

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement and the listing document attached hereto, 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 announcement and the listing document attached hereto.

This announcement and the listing document attached hereto are for information purposes only and do not constitute an invitation or offer to acquire, purchase or subscribe for the securities of the Issuer. This announcement and the listing document attached hereto are not, and are not intended to be, an offer of securities of the Issuer for sale, or the solicitation of an offer to buy securities of the Issuer, in the United States. The securities referred to in this announcement and the listing document attached hereto 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 registration requirements of the Securities Act. This announcement and the listing document attached hereto are not for distribution, directly or indirectly, in or into the United States. No public offer of the securities referred to herein is being or will be made in the United States.

This announcement and the listing document attached hereto have been published for information purposes only as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and do not constitute an offer to sell nor a solicitation of an offer to buy any securities. Neither this announcement nor anything referred to herein (including the listing document attached hereto) forms the basis for any contract or commitment whatsoever. For the avoidance of doubt, the publication of this announcement and the listing document attached hereto shall not be deemed to be an offer of securities made pursuant to a prospectus issued by or on behalf of the Issuer (as defined below) for the purposes of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) nor shall it constitute an advertisement, invitation or document containing an invitation to the public to enter into or offer to enter into an agreement to acquire, dispose of, subscribe for or underwrite securities for the purposes of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

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

PUBLICATION OF OFFERING CIRCULAR



武汉城建集团
WUHAN URBAN CONSTRUCTION GROUP

Wuhan Urban Construction Group Co., Ltd.

(武 漢 城 市 建 設 集 團 有 限 公 司)

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

(the “Issuer”)

U.S.\$500,000,000 2.25 per cent. Bonds due 2024
(the “Bonds”)

(Stock Code: 40755)

Sole Global Coordinator
Bank of China

Joint Lead Managers and Joint Bookrunners
CEB International

Bank of China

China CITIC Bank
International

China Everbright Bank
Hong Kong Branch

China International Capital
Corporation

China Minsheng Banking
Corp., Ltd., Hong Kong
Branch

CMB International

ICBC International

Industrial Bank Co., Ltd.
Hong Kong Branch

Shanghai Pudong Development Bank
Hong Kong Branch

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.

Please refer to the offering circular relating to the Bonds dated 29 June 2021 (the “**Offering Circular**”) appended herein. The Offering Circular is published in English only. No Chinese version of the Offering Circular has been published.

12 July 2021

As at the date of this announcement, the directors of the Issuer are Mr. Fu Minggui, Mr. Ying Zhigang, Mr. Ming Wei, Ms. Liang Jing, Mr. Ge Qihong, Mr. Wang Huosheng, Mr. Wu Kejun, Mr. Li Jingzhong and Mr. Gao Jie.

TABLE OF CONTENTS

Offering Circular Dated 29 June 2021	A-1

IMPORTANT NOTICE

NOT FOR DISTRIBUTION IN OR INTO THE UNITED STATES.

IMPORTANT: You must read the following disclaimer before continuing. The following applies to the offering circular following this page (the “Offering Circular”) and you are therefore advised to read this carefully before accessing, reading or making any other use of this Offering Circular. In accessing this Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information as a result of such access.

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 BONDS DESCRIBED HEREIN (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 WITHIN 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 THE OFFERING CIRCULAR 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. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO THE FOREGOING RESTRICTIONS, YOU WILL BE UNABLE TO PURCHASE ANY OF THE SECURITIES.

Confirmation of Your Representation: In order to be eligible to view this Offering Circular or make an investment decision with respect to the Securities, investors must not be located in the United States. This Offering Circular is being sent at your request and by accepting the e-mail and accessing this Offering Circular, you shall be deemed to have represented to the Issuer and the Joint Lead Managers (each as defined in the Offering Circular) that (1) you and any customers you represent are not in the United States, (2) the e-mail address to which this e-mail has been delivered is not located in the United States, and (3) you consent to delivery of this Offering Circular by electronic transmission. 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 has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Issuer, the Joint Lead Managers or any of their respective affiliates, directors, officers, employees, advisers, representatives, agents, nor any person who controls any of them accepts any liability or responsibility whatsoever in respect of any difference between this Offering Circular distributed to you in electronic format and the hard copy version available to you on request from the Joint Lead Managers.

You are reminded that this Offering Circular has been delivered to you 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 and you may not, nor are you authorised to, deliver this Offering Circular to any other person.

The materials relating to any offering of securities do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by laws. If a jurisdiction requires that the issue of securities be made by a licensed broker or dealer and any of the Joint Lead Managers or any of their affiliates is a licensed broker or dealer in that jurisdiction, the issue of securities shall be deemed to be made by such Joint Lead Manager or such affiliate on behalf of the Issuer in such jurisdiction.

Actions that You May Not Take: If you receive this document by e-mail, you should not reply by e-mail to this document, 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.



Wuhan Urban Construction Group Co., Ltd. (武漢城市建設集團有限公司)

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

U.S.\$500,000,000 2.25 per cent. Bonds due 2024

Issue Price: 100.00 per cent.

The U.S.\$500,000,000 2.25 per cent. Bonds due 2024 (the “**Bonds**”) will be issued by Wuhan Urban Construction Group Co., Ltd. (武漢城市建設集團有限公司) (the “**Issuer**” or the “**Company**”, together with its subsidiaries (the “**Group**”)), a company incorporated in the People's Republic of China with limited liability.

The Bonds will bear interest on their outstanding principal amount from and including 9 July 2021 (the “**Issue Date**”) at the rate of 2.25 per cent. per annum, payable semi-annually in arrear in equal instalments on 9 January and 9 July in each year, commencing on 9 January 2022. Payments on the Bonds will be made without deduction or withholding for taxes of the PRC or any political subdivision or any authority therein or thereof having power to tax to the extent described under “**Terms and Conditions of the Bonds — Taxation**”.

The Bonds will constitute direct, unconditional, unsubordinated and (subject to Condition 4(a) (*Negative Pledge*) of the terms and conditions of the Bonds (the “**Conditions**”)) 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 subject to Condition 4(a) (*Negative Pledge*) of the Conditions, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

Neither the Wuhan Municipal Government nor any other PRC governmental entity has any payment or other obligations under the Bonds or the Trust Deed, and they will not provide a guarantee of any kind for the Bonds. The Bondholders (as defined in the Conditions) shall have no recourse to the Wuhan Municipal Government or any other PRC governmental entity in respect of any obligation arising out of or in connection with the Bonds or the Trust Deed. The Bonds are solely to be repaid by the Issuer and the obligations of the Issuer under the Bonds or the Trust Deed shall solely be fulfilled by the Issuer as an independent legal person.

Pursuant 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)) (the “**NDRC Circular**”) issued by the National Development and Reform Commission of the PRC or its local counterpart (“**NDRC**”) on 14 September 2015 which came into effect on the same day, the Issuer has registered the issuance of the Bonds with the NDRC and obtained a certificate from the NDRC on 13 April 2021 evidencing such registration. The Issuer will undertake to file or cause to be filed with the NDRC the requisite information and documents within 10 Registration Business Days (as defined in the Conditions) after the Issue Date.

The Issuer will undertake that it will (i) within fifteen Registration Business Days after the Issue Date, register or cause to be registered with the State Administration of Foreign Exchange of the PRC or its local counterparts (“**SAFE**”) the Bonds in accordance with the Administrative Measures for Foreign Debt Registration (外債登記管理辦法) and its operating guidelines, effective as of 13 May 2013, the Guidelines for Foreign Exchange Business under the Capital Account (2020 Edition) (資本項目外匯業務指引(2020年版)) and the Notice of People's Bank of China on Matters Concerning Macro-prudential Management on All-round 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 “**SAFE Registration**”), and (ii) use its best endeavours to complete the SAFE Registration and obtain a registration record from SAFE on or before the Registration Deadline (being the day falling 90 Registration Business Days after the Issue Date). For consequences of non-registration, see “**Risk Factors — Risks Relating to the Bonds — Any failure to complete the relevant registration with SAFE within the prescribed time frame following the completion of the issue of the Bonds may have adverse consequences for the Issuer and/or the investors of the Bonds**”.

Unless previously redeemed, or purchased and cancelled, the Issuer will redeem each Bond at its principal amount on 9 July 2024 (the “**Maturity Date**”). At any time, on giving not less than 30 nor more than 60 days' written notice to the Bondholders (which shall be irrevocable) and in writing to the Trustee and the Principal Paying Agent (each as defined in the Conditions), the Issuer may redeem the Bonds in whole, but not in part, at their principal amount, together with interest accrued to (but excluding) the date fixed for redemption, if, immediately prior to giving such notice, the Issuer satisfies the Trustee that (i) the Issuer has or will become obliged to pay Additional Tax Amounts (as defined in the 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 29 June 2021, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it. Following the occurrence of a Relevant Event (as defined in the Conditions), each Bondholder will have the right, at such Bondholder's option, to require the Issuer to redeem all but not some only of that Bondholder's Bonds on the Put Settlement Date (as defined in the Conditions) at 101 per cent. (in the case of a redemption for a Change of Control (as defined in the Conditions)) or 100 per cent. (in the case of a redemption for a No Registration Event (as defined in the Conditions)) of their principal amount, together in each case with accrued interest to (but excluding) such 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 51.

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

Investing in the Bonds involves risks. See “**Risk Factors**” beginning on page 14.

The Bonds 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. For a description of these and certain further restrictions on offers and sales of the Bonds and the distribution of this Offering Circular, see “Subscription and Sale” on page 149.

Application will be made to The Stock Exchange of Hong Kong Limited (the “**SEHK**”) for the listing of 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) (the “**Professional Investors**”) only. This document 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 the 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.

SEHK has not reviewed the contents of this document, other than to ensure that the prescribed form disclaimer and responsibility statements, and a statement limiting distribution of this document to Professional Investors only have been reproduced in this document. 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 document. 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 Bonds are expected to be rated “Baa2” by Moody's Investor Service, Inc. (“**Moody's**”) and “BBB+” by Fitch Ratings Inc. (“**Fitch**”). Such ratings are only correct as at the date of this Offering Circular. A rating is not a recommendation to buy, sell or hold the Bonds or any other securities of the Issuer and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. A suspension, reduction or withdrawal of the rating assigned to the Issuer or the Bonds may adversely affect the market price of the Bonds.

The Bonds will be initially evidenced by 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 depository on behalf of 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, individual certificates for Bonds will not be issued in exchange for interests in the Global Certificate. See “**Summary of Provisions relating to the Bonds in Global Form**”.

Sole Global Coordinator

Bank of China

Joint Lead Managers and Joint Bookrunners

Bank of China

CEB International

China CITIC Bank International

**China Everbright Bank
Hong Kong Branch**

**China International Capital
Corporation**

**China Minsheng Banking Corp., Ltd.,
Hong Kong Branch**

CMB International

ICBC International

**Industrial Bank Co., Ltd.
Hong Kong Branch**

**Shanghai Pudong Development Bank
Hong Kong Branch**

Offering Circular dated 29 June 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 OR THAT THE INFORMATION SET FORTH IN THIS OFFERING CIRCULAR IS CORRECT AS AT ANY DATE SUBSEQUENT TO THE DATE HEREOF.

This Offering Circular includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Issuer and the Group. The Issuer accepts full responsibility for the accuracy of the information contained in this Offering Circular and confirms, 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.

Hong Kong Exchanges and Clearing Limited and SEHK take no responsibility for the contents of this Offering Circular, 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 Offering Circular. Investors are advised to read and understand the contents of this Offering Circular before investing. If in doubt, investors should consult their advisers.

The Issuer confirms that (i) this Offering Circular contains all information with respect to the Issuer, the Group and the Bonds which is material in the context of the issue and offering of the Bonds (including the information which is required by applicable laws and information which, according to the particular nature of the Issuer and the Bonds, is necessary to enable investors and their investment advisers to make an informed assessment of the assets and liabilities, financial position, profits and losses, and prospects of the Issuer and of the rights attaching to the Bonds); (ii) the statements contained in this Offering Circular relating to the Issuer, the Group and the Bonds are in every material particular true and accurate and not misleading; (iii) the opinions and intentions expressed in this Offering Circular with regard to the Issuer and the Group are honestly 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 or the Bonds, the omission of which would, in the context of the issue and offering of the Bonds, make any statement in this Offering Circular misleading in any material respect; (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; (vi) this Offering Circular does not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, 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 included in this Offering Circular are based on or derived or extracted from sources which the Issuer believes to be accurate and reliable in all material respects.

The Issuer has prepared this Offering Circular solely for use in connection with the proposed offering of the Bonds described in this Offering Circular. This Offering Circular does not constitute an offer of, or an invitation by or on behalf of Bank of China Limited, CEB International Capital Corporation Limited, China CITIC Bank International Limited, China Everbright Bank Co., Ltd., Hong Kong Branch, China International Capital Corporation Hong Kong Securities Limited, China Minsheng Banking Corp., Ltd., Hong Kong Branch, CMB International Capital Limited, ICBC International Securities Limited, Industrial Bank Co., Ltd. Hong Kong Branch and Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch (the “**Joint Lead Managers**”) or the Issuer to subscribe for or purchase any of the Bonds. 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 and 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 or the distribution of this Offering Circular 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 including the United States, the United Kingdom, the PRC, Hong Kong, Singapore and Japan and to persons connected therewith. For a description of certain further restrictions on offers and sales 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, the 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 concerning the Issuer, the Group or the Bonds other than as contained herein and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Trustee, the Agents (each as defined in “*Terms and Conditions of the Bonds*”), the Issuer or the Joint Lead Managers or their respective affiliates, directors, officers, employees, agents, representatives or advisers. 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 or the Group 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 Agents or any of their respective affiliates, directors, officers, employees, agents, representatives or advisers 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.

This Offering Circular is being furnished by the Issuer in connection with the offering of the Bonds and is exempt from registration under the Securities Act solely for the purpose of enabling a prospective investor to consider purchasing the Bonds. Investors must not use this Offering Circular for any other purpose, make copies of any part of this Offering Circular or give a copy of it to any other person, or disclose any information in this Offering Circular to any other person. The information contained in this Offering Circular has been provided by the Issuer and other sources identified in this Offering Circular. Any reproduction or distribution of this Offering Circular, in whole or in part, and any disclosure of its contents or use of any information herein for any purpose other than the consideration of an investment in the Bonds offered by this Offering Circular is prohibited. By accepting delivery of this Offering Circular each investor is deemed to have agreed to these restrictions.

None of the Joint Lead Managers, the Trustee, the Agents or any of their respective affiliates, directors, officers, employees, agents, representatives or advisers has independently and separately verified the information contained in this Offering Circular. Accordingly, no representation, warranty or undertaking, express or implied, is made or given and no responsibility or liability is accepted, by the Joint Lead Managers, the Trustee, the Agents or any of their respective affiliates, directors, officers, employees, agents, representatives or advisers as to the accuracy, completeness or sufficiency of the information contained in this Offering Circular or any other information supplied in connection with the Bonds. Nothing contained in this Offering Circular is, or shall be relied upon as, a promise, representation or warranty by the Joint Lead Managers, the Trustee, the Agents or any of their respective affiliates, directors, officers, employees, agents, representatives or advisers. This Offering Circular is not intended to provide the basis of any credit or other evaluation nor should it be considered as a recommendation by any of the Issuer, the Joint Lead Managers, the Trustee, the Agents or any of their respective affiliates, directors, officers, employees, agents, representatives or advisers that any recipient of this Offering Circular should purchase the Bonds. Each person receiving this Offering Circular acknowledges that such person has not relied on the Joint Lead Managers, the Trustee, the Agents or any of their respective affiliates, directors, officers, employees, agents, representatives or advisers 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 and the Group and the merits and risks involved in investing in the Bonds. See “*Risk Factors*” below 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 Agents or any of their respective affiliates, directors, officers, employees, agents, representatives or advisers accepts any responsibility for the contents of this Offering Circular and they assume no responsibility for the

contents, accuracy, completeness or sufficiency of any such information or for any other statement made or purported to be made by the Joint Lead Managers, the Trustee, the Agents or any of their respective affiliates, directors, officers, employees, agents, representatives or advisers or on their behalf in connection with the Issuer, the Group or the issue and offering of the Bonds. Each of the Joint Lead Managers, the Trustee, the Agents and their respective affiliates, directors, officers, employees, agents, representatives or advisers 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 Agents or any of their respective affiliates, directors, officers, employees, agents, representatives or advisers undertakes to review the results of operations, financial condition or affairs of the Issuer or the Group during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or prospective investor in the Bonds of any information coming to the attention of the Joint Lead Managers, the Trustee, the Agents or their respective affiliates, directors, officers, employees, agents, representatives or advisers.

IN CONNECTION WITH THIS OFFERING, ANY OF THE JOINT LEAD MANAGERS (OR ANY OF ITS AFFILIATES), APPOINTED AND ACTING IN ITS CAPACITY AS STABILISATION MANAGER (IN SUCH CAPACITY, THE “STABILISATION MANAGER”) OR ANY PERSON(S) ACTING ON ITS BEHALF PROVIDED THAT CHINA CITIC BANK INTERNATIONAL LIMITED SHALL NOT BE APPOINTED AND ACTING IN SUCH CAPACITY MAY, SUBJECT TO ALL APPLICABLE LAWS, OVER-ALLOT BONDS OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORT THE MARKET PRICE(S) OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILISATION MANAGER (OR PERSON(S) ACTING ON ITS BEHALF) 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 AND MUST BE BROUGHT TO AN 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 STABILISATION MANAGER (OR ANY PERSON ACTING ON BEHALF OF THE STABILISATION MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

In connection with the offering of the Bonds, the Joint Lead Managers and/or their respective affiliates may purchase the Bonds for its or their own account and enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to the Bonds and/or other securities of the Issuer or its subsidiaries or associates at the same time as the offer and sale of the Bonds or in secondary market transactions. Such transactions may 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). Furthermore, investors in the Bonds may include entities affiliated with the Group.

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 are 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).

Prospective investors should not construe anything in this Offering Circular as legal, business or tax advice. Each prospective investor should determine for itself the relevance of the information contained in this Offering Circular and consult its own legal, business and tax advisers as needed to make its investment decision and determine whether it is legally able to purchase the Bonds under applicable laws or regulations.

INDUSTRY AND MARKET DATA

Market data and certain industry forecasts used throughout this Offering Circular have been obtained based on market research, public information and industry publications. Industry publications generally state that the information that they contain has been obtained from sources that the Issuer considers reliable and accurate but that the accuracy and completeness of that information is not guaranteed. Similarly, industry forecasts and market research, while believed to be reliable, have not been independently verified by the Issuer, the Joint Lead Managers, the Trustee, any Agent or their respective affiliates, directors, officers, employees, agents, representatives and advisers, and none of the Issuer, the Joint Lead Managers, the Trustee, the Agents or their respective affiliates, directors, officers, employees, agents, representatives and advisers makes any representation as to the correctness, accuracy or completeness of that information. In addition, third-party information providers may have obtained information from market participants and such information may not have been independently verified.

PRESENTATION OF FINANCIAL INFORMATION

This Offering Circular contains the Issuer's consolidated financial information as at and for the years ended 31 December 2019 and 2020, which has been extracted from the audited consolidated financial statements of the Issuer as at and for the year ended 31 December 2020 (the "**Issuer's 2020 Financial Statements**"). The Issuer's 2020 Financial Statements included elsewhere in this Offering Circular have been audited by Zhongxingcai Guanghua Certified Public Accountants LLP ("**Zhongxingcai**"), the Issuer's independent auditor, and were prepared and presented in accordance with the Accounting Standards for Business Enterprises in China ("**PRC GAAP**"). As advised by Zhongxingcai, PRC GAAP differs in certain respects from International Financial Reporting Standards ("**IFRS**"). See "*Summary of Certain Differences Between PRC GAAP and IFRS*".

The comparative consolidated financial information of the Issuer as at 31 December 2019 in the consolidated balance sheet has been restated in the Issuer's 2020 Financial Statements to reflect the retrospective adjustments mainly due to the integration and reorganisation of the Issuer and other six enterprises as further described in "*Description of the Group*". The Issuer has consolidated the assets and liabilities of the six enterprises as at 31 December 2019, in accordance with the notice relating to the Provisions on Regulating the Accounting Treatments for Relevant Businesses of Addressing Overcapacity, Destocking, Deleveraging, Lowering Corporate Costs, and Improving Weak Links (關於印發《規範"三去一降一補"有關業務的會計處理規定》的通知) (財會[2016]17號) issued by the MOF on 22 September 2016. Please refer to note IV.4 of the Issuer's 2020 Financial Statements for more details. As a result, the consolidated financial information of the Issuer as at 31 December 2019 and 2020 contained in the Issuer's 2020 Financial Statements may not be directly comparable to the consolidated financial information of the Issuer included in the Issuer's consolidated financial statements for previous years. However, the comparative consolidated financial information of the Issuer for the year ended 31 December 2019 in the consolidated income statement and the consolidated statement of cash flows has not been restated and therefore such financial information of the six enterprises for the year ended 31 December 2019 has not been reflected in such consolidated financial information of the Issuer. Potential investors must exercise caution when they use such financial information to evaluate the financial condition and results of operations of the Issuer or the Group.

CERTAIN DEFINITIONS, CONVENTIONS AND CURRENCY PRESENTATION

In this Offering Circular, unless otherwise specified or the context otherwise requires, all references to the "PRC" and "China" are to the People's Republic of China (for the purpose of this Offering Circular only, 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 "Hong Kong" are to the Hong Kong Special Administrative Region of the People's Republic of China; all references to "Renminbi" and "RMB" 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, and all references to the "Group" are to the Issuer and its subsidiaries as a whole.

This Offering Circular contains the translation of certain Renminbi amounts into U.S. dollars at specified rates solely for the convenience of the reader. Unless otherwise specified, where financial information in relation to the Issuer has been translated into U.S. dollars, it has been so translated, for convenience only, at the rate of RMB6.5250 to U.S.\$1.00 (the noon buying rate in New York City on

31 December 2020 as set forth in the weekly H.10 statistical release of the Federal Reserve Board of Governors). Further information regarding exchange rate is set forth in “*Exchange Rates*” in this Offering Circular. No representation is made that the Renminbi amounts referred to in this Offering Circular could have been or could be converted into U.S. dollars at any particular rate or at all, or *vice versa*.

In this Offering Circular, where information has been presented in thousands, millions or billions of units, amounts may have been rounded up or down. Accordingly, totals of columns or rows of numbers in tables or figures shown as totals 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 or transliterations of their Chinese names and are included for identification purpose only. In the event of any inconsistency, the Chinese name prevails.

