]	-	-	-	-	-	-	[illegible]	-	-	-	[illegible]	-	-	-	-	-	0.11	[illegible]
b. Capital contributions by other equity instruments holders	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
c. Amounts of share-based payments recognized in owners' equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
d. Others	-	-	-	-	-48,144,128.51	-	-	-	-	-	-48,144,128.51	-	-	-	-	-	-	-	-	-	-	-	-
(3) Profit distribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
a. Withdrawal of surplus reserves	-	-	-	-	-	-	-	-	3,382,168.32	-3,382,168.32	-	-	-	-	-	-	-	-	-	8,865,463.66	-8,865,463.66	-	-
b. Profit distributed to owners (or shareholders)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
c. Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.4 Internal carry-forward of owners' equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
a. Conversion of capital reserves into paid-in capital(or capital stock)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
b. Conversion of surplus reserves into paid-in capital(or capital stock)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
c. Surplus reserves offsetting losses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
d. Variation of defined benefit plans classified into profit and loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
e. Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.5 Special reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
a. Withdrawal for the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
b. Use for the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Balance as at December 31 of the current year	[illegible]	-	-	-	[illegible]	-	-	1,099,248,219.52	[illegible]	2,464,347,595.02	[illegible]	[illegible]	-	-	-	[illegible]	-	-	1,360,798,120.79	[illegible]	2,195,573,444.58	[illegible]	[illegible]

Legal representative:Zhenluan Chen

Person in charge of accounting affairs:Zhenluan Chen

Person in charge of accounting department: Yanwei Xie

Statement of Financial Position

As at December 31, 2019

Prepared by： Zhenjiang New Area Urban Construction Investment Company　　Monetary Unit:CNY

Assets	Note	December 31, 2019	December 31, 2018
Current Assets:			
Cash and cash equivalents		1,027,968,994.07	1,417,531,357.95
Financial assets measured at fair value through current profit or loss		-	-
Derivative financial assets		-	-
Notes receivable		15,005,682.56	-
Accounts receivable	XIII.1	1,368,620,558.35	3,274,075,088.46
Prepayment		25,946,210.67	30,109,210.67
Other receivables	XIII.2	13,162,534,693.26	15,978,009,181.50
Inventories		807,441,560.94	1,535,410,149.31
Assets held for sale		492,181,590.40	-
Non-current assets maturing within one year		1,400,992,000.00	2,342,000,000.00
Other current assets		183,242,375.61	500,000.00
Total current assets		18,483,933,665.86	24,577,634,987.89
Non-current assets:		-	-
Available-for-sale financial assets		140,490,000.00	140,490,000.00
Held-to-maturity investment		-	-
Long-term receivables		-	-
Long-term equity investments	XIII.3	4,266,565,124.89	3,889,696,183.77
Investment properties		7,625,117,005.43	9,027,413,800.00
Fixed assets		92,412,391.90	558,589,377.39
Construction in progress		-	-
Productive biological assets		-	-
Oil and gas assets		-	-
Intangible assets		41,542,379.40	109,120,449.18
Development expenses		-	-
Goodwill		-	-
Long-term deferred expenses		140,307,691.48	228,222,539.37
Deferred tax assets		16,118,766.87	5,856,469.93
Other non-current assets		12,571,598,100.00	7,004,500,000.00
Total non-current assets		24,894,151,459.97	20,963,888,819.64
Total of assets		43,378,085,125.83	45,541,523,807.53

Legal representative:Zhenkuan Chen　Person in charge of accounting affairs:Zhenkuan Chen　Person in charge of accounting department： Yanwei Xie

Balance Sheet

As at December 31, 2019

Prepared by： Zhenjiang New Area Urban Construction Investment Company　　Monetary Unit:CNY

Liabilities and owners' equity(or shareholders' equity)	Note	December 31, 2019	December 31, 2018
Current Liabilities:			
Short-term loans		150,759,774.00	282,500,000.00
Financial liabilities measured at fair value through current profit or loss		-	-
Derivative financial liabilities		-	-
Notes payable		29,410,000.00	15,000,000.00
Accounts payable		428,752,204.49	613,283,232.40
Advances from customers		1,318,562,359.57	19,085,000.00
Employee benefits payable		868,138.28	1,222,275.33
Taxes and surcharges payable		111,668,600.18	101,448,229.21
Other payables		3,240,224,594.99	6,352,736,594.25
Held-for-sale liabilities		-	-
Non-current liabilities maturing within one year		2,844,114,988.35	2,008,704,056.78
Other current liabilities		196,730,000.00	303,800,000.00
Total current liabilities		8,321,090,659.86	9,697,779,387.97
Non-current liabilities:		-	-
Long-term loans		2,872,650,000.00	2,261,550,000.00
Bonds payable		3,046,000,000.00	3,578,000,000.00
Including: preference shares		-	-
Perpetual bonds		-	-
Long-term payables		775,794,390.47	2,280,506,266.28
Provisions		-	-
Deferred income		51,469,672.90	48,057,608.70
Deferred income tax liabilities		380,733,741.71	547,996,418.93
Other non-current liabilities		164,420,000.00	140,640,000.00
Total non-current liabilities		7,291,067,805.08	8,856,750,293.91
Total liabilities		15,612,158,464.94	18,554,529,681.88
Owners' equity (or shareholders' equity)		-	-
Paid-in capital		8,196,627,661.34	7,916,950,528.90
Other equity instruments		-	-
Including: preference shares		-	-
Perpetual bonds		-	-
Capital reserves		16,420,653,672.37	15,693,673,351.03
Less: treasury stock		-	-
Other comprehensive income		1,098,543,668.35	1,360,090,270.11
Special reserves		-	-
Surplus reserves		204,863,672.94	201,481,504.62
Undistributed profits		1,845,237,985.89	1,814,798,470.99
Total owners' equity		27,765,926,660.89	26,986,994,125.65
Total liabilities and owners' equity		43,378,085,125.83	45,541,523,807.53

Legal representative:Zhenkuan Chen　Person in charge of accounting affairs:Zhenkuan Chen　Person in charge of accounting department：Yanwei Xie

Statement of Comprehensive Income

For the year ended December 31, 2019

Prepared by：Zhenjiang New Area Urban Construction Investment Company　　Monetary Unit:CNY

Items	Note	2019	2018
1. Operating income	XIII.4	2,386,545,235.55	2,856,543,190.58
Less: operating costs	XIII.4	1,738,476,134.11	2,116,501,481.56
Taxes and surcharges		135,240,140.60	172,773,811.86
Selling and distribution expenses		-	-
General and administrative expenses		27,016,867.03	28,683,261.23
R&D expenses		-	-
Financial expenses		442,253,711.17	420,213,250.42
Including: interest expenses		971,846,814.37	864,126,892.37
Interest income		539,027,723.00	521,785,356.33
Plus: other income		200,000,000.00	1,008,000.00
Investment income ("-" for losses)	XIII.5	164,076,641.85	30,800,443.63
Including: income from investment in associates and joint ventures		-22,758,841.17	-26,225,314.14
Gains from changes in fair value ("-" for losses)		-351,847,865.33	-5,689,028.42
Losses from asset impairment ("-" for losses)		-41,049,187.72	-22,325,116.43
Gains from disposal of assets("-" for losses)		2,008,844.25	1,383,644.43
2. Operating profits ("-" For Losses)		16,746,815.69	123,549,328.72
Plus: non-operating income		-	-
Less: non-operating expenses		33,806,074.11	20,148,436.03
3. Total profits before tax ("-" For Total Losses)		-17,059,258.42	103,400,892.69
Less: income tax expenses		-50,880,941.64	14,746,256.10
4. Net profit ("-" For Net Loss)		33,821,683.22	88,654,636.59
4.1 Net profit from continuing operation ("-" for losses)		33,821,683.22	88,654,636.59
4.2 Net profit from discontinued operation ("-" for losses)		-	-
5 Other comprehensive income after tax		-261,546,601.76	-449,015,298.75
5.1 Other comprehensive income cannot reclassified into the profit and loss		-	-
5.1.1 Remeasure the variation of defined benefit plans		-	-
5.1.2 Other comprehensive income that cannot be classified into profit and loss under equity method		-	-
5.2 Other comprehensive income that will be reclassified into the profit and loss		-261,546,601.76	-449,015,298.75
5.2.1Other comprehensive income that will be classified into profit and loss under equity method		-	-
5.2.2 Changes in fair value through profit and loss of available-for-sale financial assets		-	-
5.2.3 Held-to-maturity investment reclassified into available-for-sale financial assets		-	-
5.2.4 Inventory or real estate for its own use transferred into investment properties		-261,546,601.76	-449,015,298.75
5.2.5 Effective part of cash-flow hedge profit and loss		-	-
5.2.6 Balance arising from the translation of foreign currency financial statements		-	-
6 Total comprehensive income		-227,724,918.54	-360,360,662.16
7 Earning per share			
7.1 Basic earning per share		-	-
7.2 Diluted earning per share		-	-

Legal representative:Zhenkuan Chen　Person in charge of accounting affairs:Zhenkuan Chen　Person in charge of accounting department：Yanwei Xie

Statement of Cash Flows

For the year ended December 31, 2019

Prepared by： Zhenjiang New Area Urban Construction Investment Company　　Monetary Unit:CNY

Items	2019	2018
1.Cash Flows from Operating Activities:		
Cash received from sales of goods or rendering of services	148,360,271.67	657,098,729.43
Refund of taxes and surcharges	-	-
Cash received from other operating activities	6,447,590,874.18	5,730,391,940.30
Sub-total of cash inflows from operating activities	6,595,951,145.85	6,387,490,669.73
Cash paid for goods purchased and services received	23,114,047.92	135,918,581.92
Cash paid to and on behalf of employees	6,315,361.19	7,170,795.73
Cash paid for taxes and surcharges	458,212,584.12	215,708,328.33
Cash paid for other operating activities	2,923,504,988.32	723,992,740.99
Sub-total of cash outflows from operating activities	3,411,146,981.55	1,082,790,446.97
Net cash flows from operating activities	3,184,804,164.30	5,304,700,222.76
2.Cash Flows from Investing Activities:		
Cash received from disposal of investments	1,468,000,000.00	30,000,000.00
Cash received from returns on investments	186,835,483.02	62,202,285.57
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	2,594,681,116.01	881,899,231.68
Net cash received from disposal of subsidiaries and other business units	-	-
Cash received from other investing activities	-	-
Sub-total of cash inflows from investing activities	4,249,516,599.03	974,101,517.25
Cash paid to acquire and construct fixed assets, intangible assets and other long-term assets	442,063,014.25	202,789,130.92
Cash paid to investments	6,436,561,428.51	480,000,000.00
Net cash paid to acquire subsidiaries and other business units	-	-
Cash paid for other investing activities	-	24,079,961.90
Sub-total of cash outflows from investing activities	6,878,624,442.76	706,869,092.82
Net cash flows from investing activities	-2,629,107,843.73	267,232,424.43
3.Cash Flows from Financing Activities:		
Cash received from investors	1,000,000,000.00	-
Cash received from loans	1,990,010,413.87	5,027,673,549.14
Cash received from other financing activities	138,735,155.72	41,500,000.00
Sub-total of cash inflows from financing activities	3,128,745,569.59	5,069,173,549.14
Cash paid for debt repayments	2,802,685,721.24	9,168,635,011.68
Cash paid for distribution of dividends and profits or payment of interest	907,495,290.32	972,844,158.09
Cash paid for other financing activities	251,888,986.76	988,639,938.16
Sub-total of cash outflows from financing activities	3,962,069,998.32	11,130,119,107.93
Net cash flows from financing activities	-833,324,428.73	-6,060,945,558.79
4. Effect of fluctuation in exchange rate on cash and cash equivalents	-	7,001,809.84
5.Net Increase in Cash and Cash Equivalents	-277,628,108.16	-482,011,101.76
Plus: balance of cash and cash equivalents at the beginning of the period	345,758,880.99	827,769,982.75
6. Balance of cash and cash equivalents at the end of the period	68,130,772.83	345,758,880.99

Legal representative:Zhenkuan Chen　Person in charge of accounting affairs:Zhenkuan Chen　Person in charge of accounting department：Yanwei Xie

Statement of Changes in Equity

For the year ended December 31, 2019

Prepared by：Zhenjiang New Area Urban Construction Investment Company　　Monetary Unit:CNY

Items	2019											2018									
	Paid-in capital(or capital stock)	Other equity instruments			Capital reserves	Less: treasury stock	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profit	Total owners' equity	Paid-in capital(or capital stock)	Other equity instruments			Capital reserves	Less: treasury stock	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profit	Total owners' equity
		Preference shares	Perpetual bonds	Others									Preference shares	Perpetual bonds	Others							
1. Balance as at December 31 of last year	[illegible]	-	-	-	[illegible]	-	1,560,090,270.11	-	[illegible]	1,814,798,470.99	[illegible]	[illegible]	-	-	-	[illegible]	-	1,809,105,568.86	-	[illegible]	1,735,009,298.66	[illegible]
Plus: adjustments for changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments for correction of accounting errors in prior year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Balance as at January 1 of the current year	[illegible]	-	-	-	[illegible]	-	1,560,090,270.11	-	[illegible]	1,814,798,470.99	[illegible]	[illegible]	-	-	-	[illegible]	-	1,809,105,568.86	-	[illegible]	1,735,009,298.66	[illegible]
3. Increases/decreases in the current year ("-" for decreases)	270,677,132.44	-	-	-	726,980,321.34	-	-261,546,601.76	-	5,382,168.32	30,439,514.90	770,912,535.24	-	-	-	-	219,983,510.00	-	-449,015,298.75	-	8,865,463.66	79,789,172.93	-129,057,152.16
(1) Total comprehensive income	-	-	-	-	-	-	-261,546,601.76	-	-	33,821,683.22	-227,724,918.54	-	-	-	-	-	-	-449,015,298.75	-	-	88,654,636.59	-360,360,662.16
(2)Capital contributed or reduced by owners																						
a. Capital contributions by owners	270,677,132.44	-	-	-	729,322,867.56	-	-	-	-	-	1,000,000,000.00	-	-	-	-	234,778,000.00	-	-	-	-	-	234,778,000.00
b.Amounts of share-based payments recognized in owners' equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
c. Others	-	-	-	-	6,657,453.78	-	-	-	-	-	6,657,453.78	-	-	-	-	5,124,910.00	-	-	-	-	-	5,124,910.00
(3)Profit distribution																						
a. Withdrawal of surplus reserves	-	-	-	-	-	-	-	-	5,382,168.32	-5,382,168.32	-	-	-	-	-	-	-	-	-	8,865,463.66	-8,865,463.66	-
b. Profit distributed to owners (or shareholders)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
c. Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.4 Internal carry-forward of owners' equity																						
a. Conversion of capital reserves into paid-in capital (or capital stock)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
b. Conversion of surplus reserves into paid-in capital (or capital stock)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
c. Surplus reserves offsetting losses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
d. Variation of defined benefit plans classified into profit and loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
e. Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.5 Special reserves																						
a. Withdrawal for the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
b. Use for the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Balance as at December 31 of the current year	[illegible]	-	-	-	[illegible]	-	1,298,543,668.35	-	[illegible]	1,845,237,985.89	[illegible]	[illegible]	-	-	-	[illegible]	-	1,360,090,270.11	-	[illegible]	1,814,798,470.99	[illegible]

Legal representative:Zhenkuan Chen　　Person in charge of accounting affairs:Zhenkuan Chen　　Person in charge of accounting department：Yanwei Xie

Zhenjiang New Area Urban Construction Investment CO., LTD.

Notes to Financial Statements

For the Year Ended December 31, 2019

(All amounts are expressed in RMB unless otherwise stated)

I. Company profile

1. Company overview

Zhenjiang New Area Urban Construction Investment CO., LTD. (hereinafter referred to as "the Company") was founded on December 7, 1992 and originally named as Zhenjiang New Area Urban Construction Investment Company. On December 2009, the Company changed its name to Zhenjiang New Area Urban Construction Investment CO., LTD. The original registered capital of the Company is RMB 1,068.57 million, consisting of RMB 933.54 million taking 87.36% of the total registered capital from Jiangsu Hanrui Investment Holdings Co., Ltd.(originally named as Zhenjiang New Area Economic Development General Company)and RMB 135.03 million taking 12.64% of the total registered capital from Suzhou Trust Co., Ltd..

According to the decision made on the shareholders' resolution meeting on November 2, 2011, Suzhou Trust Co., Ltd., one of the shareholders of the Company, transferred the 12.64% equity to Jiangsu Hanrui Investment Holdings Co., Ltd. and completed industrial and commercial change registration on November 11, 2011. The registered capital of the Company was RMB 1,068.75 million solely funded by Jiangsu Hanrui Investment Holdings Co., Ltd.

According to the decision made on the shareholders' resolution meeting in 2015, Jiangsu Hanrui Investment Holdings Co., Ltd increased capital by RMB 3,950.00 million, the registered capital of the Company changed to RMB 5,018.57 million.

According to the decision made on the shareholders' resolution meeting and related investment agreements in 2016, the registered capital of the Company changed to RMB 7,319,521,454.40. Aside from Jiangsu Hanrui Investment Holdings Co., Ltd, the Company added another two shareholders including Zhenjiang Jinpu Urban Development Investment Fund (Limited Partnership) and Zhenjiang New Area Ruijian Industry Fund Center (Limited Partnership). As the end of 2016, the Company had received the contribution paid RMB 986,120,980.40 from the shareholder Zhenjiang New Area Ruijian Industry Fund Center (Limited Partnership); the paid-in capital of the Company changed to RMB 6,004,693,480.40.

According to the decision made on the shareholders' resolution meeting and related investment agreements in 2017, the registered capital of the Company changed to RMB 7,916,950,528.90. The increased amount of registered capital was provided by Zhenjiang New Area Ruijian Industry Fund Center (Limited Partnership). As the end of 2017, the Company has received the contribution paid RMB 1,912,257,048.50(including the amount of contribution paid received in the previous year) from the shareholder Zhenjiang New Area Ruijian Industry Fund Center (Limited Partnership); the paid-in capital of the Company changed to RMB 7,916,950,528.90.

According to the decision made on the shareholders' resolution meeting and related investment agreements in 2019, the registered capital of the Company changed to RMB 8,196,627,661.34; the

industrial and commercial change registration was completed on March 27, 2020. As the end of December 31, 2019, the Company had received the contribution paid RMB 279,677,132.44 from the new shareholder Agricultural Bank Financial Assets Investment Co., Ltd.; the paid-in capital of the Company changed to RMB 8,196,627,661.34.

On August 16, 2019, the legal representative of the Company changed to Zhenkuan Chen; the industrial and commercial change registration was completed on March 27, 2020.

The Company receives the unified social credit code 9132119114139372 5H Business License granted by Zhenjiang Economic and Technological Development Zone Management Committee. Business scope: Raise urban construction funds, investment in urban infrastructure projects, urban infrastructure construction; house leasing; water conservancy project construction; production and sales of automation equipment and electrical equipment; construction of charging facilities, and provision of charging services. (Projects that are subject to approval in accordance with the law can be operated only after being approved by relevant departments.)

2. Consolidated Financial Statement Scope

The scope of the Company's consolidated financial statements is based on control, and all subsidiaries controlled are included in the consolidation scope of the consolidated financial statements.

Change of consolidated financial statement scope is shown as follows:

(1)The business entities, the structural entities or business entities forming control in the other way that are newly incorporated into the scope of the merger in the current period

Name	Getting Way
Jiangsu Dingxin Construction Project Management Co., Ltd.	Combinations Under Common Control

(2) The business entities, the structural entities or business entities forming control in the other way that are not incorporated into the scope of the merger in the current period

(None)

Details of the sub companies incorporated into the consolidated financial statements are shown on 'VII.1 Interests in subsidiaries'. Changes in the scope of consolidation are shown on 'VI. changes in consolidated scope'.

II. Basis of preparation of financial statements

1. Preparation basis

The Company has prepared its financial statements on a going concern basis, recognized and measured its accounting items in compliance with the Accounting Standards for Business Enterprises—Basic Standards and various specific accounting standards and other relevant provisions on the basis of actual transactions and events .(hereinafter referred as ASBE)

2. Going concern

Management believes that the Company has the ability to continue as a going concern for at least 12 months since the financial statements date.

III. Significant Accounting Policies and Accounting Estimates

1. Statement of compliance with the ASBE

The financial statements of the Company have been prepared in accordance with ASBE, and present truly and completely the Company's financial position, financial performance, changes in owners' (shareholders')equity and cash flows for the reporting period.

2. Accounting period

The accounting year of the Company is from January 1 to December 31 in calendar year.

3. Functional currency

The Company adopts RMB as functional currency.

4. The accounting treatment of business combinations involving enterprises under common control and business combinations not involving enterprises under common control

4.1 Accounting treatment method for business combination under common control

Business combination under common control is accounted for under pooling of interest method. Assets and liabilities obtained by the Company through business combination under common control shall be measured at the book value as stated in the combine's accounting record on the combination date. The share of the book value of the merged party's owner's equity in the consolidated financial statements is taken as the initial investment cost of long-term equity investments in individual financial statements. The capital reserve (stock premium or capital premium) is adjusted according to the difference between the book value of net asset acquired through combination and the book value of consideration paid for the combination (or total par value of shares issued). If the capital reserve (stock premium or capital premium) is insufficient to offset, the retained earnings shall be adjusted.

4.2 Accounting treatment method of business combination not under common control

The Company accounts for business combination not under common control under purchase method.

a) All the net identifiable assets, liabilities or contingent liabilities obtained by the Company through business combination not under common control shall be measured based on the fair values of assets paid, liabilities incurred or assumed and the equity securities issued as consideration for combination on the acquisition date, and differences between their fair values and book values shall be included in the current profit and loss.

b) The cost of acquisition shall be respectively determined for the following conditions;

i. Business combination of a transaction implementation, the combination cost shall be the sum of the fair values of the assets given, the liabilities incurred or assumed and the equity securities issued by the Company in exchange for the control on the acquisition date, and contingent considerations meeting the recognition conditions. The combination cost is the initial investment costs of long-term equity investments in individual financial statements.

ii. Business combination through multiple transactions step by step to realized, the combination cost shall be the sum of the fair value measurement on the acquisition of the equity investment that holding before the acquisition date and cost of all the new investment on the acquisition date. Long-term equity investment cost in individual financial statements shall be the sum of the book value of the equity investment that holding before the acquisition date and cost of all the new investment on the acquisition date. Except for a package deal.

c) The Company, on the acquisition date, allocates the combination costs between the identifiable assets and liabilities acquired

i. All assets of the acquiree obtained by the Company through business combination(not limited to those that have been recognized by the acquiree), other than intangible assets, shall be separately recognized and measured at fair value when the future economic benefits arising thereafter are expected to flow into the Company and the fair value can be reliably measured.

ii. Intangible assets of the acquiree obtained by the Company through business combination shall be separately recognized and measured at fair value when their fair values can be reliably measured.

iii. All liabilities of the acquiree obtained by the Company through business combination, other than contingent liabilities, shall be separately recognized and measured at fair value when fulfillment of relevant obligations are expected to bring future economic benefits outflow of the Company and the fair value can be reliably measured.

iv. Contingent liabilities of the acquiree obtained by the Company through business combination shall be separately recognized as liabilities and measured at fair value when their fair values can be reliably measured.

v. When the Company allocates the cost of business combination and recognizes the identifiable assets and liabilities acquired through combination, it shall not include any goodwill and deferred income taxes that have been recognized by the acquiree before the business combination.

d) Treatment of the difference between the business combination costs and the fair value of net identifiable asset acquired from the acquiree through combination

i. The Company shall recognize the difference of the combination costs in excess of the fair value of the net identifiable asset acquired from the acquiree through combination as goodwill.

ii. The Company shall recognize the difference of the combination costs in short of the fair value of the net identifiable asset acquired from the acquiree through combination according to the following provisions:

1) Review the measurement of fair values of all the identifiable assets, liabilities and

contingent liabilities acquired from the acquiree and the combination costs;

2) After the review, if the combination costs are still in short of the fair value of the net identifiable asset acquired from the acquiree through combination, include the difference in the current profit and loss.

4.3 Treatment of relevant expenses arising from the Company's business combination

a) Relevant expenses directly arising from the business combination of the Company (including the expenses for audit, legal services, evaluation and consultation or other intermediary costs for business combination and other relevant administrative fees etc.) shall be included in the current profit and loss when they are incurred.

b) Commissions, fees and other expenses paid on issuance of bonds and undertaking of other debts for the business combination shall be included in the initial measurement amount of debt securities.

i. Where the bonds are issued at discount or par value, that part of expenses will increase the amount of the discount;

ii. Where the bonds are issued at premium, that part of expenses will decrease the amount of the premium.

c) Fees, commissions, and other transaction expenses paid on issuance of equity securities as combination consideration in the business combination shall be included in the initial measurement amount of equity securities.

i. Where the equity securities are issued at premium, that part of expenses shall be deducted from capital reserves (stock premium);

ii. Where the equity securities are issued at par value or discount, that part of expenses shall be deducted from the retained earnings.

5. Preparation of consolidated financial statements

5.1 Consistency of accounting policies and accounting period

All the subsidiaries within the consolidation scope of consolidated financial statements shall adopt the same accounting policies and accounting periods as those of the Company. If the accounting policies or accounting periods of a subsidiary are different from those of the Company, the financial statements of the subsidiary, upon preparation of consolidated financial statements, shall be adjusted according to the accounting policies and accounting periods of the Company.

5.2 Preparation method of consolidated financial statements

The consolidated financial statements are based on the financial statements of the Company and its subsidiaries, and are prepared by the parent company according to other relevant information after the adjustment to long-term equity investments in subsidiaries under the equity method and the elimination of effects of the internal transactions between the Company and its subsidiaries and between the subsidiaries on the consolidated financial statement.

5.3 Reflection of excess losses incurred to a subsidiary in the consolidated financial statements

In the consolidated financial statements, where the current losses undertaken by the parent company are in excess of its share of owners' equity in the subsidiary at the beginning of the period, the balance shall reduce the owners' equity (retained earnings) of the parent company; where the current losses undertaken by a subsidiary's non-controlling shareholders excess those non-controlling shareholders' share of owners' equity in the subsidiary at the beginning of the period, the balance shall reduce the non-controlling interests.

5.4 Changes in number of subsidiaries during the reporting period

a) Acquisition of subsidiaries during the reporting period

i. Treatment of acquiring subsidiaries from business combination under common control during the reporting period

During the reporting period, if the Company acquires subsidiaries from the business combination under common control, the Opening Balance in the consolidated balance sheet shall be adjusted. The income, expenses and profits of the newly acquired subsidiaries from the beginning to the end of the reporting period shall be included in the consolidated income statement. The cash flow of the newly acquired subsidiaries from the beginning to the end of the reporting period shall be included in the consolidated statement of cash flow.

ii. Treatment of acquiring subsidiaries from business combination not under common control during the reporting period

During the reporting period, if the Company acquires subsidiaries from the business combination not under common control, the Opening Balance in the consolidated balance sheet shall not be adjusted. The income, expenses and profits of the newly acquired subsidiaries from the acquisition date to the end of the reporting period shall be included in the consolidated income statement. The cash flow of the newly acquired subsidiaries from the acquisition date to the end of the reporting period shall be included in the consolidated statement of cash flow.

b) Treatment of disposing subsidiaries during the reporting period

During the reporting period, if the Company disposes subsidiaries, the Opening Balance in the consolidated balance sheet shall not be adjusted. The income, expenses and profits of the newly disposed subsidiaries from the beginning to the disposal date shall be included in the consolidated income statement. The cash flow from the beginning to the disposal date shall be included in the consolidated statement of cash flow.

6. Cash and cash equivalents

Cash comprises cash on hand and deposits that can be readily withdrawn on demand.

Cash equivalents are the Company's short-term (due within 3 months from purchase date), highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

7. Foreign currency transactions and translation of foreign currency statements

7.1 Accounting method of foreign currency transactions

7.1.1 Initial recognition of foreign currency transactions

For foreign currency transactions incurred, the Company converts the amount in foreign currency into the amount in functional currency at the spot exchange rate (middle rate) announced by the People's Bank of China on the transaction date. Among them, for foreign currency exchange occurred or transaction involving foreign currency exchange, the Company converts at the exchange rate actually adopted on the transaction date.