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

- “**GFA**” refers to gross floor area;
- “**Hubei Provincial Government**” refers to the provincial people’s government of Hubei;
- “**MOF**” refers to the Ministry of Finance of the PRC;
- “**NDRC**” refers to the National Development and Reform Commission of the PRC or its competent local counterparts;
- “**PBOC**” refers to the People’s Bank of China, the central bank of the PRC;
- “**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;
- “**SAT**” refers to the State Administration of Taxation of the PRC;
- “**VAT**” refers to value-added tax;
- “**Wuhan Municipal Government**” refers to the municipal people’s government of Wuhan; and
- “**Wuhan SASAC**” refers to the State-owned Assets Supervision and Administration Commission of Wuhan Municipal Government.

FORWARD-LOOKING STATEMENTS

The Issuer has made certain forward-looking statements in this Offering Circular. Some of these statements can be identified by forward-looking terms, such as “anticipate”, “target”, “believe”, “can”, “could”, “estimate”, “expect”, “aim”, “intend”, “may”, “plan”, “will”, “would” or similar words. 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 revenue and profitability, planned projects and other matters as they relate to the Issuer and/or the Group discussed in this Offering Circular regarding matters that are not historical fact. These forward-looking statements contained in this Offering Circular (whether made by the Issuer or by any third party) involve known and unknown risks, including those disclosed under the section entitled “*Risk Factors*”, uncertainties and other factors that may cause the actual results, performance or achievements of the Issuer or the Group to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

These forward-looking statements speak only as at the date of this Offering Circular. The Issuer expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any of the opinions or forward-looking statements contained or expressed in this Offering Circular to reflect any change in the Group’s expectations with regard thereto or any new information, change of events, conditions or circumstances, on which any such opinion or statement was based.

The factors that could cause the actual results, performances and achievements of the Issuer or any other member of the Group to be materially different include, among others:

- the Group’s ability to successfully implement its business plans and strategies;
- various business opportunities that the Group may pursue;
- the financial condition, performance and business prospects of the Group;
- the Group’s capital expenditure plans and its ability to carry out those plans;
- access and cost of capital and financing;
- changes in the competitive landscape in the industries where the Group operates;
- any changes in the laws, rules, regulations and policies of the PRC government and the governmental authorities relating to the Group’s business;
- changes in general political and economic conditions, including those related to the PRC and Wuhan;
- changes or volatility in interest rates, foreign exchange rates or other rates or prices, including those pertaining to the PRC and the industries and markets in which the Group operates;
- macroeconomic measures taken by the PRC government to manage economic growth; and
- natural disasters, industrial action, terrorist attacks and other events beyond the Group’s control.

TABLE OF CONTENTS

	Page
SUMMARY	1
THE OFFERING	6
SUMMARY CONSOLIDATED FINANCIAL INFORMATION AND OTHER FINANCIAL DATA	10
RISK FACTORS	14
EXCHANGE RATES	50
TERMS AND CONDITIONS OF THE BONDS	51
SUMMARY OF PROVISIONS RELATING TO THE BONDS IN GLOBAL FORM	69
USE OF PROCEEDS	71
SUSTAINABLE FINANCE FRAMEWORK	72
THE HKQAA GREEN AND SUSTAINABLE FINANCE CERTIFICATION SCHEME	77
CAPITALISATION AND INDEBTEDNESS	80
DESCRIPTION OF THE GROUP	82
DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT	127
PRC REGULATIONS	134
TAXATION	146
SUBSCRIPTION AND SALE	149
SUMMARY OF CERTAIN DIFFERENCES BETWEEN PRC GAAP AND IFRS	153
GENERAL INFORMATION	155
INDEX TO FINANCIAL STATEMENTS	F-1

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 entitled “Risk Factors”, before making an investment decision.

OVERVIEW

The Issuer is a state-owned company directly and wholly owned by the Wuhan SASAC. Following over 40 years of development, the Group has grown into an important investment and financing platform in the city construction sector in Wuhan. The Issuer is one of the three leading city construction enterprises among the 13 enterprises in Wuhan for which the Wuhan SASAC performs the investor’s functions on behalf of the Wuhan Municipal Government.

The Issuer was previously known as Wuhan Real Estate Development & Investment Group Co., Ltd. (武漢地產開發投資集團有限公司). In 2020, the Wuhan Municipal Party Committee (武漢市委) and the Wuhan Municipal Government approved the plan to consolidate and integrate seven enterprises namely Wuhan Real Estate Development & Investment Group Co., Ltd. (武漢地產開發投資集團有限公司), Wuhan CBD Investment Holding Group Co., Ltd. (武漢中央商務區投資控股集團有限公司) (“**CBD Investment Company**”), Wuhan Construction Engineering (Group) Co., Ltd. (武漢建工(集團)有限公司) (“**Construction Engineering Company**”), Wuhan Landscaping and Greening Construction and Development Co., Ltd. (武漢園林綠化建設發展有限公司) (“**Landscaping Development Company**”), Wuhan Municipal Project Consultation Department Co., Ltd. (武漢市工程諮詢部有限公司) (“**Project Consultation Company**”), Wuhan 2049 Group Co., Ltd. (武漢二零四九集團有限公司) (“**2049 Company**”), and Wuhan Urban Industrial Investment Group Co., Ltd. (武漢市都市產業投資集團有限公司) (“**Urban Industrial Investment Company**”) to establish a leading city construction enterprise. The Issuer was renamed as Wuhan Urban Construction Group Co., Ltd. (武漢城市建設集團有限公司) in September 2020, with its registered share capital being increased to RMB10 billion from RMB1 billion with the full registered capital to be paid before July 2052. As at the date of this Offering Circular, the Group is still in the process of completing the industrial and commercial registration procedures for the transfer of the shares in CBD Investment Company to the Issuer, while the relevant registration for the share transfers for the other five enterprises has been completed. In accordance with the notice relating to the Provisions on Regulating the Accounting Treatments for Relevant Businesses of Addressing Overcapacity, Destocking, Deleveraging, Lowering Corporate Costs, and Improving Weak Links (關於印發《規範“三去一降一補”有關業務的會計處理規定》的通知) (財會[2016]17號) issued by the MOF on 22 September 2016, the Issuer has consolidated the assets and liabilities of the six enterprises as at 31 December 2019 into the Issuer’s 2020 Financial Statements.

As at the date of this Offering Circular, the Issuer had directly or indirectly held interests in 202 subsidiaries. As a result of the reorganisation, the Group brings together the best municipal state-owned enterprises in the field of urban construction and inherits the unique brand characteristics of these seven enterprises. As at 31 December 2019 and 2020, the Group’s total assets amounted to approximately RMB261,000 million and RMB297,345 million, respectively, and its net assets amounted to approximately RMB71,827 million and RMB78,256 million, respectively. For the years ended 31 December 2019 and 2020, the Group’s operating revenues totalled approximately RMB9,940 million and RMB26,654 million, respectively, its total profits totalled approximately RMB1,427 million and RMB2,501 million, respectively, and its net profits totalled approximately RMB999 million and RMB2,062 million.

The Group has formed eight business segments, including (i) three core business segments, namely urban modernisation (which includes indemnificatory housing, shantytown renovation and urban infrastructure construction), construction and comprehensive development, (ii) four supporting business segments, namely landscaping, design and engineering consultation, urban service and capital management and (i) an emerging business segment.

- Urban Modernisation:** The Group serves as the driving force in Wuhan's urban modernisation and transformation. The Wuhan Urban Modernisation Investment Co., Ltd (the "**Urban Modernisation Company**") was established in July 2020 to act as the operator of the Urban Modernisation Centre of Wuhan to coordinate the progress of key and/or difficult urban modernisation projects, to manage and review the implementation of those projects. The Urban Modernisation Centre builds a database identifying the key and/or difficult urban modernisation projects, which would be included in Wuhan's "14th Five-Year Plan" ("十四五"規劃) upon the approval of the steering group and managed by objectives. The Group undertakes the financing, planning, expropriation and compensation and investment promotion related to Wuhan's key and/or difficult urban modernisation projects throughout the project management process. During the period of "14th Five-Year Plan" ("十四五"規劃), the Urban Modernisation Centre has selected approximately 233 urban modernisation projects with the expropriation area of approximately 12.84 million square metres. Among them, 12 key and/or difficult urban modernisation projects are planned to be carried out in 2021. The urban modernisation business segment includes indemnificatory housing and shantytown renovation and urban infrastructure construction.
- Indemnificatory Housing and Shantytown Renovation:** The Group acts as an important state-owned platform for investment, financing and construction which undertakes indemnificatory housing, shantytown renovation and public rental housing in Wuhan. The Group has gradually established a unified housing rental platform in Wuhan. It is engaged in construction of a wide range of indemnificatory housing projects including subsidised housing (經濟適用房), low-rent housing (廉租房), public rental housing (公租房), relocation housing (還建房) and long-term rental apartments (長租公寓). In particular, its Qingshan Shantytown Renovation Project (青山棚戶區改造項目) has been recognised as the largest-scale shantytown renovation development in Central China in terms of area. The Qingshan Shantytown Renovation Project and the Relocation Housing for the 800,000-ton Ethylene Project (80萬噸乙烯還建房項目) have been listed as benchmark projects in Wuhan indemnificatory housing construction by the Ministry of Housing and Urban-Rural Development of the PRC.
- Urban Infrastructure Construction:** The Group undertakes urban infrastructure construction projects in Wuhan in accordance with the unified arrangement of the Wuhan Municipal Government. Over the years, the Group has led the construction of a large number of municipal infrastructure projects of strategic and economic importance to Wuhan, including Wuhan Economic and Technology Development Zone (武漢經濟技術開發區), Hankou section of Wuhan Avenue (武漢大道漢口段), East Lake Pass (東湖通道), East Lake Greenway (東湖綠道), Zhongshan Avenue District Renewal Planning (中山大道街區復興規劃) and the Project Connecting the East Lake and the Shahu Lake (東湖與沙湖連通工程) of Fangying Bridge (放鷹橋), Gedi Bridge (歌笛橋), Yunzhong Bridge (雲中橋), Yanxia Bridge (煙霞橋), Wuhan Construction Engineering Science and Technology Center (武漢建工科技中心) and Changjiang Media Building (長江傳媒大廈). The Wuhan Construction Engineering Science and Technology Center was awarded China Construction Engineering Luban Award (National Quality Project) in 2019 and National Green Building Innovation Award in 2020. Moreover, the Group serves as a major entity undertaking the construction and management of important public buildings. It has since its establishment constructed a large number of public buildings of strategic importance to Wuhan, such as the Wuhan Qintai Culture and Art Centre (武漢琴台文化藝術中心) (including the grand theatre, the concert hall and the Moon Lake Park), The 1911 Revolution Museum (辛亥革命博物館), Zhongshan Warship Museum (中山艦博物館), Tazi Lake Sports Centre (塔子湖體育中心) and Shouyi Cultural Park (首義文化園). The Wuhan Qintai Culture and Art Centre and Shouyi Cultural Park have become landmarks in Wuhan.
- Construction:** The Group is primarily engaged in various types of housing construction, municipal infrastructure construction (including roads, bridges and embankments), mechanical and electrical installation construction, steel structure construction, intelligent building construction, housing development and architectural research. The Group was among the nation's first batch to obtain special grade qualification for contracting construction projects (建築工程施工總承包特級資質) in 2002 and holds grade A qualification for design engineering and construction industry (construction engineering) (工程設計建築行業(建築工程)甲級資質). The Group's construction business generates profit by obtaining the general contract through participating in bidding process. The Group is subsequently responsible for organising the construction. The Group undertook the

construction of a series of landmark projects such as Yellow Crane Tower (黃鶴樓), Wuhan Library (武漢圖書館), Ruitong Plaza (瑞通廣場), Qintai Grand Theatre (琴台大劇院), Qintai Concert Hall (琴台音樂廳), the 1911 Revolution Museum (辛亥革命博物館), Wuhan International Expo Centre Intercontinental Hotel (武漢國際博覽中心洲際酒店), phase two of the Boao Forum for Asia (博鰲亞洲論壇永久會議二期工程), Yangtze River Media Building (長江傳媒大廈), Wuhan Yaxin Hospital (武漢亞心總醫院), Wuhan Construction and Technology Centre (武漢建工科技中心) and Hubei Olympic Sports Centre (湖北省奧林匹克體育中心).

- ***Comprehensive Development:*** The Group's comprehensive development business is concentrated in Wuhan. The Group's strategy for its comprehensive development business is to focus on the Wuhan market and selectively expand into other markets, carefully expand key business areas and diversify the types of development projects. In recent years, the Group's comprehensive development business has grown rapidly and achieved remarkable economic results and has also showed a distinct competitive strength in the region. The profits from the Group's comprehensive development business not only brings steady income to the Group but also increases the Group's brand value. Based on the statistics of China Index Academy, the Group was ranked the first among domestic real estate developers with a market share of 7.47 per cent. in the Wuhan real estate market in terms of contracted sales in 2020.
- ***Landscaping:*** The Group's landscaping business includes both ecological construction and ecological operation covering the whole industry chain, including garden curation, planning, design, construction, supervision, agent construction, maintenance and cultivation of seedlings and trees, etc. It is an entity for the investment, construction, development and operation of the urban gardening and greening construction in Wuhan and is also a leading force in Wuhan's ecological construction and greening development.
- ***Design and Engineering Consultation:*** The Group has obtained full licences in design and engineering consultation and has completed many landmark projects such as Wuhan — China Optics Valley (武漢•中國光谷), Wuhan Citizens Home (武漢市民之家), Wuhan Garden Expo Park (武漢園博園), East Lake Passage Project (東湖通道工程) and East Lake Greenway Project (環東湖綠道工程), etc. The Group has won 86 awards on consultation at national, provincial and municipal levels.
- ***Urban Service:*** The Group's urban services business comprises property management and asset operation. The Group carries out its urban services mainly through Wuhan Real Estate Group Orient Property Management Co., Ltd. (武漢地產集團東方物業管理有限公司) which mainly manages the properties developed by the Group. The Group's asset operation mainly includes managing inventory of the Group's existing land reserves, property ownership perfection, revitalization and disposal, and the management of Group's commercial properties, public infrastructure and municipal assets (including indemnificatory rental housing).
- ***Capital Management:*** The Group has been dedicated to developing its capital management business including industry investment, developing investment funds, setting up and operating finance companies and exploring diversified financing channels.
- ***Emerging Business:*** The Group actively expands into other emerging businesses, including prefabricated building, new material research and development, green energy, ecology restoration, environmental governance, information consulting and new infrastructure.

COMPETITIVE STRENGTHS

The Group believes it has the following competitive strengths that have led to its success and are important to its future development:

- Well-positioned to benefit from Wuhan, Hubei's economic strength and growing competitiveness;
- Supporting and promoting the urbanisation and industrialisation of Wuhan and improving all aspects of livelihood;
- Support from the PRC government and the Wuhan Municipal Government and closely supervised by the Wuhan Municipal Government;
- Interactive and sustainable business model consisting of different specialised entities in the full industrial chain;
- Well-established brand reputation and embracing social responsibilities;
- Diversified financing channels;
- Conducting state-owned enterprises reform and embracing new opportunities; and
- Experienced management team with proven track records and strong corporate governance.

BUSINESS STRATEGIES

The Group intends to implement the following strategies to achieve the objectives:

- Develop “3+4+X” modernised industrial system;
- Focus on urban development;
- Promote integration of resources and increase the business scale of the Group;
- Improve coordination, collaboration and technology;
- Fulfil the Group's leading role in urban infrastructure construction business;
- Deepen state-owned enterprises reform and establish market-oriented operation systems and mechanisms;
- Accelerate the Group's geographic expansion beyond Wuhan.

For detailed description of the Group's competitive strengths and business strategies, see “*Description of the Group*”.

RECENT DEVELOPMENTS

Performance of the Group as at and for the three months ended 31 March 2021

In April 2021, the Issuer published its financial statements as at and for the three months ended 31 March 2021 in Chinese in the PRC. For the avoidance of doubt, such financial statements are not incorporated by reference and do not constitute part of this Offering Circular.

For the three months ended 31 March 2021, the operating revenues of the Group increased as compared to the corresponding period in 2020 due to the significant negative impact of the COVID-19 on the Group's operations during the first three months ended 31 March 2020 as further described “— *The Recent COVID-19 Outbreak*” below and increase in real estate sales in the first three months ended 31 March 2021.

For the three months ended 31 March 2021, the Group recorded a negative net amount in other comprehensive incomes after tax, primarily due to changes in the fair value of the Group's equity investment in Changjiang Securities (stock code: 000783).

As at 31 March 2021, the Group's total liabilities increased as compared to the balance as at 31 December 2020 primarily due to an increase in bonds payable as a result of issues of bonds by the Group to finance the Group's operations this year.

The consolidated financial information of the Issuer as at and for the three months ended 31 March 2021 has not been subject to an audit or review and may be subject to further adjustments. Such financial information should not be relied upon by potential investors to provide the same quality of information associated with information that has been subject to an audit or review. None of the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents, advisers or any person who controls any of them makes any representation or warranty, express or implied, regarding the accuracy of such consolidated financial information or its sufficiency for an assessment of, and potential investors must exercise caution when using such data to evaluate the Group's financial condition and results of operations. Such financial information as at and for the three months ended 31 March 2021 should not be taken as an indication of the expected financial condition or results of operations of the Group for the full financial year ending 31 December 2021.

The Recent COVID-19 Outbreak

Since December 2019, there has been a global outbreak of a novel coronavirus named COVID-19, which is highly infectious and has resulted in a significant number of hospitalisations and death globally. On 11 March 2020, World Health Organization declared COVID-19 outbreak a pandemic. The COVID-19 pandemic has resulted in a number of countries declaring a state of emergency and a number of countries imposing extensive business and travel restrictions with a view to containing the pandemic. Widespread reductions in consumption, industrial production and business activities due to the COVID-19 pandemic will significantly disrupt the global economy and global markets and is likely to result in a global economic recession. In addition, COVID-19 has led to significant volatility in the global markets across all asset classes, including stocks, bonds, oil and other commodities and this volatility may persist for some time. Particularly, all construction projects in Wuhan were suspended for three months during the first quarter of 2020 and the Group has taken various measures such as division of projects planning into several phases, resumption of work and production in batches, implementation of remote working and establishment of COVID-19 prevention and control work mechanism to mitigate the impact of the COVID-19 pandemic. The Group has also been entrusted with the urgent task of constructing the Leishenshan Hospital (雷神山醫院) within 10 days. At present, the Group's business operations have all returned to normal, and the COVID-19 pandemic has no significant adverse impact on the Group's operations and financial positions. The global outbreak of COVID-19 may continue to affect the Group's industry and cause temporary suspension of projects and shortage of labour and raw materials, which would have a material adverse effect on the Group's business, financial condition and results of operations. For more details, please refer to "Risk Factor — The Group's operations are subject to force majeure events, natural disasters and outbreaks of contagious diseases."

THE OFFERING

The following is a brief summary of the offering and is qualified in its entirety by the remainder of this Offering Circular. Some of the terms described below are subject to important limitations and exceptions. Words and expressions defined in “Terms and Conditions of the Bonds” and “Summary of Provisions Relating to the Bonds in Global Form” 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” in this Offering Circular.

Issuer	Wuhan Urban Construction Group Co., Ltd. (武漢城市建設集團有限公司)
The Bonds	U.S.\$500,000,000 2.25 per cent. Bonds due 2024.
Issue Price	The Bonds will be issued at 100.00 per cent. of their principal amount.
Form and Denomination	The Bonds will be issued in registered form in denominations of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof.
Issue Date	9 July 2021.
Interest	The Bonds will bear interest on their outstanding principal amount from and including the Issue Date, at the rate of 2.25 per cent. per annum, payable semi-annually in arrear in equal instalments on 9 January and 9 July in each year, commencing on 9 January 2022.
Maturity Date	9 July 2024.
Status of the Bonds	The Bonds will constitute direct, unconditional, unsubordinated and (subject to Condition 4(a) (<i>Negative Pledge</i>) of the Conditions) unsecured obligations of the Issuer and shall at all times rank <i>pari passu</i> 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 subject to Condition 4(a) (<i>Negative Pledge</i>) of the Conditions, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations. <i>Neither the Wuhan Municipal Government nor any other PRC governmental entity has any payment or other obligations under the Bonds or the Trust Deed, and they will not provide a guarantee of any kind for the Bonds. The Bondholders shall have no recourse to the Wuhan Municipal Government or any other PRC governmental entity in respect of any obligation arising out of or in connection with the Bonds or the Trust Deed. The Bonds are solely to be repaid by the Issuer and the obligations of the Issuer under the Bonds or the Trust Deed shall solely be fulfilled by the Issuer as an independent legal person.</i>
Negative Pledge	The Bonds will contain a negative pledge provision as further described in Condition 4(a) (<i>Negative Pledge</i>) of the Conditions.
Use of Proceeds	The net proceeds from the offering of the Bonds will be used by the Issuer for refinance of the Group’s offshore indebtedness in accordance with the Sustainable Finance Framework. See “ <i>Use of Proceeds</i> ”.
Events of Default	The Bonds will contain certain events of default as further described in Condition 9 (<i>Events of Default</i>) of the Conditions.

Cross-Default.	The Bonds are subject to a cross-default provision in respect of (i) any other present or future indebtedness of the Issuer or any of its Subsidiaries for or in respect of moneys borrowed or raised which becomes (or becomes capable of being declared) due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described), or (ii) any such indebtedness not being paid when due or, as the case may be, within any originally applicable grace period, or (iii) the Issuer or any of its Subsidiaries failing 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 have occurred in aggregate equals or exceeds U.S.\$50,000,000 or its equivalent. See Condition 9(c) (<i>Cross-Default</i>) of the Conditions.
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 withholding or deduction for, any 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 withholding or deduction is required by law. Where such withholding or deduction is made by the Issuer by or within the PRC at the rate up to and including the aggregate rate applicable on 29 June 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 a deduction or withholding in respect of PRC tax 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 the circumstances set out in Condition 8 (<i>Taxation</i>) of the Conditions.
Final Redemption.	Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on the Maturity Date.
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 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 accrued interest, as further described in Condition 6(c) (<i>Redemption for Relevant Events</i>) of the Conditions.

A “Change of Control” occurs when:

- (i) (a) Wuhan SASAC, (b) the PRC government and all political subdivisions (including provincial, municipal and other regional or local governmental entities and instrumentalities thereof) (the “**PRC Government**”), and (c) any other Person Controlled by Wuhan SASAC and/or the PRC Government, together, cease to directly or indirectly hold or own 100 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 its assets to one or more Persons other than Wuhan SASAC, the PRC Government or any other Person Controlled by Wuhan SASAC and/or the PRC Government;

“**Control**” means (i) the ownership or control of at least 51 per cent. of the voting rights of the issued share capital of the relevant Person or (ii) the right to appoint and/or remove all or the majority of the members of the relevant 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, the possession of voting rights, contract or otherwise; the term “**Controlled**” has meanings correlative to the foregoing.

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 which shall specify the date for redemption and the method by which payment shall be made to the Bondholders in accordance with Condition 16 (*Notices*) of the Conditions (which shall be irrevocable) and in writing to the Trustee and the Principal Paying Agent, at 100 per cent. of 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 the giving of such notice, that:

- (a) the Issuer has or will become obliged to pay Additional Tax Amounts 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 29 June 2021; and
- (b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption 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, as further described in Condition 6(b) (*Redemption for Taxation Reasons*) of the Conditions.

Further Issues	The Issuer is at liberty from time to time, without the consent of the Bondholders, to create and issue further securities having the same terms and conditions as the Bonds in all material respects (or in all material respects save for the first payment of interest on them and the timing for the SAFE Registration and the NDRC Post-Issue Filing) and so that the same shall be consolidated and form a single series with the outstanding Bonds, as further described in Condition 15 (<i>Further Issues</i>) of the Conditions.
Trustee	Citicorp International Limited.
Principal Paying Agent.	Citibank, N.A., London Branch.
Registrar and Transfer Agent.	Citibank, N.A., London Branch.
Clearing Systems	The Bonds will be initially 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 thereof will be effected only through, records maintained by Euroclear and Clearstream. Except as described in this Offering Circular, certificates for the Bonds will not be issued in exchange for beneficial interests in the Global Certificate.
Clearance and Settlement	The Bonds have been accepted for clearance through Euroclear and Clearstream with a Common Code 235243733 and an International Securities Identification Number XS2352437334. The Issuer's Legal Entity Identifier is 549300COGKUP1D5V6086.
Notices	So long as the Bonds are evidenced by the Global Certificate and the Global Certificate is held on behalf of Euroclear or Clearstream or an Alternative Clearing System, notices to the holders of the Bonds shall be validly given by the delivery of the relevant notice to Euroclear or Clearstream or an Alternative Clearing System, as applicable, for communication by it to accountholders entitled to interests in the Bonds in substitution for notification as required by the Conditions.
Governing Law and Jurisdiction	English law and the exclusive jurisdiction of Hong Kong courts.
Listing	Application will be made to the SEHK for the listing of, and permission to deal in, the Bonds by way of debt issues to Professional Investors only and such permission is expected to become effective on or about 12 July 2021. A confirmation of the eligibility for the listing of the Bonds has been received from the SEHK.
Ratings	The Bonds are expected to be rated "Baa2" by Moody's and "BBB+" by Fitch. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. A suspension, reduction or withdrawal of the rating assigned to the Issuer or the Bonds may adversely affect the market price of the Bonds.

SUMMARY CONSOLIDATED FINANCIAL INFORMATION AND OTHER FINANCIAL DATA

The summary consolidated financial information of the Issuer as at and for the year ended 31 December 2019 and 2020 set forth below is derived from and should be read in conjunction with the Issuer's 2020 Financial Statements, including the notes thereto and the auditor's report included elsewhere in this Offering Circular. The Issuer's 2020 Financial Statements have been audited by Zhongxingcai. The Issuer's 2020 Financial Statements were prepared and presented in accordance with PRC GAAP. PRC GAAP is substantially in line with IFRS, except for certain modifications which reflect the PRC's unique circumstances and environment. For a summary of certain differences, see "*Summary of Certain Difference between PRC GAAP and IFRS*".

The comparative consolidated financial information of the Issuer as at 31 December 2019 in the consolidated balance sheet has been restated in the Issuer's 2020 Financial Statements to reflect the retrospective adjustments mainly due to the integration and reorganisation of the Issuer and other six enterprises as further described in "*Description of the Group*". The Issuer has consolidated the assets and liabilities of the six enterprises as at 31 December 2019, in accordance with the notice relating to the Provisions on Regulating the Accounting Treatments for Relevant Businesses of Addressing Overcapacity, Destocking, Deleveraging, Lowering Corporate Costs, and Improving Weak Links (關於印發《規範“三去一降一補”有關業務的會計處理規定》的通知) (財會[2016]17號) issued by the MOF on 22 September 2016. Please refer to note IV.4 of the Issuer's 2020 Financial Statements for more details. As a result, the consolidated financial information of the Issuer as at 31 December 2019 and 2020 contained in the Issuer's 2020 Financial Statements may not be directly comparable to the consolidated financial information of the Issuer included in the Issuer's financial statements for previous years. However, the comparative consolidated financial information of the Issuer for the year ended 31 December 2019 in the consolidated income statement and the consolidated statement of cash flows has not been restated and therefore such financial information of the six enterprises for the year ended 31 December 2019 has not been reflected in such consolidated financial information of the Issuer. Potential investors must exercise caution when they use such financial information to evaluate the financial condition and results of operations of the Issuer or the Group.

Consolidated Balance Sheet

	As at 31 December	
	2019	2020
	(RMB)	
Current Assets:		
Monetary Capital	24,178,811,893.34	30,622,373,207.70
Financial Assets at Fair Value through Profit or Loss	—	—
Derivative Financial Assets	—	—
Notes Receivable	34,635,720.27	270,505,666.99
Accounts Receivable	6,190,900,585.86	7,555,755,070.99
Accounts Prepaid	19,602,840,562.11	10,704,016,702.19
Interests Receivable	—	—
Dividends Receivable	—	—
Other Receivables	40,534,571,109.11	43,663,646,212.77
Inventories	94,489,867,182.87	111,142,425,080.41
Assets Held for Sale	—	—
Non-Current Assets Due within One Year	—	427,790,335.74
Other Current Assets	2,711,264,598.02	3,182,173,382.57
Total Current Assets	187,742,891,651.58	207,568,685,659.36
Non-Current Assets:		
Financial Assets Available-for-Sale	6,649,202,535.23	5,511,495,008.10
Held-to-Maturity Investment	—	—
Long-Term Receivables	1,726,307,880.13	8,490,116,194.07
Long-Term Equity Investments	3,318,250,811.89	6,154,849,910.71
Investment Properties	3,383,368,503.11	6,863,693,810.15
Fixed Assets	992,327,250.96	1,174,909,519.64
Construction in Progress	54,320,709,901.85	58,988,670,420.22
Engineering Materials	—	—
Disposal of Fixed Assets	—	—
Productive Biological Assets	—	—
Oil-and-Gas Assets	—	—
Intangible Assets	653,664,429.38	735,482,683.38
Development Expenditure	4,589,523.65	5,185,129.50
Goodwill	18,938,902.23	18,938,902.23
Long-term Unamortized Expenses	668,097,508.08	738,803,361.20
Deferred Tax Assets	510,425,069.58	566,929,442.83
Other Non-current Assets	1,010,919,437.79	528,503,820.07
Total Non-current Assets	73,256,801,753.88	89,776,578,202.10
Total Assets	260,999,693,405.46	297,345,263,861.46
	As at 31 December	

	2019	2020
	(RMB)	
Current Liabilities		
Short-term Loans	4,403,648,205.79	2,406,402,124.22
Financial Liabilities at Fair Value through Profit or Loss	—	—
Derivative Financial Liabilities	—	—
Notes Payable	356,771,494.11	828,529,818.53
Accounts Payables	16,370,416,346.29	18,537,796,262.23
Accounts Collected in Advance	28,857,870,935.67	39,943,140,888.34
Contract Liabilities	—	1,976,566,604.28
Employee Payroll Payable	270,554,733.37	253,056,181.93
Taxes Payable	1,766,513,818.93	2,186,957,206.85
Interests Payable	—	—
Dividends Payable	—	—
Other Payables	15,430,702,170.89	23,407,037,230.00
Liabilities Held for Sale	—	—
Non-Current Liabilities Due within One Year	19,886,094,795.32	19,534,513,215.02
Other Current Liabilities	919,214,500.19	1,492,717,582.12
Total Current Liabilities	88,261,787,000.56	110,566,717,113.52
Non-Current Liabilities:		
Long-Term Loans	57,123,124,103.40	61,298,352,836.95
Bonds Payable	17,896,100,000.00	17,158,950,000.00
Including: Preferred Stocks	—	—
Perpetual Bonds	—	—
Long-Term Payables	25,550,210,186.03	29,928,141,193.49
Long-Term Employee Pay Payable	—	—
Special Payables	—	—
Provision	—	—
Expected Liabilities	36,083.97	2,892,101.07
Deferred Incomes	168,400,090.82	94,491,286.55
Deferred Tax Liabilities	172,728,792.17	39,442,095.06
Other Non-Current Liabilities	—	—
Total Non-current Liabilities	100,910,599,256.39	108,522,269,513.12
Total Liabilities	189,172,386,256.95	219,088,986,626.64
Owner's Equity:		
Paid-in Capital	1,000,000,000.00	1,000,000,000.00
Other Equity Instruments	—	—
Including: Preferred Stocks	—	—
Perpetual Bonds	—	—
Capital Reserves	64,748,621,622.95	66,714,196,647.10
Less: Treasury Stocks	—	—
Other Comprehensive Incomes	−471,744,328.26	−279,061,248.62
Special Reserves	3,097,922.60	4,836,012.94
Surplus Reserves	170,327,324.54	186,123,121.45
Undistributed Profits	3,716,014,150.69	5,359,619,142.13
Owner's Equity Attributable to Parent Company	69,166,316,692.52	72,985,713,675.00
Minority Equity	2,660,990,455.99	5,270,563,559.82
Total Owner's Equity	71,827,307,148.51	78,256,277,234.82
Total Liabilities and Owner's Equity	260,999,693,405.46	297,345,263,861.46

Consolidated Income Statement

	For the year ended 31 December	
	2019	2020
	(RMB)	
I. Operating Revenues	9,940,158,463.73	26,653,598,479.41
Less: Operating Costs	6,735,469,558.59	21,203,779,227.75
Taxes and Surtaxes	994,194,883.65	856,848,806.21
Selling Expenses	139,165,216.85	543,338,281.56
Administrative Expenses	512,875,336.67	1,112,417,617.30
Research and Development Expenses	9,801,518.02	479,753,824.28
Financial Expenses	526,955,253.47	975,482,663.39
Including: Interest Expenses	658,953,085.29	1,305,136,452.32
Interest Incomes	146,537,729.50	384,045,370.36
Plus: Other Incomes	5,143,281.93	161,568,035.29
Investment Incomes	391,201,447.13	1,061,332,209.85
Including: Investment Incomes from Associates and Joint Ventures	81,252,087.29	740,821,798.16
Gains from Changes of Fair Value	—	—
Credit Impairment Losses	—	548,492.86
Assets Impairment Losses	7,592,608.47	-226,828,322.76
Incomes from Disposal of Assets	-5,308.72	12,590,338.74
II. Operating Profits	1,425,628,725.29	2,491,188,812.90
Plus: Non-operating Revenues	16,090,540.12	17,843,099.47
Less: Non-operating Expenses	14,889,239.44	8,418,879.64
III. Total Profits	1,426,830,025.97	2,500,613,032.73
Less: Income Taxes	428,319,166.90	438,136,170.73
IV. Net Profits	998,510,859.07	2,062,476,862.00
(I) Classified by Going-concern	340,461,980.74	2,062,476,862.00
1. Net Profits from Going Concern	340,461,980.74	2,062,476,862.00
2. Net Profits from Termination of Operation	—	—
(II) Classified by Ownership	998,510,859.07	2,062,476,862.00
1. Net Profits Attributable to Parent Company	824,800,159.68	1,862,965,829.52
2. Profit or Loss of Minority Equity	173,710,699.39	199,511,032.48
V. Net Amount of Other Comprehensive Incomes after Tax	340,461,980.74	192,683,079.64
(I) Net Amount of other Comprehensive Incomes after Tax Attributable to Parent Company	340,461,980.74	192,683,079.64
1. Other Comprehensive Incomes that cannot be Re-Classified into Profit or Loss	—	—
(1) Re-measurement of Change of Net Liabilities or Net Assets under Defined Benefits Plan	—	—
(2) Share in the Invested Entity in the other Comprehensive Incomes that cannot be Re-Classified into Profit or Loss by Equity Approach	—	—
2. Other Comprehensive Incomes that will be Re-Classified into Profit or Loss	340,461,980.74	192,683,079.64
(1) Share in the Invested Entity in the other Comprehensive Incomes that will be Re-Classified into Profit or Loss By Equity Approach	—	—
(2) Profit or Loss from Change of the Fair Value of Financial Assets Available-for-sale	340,461,980.74	192,683,079.64
(3) Profit or Loss from Re-classification of Investments Held-to-maturity to Financial Assets Available-for-sale	—	—
(4) Effective Part of Profit or Loss from Hedging of Cash Flow	—	—
(5) Converted Difference in Foreign Currency Statements	—	—
(II) Net Amount of other Comprehensive Incomes after Tax Attributable to Minority Shareholders	—	—
VI. Total Comprehensive Incomes	1,338,972,839.81	2,255,159,941.64
Total Comprehensive Income Attributable to Owners of Parent Company	1,165,262,140.42	2,055,648,909.16
Total Comprehensive Income Attributable to Minority Shareholders	173,710,699.39	199,511,032.48

Other Financial Data

	For the year ended 31 December	
	2019	2020
	(RMB)	
EBITDA ⁽¹⁾	2,183.39 million	4,199.77 million
EBITDA/Interest Expenditure	3.31x	3.22x
Total Debt ⁽²⁾ /Total Capitalisation ⁽³⁾	70.59%	73.68%
Net Debt ⁽⁴⁾ /Total Capitalisation	63.02%	63.38%

Notes:

- (1) EBITDA = Net profits + Income taxes + Depreciation of fixed assets + Depreciation of investment properties + Amortisation of intangible assets + Amortisation of long-term unamortised expenses + Financial expenses-interest expenses
- (2) Total Debt = Short-term loans + Long-term loans due within one year + Bonds payable due within one year + Long-term loans + Bonds payable
- (3) Total Capitalisation = Total Debt + Total Owner's Equity
- (4) Net Debt = Total Debt – Monetary Capital

EBITDA is not a standard measure under PRC GAAP or IFRS. EBITDA is a widely used financial indicator of a company's ability to service and incur debt. EBITDA should not be considered in isolation or construed as an alternative to cash flows, net income or any other measure of performance or as an indicator of the Issuer's operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities. In evaluating EBITDA, investors should consider, among other things, the components of EBITDA such as expenses and the amount by which EBITDA exceeds capital expenditures and other charges. The Issuer has included EBITDA because the Issuer believes that it is a useful supplement to cash flow data as a measure of the Issuer's performance and its ability to generate cash flow from operations to cover debt service and taxes. EBITDA presented herein may not be comparable to similarly titled measures presented by other companies. Investors should not compare the Issuer's EBITDA to EBITDA presented by other companies because not all companies use the same definition.

RISK FACTORS

An investment in the Bonds is subject to a number of risks. Investors should carefully consider all of the information in this Offering Circular and, in particular, the risks described below, before deciding to invest in the Bonds. The following describes some of the significant risks relating to the Group, its business, the market in which the Group operates and the value of Bonds. Some risks may be unknown to the Issuer and other risks, currently believed to be immaterial, could in fact be material. Any of these could materially and adversely affect the business, financial condition, results of operations or prospects of the Issuer and the Group or the value of the Bonds. The Issuer believes that the risk factors described below represent the principal risks inherent in investing in the Bonds, but the ability of the Issuer 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 Issuer on information currently available to it or which the Issuer is currently unable to anticipate. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. The Issuer does not represent that the statements below regarding the risk factors of holding any Bonds are exhaustive. This Offering Circular also contains forward-looking statements that involve risks and uncertainties. The actual results of the Group 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.

RISKS RELATING TO THE GROUP AND ITS BUSINESSES

The Group's business, financial condition, results of operations and prospects depend heavily on the level of economic development in Wuhan and in the PRC.

The Group's business operations are mainly in Wuhan. Therefore, the Group's business, financial condition, results of operations and prospects have depended, and will continue to depend heavily, on the level of economic development in Wuhan. China's economic development has experienced a slowdown in recent years. For the years ended 31 December 2019 and 2020, China's GDP growth rate was 6.0 per cent. and 2.3 per cent., respectively, according to the National Bureau of Statistics of China. It is hard to predict how Wuhan's economic development will be affected by a slowdown in the growth of the PRC economy, and there can be no assurance that the policies and measures issued and implemented by the PRC government will be effective in stimulating the recovery of the economy. There can be no assurance that the level of economic development in Wuhan as well as the PRC will continue at the past rate of growth, if at all. Any slowdown in the economic development in Wuhan or the PRC may affect the PRC government's support or the Wuhan Municipal Government's investments in the industries where the Group operates, reduce the demand for the Group's services and products (especially the purchasing power of individuals in the market for residential properties) and therefore adversely affect its business, financial condition, profitability, results of operations and prospects.

A reduction or discontinuance of government support could materially and adversely affect the Group's business, financial condition and results of operations.

In light of the strategic importance of the Group's business and operations to Wuhan, the Group has benefited from, and relied on various forms of support from the PRC government and the Wuhan Municipal Government (in the form of asset and capital injections, subsidies and other grants, and tax incentives permissible under PRC laws and regulations), to meet its capital and other operation requirements. Please refer to "*Description of the Group — Competitive Strengths — Support from the PRC Central Government and the Wuhan Municipal Government and closely supervised by the Wuhan Municipal Government*" for further details. However, there can be no assurance that the PRC government or the Wuhan Municipal Government will continue to provide support to the Group or that the support it currently receives such as subsidies and other grants will not be adjusted or terminated due to changes in the government policies or otherwise. If any favourable incentive or government support which is currently available to the Group is reduced or discontinued in the future, the Group's business, financial condition and results of operations would be materially and adversely affected.

The Group may cease to enjoy preferential tax treatment and tax exemptions, the loss of which, or a reduction in which, could reduce the Group's profits.

The Group currently enjoys some preferential tax treatment and tax exemptions pursuant to relevant regulations, such as enterprises income tax preferences and preferential VAT policies. For example, for the year ended 31 December 2020, one subsidiary within the Group, Wuhan Civil Defense Engineering Special Equipment Co., Ltd. (武漢市人防工程專用設備有限公司) was recognised as a high-tech enterprise which enjoyed a preferential enterprise income tax rate of 15%. For more details regarding other preferential tax treatment and tax exemptions enjoyed by the Group, please refer to note V of the Issuer's 2020 Financial Statements. However, there is no assurance that the preferential tax treatment and tax exemption currently enjoyed by the Group will not be modified, withdrawn or revoked by the PRC government. If the Group ceases to enjoy such preferential tax treatment or tax exemptions, or if the scope of the preferential treatment or tax exemptions is scaled back, the Group's financial conditions and results of operations may be adversely affected.

The Wuhan Municipal Government and Wuhan SASAC exert significant influence on the Group, and the Group may not make decisions, take actions or invest in or operate businesses or projects that are in the Group's best interest or that aim to maximise the Group's profits.

The Issuer is directly and wholly owned by Wuhan SASAC, and therefore Wuhan SASAC and the Wuhan Municipal Government are in a position to exert significant influence on the Group's development plans, strategies and key business decisions. In addition, the Wuhan SASAC and the Wuhan Municipal Government participate in the management of the Group by virtue of their authority to appoint directors and senior management of the Issuer and to review the Issuer's performance.

Given the Group's state-owned background and its strategic role in Wuhan, the Wuhan Municipal Government may use its ability to influence the Group's business and strategy in a manner beneficial to Wuhan as a whole but which may not necessarily be in the Group's best interests. For example, in its urban infrastructure construction segment, the Group has undertaken several landmark projects in Wuhan on a no-profit basis in accordance with the unified arrangement of the Wuhan Municipal Government. The Wuhan Municipal Government may also change its policies, budget, development plans, projections, forecasts and opinions and any such change could have a material effect on the Group's business, financial conditions, results of operations and prospects.

The Group's business and prospects to a large extent depend upon the spending or budget of the Wuhan Municipal Government on urban modernisation and infrastructure construction in Wuhan.

The Group is controlled by the Wuhan SASAC and is engaged by the Wuhan Municipal Government to carry out urban modernisation and infrastructure construction in and around the city. As many of these businesses operate in sectors of public interest, governmental agencies and state-owned enterprises are among the Group's major customers and the Group's businesses are to a large extent funded by the Wuhan Municipal Government. The Group's business and prospects have historically been, and may continue to be, materially affected by the public spending or budget of the Wuhan Municipal Government on urban modernisation and infrastructure construction in Wuhan.

There are a number of factors affecting the Wuhan Municipal Government's spending and budget on urban modernisation and infrastructure construction. The key factors include government policies and priority relating to the development of different industries and the Wuhan Municipal Government's fiscal and monetary policies. Such spending and budget are also affected by the government income and the general economic conditions of the PRC or Hubei Province. Any slowdown in the overall economic conditions of the PRC or Hubei Province may affect the economic development of Wuhan and the fiscal conditions of the Wuhan Municipal Government, which may in turn materially and adversely affect the spending and budget of the Wuhan Municipal Government on urban modernisation and infrastructure construction in Wuhan. If the spending or budget of the Wuhan Municipal Government on those projects decreases, the Group's business, financial condition, results of operations and prospects may be materially and adversely affected.

The Group faces risks associated with contracting with public bodies.

As an important investment and financing platform in the city construction sector in Wuhan, the Group is commissioned by the Wuhan Municipal Government and other local governmental entities and agencies to participate in many public projects such as construction of indemnificatory housing, public buildings and municipal infrastructure. As at 31 December 2019 and 2020, the Group's other receivables amounted to approximately RMB40,534.57 million and RMB43,663.65 million, respectively, representing 15.53 per cent. and 14.68 per cent. of the Group's total assets, respectively. The Issuer believes that the Group currently maintains a productive working relationship with government bodies, entities and agencies, but there can be no assurance that such relationship will continue in the future. The Wuhan Municipal Government and other local governmental entities and agencies may (i) have economic or business interests or considerations that are inconsistent with the Group's best interests; (ii) take actions which are 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. They may not perform 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 for various reasons such as government budgeting. The occurrence of any such event may require the Group to adjust its development plans, which would adversely affect its operating results. If there is any material disagreement between the Group and such government, entities or agencies, as the case may be, the Group may not be able to successfully resolve the disagreement in a timely manner. Disputes with public bodies may last for a considerably longer period of time than for those with private sector counterparties, and payments from the public bodies may be delayed as a result. Any of these factors may materially and adversely affect the business relationship between the Group and the Wuhan Municipal Government or any other government bodies, which may in turn materially and adversely affect the Group's business, financial condition, results of operations and prospects.