7.1.2 Adjustment or settlement on the balance sheet date or settlement date

On the balance sheet date or the settlement date, the Company handles foreign currency monetary items and foreign currency non-monetary items separately in accordance with the following methods:

a) Accounting principles for handling foreign currency monetary items

For foreign currency monetary items, on the balance sheet date or the settlement date, the Company converts them by using the spot exchange rate (middle rate) prevailing on the balance sheet date or settlement date, and adjusts the amount in functional currency of foreign currency monetary items in respect of the difference arising from exchange rate fluctuations, which shall be treated as exchange difference at the same time. Among them, the exchange differences arising from foreign currency borrowings relating to the acquisition, construction or production of assets eligible for capitalization shall be included in the costs of assets eligible for capitalization; other exchange differences shall be included in the current financial expenses.

b) Accounting principles for handling foreign currency non-monetary items

i. For foreign currency non-monetary items measured at historical cost, the Company shall convert them at the spot exchange rate (middle rate) prevailing on the transaction date, with their amounts in functional currency remaining unchanged and no exchange differences incurred.

ii. For an inventory that is measured at the lower of its costs or its net realizable values, if the net realizable value is determined in foreign currency, the Company, when determining the value of the inventory at the end of the period, shall firstly convert the net realizable value into functional currency and then compare it with the inventory cost reflected in functional currency.

iii. Non-monetary items measured at fair value that is reflected in foreign currency at the end of the period, the Company shall firstly translate the foreign currency into the amount in functional currency at the spot exchange rate on the date when the fair value is determined, and then compare it with the original functional currency amount. Difference between the translated functional currency amount and the original functional currency amount is treated as profit or loss from changes in fair value (including changes in exchange rate) and is recognized in current profit and loss.

8. Financial instruments

Financial instruments include financial assets, financial liabilities and equity instruments.

8.1 Classification of financial instruments

a) Classification of financial assets

Based on business characteristics, investment strategies and risk management requirements, the Company classifies the financial assets it has obtained into the following four categories: (1) financial assets measured at fair value through current profit and loss; (2) held-to-maturity investments; (3) loans and receivables; and (4) available-for-sale financial assets.

Financial assets measured at fair value through current profit and loss include:(1) financial assets held for trading ;(2)financial assets directly designated to be measured at fair value through current profit and loss;(3)investments in subsidiaries that shall not be consolidated by the investment entities ;(4)investments held by venture capital organizations, mutual funds or similar entities.

The equity investment which hasn't control , joint control or significant influence over the investee, based on business characteristics, investment strategies and risk management requirements, can be divided into the first kind of financial assets measured at fair value through current profit and loss or the fourth kind of available-for-sale financial assets. In some special cases, the equity investment of available-for-sale financial assets can be measured under the cost method.

b) Classification of financial liabilities

Based on business characteristics and risk management requirements, the Company classifies the financial liabilities it undertakes into the following two categories: (1) financial liabilities measured at fair value through current profit and loss (including financial liabilities held for trading and financial liabilities directly designated to be measured at fair value through current profit and loss); and (2) other financial liabilities.

8.2 Recognition basis and measurement method of financial instruments

a) Recognition basis of financial instruments

When the Company becomes a party to a financial instrument, it shall recognize a financial asset or financial liability.

b) Measurement method of financial instruments

i. Financial assets or financial liabilities measured at fair value through current profit and loss: they are initially measured at the amount of fair value upon acquisition, and relevant transaction expenses are included in the current profit and loss when incurred. For cash dividends declared but not distributed or bond interest matured but not drawn that have been included in the actual price paid, they shall be separately recognized as dividends receivable or interest receivable. Cash dividends or bond interest gained during the holding period shall be recognized as investment income. On the balance sheet date, they shall be measured at fair values and the changes in their fair values shall be included in current profit or loss. When disposing of a financial asset held for trading, the Company recognizes the difference between the payment actually received (dividends receivable or interest receivable, if any, shall be deducted) and the book value of the financial asset held for trading on the disposal date, and

transfers the accumulative amount previously included in profit or loss on changes in fair value to the investment income.

ii. Held-to-maturity investments: they are initially measured at the total amount of their fair values upon acquisition and related transaction expenses. For bond interest matured but not drawn that is included in the actual price paid, they are independently recognized as interest receivable. Interest income is calculated and recognized during the holding period according to the amortized cost and effective interest rates, and included in the investment income. The effective interest rate is determined upon acquisition, and remains unchanged during the expected duration or any applicable shorter period. On the balance sheet date, they are measured at amortized costs. Upon disposal, the difference between the actual proceeds (interest receivable, if any, shall be deducted) and the book value of the held-to-maturity investment is recognized as investment income.

iii. Loans and Receivables: Loans and Receivables are mainly loans granted from financial entities and creditor's rights receivable arising from external sales of goods or rendering of service by general entities, Loans and receivables are measured at amortized cost, using effective interest method. Loans are initially measured at principal and related transaction expenses based on the loans granted at market conditions. For creditor's rights receivable arising from external sales of goods or rendering of service by general entities their initial recognition amounts shall be the contract price or agreement price receivable from the purchaser Interest income during the holding period is recognized under the effective interest method. Receivables are measured at their amortized costs on the balance sheet date. Upon recovery or disposal, the difference between the price received and the book value of loans and receivables are included in the current profit and loss.

iv. Available-for-sale financial assets: they are initially recognized at the sum of fair value upon acquisition and relevant transaction expenses. For cash dividends declared but not distributed or bond interest matured but not drawn that has been included in the actual price paid, it shall be separately recognized as dividends receivable or interest receivable. Cash dividends or bond interest gained during the holding period shall be recognized as investment income. On the balance sheet date, the available-for-sale financial assets are measured at fair values and the changes in their fair values are included in other comprehensive income. Upon disposal, the difference between the payment actually received (dividends receivable or interest receivable, if any, shall be deducted) and the book value of an available-for-sale financial asset shall be included in investment income; and meanwhile, the amount arising from the accumulated changes in fair value, which have been previously included in other comprehensive income, shall be transferred out and included in the investment profit or loss.

v. Other financial liabilities: they are initially recognized at fair values at the time of occurrence plus related transaction costs. Other financial liabilities, whose interest expenses are recognized by using the effective interest method, are measured at their amortized costs on the balance sheet date.

8.3 Recognition basis and measurement method of transfer of financial assets

a) Derecognition criteria of financial assets

When transfer of financial assets occurs, if nearly all of the risks and rewards of ownership of the financial assets have been transferred to the transferee, the Company derecognizes the financial assets; if nearly all of the risks and rewards of ownership of the financial assets are retained, the Company shall not derecognize the financial assets.

When determining whether the transfer of a financial asset meets the above derecognition criteria of financial assets, the Company adopts the principle of substance over form.

b) Treatment of transfer of financial assets satisfying the criteria of derecognition

The Company classifies the transfer of a financial asset into the entire transfer and the partial transfer of financial asset.

i. If the entire transfer of financial asset satisfies the criteria of derecognition, the difference between the amounts of the following two items shall be included in the current profit and loss:

The book value of the transferred financial asset;

The sum of the consideration received from the transfer and the accumulated amount of the changes in fair value originally and directly included in other comprehensive income (the situation where the financial asset transferred is an available-for-sale financial asset is involved in).

ii. If the partial transfer of financial asset satisfies the criteria of derecognition, the entire book value of the transferred financial asset shall be divided between the derecognized and recognized parts according to their respective fair values and the difference between the amounts of the following two items shall be included in the current profit and loss:

The book value of derecognized part;

The sum of the consideration for the derecognized part and the portion of derecognition corresponding to the accumulated amount of the changes in fair value originally and directly included in other comprehensive income (the situation where the financial asset transferred is an available-for-sale financial asset is involved in).

c) Treatment of transfer of financial assets not satisfying the criteria of derecognition

If the transfer of financial assets does not meet the derecognition criteria, the financial assets shall continue to be recognized, and the consideration received will be recognized as a financial liability.

8.4 Derecognition criteria of financial liabilities

a) A financial liability shall be wholly or partly derecognized if its present obligations are wholly or partly dissolved. Where the Company enters into an agreement with a creditor so as to substitute the existing financial liabilities with any new financial liability, and the new financial liability is substantially different from the contractual stipulations regarding the existing financial liability, it shall derecognize the existing financial liability, and recognize a new one at the same time.

b) Where substantial revisions are made to some or all of the contractual stipulations of the existing financial liability, the Company shall derecognize the existing financial liability wholly or partly, and at the same time recognize the financial liability with revised contractual stipulations as a new financial liability.

c) Upon whole or partial derecognition of financial liabilities, the difference between the book value of the financial liabilities derecognized and the consideration paid (including non-cash assets surrendered or new financial liabilities assumed) shall be included in the current profit and loss.

d) Where the Company repurchases part of its financial liabilities, it shall, on the repurchase date, allocate the entire book value of financial liabilities according to the comparative fair value of the part that continues to be recognized and de-recognized part. The difference between the book value allocated to the derecognized part and the considerations paid (including non-cash assets surrendered and the new financial liabilities assumed) shall be included in the current profit and loss.

8.5 Method to determine the fair value of financial instrument

a) The fair value of a financial asset or financial liability for which there is an active market shall be determined in accordance with the quoted price in such active market at the measurement date.

b) The fair value of a financial asset or financial liability for which there isn't an active market shall be using valuation techniques. The recognition of the specific principles and methods are dealt with under "Accounting Standard for Business Enterprises No.39—Fair Value Measurement".

8.6 Criteria to identify, way to test and method to provide for the impairment of financial assets (excluding receivables)

On the balance sheet date, the Company shall check the book values of its financial assets (excluding the financial assets measured at fair value through current profit and loss), whether on an individual basis or on a combination basis, recognizes impairment losses on the financial assets with objective evidence of impairment, and provides reserves for the impairment.

The objective evidence of impairment of a financial asset includes the serious financial difficulties faced by the issuer or debtor, potential bankruptcy or other financial reorganization incurred to the debtor, and the incapability of the financial asset to be continuously traded in active market caused by the serious financial difficulties incurred to the issuer, severe or prolonged decline in the fair value of equity instrument investment and other adverse situations.

a) Methods to test and make provision for impairment of held-to-maturity investment

On the balance sheet date, if there is any objective evidence showing that any impairment has occurred to a held-to-maturity investment, the impairment loss is recognized at the difference between its book value and its present value of estimated future cash flows.

i. For a held-to-maturity investment that is individually significant, the Company conducts separate impairment test. If there is any objective evidence of impairment, the Company recognizes the impairment losses at the difference of its present value of estimated future cash flows in short of its book value, and shall accordingly make the provision for such impairment.

ii. For held-to-maturity investments that are individually insignificant and held-to-maturity investments that are individually significant but have no impairment according to the separate test, they are divided into several groups according to similar credit risk characteristics. The impairment losses and provisions for impairment of these groups are calculated and determined based on certain proportions of their balances on the balance sheet date.

b) Methods to test and make provision for impairment of available-for-sale financial asset

On the balance sheet date, if there is any objective evidence showing that an available-for-sale financial asset is impaired, the impairment provision shall be accrued and the impairment loss shall be recognized. For an equity instrument investment, if significant or non-temporary decline in fair value of the available-for-sale equity investment is found after giving comprehensive consideration to relevant factors, it can be concluded that the available-for-sale equity investment is impaired. The "significant decline" refers to a cumulative decline in the fair value exceeding 50% of the cost; and the "non-temporary decline" refers to a continuous decline in the fair value of more than 12 months.

When making provision for the impairment of an available-for-sale financial asset, the accumulated loss arising from the decline in fair value that is previously included in other comprehensive income shall be transferred out and included in the current profit and loss. The accumulated loss transferred out shall be balance of the available-for-sale financial asset's initial acquisition cost after deducting the principal recovered and amortized amount, present fair value and impairment loss previously recorded in profit or loss.

After the recognition of an impairment loss, if there is objective evidence showing that the value of financial assets has been recovered and such recovery is objectively related to the events occurring after the recognition of such loss, the impairment loss previously recognized shall be reversed, the impairment loss of available-for-sale equity investment shall be reversed and recognized as other comprehensive income, and the impairment loss of available-for-sale debt instrument shall be reversed and included in the current profit and loss.

For an equity instrument investment that has no quoted price in active market and whose fair value cannot be reliably measured, or a derivative financial asset that is linked to the equity instrument and settled through delivery of such equity instrument, when they are impaired, the difference between the book value of the financial asset and the present value of future cash flows discounted based on the prevailing market rate of return for a similar financial asset shall be recognized as an impairment loss and included in the current profit and loss. Once recognized, the impairment loss shall not be reversed.

8.7 Accounting treatment method of reclassifying the undue held-to-maturity investments as available-for-sale financial assets

Where it is not suitable to classify one investment as a held-to-maturity investment any more due to the change in intention or ability to hold the investment, the Company shall reclassify such investment as available-for-sale financial assets; where the Company partly disposes or reclassifies a held-to-maturity investment large in amount, and such disposal or reclassification does not arise from any independent event that is not under the control of the Company, not expected to recur and difficult to reasonably anticipated, the remaining portion of the investment shall also be classified as available-for-sale financial asset.

9. Receivables

9.1 Recognition criteria and provision method of bad debts of individually significant receivables

a) Recognition criteria of individually significant receivables

Individually significant receivables refer to accounts receivable whose closing balances are over RMB 10 million.

b) Provision method of individually significant receivables

On the balance sheet date, the Company separately conducts impairment tests on those individually significant receivables. If there is any objective evidence of impairment, an impairment loss is recognized and a provision for bad debt is made, according to the difference of the present value of estimated future cash flows in short of the book value; Individually significant receivables that are proved to be not impaired according to the tests shall be incorporated into other individually insignificant receivables, and their provisions for bad debts shall be made by using the aging analysis method based on their closing balances.

Objective evidence of impairment incurred to receivables includes: (1) the debtor has significant financial difficulty; (2) the debtor violates contractual terms (such as the breach of contract or delay in repaying interest or principal); (3) a concession is made to the debtor in financial difficulty after considering economic or legal reasons; (4) the debtor is likely to face bankruptcy or other debt restructuring.

9.2 Receivables whose bad debt provisions are made by credit risk characteristics portfolio

a) Basis to determine portfolio

Aging portfolios

Receivables that are individually significant but not accrued bad debt provisions after separate tests, and receivables that are individually insignificant after deduction of bad debt provisions separately made, shall all be classified into portfolios of receivables with similar credit risk characteristics by aging.

Other portfolios

Receivables are from the related parties and the government.

b) Method to making provision for bad debt by portfolio

As for aging portfolios, the Company makes bad debt provisions at the following proportions by aging analysis method:

Aging	Proportion of provision for accounts receivable (%)	Proportion of provision for other receivables (%)
Within 1 Year (Inclusive)	5.00	5.00
1-2 years	10.00	10.00
2-3 Years	30.00	30.00
3-5 Years	50.00	50.00
Over 5 Years	100.00	100.00

As for other portfolios, the Company does not make bad debt provisions.

c) Accounts receivable that are individually insignificant but separately accrued bad debt provisions

Individually insignificant receivables refer to accounts receivable whose single amount is less than RMB 10 million.

The Company carries out separate impairment tests on receivables that are individually insignificant but have the following characteristics (such as receivables involved in dispute or litigation with the debtor and requiring arbitration; and receivables for which there are clear indications that the debtor is unable to fulfill the repayment obligations). If there is any objective evidence of impairment, the Company shall recognize the impairment loss and make the bad debt provision according to the difference of the present value of future cash flows in short of the book value. Meanwhile, for receivables that are individually insignificant after the bad debt provisions separately made are deducted, their bad debt provisions shall be made according to principles applied to portfolios of receivables with similar credit risk characteristics by aging.

10. Inventories

10.1 Classification of inventories

Inventories are classified as: inventory goods, development goods, development costs, etc.

10.2 Measurement method of dispatched inventories

Precious metals, steel, initial and other variable price inventory are accounted for by using first in and first out method.

Other inventories are accounted for by weighted average method or the specific identification method.

10.3 Basis to determine net realizable values of inventories and method of provision for diminution in value of inventories

a) Determination basis of net realizable values of inventories

i. In normal operation process, for merchandise inventories held directly for sale, including stock commodities (finished goods) and materials for sale, their net realizable values are determined at their estimated selling prices minus their estimated selling expenses and relevant taxes and surcharges.

ii. In normal operation process, for material inventories that need further processing, their net realizable values are determined at the estimated selling prices of finished goods minus estimated costs to completion, estimated selling expenses and relevant taxes and surcharges.

iii. For inventories held to execute sales contract or service contract, their net realizable values are calculated on the basis of contract price. If the quantities of inventories specified in the sales contracts are less than the quantities held by the Company, the net realizable value of the excess portion of inventories shall be based on general selling prices.

iv. The materials held for production shall be measured at cost if the net realizable value of the finished products is higher than the cost. If a decline in the value of materials shows that the net realizable value of the finished products is lower than the cost, the materials shall be measured at the net realizable value.

b) Provision for diminution in value of inventory

i. Provisions for diminution in value of inventory are made at the lower of costs or net realizable values on a single basis.

ii. For inventories that have large quantities but low value, the Company provides for diminution in value of inventory on a category basis.

iii. For inventories that are related to product ranges produced and sold in the same district or used for the same or similar ultimate purpose and are difficult to be measured separately from other inventories, the Company provides for diminution in value of inventory on a consolidation basis.

10.4 Inventory system

The Company adopts perpetual inventory system and takes physical inventory counts on a regular basis.

10.5 Amortization method of revolving materials.

a. Amortization method of low-cost consumables:

Low-cost consumables are amortized in full at once.

b. Amortization method of packaging materials

Packing materials are amortized in full at once.

11. Assets held for sale and termination of operations

11.1 Assets held for sale

a) Scope of held for sale

When the Company mainly sells (including the exchange of non-monetary assets with commercial substance) instead of continuously using a non-current asset or disposal group to recover its book value, the non-current asset or disposal group is classified as held for sale.

Disposal group is a group of assets that are disposed as a whole through sales or other ways in one transaction and liabilities directly related to these assets delivered in the transaction.

b) Recognition criteria of held for sale

The Company recognizes its component (or non-current asset) that satisfies the following conditions as assets heldforsale:

i. The assets (or disposal group) must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal groups);

ii. Its sale must be highly probable. The Company has already made a decision to dispose the component and has a commitment from the purchaser, the transfer will be completed within one year. If it requires shareholders' approval or supervisors' approval according to regulations, it has already received approval from the general meeting of stockholders or

relative authority institution.

c) Accounting treatment and. presentation of assets held-for-sale

i. The non-current asset (or disposal group) is first classified as held for sale, the Company should measure the non-current assets or assets and liabilities made up of disposal group in accordance with relevant accounting standards.

ii. When the Company measure a non-current asset (or disposal group) held for sale initially or re-measure at balance sheet date subsequently, the impairment loss should be recognized if the book value is higher than fair value lee costs to sell at the amount of the difference of these two in profit and loss, the provision for assets held for sale need to be recognized at the same time. For the impairment of disposal group, should write off goodwill if existing, and then write down the related assets proportionally. Depreciation or amortization should cease for the non-current asset held for sale.

iii. No matter the asset is classified as individual asset held for sale or asset belonging to disposal group, the asset is presented as current assets under "assets held for sale" item; liabilities related to the asset transferred in the disposal group held for sale is presented as current liabilities under "liabilities held for sale" item in the balance sheet.

iv. The Company is committed to a sale plan involving loss of control of subsidiary shall classify all the assets and liabilities of that subsidiary held for sale in consolidated balance sheets when the above criteria are met, regardless of whether the Company retain a non-controlling interests in its former subsidiary after the sale. In the balance sheets of parent company, the investment should be classified as held for sale in full.

11.2 Termination of operations

Termination of operations refers to a separately distinguishable component part of a company that meets one of the following conditions, and the component part has been disposed of or classified as held for sale:

a) This component represents an independent main business or a separate main business area;

b) This component is part of a related plan to dispose of an independent main business or a separate main business area;

c) This component is a subsidiary acquired exclusively for resale.

12. Long-term equity investments

12.1 Recognition of the initial investment costs of long-term equity investments

a) For long-term equity investments from business combinations, the initial investment cost shall be recognized in accordance with the provisions mentioned in III-4, Accounting Method for Long-term Equity Investment from Business Combinations under Common Control and Business Combination not under Common Control.

b) Except for the long-term equity investments arising from business combinations, those obtained by other means shall recognize their initial investment costs in accordance with the following

provisions:

i. For the long-term equity investments obtained by cash paid, non-monetary assets paid or the equity securities issued by the acquirer or otherwise, the Company recognizes their fair value as the initial investment costs.

ii. For the long-term equity investments acquired by the issue of equity securities, the initial investment cost shall be the fair value of the equity securities issued. If the fair value of the long-term equity investment obtained is more reliable than equity securities issued, the initial investment cost shall be the fair value of the long-term equity investment made by the investors. The cost directly attributable to the issue of equity securities, including fees, commissions, etc., write-downs premium price of the issue, if premium price of the issue is insufficient, write-downs surplus reserve and undistributed profit in turn. For the long-term equity investments acquired by the issue of debt securities, reference through the issuance of equity securities.

iii. For long-term equity investments obtained by debt restructuring, the Company recognizes the fair value of shares of debt-for-equity swap as the initial investment costs.

iv. For long-term equity investments obtained by non-monetary assets exchange, under the condition that an exchange of non-monetary assets is of commerce nature and the fair value of assets exchanged can be reliably measured, non-monetary assets traded in is initially stated at the fair value of the assets traded out, unless there is conclusive evidence indicating that the fair value of the assets traded in is more reliable; if the above conditions are not satisfied, initial investment costs of long-term equity investments traded in shall be recognized at the book value of the assets traded out and the relevant taxes and surcharges payable.

Expenses, taxes and other necessary expenses incurred to the Company and that are directly related to the obtainment of long-term equity investments shall be recognized as the initial investment costs of long-term equity investments.

For long-term equity investments obtained by the Company by any means, cash dividends or profits declared but not yet distributed in the actual payments or the consideration actually paid for the investment shall be separately accounted as dividends receivable and shall not constitute the costs of long-term equity investments.

12.2 Subsequent measurement and recognition of gains and losses of long-term equity investments

a) Long-term equity investments measured under the cost method

i. Long-term equity investments that can control the investee, which are long-term equity investments in subsidiaries, are measured under the cost method.

ii. For long-term equity investments accounted at the cost method, except cash dividends or profits declared but not yet distributed which are included in the actual payments or the consideration actually paid for the investment, the cash dividends or profits declared by the investee shall be recognized as the investment income irrespective of net profits realized by the investee before investment or after investment.

b) Long-term equity investments measured under the equity method

i. For the long-term equity investment which has joint control or significant influence over the investee, the equity method is adopted for accounting.

ii. For long-term equity investments measured at the equity method, if the initial investment costs are higher than the investor's attributable share of the fair value of the investee's identifiable net assets, no adjustment will be made to the initial costs of the long-term equity investments; if the initial investment costs are lower than the investor's attributable share of the fair value of the investee's identifiable net assets, the difference shall be recognized in current profit and loss and at the same time the adjustment will be made to the initial costs of the long-term equity investments.

iii. After obtaining the long-term equity investments, the Company shall, according to the shares of net profits and losses and other comprehensive income realized by the investee that shall be enjoyed or borne by the Company, recognize the profit and loss on the investments and adjust the book value of the long-term equity investments. When recognizing the net profits and losses and other comprehensive income of the investee that the Company shall enjoy or bear, the Company shall make a recognition and calculation based on the net book profits and losses of the investee after appropriate adjustments. However, where the Company is unable to obtain the relevant information due to failure to reasonably determine the fair value of the investee's identifiable assets, minor difference between the investee's identifiable assets and the book value thereof or other reasons, the profits or losses on the investments shall be directly calculated and recognized based on the net book profits and losses of the investee. The Company shall calculate the part distributed from cash dividends or profits declared by the investee and correspondingly reduce the book value of the long-term equity investments.

When recognizing the income from investments in associates and joint ventures, the Company shall write off the part of incomes from internal unrealized transactions between the Company and associates and joint ventures which are attributable to the Company and recognize the profit and loss on investments on such basis. Where the losses on internal transactions between the Company and the investee fall into the scope of losses on assets impairment, full amounts of such losses shall be recognized. Profit and loss from internal unrealized transactions between the Company's subsidiaries included into the combination scope and associates and joint ventures shall be written off according to the above principles and the profit and loss on investments thereafter shall be recognized on such basis.

When the share of net loss of the investee attributable to the Company is recognized, it is treated in the following sequence: Firstly, write off the book value of the long-term equity investments; where the book value of the long-term equity investments is insufficient to cover the loss, investment losses are recognized to the extent that book value of long-term equity which form net investment in the investee in other substances and the book value of long-term receivables shall be written off; after all the above treatments, if the Company still assumes additional obligation according to investment contracts or agreements, the obligation expected to be assumed should be recognized as provision and included into the investment loss in the current period. If the investee is profitable in subsequent accounting periods, the Company shall treat the loss in reverse order against that described above after deducting unrecognized share of loss: i.e. write down the book value of the recognized provision, then restore the book

value of long-term interests which substantially form net investments in the investee, then restore the book value of long-term investments, and recognize investment income at the same time.

12.3 Basis for judgment of common control or significant influence over the investee

a) Basis for judgment of common control over investee

Common control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Relevant activities of an arrangement usually include selling and purchasing of goods or services, managing financial assets, acquiring or disposing of assets, researching and developing activities and financing activities. A joint venture is a joint arrangement whereby the joint ventures have rights to the net assets of the arrangement. The parties have rights to the assets, and obligations for the liabilities, relating to the arrangement, which is a joint operation, but not a joint venture.

b) Basis for judgment of significant influence over investee

The term 'significant influence' refers to the power to participate in decision-making on the financial and operating policies of the investee, but with no control or joint control over the formulation of these policies. Where the Company is able to exert significant influence over the investee, the investee is its associate.

13. Investment property

13.1 The scope of investment property

Investment property is the property that is held to earn rent or capital appreciation or both and can be measured and sold separately. The Company's investment property includes buildings already rent, land use right already rent, and land use right held for appreciation and then sold.

13.2 The conditions for recognition of investment property

Investment property shall be recognized only when both of the following conditions are satisfied,

a) It is probable that the future economic benefits that are associated with the investment property will flow to the Company.

b) The cost of the investment property can be measured reliably.

13.3 Investment property subsequently measured using the fair value model

a) Basis of using fair value model for subsequent measurement

If there is solid evidence suggests that the investment property acquired can be measured at fair value continuously and reliably, the Company can use fair value model for subsequent measurement.

The Company can use fair value model for subsequent measurement when satisfying the following conditions at the same time:

i. There is an active real estate transaction market at the place where the investment property is

located.

ii. The Company can get price and other relevant information of congener or similar real estate transaction market, so as to make reasonable estimates of the fair value of investment property.

b) Determination of fair value of investment property

When the current market price of congeneric or similar real estate market is available, the Company determines the fair value of investment property, referring to the current market price (market public quote) of congener or similar real estate in the active market.

When the current market price of congeneric or similar real estate market is unavailable, the Company reasonably estimates the fair value of investment property, referring to the latest transaction price of congeneric or similar real estate in the active market, and considering transaction conditions, transaction date, location and other factors, or based on the present value of the rent gain and relevant cash flow in the future estimated.

Congeneric or similar buildings are buildings that are located in the same geographical position and geographical environment and have same or similar nature and structure type at the same or similar aging degree and use state. Congeneric or similar land use rights are those who are in the same location area and are in the same or similar geographical environment at the same or similar use state.

c) For the investment property measured at fair value model, the Company does not provide depreciation or amortization. Adjust its book value based on the fair value of investment property at the balance sheet date, the difference between the fair value and book value through current profit and loss.

14. Fixed assets

14.1 Recognition and measurement of fixed assets

Fixed assets refer to tangible assets held for the purpose of producing commodities, providing services, renting or business management with useful life exceeding one accounting year. Fixed assets are recognized when the following criteria are satisfied simultaneously:

a) It is probable that the economic benefits relating to the fixed assets will flow into the Company;

b) The cost of the fixed assets can be measured reliably.

14.2 Depreciation of fixed assets

a) Except for the fixed assets that have been fully depreciated but are still in use and the land, the Company makes provisions for depreciation of all fixed assets.

b) Depreciation of fixed assets of the Company is provided for on a straight-line basis from the month immediately following the month when they reach the working condition for their intended use. The depreciation amount and depreciation rate shall be calculated and recognized according to the category, estimated useful lives and estimated net residual value rate of fixed assets and respectively included into the costs of the relevant assets or the current profit and loss by purpose.

c) Category, estimated useful lives, estimated net residual value rate and annual depreciation rate of fixed assets are listed as follows:

Category of fixed assets	Estimated useful life (years)	Estimated residual value rate (%)	Annual depreciation rate (%)
Buildings& Constructions	40-45	0.00-5.00	2.11-2.50
Transportation equipment	5	5.00	19.00
Electronic equipment	5	5.00	19.00
Other equipment	5	5.00	19.00

When making provision for impairment on fixed assets, the Company shall recalculate the depreciation rate and depreciation amount according to the book value, the estimated net residual value rate and useful lives of the fixed assets.

On the balance sheet date, the Company reviews the estimated useful life, estimated net residual value rate and depreciation method of the fixed assets. If there is any change, they shall be treated as changes in accounting estimate.

d) For decoration costs of fixed assets that are satisfied with capitalization conditions, depreciation is provided for on a straight-line basis separately, during the shorter period of the two decoration periods and useful lives of the fixed assets.

e) For fixed assets acquired through finance lease, if the ownership of the leasing assets can be determined reasonably, make depreciations during the useful life of the leasing assets. If the ownership of the leasing assets cannot be determined reasonably, make depreciations during the shorter period of the lease term and the useful life of the leasing assets.