Delays or defaults in the provision of fiscal allocation or payment of rents by the Wuhan Municipal Government to the Group may affect its working capital and cash flow.

Most of the Group's public building construction projects are conducted under the agency construction business model where the Wuhan Municipal Government provides fiscal allocation to fund the construction of the projects. Once the relevant projects is completed, the Group and the Wuhan Urban-Rural Development Commission (武漢市城鄉建設委員會) on behalf of the Wuhan Municipal Government will enter into leasing contracts under which the Wuhan Urban-Rural Development Commission is obliged to pay rents to the Group. The Wuhan Finance Bureau (武漢市財政局) will allocate some of the annual city construction funds or other special funds for repayment of such rents. Once the Group commences the project construction, it incurs costs such as labour costs on an ongoing basis until the project construction is completed. Therefore, any delay or default in the provision of fiscal allocation or payment of rents by the government may increase the Group's cash flow pressure which will in turn increase its 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. For more details, please refer to "*Description of the Group — Urban Modernisation — Urban Infrastructure Construction*".

PRC regulations on the administration of the financing platforms of local governments may have a material impact on the Group's business and sources of financing.

As at the date of this Offering Circular, the Group is on the list of local government financing platforms of the China Banking and Insurance Regulatory Commission (the "CBIRC", formerly the China Banking Regulatory Commission), therefore PRC regulations on the administration of the financing platforms of local governments may have a material impact on the Group's business and sources of financing.

To strengthen the administration of the financing platforms of local governments in China and to control the risks relating to local government debt, the State Council of the PRC (中華人民共和國國務院) (the "State Council") issued the Notice on Strengthening the Administration of Local Government Financing Vehicles (關於加強地方政府融資平台公司管理有關問題的通知) ("Circular 19") in June 2010. According to Circular 19, local governments at different levels are required to classify the debts

incurred by their financing vehicles, such as the Issuer, into three categories based on the standards and principles set by the State Council and to control and decrease the amount of their outstanding debts. The first category of debts is that incurred relating to the development of projects for public interest that will be repaid with government funds. The second category of debts is that incurred relating to the development of projects for public interest that will be repaid with cash flow generated by the projects themselves. The third category of debts is that incurred relating to the development of projects that are not for public interest. According to Circular 19, the Group is required to maintain sufficient working capital and to improve corporate governance and to carry on its operations and financing in accordance with market-oriented principles as private companies.

In November 2010, the NDRC issued the Notice on Further Regulating Issuance of Bonds by Local Government Financing Vehicles (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) (“**Circular 2881**”). According to Circular 2881, the financing vehicles of a local government, such as the Issuer, must rely on their internal operating cash flow to finance the payment of more than 70 per cent. of the cash requirements for repaying their corporate bonds issued in the PRC. If revenue from the construction of public interest projects represents more than 30 per cent. of their total revenue, the financing vehicles should provide the authorities that review the application of corporate bonds issuance with information relating to the balance of the local government’s debts and other detailed information to demonstrate their repayment ability. In addition, Circular 2881 reinforces the requirements under Circular 19 which prohibit local governments from mortgaging state-owned assets or otherwise creating security interests over public funds to secure the debts of their financing vehicles, directly or indirectly. As at the date of this Offering Circular, the Group has not received any notice from any governmental authority that it is not in compliance with Circular 2881.

On 26 April 2017, the MOF, the NDRC, the Ministry of Justice, the People’s Bank of China, the CBIRC and the China Securities Regulatory Commission jointly issued the Circular on Further Regulating the Debt Financing Behaviours of Local Government (關於進一步規範地方政府舉債融資行為的通知) (“**Circular 50**”). According to Circular 50, (i) local governments should not inject public assets and land reserves into their financing vehicles, and should not undertake to use the expected income from transfer of land reserves as sources of debt servicing for their financing vehicles; (ii) when providing financing to enterprises such as financing vehicles, the financial institutions shall not request or accept any form of guarantee of such financing from the local governments and their departments by way of letter of guarantee, letter of undertaking, letter of comfort or otherwise; (iii) a financing vehicle shall make a written representation to the relevant creditor that it does not perform any financing function on behalf of local governments, and any debts incurred by it after 1 January 2015 shall not be regarded as local government debts pursuant to applicable laws. As at the date of this Offering Circular, the Issuer believes that its business activities are in compliance with the requirements under Circular 50. The Issuer also represents that the issuance of the Bonds should not be regarded as the performance of any financing function on behalf of any local government, and that the Bonds will not be treated as local government debts under applicable laws and regulations.

On 28 March 2018, the MOF issued the Notice of the Ministry of Finance on Issues concerning Regulating the Investment and Financing Behaviours of Financial Enterprises for Local Governments and State-owned Enterprises (財政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) (“**Circular 23**”). According to Circular 23, (i) state-owned financial enterprises are prohibited from increasing loans of local government financing platform companies in violation of regulations including the new Budget Law of the PRC which took effect on 1 January 2015 (the “**New Budget Law**”), Circular 43 (as defined below) and other requirements, except for purchase of local government debts; (ii) while providing financing for state-owned enterprises, financing platforms of local government or public-private partnership projects of local construction, state-owned financial enterprises shall, under the “penetration principle”, ensure that the source of financing entities’ capital funds is in compliance with applicable laws and regulations, and that the financing projects satisfy the requirements for the proportion of capital funds; (iii) state-owned financial enterprises are obliged to evaluate the financial capabilities of entities raising funds and sources of repayments when they provide agency services to local state-owned enterprises, such as financing platforms of local governments for domestic and overseas bonds issuance. Where the source of repayments made by the entities raising funds involve fiscal funds, state-owned financial enterprises shall conduct due diligence, and carefully verify whether the arrangement to offer fiscal funds is in compliance with applicable laws and regulations; and (iv) such documents including the offering circulars shall not disclose information that can implicitly or

explicitly indicate the government's endorsement, such as local financial revenues and expenditures and government debt information, or conduct misleading publicity that implies an association with the government's credit.

The above-mentioned regulations regulate the Group's operations, and in particular may adversely affect the Group's access to financing by imposing requirements not only on the Group but also the lenders. There can be no assurance that the PRC government will not issue more stringent policies that could affect the business of local government financing platforms in the PRC in the future including the Group. Accordingly, the Group's business and operations may be adversely affected by future changes in the regulatory regime concerning PRC local government financing platforms.

PRC regulations on the administration of local government debts may have a material impact on the Group's financing model and business model.

In September 2014, the State Council released 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) (“**Circular 43**”). According to Circular 43, local government financing vehicles, such as the Issuer, are no longer permitted to function as the financing arm of the local government or incur new government debts and should carry on their operations and financing in accordance with market-oriented principles. Local governments should finance the development of public interest projects by issuance of government bonds. Public interest projects that are profit earning may be developed either by private investors independently or by a special purpose company jointly set up by the local government and private investors. Private investors and the special purpose companies jointly set up by the local government and the private investors must invest in accordance with market-oriented principles, and projects may be financed by bank loans, corporate bonds and asset-backed securitisation. Furthermore, private investors and the special purpose companies must bear the obligation to repay their debts, and the relevant local government will not be liable for any of the private investors' or the special purpose companies' debts.

As part of the implementation of Circular 43, the local branches of MOF conducted an audit on the existing debts of local government financing vehicles. Debts reported by the local governments were classified into four categories, namely (i) debts that shall be repaid with funds of the local governments (the “**First Type of Borrowing**”), (ii) debts that are guaranteed by the local governments (the “**Second Type of Borrowing**”), (iii) debts that may be repaid by the local governments with public funds at their option when the borrowing financing vehicles are not able to repay (the “**Third Type of Borrowing**”), and (iv) debts that will not be repaid or financed with the funds of the local governments (the “**Fourth Type of Borrowing**”).

MOF subsequently implemented a programme with the aim of controlling the significant increase in local government debts and related risks in the PRC's banking system in 2015 (the “**Debt Swap Programme**”). Under the Debt Swap Programme, local governments were allowed, at their discretion, to swap the outstanding debts of their financing vehicles that were classified as the First Type of Borrowing with long-term and low-interest government bonds to be issued by local governments within the quota allocated by MOF.

In addition to Circular 43, Circular 50 reaffirmed that local government debts shall only be incurred through the issuance of local government bonds within the quota approved by the State Council, and the local governments and their departments are not permitted to use any other means for debt financing. The local governments and their departments are prohibited from requesting or ordering enterprises to issue debts for or on behalf of the local governments.

On 11 May 2018, the NDRC and the MOF jointly issued the Circular of the National Development and Reform Commission and the Ministry of Finance on Improving the Market Restraint Mechanism and Taking Strict Precautions against Foreign Debt Risks and Local Debt 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) (“**Circular 706**”). According to Circular 706, any enterprise that intends to incur medium and long-term foreign debts is prohibited from including public schools, public hospitals, public cultural facilities, parks, public squares, office buildings of government departments and public institutions, municipal roads, non-toll roads, non-operating water conservancy facilities, not-charged pipe network facilities and other public assets and the use right of reserve land in enterprise assets. As at the date of this Offering Circular, the Issuer's assets include public rental housing and some city and community facilities. While the Issuer believes

that such assets do not constitute public assets within the scope of Circular 706, there is, however, no clear definition of public assets in Circular 706 so its interpretation may involve uncertainty. Circular 706 also reaffirms that the offering circulars of bonds issuances shall not disclose information, that can implicitly or explicitly indicate the government's endorsement, such as local financial revenues and expenditures and government debt information or conduct misleading publicity that implies an association with the government's credit. In addition, the liability of the local government as the shareholder of such foreign-debt-incurring enterprises shall be limited to its agreed obligation to contribute to the registered capital of such enterprises, and the relevant foreign debts should be solely repaid by such enterprises as independent legal persons.

The Group believes that the PRC government will continue to implement Circular 43, Circular 50, Circular 706 and other relevant regulations to control local government debts. Accordingly, the Group should rely on the cashflow generated from its operations and external borrowings to satisfy its cash needs for servicing its outstanding indebtedness and for financing its operating activities. The PRC government may continue to release new policies or amend existing regulations to control the increase in local government debts in China. The Group may be required to further change its financing model and business model, which may have a material impact on its business, financial condition, results of operations and prospects.

In particular, none of Wuhan SASAC, the Wuhan 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. Wuhan SASAC only has limited liability in the form of its equity contribution in the Issuer and the Bonds are solely to be repaid by the Issuer and the obligations of the Issuer under the Bonds or the Trust Deed shall solely be fulfilled by the Issuer as an independent legal person. If the Issuer does not fulfil its obligations under the Bonds and the Trust Deed, the Bondholders will only have recourse against the Issuer, and not Wuhan SASAC, the Wuhan Municipal Government or any other PRC governmental entity. In addition, the indirect control by the PRC government does not provide assurance on the financial condition of the Issuer and the Group.

The Group's business operations are capital intensive and any failure by it to obtain sufficient capital resources on acceptable terms or in a timely manner may adversely affect the Group's business, financial condition and prospects.

The Group's business operations are capital intensive and require substantial capital resources. With the gradual recovery of the real estate industry, the Group is planning to increase its investments and projects for comprehensive development business, so its funding needs will increase. The Group has also undertaken, and will continue to undertake, some municipal infrastructure construction projects in accordance with the unified arrangement of the Wuhan Municipal Government on a no-profit basis. Although most of these projects have corresponding funding plans, at the early stage of these projects the Group still needs to use its own funds or raise additional funds. The Group has historically met its capital requirements primarily through revenues generated from its operations and other financing channels such as bank loans, issuances of debt securities in the domestic and offshore markets and various government subsidies or financial support. However, there can be no assurance that such funding sources will provide the Group with sufficient amounts of capital in a timely manner. Also, there can be no assurance that additional financing will be available to the Group or, if available, that it can be obtained on terms acceptable to the Group and within the covenants and limitations imposed by the Group's existing or future financing arrangements and the applicable regulations to which the Group may be subject. The Group's ability to arrange external financing and the cost of such financing are dependent on numerous factors, including general political, economic and capital market conditions, interest rates, credit availability from banks or other lenders, investor confidence in its business, success of its businesses, and provisions of tax, securities and other relevant laws that may be applicable. Any failure to obtain sufficient capital resources on acceptable terms or in a timely manner may adversely affect the Group's projects and its debt repayment ability, which may in turn adversely affect the Group's business, financial condition and prospects.

The Group has incurred substantial indebtedness and may incur additional indebtedness in the future, which could adversely affect its operations and its ability to satisfy its outstanding and future debt obligations.

To fund its projects and other businesses, the Group has incurred a large amount of indebtedness mainly through short-term and long-term bank loans and issuance of debt securities in the domestic market. As at 31 December 2019 and 2020, the Group's total indebtedness (comprising short-term loans, long-term loans due within one year, bonds payable due within one year, long-term loans and bonds payable) amounted to approximately RMB99,020 million and RMB97,694 million, respectively. As at 31 December 2020, among its total indebtedness, the Group had approximately RMB2,406 million short-term loans, RMB9,120 million long-term loans due within one year, RMB7,710 million bonds payable due within one year, RMB61,298 million long-term loans and RMB17,159 million bonds payable. Moreover, the Group is required to provide guarantees to banks in respect of mortgage loans taken out by purchasers of its properties. The Group may incur additional indebtedness in the future, including but not limited to the issuance of debt securities or entering into banking or other loan arrangements. If any member of the Group incurs additional debt, the risks that the Group faces as a result of its already substantial indebtedness could intensify.

The high level of existing indebtedness and incurrence of further indebtedness could have adverse consequences to the Group's business, including:

- increasing the Group's vulnerability to adverse general economic and industry conditions;
- requiring the Group to dedicate a substantial portion of its cash flows from operations to servicing and repaying its indebtedness, thereby reducing the availability of its cash flows to fund working capital, capital expenditures and other general corporate purposes;
- limiting the Group's ability to capture investment and/or acquisition opportunities and inhibiting its ability to grow and expand its business;
- increasing the Group's interest exposure as a proportion of its costs of doing business;
- limiting the Group's flexibility in planning for or reacting to changes in its businesses and the industries in which it operates;
- reducing the Group's competitiveness compared to its competitors that have less debt; and
- increasing the costs of additional financing.

In incurring indebtedness and liabilities from time to time, the Group may create security such as pledge and mortgage over its assets in favour of relevant creditors. As at 31 December 2019 and 2020, the Group's secured loans (including pledged loans and mortgage loans) amounted to approximately RMB10,501 million and RMB23,658 million, respectively. Assets of the Group which have been provided as security mainly include equity in and receivables from its projects, equity held in its subsidiaries, rights under the contracts, expected revenue, real estate ownership, projects under construction and land use rights. For examples, please refer to note VII.LXVI of the Issuer's 2020 Financial Statements. Should any of such secured indebtedness becomes immediately due and payable as a result of any default in payment or the occurrence of any other event of default under the relevant secured indebtedness, the relevant secured creditor would be entitled to take enforcement actions against such secured assets, such as applying for the disposal of the secured assets and being repaid using the net proceeds from such disposal. In such an event, the value of the Group's asset portfolio will diminish, and fewer assets will be available for distribution to unsecured creditors (such as the Bondholders). Such enforcement action could also have a material and adverse effect on the Group's business operations.

In addition, the Group guarantees indebtedness of entities related to or associated with the Group from time to time. For examples, please refer to note IX.5(2) of the Issuer's 2020 Financial Statements. If any such entity defaults in paying its indebtedness, the relevant member of the Group would be jointly liable for such indebtedness or obliged to pay the shortfall according to the provisions of the relevant guarantee, which would have an adverse effect on the Issuer's or, as the case may be, the Group's business, financial condition, results of operations or prospects. Similarly, the Issuer also provides

guarantees to certain of its subsidiaries and associated companies from time to time. If any of such subsidiaries or associated companies defaults on any borrowings guaranteed by the Issuer, the relevant lender may exercise its right under the guarantee to demand repayment from the Issuer. The occurrence of either of these types of events may result in a funding shortage at the Issuer's level and may materially and adversely affect the Issuer's ability to provide financial support to its other subsidiaries and associated companies and repay its own debt.

Negative operating cash flows may expose the Group to liquidity risk.

For the years ended 31 December 2019 and 2020, the Group had net cash outflow from operating activities of approximately RMB4,936 million and RMB876 million, respectively. The Group's negative operating cash flows for the years ended 31 December 2019 and 2020 were primarily because the comprehensive development business requires substantial cash outlays for land acquisition, which sometimes exceed the proceeds from the sales of properties. The foregoing may expose the Group to liquidity risk. While the Group believes that it has sufficient funds to finance its current working capital requirements, its cash flows may be adversely affected by a variety of competitive, macroeconomic and other related factors that are beyond its control. The Group's future liquidity, the payment of its other payables and accruals, as well as the repayment of its outstanding indebtedness when due, will primarily depend on its ability to maintain adequate cash inflows from operating activities and proceeds from external financing. In the event that it is unable to generate sufficient cash flows from its operations to meet the demand from its operating and capital expenditures, its operations will have to be funded by other financing activities. However, the Group's debt service and other fixed payment obligations could divert its cash flows from its operations and planned capital expenditures, and its financing costs associated with such debt obligations could materially and adversely affect the Group's profitability in the future.

The Group may be unsuccessful in integrating and managing investments and/or acquisitions.

Since September 2020, the Group's business underwent reorganisation that it consolidated and integrated seven enterprises to establish a leading city construction enterprise. This reorganisation results in the Group having 202 subsidiaries specialised in different fields as at 31 December 2020. The Group may however fail to integrate its business and allocate resources efficiently. If the Group's management team does not have the capacity to manage a larger-scale business and fail to understand the industry that each subsidiary operates, the Group will face an greater operation risk which can have adverse effects on its business, financial condition, profitability and results of operations.

The Group from time to time considers investment and acquisition opportunities that may complement its core business portfolio and capabilities and assist in expanding the market share of its core and other business operations. The ability of the Group's operations to grow by investments and/or acquisitions is dependent upon, and may be limited by, the requirements of the Wuhan Municipal Government, the availability of attractive projects, its ability to agree commercial, technical and financing terms to its satisfaction and obtaining required approvals from relevant regulatory authorities. There can be no assurance that the Group will be able to identify suitable investments and acquisition targets, complete the investments and acquisitions on satisfactory terms, if at all, or that the due diligence with respect to any acquisition will reveal all relevant facts that are necessary or useful in evaluating such opportunity.

Such investments and/or acquisitions may expose the Group to potential difficulties that could prevent it from achieving the strategic objectives for the investments and/or acquisitions or the anticipated levels of profitability from the investments and/or acquisitions. These difficulties include:

- diversion of management's attention from the Group's existing businesses;
- increases in the Group's expenses and working capital requirements, which may reduce its return on invested capital;
- difficulty of expanding into markets in different geographic locations and challenges of operating in markets and industries that the Group does not have substantial experience in;
- increases in debt, which may increase the Group's finance costs as a result of higher interest payments;

- exposure to unanticipated contingent liabilities to acquired businesses; and
- difficulties in integrating acquired businesses or investments into the Group's existing operations, which may prevent it from achieving, or may reduce, the anticipated synergies.

When analysing a potential acquisition, the Group will consider various factors, including but not limited to 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 is unable to predict whether there will be any targets suitable for acquisition or when any suitable acquisition opportunities could arise.

The Group may not be able to execute successfully or fully its business strategy with respect to assets, projects or companies in which the Group has minority interests or joint ventures.

The Group may not be able to execute successfully or fully its business strategy with respect to assets, projects or companies in which the Group has minority interests or joint ventures. The Group may also fail to manage such assets, projects, companies or joint ventures successfully. The Group's involvement with such assets, projects, companies and joint ventures is generally subject to the terms of applicable agreements and arrangements. The Group may not have any board representation, veto power or power to exercise control over the management, policies, business and affairs of such companies. If any of the Group's other partners in such companies or joint ventures fails to perform their respective obligations or otherwise breaches the terms and conditions of the relevant agreements and arrangements, or if the Group has different views or strategies with its partners, it could have a material adverse effect on the Group's business, financial condition or results of operations. Any actual or perceived deterioration in the reputation of the Group's joint venture partners could also have an adverse impact on the Group's business, profitability and prospects.

The Group is subject to extensive regulatory requirements, non-compliance with which would materially and adversely affect the Group's financial condition and results of operations.

The Group is subject to extensive laws, policies and regulatory requirements issued by relevant governmental authorities in the PRC. The Group is also subject to the supervision of a number of government ministries and departments, including but not limited to Wuhan SASAC, the NDRC, the MOF, the Ministry of Health of the PRC, the Ministry of Housing and Urban-Rural Development and the State Administration of Work Safety. Any breach of the laws or regulations to which the Group is subject may result in the imposition of fines and penalties, the suspension or closure of its relevant operations or the suspension or revocation of its licences or permits to conduct its relevant businesses. For example, there are seven subsidiaries in the Group which have not fully paid the registered capital in accordance with its relevant articles of association. As a result of such non-compliance with the relevant articles of association, the relevant shareholders shall be ordered to make full payments for the capital contributions they have subscribed for and are subject to the liabilities for breach of contract to shareholders who have made full payments of capital contributions as stipulated in the articles of associations.

Given the magnitude and complexity of the laws and regulations to which the Group is subject, compliance with such laws and regulations or the establishment of effective monitoring systems may be onerous or require a significant amount of financial and other resources. As at the date of this Offering Circular, the Issuer is not aware of any material non-compliance with such laws and regulations. Although the Group is obliged to comply with all applicable laws and regulations, given the changing nature and the increased complexity of the regulations in the PRC, there can be no assurance that the Group will be in compliance at all times. Any failure to comply with applicable laws and regulations could subject the Group to, among other things, civil liabilities and other penalties.

The Group is subject to project development risks and cost overruns, and delays may adversely affect its results of operations.

There are a number of construction, financing, operating and other risks associated with project developments in the PRC. Projects that the Group undertakes typically require substantial capital expenditures prior to and during the construction phase and usually take many years before they become operational and start to generate revenue. The progress of and the costs involved in completing a development project can be adversely affected by many factors, including:

- adjustments in construction plans;
- changes in market conditions, an economic downturn or a decline in consumer confidence;
- delays in obtaining necessary licenses, permits or approvals from government agencies or authorities;
- relocation of existing residents and demolition of existing structures;
- increases in the market prices of raw materials if it cannot pass on the increased costs to customers;
- shortages of materials, equipment, contractors and skilled labour;
- latent soil or subsurface conditions and latent environmental damage requiring remediation;
- unforeseen engineering, design, environmental or geographic problems;
- labour disputes or disputes with sub-contractors;
- construction accidents;
- natural disasters, terrorism;
- adverse weather conditions;
- changes in government practices and policies, including reclamation of land for public works or facilities; and
- other unforeseen problems or circumstances.