14.3 Recognition standard ,valuation and depreciation method for fixed assets acquired under financing lease

a) Recognition standard for fixed assets acquired under financing lease

At the inception of the lease, the Company recognizes the leased fixed assets meeting the standards for financial leases as fixed assets acquired under financing leases.

b) Valuation method for fixed assets acquired under financing lease

At the inception of the lease, the Company shall state the assets acquired under financing lease at the lower of the fair value of the leased assets or the present value of the minimum lease payments, as well as the initial and direct expenses occurred, recognize a long-term payable at the amount of the minimum lease payments, and shall charge the difference of the lower of the fair value of the leased assets or the present value of the minimum lease payments and the minimum lease payments to unrecognized finance expenses. Unrecognized finance expenses shall be amortized at the effective interest rate method in each period during the lease term.

c) Depreciation for fixed assets acquired under financing lease

Adapt the same depreciation method as the one used on other fixed assets owned by the Company. If there is reasonable assurance that the Company will obtain the ownership of the leased assets

when the lease term expires, the leased assets should be depreciated over its useful life; if there is no reasonable assurance that the Company will obtain the ownership of the leased assets when the lease term expires, the leased assets should be depreciated over the shorter of the lease term or the useful life of the leased assets.

15. Construction in progress

15.1 Category

Construction in progress is accounted on individual project basis.

15.2 Criteria and time-point of conversion of construction in progress into fixed assets

The book entry values of the fixed assets are stated at total expenditures incurred before construction in progress reaches the working condition for their intended use. For self-operating projects, total expenditures are measured according to the expenditures of direct materials, direct labor, direct measurement mechanical construction costs and other expenditures; for contracting projects, total expenditures are measured according to project costs payable and other expenditures. Borrowing costs incurred before the projects that are undertaking with borrowing costs reach working condition for their intended use and meeting the condition for capitalization shall be capitalized and included into the costs of construction in progress.

For construction in progress that has reached working condition for intended use but for which the completion of settlement has not been handled, it shall be transferred into fixed assets at the estimated value according to the project budget, construction price or actual cost, etc. from the date when it reaches the working condition for intended use and the fixed assets shall be depreciated in accordance with the Company's policy on fixed asset depreciation; adjustment shall be made to the estimated value based on the actual cost after the completion of settlement is handled, but depreciation already provided will not be adjusted.

16. Borrowing costs

16.1 Scope

The Company's borrowing costs include interest thereon, amortization of discounts or premiums, ancillary expenses and exchange differences incurred from foreign currency borrowings, etc.

16.2 Recognition principles of capitalization of borrowing costs

The borrowing costs incurred to the Company and directly attributable to the acquisition and construction or production of assets eligible for capitalization should be capitalized and recorded into relevant asset costs; other borrowing costs should be recognized as costs according to the amount incurred and be included into the current profit and loss.

Assets eligible for capitalization include fixed assets, investment properties, inventories and other assets which may reach the working condition for their intended use or sale by acquisition and construction or production activities for quite long time.

16.3 Recognition of capitalization period of borrowing costs

a) Recognition of commencement of capitalization of borrowing costs

Borrowing costs may be capitalized when asset disbursements have already been incurred, borrowing costs have already been incurred and the acquisition and construction or production activities which are necessary to prepare the assets for their intended use or sale have already been started. Among which, asset disbursements include those incurred by cash payment, the transfer of non-cash assets or the undertaking of interest-bearing debts for acquiring and constructing or producing assets eligible for capitalization.

b) Recognition of period of capitalization suspension of borrowing costs

If the acquisition and construction or production activities of assets eligible for capitalization are interrupted abnormally and this condition lasts for more than three months, the capitalization of borrowing costs should be suspended. The borrowing costs incurred during interruption are charged to profit or loss for the current period, and the capitalization of borrowing costs continues when the acquisition and construction or production activities of the asset resume. If the interruption is necessary for the acquisition and construction or production to prepare the assets for their intended use or sale, the capitalization of borrowing costs should continue.

c) Recognition of period of capitalization cessation of borrowing costs

Capitalization of borrowing costs should cease when the acquired and constructed or produced assets eligible for capitalization have reached the working condition for their intended use or sale. Borrowing costs incurred after the assets eligible for capitalization have reached the working condition for their intended use or sale should be recognized as the current profit and loss when they incur.

If parts of the acquired and constructed or produced assets are completed separately , each part may be used or sold externally in the process of continuous construction of other parts and the necessary acquisition or production activities have been substantially completed to make the part of assets reach the working condition for their intended use or sale, the capitalization of borrowing costs related to the part of assets should be ceased; if parts of the acquired and constructed or produced assets are completed separately but the assets cannot be used or sold externally until overall completion, the capitalization of borrowing costs should cease at the time of overall completion of the said assets.

16.4 Recognition of capitalized amounts of borrowing costs

a) Recognition of capitalized amounts of interest on borrowing costs

During the period of capitalization, capitalized amount of the interest of each accounting period (including amortization of discounts or premiums) shall be recognized according to the following provisions:

i. As for special borrowings borrowed for acquiring and constructing or producing assets eligible for capitalization, borrowing costs of special borrowing actually incurred in the current period less the interest income of the loans unused and deposited in bank or return on temporary investment should be recognized as the capitalization amount of borrowing costs.

ii. As for general borrowings used for acquiring and constructing or producing assets eligible for capitalization, the interest of general borrowings to be capitalized should be calculated by multiplying the weighted average of asset disbursements of the part of accumulated asset disbursements in excess of special borrowings by the capitalization rate of used general borrowings. The capitalization rate is calculated by weighted average interest rate of general borrowings.

iii. Where there are discounts or premiums on borrowings, the amounts of interest for each accounting period should be adjusted taking account of amortizable discount or premium amounts for the period by effective interest method.

iv. During the period of capitalization, the capitalized amount of interest of each accounting period shall not exceed the current actual interest of the relevant borrowings.

b) Recognition of capitalized amounts of auxiliary expenses of borrowings

i. Auxiliary expenses incurred from special borrowings before the acquired or constructed assets eligible for capitalization reach the working condition for their intended use or sale should be capitalized when they incur and charged to the costs of assets eligible for capitalization; those incurred after the acquired or constructed assets eligible for capitalization reach the working condition for their intended use or sale should be recognized as costs according to the amounts incurred when they incur and charged to the current profit or loss.

ii. Auxiliary expenses incurred from general borrowings shall be recognized as costs according to the amounts incurred when they occur and included in the current profit and loss.

c) Recognition of capitalized amount of exchange differences

During the period of capitalization, exchange differences incurred from the principal and interest of special foreign currency borrowings should be capitalized and included in the costs of the assets eligible for capitalization.

17. Intangible assets

17.1 Initial measurement of intangible assets

1) Initial measurement of intangible assets purchased

Costs of intangible assets purchased include purchase price, related tax and expenses and other expenditure that can be distributed to the asset directly to reach its expected use. If payment of the purchase price of intangible assets can be deferred and exceeds normal credit conditions, the purchase has the nature of finance in fact and cost of the intangible asset shall be determined on the basis of present value of the purchase price. The difference between the amount actually paid and the present value of the purchase price should be recorded into current profit or loss other than those should be capitalized during the credit period.

2) Initial measurement of internally researched and developed intangible assets

Costs of internally researched and developed intangible assets shall be recognized according to the total expenses during the period after the assets are eligible for capitalization and before they reach the intended purpose and the expenses that have been included in the previous periods shall no

longer be adjusted.

Expenses on the research phase of internally researched and developed intangible assets shall be included in the current profit and loss when they incur; those on the development phase ineligible for capitalization shall be included in the current profit and loss; those eligible for capitalization shall be recognized as intangible assets. If it is unable to distinguish expenditure on the research phase and expenditure on development phase, the research and development expenditures shall be all included in the current profit and loss.

17.2 Subsequent measurement of intangible assets

The useful lives of intangible assets are analyzed on acquisition. Intangible assets obtained by the Company are divided into intangible assets with limited useful lives and intangible assets with indefinite useful lives.

a) Subsequent measurement of intangible assets with limited useful lives

The intangible assets with limited useful lives are amortized on a straight-line basis when they reach intended use over their useful lives with no residual value reserved. Amortizations of intangible assets are usually recorded into the current profit and loss; where the economic benefits of an intangible asset are realized by the products or other assets produced thereafter, the amortizations are recorded into the costs of the relevant assets.
Category, estimated useful life, estimated net residual value rate and annual amortization rate of intangible assets are shown below:

Category of intangible assets	Estimated useful life(years)	Estimated net residual value rate(%)	Annual amortization rate(%)
Land use right	40-50 Per Land Certification	0.00	2.00-2.50

The useful lives and amortization methods of intangible assets at the end of the current year are not different from previous estimates after review.

b) Subsequent measurement of intangible assets with indefinite useful lives

Intangible assets with indefinite useful lives are not amortized in the holding period.

17.3 Estimates of useful lives of intangible assets

a) For intangible assets from any contractual right or other statutory rights, their useful lives shall be recognized according to the period no more than that of the contractual or other statutory rights; when the contractual right or other statutory rights contract is extended due to renewal of contracts and there is evidence that the renewal of the Company does not need large costs, the renewal period shall be included into the useful lives.

b) Where the contract or the law fails to specify the useful lives, the Company integrates situations in all aspects and determine the period of intangible assets that can bring economic benefits for the Company by hiring the relevant experts to demonstrate or comparing with the situation of the industry as well as referring to the Company's historical experience or otherwise.

c) If it is still unable to reasonably determine that intangible assets may bring economic benefits for the Company according to the above methods, the intangible assets are taken as intangible assets with indefinite useful lives.

17.4 Specific criteria for classifying the research phase and the development phase of an internal research and development project

According to the actual situation of the research and development, the Company classifies the research and development project into that on the research phase and that on the development phase.

a) Research stage

Research stage is the stage when creative and planned investigations and research activities are conducted to acquire and understand new scientific or technological knowledge.

b) Development stage

Development stage is the stage when the research achievements or other knowledge are applied to a plan or design, prior to the commercial production or use, so as to produce any new or substantially improved material, device or product.

Expenditure of an internal research and development project on the research phase shall be included in current profit and loss when it occurs.

17.5 Specific criteria for qualifying expenditure on the development phase for capitalization

Expenditure on the development phase of an internal research and development project shall be recognized as intangible assets only when the following conditions are simultaneously satisfied:

a) It is technically feasible to finish intangible assets for use or sale;

b) It is intended to finish and use or sell the intangible assets;

c) The usefulness of methods for intangible assets to generate economic benefits shall be proved, including being able to prove that there is a potential market for the products manufactured by applying the intangible assets or there is a potential market for the intangible assets themselves or the intangible assets will be used internally;

d) It is able to finish the development of the intangible assets, and able to use or sell the intangible assets, with the support of sufficient technologies, financial resources and other resources;

e) The expenditure attributable to the intangible asset during its development phase can be measured reliably.

17.6 Treatment of land use right

a) The land use right obtained by the Company is usually recognized as intangible assets, but the purpose of the land use right is changed to be used for earning rent or increasing capital; it shall be transferred to investment property.

b) For plants and other buildings developed and constructed by the Company, the relevant land use right and buildings shall be treated separately.

c) Payments for externally purchased land and buildings are distributed between the value of buildings and the land use right; those difficult to be distributed shall be all taken as fixed assets.

18. Impairment of long-term assets

If there are impairment indicators of long-term equity investment, investment properties measured at cost model, fixed assets, construction in progress, intangible assets with limited useful lives and other long-term assets at balance sheet date, impairment test should be performed. If the result of impairment test shows that recoverable amount is less than its book value, the difference should be provided for impairment and recorded into impairment loss. The recoverable amount is the higher of fair values less costs of disposal and the present values of the future cash flows expected to be derived from the asset. Provision for impairment is calculated and recognized on the basis of individual asset. If recoverable amount of individual asset is difficult to be estimated, the Company should recognize the recoverable amount of the asset group which the individual asset belongs to. Asset group is the minimum asset group which can generate cash inflow separately.

The Company should perform impairment test for goodwill and intangible assets with indefinite life at least at each year end, no matter whether there is impairment indicator or not.

When the Company performs impairment test, book value of goodwill arising from business combination should be amortized to relevant asset group using the reasonable method from the date of purchase. If it is difficult to amortize it to relevant asset group, amortize it to relevant asset group portfolio. Apportion book value of goodwill to relevant asset group or asset group portfolio according to the proportion of fair value of asset group or asset group portfolio accounting for total amount of relevant asset group or asset group portfolio. If fair value is difficult to be measured reliably, amortize according to the proportion of book value of asset group or asset group portfolio accounting for total amount of relevant asset group or asset group portfolio. When perform impairment test for asset group or asset group portfolio including goodwill, if there is impairment indicator of asset group or asset group portfolio relevant to goodwill, perform impairment test for asset group or asset group portfolio without goodwill firstly, calculate its recoverable amount, compare with relevant book value and recognize impairment loss. Then perform impairment test for asset group or asset group portfolio including goodwill, compare book value of the asset group or asset group portfolio (including proportional book value of goodwill) and its recoverable amount, if recoverable amount of relevant asset group or asset group portfolio is less than its book value, recognize impairment loss of goodwill.

Once impairment loss stated above is recognized, reversal is not allowed in the subsequent accounting periods.

19. Long-term deferred expenses

19.1 Scope

Long-term deferred expenses refer to various expenses which have been already incurred but will be born in this period and in the future with an amortization period of over 1 year (exclusive), including improvement expenditure of fixed assets under operating lease etc.

19.2 Initial measurement of long-term deferred expenses

Long-term deferred expenses shall be initially measured according to the actual costs incurred.

19.3 Amortization of long-term deferred expenses

Long-term deferred expenses are amortized using the straight-line method over the beneficial period.

20. Employee benefits

Employee benefits include short-term employee benefits, post-employment benefits, termination benefits and other long-term employee benefits.

20.1 Short-term employee benefits

Short-term employee benefits are the employee benefits that the Company expects to pay in full within 12 months after the end of the annual reporting period in which the employee provided relevant services, excluding the compensation for employment termination.

Short-term employee benefits include: employee wages or salaries, bonus, allowance and subsidies, staff welfare, social security contributions such as premiums or contributions on medical insurance, work injury insurance and maternity insurance, housing funds, union running costs and employee education costs, short-term paid absences, short-term profit-sharing plan, non-monetary welfare and other short-term benefits.

Actual short term benefits will be recognized as liability during the accounting period in which the employee is providing the relevant service to the Company. The liability will be included in the current profits and losses or the cost relevant assets.

20.2 Post-employment benefits --defined contribution plans

The defined contribution plan of the Company includes payments of basic pension, unemployment insurance, annuity, etc. according to relevant provisions. The amount which the Company deposits on balance sheet date in exchange for the service of the employee during the accounting period will be recognized as employee benefits liability and shall be included into the profit or loss for the current period.

20.3 Termination benefits

Termination benefits are the benefits the Company provides to the employee when the Company terminates the employment before labor contract expires or encourages voluntary resignation. Employee benefits liabilities shall be recognized and included into profit or loss for the current period on the earlier date of the two following circumstances:

a) When the Company is not able to withdraw the benefits from termination of employment or resignation persuasion unilaterally;

b) When the Company recognizes costs and fees relevant to reforming the termination benefits payment.

20.4 Other long-term employee benefits

Other long-term employee benefits are all employee benefits other than short-term benefits, post-employment benefits and termination benefits. At the end of reporting period, the Company will recognize the employee benefits cost from other long-term employee benefits as the following

components:

a) Service cost;

b) Net amount of interest from other long-term employee benefits net liabilities or assets;

c) Changes from recalculation of the net liabilities or assets from other long-term employee benefits.

In order to simplify related accounting procedure, the net amount of the above subjects shall be included into current profit or loss or the cost of relevant assets.

21. Provisions

21.1 Recognition principles of provisions

When obligations related to external guarantees, pending actions or arbitration, product quality assurance, onerous contracts, reorganization and contingencies satisfy the following three conditions, they shall be recognized as provisions:

a) This obligation is a present obligation of the Company;

b) The performance of such obligation is likely to result in outflow of economic benefits from the Company; and

c) The amount of the obligation can be measured reliably.

21.2 Measurement method of provisions

The amount of provisions is measured at the best estimate of expenses required for contingencies.

a) If there is continuous range for the necessary expenses, and probabilities of occurrence of all the outcomes within this range are equal, the best estimate shall be determined at the median of the range.

b) The best estimate shall be accounted as follows in other cases:

i. If the contingency involves a single item, the best estimate shall be determined at the most likely outcome.

ii. If the contingency involves two or more items, the best estimate should be determined according to all the possible outcomes with their relevant probabilities.

22. Revenue

Operating revenue of the Company mainly includes revenue from sales of goods, revenue from rendering of service ,and revenue from transfer of asset use right, for which the recognition principles are as follows:

22.1 Recognition principals of revenue from sales of goods

Revenue from sales of goods is recognized when the Company has transferred significant risks and rewards of ownership of the goods to the purchaser; the Company retains neither continuing managerial involvement usually related to the ownership nor effective control over the sold goods;

revenues can be measured reliably; the relevant economic benefits are highly likely to flow into the Company; and the relevant costs incurred or to be incurred can be measured reliably.

22.2 Recognition principals of revenues of rendering of services

a) Recognition principals of revenue from rendering of service under the circumstance that the outcome of service transactions can be estimated reliably

The Company recognizes revenue from rendering of service using the percentage-of-completion method on the balance sheet date when the outcome of service transactions can be estimated reliably.

When the amount of revenues can be measured reliably, related economic interests are likely to flow into the Company, schedule of completion of the transitions can be measured reliably and the cost of transactions incurred or to be incurred can be measured reliably, the outcome of service transactions can be estimated reliably.

b) Recognition principals of revenue from rendering of service under the circumstance that the outcome of service transactions cannot be estimated reliably

If the outcome of rendering of services on the balance sheet date cannot be measured reliably, the revenues from rendering of services shall be recognized according to the following three conditions:

i. If the labor costs that have already incurred can be fully compensated, the revenues from rendering of services are recognized at the amounts recovered or expected to be recovered and the labor costs that have already incurred shall be carried forward;

ii. If the labor costs that have already incurred can be partially compensated, the revenues from rendering of services are recognized at the recoverable amounts of compensated labor costs and the labor costs that have already incurred shall be carried forward;

iii. If it is expected that all the labor costs that have already incurred cannot be compensated, the labor costs that have already incurred are included into the current profit and loss (costs of primary business) and the revenues from rendering of services are not recognized.

22.3 Recognition principals of revenue from transfer of asset use right

The Company recognizes revenue from transfer of asset use right when the relevant economic benefits are highly likely to flow into the Company and the amount of revenue can be reliably measured.

22.4 Recognition principals of revenue from construction project

After the completion of the construction project, the Company submits to the project construction entrusting party for acceptance. The construction entrusting party signs the construction project transfer settlement agreement after passing the project quality acceptance, and the Company confirms revenue after completing the project transfer procedures.

22.5 Recognition principals of revenue from resettlement housing

The Company's resettlement houses are sold as a whole to the demolition unit (purchaser). According to the sales contract signed with the resettlement house purchaser, after the overall

completion of the project, both parties will go through the comprehensive acceptance and handover procedures. The Company will confirm the resettlement house according to the signed delivery and settlement agreement.

22.6 Recognition principals of revenue from investment real estate

When the Company disposes of investment real estate, it signs an asset sale (or transfer contract) and compensation agreement for the acquisition of state-owned land use rights with the purchaser. According to the price agreed in the contract and the agreement, the disposal income is recognized after the asset is handed over.

23. Government grants

23.1 Types of government grants

Government grants are monetary assets and non-monetary assets acquired free of charge by the Company from the government, including government grants related to assets and government grants related to income.

Government grants related to assets are government grants that are acquired by the Company and used for forming long-term assets through purchasing and constructing or other ways.

Government grants related to income are government grants other than government grants related to assets.

23.2 Recognition principles of government grants

Government grants are recognized when both of the following conditions are met:

a) The Company can meet the attached conditions for the government grants;

b) The Company can receive the grants.

23.3 Measurement of government grants

a) If a government grant is a monetary asset, it shall be measured in the light of the received or receivable amount.

b) If a government grant is a non-monetary asset, it shall be measured at its fair value; and if its fair value cannot be obtained in a reliable way, it shall be measured at a nominal amount (a nominal amount is RMB 1).

23.4 Accounting treatment method of government grants

a) The government grants related to assets shall be set off of the book value of the related assets or recognized as deferred income at the actual entry amount on acquisition. Government grants recognized as deferred income shall be allocated evenly over the useful lives of the relevant assets and included in the current profit or loss. Government grants measured at the nominal amount shall be directly included in current profit and loss.

b) Government grants related to income shall be separately handled according to the following circumstances:

i. If government grants related to income are used to compensate the Company's relevant expenses or losses in future periods, such government grants should be recognized as deferred income on acquisition and be included into the current profit and loss or written off of the related costs when the relevant expenses, losses are recognized.

ii. If government grants related to income are used to compensate the Company's relevant expenses or losses incurred, such government grants are directly included into the current profit and loss on acquisition or written off of the related costs.

c) If a government grants includes both the government grants related to assets and the government grants related to income, the government grants related to assets and the government grants related to income should be treated respectively when they can be distinguished. If it is hard to separate, government grants shall be treated as related to income as a whole.

d) The government grants related to Company's daily operation shall be recorded into other income or written off relevant expenses, costs. The government grants unrelated to Company's daily operation shall be recorded in non-operating income. The interest subsidy which was allocated directly to the Company from finance bureau should offset relevant borrowing cost.

e) Government grants already recognized required to be refunded shall be handled according to the following circumstances:

i. If the grants have written down the book value of assets, the book value shall be adjusted.

ii. If there is related deferred income, the book value of relevant deferred income is written down and the exceeding part is recorded in the current profit and loss.

iii. Besides, the government grants are directly included in the current profit and loss.

24. Deferred tax

The Company adopts the balance sheet liability method to account for income tax.

24.1 Recognition of deferred tax assets or deferred tax liabilities

a) The Company recognizes its tax base on acquisition of assets and liabilities. On the balance sheet date, the Company analyzes and compares the book value of the assets and liabilities with the tax base. If there are temporary differences between book value of the assets and liabilities and tax base, under the circumstance that the temporary differences incur in the current period and meet the recognition criteria, the Company shall respectively recognize taxable temporary differences or deductible temporary differences as deferred tax liability or deferred tax assets.

b) Recognition basis of deferred tax assets

i. Deferred tax assets incurred from deductible temporary differences are recognized to the extent that they shall not exceed the taxable income probably obtained in future periods to be against the deductible temporary difference. In determining the taxable income probably obtained in future periods, including the taxable income from normal production and operation activities in future periods and the increase of taxable income due to the reversal of taxable temporary differences during the period of reversal of deductible temporary differences.

ii. For deductible losses and tax credits that can be carried forward to the next years, the Company is likely to recognize the corresponding deferred tax assets to the extent that the assets shall not exceed the taxable income in the future for deducting deductible losses and tax credits and that are probably obtained by the Company.

iii. On the balance sheet date, the Company reviews the book value of deferred tax assets. If it is probably unable to obtain sufficient taxable income in the future period to offset the benefits of the deferred tax assets, the Company shall write down the book value of the deferred tax assets; when it is probable to obtain sufficient taxable income, the write-downs shall be reversed.

c) Recognition basis of deferred tax liabilities

The Company recognizes the current and previous taxable temporary differences payable but unpaid as deferred tax liabilities. But they exclude temporary differences arising from goodwill, transactions which are formed other than from business combinations and neither affect the accounting profits nor affect taxable income at the time of occurrence.

24.2 Measurement of deferred tax assets or deferred tax liabilities

a) On the balance sheet date, the deferred tax assets and deferred tax liabilities are measured at the applicable tax rate during the period of expected recovery of the assets or liquidation of the liabilities in accordance with the provisions of the tax law.

b) Where the applicable tax rate changes, the Company remeasures deferred tax assets and deferred tax liabilities recognized, except for those incurred in transactions or events directly recognized in the owner's equity, of which the effect shall be included in the income tax expenses in the current period when the rate changes.

c) When the Company measures the deferred tax assets and deferred tax liabilities, the tax rate and tax base in consistent with the expected recovery of assets or liquidation of liabilities shall be adopted.

d) Deferred tax assets and deferred tax liabilities of the Company shall not be discounted.

25. Operating lease and financial lease

The Company distinguishes operating lease from financial lease from the beginning day of the lease.

25.1 Accounting treatment of operating lease

Lessee records rents of operating lease into cost of related assets or current profit or loss using straight line method in each period of the lease term. Initial direct expenses incurred are recorded into current profit or loss. Contingent rents are recorded into current profit or loss when occur.

Lessor includes assets used for operating lease in the related items of financial statements. Rent of operating lease is recognized into current profit or loss using straight line method in the various period of the lease term. Initial direct expenses are recorded into current profit or loss. Depreciate fixed asset in the operating lease using depreciation policy of the similar assets. Amortize other

operating lease assets using systematic reasonable method. Contingent rent is recorded into current profit or loss when occur.

25.2 Accounting treatment of financial lease

As the lessee, recognize the lower of fair value of lease asset and minimum lease payment at the beginning day of the lease as the initial value of the asset leased in and the minimum lease payment as long-term payable, the difference as unrealized finance expense. Bank charges, lawyer fee, travel allowances, stamp taxes and other initial direct expenses that can be attributable to lease project in the lease negotiation and signing the lease contract are recorded into the asset leased in. Unrealized finance expense is amortized in the period during the lease term and recognized as current finance expenses using actual effective rate method. Contingent rent is recorded into current profit or loss when actually occur.

As the lessor, recognize the total of minimum lease amount received and initial direct expenses as the initial value of financial lease amount receivable and record the residual amount not guaranteed at the same time. Recognize the difference between the total of minimum lease amount received initial direct expenses and residual amount not guaranteed and present value of that as unrealized finance income. Amortize unrealized finance income in the period during the lease term and use effective interest rate to recognize current finance income. Contingent rent is recorded into current profit or loss when actually occur.

26. Changes in significant accounting policies and accounting estimates

26.1 Changes in significant accounting policies

According to the "Notice on Revising and Issuing the Format of General Corporate Financial Statements for 2019" issued by the Ministry of Finance on April 30, 2019 (Caikuai [2019] No. 6), the Company has made the following adjustments to the financial statement presentation items:

Split the original item of "notes receivable and accounts receivable" into "notes receivable" and "accounts receivable" for presentation;split the original item of "notes payable and accounts payable" into "notes payable" and "accounts payable" for presentation.

The details of the affected consolidated financial statement items at the beginning of the year (December 31, 2018) are as follows:

Before adjustment		After adjustment	
Report item	Amount	Report item	Amount
Notes receivable and accounts receivable	4,136,497,953.44	Notes receivable	400,000.00
		Accounts receivable	4,136,097,953.44
Notes payable and accounts payable	2,421,428,847.00	Notes payable	186,000,000.00
		Accounts payable	2,235,428,847.00

The details of the affected parent company's financial statement items at the beginning of the year

(December 31, 2018) are as follows:

Before adjustment		After adjustment	
Report item	Amount	Report item	Amount
Notes receivable and accounts receivable	3,274,075,088.46	Notes receivable	-
		Accounts receivable	3,274,075,088.46
Notes payable and accounts payable	628,283,232.40	Notes payable	15,000,000.00
		Accounts payable	613,283,232.40

26.2 Changes in significant accounting estimates

The Company does not have changes in major accounting estimates in the reporting period.