Any of these could give rise to delays in the completion of construction and/or cost overruns. Construction delays can result in loss of revenues. The failure to complete construction according to the specifications may result in increased liabilities, reduced efficiency and lower financial returns for the Group. In addition, as construction costs for new projects have increased due to factors that are generally beyond the Group's control, construction delays may further increase these costs. Although the majority of the Group's real estate projects have been completed on schedule, there can be no assurance that this will remain the case or that future construction projects will be completed on time, or at all, and generate satisfactory returns.

The Group is subject to regulatory approval risks and requires various approvals, permits and licences to operate its businesses.

In the PRC, infrastructure and real estate development projects involve a complex and lengthy process of formal, official and governmental authorisations and approvals as well as significant administrative and logistical difficulties concerning acquisition and usage of land use rights. There can be no assurance that such approvals will be obtained in accordance with the terms applied for or at all. For example, the Issuer is required to obtain an approval to occupy collectively-owned land for construction of its urban infrastructure projects. The Issuer was ordered to return the unlawfully occupied land and pay fines by Wuhan Land Resources and Planning Bureau and its East Lake Eco-tourism Scenic Area Sub-bureau in 2014 and 2016 and due to its failure to obtain such approval. There can be no assurance that fines and

punishments in other forms will not be imposed by relevant governmental authorities for such non-compliance in the future. For future projects, there can be no assurance that the requisite approvals can be obtained in a timely manner or at all. Also, as the Group develops and operates some of its projects through equity joint ventures, there can be no assurance that the Group will come to an agreement with its joint venture partners with respect to the terms of the Group's projects and that those terms are commercially and technically satisfactory. The acquisition or transfer of interests in such projects is also usually subject to governmental approvals, which can impact on the Group's ability to dispose of such projects. See “— *The Group is subject to various environmental, energy saving, 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 license or permits*”.

In addition, pursuant to the applicable laws and regulations in the PRC, the Group is required to obtain or renew approvals, permits and licences with respect to its relevant operations. There can be no assurance that the Group will be able to obtain or renew all necessary approvals, permits and licences on a timely basis or at all. Non-compliance with the relevant laws and regulations or the failure to obtain the relevant approvals, permits and licences could expose the Group to sanctions, fines, penalties, revocation of licence or other punitive actions, including suspension of the Group's business operations or restriction or prohibition on certain business activities. These may materially and adversely affect the Group's financial condition and results of operations.

Any failure of the Group's key contractors may have an adverse effect on the Group's business.

The Group engages contractors for the provision of various services, including but not limited to certain construction work for its urban modernisation, urban infrastructure and real estate development projects. The construction contracts between the Group and the third-party contractors stipulate specific quality requirements with which the contractors need to comply. There can be no assurance that the services rendered by the contractors will always be satisfactory and up to the standard specified in the relevant contracts. If the performance of any contractors is not satisfactory, the Group may need to replace such contractors or take other actions to remedy the situation, which could adversely affect the cost and construction progress of its projects. The completion of its construction projects may also 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 is also exposed to the risk that its contractors may require additional capital to complete an engagement in excess of the price originally tendered if the original work scope under the construction contracts needs to be widened and the Group may have to bear additional costs as a result. If any of the key contractors fails to perform their contractual obligations, the Group's operations, business and financial condition may be materially and adversely affected.

The Group may be asked to undertake additional infrastructure construction projects by the government on short notice, and there may be a shortage of contractors that meet the Group's quality requirements. In addition, there is a risk that the Group may not be able to find suitable alternative contractors at commercially reasonable contract terms, if at all, if its current contractors terminate their contracts or do not renew their expired contracts. Any of these factors may result in delays in the completion of the Group's projects or incurrence of additional costs, which could materially and adversely affect the Group's business, financial condition and results of operations.

The Group's businesses may be materially and adversely affected if the Group fails to maintain adequate and effective risk management, internal control and financial reporting systems.

Certain areas within the Group's risk management, internal control and financial reporting systems may require constant monitoring, maintenance and continual improvements by the Group's senior management and staff. The Group's business, financial condition, results of operations and prospects may be materially and adversely affected if the Group's efforts to maintain these systems prove to be ineffective or inadequate. The Group's risk management, internal control and financial reporting systems may contain inherent limitations caused by employees' inexperience or errors in their judgement. As a result, there is no assurance that the Group's risk management, internal control and financial reporting systems are adequate or effective, notwithstanding the Group's efforts, and any failure to address any internal control matters and other deficiencies could result in investigations and disciplinary actions or even prosecution being initiated against the Group or its employees, disruption to the Group's risk management system, and a material adverse effect on the Group's financial condition and results of operations.

The Issuer's articles of association state that the Issuer shall establish a board of supervisors of five members, three of whom shall be delegated by the Wuhan SASAC and the remaining two of whom shall be elected by the Issuer's Employees' Assembly. As at the date of this Offering Circular, the supervisory duties over the Issuer were fulfilled by the Audit Management Department (審計管理部) of the Issuer. Mr. PAN Jie is the Chairman of the Board of Supervisors of the Issuer and no other supervisors have been appointed. Please see "*Directors, Supervisors and Senior Management*" for further information.

The Group relies 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 limitations 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. While the Group has not experienced any material malfunction of these systems, any malfunction of these systems or any inadequacy in its controls could cause the relevant information to become unreliable, inaccurate or permanently lost, which could have an adverse effect on the Group's relevant business segment and, consequently, its operating revenues and results of operations.

The Group is exposed to interest rate risk.

Some of the Group's indebtedness is funded with instruments with floating interest rates. Interest rate fluctuations may therefore have a significant influence on the financial performance of the Group. Any changes in interest rates may impact the Group's borrowing costs. The Group may be susceptible to interest rate volatility if it is unable to match its floating rate liabilities with floating rate payments. There can be no assurance that fluctuations in interest rates will not have an adverse effect on the Group's earnings, cash flows, financial position and results of operations.

The Group is exposed to risks of rising cost of labour, construction materials or construction equipment and its profit margin and results of operations may be adversely affected.

Construction costs are one of the predominant components of the Group's cost of sales, and costs of labour, construction material and equipment are the principal drivers of construction costs. As a result of economic growth in the PRC, wages for construction workers and the prices of construction materials and building equipment have substantially increased in recent years. The cost of construction materials, such as steel, which constitutes a significant portion of the Group's payments to its construction contractors, may fluctuate. Any increase in the cost of construction materials may result in additional costs to the Group and may lead to future increases in construction contract costs. Construction material costs have fluctuated in recent years. Any increase in the cost of any significant construction materials will adversely impact the Group's overall construction costs, which is generally one of the largest components of the Group's cost of sales for its properties. If the Group cannot pass any or all of the increased costs on to its customers, its profitability could be adversely affected.

In addition, the amended Labour Contract Law of the PRC (中華人民共和國勞動合同法) (the "**Labour Contract Law**") that came into effect on 1 January 2008 enhanced the protection for employees and increased employers' liability in many circumstances, which may further increase the Group's labour costs. Under the terms of most of the Group's construction contracts, the contractors are responsible for the wages of construction workers and procuring construction materials for its property development and therefore bear the risk of fluctuations in wages and construction material and equipment prices during the term of the relevant contract. The contractors are also liable if they do not purchase work injury insurance for their workers as required. However, the Group is exposed to the price volatility of labour and construction materials and equipment to the extent that it periodically enters into new or renews existing construction contracts at different terms during the life of a project, which may span over several years, or if it chooses to hire the construction workers directly or purchase the construction materials or equipment directly from suppliers. It is also exposed to the price volatility of building equipment and materials used in properties developed by it because it usually procures such equipment and materials itself. Furthermore, to the extent it pre-sells its properties prior to their completion, it will

be unable to pass the increased costs on to purchasers of its properties if the construction costs increase subsequent to the time of such pre-sale. In relation to the projects constructed by the Group's subsidiaries, such subsidiaries bear the risk of fluctuations in wages and construction material prices and are also exposed to the price volatility of construction equipment used in construction projects. If the Group is unable to pass on any increase in the cost of labour, construction materials and construction equipment to its customers, its results of operations may be negatively affected. There can be no assurance as to the future movements of the prices of the construction materials or equipment required by the Group and any detrimental movements in the future could have a material adverse effect upon its financial condition and results of operations.

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

Under the Regulations on the Administration of Quality of Construction Works (建設工程質量管理條例), all property development companies in the PRC must provide certain quality warranties for the properties they construct or sell. The Group is required to provide these warranties to its customers. Generally, it receives quality warranties from its third-party contractors with respect to its development projects. The relevant subsidiaries within the Group have accumulated extensive real estate development and management experience, and also have various project management and quality control measures in place. However, in the project development process, there are many factors which may adversely affect the quality of the properties. Any deficiency in project management or quality control may result in defects in the construction, design and overall quality of the properties. If a significant number of claims are brought against the Group under its warranties and if it is unable to obtain reimbursement for such claims from third-party contractors in a timely manner or at all, or if the moneys retained by it to cover its payment obligations under the quality warranties are not sufficient, the Group could incur significant expenses to resolve such claims or face delays in correcting the related defects, which could in turn harm its reputation and have a material and adverse effect on its business, financial condition and results of operations.

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 governmental authorities, which in turn affect 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 bribes or similar unauthorised payments;
- conducting any insider dealing; or
- otherwise not complying with applicable laws or the Group's internal policies and procedures.

There had been incidents involving the former chairman of the Issuer and senior management members of certain subsidiaries who have been under investigation by the PRC authorities for their personal violations of discipline and laws. These relevant individuals have ceased to perform duties for the Issuer and the relevant subsidiaries. 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 noncompliance 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 that 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 for the Group and have a material adverse effect on its reputation and business.

The Group is subject to various environmental, energy saving, 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 licenses or permits.

The Group is required to comply with extensive environmental, energy saving, safety and health regulations in the PRC. For example, the particular environmental laws and regulations that apply to any given project development site vary according to the site's location, the site's environmental condition, the present and former uses of the site and the nature and former uses of adjoining properties. Failure to comply with these 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, may cause delays in developments, or may prohibit or severely restrict project development or construction activities in environmentally sensitive regions or areas. For example, the Group is required to obtain an approval of the environmental impact assessment report for a construction project before construction commences and comply with the terms of such approval. After completion of the construction, the competent environmental protection authority will carry out an environmental protection acceptance process. If it concludes that the construction project has met the requirements for environmental protection, the Group will receive an environmental protection completion acceptance report. In December 2013, the Issuer was fined RMB50,000 by the law and regulation monitoring department of the Wuhan Environmental Protection Bureau as a result of its failure to comply with the terms of the environment approval when constructing phase 4 of Wuhan East Lake Pass. In 2017, the Issuer was fined RMB40,000 by the Wuhan Environmental Protection Bureau as a result of its failure to comply with the terms of the environment approval when constructing Gusaoshu Road Third Ring to Development and Construction Road project. The above fines have been paid by the Issuer. However, due to its failure to comply with the terms of the environmental approval, as at the date of this Offering Circular, the Group has not received environmental protection completion acceptance reports for the above-mentioned two projects and other projects such as East Lake Greenway, Second Ring Line, Gusaoshu Road, Gutian Fourth Road, Golden Bridge, Sand Lake, Wuxian Road, Changfeng Road, Changjiang Road and Zhongshan Road. Although as at the date of this Offering Circular, the relevant authority has not taken any actions other than the above, the non-compliance in such other projects may subject the Group to further fines from the relevant authorities, and may be ordered to cease construction or use.

There is no assurance that the Group will be able to comply with all applicable requirements or obtain all the required approvals and permits on a timely basis, if at all. In addition, the relevant PRC laws and regulations on the environment, energy saving, safety and health are constantly evolving, and there may be potential material environmental liabilities of which the Issuer is unaware. There can be no assurance that the PRC government will not impose additional or stricter laws or regulations, which may increase the compliance costs of the Group.

The Group may be subject to disputes, legal, regulatory or other proceedings.

From time to time, the Group may be involved in disputes that arise during the ordinary course of business with various parties such as residents, contractors, customers and property management companies. These disputes may lead to protests, legal or other proceedings and may result in damage to the Group's reputation and operations, substantial costs and diversion of resources and management's attention.

In addition, the Group may have disagreements or compliance issues with regulatory bodies in the course of its operations, which may subject it to administrative proceedings and unfavourable decrees that may result in liabilities and cause delays to its projects. Also, in the event that the Group makes any other investments or acquisitions in the future, there can be no assurance that the Group would not have any exposure to any litigation or arbitration proceedings or other liabilities relating to the acquired businesses or entities.

The Group's insurance coverage may not adequately protect the Group against all operational risks.

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:

- mechanical production interruptions, electricity outages and equipment failure;
- operating limitations imposed by environmental or other regulatory requirements;
- work-related personal injuries;
- on-site occupational 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.

The Group maintains insurance policies that provide different types of risk coverage, which the Issuer believes to be compliant with applicable laws and regulations in the PRC and in line with industry practice. 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. Certain types of losses (such as from wars, acts of terrorism or acts of God, business interruption, property risks and third party (public) liability) are not insured in the PRC because they are either uninsurable or not economically insurable. To the extent that the Group suffers loss or damage that is not covered by insurance or that exceeds the limit of its insurance coverage, its business, financial condition, results of operations and cash flow may be materially and adversely affected.

Failure to recruit and retain key managerial personnel, highly skilled employees and the occurrence of labour unrest may materially and adversely affect the Group's operations.

The success of the Group's business depends, to a large extent, on the strategic vision of its board of directors, the continued service of key managerial personnel including directors and key senior executives and the ability to attract and retain highly skilled personnel. As the Group's business continues to grow, the Group's need to employ, train and retain additional suitable skilled and qualified employees increases accordingly. If the Group is not successful in recruiting, training or retaining its key managerial personnel or employees, its operations may be adversely affected. In addition, any failure by employees to observe and perform their obligations under their service agreements, or any labour unrest and disruption to the operations of the Group which (coupled with any increase in labour costs resulting from such dispute) may have a material adverse effect on the Group's results of operations and profits. As at the date of this Offering Circular, to the knowledge of the Issuer, the Group had not experienced any labour disputes that could have a material adverse effect on its operation and performance. However, there can be no assurance that the Group will not experience such disputes in the future.

Any decrease in inventory prices may have an adverse impact on the Group's financial condition and results.

The Group's inventories mainly include inventory materials, developed products under construction (development costs), finished developed products, developed products proposed to be sold but temporarily rented out and construction (outstanding price for completed projects). As at 31 December 2019 and 2020, the Group held inventory in the amount of approximately RMB94,490 million and RMB111,142 million, respectively, which amounted to 50.33 per cent. and 53.54 per cent. of the Group's current assets, respectively. Any decrease in inventory prices would lead to decrease in the Group's current assets and may in turn have an adverse impact on the Group's profitability, financial condition and results.

The Group's operations are subject to force majeure events, natural disasters and outbreaks of contagious diseases.

Force majeure events, natural disasters, catastrophe or other events could result in severe personal injury to the Group's staff, property damage and environmental damage, which may curtail the Group's operations, cause delays in estimated completion dates for projects and materially and adversely affect its cash flows and, accordingly, adversely affect its ability to service debt. The Group's operations are based in Wuhan, which is exposed to potential natural disasters such as flooding, landslides, mudslides and drought. If any of the Group's assets are damaged by severe weather or any other disaster, accident, catastrophe or other event, the Group's operations may be significantly interrupted. The occurrence or continuance of any of these or similar events could increase the costs associated with the Group's operations and reduce its ability to operate its businesses effectively, thereby reducing its revenues. Risks of substantial costs and liabilities are inherent in the Group's principal operations and there can be no assurance that significant costs and liabilities will not be incurred, including those relating to claims for damages to property or persons. Insurance policies for civil liability and damages taken out by the Group could prove to be significantly inadequate, and there can be no assurance that the Group will always be able to maintain a level of cover at least equal to current cover levels and at the same cost. Such accidents could also lead to the shutdown of the Group's affected operating facilities such as highways and railways and, potentially, similar facilities that may be considered to present the same risks.

In addition, the Group's operations are subject to outbreaks of contagious diseases. For example, the outbreak of SARS that began in the PRC and Hong Kong in early 2003 had an adverse effect on all levels of business in Hong Kong and the PRC. There have been sporadic outbreaks of the H5N1 virus or "Avian Influenza A" among birds, in particular poultry, as well as some isolated cases of transmission of the virus to humans. There have also been outbreaks among humans of the influenza A/H1N1 virus globally. On 11 June 2009, the World Health Organisation raised its global pandemic alert to Phase 6 after considering data confirming the outbreak. The outbreak of SARS and the influenza A/H1N1 virus led to a significant decline in travel volumes and business activities throughout most of the Asian region. The occurrence of another outbreak of SARS, the influenza A/H1N1 virus or of any other highly contagious disease may result in another economic downturn and may have an adverse effect on the overall level of business and travel in the affected areas. It may also disrupt the Group's business operations and consequently have an adverse effect on its financial condition and results of operations.

Since December 2019, there has been a global outbreak of COVID-19, which is highly infectious and has resulted in a significant number of hospitalisations and death globally. On 11 March 2020, World Health Organization declared COVID-19 outbreak a pandemic. Governments across the world have imposed travel restrictions and/or lockdown in an effort to curb the spread of highly infectious COVID-19. There is no assurance that the current containment measures will be effective in halting the pandemic. The current containment measures and any future containment measures may materially and adversely affect the manufacturing, exports and imports and consumption of goods globally, which may in turn lead to global economy slowdown. Due to the pandemic, the completion of the Group's projects may be delayed and sales might be lower than expected, which might in turn result in substantial increase in the Group's development costs, late delivery of projects and/or otherwise adversely affect the Group's profitability and cash flows. Further, customers who have previously entered into contracts to engage the Group for projects or to purchase equipment or materials from the Group may default on their contracts if the economic situation further deteriorates as a result of the pandemic.

The Group's comprehensive development business is heavily dependent on the performance of the real estate market in the PRC and may be subject to a downturn in the future.

Part of the Group's operating revenues come from its comprehensive development business. As at 31 December 2019 and 2020, the operating revenues from its comprehensive development business accounted for 85.04 per cent. and 39.51 per cent. of the Group's operating revenues, respectively. Therefore, it is heavily dependent on the performance of the real estate market in the PRC. There can be no assurance that the demand for new properties in the regions where the Group operates or intends to expand will continue to grow or that prices will not deteriorate. In addition, fluctuations of supply and demand in the real estate market in the PRC are caused by economic, social, political, regulatory and other factors that are outside the Group's control. There is no assurance that there will not be over-supply of properties or a downturn in the relevant real estate markets. Any such over-supply or economic downturn may result in a slowdown in property sales or downward pressure on property prices regionally or nationwide. Any adverse development in the real estate market in the regions and cities in the PRC where the Group operates or may operate in the future (in particular in Wuhan) could have a material adverse effect on its business, financial condition and results of operations.

Increasing competition in the PRC, particularly in Wuhan, may adversely affect the Group's comprehensive development business, financial condition and results of operations.

In recent years, the competition in the PRC real estate industry has been increasing. In particular, many property developers such as Vanke, Poly and Greenland have undertaken property development and investment projects in Wuhan. The intensity of the competition among property developers in Wuhan for land, financing, raw materials and skilled management and labour resources may result in increased cost for land acquisition and construction, a decrease in property prices and delays in the government approval process. An over-supply of properties available for sale could also depress the prices of the properties the Group sells and may adversely affect its real estate business, financial condition and results of operations. If the Group cannot respond to changes in market conditions or react to changes in customer preferences more swiftly or effectively than its competitors, the Group's business, results of operations and financial condition could be adversely affected.

The relevant PRC government authorities may impose fines on the Group or take back its land if the Group fails to develop a property according to the terms of the relevant land grant contract.

Under PRC laws and regulations, if a property developer fails to develop a property according to the terms of the land grant contract, including those relating to the payment of land premium, demolition and resettlement costs and other fees, the specified use of the land and the time for commencement and completion of the development, the relevant PRC government authorities may issue a warning to or impose a penalty on the developer or require the developer to forfeit the land. Under PRC laws and regulations, if the Group fails to pay any outstanding land grant premium on time, it may be subject to a late payment penalty of 0.1 per cent. of the outstanding balance for every day of delay in payment. In addition, the PRC government may impose an idle land fee equal to 20 per cent. of the land premium or allocation fees if (i) the Group does not commence construction for more than one year after the date specified in the relevant land grant contract, (ii) total constructed gross floor area ("GFA") is less than one-third of the total proposed GFA for the development and the development is suspended for more than one year without governmental approval, or (iii) 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. If the Group fails to commence construction for more than two years from the commencement date stipulated in the land grant contract, the land may be subject to forfeiture to the PRC government, unless the delay is caused by force majeure or governmental action.

As at 31 December 2019 and 2020, the Group had land reserve with a book value of approximately RMB1,057 million and RMB1,895 million, respectively. There can be no assurance that there will be no significant delays in the commencement of construction or the development of the Group's properties in the future, or that its developments will not be taken back by the PRC government because of such delays. If any of the Group's land is taken back by the PRC government, it would not only lose the opportunity to develop the property, but also lose its prior investments in the development, including land premiums paid and costs incurred in connection with such land.

The Group's business is subject to extensive governmental regulation and, in particular, it is susceptible to policy changes in the PRC real estate industry.

The Group's business is subject to extensive governmental regulation. As with other PRC property developers, the Group must comply with various requirements mandated by the PRC laws and regulations, including the policies and procedures established by local authorities designed to implement such laws and regulations. In particular, the PRC government exerts considerable direct and indirect influence on the development of the PRC real estate industry by imposing industry policies and other economic measures, such as control over the supply of land for property development, control of foreign exchange, property financing, taxation and foreign investment. Through these policies and measures, the PRC government may restrict or reduce land available for property development, raise benchmark interest rates of commercial banks, place additional limitations on the ability of commercial banks to make loans to property developers and property purchasers, and impose additional taxes and levies on property sales and restrict foreign investment in the PRC property sector.

Starting from the second half of 2009, residential property prices in certain cities in China rose rapidly. In order to prevent the overheating of the real estate 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, including raising the down payment ratio and residential mortgage loan interest rate, limiting the number of houses that a single household may purchase, increasing the supply of affordable housing to low- and middle-income families, increasing the supply of public housing to targeted populations, restricting foreign investments in properties in China, abolishing the preferential business tax treatment on transfer of ordinary housing within five years and launching new property tax schemes in certain cities.