IV. Taxation

1.Major tax types and tax rates

Tax type	Taxation Basis	Tax rate
Value-added tax	Output tax less input tax	16% (January – March), 13% (April – December) 6% (output tax rate)
Value-added tax（simple tax）	Sales revenue	3%, 5% (collection rate)
Urban maintenance and construction tax	Applicable turnover tax amount	7%
Educational surcharge	Applicable turnover tax amount	3%
Local education surcharge	Applicable turnover tax amount	2%
Enterprise income tax	Applicable taxable income	25%

2. Tax preferences and approvals

(None)

V. Explanations for the major items on the consolidated financial statements (All amounts are expressed in RMB yuan unless otherwise stated)

1. Cash and cash equivalents

Item	December 31,2019	December 31,2018
Cash	35,473.55	15,424.20
Bank deposit	1,216,280,171.38	2,083,870,656.37
Other cash and cash equivalents	1,605,224,653.21	1,608,000,000.00
Total	2,821,540,298.14	3,691,886,080.57

Note: Restricted assets

Item	Reason for restriction	December 31,2019	December 31,2018
Bank deposit	Pledge of fixed deposits	559,838,221.24	1,634,572,476.96
Other cash and cash equivalents	Pledge of margin	1,605,224,653.21	1,196,000,000.00
Total		2,165,062,874.45	2,830,572,476.96

2. Notes receivable

2.1 Classification of notes receivable

Item	December 31,2019	December 31,2018
Bank acceptance bill	56,532,843.42	400,000.00
Commercial acceptance bill	-	-
Total	56,532,843.42	400,000.00

2.2 Pledged notes receivable at the end of year

Item	Closing pledged amount
Bank acceptance bill	37,137,160.86
Commercial acceptance bill	-
Total	37,137,160.86

3. Accounts receivable

a)Analysis by categories

Category	December 31,2019				
	Book Balance	Proportion (%)	Provision for bad debt	Provision Proportion (%)	Book Value
Accounts receivable with significant single amount for which bad debt provision separately accrued	-	-	-	-	-
Accounts receivable whose bad debt provisions are made by credit risk characteristics portfolio	2,199,945,414.04	100.00	31,279,568.12	1.42	2,168,665,845.92
Including: aging portfolios	439,751,933.75	19.99	31,279,568.12	7.11	408,472,365.63
Other portfolios	1,760,193,480.29	80.01	-	-	1,760,193,480.29
Accounts receivable with insignificant single amount for which bad debt provision separately accrued	-	-	-	-	-
Total	2,199,945,414.04	100.00	31,279,568.12	/	2,168,665,845.92

(Continued)

Category	December 31,2018				
	Book Balance	Proportion (%)	Provision for bad debt	Provision Proportion (%)	Book Value
Accounts receivable with significant single amount for which bad debt provision separately accrued	-	-	-	-	-
Accounts receivable whose bad debt provisions are made by credit risk characteristics portfolio	4,160,890,719.97	100.00	24,792,766.53	0.60	4,136,097,953.44
Including: aging portfolios	495,231,409.57	11.90	24,792,766.53	5.01	470,438,643.04
Other portfolios	3,665,659,310.40	88.10	-	-	3,665,659,310.40
Accounts receivable with insignificant single amount for which bad debt provision separately accrued	-	-	-	-	-
Total	4,160,890,719.97	100.00	24,792,766.53	/	4,136,097,953.44

Account receivables using the aging analysis method to provide bad debts for impairment in portfolios

Aging	December 31,2019			December 31,2018		
	Account Receivable	Provision for bad debt	Provision Proportion (%)	Account Receivable	Provision for bad debt	Provision Proportion (%)
Within 1 year	256,048,189.05	12,802,409.45	5.00	494,667,488.57	24,733,374.43	5.00
1-2 years	183,169,823.70	18,316,982.37	10.00	548,921.00	54,892.10	10.00
2-3 years	533,921.00	160,176.30	30.00	15,000.00	4,500.00	30.00
Total	439,751,933.75	31,279,568.12	/	495,231,409.57	24,792,766.53	/

Account receivables using other method to provide bad debts for impairment in portfolios

Portfolio name	December 31,2019		
	Account receivable	Provision for bad debts	Provision Proportion (%)
Other portfolio	1,760,193,480.29	-	-
Total	1,760,193,480.29	-	/

b)Top five entities with the largest balances of the account receivables

Company name	Amount	Aging	Proportion in the total (%)
Zhenjiang New District Management Committee	1,592,159,970.29	Within 1 year: 991,918,880.35 3-5 years: 228,757,778.00 Over 5 years: 371,483,311.94	72.37
China Railway 11th Bureau Group Fourth Engineering Co., Ltd.	178,788,992.65	Within 1 year: 171,147,718.49 1-2 years: 7,641,274.16	8.13

Company name	Amount	Aging	Proportion in the total (%)
Beijing Kingee Culture Development Co.,Ltd.	161,858,162.32	1-2 years	7.36
Jiangsu Chuishan Tourism Culture Development Co., Ltd.	147,943,900.00	3-5 years	6.72
Shanghai Shanzhinong E-commerce Technology Co., Ltd.	51,023,994.68	Within 1 year	2.32
Total	2,131,775,019.94		96.90

4. Prepayment

Aging	December 31,2019		December 31,2018	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	33,544,987.18	49.40	11,728,528.00	22.62
1-2 years	3,367,300.00	4.96	19,305,195.36	37.24
2-3 years	15,364,210.67	22.62	15,070,591.51	29.07
Over 3 years	15,632,000.00	23.02	5,740,000.00	11.07
Total	67,908,497.85	100.00	51,844,314.87	100.00

5. Other receivables

5.1 Classification

Item	December 31,2019	December 31,2018
Interests receivable	31,312,751.91	20,178,813.69
Dividends receivable	2,621,475.35	2,621,475.35
Other receivables	17,258,618,063.41	19,810,470,574.61
Total	17,292,552,290.67	19,833,270,863.65

5.2 Interests receivable

Item	December 31,2019	December 31,2018
Fixed deposit, security deposit	31,312,751.91	20,178,813.69
Total	31,312,751.91	20,178,813.69

5.3 Dividend receivable

Item (Investee)	December 31,2019	December 31,2018
Zhenjiang New District Jingang Rural Small Loan Co., Ltd.	2,621,475.35	2,621,475.35
Total	2,621,475.35	2,621,475.35

5.4 Other receivables

a)Other receivables classified by category

Category	December 31,2019				
	Book balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Provision Proportion (%)	
Other receivables with significant single amount for which bad debt provision separately accrued	28,344,951.88	0.16	28,344,951.88	100.00	
Other receivables whose bad debt provisions are made by credit risk characteristics portfolio	17,288,903,737.53	99.84	30,285,674.12	0.18	17,258,618,063.41
Including: aging portfolios	189,933,084.01	1.10	30,285,674.12	15.95	159,647,409.89
Other portfolios	17,098,970,653.52	98.74	-	-	17,098,970,653.52
Other receivables with insignificant single amount for which bad debt provision separately accrued	-	-	-	-	-
Total	17,317,248,689.41	100.00	58,630,626.00	/	17,258,618,063.41

(Continued)

Category	December 31,2018				
	Book balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Provision Proportion (%)	
Other receivables with significant single amount for which bad debt provision separately accrued	-	-	-	-	-
Other receivables whose bad debt provisions are made by credit risk characteristics portfolio	19,846,202,801.51	100.00	35,732,226.90	0.18	19,810,470,574.61
Including: balance portfolios	175,123,000.69	0.88	35,732,226.90	20.40	139,390,773.79
Other portfolios	19,671,079,800.82	99.12	-	-	19,671,079,800.82
Other receivables with insignificant single amount for which bad debt provision separately accrued	-	-	-	-	-
Total	19,846,202,801.51	100.00	35,732,226.90	/	19,810,470,574.61

Other receivables with a single significant amount and a single provision for bad debts at the end of the year

Other receivables	December 31,2019			
	Amount	Bad debt provision amount	Provision Proportion (%)	Reason for provision
Substitution of electricity charges	28,344,951.88	28,344,951.88	100.00	Unable to recover
Total	28,344,951.88	28,344,951.88	/	

Other receivables using the aging analysis method to provide bad debts for impairment in portfolios

Aging	December 31,2019			December 31,2018		
	Amount	Bad debt provision amount	Provision Proportion (%)	Amount	Bad debt provision amount	Provision Proportion (%)
Within 1 year	77,897,570.05	3,894,378.51	5.00	86,427,619.86	4,321,381.00	5.00
1-2 years	74,017,519.67	7,401,751.97	10.00	41,245,114.03	4,124,511.40	10.00
2-3 years	17,792,803.39	5,337,841.02	30.00	15,327,842.16	4,598,352.65	30.00
3-5 years	13,146,976.57	6,573,488.29	50.00	18,868,885.58	9,434,442.80	50.00
Over 5 years	7,078,214.33	7,078,214.33	100.00	13,253,539.06	13,253,539.05	100.00
Total	189,933,084.01	30,285,674.12	/	175,123,000.69	35,732,226.90	/

Other receivables using other method to provide bad debts for impairment in portfolios

Portfolio name	December 31,2019		
	Other receivables	Bad debt provision	Provision Proportion (%)
Other portfolio	17,098,970,653.52	-	-
Total	17,098,970,653.52	-	/

b)Top five with the largest balances of other receivables

Company Name	Content	December 31,2019	Aging	Proportion in the total (%)
Zhenjiang New District Management Committee	Lending	7,959,843,022.86	Within 1 year: 4,062,702,757.35 1-2 years:892,190,607.86 2-3 years:1,148,927,151.23 3-5 years: 610,656,640.96 Over 5 years:1,245,365,865.46	45.96
Jiangsu Hanrui Investment Holdings Co., Ltd.	Lending	4,110,455,815.77	Within 1 year:2,390,455,815.77 1-2 years: 1,720,000,000.00	23.74
Zhenjiang New District Transportation Construction Investment Co., Ltd.	Lending	1,794,683,582.95	Within 1 year:1,480,545,216.39 1-2 years: 314,138,366.56	10.36
Zhenjiang Import Processing Area Chengtou Material Development Co., Ltd.	Lending	640,473,700.48	Within 1 year	3.70
Zhenjiang New District Shanty Town Reconstruction and Development Co., Ltd.	Lending	637,806,110.05	Within 1 year	3.68
Total	/	15,143,262,232.11	/	87.44

6. Inventories

Category	December 31,2019			December 31,2018		
	Book Balance	Provision for depreciation	Book Value	Book Balance	Provision for depreciation	Book Value
Development Cost	2,803,782,570.48	-	2,803,782,570.48	4,021,384,505.70	-	4,021,384,505.70
Development Products	37,784,932.73	-	37,784,932.73	40,917,538.92	-	40,917,538.92
Inventory Goods	388,349.52	-	388,349.52	-	-	-
Total	2,841,955,852.73	-	2,841,955,852.73	4,062,302,044.62	-	4,062,302,044.62

7. Assets held for sale

7.1 Categories of assets held for sale

Item	December 31,2019 book value	Fair value	Estimated disposal expenses	Related other comprehensive income
Non-current Assets				
Include: Fixed assets	492,181,590.40	542,950,971.44	50,769,381.04	
Intangible assets				
Total	492,181,590.40	542,950,971.44	50,769,381.04	

Note 1: According to Jiangsu Hanrui Investment Holdings Co., Ltd. Group Office Meeting (No. 6), Zhenjiang New District State-owned Assets Supervision and Administration Office (Zhenjiang Guozi Fu [2019] No. 13), and the asset transfer agreement signed by the Company and Zhenjiang Yinshan Capital Investment and Operation Co., Ltd., the Company intends to dispose of the real estate science and education buildings and movable property facilities and equipment in Buildings 1-6, No. 1, Shicong Road, New District, within one year.

Note 2: The estimated disposal costs are RMB 47,917,795.72 for land value increment tax, RMB 1,529,586.00 for urban construction and maintenance tax, RMB 1,092,561.42 for education surcharge, and RMB 229,437.90 for stamp tax.

7.2 Provision impairment for assets held for sale

Item	December 31,2018	Addition		decrease		December 31,2019
		Accrual	other	Reversal / written off	other	
Non-current	-	44,865,389.46	-	-	-	44,865,389.46
Total	-	44,865,389.46	-	-	-	44,865,389.46

8. Non-current assets due within one year

Item	December 31,2019	December 31,2018
Fund lending	1,390,000,000.00	3,222,000,000.00
Financing margin	10,992,000.00	-
Other	-	18,000,000.00
Total	1,400,992,000.00	3,240,000,000.00

9. Other current assets

Item	December 31,2019	December 31,2018
Entrusted Loan	500,000.00	500,000.00
One-year financial products	11,000,000.00	5,000,000.00
One-year fund lending	410,000,000.00	80,000,000.00
Prepaid taxes	278,126,340.13	169,567,692.40
Other short-term investments	-	1,000,000.00
Total	699,626,340.13	256,067,692.40

10. Available-for-sale financial assets

10.1 Details of available-for-sale financial assets

Item	December 31,2019			December 31,2018		
	Book Balance	Provision for impairment	Book Value	Book Balance	Provision for impairment	Book Value
Available –for-sale debentures	-	-	-	-	-	-
Available-for-sale equity instruments	-	-	-	-	-	-
Of which: Measured at fair value	-	-	-	-	-	-
Measured by cost	140,490,000.00	-	140,490,000.00	140,490,000.00	-	140,490,000.0(
Total	140,490,000.00	-	140,490,000.00	140,490,000.00	-	140,490,000.00

10.2 Available-for-sale financial assets measured by cost at period end

Investee	Book Balance			
	December 31,2018	Increase in Current Period	Decrease in Current Period	December 31,2019
Zhenjiang New Area Sme Investment Guarantee Co., Ltd.	60,000,000.00	-	-	60,000,000.00
Zhenjiang Xinnong Development Investment Co., Ltd.	55,000,000.00	-	-	55,000,000.00

Investee	Book Balance			
	December 31,2018	Increase in Current Period	Decrease in Current Period	December 31,2019
Zhenjiang New District Jingang Rural Small Loan Co., Ltd.	10,990,000.00	-	-	10,990,000.00
HuachuangTianyuan Industrial Developing Co., Ltd.	4,500,000.00	-	-	4,500,000.00
Zhenjiang University Science Park Development Co., Ltd.	10,000,000.00	-	-	10,000,000.00
Total	140,490,000.00	-	-	140,490,000.00

（Continued）

Investee	Provision for impairment				Proportion of Equity Held in Investee (%)	Current Period Cash dividends
	December 31,2018	Increase in Current Period	Decrease in Current Period	December 31,2019		
Zhenjiang New Area Sme Investment Guarantee Co., Ltd.	-	-	-	-	10.00	10,000,000.00
Zhenjiang Xinnong Development Investment Co., Ltd.	-	-	-	-	10.00	-
Zhenjiang New District Jingang Rural Small Loan Co., Ltd.	-	-	-	-	20.00	-
HuachuangTianyuan Industrial Developing Co., Ltd.	-	-	-	-	0.86	-
Zhenjiang University Science Park Development Co., Ltd.	-	-	-	-	10.00	-
Total	-	-	-	-	/	10,000,000.00

Note: Although the investment in Zhenjiang New Area Jingang Rural Small Loan Co., Ltd. has reached 20%, the Company has not appointed members of the board of directors or participated in its operation and management and has no significant impact on its production and operation.

11. Long-term equity investments

Investee	December 31,2018	Changes in Current Period								December 31,2019	Closing Balance of provision for impairment
		Increase	Decrease	Profit or loss recognized under equity method	Adjustments of other comprehensive income	Other changes in equity	Cash divided or profit declared	Provision for impairment	Other		
Joint Venture											
Zhenjiang Ruikang Hospital Co., Ltd.	112,849,722.65	-	-	-22,758,841.17	-	-	-	-	-	90,090,881.48	-
Zhenjiang Biancheng Real Estate Co., Ltd.	92,638,227.02	-	-	-6,542,073.37	-	-	-	-	-	86,096,153.65	-
Subtotal	205,487,949.67	-	-	-29,300,914.54	-	-	-	-	-	176,187,035.13	-

12. Investment properties

Investment properties measured at fair value model

Item	Properties and buildings	Land use rights	Construction in process	Total
December 31,2018	4,271,148,800.00	5,446,430,200.00	-	9,717,579,000.00
Movement this period	-	-	-	-
Add: Purchase	239,233,215.24	-	-	239,233,215.24
Transferr from inventory\ fixed assets\ construction in process	-	-	-	-
Less: Disposal	534,715,253.40	750,229,304.24	-	1,284,944,557.64
Add: Fair value change	-391,889,756.41	52,997,204.24	-	-338,892,552.17
December 31,2019	3,583,777,005.43	4,749,198,100.00	-	8,332,975,105.43

Note 1: In investment real estate, the book value of land use rights used for financing mortgages is RMB 2,894.69 million, and the book value of houses and buildings is RMB3,153.47 million.

Note 2: Assets disposed of this year include: the book value of the land purchased and stored by the Zhenjiang Economic and Technological Development Zone Land Reserve Center is RMB750.23 million, and the book value of the real estate of Twin Tower A and Mingdu Hotel located on Dingmao Jing 12 Road in Zhenjiang New District is sold. The book value of the three properties in Dinggang New Street is RMB533.08 million, and the book value is RMB1.63 million.

13. Fixed Assets

13.1 Classification

Item	December 31,2019	December 31,2018
Fixed assess	155,836,119.95	617,114,013.34
Fixed assets liquidation	-	-
Total	155,836,119.95	617,114,013.34

13.2 Details of Fixed Assets

Item	Buildings and constructions	Transportation equipment	Electronic equipment	Other equipment	Total
Ⅰ. Original cost of fixed assets					
1. December 31,2018	668,150,518.30	899,371.36	17,268,897.75	2,492,697.86	688,811,485.27
2.Increase in current period	41,084.26	-	7,120,013.50	3,446,715.89	10,607,813.65
(1)External purchase	41,084.26	-	7,120,013.50	3,446,715.89	10,607,813.65
(2)Transfer from construction in progress	-	-	-	-	-

Item	Buildings and constructions	Transportation equipment	Electronic equipment	Other equipment	Total
(3) Increase from business combination	-	-	-	-	-
3.Decrease in current period	499,197,434.17	-	-	-	499,197,434.17
(1)Disposal or scrap	1,710,643.20	-	-	-	1,710,643.20
(2)Transfer into assets held for sale	497,486,790.97	-	-	-	497,486,790.97
4. December 31,2019	168,994,168.39	899,371.36	24,388,911.25	5,939,413.75	200,221,864.75
II. Accumulated depreciation					
1. December 31,2018	65,940,065.05	566,324.36	4,278,172.76	912,909.76	71,697,471.93
2.Increase in current period	16,011,272.66	59,370.80	4,016,230.23	477,271.65	20,564,145.34
(1)Provision	16,011,272.66	59,370.80	4,016,230.23	477,271.65	20,564,145.34
(2)Increase from business combination	-	-	-	-	-
3.Decrease in current period	47,875,872.47	-	-	-	47,875,872.47
(1)Disposal or scrap	502,501.44	-	-	-	502,501.44
(2)Transfer into assets held for sale	47,373,371.03	-	-	-	47,373,371.03
4. December 31,2019	34,075,465.24	625,695.16	8,294,402.99	1,390,181.41	44,385,744.80
III. Provision for fixed asset impairment					
1. December 31,2018	-	-	-	-	-
2.Increase in current period	-	-	-	-	-
(1)Provision	-	-	-	-	-
(2) Increase from business combination	-	-	-	-	-
3.Decrease in current period	-	-	-	-	-
(1)Disposal or scrap	-	-	-	-	-
(2)Decrease from business combination	-	-	-	-	-
4. December 31,2019	-	-	-	-	-
IV. Book value					
1. December 31,2019 book value	134,918,703.15	273,676.20	16,094,508.26	4,549,232.34	155,836,119.95
2. December 31,2018 book value	602,210,453.25	333,047.00	12,990,724.99	1,579,788.10	617,114,013.34

Note: Among houses and buildings, the book value of the real estate used for financing mortgage is RMB 47.94 million.

14. Intangible assets

Item	Land use right	Computer software	Total
I . Original cost of intangible assets			
1. December 31,2018	125,830,977.50	280,000.00	126,110,977.50
2.Increase in current period	22,014,225.00	-	22,014,225.00
(1) External purchase	22,014,225.00	-	22,014,225.00
(2)Internally developed	-	-	-
(3)Business combination	-	-	-
3.Decrease in current period	96,341,400.00	-	96,341,400.00
(1)Disposal	-	-	-
(2)Transfer into assets held for sale	96,341,400.00	-	96,341,400.00
4. December 31,2019	51,503,802.50	280,000.00	51,783,802.50
II . Accumulated amortization of intangible assets			
1. December 31,2018	9,221,020.12	84,000.00	9,305,020.12
2.Increase in current period	2,853,356.22	28,000.00	2,881,356.22
(1)Provision	2,853,356.22	28,000.00	2,881,356.22
(2)Business combination	-	-	-
3.Decrease in current period	9,407,840.08	-	9,407,840.08
(1)Disposal	-	-	-
(2)Transfer into assets held for sale	9,407,840.08	-	9,407,840.08
4. December 31,2019	2,666,536.26	112,000.00	2,778,536.26
III. Book value of intangible assets			
1. December 31,2019 Book Value	48,837,266.24	168,000.00	49,005,266.24
2. December 31,2018 Book Value	116,609,957.38	196,000.00	116,805,957.38

15. Long-term prepaid expenses

Item	December 31,2018	Increase in the current period	Amortization for the current period	Other decreases	December 31,2019
Zhenjiang New City Bond Underwriting Fee	64,639,206.04	-	18,394,847.89	-	46,244,358.15
Financing consulting service fee	120,133,333.33	-	51,520,000.00	-	68,613,333.33
Finance lease underwriting fee	21,025,000.00	-	6,300,000.00	-	14,725,000.00
Huachuang Bond Underwriting Fee	22,425,000.00	-	11,700,000.00	-	10,725,000.00
School renovation project	9,946,331.86	2,212,292.00	4,528,694.46	-	7,629,929.40
Service charge	-	3,432,274.00	1,297,849.51	-	2,134,424.49
Total	238,168,871.23	5,644,566.00	93,741,391.86	-	150,072,045.37

16. Deferred tax assets/ deferred tax liabilities

16.1 Deferred tax assets before offset

Item	December 31,2019		December 31,2018	
	Deductible Temporary Differences	Deferred Tax Assets	Deductible Temporary Differences	Deferred Tax Assets
Provision for asset impairment	103,177,634.90	25,794,408.74	35,486,992.80	8,871,748.20
Difference between the book value of investment real estate and the tax base	-	-	25,760,291.86	6,440,072.97
Total	103,177,634.90	25,794,408.74	61,247,284.66	15,311,821.17

16.2 Deferred tax liabilities before offset

Item	December 31,2019		December 31,2018	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Difference between the book value of investment real estate and the tax base	1,528,354,022.55	382,088,505.64	2,191,985,675.70	547,996,418.93
Total	1,528,354,022.55	382,088,505.64	2,191,985,675.70	547,996,418.93

16.3 Details of unrecognized deferred tax assets

Item	December 31,2019	December 31,2018
Deductible temporary differences-provision for bad debts of some subsidiaries	31,597,948.68	25,038,000.63
Total	31,597,948.68	25,038,000.63

17. Other non-current assets

Item	December 31,2019	December 31,2018
Money lending	15,201,493,700.00	7,354,500,000.00
Financing margin	39,507,000.00	-
Total	15,241,000,700.00	7,354,500,000.00

18. Provision for asset impairment

Item	December 31,2018	Increase in current period	Decrease in current period		December 31,2019
			Reversed	Write-off	
Bad debt provision	60,524,993.43	29,385,200.69	-	-	89,910,194.12
Assets held for sale impairment provision	-	44,865,389.46	-	-	44,865,389.46
Total	60,524,993.43	74,250,590.15	-	-	134,775,583.58

19. Short-term loans

Category	December 31,2019	December 31,2018
Pledged loans	304,050,000.00	442,500,000.00
Mortgage loans	-	180,000,000.00
Pledged Mortgage Guaranteed loans	240,000,000.00	400,000,000.00
Guaranteed loans	616,709,774.00	85,000,000.00
Credit loans	-	100,000,000.00
Total	1,160,759,774.00	1,207,500,000.00

20. Notes payable

Category	December 31,2019	December 31,2018
Bank acceptances	190,427,500.00	1,000,000.00
Commercial acceptances	316,910,000.00	185,000,000.00
Total	507,337,500.00	186,000,000.00

21. Accounts payable

21.1 Presentation of accounts payable

Item	December 31,2019	December 31,2018
Within 1 year	235,288,099.26	162,062,853.10
1-2 years	22,098,089.06	1,212,093,974.60
2-3 years	802,829,568.45	407,889,622.48
Over 3 years	491,675,794.15	453,382,396.82
Total	1,551,891,550.92	2,235,428,847.00

21.2 Description of significant accounts payable aged more than 1 year

Item	December 31,2019	Reason for not being settled
China State Construction Zhenjiang Construction Development Co., Ltd.	220,230,956.76	The contractual payment deadline has not arrived
Tongling Construction Co., Ltd.	80,643,500.00	The contractual payment deadline has not arrived
Jiangsu Shengfeng Construction Co., Ltd.	36,331,744.60	The contractual payment deadline has not arrived
Zhenjiang Dongsheng Urban Construction Co., Ltd.	30,342,756.00	The contractual payment deadline has not arrived
Zhenjiang Power Supply Company, Jiangsu Electric Power Company	30,321,829.15	The contractual payment deadline has not arrived
Jiangsu Zhongji Pile Industry Co., Ltd.	32,749,305.40	The contractual payment deadline has not arrived
Total	430,620,091.91	/

22. Advance from customers

22.1 Presentation of advances from customers

Item	December 31,2019	December 31,2018
Advance collection of resettlement housing sales payment	853,219,736.70	1,679,347,223.84
Project construction funds received in advance	190,109,188.00	189,609,188.00
Tuition and fees collected in advance	3,301,039.26	3,816,211.47
Advance collection of real estate sales	1,315,889,173.57	-
Advance rent	3,000,000.00	-
Advance payment	188,417.23	-
Total	2,365,707,554.76	1,872,772,623.31

22.2 Description of significant advance from customers aged more than 1 year

Item	December 31,2019	Reason for not settled
Zhenjiang New District Management Committee	189,609,188.00	The project has not yet been completed
Zhenjiang New Area Security Housing Construction Development Co., Ltd.	1,222,555,355.73	The project has not yet been completed
Total	1,412,164,543.73	

23. Employee benefits payable

23.1 Employee benefits payable shown as follows:

Item	December 31,2018	Increase in Current Period	Decrease in Current Period	December 31,2019
I .Short-term employee benefits	5,646,915.56	34,688,588.03	34,152,263.92	6,183,239.67
II .Post-employment benefits--defined contribution plans	2,435.99	2,644,427.65	2,644,427.65	2,435.99
III.Termination benefits	-	-	-	-
IV.Other benefits due in 1 year	-	-	-	-
Total	5,649,351.55	37,333,015.68	36,796,691.57	6,185,675.66

23.2 Short-term employee benefits payable shown as follows:

Item	December 31,2018	Increase in Current Period	Decrease in Current Period	December 31.2019
I . Wages, bonuses, allowances and grants	5,644,330.30	29,444,400.62	28,908,076.51	6,180,654.41
II. Employees' welfare	-	1,958,087.78	1,958,087.78	-
III. Social insurance premiums	1,013.68	1,203,075.09	1,203,075.09	1,013.68
Including: 1.Medical insurance premium	1,013.68	1,095,062.49	1,095,062.49	1,013.68
2.Work-related injury insurance premium	-	54,507.90	54,507.90	-
3.Maternity insurance premium	-	53,504.70	53,504.70	-
IV. Housing funds	1,571.58	1,909,281.00	1,909,281.00	1,571.58
V. Labor union expenditures and employee education funds	-	173,743.54	173,743.54	-
VI. Short-term paid absences profit-sharing plan	-	-	-	-
VII. Short-term profit sharing plan	-	-	-	-
Total	5,646,915.56	34,688,588.03	34,152,263.92	6,183,239.67

23.3Defined Contribution Plan shown as follows:

Item	December 31,2018	Increase in Current Period	Decrease in Current Period	December 31,2019
1. Basic endowment insurance premium	2,200.25	2,408,427.84	2,408,427.84	2,200.25
2. Unemployment insurance premium	235.74	107,009.41	107,009.41	235.74
3. Corporate Annuity Payment	-	128,990.40	128,990.40	-
Total	2,435.99	2,644,427.65	2,644,427.65	2,435.99

24. Taxes and surcharges payables

Item	December 31,2019	December 31,2018
Enterprise income tax	85,347,184.47	60,563,578.45
Value-added tax	32,468,141.44	18,325,360.77
Business tax	49,504,986.20	49,504,986.20
Land used tax	4,395,072.70	4,638,691.50
Property tax	4,338,006.38	30,250,676.09
Urban maintenance and construction tax	4,349,693.59	4,575,331.93
Education surcharge	3,106,024.02	3,268,495.98
Withholding individual income tax	22,150.61	24,946.67
Stamp tax	-	195,646.10
Total	183,531,259.41	171,347,713.69

25. Other payables

25.1 Categories by nature

Item	December 31,2019	December 31,2018
Interest payable	91,195,257.98	110,934,844.83
Dividend payable	-	-
Other payables	395,062,951.04	2,544,732,966.12
Total	486,258,209.02	2,655,667,810.95

25.2 Interest payable

Item	December 31,2019	December 31,2018
Interest on long-term loans that are due for repayment by installment	3,800,174.44	-
Corporate Bond Interest	87,233,287.65	110,796,611.49
Interest payable on short-term loans	161,795.89	138,233.34
Total	91,195,257.98	110,934,844.83

25.3 Other payable

a)Other payables by aging

Item	December 31,2019	December 31,2018
Within 1 year	26,002,837.05	1,473,450,084.74
1-2 years	13,067,034.17	263,081,226.60
2-3 years	7,487,206.08	286,686,343.65
Over 3 years	348,505,873.74	521,515,311.13
Total	395,062,951.04	2,544,732,966.12

b)Other important payables aging more than 1 year

Item	December 31,2019	Reasons for Being Unpaid or Transferred
Zhenjiang New District Management Committee	280,177,800.00	Not due for payment
Total	280,177,800.00	

26. Non-current liabilities due within one year

Item	December 31,2019	December 31,2018
Long-term loans due within one year	2,474,750,000.00	2,051,504,910.00
Bond payable due within one year	532,000,000.00	582,000,000.00
Long-term payable due within one year	1,203,564,988.35	787,269,507.37
Total	4,210,314,988.35	3,420,774,417.37

27. Other current liabilities

Item	December 31,2019	December 31,2018
Short-term financing	50,000,000.00	285,000,000.00
Short-term non-public targeted financing products	146,730,000.00	18,800,000.00
Total	196,730,000.00	303,800,000.00

28. Long-term loans

Item	December 31,2019	December 31,2018
Pledged loans	-	170,000,000.00
Mortgage loans	628,500,000.00	751,759,090.00
Guaranteed loans	3,414,669,800.00	2,225,700,000.00
Credit loans	-	568,000,000.00
Pledge mortgage Guaranteed loan	695,380,000.00	-
Total	4,738,549,800.00	3,715,459,090.00

29. Bonds payable

29.1 Bonds payable exhibit by item

Item	December 31,2019	December 31,2018
14Zhenjiang New City Bond 01	150,000,000.00	300,000,000.00
14Zhenjiang New City Bond 02	150,000,000.00	300,000,000.00
16Zhenjiang New Parking Lot Special Bond	696,000,000.00	928,000,000.00
17 Zhenjiang New Bond	900,000,000.00	900,000,000.00
18 Zhenjiang New City Medium-term notes	1,150,000,000.00	1,150,000,000.00
Total	3,046,000,000.00	3,578,000,000.00

29.2 Changes in bonds payable (excluding other financial tools like preferred stock categorized as financial liability or indefinite bonds)

Name	Nominal value	Issue date	Bond maturity	Issuance amount	December 31,2018	Issued in the current period	Decrease in the current period	December 31,2019
14Zhenjiang New City Bond 01	750,000,000.00	2014/1/16	7 years	750,000,000.00	300,000,000.00	-	150,000,000.00	150,000,000.00
14Zhenjiang New City Bond 02	750,000,000.00	2014/2/26	7 years	750,000,000.00	300,000,000.00	-	150,000,000.00	150,000,000.00
16Zhenjiang New Parking Lot Special Bond	1,160,000,000.00	2016/7/14	7 years	1,160,000,000.00	928,000,000.00	-	232,000,000.00	696,000,000.00
17 Zhenjiang New Bond	900,000,000.00	2017/12/13	3 years	900,000,000.00	900,000,000.00	-	-	900,000,000.00
18 Zhenjiang New City Medium-term notes	1,150,000,000.00	2018/12/21	5 years	1,150,000,000.00	1,150,000,000.00	-	-	1,150,000,000.00
Total	/	/	/	4,710,000,000.00	3,578,000,000.00	-	532,000,000.00	3,046,000,000.00

29.3Changes in bond interest payable

Name	Interest payable at the beginning of the year	Accrued interest for the year	Interest paid this year	Interest payable at the end of the year
14Zhenjiang New City Bond 01	39,244,531.40	27,376,397.26	40,455,000.00	26,165,928.66
14Zhenjiang New City Bond 02	31,892,043.37	26,834,383.56	37,575,000.00	21,151,426.93
16Zhenjiang New Parking Lot Special Bond	28,402,600.00	55,689,534.25	61,596,000.00	22,496,134.25
16 Zhenjiang New Bond	856,095.89	3,043,904.11	3,900,000.00	-
17 Zhenjiang New Bond	3,375,000.00	67,500,000.00	67,500,000.00	3,375,000.00
18 Zhenjiang New City Medium-term notes	2,986,805.56	97,750,000.00	97,750,000.00	2,986,805.56
Privately raised medium-sized and small enterprises bonds	4,039,535.27	20,191,156.98	13,172,700.00	11,057,992.25
Total	110,796,611.49	298,385,376.16	321,948,700.00	87,233,287.65

30. Long-term payable

30.1 Long-term payable presented by nature

Item	December 31,2019	December 31,2018
Long-term payables	775,794,390.47	2,280,506,266.28
Special payables	-	-
Total	775,794,390.47	2,280,506,266.28

30.2 Long-term payable

Item	December 31,2019	December 31,2018
Bangyin Financial Leasing Co., Ltd.	199,950,922.83	-
Cedar International Trust Co., Ltd.	199,950,922.83	-
China National Foreign Trade Financial & Leasing Co., Ltd.	89,983,009.16	152,006,928.40
Jiangsu Hanrui Financial Leasing Co., Ltd.	-	205,000,000.00
Suzhou Agricultural Development Financial Leasing Co., Ltd.	43,121,398.59	64,253,477.96
Aerospace Science and Industry Financial Leasing Co., Ltd.	113,552,091.10	174,151,229.46
Huishang Bank Financial Leasing Co., Ltd.	129,236,045.96	191,734,890.36
Tibet Financial Leasing Co., Ltd.	-	932,419,740.10
China Minsheng Bank Zhenjiang Branch	-	560,940,000.00
Total	775,794,390.47	2,280,506,266.28

31. Deferred Incomes

Item	December 31,2018	Increase in Current Period	Decrease in Current Period	December 31,2019	Forming reason
Abandoned mine remediation subsidy	3,827,608.70	-	-	3,827,608.70	Related costs have not been confirmed
Special guidance fund for building energy conservation and emission reduction in the central business district of Zhenjiang New District	2,500,000.00	-	-	2,500,000.00	Related costs have not been confirmed
Special Fund for Green Building Regional Demonstration in Central Business District	1,430,000.00	-	-	1,430,000.00	Related costs have not been confirmed
City Central Park Special Fund	300,000.00	-	-	300,000.00	Related costs have not been confirmed
Yaoqiao resettlement housing special subsidy	30,000,000.00	-	30,000,000.00	-	
2017 the central financial security housing project (shantytown renovation)	3,026,600.00	14,023,100.00	-	17,049,700.00	Related costs have not been confirmed
2018 the central financial security housing project (shantytown reconstruction)	-	1,590,500.00	-	1,590,500.00	Related costs have not been confirmed
Abandoned mine remediation subsidy	40,000,000.00	-	-	40,000,000.00	Related costs have not been confirmed
Fire protection, technical renovation, maintenance and renovation project funds	-	3,412,064.20	-	3,412,064.20	Related costs have not been confirmed
Total	81,084,208.70	19,025,664.20	30,000,000.00	70,109,872.90	/

Note: Please refer to Note V-54. Government grants for details.

32. Paid-in capital

Shareholder name	December 31,2018		Increase in the current period	Decrease in the current period	December 31,2019		Remarks
	Investment amount	Proportion			Investment amount	Proportion	
Jiangsu Hanrui Investment Holdings Co., Ltd.	5,018,572,500.00	63.39	-	-	5,018,572,500.00	61.23	
Zhenjiang New Area Ruijian Industry Fund Center (Limited Partnership)	986,120,980.40	12.46	-	-	986,120,980.40	12.03	
Zhenjiang Jinpu Urban Development Investment Fund (Limited Partnership)	1,912,257,048.50	24.15	-	-	1,912,257,048.50	23.33	
Agricultural Bank Financial Assets Investment Co., Ltd.	-	-	279,677,132.44		279,677,132.44	3.41	
Total	7,916,950,528.90	100.00	279,677,132.44	-	8,196,627,661.34	100.00	

Note: According to the resolution of the Company's shareholders meeting, it was agreed that Agricultural Bank Financial Assets Investment Co., Ltd. will invest RMB1000.00 million in currency, of which RMB279.68 million is included in the paid-in capital, and the remaining RMB720.322 million is included in the "capital reserve-capital premium". As of December 31, 2019, Agricultural Bank Financial Assets Investment Co., Ltd. has actually paid in capital.

33. Capital reserves

Item	December 31,2018	Increase in Current Period	Decrease in Current Period	December 31,2019
Capital premium (equity premium)	9,472,113,426.38	720,322,867.56	46,144,128.51	10,146,292,165.43
Other capital reserves	9,252,890,076.80	-	-	9,252,890,076.80
Total	18,725,003,503.18	720,322,867.56	46,144,128.51	19,399,182,242.23

Note: The decrease in capital premium for the current period is due to the merger of the same control to reduce the initial capital reserve.

34. Other Comprehensive Incomes

Item	December 31,2018	Current Period					December 31,2019
		Amount in current period before income tax	Less: Previously recognized in other comprehensive income transferred to profit or loss	Less: income tax	Amount attribute to parent company after tax	Amount attribute to non-controlling shareholders after tax	
Ⅰ. Other comprehensive incomes that cannot be reclassified into the profit and loss	-	-	-	-	-	-	-
Ⅱ. Other consolidate incomes that will be reclassified into profit and loss	1,360,798,120.79	-	261,549,901.27	-	261,549,901.27	-	1,099,248,219.52
Include: Conversion of inventory or self-use real estate to investment real estate	1,360,798,120.79	-	261,549,901.27	-	261,549,901.27	-	1,099,248,219.52
Other comprehensive Income Total	1,360,798,120.79	-	261,549,901.27	-	261,549,901.27	-	1,099,248,219.52

35. Surplus reserves

Item	December 31,2018	Increase in Current Period	Decrease in Current Period	December 31,2019
Statutory surplus reserve	201,481,504.62	3,382,168.32	-	204,863,672.94
Total	201,481,504.62	3,382,168.32	-	204,863,672.94

36. Undistributed profits

Item	2019	2018
Undistributed profit before adjustment at the end of the last year	2,199,523,444.58	1,916,930,330.05
Adjustment in the total undistributed profits at the beginning of year	-	21,661,335.55
Undistributed profit after adjustment at the beginning of year	2,199,523,444.58	1,938,591,665.60
Plus: net profit attributable to owners of the parent company for the current period	268,206,318.76	269,797,242.64
Less: Withdrawal of statutory surplus reserves	3,382,168.32	8,865,463.66
Withdrawal of discretionary surplus reserves	-	-
Withdrawal of general risk preparation	-	-
Ordinary share dividends payable	-	-
Conversion of ordinary share dividends into share capital	-	-
Undistributed profits at the end of the period	2,464,347,595.02	2,199,523,444.58

37. Operating income and operating costs

37.1 Basic situation of operating income and operating costs

Item	2019		2018	
	Operating income	Operating cost	Operating income	Operating cost
Main business	3,836,627,917.24	3,467,100,500.14	2,024,881,533.67	1,817,578,967.69
Other business	1,465,882,792.34	943,401,671.00	2,883,759,135.94	2,120,559,253.67
Total	5,302,510,709.58	4,410,502,171.14	4,908,640,669.61	3,938,138,221.36

37.2 The composition of the main business income and cost

Item	2019		2018	
	Operating income	Operating cost	Operating income	Operating cost
Auto City Project Sales	4,935,797.27	3,418,439.62	122,864,864.75	114,150,578.70
Resettlement housing sales	1,341,964,915.28	1,151,901,214.84	1,062,202,129.18	911,261,997.88
Construction	963,028,039.16	800,322,479.13	17,226,100.00	17,021,870.08

Item	2019		2018	
	Operating income	Operating cost	Operating income	Operating cost
Trading	1,494,012,183.03	1,478,912,295.38	767,657,909.18	748,603,133.87
Hotel management	-	-	6,487,983.03	5,387,303.01
Tuition and fees	32,601,268.21	32,458,071.17	25,520,435.85	21,047,604.56
Project management income	-	-	22,922,111.68	106,479.59
Parking lot rental income	85,714.29	88,000.00	-	-
Total	3,836,627,917.24	3,467,100,500.14	2,024,881,533.67	1,817,578,967.69

37.3The composition of other business income and cost

Item	2019		2018	
	Operating income	Operating cost	Operating income	Operating cost
Investment real estate	1,288,829,590.86	936,210,792.12	2,655,921,702.14	2,090,088,813.39
Other	177,053,201.48	7,190,878.88	227,837,433.80	30,470,440.28
Total	1,465,882,792.34	943,401,671.00	2,883,759,135.94	2,120,559,253.67

38. Business taxes and surcharges

Item	2019	2018
Business tax	1,434,844.09	53,080,979.34
Urban maintenance and construction tax	4,229,583.80	12,783,434.45
Education surcharge and local education surcharge	3,019,829.58	9,131,368.28
Stamp duty	2,052,797.20	6,537,591.30
Land value increment tax	109,348,641.43	122,303,105.03
Property tax	41,457,788.14	58,575,014.54
Land used tax	17,199,185.15	18,782,286.00
Environmental tax	942,791.11	-
Total	179,685,460.50	281,193,778.94

39. Administrative expenses

Item	2019	2018
Depreciation and amortization	23,796,119.33	23,696,396.66
wage	11,400,615.27	10,920,170.40
Welfare fee	1,392,186.40	941,314.77
Social Security and Provident Fund	3,038,885.00	2,876,644.33
Employee education expenses	33,331.00	55,293.58
Union funds	140,412.54	172,612.43
Travel expenses	21,575.10	448,762.59
Daily office expenses	535,990.16	624,766.46
Office equipment purchase fee	-	116,790.40
Intermediary agency consultation and service fee	3,935,865.22	4,140,147.72
Security cleaning service fee	2,798,280.64	2,392,271.64
Maintenance and renovation costs	-	1,494,629.47
Vehicle fee	114,470.61	123,786.20
Business Hospitality	88,858.66	308,212.06
Other fee	1,556,104.89	1,656,503.02
Total	48,852,694.82	49,968,301.73

40. Financial expenses

Item	2019	2018
Interest expenses	1,286,647,333.78	1,066,155,524.48
Less: Interest income	719,300,354.01	649,165,489.34
Plus: Losses from exchange loss (minus gain)	7,444,137.13	-7,001,809.84
Plus: Handling fees and other expenses	1,770,967.52	469,728.49
Plus: Financing costs	2,555,963.71	89,006,393.63
Total	579,118,048.13	499,464,347.42

41. Other income

Item	2019	2018
Government grants	431,222,896.00	234,065,000.00
Total	431,222,896.00	234,065,000.00

Note: Please refer to Note V-54. Government grants for details.

42. Investment income

Item	2019	2018
Investment income from long-term equity investments under the equity method	-29,300,914.54	-31,003,226.34
Investment income gained during the period of holding the available-for-sale financial assets and others	10,000,000.00	768,975.66
Investment income from disposing long-term equity investments	-	-114,080.15
Investment income from disposing available-for-sale financial assets	-	519,580.63
Others investment income from fund borrowing	210,625,651.35	68,413,859.77
Total	191,324,736.81	38,585,109.57

43. Gains or losses of fair value changes

Origins of gains or losses of fair value changes	2019	2018
Financial assets measured at fair value and changes through current profits or losses	-	-
Including: Gains or losses of fair value changes arising from derivative financial instruments	-	-
Financial liabilities measured at fair value and changes through current profits or losses	-	-
Investment properties measured at fair value	-338,892,552.17	-17,077,219.82
Total	-338,892,552.17	-17,077,219.82

44. Impairment losses ("-" for losses)

Item	2019	2018
Bad debts loss	-29,385,200.69	-58,703,313.19
Impairment losses on assets held for sale	-44,865,389.46	-
Total	-74,250,590.15	-58,703,313.19

45. Gains from disposal of assets

Item	2019	2018
Gains or losses from disposal of fixed assets	2,008,844.25	1,452,143.36
Total	2,008,844.25	1,452,143.36

46. Non-operating income

Item	2019	2018	The amount included in the extraordinary gains and losses of the current period
Receiving donations	-	-	-
Government grants	25,000.00	-	25,000.00
Fine income	-	8,594.00	-
Others	1.26	-	1.26
Total	25,001.26	8,594.00	25,001.26

Please refer to Note V-54. Government grants for more details about government grants.

47. Non-Operating Expenses

Item	2019	2018	The Amount Included in Extraordinary Gains & Losses in Previous Period
Donation expenditure	76,575.00	76,000.00	76,575.00
Fine expenditure	129.11	1,835,368.65	129.11
Other	33,730,082.04	20,123,526.62	33,730,082.04
Total	33,806,786.15	22,034,895.27	33,806,786.15

48. Income Tax Expense

Item	2019	2018
Current Period Income Tax	49,984,378.47	25,200,772.43
Deferred Income Tax	-89,207,059.48	-4,674,433.88
Previous income tax	-	10,242.80
Total	-39,222,681.01	20,536,581.35

49. Net other comprehensive income after tax

Please refer to Note V-34. Current period for details

50. Consolidated Cash Flow Items

50.1 Cash Received from Other Operation Activities

Item	2019	2018
Current payment	5,768,165,767.44	2,378,822,448.61
Government subsidy	450,248,560.20	277,091,600.00
Interest income	707,732,729.75	136,124,426.44
Other	18,025,001.26	43,138,378.36
Total	6,944,172,058.65	2,835,176,853.41

50.2 Cash Paid for Other Operating Activities

Item	2019	2018
Current payment	2,238,203,998.03	897,235,364.76
Expenses for the period	43,005,971.88	33,619,329.51
Total	2,281,209,969.91	930,854,694.27

50.3Cash Received from Other Investing Activities

Item	2019	2018
Interest-free fund borrowing	-	27,000,000.00
Total	-	27,000,000.00

50.4Cash Paid for Other Investing Activities

Item	2019	2018
Interest-free funds paid out	-	24,079,961.90
End-of-period cash balance of disposal of subsidiaries	-	1,437,463.79
Total	-	25,517,425.69

50.5Cash Received for Other Financing Activities

Item	2019	2018
Financing margin	26,800,900.00	41,500,000.00
Non-cash deposit	1,017,983,755.72	94,000,000.00
Total	1,044,784,655.72	135,500,000.00

50.6Cash Paid for Other Financing Activities

Item	2019	2018
Financing margin	2,595,900.00	-
Interest-bearing funds repaid	250,000,000.00	585,000,000.00
Non-cash deposit	202,474,153.21	770,166,933.00
Financing costs	2,555,963.71	154,488,725.92
Obtain the consideration of a subsidiary under the same control	46,144,128.51	-
Total	503,770,145.43	1,509,655,658.92

51. Supplementary Information to Consolidated Statement of Cash Flow

51.1 SupplementaryInformation to Consolidated Statement of Cash Flow

Item	2019	2018
1. Reconciliation of net profit to cash flow from operating activities		
Net Profit	300,631,797.08	295,393,647.02
Add: Provision for Asset Impairment	74,250,590.15	58,703,313.19
Depreciation of Fixed Asset, Oil & Gas Assets and Productive Biological Assets	20,564,145.34	18,964,992.45
Amortization of Intangible Assets	2,881,356.22	2,740,980.46
Amortization of Long-Term Deferred Expenses	5,826,543.97	2,072,715.30
Losses from Disposal of Fixed Assets, Intangible Assets and Other Long-Term Assets ("-" for gains)	-354,627,642.99	-567,285,069.60
Losses on Write-off of Fixed Assets ("-" for gains)	-	-
Losses from Changes in Fair Value ("-" for gains)	338,892,552.17	17,077,219.82

Item	2019	2018
Financial Expenses ("-" for gains)	1,296,348,904.40	1,148,160,108.27
Losses on Investments ("-" for gains)	-191,324,736.81	-38,585,109.57
Decrease in Deferred Tax Asset ("-" for gains)	-10,481,346.77	-6,792,525.00
Increase in Deferred Tax Liabilities ("-" for gains)	-78,725,712.71	2,118,091.12
Decrease in Inventory ("-" for gains)	1,220,346,191.89	662,086,963.70
Decrease in Operation Receivables ("-" for gains)	8,974,722,087.33	-2,305,784,475.58
Increase in Operation Payables ("-" for gains)	-7,759,200,658.72	6,651,548,249.20
Other	-	5,809,524.03
Net Cash Flow from Operating Activities	3,840,104,070.55	5,946,228,624.81
2.Significant Investing and Financing Activities not Involving Cash Flow:		
Conversion of Debt into Capital	-	-
Convertible Bonds Maturing within 1 Year	-	-
Fixed Assets Acquired under Financial Lease	-	-
3.Net Change in Cash & Cash Equivalents		
Closing Balance of Cash	656,477,423.69	861,313,603.61
Less: Opening Balance of Cash	861,313,603.61	1,519,000,748.88
Add: Closing Balance of Cash Equivalent	-	-
Less: Opening Balance of Cash Equivalents	-	-
Net Change in Cash and Cash Equivalents	-204,836,179.92	-657,687,145.27

Transfer amount of bank acceptance bills received by the company for sales of goods in the current year is RMB205,129,925.44.

51.2Composition of Cash & Cash Equivalent

Item	2019	2018
1. Cash	656,477,423.69	861,313,603.61

Item	2019	2018
Including: Cash on Hand	35,473.55	15,424.20
Unrestricted Bank Deposit	656,441,950.14	461,298,179.41
Other Unrestricted Cash & Cash Equivalents	-	400,000,000.00
Restricted Deposits in Central Bank	-	-
Inter-Bank Deposits	-	-
Inter-Bank Offers	-	-
II. Cash Equivalents	-	-
Including: Bond Investment Maturing within 3 Months	-	-
III. Closing Balance of Cash & Cash Equivalents	656,477,423.69	861,313,603.61

52. Assets with Restricted Ownership or Use Rights

Item	2019	2018
Cash & Cash Equivalents	2,165,062,874.45	Pledge
Notes Receivable	37,137,160.86	Pledge
Inventories	906,444.82	Mortgage
Fixed assets	47,939,498.96	Mortgage
Intangible assets	7,294,885.84	Mortgage
Investment real estate	6,048,158,005.43	Mortgage
Total	8,306,498,870.36	/

53. Foreign Currency Transactions

Item	December 31,2019 Foreign Currency	Exchange Rate	December 31,2019 CNY
Cash & Cash Equivalents			
Including: USD	27,537.02	6.9762	189,433.14
HKD	8,288,225.17	0.8958	7,254,692.28

54. Government grants

54.1 Details of government grants included in profit and loss or deduction of costs

Item	Related to Assets / Related to income	Amount	Presentation	Amount included in Profit or loss
New District Financial Development Support Fund	Related to income	430,000,000.00	Other income	430,000,000.00
Teaching subsidy	Related to income	1,222,896.00	Other income	1,222,896.00
Teaching subsidy	Related to income	25,000.00	Non-operating income	25,000.00
Transfer from deferred income	—	30,000,000.00	—	30,000,000.00
Total		461,247,896.00		461,247,896.00

54.2 Details of government grants recorded into deferred income

Item	Related to Assets / Related to income	December 31,2018	Increase in the current period	Transfer to profit or loss or deduction costs	other	December 31,2019	Presentation when transferring to profit or loss or deduction costs
Special guidance fund for building energy conservation and emission reduction in the central business district of Zhenjiang New District	Related to Assets	2,500,000.00	-	-	-	2,500,000.00	
Special Fund for Green Building Regional Demonstration in Central Business District	Related to Assets	1,430,000.00	-	-	-	1,430,000.00	
City Central Park Special Fund	Related to Assets	300,000.00	-	-	-	300,000.00	
Yaoqiao resettlement housing special subsidy	Related to Assets	30,000,000.00	-	30,000,000.00	-	-	Operating cost
2017 the central financial security housing project (shantytown renovation)	Related to Assets	3,026,600.00	14,023,100.00	-	-	17,049,700.00	
Abandoned mine remediation subsidy income	Related to Assets	43,827,608.70	-	-	-	43,827,608.70	
Fire protection, technical renovation, maintenance and renovation project funds	Related to Assets	-	3,412,064.20	-	-	3,412,064.20	
2018 the central government's special fund for the urban security housing project for shanty renovation	Related to Assets	-	1,590,500.00	-	-	1,590,500.00	
Total		81,084,208.70	19,025,664.20	30,000,000.00	-	70,109,872.90	

VI. Changes in Consolidated Scope

Business Combination under common Control

(1)Business Combination under Common Control during Current Period

Acquiree's name	Proportion of equity obtained in business combination	Basis for the form of the business combination under common control	Merger date	Basis for determining the merger date	Income of the merged party from the beginning of the current period to the date of the merger	Net profit of the merged party from the beginning of the current period to the date of the merger	Income of the merged party during the comparison period	Net profit of the merged party during the comparison period
Jiangsu Dingxin Construction Project Management Co., Ltd.	100.00%	Controlled by the same party before and after the merger	2019.12.31	Completion of consideration payment and industrial and commercial change registration	13,207,547.22	6,657,453.78	22,922,111.68	14,482,792.96

(2)Combination cost

Combination cost	Jiangsu Dingxin Construction Project Management Co., Ltd.
--Cash	46,144,128.51

(3)Identifiable assets and liabilities of acquires at the date of acquisition date

Item	Jiangsu Dingxin Construction Project Management Co., Ltd.	
	Merged date	December 31,2018
Assets:		
Money funds	32,044,574.31	4,797,700.54
Accounts receivable	32,541,324.05	18,669,508.25
Other receivables	76,435,000.00	60,411,499.08
Other current assets	240,643.00	240,643.00
Fixed assets	10,024.96	20,314.62
Intangible assets	168,000.00	196,000.00
Deferred tax assets	1,880,319.07	808,273.02
Liabilities:		
Taxes payable	4,053,482.15	7,135,330.07
Other payables	86,464,820.95	31,864,479.93
Net assets	52,801,582.29	46,144,128.51
Less: Minority shareholders' equity	-	-
Net assets acquired	52,801,582.29	46,144,128.51

VII. Interests in Other Entities

1. Interests in Subsidiaries

1.1 Group Composition:

Name of Subsidiary	Operation Site	Registration Place	Business Nature	Share-holding Ratio (%)		Way of obtaining
				Direct	Indirect	
Jiangsu Ruicheng Real Estate Development Co., Ltd.	Zhenjiang, Jiangsu	Zhenjiang, Jiangsu	Affordable housing construction, real estate development	88.64	-	Cash contribution
Zhenjiang Xinqu Software Industry Co., Ltd.	Zhenjiang, Jiangsu	Zhenjiang, Jiangsu	Infrastructure Development and Construction of Software Industrial Park	75.00	-	Cash contribution

Name of Subsidiary	Operation Site	Registration Place	Business Nature	Share-holding Ratio (%)		Way of obtaining
				Direct	Indirect	
Zhenjiang Xinyu Environmental Engineering Co., Ltd.	Zhenjiang, Jiangsu	Zhenjiang, Jiangsu	Comprehensive treatment of waters	75.00	-	Cash contribution
Jiangsu Ruisheng Supply Chain Management Co., Ltd.	Zhenjiang, Jiangsu	Zhenjiang, Jiangsu	Supply chain management, wholesale of precious metal products, land development, municipal public works	100.00	-	Cash contribution
Zhenjiang First Foreign Language School	Zhenjiang, Jiangsu	Zhenjiang, Jiangsu	Full-time elementary and secondary education	100.00	-	Cash contribution
Zhenjiang Ruihe Parking Lot Operation Management Co., Ltd.	Zhenjiang, Jiangsu	Zhenjiang, Jiangsu	Vehicle management, provision of parking services	100.00	-	Cash contribution
Nanjing Normal University affiliated Zhenjiang Kindergarten Co.,	Zhenjiang, Jiangsu	Zhenjiang, Jiangsu	Preschool education	100.00	-	Not yet funded
Jiangsu Dingxin Construction Project Management Co., Ltd.	Zhenjiang, Jiangsu	Zhenjiang, Jiangsu	Construction project supervision, construction project management services	100.00	-	Purchase

1.2 Important Non-Wholly-Owned Subsidiaries

Name of Subsidiary	Proportion of Share Holdings of Non-Controlling Shareholders (%)	Gains & Losses Attribute to Non-Controlling Shareholders during Current Period	Other comprehensive income attributable to minority shareholders for the year	Dividends Paid to Non-Controlling Shareholders during Current Period	Closing Balance of Non-Controlling Shareholders Interests
Jiangsu Ruicheng Real Estate Development Co., Ltd.	11.36	31,947,229.36	-422.87	-	788,850,247.38
Total	/	31,947,229.36	-422.87	-	788,850,247.38

1.3 Major Financial Information of Important Non-Wholly-Owned Subsidiaries

Item	December 31,2019	December 31,2018
	Jiangsu Ruicheng Real Estate Development Co., Ltd.	Jiangsu Ruicheng Real Estate Development Co., Ltd.
Current assets	8,914,643,216.21	11,850,547,421.84
Non-current assets	2,059,334,768.63	842,643,388.79

Total assets	10,973,977,984.84	12,693,190,810.63
Current liabilities	3,124,578,730.51	5,511,372,718.38
Non-current liabilities	721,994,963.93	518,935,690.00
Total Liabilities	3,846,573,694.44	6,030,308,408.38
Operating income	1,387,348,833.18	1,310,646,039.24
Net profit	281,225,610.53	214,288,325.53
Total comprehensive income	281,221,888.15	214,288,325.53
Cash flow from operating activities	-199,399,407.23	718,513,272.71

2. Interests in Joint Ventures or Associates

2.1 Important Joint Ventures or Associates

Name of Joint Venture/Associate	Operation Site	Registration Place	Business Nature	Shareholding Proportion (%)		Accounting Method
				Direct	Indirect	
Zhenjiang Ruikang Hospital Co., Ltd.	Zhenjiang New District	No. 2 DingmaoRende Road, Zhenjiang New District	Medical insurance	49.00	-	Equity method
Zhenjiang Biancheng Real Estate Co., Ltd.	Zhenjiang New District	No. 9 Panzong Road, High-tech Industrial Development Park, Zhenjiang New District	Real estate development	40.00	-	Equity method

2.2 Major Financial Information of Important Joint Ventures

Item	Closing Balance/Current Period Amount		Opening Balance/ Previous period Amount	
	Zhenjiang Ruikang Hospital Co., Ltd.	Zhenjiang Biancheng Real Estate Co., Ltd.	Zhenjiang Ruikang Hospital Co., Ltd.	Zhenjiang Biancheng Real Estate Co., Ltd.
Current Asset	34,795,539.16	613,697,793.71	50,601,280.53	352,202,608.49
Non-Current Asset	384,247,558.80	175,452.07	401,125,099.80	245,231.86
Total Asset	419,043,097.96	613,873,245.78	451,726,380.33	352,447,840.35
Current Liability	57,263,452.57	384,109,051.57	49,513,301.13	106,328,462.72
Non-Current Liability	177,920,703.59	-	171,907,522.77	-
Total Liability	235,184,156.16	384,109,051.57	221,420,823.90	106,328,462.72
Net assets	183,858,941.80	229,764,194.21	230,305,556.43	246,119,377.63
Net assets calculated based on shareholding ratio	90,090,881.48	91,905,677.68	112,849,722.65	98,447,751.05

Item	Closing Balance/Current Period Amount		Opening Balance/ Previous period Amount	
	Zhenjiang Ruikang Hospital Co., Ltd.	Zhenjiang Biancheng Real Estate Co., Ltd.	Zhenjiang Ruikang Hospital Co., Ltd.	Zhenjiang Biancheng Real Estate Co., Ltd.
Adjustments	-	-	-	-
—Goodwill	-	-	-	-
—Unrealized Profits from Internal Transactions	-	-5,809,524.03	-	-5,809,524.03
—Others	-	-	-	-
Book Value of Equity Investment in Joint Ventures	90,090,881.48	86,096,153.65	112,849,722.65	92,638,227.02
Fair Value of Equity Investment that has public quote	-	-	-	-
Operating Income	-	-	-	-
Net Profit	-46,446,614.63	-16,355,183.43	-53,521,049.26	-11,944,780.50
Other Comprehensive income	-	-	-	-
Total Comprehensive income	-46,446,614.63	-16,355,183.43	-53,521,049.26	-11,944,780.50
Dividends Received from Joint Ventures During the Period	-	-	-	-

2.3 Excess losses incurred by joint ventures or associates

(None)

2.4 Unconfirmed commitments related to joint venture investment

(None)

2.5Contingent liabilities related to joint ventures or associates

(None)

VIII. Fair Value Disclosure

1. Continuous measurement at fair value and discontinuous measurement at fair value

Item	December 31,2019 fair value			
	Measurement at fair value at the first level	Measurement at fair value at the second level	Measurement at fair value at the thirdlevel	Total
Ⅰ. Disclosure of continuous measurement at fair value				
Investment properties				
1.Land use right rent	-	-	-	-
2.Buildings rent	-	3,583,777,005.43	-	3,583,777,005.43
3.Land use right held for appreciation and sale	-	4,749,198,100.00	-	4,749,198,100.00
Total amount of assets measured at fair value continuously		8,332,975,105.43	-	8,332,975,105.43

2. Items measured at fair value continuously and discontinuously at the second level, valuation technique adopted and quantitative and qualitative information of important parameters

Item	Fair value at Dec 31st,2019	Valuation technique	Input value observable
Ⅰ. Disclosure of continuous measurement at fair value			
Investment properties			
1.Land use right rent	-		
2.Buildings rent	3,583,777,005.43	Income method/transfer price	
3.Land use right held for appreciation and sale	4,749,198,100.00	Market comparison method	
Total amount of assets measured at fair value continuously	8,332,975,105.43		

For the three projects of Twin Tower B, No. 466, Jing12 Road, Dingmao, Zhenjiang New District, the second phase of the elite apartment supporting room hotel (Mingdu Phase II), and the No. 2 building of Zhongrui (Zhenjiang) Ecological Industrial Park, the three projects have been signed Agreement and issue invoices, we use the transfer price agreed in the agreement as its ending fair value.