According to the Notice of the General Office of the State Council on Issues Relating to Further Well Managing the Central Control of the Real Estate Market (國務院辦公廳關於進一步做好房地產市場調控工作有關問題的通知) issued by the General Office of the State Council on 26 January 2011, the Notice of the General Office of the State Council on Continuity to Well Manage the Central Control Work of the Real Estate Market (國務院辦公廳關於繼續做好房地產市場調控工作的通知) promulgated by the General Office of the State Council on 26 February 2013 and the Notice of the Ministry of Housing and Urban-Rural Development on Issues Relating to Further Well Managing the Central Control of the Real Estate Market (住房城鄉建設部關於進一步做好房地產市場調控工作有關問題的通知) promulgated by the Ministry of Housing and Urban-Rural Development (“MOHURD”, previously the Ministry of Construction) on 19 May 2018, the government will firmly restrain speculative demands and strengthen market supervision to better control the overheating of the PRC real estate market. Such measures may limit property developers' access to capital resources, reduce market demand for their properties and increase their operating costs in complying with these measures, which in turn could have an adverse impact on the demand for properties developed by the Group.

Recently, the real estate market in the PRC has witnessed signs of a slowdown, with some developers reported to have lowered prices in order to stimulate sales and some local governments reported to have relaxed property purchase restrictions previously imposed as cooling measures to help boost demand. However, due to a strong increase in prices starting in early 2016, local governments and developers in certain cities have implemented measures to suppress the level of increase in property prices, such as tightening mortgage restrictions on second home purchases. Starting in March 2017, several cities such as Guangzhou, Shenzhen, Suzhou and Hangzhou adopted more strict measures of restrictions on second home purchase and mortgage strategies. Please see “*PRC Regulations — Regulations on Real Estate Developers*” and “*PRC Regulations — Regulations on Land and the Development of Real Estate Projects*” for details of major regulations in Wuhan and in the PRC.

There can be no assurance that the PRC government will not adopt additional and more stringent industry policies, regulations and measures in the future. If the Group fails to adapt its operations to such new policies, regulations and measures that may come into effect from time to time, its prospects, results of operations and financial condition may be materially and adversely affected.

The Group may not be able to replenish its land reserve in a timely manner and on commercially reasonable terms.

The Group has derived and will continue to derive a substantial amount of its operating revenues from sales of residential properties that it has developed. For the years ended 31 December 2019 and 2020, the operating revenues from the comprehensive development segment accounted for 85.04 per cent. and 39.51 per cent., respectively, of the Group's operating revenues for the relevant year. As a result, the Group's sustainable development and future growth depends upon, among other things, its ability to replenish and increase its land reserve with sites that are suitable for future development.

The Group's ability to identify and acquire suitable development sites is subject to several factors, some of which are beyond its control. Currently, the PRC government controls and regulates substantially all of the land in the PRC. Therefore, the PRC government's land policies will have a direct impact on the Group's ability to acquire land use rights for future development and the costs of any acquisition by it. In recent years, to temper the overheating of the domestic real estate market, the PRC government has implemented various measures to restrain the acquisition of land use rights by property developers for comprehensive development. The PRC government also controls land supply through zoning, land usage regulations and other means, and may further limit land supply to protect farmland in the country. All these measures further intensify the competition for land in China among property developers.

In 2002, the PRC government introduced a nationwide system of mandatory public tender, auction or listing-for-sale for the grant of land use rights for commercial use, tourism, entertainment and commodity property development. On 28 September 2007, the Ministry of Land and Resources issued the revised Regulations on the Grant of State-owned Construction Land Use Rights through Public Tender, Auction and Listing-for-sale (招標拍賣掛牌出讓國有建設用地使用權規定), which further stipulates legal and procedural requirements on public tender, auction or listing-for-sale, the only means by which state-owned land use rights can be granted by the PRC government for industrial purposes, commercial purposes, tourism, entertainment and commodity property development, and require that the land premium must be paid in full to the local land administration bureau pursuant to the underlying land grant contract before the land use rights certificate can be issued to the land user. The PRC government's policy to grant state-owned land use rights at competitive market prices has substantially increased and is likely to continue to increase the acquisition cost of land reserves generally in the PRC.

In addition, in September 2010, the Ministry of Land and Resources and MOHURD jointly issued the Notice on Further Strengthening the Administration and Control of Real Estate Land and Construction (關於進一步加強房地產用地和建設管理調控的通知), which stipulates, among other things, that the planning and construction conditions and land use standards should be specified when a parcel of land is to be granted, and the restrictions on the area of any parcel of land granted for commodity properties should be strictly implemented. The development and construction of large low-density residential properties should be strictly restricted, and the plot ratio for residential land is required to be more than 1:1. In addition, a property developer and its shareholders will be prohibited from participating in any bidding to acquire additional land until any illegal behaviour in which it has engaged, such as leaving its land idle for more than one year, has been completely rectified. Please also see "*PRC Regulations — Regulations on Land and the Development of Real Estate Projects*" for details of major regulations. The implementation of these regulations may increase land transfer prices and require property developers to maintain a higher level of working capital.

Moreover, the sustained growth of the PRC economy and the acceleration of the urbanisation pace in the PRC have stimulated the demand in the domestic housing market. Due to its scarcity and non-renewable nature, in recent years the prices for land have continued to rise. This, coupled with the rise in demolition and resettlement costs, may result in a further increase in the costs and difficulty of land acquisition.

If the Group fails to replenish its land reserve in a timely manner and on commercially reasonable terms, its prospects, competitive position, business, profitability and results of operations may be adversely and materially affected.

The enforcement of regulations on land appreciation tax (“LAT”) by the PRC tax authorities may materially and adversely affect the Group’s profitability and cash flow.

According to the requirements of the Provisional Regulations of the PRC on Land Appreciation Tax (中華人民共和國土地增值稅暫行條例) issued by the State Council, effective from 1 January 1994 and amended on 8 January 2011, and the Detailed Implementation Rules on the Provisional Regulations of the PRC on Land Appreciation Tax (中華人民共和國土地增值稅暫行條例實施細則) issued by the MOF and effective from 27 January 1995, all entities and individuals receiving net profits from the sale or transfer of state-owned land use rights, buildings and their attached facilities are required to pay LAT, which is levied at progressive rates from 30 per cent. to 60 per cent. On 28 December 2006, the SAT issued the Notice in Relation to the Settlement of LAT levied on Real Estate Development Enterprises (國家稅務總局關於房地產開發企業土地增值稅清算管理有關問題的通知, the “LAT Notice”), which became effective on 1 February 2007. The LAT Notice sets forth, among other things, methods of calculating LAT and a time frame for settlement. According to the LAT Notice, local provincial tax authorities can formulate their own implementation rules. On 12 May 2009, the SAT issued the Provisions on Administration of the Settlement of Land Appreciation Tax (土地增值稅清算管理規程), which became effective on 1 June 2009 and stipulates in detail the procedures for settlement of LAT and methods of calculating LAT.

The Issuer believes the Group has accrued all LAT payable on its property sales and transfers in accordance with the progressive rates specified in relevant PRC tax laws, less amounts previously paid under the levy method applied by relevant PRC local tax authorities. However, provisioning for LAT requires the Group’s management to use a significant amount of judgment with respect to, among other things, the anticipated total proceeds to be derived from the sale of the entire phase of the project or the entire project, the total appreciation of land value and the various deductible items. As a result, the relevant PRC local tax authorities may not agree with the Group’s estimates or the basis on which the Group calculates its LAT liabilities. In certain circumstances, if the LAT provisions it has made are substantially lower than the actual LAT amounts assessed by the relevant PRC local tax authorities in the future, its results of operations and cash flow will be materially and adversely affected.

The Group may face certain risks associated with demolition, relocation and resettlement costs associated with its property developments may increase.

The Group’s comprehensive development projects may involve demolition, relocation and resettlement of existing residents. While the demolition, relocation and resettlement works are usually carried out by the local governments, the Group may be required to provide funds to the local governments as demolition compensation. Local governments may impose detailed requirements on demolition and resettlement, and existing owners or residents may disagree with the compensation arrangements or refuse to relocate. The administrative process to settle the amount of compensation, together with any appeals, or refusals to relocate may significantly delay the timetable for the affected development and lead to an increase in demolition and resettlement costs associated with the Group’s projects, which may materially and adversely affect its business, results of operation and financial condition.

In addition, as the only Urban Modernisation Centre operator in Wuhan, the Group may be engaged to carry out urban modernisation projects from time to time. This may include expropriation of land, compensation and relocation of indigenous residents and businesses, and the Group believes that similar situations may recur when it develops its future projects. If any indigenous 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 in compliance with PRC law. The relevant land authority will then take a decision as to the proper relocation compensation and timetable. There can be no assurance that the relocation of indigenous residents or businesses will proceed smoothly or that the indigenous residents or businesses 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. Any delays affecting such relocations of these indigenous residents or businesses may result in delays in the Group’s development schedules and/or increases in its development costs, any of which could have a material adverse effect on its business, financial condition and results of operations.

The Group's pre-sales of properties are subject to government regulations and may fail to grow at historical growth rates, decline or even be terminated, which may adversely affect its revenue, cash flow and results of operation.

The Group relies on cash flows from contracted pre-sales of properties as an important source of funding for its business. For the years ended 31 December 2019 and 2020, its contracted sales amounted to approximately RMB9,781 million and RMB21,541 million, respectively. However, there can be no assurance that the Group will be able to maintain the historical growth of its contracted sales because of various factors including a weaker real estate market, economic downturn or more stringent regulations. Under current PRC laws and regulations, property developers must fulfil certain conditions before they can commence pre-sales of the relevant properties and pre-sales proceeds may only be used to finance the related development. There can be no assurance that the PRC government authority will not ban the practice of pre-selling uncompleted properties or implement further restrictions on the pre-sale of properties, such as imposing additional conditions for a pre-sale permit or further restrictions on the use of pre-sale proceeds. Proceeds from the pre-sale of the Group's properties are an important source of financing for its real estate developments. Consequently, any restriction on its ability to pre-sell properties, including any increase in the amount of up-front expenditure it must incur prior to obtaining the pre-sale permit, would extend the time period required for recovery of its capital outlay and would result in its needing to seek alternative means to finance the various stages of its real estate developments. This, in turn, could have an adverse effect on the Group's revenue, cash flow and results of operations.

The Group is exposed to contractual and legal risks related to pre-sales.

The Group depends on cash flows from pre-sales of properties as an important source of funding for its real estate developments. It faces risks relating to the pre-sale of properties. For example, it may find itself liable to the purchasers for their losses if it pre-sells units in a property development and fail to complete that development. If it fails to complete a pre-sold property on time, its purchasers may claim compensation for late delivery pursuant to either their contracts with the Group or relevant PRC laws and regulations. If its delay extends beyond a specified period, its purchasers may terminate their pre-sale contracts and claim for compensation. A purchaser may also terminate his or her contract with the Group if the GFA of the relevant unit, as set out in the individual property ownership certificate, deviates by more than 3 per cent. from the GFA of that unit set out in his or her contract. There can be no assurance that the Group will not experience delays in the completion and delivery of its projects, nor that the GFA for a delivered unit will not deviate by more than 3 per cent. from the GFA set out in the relevant contract in every instance. Any termination of the purchase contract as a result of the Group's late delivery of properties or deviation from the GFA set out in such contract may have a material adverse effect on its business, financial condition and results of operations.

The terms on which mortgage loans are available, if at all, may affect sales of the Group's residential properties.

A majority of the purchasers of the Group's residential properties rely on mortgages to finance their purchases. An increase in interest rates may significantly increase the cost of mortgage financing and affect the affordability of residential properties. In addition, the PRC government and commercial banks may also increase the down payment requirement, impose other conditions or otherwise change the regulatory framework in a manner that would make mortgage financing unavailable or unattractive to potential property purchasers. The relevant PRC government authorities may impose various conditions or adjust the threshold of mortgage loans in accordance with the property market conditions. See "*PRC Regulation — Regulation on Loans for Real Estate Developers*". If the availability or attractiveness of mortgage financing is reduced or limited, many of the Group's prospective customers may not be able to purchase its properties and, as a result, its business, liquidity and results of operations could be materially and adversely affected.

The Group guarantees mortgage loans of its customers and may be liable to the mortgagee banks if its customers default on their mortgage payments.

The Group pre-sells properties before construction is completed. The purchasers of its properties may need mortgage loans to purchase its properties, and the Group typically arranges for various banks to provide these mortgage loans. In accordance with market practice, the mortgagee banks require the

Group to guarantee its customers' mortgage loans. Typically, its guarantee obligations for such customers' mortgage loans are released upon the issuance of the property ownership certificate for the mortgaged property and the completion of the registration of the mortgage. It generally takes one year after the Group delivers possession of the relevant property to the purchaser for its guarantee to be released. If a purchaser defaults on a mortgage loan guaranteed by the Group, the Group may have to repay the mortgage loan. If it fails to do so, the mortgagee bank may foreclose the underlying property and recover any balance from the Group as the guarantor of the defaulted mortgage loan. In line with industry practice, the Group relies on the credit analysis performed by the mortgagee banks in respect of individual customers and it does not conduct any independent credit checks on them. During the three years ended 31 December 2020, the Group did not experience any instances where it had to honour any material guarantee obligations as a result of a failure by its customers to repay their mortgage loans. However, if it is required to honour such guarantees, its results of operations and financial position may be materially and adversely affected.

The Group is required to deliver individual property ownership certificates in a timely manner and the failure to do so may result in claims against it.

Property developers are typically required to deliver to purchasers the relevant individual property ownership certificates within six months after delivery of the property or within a timeframe set out in the relevant sale and purchase agreement. Property developers, including the Group, generally elect to specify the deadline for the delivery of the individual property ownership certificates in the sale and purchase agreements to allow sufficient time for the application and approval processes. Under current regulations, property developers are required to submit requisite governmental approvals in connection with their property developments, including a land use rights certificate, a certificate evidencing that construction has met the requirements of relevant planning permits, a certificate evidencing that construction has completed and a property survey report, to the local bureau of land resources and housing administration after the receipt of the completion and acceptance certificate for the relevant properties and to apply for the general property ownership certificate in respect of these properties. Property developers are then required to submit, within regulated periods after delivery of the properties, the relevant property sale and purchase agreements, identification documents of the purchasers, proof for payment of deed tax, and the general property ownership certificate, to the bureau for review prior to the issuance of the individual property ownership certificates in respect of the properties purchased by the respective purchasers. Delays by the various administrative authorities in reviewing the application and granting approval as well as other factors may affect timely delivery of the general as well as individual property ownership certificates. Property developers, including the Group, may become liable for monetary penalties to purchasers for late delivery of the individual property ownership certificates due to delays in the administrative approval processes or for any other reason beyond its control. There can be no assurance that the Group will be able to timely deliver all property ownership certificates in the future or that it will not be subject to any liabilities as a result of any late deliveries of property ownership certificates.

RISKS RELATING TO THE FINANCIAL INFORMATION

The Issuer's consolidated financial statements included in this Offering Circular have been prepared and presented in accordance with PRC GAAP, which differs from IFRS in certain respects.

The Issuer's consolidated financial statements included in this Offering Circular have been prepared and presented in accordance with PRC GAAP. PRC GAAP is substantially in line with IFRS, except for certain modifications. Please see "*Summary of Certain Differences between PRC GAAP and IFRS*" for details. Each investor should consult its own professional advisers for an understanding of 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.

Investors should not place any reliance on unreviewed or unaudited financial information.

The Issuer publishes annual, semi-annual and quarterly consolidated financial information in the PRC to satisfy its continuing disclosure obligations relating to its debt securities issued in the PRC according to applicable PRC regulations and rules of the stock exchanges or the markets on which the relevant securities are listed. The semi-annual and quarterly consolidated financial information of the Issuer is

derived from the Group's management accounts and is normally not audited or reviewed by independent auditors. Such financial information does not form part of this Offering Circular and should not be referred to or relied upon by potential investors to provide the same quality of information associated with any audited or reviewed financial information. Such financial information is not an indicator or representation of the Issuer's or the Group's full year performance. The Issuer is not responsible to holders of the Bonds for the financial information from time to time published in the PRC and therefore investors should not place any reliance on any such financial information.

The Issuer's auditors have limited international capital markets experience.

The Issuer's current independent auditor, Zhongxingcai, is a registered member of the Chinese Institute of Certified Public Accountants. Although it has significant audit experience in the PRC, it has limited international capital markets experience. Prospective investors should consider these factors prior to making any investment decision.

Zhongxingcai, the auditor for the Issuer's 2020 Financial Statements, was subject to administrative sanctions by relevant PRC authorities.

Zhongxingcai, the auditor for the Issuer's 2020 Financial Statements, is a registered accounting firm in the PRC supervised by relevant PRC regulatory agencies, including the MOF and the China Securities Regulatory Commission (the "CSRC").

Zhongxingcai has been subject to administrative sanctions by the CSRC in the past few years. For example, in May 2020, CSRC issued an administrative penalty letter against Zhongxingcai on the grounds that as the auditor Zhongxingcai issued an unqualified opinion to the 2015 annual report of Shandong Xinyin Food Co., Ltd. (新綠股份) and it was determined by the CSRC that the 2015 annual report contained false information. In April 2020, the Guangdong Regulatory Bureau of CSRC issued a warning letter to Zhongxingcai on the ground that it was not diligent in certain aspects when performing the audit of the financial statements of Guangdong Wincom Technology Developing Co., Ltd (廣東盈嘉科技工程發展股份有限公司) and Dongguan Fuhua Health Management Co., Ltd. (東莞市福華健康管理股份有限公司) for the year ended 31 December 2018, including inadequate audit evidence, failure to make appropriate professional judgment, inadequate auditing procedures, failure to assess important assets, etc. In October 2019, the Hainan Regulatory Bureau of CSRC issued a warning letter to Zhongxingcai on the ground that it was not diligent in certain aspects when performing the audit of the financial statements of Hainan New Generation Media Co., Ltd. (海南新生飛翔文化傳媒股份有限公司) for the year ended 31 December 2017, including not being able to obtain sufficient and appropriate audit evidence and identify the inconsistencies in the audit evidence. In September 2020, the Shandong Regulatory Bureau of CSRC issued a warning letter to Zhongxingcai on the ground that it was not diligent in certain aspects when performing the audit of the financial statements of Hongye Chemical Group Co., Ltd. (洪業化工集團股份有限公司) for the years ended 31 December 2013, 2014 and 2015, including issues relating to audit engagement letter, its communication with predecessor auditors, risk assessment, letters of confirmation, and the audit of inventories, financial assets available for sale and bank borrowings. In February 2018, the Jilin Regulatory Bureau of CSRC issued a warning letter to Zhongxingcai on the grounds that it was not diligent in certain aspects when performing the audit of the financial statements of Oriental Huijin Future Co., Ltd. (東方匯金期貨有限公司) for the year ended 31 December 2016, including inadequate audit procedures and inaccurate disclosure in the financial statements. In August 2017, the Zhejiang Regulatory Bureau of CSRC issued a warning letter to Zhongxingcai in relation to its lack of communication with predecessor auditors and serious deficiencies in recordkeeping management when performing the audit of the financial statements of Wuyang Construction Group Co., Ltd. (五洋建設集團股份有限公司) for the year ended 31 December 2016. In addition, Zhongxingcai received a warning letter from the Dalian Regulatory Bureau of CSRC in November 2016 in relation to deficiencies in the audit tasks performed by it, including inadequate procedures on the client's internal control system and related party transactions.

According to Zhongxingcai, none of the abovementioned administrative sanctions are related to the Zhongxingcai team serving as the Issuer's current auditor. The abovementioned administrative sanctions imposed by CSRC do not (i) disqualify the Zhongxingcai team from participating in the offering of the Bonds; (ii) have any impact on Zhongxingcai's unqualified audit opinion for the Issuer's 2020 Financial Statements, or (iii) have any impact on Zhongxingcai's ability to provide services to the Group. There can be no assurance that Zhongxingcai's involvement in such administrative actions or any negative

news about Zhongxinghua would not affect investors' confidence in companies and financial statements audited by it. Prospective investors should consider these factors prior to making any investment decision.

RISKS RELATING TO THE PRC

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

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. The slowdown in the growth of PRC's GDP was caused by a combination of factors, such as the global economic conditions, governmental policies and changes in market dynamics globally and regionally as well as the COVID-19 spreading globally. For the whole year of 2019, the PRC Government reported a GDP of RMB99.0865 trillion, representing year-on-year growth of 6.1 per cent. In February 2021, the PRC Government reported a GDP for the whole year of 2020 of RMB101.5986 trillion, representing year-on-year growth of 2.3 per cent. Although the PRC government has recently taken several measures and actions with an aim to increase investors' confidence in the PRC economy, there can be no assurance that those measures will be effective. There are uncertainties relating to the overall prospects for the global and the PRC economies this year and beyond, which may have a material adverse impact on the Group's business, prospects, financial conditions and results of operations.

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. For example, the recent trade tension between the U.S. and China has brought and may continue to bring uncertainty to global markets and to a certain extent, impacted businesses and financial market sentiment, influenced financial market volatility, and slowed investment and trade. Starting in March 2018, the United States imposed tariffs on steel and aluminium imports from China, and later on 6 July 2018, the United States imposed 25% tariffs on U.S.\$34 billion worth of Chinese goods as part of President Donald Trump's tariffs policy. In return, the PRC responded with similarly sized tariffs on United States' products. Significant further tariffs have been imposed by both countries since then. In January 2020, China and the United States signed the first stage of trade deal, which, among other things, included a rollback by the United States of some existing tariffs. However, significant tariffs remain and it is unclear how much economic relief the first stage of trade deal will offer. In July 2020, the United States imposed sanctions on certain Chinese companies from purchasing U.S. technology and products without a special license. In August 2020, the United States further determined that certain Chinese firms are allegedly owned or controlled by the Chinese military and subject to sanctions. This has been further amended and supplemented by a new executive order addressing the threat from securities investments that finance certain companies of the People's Republic of China issued by the president of the United States in June 2021. It remains unclear whether the United States will impose further sanctions on more Chinese companies in the future. 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 could affect the Group's business and prospects.

The economy of the PRC 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. The economy of the PRC 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, deleveraging the economy by reducing borrowing levels and the establishment of sound corporate governance in business enterprises.

However, a large portion of productive assets in the PRC 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 could 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, the growth of development in cities such as Wuhan and in the infrastructure construction demand in the PRC and other industries that the Group operates depends heavily on economic growth. If the PRC's economic growth slows down or if the economy of the PRC experiences a recession, such growth may also slow down, and the Group's business and prospects may be materially and adversely affected. The Group's operations and financial results, as well as its 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 the PRC legal system could affect the Group.