For investment real estate other than the above three projects, the Company entrusts an external appraiser to evaluate its fair value. According to the characteristics of different assets, the market comparison method and the income method are used respectively: the input used when evaluating the market comparison method, The value mainly includes the transaction price of similar assets in the active market, transaction status, transaction date, regional factors, etc.; when using the income method to evaluate, the input value used mainly includes the expected future rental income, discount rate, etc.

IX. Related Parties and Related Party Transactions

1. The Parent Company of the Company

Parent Company/Actual Controller	Registration Place	Business Nature	Registered Capital (million)	Shareholding Proportion by the Parent Company (%)	Voting rights Proportion by the Parent Company (%)
Jiangsu Hanrui Investment Holdings Co., Ltd.	Zhenjiang, Jiangsu	Infrastructure development and construction	5,500.00	61.23	61.23

2. Subsidiaries of the Company:

For details, please see Note VII.1.

3. Joint Venture and Associate of the Company

For details, please see Note VII.2.

Other joint ventures or associates that have related party transactions with the Company in the current period or in the previous period and result in balance are as follows:

Name of joint ventures or associate	Relationship with the Company
Zhenjiang Ruikang Hospital Co., Ltd.	Joint venture
Zhenjiang Biancheng Real Estate Co., Ltd.	Joint venture

4. Other Related Party of the Company

Name of Other Related Party	Relationship with the Company
Zhenjiang New District Management Committee	Substantive controlling party
Zhenjiang New District Transportation Construction Investment Co., Ltd.	Same parent company
Jiangsu Hanrui Engineering Co., Ltd.	Same parent company
Zhenjiang New Area Sme Investment Guarantee Co., Ltd.	Same parent company
Zhenjiang Xinnong Development Investment Co., Ltd.	Same parent company
Jiangsu Zhenjiang Economic Development Zone Public Utilities Co., Ltd.	Same parent company
Zhenjiang Export Processing Zone Gangcheng International Trade Co., Ltd.	Same parent company
Jiangsu Dagang Co., Ltd.	Same parent company
Jiangsu Hanrui Asset Management Co., Ltd.	Same parent company
Zhenjiang New Area Tongda Logistics Park Development Co., Ltd.	Same parent company

Name of Other Related Party	Relationship with the Company
Jiangsu Hanruijingang Financial Leasing Co., Ltd.	Same parent company
Jiangsu Hanrui Financial Leasing Co., Ltd.	Same parent company
Zhenjiang New District Jingang Rural Small Loan Co., Ltd.	Same parent company
Zhenjiang Riyue Lighting Co., Ltd.	Same parent company
Jiangsu Lianrui Asset Management Co., Ltd.	Same parent company
Jiangsu Hanrui Railway Investment Development Co., Ltd.	Same parent company
Jiangsu Hanrui Hotel Management Co., Ltd.	Same parent company
Zhenjiang Nongjia Agricultural Products Fresh Market Co., Ltd.	Same parent company
Jiangsu Dagang Real Estate Co., Ltd.	Same parent company
Zhenjiang Gangrun Property Co., Ltd.	Same parent company
Jiangsu Chuishan Tourism Culture Development Co., Ltd.	Controlled by the same substantial controller
Jiangsu Dingda Culture Media Co., Ltd.	Controlled by the same substantial controller
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	Controlled by the same substantial controller
Zhenjiang New District New Town Construction Co., Ltd.	Controlled by the same substantial controller
Zhenjiang New Area Security Housing Construction Development Co., Ltd.	Controlled by the same substantial controller
Zhenjiang Economic and Technological Development Zone Land Reserve Center	Controlled by the same substantial controller
Zhenjiang University Science Park Development Co., Ltd.	Controlled by the same substantial controller
Zhenjiang New District Xinggang Water Conservancy Development Co., Ltd.	Controlled by the same substantial controller
Zhenjiang Ganghe New Building Materials Co., Ltd.	Controlled by the same substantial controller
Zhenjiang New Area Greening and Gardening Engineering Company	Controlled by the same substantial controller
Zhenjiang Yinshan Capital Investment and Operation Co., Ltd.	Controlled by the same substantial controller
Zhenjiang New District Shanty Town Reconstruction and Development Co., Ltd.	Controlled by the same substantial controller
Zhenjiang Jiangdajiangkeda University Sci.&Tech. Park Co., Ltd.	Joint venture of the parent company

5. Related Party Transactions

5.1 Related Transactions of Purchase and Sales of Goods / Supply and Receipt of Services

Statements of Sales of Goods and Rendering of Service

Name of Related Party	Transaction	2019	2018
Zhenjiang New District Management Committee	Construction project	963,028,039.16	-
Zhenjiang New Area Security Housing Construction Development Co., Ltd.	Resettlement house	1,341,964,915.28	1,061,619,586.78
Zhenjiang Export Processing Zone Gangcheng International Trade Co., Ltd.	Polycrystalline cell	16,588,333.47	7,055,832.48
Zhenjiang Xinnong Development Investment Co., Ltd.	Dagang Farmers Market	-	17,226,100.00
Zhenjiang Biancheng Real Estate Co., Ltd.	Auto City Real Estate	-	122,864,864.75
Jiangsu Dagang Real Estate Co., Ltd.	Contract management	-	4,716.98
Jiangsu Zhenjiang Economic Development Zone Public Utilities Co., Ltd.	Contract management	-	471.70
Total		2,321,581,287.91	1,208,771,572.69

Statement of Purchase of Goods / Receipt of Services

Name of Related Party	Transaction	2019	2018
Zhenjiang Export Processing Zone Gangcheng International Trade Co., Ltd.	Latex, paint, printing paper	5,075,419.70	-
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	Steel	14,919,890.76	-
Zhenjiang Gangrun Property Co., Ltd.	Property costs	88,000.00	-
Total		20,083,310.46	-

5.2 Related Party Trusteeship and Entrust management

The Company as Lessor:

Name of Lessee	Type of Leased Asset	Leasehold Income Recognized during Current Reporting Period	Leasehold Income Recognized during Previous Reporting Period
Jiangsu Hanrui Asset Management Co., Ltd.	Investment real estate	170,636,181.85	
Jiangsu Hanrui Asset Management Co., Ltd.	Parking lot	85,714.29	

5.3 Related Party Guarantees

The Company as Guarantor

Name of Guarantor	Name of Guarantee	Amount of Guarantee (million)	Balance of Guarantee (million)	Starting Date of Guarantee	Ending Date of Guarantee	Has the Guarantee Been Performed or not
Zhenjiang New Area Urban Construction Investment CO., LTD.	Jiangsu Zhenjiang Economic Development Zone Public Utilities Co., Ltd.	227.48	227.48	2016/3/25	2021/12/20	NO
Zhenjiang New Area Urban Construction Investment CO., LTD.	Zhenjiang Economic and Technological Development Zone Land Reserve Center	1,500.00	688.00	2014/12/31	2022/12/29	NO
Zhenjiang New Area Urban Construction Investment CO., LTD.	Zhenjiang Ruikang Hospital Co., Ltd.	171.50	1.99	2016/11/25	2026/11/27	NO
Zhenjiang New Area Urban Construction Investment CO., LTD.	Zhenjiang New District Xinggang Water Conservancy Development Co., Ltd.	520.00	380.00	2013/11/22	2022/11/20	NO
Zhenjiang New Area Urban Construction Investment CO., LTD.	Jiangsu Hanrui Investment Holdings Co., Ltd.	400.00	171.60	2016/8/16	2021/8/15	NO
Zhenjiang New Area Urban Construction Investment CO., LTD.	Zhenjiang New District Shanty Town Reconstruction and Development Co., Ltd.	1,450.00	1,450.00	2018/5/4	2036/5/3	NO
Zhenjiang New Area Urban Construction Investment CO., LTD.	Zhenjiang New District Shanty Town Reconstruction and Development Co., Ltd.	700.00	700.00	2018/1/3	2023/1/2	NO
Zhenjiang New Area Urban Construction Investment CO., LTD.	Jiangsu Hanrui Investment Holdings Co., Ltd.	439.43	439.43	2019/8/1	2023/8/1	NO
Zhenjiang New Area Urban Construction Investment CO., LTD.	Jiangsu Hanrui Investment Holdings Co., Ltd.	102.74	102.74	2019/8/1	2023/8/1	NO
Zhenjiang New Area Urban Construction Investment CO., LTD.	Jiangsu Hanrui Investment Holdings Co., Ltd.	233.63	233.63	2019/1/4	2021/3/20	NO
Zhenjiang New Area Urban Construction Investment CO., LTD.	Zhenjiang New Area Greening and Gardening Engineering Company	104.40	104.40	2019/8/19	2020/3/18	NO

Name of Guarantor	Name of Guarantee	Amount of Guarantee (million)	Balance of Guarantee (million)	Starting Date of Guarantee	Ending Date of Guarantee	Has the Guarantee Been Performed or not
Zhenjiang New Area Urban Construction Investment CO., LTD.	Zhenjiang New Area Security Housing Construction Development Co., Ltd.	270.00	200.00	2019/3/20	2022/3/19	NO
Zhenjiang New Area Urban Construction Investment CO., LTD.	Jiangsu Dingda Culture Media Co., Ltd.	67.50	50.00	2019/1/10	2021/1/9	NO
Zhenjiang New Area Urban Construction Investment CO., LTD.	Zhenjiang Riyue Lighting Co., Ltd.	67.50	50.00	2019/1/16	2022/1/15	NO
Zhenjiang New Area Urban Construction Investment CO., LTD.	Zhenjiang Ganghe New Building Materials Co., Ltd.	108.00	80.00	2019/1/10	2021/1/9	NO
Zhenjiang New Area Urban Construction Investment CO., LTD.	Jiangsu Hanruijingang Financial Leasing Co., Ltd.	85.00	85.00	2019/10/17	2020/10/17	NO
Zhenjiang New Area Urban Construction Investment CO., LTD.	Jiangsu Chuishan Tourism Culture Development Co., Ltd.	141.00	141.00	2019/10/18	2020/10/18	NO
Zhenjiang New Area Urban Construction Investment CO., LTD.	Zhenjiang New District New Town Construction Co., Ltd.	350.70	148.65	2015/5/25	2020/9/20	NO
Zhenjiang New Area Urban Construction Investment CO., LTD.	Jiangsu Hanrui Engineering Co., Ltd.	38.00	38.00	2019/9/25	2020/9/25	NO
Zhenjiang New Area Urban Construction Investment CO., LTD.	Jiangsu Hanrui Investment Holdings Co., Ltd.	930.00	930.00	2015/11/12	2020/12/7	NO
Zhenjiang New Area Urban Construction Investment CO., LTD.	Jiangsu Hanrui Investment Holdings Co., Ltd.	70.00	70.00	2015/11/12	2020/12/7	NO
Zhenjiang New Area Urban Construction Investment CO., LTD.	Jiangsu Hanrui Investment Holdings Co., Ltd.	300.00	99.58	2016/4/27	2021/4/27	NO
Zhenjiang New Area Urban Construction Investment CO., LTD.	Jiangsu Hanrui Investment Holdings Co., Ltd.	581.82	581.82	2019/12/31	2024/12/30	NO
Zhenjiang New Area Urban Construction Investment CO., LTD.	Zhenjiang Xinnong Development Investment Co., Ltd.	215.63	215.63	2019/12/31	2024/12/30	NO

Name of Guarantor	Name of Guarantee	Amount of Guarantee (million)	Balance of Guarantee (million)	Starting Date of Guarantee	Ending Date of Guarantee	Has the Guarantee Been Performed or not
Zhenjiang New Area Urban Construction Investment CO., LTD.	Zhenjiang New Area Greening and Gardening Engineering Company	62.59	62.59	2019/12/31	2024/12/30	NO
Zhenjiang New Area Urban Construction Investment CO., LTD.	Zhenjiang New District Xinggang Water Conservancy Development Co., Ltd.	295.01	295.01	2019/12/31	2024/12/30	NO
Jiangsu Ruicheng Real Estate Development Co., Ltd.	Jiangsu Hanruijingang Financial Leasing Co., Ltd.	148.71	148.71	2018/10/15	2023/10/14	NO
Jiangsu Ruicheng Real Estate Development Co., Ltd.	Jiangsu Hanrui Investment Holdings Co., Ltd.	65.89	65.89	2019/6/22	2023/6/22	NO
Jiangsu Ruicheng Real Estate Development Co., Ltd.	Jiangsu Hanrui Investment Holdings Co., Ltd.	400.00	400.00	2019/9/19	2021/9/18	NO
Jiangsu Ruicheng Real Estate Development Co., Ltd.	Jiangsu Hanrui Asset Management Co., Ltd.	4.20	4.20	2019/6/26	2024/6/26	NO
Jiangsu Ruicheng Real Estate Development Co., Ltd.	Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	350.00	350.00	2019/6/12	2020/6/12	NO
Jiangsu Ruicheng Real Estate Development Co., Ltd.	Zhenjiang Ganghe New Building Materials Co., Ltd.	180.00	180.00	2019/12/26	2020/12/25	NO
Jiangsu Ruicheng Real Estate Development Co., Ltd.	Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	100.00	100.00	2019/5/30	2020/5/30	NO
Jiangsu Ruicheng Real Estate Development Co., Ltd.	Zhenjiang New Area Greening and Gardening Engineering Company	53.50	53.50	2019/6/12	2020/3/5	NO
Jiangsu Ruicheng Real Estate Development Co., Ltd.	Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	135.00	135.00	2019/7/30	2020/1/30	NO
Jiangsu Ruicheng Real Estate Development Co., Ltd.	Jiangsu Hanrui Investment Holdings Co., Ltd.	464.31	464.31	2018/8/6	2022/8/6	NO
Jiangsu Ruisheng Supply Chain	Zhenjiang Nongjia Agricultural Products Fresh	5.50	5.50	2019/12/29	2020/3/29	NO

Name of Guarantor	Name of Guarantee	Amount of Guarantee (million)	Balance of Guarantee (million)	Starting Date of Guarantee	Ending Date of Guarantee	Has the Guarantee Been Performed or not
Management Co., Ltd.	Market Co., Ltd.					
Jiangsu Ruisheng Supply Chain Management Co., Ltd.	Zhenjiang New Area Greening and Gardening Engineering Company	180.00	180.00	2019/11/18	2020/11/18	NO
Jiangsu Ruisheng Supply Chain Management Co., Ltd.	Zhenjiang New Area Greening and Gardening Engineering Company	20.00	20.00	2019/12/30	2020/3/30	NO
Total		11,539.04	9,653.66			

The Company as Guarantee

Name of Guarantor	Name of Guarantee	Amount of Guarantee (million)	Balance of Guarantee (million)	Starting Date of Guarantee	Ending Date of Guarantee	Has the Guarantee Been Performed or not
Jiangsu Hanrui Investment Holdings Co., Ltd.	Jiangsu Ruicheng Real Estate Development Co., Ltd.	350.00	241.00	2016/7/15	2020/10/31	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Jiangsu Ruicheng Real Estate Development Co., Ltd.	100.00	70.00	2018/2/11	2020/1/23	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Jiangsu Ruicheng Real Estate Development Co., Ltd.	480.00	34.00	2016/7/21	2020/6/30	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Jiangsu Ruicheng Real Estate Development Co., Ltd.	100.00	100.00	2018/3/21	2020/2/4	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Jiangsu Ruicheng Real Estate Development Co., Ltd.	238.00	238.00	2019/9/16	2029/8/29	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Jiangsu Ruicheng Real Estate Development Co., Ltd.	680.00	612.00	2019/6/28	2024/6/25	NO
Jiangsu Hanrui Asset Management Co., Ltd.	Zhenjiang First Foreign Language School	25.17	10.00	2018/11/21	2020/11/20	NO

Name of Guarantor	Name of Guarantee	Amount of Guarantee (million)	Balance of Guarantee (million)	Starting Date of Guarantee	Ending Date of Guarantee	Has the Guarantee Been Performed or not
Zhenjiang New Area Sme Investment Guarantee Co., Ltd.	Zhenjiang First Foreign Language School	30.00	30.00	2019/11/15	2020/11/14	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Zhenjiang First Foreign Language School	36.00		2018/11/20	2020/11/20	NO
Zhenjiang Xinnong Development Investment Co., Ltd. Jiangsu Hanrui Investment Holdings Co., Ltd.	Zhenjiang First Foreign Language School	15.00	15.00	2019/9/27	2020/9/25	NO
Jiangsu Hanrui Railway Investment Development Co., Ltd.	Jiangsu Ruisheng Supply Chain Management Co., Ltd.	300.00	300.00	2019/9/29	2020/9/28	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Jiangsu Ruisheng Supply Chain Management Co., Ltd.	200.00	200.00	2019/8/19	2020/3/18	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Jiangsu Ruisheng Supply Chain Management Co., Ltd.	170.00	170.00	2019/1/30	2020/1/30	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Jiangsu Ruisheng Supply Chain Management Co., Ltd.	130.00	130.00	2019/5/28	2020/5/27	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Jiangsu Ruisheng Supply Chain Management Co., Ltd.	100.00	100.00	2019/4/29	2021/4/29	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Jiangsu Ruisheng Supply Chain Management Co., Ltd.	95.99	95.99	2019/5/17	2021/5/17	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Zhenjiang New Area Urban Construction Investment CO., LTD.	153.34	150.76	2019/2/28	2020/2/25	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Zhenjiang New Area Urban Construction Investment CO., LTD.	600.00	420.00	2014/12/26	2024/12/24	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Zhenjiang New Area Urban Construction Investment CO., LTD.	282.00	253.80	2017/1/17	2023/1/17	NO

Name of Guarantor	Name of Guarantee	Amount of Guarantee (million)	Balance of Guarantee (million)	Starting Date of Guarantee	Ending Date of Guarantee	Has the Guarantee Been Performed or not
Jiangsu Hanrui Investment Holdings Co., Ltd.	Zhenjiang New Area Urban Construction Investment CO., LTD.	218.00	196.20	2017/2/13	2023/1/17	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Zhenjiang New Area Urban Construction Investment CO., LTD.	250.00	181.50	2015/5/27	2025/5/20	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Zhenjiang New Area Urban Construction Investment CO., LTD.	140.00	140.00	2019/3/26	2021/3/31	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Zhenjiang New Area Urban Construction Investment CO., LTD.	400.00	400.00	2016/6/21	2021/6/21	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Zhenjiang New Area Urban Construction Investment CO., LTD.	300.00	205.00	2017/1/25	2020/1/20	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Zhenjiang New Area Urban Construction Investment CO., LTD.	530.00	530.00	2019/2/18	2026/2/11	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Zhenjiang New Area Urban Construction Investment CO., LTD.	300.00	300.00	2017/9/13	2020/9/11	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Zhenjiang New Area Urban Construction Investment CO., LTD.	180.00	180.00	2019/11/22	2021/11/19	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Zhenjiang New Area Urban Construction Investment CO., LTD.	20.00	20.00	2019/12/5	2021/11/25	NO
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	Zhenjiang New Area Urban Construction Investment CO., LTD.	600.00	600.00	2018/1/12	2020/1/13	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Zhenjiang New Area Urban Construction Investment CO., LTD.	250.00	175.00	2018/12/28	2020/9/21	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Zhenjiang New Area Urban Construction Investment CO., LTD.	97.45	97.45	2019/11/15	2021/11/15	NO

Name of Guarantor	Name of Guarantee	Amount of Guarantee (million)	Balance of Guarantee (million)	Starting Date of Guarantee	Ending Date of Guarantee	Has the Guarantee Been Performed or not
Jiangsu Hanrui Investment Holdings Co., Ltd.	Zhenjiang New Area Urban Construction Investment CO., LTD.	199.20	199.20	2018/12/28	2020/9/21	NO
Jiangsu Hanrui Investment Holdings Co., Ltd. Jiangsu Lianrui Asset Management Co., Ltd.	Zhenjiang New Area Urban Construction Investment CO., LTD.	250.00	250.00	2019/2/28	2022/2/27	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Zhenjiang New Area Urban Construction Investment CO., LTD.	50.70	50.70	2019/11/1	2021/12/6	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Zhenjiang New Area Urban Construction Investment CO., LTD.	333.00	333.00	2019/12/31	2021/12/30	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Zhenjiang New Area Urban Construction Investment CO., LTD.	750.00	300.00	2014/1/16	2021/1/15	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Zhenjiang New Area Urban Construction Investment CO., LTD.	750.00	300.00	2014/2/26	2021/2/25	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Zhenjiang New Area Urban Construction Investment CO., LTD.	1,160.00	928.00	2016/7/18	2023/7/18	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Zhenjiang New Area Urban Construction Investment CO., LTD.	900.00	900.00	2017/12/13	2020/12/13	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Zhenjiang New Area Urban Construction Investment CO., LTD.	1,150.00	1,150.00	2018/12/21	2023/12/21	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Zhenjiang New Area Urban Construction Investment CO., LTD.	323.82	210.00	2018/8/13	2023/8/13	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Zhenjiang New Area Urban Construction Investment CO., LTD.	236.04	150.00	2019/7/31	2022/9/29	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Zhenjiang New Area Urban Construction Investment CO., LTD.	236.04	150.00	2019/7/31	2022/9/29	NO

Name of Guarantor	Name of Guarantee	Amount of Guarantee (million)	Balance of Guarantee (million)	Starting Date of Guarantee	Ending Date of Guarantee	Has the Guarantee Been Performed or not
Jiangsu Hanrui Investment Holdings Co., Ltd.	Zhenjiang New Area Urban Construction Investment CO., LTD.	236.04	150.00	2018/9/10	2022/9/10	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Zhenjiang New Area Urban Construction Investment CO., LTD.	236.04	150.00	2018/9/10	2022/9/10	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Zhenjiang New Area Urban Construction Investment CO., LTD.	114.95	63.07	2017/9/22	2022/9/22	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Zhenjiang New Area Urban Construction Investment CO., LTD.	340.82	174.15	2017/9/29	2022/9/29	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Zhenjiang New Area Urban Construction Investment CO., LTD.	337.73	150.00	2017/1/15	2022/1/15	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Zhenjiang New Area Urban Construction Investment CO., LTD.	150.00	55.00	2017/6/18	2020/6/18	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Zhenjiang New Area Urban Construction Investment CO., LTD.	150.00	150.00	2017/6/18	2020/6/18	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Zhenjiang New Area Urban Construction Investment CO., LTD.	50.00	50.00	2019/9/10	2020/8/5	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Zhenjiang New Area Urban Construction Investment CO., LTD.	146.73	146.73	2019/1/18	2020/12/12	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Zhenjiang New Area Urban Construction Investment CO., LTD.	164.42	164.42	2018/3/15	2020/12/12	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Zhenjiang Xinyu Environmental Engineering Co., Ltd.	400.00	145.00	2013/10/12	2022/12/27	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Zhenjiang Ruihe Parking Lot Operation Management Co., Ltd.	278.13	278.13	2019/5/24	2027/1/20	NO
Jiangsu Hanrui Investment Holdings Co., Ltd.	Zhenjiang Ruihe Parking Lot Operation Management Co., Ltd.	29.11	29.11	2019/6/25	2028/11/21	NO

Name of Guarantor	Name of Guarantee	Amount of Guarantee (million)	Balance of Guarantee (million)	Starting Date of Guarantee	Ending Date of Guarantee	Has the Guarantee Been Performed or not
Jiangsu Hanrui Investment Holdings Co., Ltd.	Zhenjiang Ruihe Parking Lot Operation Management Co., Ltd.	64.48	64.48	2019/6/14	2028/4/21	NO
Zhenjiang New Area Greening and Gardening Engineering Company	Jiangsu Ruisheng Supply Chain Management Co., Ltd.	200.00	200.00	2019/3/27	2020/3/27	NO
Zhenjiang New Area Greening and Gardening Engineering Company	Jiangsu Ruisheng Supply Chain Management Co., Ltd.	30.00	30.00	2019/4/18	2020/4/18	NO
Total		16,638.20	13,116.69			

5.4 Funds borrowing from related parties

Related party	Loan amount	Starting date	Ending date	Interest rate	Remark
Borrowed in funds					
Jiangsu Hanruijingang Financial Leasing Co., Ltd.	50,000,000.00	2019/9/10	2020/8/5	7.00%	
Jiangsu Hanruijingang Financial Leasing Co., Ltd.	150,000,000.00	2017/6/18	2020/6/18	6.50%	
Jiangsu Hanrui Financial Leasing Co., Ltd.	55,000,000.00	2017/6/18	2020/6/18	6.50%	
Total	255,000,000.00				
Borrowed out funds					
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	2,420,000,000.00	2018/12/30	2021/12/29	1.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	50,000,000.00	2019/8/19	2022/8/18	3.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	52,000,000.00	2019/9/6	2022/9/5	3.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	106,000,000.00	2019/9/18	2022/9/17	3.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	50,000,000.00	2019/9/20	2022/9/19	3.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	56,000,000.00	2019/11/17	2022/11/17	3.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	280,000,000.00	2019/12/31	2022/12/30	3.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	280,000,000.00	2019/12/31	2022/12/30	3.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	500,000,000.00	2017/1/3	2020/1/2	1.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	400,000,000.00	2017/1/16	2020/1/15	1.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	400,000,000.00	2017/9/20	2020/9/19	1.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	90,000,000.00	2017/3/16	2020/3/15	1.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	300,000,000.00	2018/9/30	2021/9/29	1.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	200,000,000.00	2018/9/30	2021/9/29	1.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	830,000,000.00	2018/10/31	2021/10/30	1.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	296,500,000.00	2018/11/24	2021/11/23	1.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	293,000,000.00	2018/11/24	2021/11/23	1.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	99,000,000.00	2018/11/29	2021/11/28	1.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	100,000,000.00	2018/12/15	2021/12/14	1.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	100,000,000.00	2018/12/21	2021/12/20	1.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	216,000,000.00	2018/12/31	2021/12/30	1.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	20,000,000.00	2018/12/31	2021/12/30	1.00%	

Related party	Loan amount	Starting date	Ending date	Interest rate	Remark
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	70,000,000.00	2018/12/31	2021/12/30	1.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	100,000,000.00	2018/12/31	2021/12/30	1.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	90,000,000.00	2018/12/31	2021/12/30	1.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	480,000,000.00	2018/12/24	2021/12/23	1.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	970,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	181,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	200,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	150,075,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	59,600,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	32,500,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	40,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	3,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	5,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	120,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	410,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	26,400,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	320,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	500,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	200,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	250,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	1,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	150,000.00	2019/7/5	2022/7/4	3.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	900,000.00	2019/7/8	2022/7/7	3.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	50,000.00	2019/7/10	2022/7/9	3.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	2,940,000.00	2019/7/23	2022/7/22	3.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	150,000,000.00	2019/8/26	2022/8/25	3.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	300,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	105,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	100,000,000.00	2019/9/17	2022/9/16	3.00%	

Related party	Loan amount	Starting date	Ending date	Interest rate	Remark
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	217,000,000.00	2019/12/24	2022/12/23	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	50,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	60,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	20,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	30,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	30,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	100,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	350,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	11,224,100.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	10,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	4,540,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	5,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	233,400,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	500,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	14,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	1,050,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	890,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	2,840,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	8,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	3,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	3,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	200,140,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	5,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	32,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	10,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	50,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	50,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	321,762,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	2,900,000.00	2019/7/1	2022/6/30	3.00%	

Related party	Loan amount	Starting date	Ending date	Interest rate	Remark
Zhenjiang New District Transportation Construction Investment Co., Ltd.	8,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	100,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	50,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	250,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	20,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	100,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	20,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	20,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	42,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	4,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	10,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	32,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	5,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	15,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	10,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	40,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	8,600,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	72,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	72,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	72,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	5,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	4,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	5,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	5,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	2,000,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	3,000,000.00	2019/8/1	2022/7/29	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	5,000,000.00	2019/8/2	2022/8/1	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	19,830,000.00	2019/8/6	2022/8/5	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	2,000,000.00	2019/8/20	2022/8/19	3.00%	

Related party	Loan amount	Starting date	Ending date	Interest rate	Remark
Zhenjiang New District Transportation Construction Investment Co., Ltd.	10,000,000.00	2019/9/10	2022/9/9	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	300,000.00	2019/9/16	2022/9/15	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	28,000,000.00	2019/9/25	2022/9/24	3.00%	
Zhenjiang New District Transportation Construction Investment Co., Ltd.	1,048,000,000.00	2019/7/10	2022/7/9	3.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	45,000,000.00	2019/5/26	2022/5/25	1.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	8,000,000.00	2019/6/13	2022/6/12	1.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	35,000,000.00	2019/8/31	2022/8/30	3.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	792,000,000.00	2019/9/27	2022/9/26	3.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	4,750,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	15,500,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	4,700,000.00	2019/7/1	2022/6/30	3.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	294,852,600.00	2019/8/14	2022/8/13	3.00%	
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	7,920,000.00	2019/9/26	2022/9/25	3.00%	
Zhenjiang New District New Town Construction Co., Ltd.	156,000,000.00	2019/9/30	2022/9/29	3.00%	
Zhenjiang New District New Town Construction Co., Ltd.	90,000,000.00	2019/9/30	2022/9/29	3.00%	
Zhenjiang New District New Town Construction Co., Ltd.	350,000,000.00	2019/9/30	2022/9/29	3.00%	
Zhenjiang New District New Town Construction Co., Ltd.	28,000,000.00	2019/9/30	2022/9/29	3.00%	
Zhenjiang New District New Town Construction Co., Ltd.	270,000,000.00	2019/9/30	2022/9/29	3.00%	
Zhenjiang New District New Town Construction Co., Ltd.	42,680,000.00	2019/9/30	2022/9/29	3.00%	
Zhenjiang New District New Town Construction Co., Ltd.	175,000,000.00	2019/9/30	2022/9/29	3.00%	
Zhenjiang New Area Security Housing Construction Development Co., Ltd.	15,000,000.00	2019/9/27	2020/9/25	6.038%	
Zhenjiang New Area Security Housing Construction Development Co., Ltd.	30,000,000.00	2019/11/15	2020/11/14	6.038%	
Zhenjiang New Area Security Housing Construction Development Co., Ltd.	10,000,000.00	2019/11/12	2020/11/10	6.038%	
Zhenjiang New Area Security Housing Construction Development Co., Ltd.	45,000,000.00	2019/6/24	2020/6/19	7.314%	
Zhenjiang New Area Security Housing Construction Development Co., Ltd.	300,000,000.00	2019/9/29	2020/9/28	4.842%	
Zhenjiang New Area Security Housing Construction Development Co., Ltd.	10,000,000.00	2019/10/23	2020/10/22	5.994%	
Total	16,651,493,700.00				

5.5 Related Party Asset Transfer & Debt Restructuring

Related Party	Transaction	2019	2018
Zhenjiang Economic and Technological Development Zone Land Reserve Center	Land	758,793,600.00	1,777,294,464.00
Zhenjiang New Area Security Housing Construction Development Co., Ltd.	Real estate	529,473,142.86	-
Jiangsu Hanrui Asset Management Co., Ltd.	Real estate	-	878,627,238.14
Jiangsu Hanrui Asset Management Co., Ltd.	Investment income	-	-463,280.15
Zhenjiang New Area Security Housing Construction Development Co., Ltd.	Investment income	-	868,780.63

5.6Other related party transactions

Related party	Transaction	2019	2018
Zhenjiang New District Management Committee	Interest income	652,500,000.00	583,542,600.00
	Subtotal of interest income	652,500,000.00	583,542,600.00
Zhenjiang New District Management Committee	Government subsidies	430,000,000.00	232,000,000.00
	Subtotal of government subsidies	430,000,000.00	232,000,000.00
Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	Funds borrowing income	140,115,812.03	66,339,622.68
Zhenjiang New Area Security Housing Construction Development Co., Ltd.	Funds borrowing income	9,788,720.25	1,430,571.46
Zhenjiang New District Transportation Construction Investment Co., Ltd.	Funds borrowing income	37,120,171.32	-
Zhenjiang New District New Town Construction Co., Ltd.	Funds borrowing income	22,069,858.22	-
Zhenjiang Ruikang Hospital Co., Ltd.	Funds borrowing income	1,526,694.88	-
	Subtotal of Funds Borrowing Income	210,621,256.70	67,770,194.14
Jiangsu Hanrui Financial Leasing Co., Ltd.	Interest expense	13,325,000.00	18,918,391.11
Jiangsu Hanruijingang Financial Leasing Co., Ltd.	Interest expense	23,348,930.56	15,094,351.00
Jiangsu Lianrui Asset Management Co., Ltd.	Interest expense	18,971,527.77	20,194,444.45
	Subtotal of interest expense	55,645,458.33	54,207,186.56
Jiangsu Dagang Co., Ltd.	Subsidy expenditure	19,322,886.00	18,976,886.00
	Subtotal of subsidy expenditure	19,322,886.00	18,976,886.00
Jiangsu Hanruijingang Financial Leasing Co., Ltd.	Compensation expenditure	14,000,000.00	-
	Subtotal of compensation expenditure	14,000,000.00	-
Zhenjiang New Area Sme Investment Guarantee Co., Ltd.	Investment income	10,000,000.00	-
	Subtotal of investment income	10,000,000.00	-

6. Receivables and Payables of Related Parties

6.1Receivables

Item	Related Party	December 31,2019		December 31,2018	
		Book Balance	Provision for Bad Debt	Book Balance	Provision for Bad Debt
Accounts receivable	Zhenjiang New District Management Committee	1,592,159,970.29	-	600,241,089.94	-
Accounts receivable	Zhenjiang Jiangdajiangkeda University Sci.&Tech. Park Co., Ltd.	1,800.00	-	-	-
Accounts receivable	Jiangsu Chuishan Tourism Culture Development Co., Ltd.	147,943,900.00	-	147,943,900.00	-
Accounts receivable	Zhenjiang Economic and Technological Development Zone Land Reserve Center	-	-	2,887,693,494.00	-
Accounts receivable	Zhenjiang Xinnong Development Investment Co., Ltd.	18,948,710.00	-	18,948,710.00	-
Accounts receivable	Jiangsu Hanrui Asset Management Co., Ltd.	-	-	9,679,916.46	-
Accounts receivable	Jiangsu Hanrui Investment Holdings Co., Ltd.	605,600.00	-	605,600.00	-
Accounts receivable	Zhenjiang New District Transportation Construction Investment Co., Ltd.	533,000.00	-	533,000.00	-
Accounts receivable	Jiangsu Zhenjiang Economic Development Zone Public Utilities Co., Ltd.	500.00	-	500.00	-
Total accounts receivable		1,760,193,480.29	-	3,665,646,210.40	-
Dividend receivable	Zhenjiang New District Jingang Rural Small Loan Co., Ltd.	2,621,475.35	-	2,621,475.35	-
Total dividends receivable		2,621,475.35	-	2,621,475.35	-

Item	Related Party	December 31,2019		December 31,2018	
		Book Balance	Provision for Bad Debt	Book Balance	Provision for Bad Debt
Other receivables	Zhenjiang New District Management Committee	7,959,843,022.86	-	6,206,492,439.59	-
Other receivables	Zhenjiang New District Transportation Construction Investment Co., Ltd.	1,794,683,582.95	-	3,865,824,466.56	-
Other receivables	Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	640,473,700.48	-	113,073,000.66	-
Other receivables	Zhenjiang New District New Town Construction Co., Ltd.	295,045,670.74	-	487,680,000.00	-
Other receivables	Zhenjiang New Area Sme Investment Guarantee Co., Ltd.	11,530,000.00	-	11,530,000.00	-
Other receivables	Zhenjiang Ruikang Hospital Co., Ltd.	26,198,258.47	-	24,579,961.90	-
Other receivables	Zhenjiang Riyue Lighting Co., Ltd.	1,000,000.00	-	1,000,000.00	-
Other receivables	Zhenjiang Xinnong Development Investment Co., Ltd.	143,158.15	-	143,158.15	-
Other receivables	Jiangsu Hanrui Investment Holdings Co., Ltd.	4,110,455,815.77	-	5,156,016,897.49	-
Other receivables	Jiangsu Hanruijingang Financial Leasing Co., Ltd.	-	-	14,000,000.00	-
Other receivables	Jiangsu Hanrui Engineering Co., Ltd.	395,766,982.62	-	474,970,208.45	-
Other receivables	Zhenjiang University Science Park Development Co., Ltd.	115,819,025.67	-	115,819,025.67	-

Item	Related Party	December 31,2019		December 31,2018	
		Book Balance	Provision for Bad Debt	Book Balance	Provision for Bad Debt
Other receivables	Jiangsu Hanrui Railway Investment Development Co., Ltd.	313,271,095.35	-	2,824,161,304.02	-
Other receivables	Zhenjiang New Area Security Housing Construction Development Co., Ltd.	426,609,889.03	-	40,868,780.63	-
Other receivables	Zhenjiang New Area Tongda Logistics Park Development Co., Ltd.	81,687,390.84	-	36,232,793.33	-
Other receivables	Jiangsu Dagang Co., Ltd.	-	-	23,114.00	-
Other receivables	Zhenjiang Jiangdajiangkeda University Sci.&Tech. Park Co., Ltd.	1,416,000.00	-	1,416,000.00	-
Other receivables	Zhenjiang New Area Greening and Gardening Engineering Company	276,712,858.95	-	-	-
Other receivables	Zhenjiang New District Shanty Town Reconstruction and Development Co., Ltd.	637,806,110.05	-	-	-
Other receivables	Jiangsu Hanrui Asset Management Co., Ltd.	135,860.60	-	-	-
Total other receivables		17,088,598,422.53	-	19,373,831,150.45	-
Non-current assets due within 1 year	Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	1,390,000,000.00	-	3,222,000,000.00	-
Total non-current assets due within 1 year		1,390,000,000.00	-	3,222,000,000.00	-

Item	Related Party	December 31,2019		December 31,2018	
		Book Balance	Provision for Bad Debt	Book Balance	Provision for Bad Debt
Other current assets	Zhenjiang New Area Security Housing Construction Development Co., Ltd.	410,000,000.00	-	80,000,000.00	-
Total other current assets		410,000,000.00	-	80,000,000.00	-
Other non-current assets	Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	10,052,827,600.00	-	7,004,500,000.00	-
Other non-current assets	Zhenjiang New District New Town Construction Co., Ltd.	2,159,680,000.00	-	-	-
Other non-current assets	Zhenjiang New District Transportation Construction Investment Co., Ltd.	2,638,986,100.00	-	-	-
Total other non-current assets		14,851,493,700.00	-	7,004,500,000.00	-

6.2Payables

Item	Related Party	December 31,2019	December 31,2018
Other payables	Zhenjiang New District Management Committee	280,177,800.00	285,756,613.72
Other payables	Zhenjiang New District Transportation Construction Investment Co., Ltd.	2,051,030.60	-
Other payables	Jiangsu Dagang Co., Ltd.	19,322,886.00	-
Other payables	Zhenjiang New Area Greening and Gardening Engineering Company	50,000.00	-
Other payables	Jiangsu Lianrui Asset Management Co., Ltd.	-	250,000,000.00
Other payables	Zhenjiang New District New Town Construction Co., Ltd.	-	73,469,831.30
Other payables	Jiangsu Hanrui Investment Holdings Co., Ltd.	-	161,519,479.90
Other payables	Zhenjiang New Area Security Housing Construction Development Co., Ltd.	-	160,487,731.53

Item	Related Party	December 31,2019	December 31,2018
Other payables	Jiangsu Hanrui Hotel Management Co., Ltd.	6,350,000.00	6,350,000.00
Other payables	Zhenjiang New District Shanty Town Reconstruction and Development Co., Ltd.	-	908,606,969.86
Other payables	Zhenjiang Xinnong Development Investment Co., Ltd.	-	54,000,000.00
Other payables	Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	-	1,000.00
Total other payables		307,951,716.60	1,900,191,626.31
Accounts payable	Zhenjiang Riyue Lighting Co., Ltd.	5,514,618.00	5,404,618.00
Accounts payable	Jiangsu Hanrui Engineering Co., Ltd.	40,000.00	40,000.00
Total accounts payable		5,554,618.00	5,444,618.00
Bills payable	Zhenjiang Export Processing Zone Urban Investment Materials Development Co., Ltd.	150,000,000.00	170,000,000.00
Bills payable	Zhenjiang New Area Greening and Gardening Engineering Company	230,000,000.00	-
Total bills payable		380,000,000.00	170,000,000.00
Advance receipt	Zhenjiang New District Management Committee	189,609,188.00	189,609,188.00
Advance receipt	Zhenjiang New Area Security Housing Construction Development Co., Ltd.	1,222,555,355.73	1,660,117,297.74
Advance receipt	Zhenjiang Yinshan Capital Investment and Operation Co., Ltd.	542,950,971.44	-
Advance receipt	Jiangsu Hanrui Asset Management Co., Ltd.	375,976,969.10	-
Total advance receipt		2,331,092,484.27	1,849,726,485.74
Other current liabilities	Jiangsu Hanruijingang Financial Leasing Co., Ltd.	50,000,000.00	285,000,000.00
Total other current liabilities		50,000,000.00	285,000,000.00
Non-current liabilities due within 1 year	Jiangsu Hanruijingang Financial Leasing Co., Ltd.	150,000,000.00	-
Non-current liabilities due within 1 year	Jiangsu Hanrui Financial Leasing Co., Ltd.	55,000,000.00	-

Item	Related Party	December 31,2019	December 31,2018
Total non-current liabilities due within 1 year		205,000,000.00	-
Long-term payables	Jiangsu Hanrui Financial Leasing Co., Ltd.	-	205,000,000.00
Total long-term payables		-	205,000,000.00

X. Commitments and Contingencies

1. Commitment Issue

As of December 31, 2019, the Company has no major commitments that need to be disclosed.

2. Contingencies

External guarantees

Name of guarantor	Name of guarantee	Amount of guarantee (million)	Balance of guarantee (million)	Starting date of guarantee	Ending date of guarantee	Has the guarantee been performed or not
Group guarantee						
Zhenjiang New Area Urban Construction Investment CO., LTD.	Jiangsu Ruisheng Supply Chain Management Co., Ltd.	700.00	553.39	2016/1/29	2031/1/28	NO
Zhenjiang New Area Urban Construction Investment CO., LTD.	Jiangsu Ruisheng Supply Chain Management Co., Ltd.	400.00	305.00	2016/6/30	2021/12/30	NO
Zhenjiang New Area Urban Construction Investment CO., LTD.	Zhenjiang Xinyu Environmental Engineering Co., Ltd.	410.28	60.00	2011/11/30	2021/11/30	NO
Zhenjiang New Area Urban Construction Investment CO., LTD.	Zhenjiang Xinyu Environmental Engineering Co., Ltd.	400.00	145.00	2013/10/12	2022/12/27	NO
Zhenjiang New Area Urban Construction Investment CO., LTD.	Jiangsu Ruicheng Real Estate Development Co., Ltd.	98.86	98.86	2015/12/30	2020/12/24	NO
Zhenjiang New Area Urban Construction Investment CO., LTD.	Jiangsu Ruicheng Real Estate Development Co., Ltd.	136.36	136.36	2015/9/28	2020/9/13	NO
Zhenjiang New Area Urban Construction Investment CO., LTD.	Jiangsu Ruicheng Real Estate Development Co., Ltd.	64.77	64.77	2015/12/20	2020/10/18	NO
Zhenjiang New Area Urban Construction Investment CO., LTD.	Jiangsu Ruicheng Real Estate Development Co., Ltd.	680.00	612.00	2019/6/28	2024/6/25	NO
Zhenjiang New Area Urban Construction Investment CO., LTD.	Jiangsu Ruicheng Real Estate Development Co., Ltd.	241.00	241.00	2016/7/15	2020/10/31	NO
Zhenjiang New Area Urban Construction Investment CO., LTD.	Jiangsu Ruicheng Real Estate Development Co., Ltd.	50.00	50.00	2018/2/11	2020/1/23	NO
Zhenjiang New Area Urban Construction Investment CO., LTD.	Jiangsu Ruicheng Real Estate Development Co., Ltd.	20.00	20.00	2018/3/8	2020/1/23	NO
Total Group guarantee		3,201.27	2,286.38			
Out-of-group guarantee						
1. Guarantee to related parties		11,539.04	9,653.66		Note IX. 5(3)	
2. Guarantee to non-related parties						
Zhenjiang New Area Urban Construction Investment CO., LTD.	Zhenjiang New District Municipal Public Utilities Company	250.00	250.00	2019/6/26	2020/6/26	NO

Name of guarantor	Name of guarantee	Amount of guarantee (million)	Balance of guarantee (million)	Starting date of guarantee	Ending date of guarantee	Has the guarantee been performed or not
Zhenjiang New Area Urban Construction Investment CO., LTD.	Zhenjiang New District Municipal Public Utilities Company	200.00	200.00	2019/3/4	2020/3/4	NO
Zhenjiang New Area Urban Construction Investment CO., LTD.	Zhenjiang New District Municipal Public Utilities Company	200.00	200.00	2019/3/4	2020/3/4	NO
Zhenjiang New Area Urban Construction Investment CO., LTD.	Zhenjiang New District Municipal Public Utilities Company	301.88	301.88	2019/12/31	2024/12/30	NO
Jiangsu Ruisheng Supply Chain Management Co., Ltd.	Zhenjiang Pingchang Agricultural and Sideline Products Direct Market Co., Ltd.	5.50	5.50	2019/12/29	2020/3/29	NO
Subtotal		957.38	957.38			
Total Out-of-group guarantee		12,496.42	10,611.04			
Total		15,697.69	12,897.42			

XI. Post Balance Sheet Event

As of the date of approval of this financial statement, the Company has no matters after the balance sheet date that need to be disclosed.

XII. Other Important Information

During the reporting period, there were no major prior-period error corrections and other important matters that need to be disclosed.

XIII. Notes to the Main Items of the Financial Statements of Parent Company (All amounts are expressed in Renminbi yuan unless otherwise stated)

1. Accounts receivable

1.1 An analysis of accounts receivable by categories

Type	December 31,2019				
	Book balance	Proportion (%)	Provision for bad debt	Provision Proportion (%)	Book value
Accounts receivable with significant single amount for which bad debt provision separately accrued	-	-	-	-	-
Accounts receivable whose bad debt provisions are made by credit risk characteristics portfolio	1,368,620,558.35	100.00	-	-	1,368,620,558.35
Including: aging portfolios	-	-	-	-	-
Other portfolios	1,368,620,558.35	100.00	-	-	1,368,620,558.35
Accounts receivable with insignificant single amount for which bad debt provision separately accrued	-	-	-	-	-
Total	1,368,620,558.35	100.00	-	/	1,368,620,558.35

(Continued)

Type	December 31,2018				
	Book balance	Proportion (%)	Provision for bad debt	Provision Proportion (%)	Book value
Accounts receivable with significant single amount for which bad debt provision separately accrued	-	-	-	-	-
Accounts receivable whose bad debt provisions are made by credit risk characteristics portfolio	3,274,075,088.46	100.00	-	-	3,274,075,088.46
Including: aging portfolios	-	-	-	-	-
Other portfolios	3,274,075,088.46	100.00	-	-	3,274,075,088.46
Accounts receivable with insignificant single amount for which bad debt provision separately accrued	-	-	-	-	-
Total	3,274,075,088.46	100.00	-	/	3,274,075,088.46

Account receivables using other method to provide bad debts for impairment in portfolios

Other portfolios	December 31,2019		
	Account receivable	Provision for bad debts	Provision Proportion (%)
Other portfolio	1,368,620,558.35	-	-
Total	1,368,620,558.35	-	/

1.2 The accounts receivable of the top two balances at the end of the year

Name of debtor	Amount owed	Aging	Proportion of total accounts receivable (%)
Zhenjiang New District Management Committee	1,220,676,658.35	Within 1 year: 991,918,880.35 3-5 years: 228,757,778.00	89.19
Jiangsu Chuishan Tourism Culture Development Co., Ltd.	147,943,900.00	3-5 years	10.81
Total	1,368,620,558.35		100.00

2. Other receivables

2.1 Categories

Item	December 31,2019	December 31,2018
Interest receivable	25,534,996.43	8,707,318.70
Dividend receivable	2,621,475.35	2,621,475.35
Other receivables	13,134,378,221.48	15,966,680,387.45
Total	13,162,534,693.26	15,978,009,181.50

2.2 Interest receivable

Item	December 31,2019	December 31,2018
Time deposit	25,534,996.43	8,707,318.70
Total	25,534,996.43	8,707,318.70

2.3 Dividend receivable

Item (or investee)	December 31,2019	December 31,2018
Zhenjiang New District Jingang Rural Small Loan Co., Ltd.	2,621,475.35	2,621,475.35
Total	2,621,475.35	2,621,475.35

2.4 Other receivables

a) Other receivables classified by category

Category	December 31,2019				
	Book Balance	Proportion (%)	Provision for bad debt	Provision Proportion (%)	Book Value

Category	December 31,2019				
	Book Balance	Proportion (%)	Provision for bad debt	Provision Proportion (%)	Book Value
Other receivables with significant single amount for which bad debt provision separately accrued	-	-	-	-	-
Other receivables whose bad debt provisions are made by credit risk characteristics portfolio	13,153,987,899.43	100.00	19,609,677.95	0.15	13,134,378,221.48
Including: aging portfolios	57,338,894.57	0.44	19,609,677.95	34.20	37,729,216.62
Other portfolios	13,096,649,004.86	99.56	-	-	13,096,649,004.86
Other receivables with insignificant single amount for which bad debt provision separately accrued	-	-	-	-	-
Total	13,153,987,899.43	100.00	19,609,677.95	/	13,134,378,221.48

(Continued)

Category	December 31,2018				
	Book Balance	Proportion (%)	Provision for bad debt	Provision Proportion (%)	Book Value
Other receivables with significant single amount for which bad debt provision separately accrued	-	-	-	-	-
Other receivables whose bad debt provisions are made by credit risk characteristics portfolio	15,990,106,267.14	100.00	23,425,879.69	0.15	15,966,680,387.45
Including: aging portfolios	83,565,983.31	0.52	23,425,879.69	28.03	60,140,103.62
Other portfolios	15,906,540,283.83	99.48	-	-	15,906,540,283.83
Other receivables with insignificant single amount for which bad debt provision separately accrued	-	-	-	-	-
Total	15,990,106,267.14	100.00	23,425,879.69	/	15,966,680,387.45

An analysis of provision under the aging analysis method

Aging	December 31,2019			December 31,2018		
	Other receivables	Provision for bad debt	Provision Proportion (%)	Other receivables	Provision for bad debt	Provision Proportion (%)
Within 1 year	13,248,405.18	662,420.26	5.00	16,849,155.14	842,457.76	5.00
1-2 years	7,174,975.57	717,497.56	10.00	33,494,582.51	3,349,458.25	10.00
2-3 years	17,499,092.43	5,249,727.73	30.00	10,029,269.31	3,008,780.79	30.00
3-5 years	12,872,777.99	6,436,389.00	50.00	13,935,586.93	6,967,793.47	50.00

Aging	December 31,2019			December 31,2018		
	Other receivables	Provision for bad debt	Provision Proportion (%)	Other receivables	Provision for bad debt	Provision Proportion (%)
Over 5 years	6,543,643.40	6,543,643.40	100.00	9,257,389.42	9,257,389.42	100.00
Total	57,338,894.57	19,609,677.95	/	83,565,983.31	23,425,879.69	/

Other receivables using other method to provide bad debts for impairment in portfolios

Other portfolio	December 31,2019		
	Other receivable	Provision for bad debts	Provision Proportion (%)
Other portfolio	13,096,649,004.86	-	-
Total	13,096,649,004.86	-	/

b)Top five entities with the largest balances of the other receivables

Company Name	Category	December 31,2019	Aging	Proportion in total receivables
Zhenjiang New District Management Committee	Lending	6,201,590,244.22	Within 1 year: 3,832,702,757.35 1-2 years: 659,175,397.86 2-3 years: 1,099,055,448.05 3-5 years: 610,656,640.96	47.15
Jiangsu Hanrui Investment Holdings Co., Ltd.	Lending	2,390,455,815.77	Within 1 year	18.17
Zhenjiang New District Transportation Construction Investment Co., Ltd.	Lending	1,783,408,944.35	Within 1 year: 1,469,270,577.79 1-2 years: 314,138,366.56	13.56
Zhenjiang New District Shanty Town Reconstruction and Development Co., Ltd.	Lending	603,516,110.05	Within 1 year	4.59
Zhenjiang New Area Security Housing Construction Development Co., Ltd.	Lending	426,609,889.03	Within 1 year: 385,741,108.40 1-2 years: 40,868,780.63	3.24
Total	/	11,405,581,003.42	/	86.71

3. Long-term equity investment

Item	December 31,2019			December 31,2018		
	Book balance	Provision for impairment	Book Value	Book balance	Provision for impairment	Book Value
Investment in subsidiary	4,176,474,243.41	-	4,176,474,243.41	3,776,846,461.12	-	3,776,846,461.12
Investment in associate, joint venture	90,090,881.48	-	90,090,881.48	112,849,722.65	-	112,849,722.65
Total	4,266,565,124.89	-	4,266,565,124.89	3,889,696,183.77	-	3,889,696,183.77

3.1 Investment in subsidiary

Investee	December 31,2018	Increase in the current period	Decrease in the current period	December 31,2019	Provision for impairment in the current period	Closing balance of provision for impairment
Jiangsu Ruicheng Real Estate Development Co., Ltd.	2,491,000,000.00	183,300,000.00	-	2,674,300,000.00	-	-
Zhenjiang Xinqu Software Industry Co., Ltd.	535,195,254.24	-	-	535,195,254.24	-	-
Zhenjiang Xinyu Environmental Engineering Co., Ltd.	438,943,206.88	-	-	438,943,206.88	-	-
Jiangsu Ruisheng Supply Chain Management Co., Ltd.	311,208,000.00	-	-	311,208,000.00	-	-
Zhenjiang First Foreign Language School	500,000.00	-	-	500,000.00	-	-
Zhenjiang Ruihe Parking Lot Operation Management Co., Ltd.	-	163,526,200.00	-	163,526,200.00	-	-
Nanjing Normal University affiliated Zhenjiang Kindergarten Co., Ltd.	-	-	-	-	-	-
Jiangsu Dingxin Construction Project Management Co., Ltd.	-	52,801,582.29	-	52,801,582.29	-	-
Total	3,776,846,461.12	399,627,782.29	-	4,176,474,243.41	-	-

3.2 Investment in associate, joint venture

Investee	December 31,2018	Changes in Current Period								December 31,2019	Closing Balance of provision for impairment
		Increase	Decrease	Profit or loss recognized under equity method	Adjustments of other comprehensive income	Other changes in equity	Cash divided or profit declared	Provision for impairment	Others		
Joint Venture											
Zhenjiang Ruikang Hospital Co., Ltd.	112,849,722.65	-	-	-22,758,841.17	-	-	-	-	-	90,090,881.48	-
Total	112,849,722.65	-	-	-22,758,841.17	-	-	-	-	-	90,090,881.48	-

4. Sales and cost of sales

4.1 Basic situation of operating income and operating costs

Item	2019		2018	
	Sales	Cost of sales	Sales	Cost of sales
Main business	963,028,039.16	800,322,479.13	-	-
Other business	1,423,517,196.39	938,153,654.98	2,856,543,190.58	2,116,501,481.56
Total	2,386,545,235.55	1,738,476,134.11	2,856,543,190.58	2,116,501,481.56

4.2 Operating income of the Company's top four customers

Client's name	Operating income	Percentage of the Company's total operating income (%)
Zhenjiang New District Management Committee	963,028,039.16	40.35
Zhenjiang Economic and Technological Development Zone Land Reserve Center	758,793,600.00	31.79
Zhenjiang New Area Security Housing Construction Development Co., Ltd.	529,473,142.86	22.19
Jiangsu Hanrui Asset Management Co., Ltd.	133,363,603.81	5.59
Total	2,384,658,385.83	99.92

5. Investment income

Item	2019	2018
Investment income from long-term equity investments under equity method	-22,758,841.17	-26,225,314.14
Investment income gained during the period of holding available-for-sale investments	10,000,000.00	768,975.66
Investment income from disposing held-for-maturity investments	-	-2,944,200.00
Investment income from disposing available-for-sale financial assets	-	519,580.63
Other Investment income - funds borrowing income	176,835,483.02	58,681,401.48
Total	164,076,641.85	30,800,443.63

6. Supplementary information on cash flow statement

Item	2019	2018
1. Adjust net profit to cash flow from operating activities		
Net profit	33,821,683.22	88,654,636.59
Add: Provision for asset impairment	41,049,187.72	22,325,116.43

Item	2019	2018
Depreciation of fixed assets, depletion of oil and gas assets, Depreciation of productive biological assets	14,896,508.05	14,788,505.79
Amortization of intangible assets	2,658,734.86	2,485,922.16
Amortization of long-term deferred expenses	-	-
Disposal of fixed assets, intangible assets and other long-term Loss of assets (returns are listed with "-")	-355,692,526.96	-567,216,570.67
Loss from scrapping of fixed assets (returns are listed with "-")	-	-
Loss from changes in fair value (returns are listed with "-")	351,847,865.33	5,689,028.42
Financial expenses (returns are listed with "-")	981,179,938.26	941,915,755.40
Investment loss (return is listed with "-")	-164,076,641.85	-30,800,443.63
Decrease in deferred income tax assets (Add "-" to fill in)	-10,262,296.94	-5,581,279.11
Increase in deferred income tax liabilities (Reducing to fill in with "-")	-80,080,476.64	2,118,091.12
Decrease in inventory (increase is listed with "-")	727,968,588.37	-58,904,143.99
Decrease in operating receivables (Add "-" to fill in)	4,536,087,731.92	940,895,468.40
Increase in operating payables (Reducing to fill in with "-")	-2,894,594,131.04	3,948,330,135.85
Other	-	-
Net cash flow from operating activities	3,184,804,164.30	5,304,700,222.76
2. Major investment and financing activities that do not involve cash receipts and expenditures		
Conversion of debt into capital	-	-
Convertible corporate bonds due within one year	-	-
Financing lease of fixed assets	-	-
3. Net changes in cash and cash equivalents		
Year-end balance of cash	68,130,772.83	345,758,880.99
Less: cash balance at the beginning of the year	345,758,880.99	827,769,982.75
Plus: the year-end balance of cash equivalents	-	-
Less: opening balance of cash equivalents	-	-
Net increase in cash and cash equivalents	-277,628,108.16	-482,011,101.76

XIV. Approval of Financial Statements

Financial statements of the Company for the current year have been approved by board of directors at April 29, 2020.