The Group's operations are governed principally by PRC laws and regulations. The PRC legal system is based on written statutes. Prior court decisions can be cited for reference but do not have 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 developing a comprehensive system of commercial law. However, China has not developed a fully integrated legal system and existing laws and regulations may not cover all aspects of economic activities in the PRC. In particular, because many laws and regulations are relatively new, and because of the limited volume of published decisions and their non-binding nature, the interpretation and enforcement of these laws and regulations can involve significant uncertainties. In addition, the PRC 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 and some of which may be enforced with a retroactive effect). As a result, the Group may not be aware of a violation of a policy or rule until sometime after the violation. In addition, any litigation in the PRC may be protracted and result in substantial costs and diversion of resources and management's attention. It may also be difficult to obtain a swift and equitable enforcement of laws in the PRC, or the enforcement of a judgement by a court of another jurisdiction. These uncertainties relating to the interpretation and implementation of PRC 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 the Group's management.

The members of the Group are incorporated in the PRC, and the Group's assets are located in the PRC. In addition, the Issuer's directors, supervisors and members of its senior management reside within the PRC, and the assets of the Group's directors and officers may be located within the PRC. As a result, it may not be possible to effect service of process outside the PRC upon the Group's directors, supervisors and members of its senior management, including for matters arising under applicable securities laws. A judgment of a court of another jurisdiction may be reciprocally recognised or enforced if the jurisdiction has a treaty with China or if judgments of the PRC courts have been recognised before in that jurisdiction, subject to the satisfaction of other requirements. However, China does not have treaties providing for the reciprocal recognition and enforcement of judgments of courts with many countries, including Japan, the United States and the United Kingdom. Therefore, it may be difficult for investors to enforce any judgments obtained from foreign courts against the Issuer, the Group, or its directors, supervisors or members of its senior management in the PRC.

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

The Group's operating revenues are denominated in Renminbi, which is also its 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 the Group's foreign currency needs, including payments

on the Bonds. However, the PRC government may at its discretion restrict future access to foreign currencies for current account transactions. If this were to occur, the Group might not be able to make payments in foreign currencies, which may include payments to the holders of the Bonds. On the other hand, foreign exchange transactions under capital accounts in the PRC continue to be not freely convertible and require the approval of the SAFE. These limitations could affect the Group's ability to obtain foreign currencies through equity financing, or to obtain foreign currencies for capital expenditures.

The payment of dividends by the Issuer's subsidiaries and associates in the PRC is subject to restrictions under PRC laws.

PRC laws require that dividends be paid only out of net profit, calculated according to PRC accounting principles, which differ from generally accepted accounting principles in other jurisdictions. In addition, PRC laws require enterprises to set aside part of their net profit as statutory reserves before distributing the net profit for a current financial year. These statutory reserves are not available for distribution as cash dividends. Since the availability of funds to fund the Issuer's operations and to service its indebtedness partly depends upon dividends received from its subsidiaries and associates, any legal restrictions on the availability and usage of dividend payments from the Issuer's subsidiaries and associates may impact the Issuer's ability to fund its operations and to service its indebtedness.

The implementation of PRC employment regulations may increase labour costs in the PRC generally.

The PRC Labour Contract Law (中華人民共和國勞動合同法) became effective on 1 January 2008 and was amended on 28 December 2012. It imposes more stringent requirements on employers in relation to entry into fixed-term employment contracts and dismissal of employees. Pursuant to the PRC Labour Contract Law, an employer is required to make a payment, to a fixed-term contract employee when the term of their employment contract expires, equal to the employee's monthly salary multiplied by the number of full years that the employee has worked for the employer, unless the employee does not agree to renew the contract on terms the same as or better than those in the current employment contract. A minimum wage requirement has also been incorporated into the PRC Labour Contract Law. In addition, unless otherwise prohibited by the PRC Labour Contract Law or objected to by the employees themselves, the employer is also required to enter into non-fixed-term employment contracts with employees who have previously entered into fixed-term employment contracts for two consecutive terms.

In addition, under the Regulations on Paid Annual Leave for Employees (職工帶薪年休假條例), which became effective on 1 January 2008, employees who have worked continuously for more than one year are entitled to paid annual leave ranging from 5 to 15 days, depending on the length of the employees' work time. Employees who consent to waive such vacation at the request of employers shall be compensated an amount equal to three times their normal daily salaries for each vacation day waived. Under the National Leisure and Tourism Outline 2013-2020 (國民旅遊休閒綱要2013-2020) which became effective on 2 February 2013, all workers must receive paid annual leave by 2020. As a result of the PRC Labour Contract Law, the Regulations on Paid Annual Leave for Employees and the National Leisure and Tourism Outline 2013-2020, the Group's labour costs (inclusive of those incurred by contractors) may increase. Furthermore, under the PRC Labour Contract Law, not only must an employer compensate a terminated employee based on their length of service as described above, but in addition the employer may not be able to efficiently terminate non-fixed-term employment contracts without cause. In the event the Group decides to significantly change or decrease its workforce, the PRC Labour Contract Law could adversely affect its ability to effect these changes in a cost-effective manner or in the manner that the Group desires, which could result in an adverse impact on the Group's business, financial condition and results of operations.

Further, in the event that there is a labour shortage or a significant increase to labour costs, the Group's business operation costs are likely to increase. In such circumstances, its profit margin may decrease and its financial results may be adversely affected. In addition, inflation in the PRC has increased in recent years. Inflation in the PRC increases the costs of raw materials required by the Group for conducting its business and the costs of labour as well. Rising labour costs may increase the Group's operating costs and partially erode the cost advantage of the Group's operations and therefore negatively impact the Group's profitability.

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

Facts and other statistics in this Offering Circular relating to the PRC, its economy or the industry in which the Group operates have been directly or indirectly derived from official government publications and certain other public industry sources. Although the Group believes such facts and statistics are accurate and reliable, it cannot guarantee the quality or the reliability of such source materials which have not been prepared or independently verified by the Issuer, the Joint Lead Managers, the Trustee, the Agents or any of its or their respective affiliates, employees, directors, agents, advisers or representatives. The Issuer, the Joint Lead Managers, the Trustee, the Agents or any of its or their respective affiliates, employees, directors, agents, advisers or representatives therefore 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 such facts or statistics 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

Neither the Wuhan Municipal Government, nor Wuhan SASAC nor any other PRC governmental entity have any payment or other obligations under the Bonds or the Trust Deed.

The Issuer is beneficially controlled and owned by the Wuhan Municipal Government with Wuhan SASAC as its registered shareholder. The Wuhan Municipal Government as the ultimate equity holder of the Issuer only has limited liability in the form of its equity contribution in the Issuer. As such, neither the Wuhan Municipal Government, nor Wuhan SASAC nor any other PRC governmental entity has any payment or other obligations under the Bonds or the Trust Deed and will not provide a guarantee of any kind for the Bonds. The Bondholders shall have no recourse to the Wuhan Municipal Government, Wuhan SASAC or any other PRC governmental entity in respect of any obligation arising out of or in connection with the Bonds or the Trust Deed. The Bonds are solely to be repaid by the Issuer and the obligations of the Issuer under the Bonds or the Trust Deed shall solely be fulfilled by the Issuer as an independent legal person. This position has been reinforced by Circular 23 and Circular 706. Both Circulars do not, however, prohibit the PRC government from providing support (in various forms including capital injection and subsidies, but excluding injecting any kinds of public assets and land reserves as the Group's assets) to the Group in its ordinary course of business in compliance with PRC laws and regulations.

Therefore, investors should base their investment decision only on the financial condition of the Issuer and the Group and base any perceived credit risk associated with an investment in the Bonds only on the Group's own financial information reflected in its financial statements.

Any failure to complete the relevant registration with SAFE within the prescribed time frame following the completion of the issue of the Bonds may have adverse consequences for the Issuer and/or the investors of the Bonds.

In accordance with the Administrative Measures for Foreign Debt Registration (外債登記管理辦法) and its operating guidelines, effective as of 13 May 2013 (the "Foreign Debt Registration Measures"), the Issuer shall complete the SAFE Registration in respect of the issue of the Bonds with the local branch of SAFE in accordance with laws and regulations. According to the Operation Guidelines for Administration of Foreign Debt Registration (外債登記管理操作指引) promulgated together with the Foreign Debt Registration Measures, and the SAFE Guideline on Capital Account (2020) (資本項目外匯業務指引(2020)) the Issuer is required to register the Bonds within fifteen PRC working days after the Issue Date, and complete such registration in accordance with the Foreign Debt Registration Measures. According to the People's Bank of China on Issues Concerning the Overall Macro Prudential Management System for 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 Issuer shall file the information of its cross-border financing with

the SAFE. The Issuer has already consulted with the local branch of SAFE in connection with the registration and filing procedures and documentary requirements, and based on their consultation with the local branch of SAFE it is required to register the Bonds within fifteen PRC working days after the Issue Date.

Under the Conditions, the Issuer will undertake to register or cause to be registered with SAFE the Bonds within 15 Registration Business Days after the Issue Date, and use its best endeavours to complete the SAFE Registration and obtain a registration record from SAFE on or before the Registration Deadline (being the day falling 90 Registration Business Days after the Issue Date).

Before such registration of the Bonds is completed, it is uncertain whether the Bonds are enforceable as a matter of PRC law and it may be difficult for Bondholders to recover amounts due from the Issuer, and the Issuer may not be able to remit the proceeds of the offering into the PRC or remit money out of the PRC in order to meet its payment obligations under the Bonds.

In the unlikely event that having exercised its best endeavours, the Issuer is unable to complete such registration within the above-mentioned time period, 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 at 100 per cent. of their principal amount together with accrued interest pursuant to the Conditions. If the Issuer fails to complete the registration with the local branch of SAFE, the Issuer may have difficulty in remitting funds offshore to service payments in respect of the Bonds and investors may encounter difficulties in enforcing judgments obtained in the Hong Kong courts with respect to the Bonds and the Trust Deed in the PRC. In such circumstances, the value and secondary market price of the Bonds may be materially and adversely affected. In addition, the PBOC and SAFE may circulate the criticism against the Issuer after verification, order a rectification, and impose sanctions according to the Law of the People's Republic of China on People's Bank of China (中華人民共和國中國人民銀行法) and the Foreign Exchange Administrative Regulations (外匯管理條例).

The NDRC Circular is a recent regulation and its interpretation may involve significant uncertainty, which may adversely affect the enforceability and/or effective performance of the Bonds.

NDRC issued the NDRC Circular on 14 September 2015, which came into effect on the same day. According to the NDRC Circular, domestic enterprises and their overseas controlled entities shall procure the registration of any debt securities with a term not less than one year issued outside the PRC with the NDRC prior to the issue of the securities, and notify the particulars of the relevant issue within 10 PRC working days after the completion of such issue.

The NDRC Circular is a recent regulation and its interpretation may involve significant uncertainty, which may adversely affect the enforceability and/or effective performance of the Bonds. The NDRC Circular is silent on the legal consequences of non-compliance with the pre-issue registration requirements. The Issuer has registered the issuance of the Bonds with the NDRC and obtained a certificate from the NDRC on 13 April 2021 evidencing such registration. Similarly, the legal consequences of non-compliance with the post-issue notification requirement under the NDRC Circular is unclear. In the worst-case scenario, such non-compliance with the post-issue notification requirement under the NDRC Circular may result in it being unlawful for the Issuer to perform or comply with any of its obligations under the Bonds and the Bonds might be subject to enforcement as provided in Condition 9 (*Events of Default*) of the Terms and Conditions of the Bonds. Potential investors of the Bonds are advised to exercise due caution when making their investment decisions. The Issuer will undertake to file or cause to be filed with the NDRC the requisite information and documents relating to the issue of the Bonds within 10 Registration Business Days after the Issue Date.

In addition, the administration of the NDRC Circular may be subject to a certain degree of executive and policy discretion by the NDRC. There is also risk that the registration certificate with the NDRC may be revoked or amended in the future or that future changes in PRC laws and regulations may have a negative impact on the performance or validity and enforceability of the Bonds in the PRC. Potential investors of the Bonds are advised to exercise due caution when making their investment decisions.

The Bonds are unsecured obligations of the Issuer and are subordinated to the Issuer's secured indebtedness to the extent of the value of the collateral securing such indebtedness.

The Bonds are the Issuer's general and unsecured obligations and will (i) rank at least equally in right of payment with all the Issuer's other present and future unsecured and unsubordinated obligations, (ii) be effectively subordinated to all of the Issuer's present and future secured indebtedness to the extent of the value of the collateral securing such indebtedness, and (iii) be senior to all of the Issuer's present and future subordinated obligations, subject in all cases to exceptions as may be provided by applicable law. As a result, claims of secured lenders, whether senior or junior, with respect to assets securing their loans will be prior to those of other unsecured creditors. In the event of the Issuer's bankruptcy, insolvency, liquidation, reorganisation, dissolution or other winding up, or upon any acceleration of the Bonds, these assets will be available to pay obligations on the Bonds only after all other debt secured by these assets has been repaid in full. Any remaining assets will be available to the Bondholders rateably with all of the Issuer's other unsecured and unsubordinated creditors, including trade creditors. If there are insufficient assets remaining to pay all these creditors, then all or a portion of the Bonds then outstanding would remain unpaid.

The Bonds will be structurally subordinated to the existing and future indebtedness and other liabilities and commitments of the Issuer's existing and future subsidiaries.

None of the Issuer's subsidiaries will guarantee the Bonds. Therefore, the Bonds will be structurally subordinated to any indebtedness and other liabilities and commitments, including trade payables and lease obligations, of the Issuer's existing or future subsidiaries, whether or not secured. The Issuer may not have direct access to the assets of such subsidiaries unless these assets are transferred by dividend or otherwise to the Issuer. The ability of such subsidiaries to pay dividends or otherwise transfer assets to the Issuer is subject to various restrictions under applicable laws and the contracts and agreements which they enter into from time to time. The Issuer's subsidiaries are separate legal entities that have no obligation to pay any amounts due under the Bonds or make any funds available therefor, whether by dividends, loans or other payments. As a result, all claims of creditors of the existing and future subsidiaries of the Issuer, including trade creditors, lenders and all other creditors, and rights of holders of preferred shares of such subsidiaries (if any) will have priority as to the assets of such subsidiaries over claims of the Issuer as shareholder and those of creditors of the Issuer, including holders of the Bonds.

If the Issuer is unable to comply with the restrictions and covenants in its debt agreements, there could be a default under the Bonds, which could cause repayment of the Issuer's debt to be accelerated.

If the Issuer is unable to comply with the restrictions and covenants in the current or future debt obligations and other financing agreements, the cross-default provision of the Bonds could be triggered when (i) 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 or potential default, event of default or the like (howsoever described), or (ii) any such indebtedness is not paid when due or, as the case may be, within any originally applicable grace period, or (iii) 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 have occurred in aggregate equals or exceeds U.S.\$50,000,000 or its equivalent. See "*Terms and Conditions of the Bonds — Events of Default — Cross-Default*". As a result, the default by the Issuer under one debt agreement may cause the acceleration of repayment of, or result in a default under, the Bonds. If any of these events occur, there can be no assurance that the Issuer's assets and cash flows would be sufficient to repay all of the Issuer's indebtedness in full, or that it would be able to find alternative financing. Even if the Issuer could obtain alternative financing, there can be no assurance that it would be on terms that are favourable or acceptable to the Issuer.

Additional procedures may be required to be taken to bring English law governed matters or disputes to the Hong Kong courts and the Bondholders would need to be subject to the exclusive jurisdiction of the Hong Kong courts. There is also no assurance that the PRC courts will recognise and enforce judgments of the Hong Kong courts in respect of English law governed matters or disputes.

The Conditions and the transaction documents are governed by English law, whereas parties to these documents submit to the exclusive jurisdiction of the Hong Kong courts. In order to hear English law governed matters or disputes, Hong Kong courts may require certain additional procedures to be taken. In 2006 the Supreme People's Court of the PRC and the Hong Kong government signed the Arrangement on Reciprocal Recognition and Enforcement of Judgments 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 (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) (the “**Arrangement**”), which is still in full force and effect as at the date of this Offering Circular and will be replaced by and become invalid when the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and Hong Kong (關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排) (the “**New Arrangement**”), which was signed on 18 January 2019, comes into effect. Pursuant to the New Arrangement, if the parties have already signed the choice of court agreement in writing under the Arrangement before the New Arrangement enters into force, the Arrangement shall still apply. Under the Arrangement, judgments of Hong Kong courts are likely to be recognised and enforced by the PRC courts where the contracting parties to the transactions pertaining to such judgments have agreed to submit to the exclusive jurisdiction of Hong Kong courts. However, recognition and enforcement of a Hong Kong court judgment could be refused if the PRC courts consider that the enforcement of such judgment is contrary to the social and public interest of the PRC or meets other circumstances specified by the Arrangement on Reciprocal Recognition and Enforcement of Judgments 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. While it is expected that the PRC courts will recognise and enforce a judgment given by Hong Kong courts, there can be no assurance that the PRC courts will do so for all such judgments as there is no established practice in this area. Compared to other similar debt securities issuances in the international capital markets where the relevant holders of the debt securities would not typically be required to submit to an exclusive jurisdiction, the holders of the Bonds will be deemed to have submitted to the exclusive jurisdiction of the Hong Kong courts, and thus the holder's ability to initiate a claim outside Hong Kong will be limited.

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

The Bonds may be purchased as a way to reduce risk or enhance yield with a measured and appropriate addition of risk to the investors' overall portfolios. A potential investor should not invest in the Bonds unless they have 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.

Each potential investor in the Bonds 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 Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;

- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the 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 Bonds;
- understand thoroughly the terms of the 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 economic scenarios, such as interest rate and other factors which may affect its investment and the ability to bear the applicable risks.

An active 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. Application will be made to the SEHK for the Bonds to be admitted for listing on the SEHK, but no assurance can be given as to the liquidity of, or trading market for, the Bonds. The Joint Lead Managers are not obliged to make a market in the Bonds, and if any Joint Lead Manager does so, it may discontinue such market making activity at any time at its sole discretion. Therefore, investors may not be able to sell their Bonds easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. In addition, Bondholders should be aware of the prevailing and widely reported global credit market conditions (which continue at the date of this Offering Circular), whereby there is a general lack of liquidity in the secondary market for instruments similar to the Bonds. Such lack of liquidity may result in investors suffering losses on the Bonds in secondary resales even if there is no decline in the performance or the assets of the Group. It is not possible to predict which of these circumstances will change and whether, if and when they do change, there will be a more liquid market for the Bonds and instruments similar to the Bonds at that time. In addition, the Bonds are being offered pursuant to exemptions from registration under the Securities Act and, as a result, holders will only be able to resell their 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.

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 a fluctuation in the exchange rate of U.S. dollars and the investors' reporting currencies. The value of U.S. dollars is affected by many economic, political and other factors over which the Issuer has no control. Depreciation of the U.S. dollar against such currency could cause a decrease in the value of the Bonds and a decrease in the effective yield of the Bonds below their stated coupon rates, causing a loss when the return on the Bonds is translated into such currency.

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

The price and trading volume of the Bonds may be highly volatile. Factors such as variations in the Issuer's revenue, earnings and cash flows, proposals for new investments, strategic alliances and/or acquisitions, changes in interest rates, fluctuations in price for comparable companies, changes in government regulations and changes in general economic conditions nationally or internationally could cause the price of the Bonds to change. Any such developments may result in large and sudden changes in the trading volume and price of the Bonds. There is no assurance that these developments will not occur in the future.

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 the 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 global financial crisis in 2008 and 2009, the international financial markets have experienced significant volatility. In December 2016, the U.S. Federal Reserve raised interest rates for the first time in a year and only the second time since the 2008 financial crisis. The U.S. Federal Reserve further raised interest rates three times in 2017 and four times in 2018 but lowered them three times in 2019 and twice in 2020 as at the date of this Offering Circular as a result of the impact of the COVID-19 pandemic on the American economy. Potential changes in this position may increase the uncertainties relating to the prices of U.S. dollar denominated bonds. If similar developments occur in the international financial markets in the future, the market price of the Bonds could be adversely affected.

The Issuer may be unable to redeem the Bonds upon the due date for redemption thereof.

Upon maturity, the Bonds will be redeemed at their principal amount, or following the occurrence of a Relevant Event (as defined in the Conditions), the Issuer may, at the option of any Bondholder, be required to redeem all, but not some only, of such Bondholder's Bonds 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 accrued and unpaid interest up to (but not including) the date of redemption. See "*Terms and Conditions of the Bonds — Redemption and Purchase*". On the Maturity Date or if such an event were to occur, the Issuer may not have sufficient cash in 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 on the Maturity Date or in such event may also be limited by the terms of other debt instruments. The Issuer's failure to repay, repurchase or redeem tendered Bonds could constitute an event of default under the Bonds, which may also constitute a default under the terms of the Issuer's other indebtedness.

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

The Issuer is incorporated under the laws of the PRC. Any insolvency proceeding relating to the Issuer would likely involve PRC insolvency laws, 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. There is no assurance that investors in the Bonds will be able to receive the same level of protection under the insolvency laws of the PRC as those in their respective home jurisdictions.

A change in English law which governs the Bonds may adversely affect Bondholders.

The Terms and Conditions are governed by English law. No assurance can be given as to the impact of any possible judicial decision or change English law or administrative practice after the date of issue of the Bonds.

Modifications and waivers may be made in respect of the Conditions and the Trust Deed by the Trustee or less than all of the holders of the Bonds, and decisions may be made on behalf of all holders of the Bonds that may be adverse to the interests of the individual holders of the Bonds.

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

The Conditions also provide that the Trustee may, without the consent of the holders of the Bonds, agree to any modification of the Trust Deed, the Conditions and/or the Agency Agreement (other than in respect of a Reserved Matter (as defined in the Trust Deed)) which in the opinion of the Trustee will not be materially prejudicial to the interests of the holders of the Bonds and to any modification of the Conditions, the Trust Deed or the Agency Agreement which in the opinion of the Trustee is of a formal, minor or technical nature or is to correct a manifest error or to comply with any mandatory provision of applicable law.

In addition, the Trustee may, without the consent of the holders of the Bonds, authorise or waive any proposed breach or breach of the Conditions, the Trust Deed or the Agency Agreement if, in the opinion of the Trustee, the interests of the holders of the Bonds will not be materially prejudiced thereby. See *“Terms and Conditions of the Bonds — Meetings of Bondholders, Modification, Waiver, Authorisation, Determination and Entitlement of Trustee”*.