Zhenjiang New Area Urban Construction Investment CO., LTD.

April 29, 2020

APPENDIX A – FORM OF IRREVOCABLE STANDBY LETTER OF CREDIT

FM: NANYANG COMMERCIAL BANK (CHINA) LIMITED WUXI BRANCH (SWIFT: NYCBCNSHXXX)

ADDRESS:

VANKE HOMES, NO.28 CHANGJIANG NORTH ROAD, WUXI NEW DISTRICT, WUXI, CHINA

DATE: 26 MAY 2021

TO BENEFICIARY: CHINA CONSTRUCTION BANK (ASIA) CORPORATION LIMITED (THE "**BENEFICIARY**") (SWIFT: CCBQHKAX, FASCIMILE NUMBER: +852 3918 6976) (THE "**TRUSTEE**", WHICH EXPRESSION SHALL INCLUDE ANY SUCCESSOR OR CO-TRUSTEE), WHOSE PRINCIPAL OFFICE AS AT THE DATE HEREOF IS SITUATED AT 20/F, CCB TOWER, 3 CONNAUGHT ROAD CENTRAL, CENTRAL, HONG KONG, IN ITS CAPACITY AS TRUSTEE FOR ITSELF AND ON BEHALF OF THE HOLDERS (THE "**BONDHOLDERS**") OF THE U.S.$50,000,000 3.0 PER CENT. CREDIT ENHANCED BONDS DUE 2022 (THE "**BONDS**"), TO BE ISSUED BY ZHENJIANG NEW AREA URBAN CONSTRUCTION INVESTMENT CO. LTD (鎮江新區城市建設投資有限公司) (THE "**ISSUER**"), WHOSE REGISTERED OFFICE AS AT THE DATE HEREOF IS SITUATED AT BUILDING 1, TONGDUYA APARTMENT, DAGANG, ZHENJIANG NEW AREA, ZHENJIANG CITY, JIANGSU PROVINCE, PRC AND TO BE CONSTITUTED BY A TRUST DEED DATED 26 MAY 2021 (THE "**ISSUE DATE**") BETWEEN THE ISSUER AND THE TRUSTEE (AS AMENDED AND/OR SUPPLEMENTED FROM TIME TO TIME, THE "**TRUST DEED**").

DEAR SIRS,

RE: OUR IRREVOCABLE STANDBY LETTER OF CREDIT NO. *[NUMBER]*

AT THE REQUEST OF OUR CUSTOMER, THE ISSUER, WE, NANYANG COMMERCIAL BANK (CHINA) LIMITED WUXI BRANCH (THE "**ISSUING BANK**," "**OUR**," "**US**" OR "**WE**"), HEREBY ISSUE OUR IRREVOCABLE STANDBY LETTER OF CREDIT NO. [*NUMBER*] IN YOUR FAVOUR, AND FOR THE ACCOUNT OF THE ISSUER, IN RESPECT OF AND IN CONNECTION WITH THE TERMS AND CONDITIONS OF THE BONDS APPENDED TO THE TRUST DEED (THE "**CONDITIONS**") AND THE TRUST DEED. THIS IRREVOCABLE STANDBY LETTER OF CREDIT IS MADE AVAILABLE BY US FOR PAYMENT AGAINST OUR RECEIPT OF A DEMAND SUBSTANTIALLY IN THE FORM SET OUT IN APPENDIX A-1 (A "**DEMAND**") PRESENTED IN ACCORDANCE WITH THIS IRREVOCABLE STANDBY LETTER OF CREDIT STATING THAT (1) THE ISSUER HAS FAILED TO COMPLY WITH CONDITION 4(B) OF THE CONDITIONS (THE "**PRE-FUNDING CONDITION**") IN RELATION TO PRE-FUNDING THE AMOUNT THAT IS REQUIRED TO BE PRE-FUNDED UNDER THE CONDITIONS AND/OR FAILED TO PROVIDE THE REQUIRED CONFIRMATIONS (AS DEFINED IN THE CONDITIONS) IN ACCORDANCE WITH THE PRE-FUNDING CONDITION OR (2) AN EVENT OF DEFAULT (AS DEFINED IN THE CONDITIONS) HAS OCCURRED AND THE BENEFICIARY, AS TRUSTEE FOR THE BONDHOLDERS, HAS GIVEN NOTICE TO THE ISSUER THAT THE BONDS ARE IMMEDIATELY DUE AND PAYABLE IN ACCORDANCE WITH CONDITION 10 OF THE CONDITIONS OR (3) THE ISSUER HAS FAILED TO PAY THE FEES, COSTS, EXPENSES AND OTHER AMOUNTS IT IS OBLIGED TO PAY UNDER THE CONDITIONS IN CONNECTION WITH THE BONDS, THE TRUST DEED, THE AGENCY AGREEMENT (AS DEFINED IN THE TRUST DEED) AND/OR ANY OTHER TRANSACTION DOCUMENTS RELATING TO THE BONDS WHEN DUE AND SUCH FAILURE HAS CONTINUED FOR A PERIOD OF SEVEN DAYS FROM THE DATE OF THE TRUSTEE DELIVERING ITS DEMAND THEREFOR TO THE ISSUER IN ACCORDANCE WITH THE CONDITIONS.

SUBJECT TO THE TERMS OF THIS IRREVOCABLE STANDBY LETTER OF CREDIT, WE UNCONDITIONALLY AND IRREVOCABLY UNDERTAKE TO YOU THAT, ON OR AFTER THE ISSUE DATE AND PRIOR TO 25 JUNE 2022 ("**THE EXPIRY DATE**") AND FOLLOWING RECEIPT BY US OF A DEMAND PRESENTED BY YOU OR ON YOUR BEHALF AS TRUSTEE IN ACCORDANCE WITH THIS IRREVOCABLE STANDBY LETTER OF CREDIT BY 6:00 P.M. (HONG KONG TIME) ON A BUSINESS DAY, WE SHALL BY 10:00 A.M. (HONG KONG TIME) ON THE FOURTH BUSINESS DAY AFTER THE BUSINESS DAY ON WHICH WE RECEIVE SUCH DEMAND (OR IF SUCH DEMAND IS RECEIVED AFTER 6:00 P.M. (HONG KONG TIME) ON A BUSINESS DAY, THEN ON THE FIFTH BUSINESS DAY AFTER THE BUSINESS DAY ON WHICH WE RECEIVE SUCH DEMAND), PAY TO OR TO THE ORDER OF THE BENEFICIARY THE AMOUNT IN U.S. DOLLARS SPECIFIED IN THE DEMAND IN IMMEDIATELY AVAILABLE FUNDS TO THE ACCOUNT SPECIFIED IN THE DEMAND. "**BUSINESS DAY**" MEANS A DAY (OTHER THAN A SATURDAY OR A SUNDAY) ON WHICH BANKS AND FOREIGN EXCHANGE MARKETS ARE OPEN FOR BUSINESS IN HONG KONG, BEIJING AND NEW YORK CITY.

OUR AGGREGATE LIABILITY UNDER THIS IRREVOCABLE STANDBY LETTER OF CREDIT SHALL BE EXPRESSED AND PAYABLE IN U.S. DOLLARS AND SHALL NOT IN ANY CIRCUMSTANCES EXCEED U.S.$51,750,000 (THE "**MAXIMUM LIMIT**"), REPRESENTING (I) THE AGGREGATE PRINCIPAL AMOUNT OF THE BONDS PLUS INTEREST PAYABLE FOR ONE INTEREST PERIOD (AS DEFINED IN THE CONDITIONS); AND (II) U.S.$1,000,000 BEING THE MAXIMUM AMOUNT PAYABLE UNDER THIS IRREVOCABLE STANDBY LETTER OF CREDIT FOR ANY FEES, COSTS, EXPENSES, INDEMNITY PAYMENTS AND OTHER AMOUNTS WHICH MAY BE INCURRED BY OR PAYABLE TO THE TRUSTEE UNDER OR IN CONNECTION WITH THE BONDS, THE TRUST DEED, THIS IRREVOCABLE STANDBY LETTER OF CREDIT AND/OR THE AGENCY AGREEMENT.

SUBJECT TO THE TERMS OF THIS IRREVOCABLE STANDBY LETTER OF CREDIT, OUR OBLIGATION TO PAY TO YOU IS UNCONDITIONAL, IRREVOCABLE AND ABSOLUTE AND ANY DEMAND BY YOU UNDER THIS IRREVOCABLE STANDBY LETTER OF CREDIT SHALL BE HONOURED WITHOUT ANY FURTHER ENQUIRY AS TO YOUR RIGHTS TO MAKE SUCH DEMAND.

THIS IRREVOCABLE STANDBY LETTER OF CREDIT TAKES EFFECT FROM THE DATE HEREOF AND SHALL REMAIN VALID AND IN FULL FORCE UNTIL 6:00 P.M. (HONG KONG TIME) ON THE EXPIRY DATE AND SHALL EXPIRE AT THE PLACE OF THE ISSUING BANK. AFTER 6:00 P.M. (HONG KONG TIME) ON THE EXPIRY DATE, OUR LIABILITY UNDER THIS IRREVOCABLE STANDBY LETTER OF CREDIT WILL BE IMMEDIATELY DISCHARGED AND RELEASED EXCEPT FOR ANY DEMAND VALIDLY PRESENTED UNDER THIS IRREVOCABLE STANDBY LETTER OF CREDIT BEFORE THE EXPIRY DATE THAT REMAINS UNPAID.

PAYMENT WILL BE EFFECTED AFTER OUR RECEIPT OF A DEMAND PRESENTED IN ACCORDANCE WITH THIS IRREVOCABLE STANDBY LETTER OF CREDIT, WHICH IS PRESENTED ON OR AFTER THE ISSUE DATE AND ON OR BEFORE 6:00 P.M. (HONG KONG TIME) ON THE EXPIRY DATE.

ANY DEMAND UNDER THIS IRREVOCABLE STANDBY LETTER OF CREDIT IS TO BE PRESENTED BY WAY OF AN AUTHENTICATED SWIFT PRESENTED BY OR ON BEHALF OF YOU AS TRUSTEE FOR THE BONDHOLDERS TO US (SWIFT: NYCBCNSHXXX) ON OR BEFORE 6:00 P.M. (HONG KONG TIME) ON THE EXPIRY DATE WITHOUT THE NEED TO PHYSICALLY PRESENT AN ORIGINAL OF THAT DEMAND AT OUR COUNTER; PROVIDED THAT IN THE EVENT THAT THE SWIFT SYSTEM IS NOT AVAILABLE FOR ANY REASON, YOU (THE BENEFICIARY) MAY INSTEAD PRESENT A COPY OF THE DEMAND TO US VIA FACSIMILE TRANSMISSION AT +86 510 8220 0928. ON OR BEFORE 6:00 P.M. (HONG KONG TIME) ON THE EXPIRY DATE AND SUCH DEMAND SHALL BE SIGNED BY YOU AS TRUSTEE FOR THE BONDHOLDERS AND ACCOMPANIED BY A COPY OF A LIST OF AUTHORISED SIGNATORIES OF THE TRUSTEE, FOLLOWED BY A STATEMENT VIA AUTHENTICATED SWIFT ON THE NEXT

BUSINESS DAY ON WHICH THE SWIFT SYSTEM IS AVAILABLE STATING THAT THE LIST OF AUTHORISED SIGNATORIES PROVIDED IS VALID AND EFFECTIVE. IN THE CASE OF A PRESENTATION OF A DEMAND BY WAY OF FACSIMILE TRANSMISSION IN THE CIRCUMSTANCE STATED ABOVE, YOU SHALL ARRANGE FOR THE ORIGINAL DEMAND TO BE DELIVERED AS SOON AS REASONABLY PRACTICABLE THEREAFTER VIA COURIER AT OUR COUNTER AT OUR ADDRESS (AS SPECIFIED ABOVE) DURING OUR NORMAL BRANCH OPENING HOURS. FOR THE AVOIDANCE OF DOUBT, FOR THE PURPOSES OF THIS IRREVOCABLE STANDBY LETTER OF CREDIT, THE DEMAND SHALL BE DEEMED TO BE RECEIVED BY US, AND WE SHALL START PROCESSING SUCH DEMAND, UPON OUR RECEIPT OF SUCH DEMAND SENT TO US BY WAY OF FACSIMILE TRANSMISSION. IF THERE IS ANY DISCREPANCY OR AMBIGUITY BETWEEN THE ORIGINAL DEMAND AND THE DEMAND SENT BY WAY OF FACSIMILE TRANSMISSION, THE FACSIMILE VERSION SHALL PREVAIL.

ONLY ONE DRAWING UNDER THIS IRREVOCABLE STANDBY LETTER OF CREDIT IS PERMITTED.

ALL CHARGES ARE FOR THE ACCOUNT OF THE ISSUER AND, FOR THE AVOIDANCE OF DOUBT, ARE NOT FOR THE ACCOUNT OF THE BENEFICIARY.

NOTWITHSTANDING THE MAXIMUM LIMIT, ALL PAYMENTS UNDER THIS IRREVOCABLE STANDBY LETTER OF CREDIT SHALL BE MADE IN U.S. DOLLARS AND FOR VALUE ON THE DATE SPECIFIED IN THE DEMAND IN IMMEDIATELY AVAILABLE FUNDS WITHOUT ANY DEDUCTION OR WITHHOLDING ON ACCOUNT OF TAX, SET-OFF, COUNTERCLAIM OR OTHERWISE. IN THE EVENT THAT ANY DEDUCTION OR WITHHOLDING IS REQUIRED BY ANY APPLICABLE LAW, THE ISSUING BANK SHALL PAY SUCH ADDITIONAL AMOUNTS AS WILL RESULT IN RECEIPT BY THE TRUSTEE FOR THE BONDHOLDERS OF SUCH AMOUNTS AS WOULD HAVE BEEN RECEIVED BY IT HAD NO SUCH DEDUCTION OR WITHHOLDING BEEN SO REQUIRED BY ANY APPLICABLE LAW.

THE BENEFICIARY'S RIGHTS UNDER THIS IRREVOCABLE STANDBY LETTER OF CREDIT MAY BE TRANSFERRED OR RE-TRANSFERRED IN WHOLE OR IN PART TO ANY ADDITIONAL OR REPLACEMENT TRUSTEE APPOINTED AS CONTEMPLATED IN THE TRUST DEED IN RESPECT OF THE BONDS SUBJECT ONLY TO AT LEAST 15 DAYS' NOTICE HAVING BEEN GIVEN TO US BY OR ON BEHALF OF YOU AS TRUSTEE FOR THE BONDHOLDERS BY AUTHENTICATED SWIFT, OR IN THE EVENT THAT THE SWIFT SYSTEM IS NOT AVAILABLE FOR ANY REASON VIA FACSIMILE TRANSMISSION TO US AT +86 510 8220 0928. MULTIPLE TRANSFERS ARE PERMITTED, SUBJECT TO AS PROVIDED IN THIS PARAGRAPH.

WE MAY NOT ASSIGN, TRANSFER OR NOVATE ANY OF OUR OBLIGATIONS UNDER THIS IRREVOCABLE STANDBY LETTER OF CREDIT.

NOTWITHSTANDING THE FOREGOING PROVISIONS OF THIS IRREVOCABLE STANDBY LETTER OF CREDIT, IN THE UNEXPECTED EVENT THAT WE ARE CLOSED WHEN YOU WISH TO PRESENT A DEMAND HEREUNDER ON THE DAY AND AT THE TIME A DEMAND IS ABLE TO BE PRESENTED IN ACCORDANCE WITH THIS IRREVOCABLE STANDBY LETTER OF CREDIT, WE AGREE THAT YOU CAN PRESENT THE DEMAND BY AUTHENTICATED SWIFT OR BY PRESENTING A COPY OF THE DEMAND VIA FACSIMILE TRANSMISSION AT +86 510 8220 0928. FROM THE DATE OF OUR RESUMPTION OF OUR BUSINESS; PROVIDED THAT IF WE ARE CLOSED ON THE EXPIRY DATE, THE EXPIRY DATE SHALL BE AUTOMATICALLY EXTENDED BY, AND SUCH PRESENTATION SHALL BE MADE WITHIN, FIVE BUSINESS DAYS AFTER THE DATE ON WHICH WE NOTIFY YOU BY AUTHENTICATED SWIFT, OR IN THE EVENT THAT THE SWIFT SYSTEM IS NOT THEN AVAILABLE FOR ANY REASON VIA FACSIMILE TRANSMISSION (USING THE SWIFT ADDRESS OR, AS THE CASE MAY BE, THE FACSIMILE NUMBER SET OUT ABOVE FOR YOU AS BENEFICIARY) OF OUR RESUMPTION OF OUR BUSINESS. IN THE CASE OF A PRESENTATION OF A DEMAND BY WAY OF FACSIMILE TRANSMISSION IN THE CIRCUMSTANCE STATED ABOVE, YOU SHALL ARRANGE FOR THE ORIGINAL DEMAND TO BE

DELIVERED AS SOON AS REASONABLY PRACTICABLE THEREAFTER VIA COURIER AT OUR COUNTER AT OUR ADDRESS (AS SPECIFIED ABOVE) DURING OUR NORMAL BRANCH OPENING HOURS. FOR THE AVOIDANCE OF DOUBT, FOR THE PURPOSES OF THIS IRREVOCABLE STANDBY LETTER OF CREDIT, THE DEMAND SHALL BE DEEMED TO BE RECEIVED BY US, AND WE SHALL START PROCESSING SUCH DEMAND, UPON OUR RECEIPT OF SUCH DEMAND SENT TO US BY WAY OF FACSIMILE TRANSMISSION. IF THERE IS ANY DISCREPANCY OR AMBIGUITY BETWEEN THE ORIGINAL DEMAND AND THE DEMAND SENT BY WAY OF FACSIMILE TRANSMISSION, THE FACSIMILE VERSION SHALL PREVAIL.

ANY SETTLEMENT OR DISCHARGE BETWEEN US AS ISSUING BANK AND YOU AS TRUSTEE FOR THE BONDHOLDERS AND BENEFICIARY SHALL BE CONDITIONAL UPON NO PAYMENT TO YOU BY THE ISSUER OR ANY OTHER PERSON ON BEHALF OF THE ISSUER BEING AVOIDED (BY VIRTUE OF ANY LAWS OR REGULATIONS RELATING TO BANKRUPTCY, INSOLVENCY, LIQUIDATION OR SIMILAR LAWS OR REGULATIONS OF GENERAL APPLICATION FOR THE TIME BEING IN FORCE) AND, IN THE EVENT OF ANY SUCH PAYMENT BEING SO AVOIDED, YOU SHALL BE ENTITLED TO RECOVER THE AMOUNT BY WHICH SUCH PAYMENT IS SO AVOIDED FROM US SUBSEQUENTLY AS IF SUCH SETTLEMENT OR DISCHARGE HAD NOT OCCURRED.

EXCEPT TO THE EXTENT IT IS INCONSISTENT WITH THE EXPRESS TERMS OF THIS IRREVOCABLE STANDBY LETTER OF CREDIT, THIS IRREVOCABLE STANDBY LETTER OF CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS (2007 REVISION), INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 600.

THIS IRREVOCABLE STANDBY LETTER OF CREDIT, AND ANY NON-CONTRACTUAL OBLIGATIONS ARISING OUT OF OR IN CONNECTION WITH IT, SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED IN ACCORDANCE WITH, ENGLISH LAW. THE COURTS OF HONG KONG HAVE EXCLUSIVE JURISDICTION TO SETTLE ANY DISPUTE ARISING OUT OF OR IN CONNECTION WITH THIS IRREVOCABLE STANDBY LETTER OF CREDIT (INCLUDING ANY NON-CONTRACTUAL OBLIGATIONS ARISING OUT OF OR IN CONNECTION WITH THIS IRREVOCABLE STANDBY LETTER OF CREDIT) (A "**DISPUTE**") AND WE AGREE THAT THE COURTS OF HONG KONG ARE THE MOST APPROPRIATE AND CONVENIENT COURTS TO SETTLE ANY DISPUTE AND, ACCORDINGLY, THAT WE WILL NOT ARGUE THAT ANY OTHER COURTS ARE MORE APPROPRIATE OR CONVENIENT. WE AGREE THAT ANY SERVICE OF PROCESS IN ANY LEGAL ACTION OR PROCEEDINGS ARISING OUT OF OR IN CONNECTION WITH THIS IRREVOCABLE STANDBY LETTER OF CREDIT AND ANY OTHER DOCUMENTS REQUIRED TO BE SERVED IN RELATION TO SUCH ACTION OR PROCEEDINGS MAY BE SERVED ON US BY BEING DELIVERED TO US AT 151 DES VOEUX ROAD, CENTRAL, HONG KONG. IF FOR ANY REASON WE CEASE TO HAVE SUCH ADDRESS IN HONG KONG, WE WILL PROMPTLY APPOINT A SUBSTITUTE PROCESS AGENT AND NOTIFY THE BENEFICIARY OF SUCH APPOINTMENT WITHIN 30 DAYS OF SUCH CESSATION. NOTHING HEREIN SHALL AFFECT THE RIGHT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW.

APPENDIX A-1
FORM OF DEMAND

To: NANYANG COMMERCIAL BANK (CHINA) LIMITED WUXI BRANCH (SWIFT: NYCBCNSHXXX)

VANKE HOMES, NO.28 CHANGJIANG NORTH ROAD, WUXI NEW DISTRICT, WUXI, CHINA

[DATE]

Dear Sirs,

RE: DEMAND UNDER THE IRREVOCABLE STANDBY LETTER OF CREDIT NO. [*NUMBER*] IN RESPECT OF THE U.S.$50,000,000 3.0 PER CENT. CREDIT ENHANCED BONDS DUE 2022 (THE "**BONDS**") ISSUED BY ZHENJIANG NEW AREA URBAN CONSTRUCTION INVESTMENT CO. LTD (鎮江新區城市建設投資有限公司) (THE "**ISSUER**")

The undersigned is a duly authorised person of China Construction Bank (Asia) Corporation Limited which is hereby making a demand on behalf of China Construction Bank (Asia) Corporation Limited as Trustee for itself and on behalf of the Bondholders (the "**Beneficiary**") under your Irrevocable Standby Letter of Credit No. [*NUMBER*] (the "**Irrevocable Standby Letter of Credit**"). Capitalised terms used herein but not defined shall have the meanings given to them in the Irrevocable Standby Letter of Credit.

1. This Demand is made in connection with the following:

   ☐ The Issuer has failed to comply with the Pre-Funding Condition in relation to pre-funding the amount that is required to be pre-funded under the Conditions and/or failed to provide the Required Confirmations (as defined in the Conditions) in accordance with the Pre-Funding Condition. OR

   ☐ An Event of Default (as defined in the Conditions) has occurred and the Beneficiary, as Trustee for the Bondholders, has given notice to the Issuer that the Bonds are immediately due and payable in accordance with Condition 10 of the Conditions. OR

   ☐ The Issuer has failed to pay the fees, costs, expenses, indemnity payments or other amounts it is obliged to pay under the Conditions, the Trust Deed, the Agency Agreement and/or any other transaction documents relating to the Bonds when due and such failure has continued for a period of seven days from the date of the Trustee delivering its demand therefor to the Issuer in accordance with the Conditions.

2. We hereby demand you to pay U.S.$[AMOUNT] representing the aggregate of (i) interest accrued up to the date when the Bonds cease to bear interest pursuant to the Conditions, (ii) the principal amount of the outstanding Bonds and (iii) all fees, costs, expenses, indemnity payments and other amounts under or in connection with the Bonds, the Trust Deed, the Irrevocable Standby Letter of Credit and/or the Agency Agreement.

3. We hereby request you to pay the amounts stated in paragraph 2 above after you receive this Demand in accordance with the Irrevocable Standby Letter of Credit.

4. The proceeds of the drawing under this Demand are to be credited to the following account:

[Insert account details]

For and behalf of

CHINA CONSTRUCTION BANK (ASIA) CORPORATION LIMITED as Beneficiary

By:

Name:

Title:

ISSUER

Zhenjiang New Area Urban Construction Investment Co., Ltd
(鎮江新區城市建設投資有限公司)
Building 1, Tongduya Apartment
Dagang, Zhenjiang New Area
Zhenjiang City
Jiangsu Province, PRC

TRUSTEE

China Construction Bank (Asia) Corporation Limited
(中國建設銀行(亞洲)股份有限公司)
28/F, CCB Tower
3 Connaught Road Central
Central
Hong Kong

PRINCIPAL PAYING AGENT AND TRANSFER AGENT

China Construction Bank (Asia) Corporation Limited
(中國建設銀行(亞洲)股份有限公司)
28/F, CCB Tower
3 Connaught Road Central
Central
Hong Kong

REGISTRAR

China Construction Bank (Asia) Corporation Limited
(中國建設銀行(亞洲)股份有限公司)
28/F, CCB Tower
3 Connaught Road Central
Central
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To the Joint Lead Managers as to PRC law

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Jiangsu Province