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

In certain circumstances (including without limitation the giving of notice pursuant to Condition 9 (*Events of Default*) of the Conditions and the taking of enforcement steps pursuant to Condition 13 (*Enforcement*) of the Conditions), the Trustee may (in its sole discretion) request the Bondholders to provide an indemnity and/or security and/or pre-funding to its satisfaction before it takes any action on behalf of Bondholders. The Trustee shall not be obliged to take any such actions if not indemnified and/or secured and/or pre-funded to its satisfaction. Negotiating and agreeing to any indemnity and/or security and/or pre-funding can be a lengthy process and may impact on when such actions can be taken. The Trustee may not be able to take actions, notwithstanding the provision of an indemnity or security or pre-funding to it, in breach of the terms of the Trust Deed 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 law, it will be for the Bondholders to take such actions directly.

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

Under the Enterprise Income Tax Law of the PRC (the **“EIT Law”**) which took effect on 1 January 2008 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 30 June 2011, 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 one 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. Pursuant to the Interim Regulation of the PRC on City Maintenance and Construction Tax (城市維護建設稅暫行條例) (2011修1), the Interim Provisions on the Collection of Educational Surcharges (徵收教育費附加的暫行規定) (2011修1), the Notice of the Ministry of Finance on the Relevant Matters regarding Unifying the Policies on Local Education Surcharges (關於統一地方教育費附加政策有關問題的通知), the Administrative Measures on the Collection and Utilisation of Local Educational Surcharges in Hubei (湖北省地方教育附加徵收使用管理辦法) and Provincial People’s Government General Office’s Opinions on Reducing Enterprise Costs and Inspiring Market Vitality (省人民政府辦公廳關於降低企業成本激發市場活力的意見) (鄂政辦發[2016]27號) (“**Opinions on Reducing Enterprise Costs**”) and based on consultation with the Hubei local taxation bureau, a city maintenance and construction tax (7 per cent. in the case of the Issuer), an educational surcharge (3 per cent.) and a local educational surcharge (reduced from 2 per cent. to 1.5 per cent. until 1 May 2018, according to the Opinions on Reducing Enterprise Costs) will be applicable when entities and individuals are obliged to pay VAT (for an aggregate of 11.5 to 12 per cent. on any VAT payable). 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 will be initially evidenced by a Global Certificate and holders of a beneficial interest in a Global Certificate must rely on the procedures of the clearing systems.

The Bonds will be initially evidenced by beneficial interests in a Global Certificate. Such Global Certificate will be registered in the name of a nominee for, and deposited with, a common depository for Euroclear and Clearstream (the “**Clearing Systems**”). Except in the circumstances described in the Global Certificate, investors will not be entitled to receive definitive Certificates. The Clearing Systems will maintain records of the beneficial interests in the Global Certificate. While the Bonds are evidenced by the Global Certificate, investors will be able to trade their beneficial interests only through the Clearing Systems.

Owners of book-entry interests will not be considered owners or holders of the Bonds for purposes of the Trust Deed. A nominee of the common depository for Euroclear and Clearstream will be the sole registered holder of the Global Certificate. Accordingly, holders of a beneficial interest in a Global Certificate must rely on the procedures of Euroclear or Clearstream, and if such holder is not a participant in Euroclear or Clearstream, on the procedures of the participant through which such holder owns its interest, to exercise any rights and obligations of a holder of the Bonds under the Trust Deed.

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 Certificates 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 Certificates 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 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 their principal amount, together with 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 the Conditions), as further described in Condition 6(b) (*Redemption for Taxation Reasons*) of the Conditions. If the Issuer redeems the Bonds prior to the 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, the Issuer's ability to redeem the Bonds may reduce the market price of the Bonds.

The ratings assigned to the Bonds may be downgraded or withdrawn in the future.

The Bonds are expected to be assigned a rating of "Baa2" by Moody's and "BBB+" by Fitch. The ratings represent only the opinions of the rating agencies and their assessment of the ability of the Issuer to perform its obligations under the Bonds, and credit risks in determining the likelihood that payments will be made when due under the Bonds. Ratings are not recommendations to buy, sell or hold the Bonds and may be subject to revision, qualification, suspension, reduction or withdrawal at any time. The Issuer cannot assure investors that a rating will remain for any given period of time or that a rating will not be lowered or withdrawn entirely by the relevant rating agency if in its judgment circumstances in the future so warrant. The Issuer is not obliged to inform holders of the Bonds of any such revision, downgrade or withdrawal. Each rating should be evaluated independently of any other rating of the Bonds or other securities of the Issuer (if any). A revision, qualification, suspension or withdrawal at any time of any rating assigned to the Bonds may adversely affect the market price of the Bonds.

The Issuer may issue additional Bonds in the future.

The Issuer may, from time to time, and without the consent of the Bondholders, create and issue further securities having the same terms and conditions as the Bonds in all material respects (or in all material respects save for the first payment of interest on them and the timing for the SAFE Registration and the NDRC Post-issue Filing) or otherwise raise additional capital through such means and in such manner as it may consider necessary. See "*Terms and Conditions of the Bonds — Further Issues*". 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 Bonds may not be a suitable investment for all investors seeking exposure to green and sustainable assets.

In connection with the issue of the Bonds, the Company has obtained an independent certification (a "**HKQAA Pre-issuance Stage Certificate**") from the Hong Kong Quality Assurance Agency (the "**HKQAA**") dated 9 June 2021 confirming that the Bonds are in compliance with the requirements of the Green and Sustainable Finance Certification Scheme operated by the HKQAA (the "**HKQAA Green and Sustainable Finance Certification Scheme**"). The HKQAA Green and Sustainable Finance Certification Scheme is a set of voluntary guidelines that aims to facilitate the development of green and sustainable finance and the green and sustainable industry. There is currently no market consensus on what precise attributes are required for a particular project to be defined as "green" or "social", and therefore no assurance can be provided to potential investors that the eligible green and social projects will continue to meet the relevant eligibility criteria. Although applicable green and social projects are expected to be selected in accordance with the categories recognised by the HKQAA Green and Sustainable Finance Certification Scheme and are expected to be developed in accordance with applicable legislation and standards, there can be no guarantee that adverse environmental and/or social

impacts will not occur during the design, construction, commissioning and/or operation of any such green and social projects. Where any negative impacts are insufficiently mitigated, green and social projects may become controversial, and/or may be criticised by activist groups or other stakeholders.

The HKQAA Pre-issuance Stage Certificate is not incorporated into, and does not form part of this Offering Circular. The HKQAA Pre-issuance Stage Certificate may not reflect the potential impact of all risks related to the Bonds, their marketability, trading price or liquidity or any other factors that may affect the price or value of the Bonds. The HKQAA Pre-issuance Stage Certificate is not a recommendation to buy, sell or hold securities and is only current as of its date of issue. While it is the Company's intention to allocate an amount equal to the net proceeds received from the Offering to refinance eligible green and social projects in accordance with the Sustainable Finance Framework, it would not be an Event of Default under the Conditions if it were to fail to comply with such intention. Any failure to use the net proceeds in connection with such eligible projects, and/or any failure to meet, or to continue to meet, the investment requirements of certain investors with environmental and/or social concerns with respect to the Bonds, may affect the value and/or trading price of the Bonds, and/or may have consequences for certain investors with portfolio mandates to invest in green projects. In the event that the Bonds are included in any dedicated "green", "environmental", "sustainable" or other equivalently-labelled index, no representation or assurance is given by the Company or any other person that such listing or admission, or inclusion in such index, satisfies any present or future investor expectations or requirements as regards to any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable laws or regulations or by its own constitutive documents or other governing rules or investment portfolio mandates.

EXCHANGE RATES

The People's Bank of China (the “PBOC”) sets and publishes daily a base exchange rate with reference primarily to the supply and demand of Renminbi against a basket of currencies in the market during the prior day. The PBOC also takes into account other factors, such as the general conditions existing in the international foreign exchange markets. 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. On the same day, the value of the Renminbi appreciated by 2 per cent. against the U.S. dollar. 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 inter-bank spot exchange market of Renminbi against the U.S. dollar to allow 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. The floating band was further widened to 1.0 per cent. on 16 April 2012. These changes in currency policy resulted in the Renminbi appreciating against the U.S. dollar by approximately 26.9 per cent. from 21 July 2005 to 31 December 2013. On 14 March 2014, the PBOC further widened the floating band against the U.S. dollar to 2.0 per cent. 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 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. This change, and other changes such as widening the trading band that may be implemented, may increase volatility in the value of the Renminbi against foreign currencies. In 2016 Renminbi experienced significant depreciation in value against the U.S. dollar but in 2017 and 2018 rebounded and appreciated significantly against the U.S. dollar. The PRC government may from time to time make further adjustments to the exchange rate system in the future.

The following table sets forth information concerning exchange rates between the Renminbi and the U.S. dollar for the periods presented:

Period	Renminbi per U.S. dollar Noon Buying Rate ⁽¹⁾			
	Low	Average ⁽²⁾	High	Period End
	(Renminbi per US\$1.00)			
2017	6.4773	6.7350	6.9575	6.5063
2018	6.2649	6.6322	6.9737	6.8755
2019	6.6822	6.9014	7.1786	6.9618
2020	6.5250	6.8878	7.1681	6.5250
2021				
January	6.4282	6.4672	6.4822	6.4282
February	6.4344	6.4601	6.4869	6.4730
March	6.4648	6.5028	6.5452	6.5412
April	6.4648	6.5186	6.5716	6.4749
May	6.3674	6.4321	6.4749	6.3674
June (through 22 June).	6.3805	6.4039	6.4525	6.4525

Notes:

- (1) Exchange rates between Renminbi and U.S. dollar represent the noon buying rates in New York City as set forth in the weekly H.10 statistical release of the Federal Reserve Board of Governors.
- (2) Annual averages are calculated by averaging the rates on the last business day of each month during the relevant year. Period averages are calculated by averaging the daily rates during the relevant period.

TERMS AND CONDITIONS OF THE BONDS

The following are the terms and conditions of the Bonds substantially in the form in which they (subject to modifications and other than the text in italics) will be endorsed on the definitive Certificates and referred to in the global certificate.

The U.S.\$500,000,000 2.25 per cent. bonds due 2024 (the “**Bonds**”, which expression, unless the context requires otherwise, includes any further securities issued pursuant to Condition 15 and to be consolidated and forming a single series therewith) of Wuhan Urban Construction Group Co., Ltd. (武漢城市建設集團有限公司)(the “**Issuer**”) are constituted by a trust deed (as amended and/or supplemented from time to time, the “**Trust Deed**”) dated on or about 9 July 2021 (the “**Issue Date**”) made between the Issuer and Citicorp International Limited as trustee (in such capacity, the “**Trustee**”, which expression shall include all persons for the time being acting as trustee or trustees under the Trust Deed) for itself and the holders (as defined below) of the Bonds.

The issue of the Bonds was authorised by the resolutions of the board of directors of the Issuer dated 7 November 2020 and by the decision of Wuhan SASAC (as defined in Condition 6(c)) dated 31 December 2020.

The Bonds are the subject of an agency agreement dated on or about the Issue Date (as amended or supplemented from time to time, the “**Agency Agreement**”) made between the Issuer, the Trustee, Citibank, N.A., London Branch as principal paying agent (in such capacity, the “**Principal Paying Agent**”, which expression shall include any successor principal paying agent appointed from time to time in connection with the Bonds) and Citibank, N.A., London Branch as registrar (in such capacity, the “**Registrar**”, which expression shall include any successor registrar appointed from time to time in connection with the Bonds) and as transfer agent (in such capacity, the “**Transfer Agent**”, which expression shall include any additional or successor transfer agent appointed from time to time in connection with the Bonds).

Copies of the Trust Deed and the Agency Agreement are available for inspection upon written request and satisfactory proof of holding during normal business hours (being 9:00 a.m. to 3:00 p.m. Monday to Friday except for public holidays) by the holders (as defined below) at the principal place of business for the time being of the Trustee, being at the Issue Date at 20th Floor, Citi Tower, One Bay East, 83 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong and at the specified office for the time being of the Principal Paying Agent. References herein to “**Paying Agents**” includes the Principal Paying Agent, together with any additional or successor paying agent appointed from time to time in connection with the issue of the Bonds, and “**Agents**” means the Principal Paying Agent, any other Paying Agents, the Registrar, any Transfer Agent and any other agent or agents and their successor(s) appointed from time to time under the Agency Agreement with respect to the Bonds. Certain provisions of these terms and conditions (these “**Conditions**”) are summaries of the Trust Deed and the Agency Agreement and are subject to their detailed provisions. The holders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and those provisions of the Agency Agreement applicable to them.

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 an “**Authorised Denomination**”). The Bonds are evidenced by registered certificates (the “**Certificates**”) and, save as provided in Condition 3(b), each Certificate shall evidence the entire holding of Bonds by the same holder.

Title to the Bonds shall pass by transfer and registration in the Register as described in Condition 3. The holder of any Bond shall (except as ordered by a court of competent jurisdiction or as otherwise required by law) 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 (other than the endorsed form of transfer) evidencing it or the alleged destruction, theft or loss of such Certificate and no person shall be liable for so treating the holder.

In these Conditions, “**Bondholder**” or, in respect of a Bond, “**holder**” means the person in whose name a Bond is registered in the Register (or in the case of a joint holding, the first-named thereof).

*Upon issue, the Bonds will be initially evidenced by a global certificate (the “**Global Certificate**”) 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**”). The Conditions are modified by certain provisions contained in the Global Certificate in respect of any of the Bonds that are evidenced by 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 evidenced 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.

2. STATUS

The Bonds constitute direct, unconditional, unsubordinated and (subject to Condition 4(a)) 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 subject to Condition 4(a), at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

3. TRANSFERS OF BONDS AND ISSUE OF CERTIFICATES

(a) Register

The Issuer will cause a register (the “**Register**”) to be kept at the specified office of the Registrar and in accordance with the terms of the Agency Agreement, on which shall be entered the names, addresses and details of the registered account (as defined in Condition 7(a)(ii)) of the holders of the Bonds and the particulars of the Bonds held by them and of all transfers of the Bonds. Each holder shall be entitled to receive only one Certificate in respect of its entire holding of Bonds.

(b) Transfer

Subject to the Agency Agreement and Conditions 3(e) and 3(f), a Bond may be transferred (in whole or in part but in any case in an Authorised Denomination) by surrendering the Certificate issued in respect of that Bond, with the form of transfer on the back of the Certificate duly completed and signed and any other evidence as the Registrar or the relevant Transfer Agent may require to prove the title of the transferor and the authority of the individuals who have executed such form of transfer at the specified office of the Registrar or any Transfer Agent. In the case of a transfer of only part of a holding of Bonds evidenced by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred (which shall be in an Authorised Denomination) shall be issued to the transferor. In the case of a transfer of the Bonds to a person who is already a holder of the Bonds, a new Certificate evidencing the enlarged holding shall only be issued against surrender of the Certificate evidencing the existing holding. No transfer of title to a Bond will be valid unless and until entered on the Register.

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

(c) Delivery of New Certificates

Each new Certificate to be issued upon transfer of Bonds pursuant to Condition 3(b) shall be made available for delivery within seven business days (as defined below) of receipt of a duly completed form of transfer, surrender of the existing Certificate(s) and provision of any

other evidence required by the Registrar or the relevant Transfer Agent as provided in Condition 3(b). 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 or surrender of such form of transfer, Certificate and evidence 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 3(c), “**business day**” means a day, other than a Saturday, 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 herein (see “Summary of Provisions relating to the Bonds in Global Form”), owners of interests in the Bonds will not be entitled to receive physical delivery of Certificates.

(d) Formalities Free of Charge

Registration of a transfer of Bonds and issuance of new Certificates will be effected without charge by or on behalf of the Issuer or any Agent but upon (i) payment (or the giving of such indemnity and/or security and/or pre-funding as the Issuer, the Registrar or the relevant Transfer Agent (as the case may be) may require) by the relevant Bondholder in respect of any tax or other governmental charges which may be imposed in relation to such transfer; (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 that the Regulations (as defined in Condition 3(f)) have been complied with.

(e) Closed Periods

No holder may require the transfer of a Bond to be registered (i) during the period of seven days ending on (but excluding) the due date for any payment of principal (or premium) in respect of that Bond; or (ii) during the period of seven days ending on (and including) any Record Date (as defined in Condition 7(a)); or (iii) after a Tax Redemption Notice has been delivered by the Issuer pursuant to Condition 6(b); or (iv) after a Put Exercise Notice (as defined in Condition 6(c)) in respect of such Bond has been deposited by such holder pursuant to Condition 6(c).

(f) Regulations

All transfers of Bonds and entries on the Register will be made subject to the detailed regulations (the “**Regulations**”) concerning transfers of Bonds, the initial form of which is scheduled to the Agency Agreement. The Regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee, or by the Trustee, with the prior written approval of the Registrar. A copy of the current Regulations will be mailed (free of charge to the Bondholders) by the Registrar to any Bondholder who requests one in writing and upon satisfactory proof of holding.

4. COVENANTS

(a) Negative Pledge

So long as any Bond remains outstanding (as defined in the Trust Deed), the Issuer will not, and the Issuer will ensure that none of its Subsidiaries will create, or have outstanding, any mortgage, charge, lien, pledge or other security interest, upon the whole or any part of its present or future undertaking, assets or revenues to secure any Relevant Indebtedness or to secure any guarantee or indemnity in respect of any Relevant Indebtedness, without at the

same time or prior thereto according to the Bonds (a) the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or (b) such other security as shall be approved by an Extraordinary Resolution of the Bondholders.

(b) Undertakings relating to SAFE Registration

The Issuer shall (i) within fifteen Registration Business Days after the Issue Date, register or cause to be registered with SAFE the Bonds in accordance with the Administrative Measures for Foreign Debt Registration (外債登記管理辦法) and its operating guidelines, effective as of 13 May 2013, the Guidelines for Foreign Exchange Business under the Capital Account (2020 Edition) (資本項目外匯業務指引(2020年版)) and the Notice of People's Bank of China on Matters Concerning Macro-prudential Management on All-round 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 “**SAFE Registration**”); and (ii) use its best endeavours to complete the SAFE 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 SAFE Registration and any implementing measures promulgated thereunder from time to time.

(c) Notification to NDRC

The Issuer undertakes that it will, within 10 Registration Business Days after the Issue Date, file or cause to be filed with the NDRC the requisite information and documents in accordance with 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 and effective as of 14 September 2015 and any implementation rules as issued by the NDRC from time to time (the “**NDRC Post-Issue Filing**”).

(d) Notification of Completion of the SAFE Registration and the NDRC Post-Issue Filing

The Issuer shall on or before the Registration Deadline and within ten Registration Business Days after the later of (i) the submission of the NDRC Post-Issue Filing and (ii) receipt of the registration certificate from SAFE (or any other document evidencing the completion of the SAFE Registration issued by SAFE), provide the Trustee with (X) a certificate in English substantially in the form scheduled to the Trust Deed signed by an Authorised Signatory (as defined in the Trust Deed) of the Issuer confirming (A) the completion of the NDRC Post-Issue Filing and the SAFE Registration and (B) no Change of Control, Event of Default or Potential Event of Default (as defined in the Trust Deed) has occurred; and (Y) copies of the relevant documents evidencing due filing with the NDRC and the completion of registration confirmed by SAFE and the particulars of the registration, each certified in English as a true and complete copy of the original by an Authorised Signatory of the Issuer (the items specified in (X) and (Y) together, the “**Registration Documents**”).

The Issuer shall, within ten Registration Business Days after the Registration Documents are delivered to the Trustee, give notice to the Bondholders (in accordance with Condition 16) confirming the completion of the NDRC Post-Issue Filing and the SAFE Registration.

The Trustee shall have no obligation or duty to monitor or ensure or to assist with the filing or registration of the Bonds with SAFE on or before the Registration Deadline or to verify the accuracy, validity and/or genuineness of any documents in relation to or in connection with the SAFE Registration and/or the Registration Documents and/or the NDRC Post-Issue Filing or to give notice to the Bondholders confirming the completion of the SAFE Registration and/or the NDRC Post-Issue Filing, and shall not be liable to Bondholders or any other person for not doing so. The Trustee may rely on the Registration Documents conclusively without liability to any Bondholder or any other person for the accuracy, validity and/or genuineness of any matters or facts stated therein.

(e) Financial Information

So long as any Bond remains outstanding (as defined in the Trust Deed), the Issuer will furnish the Trustee with (A) a Compliance Certificate (on which the Trustee may conclusively rely without liability to any Bondholder or any other person as to such compliance) 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 (“**PRC GAAP**”) (audited by a nationally or internationally recognised firm of independent accountants) and if such statements shall be in the Chinese language, together with an English translation of the same translated by (aa) a nationally or internationally recognised firm of independent accountants or (bb) a professional translation service provider and checked by a nationally or internationally 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 (on each of which the Trustee may conclusively rely without liability to any Bondholder or any other person); and (B) 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 and if such statements shall be in the Chinese language, together with an English translation of the same and translated by (aa) a nationally or internationally recognised firm of independent accountants or (bb) a professional translation service provider and checked by a nationally or internationally 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 (on each of which the Trustee may conclusively rely without liability to any Bondholder or any other person).

(f) Rating

For so long as any Bond remains outstanding, save with the approval of an Extraordinary Resolution of the Bondholders, the Issuer will maintain a rating of the Bonds by at least one Rating Agency.

In these Conditions:

“**Audited Financial Reports**” means the annual audited consolidated balance sheet, consolidated income statement, consolidated statement of cash flows and consolidated 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;

“**Authorised Signatory**”, in relation to the Issuer, means any director or any other officer of the Issuer who has been duly authorised by the board of directors of the Issuer to sign any certificate or document required in connection with the Bonds on behalf of, and so as to bind, the Issuer and which the Issuer has notified in writing to the Trustee and the Agents as provided in the Agency Agreement;

“**Compliance Certificate**” means a certificate in English of the Issuer (substantially in the form scheduled to the Trust Deed) signed by an Authorised Signatory confirming 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 9) or Potential Event of Default 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 had complied with all of its obligations under the Trust Deed and the Bonds or, if non-compliance had occurred, giving details of it;

“**NDRC**” means the National Development and Reform Commission of the PRC or its local counterparts;

“**person**” means any individual, corporation, partnership, limited liability company, joint venture, trust, unincorporated organisation or government or any agency or political subdivision thereof;

“**PRC**” means the People’s Republic of China, which shall for the purpose 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;

“**Rating Agency**” means (1) Fitch Ratings and its successors; (2) S&P Global Ratings, a division of S&P Global Inc. and its successors; (3) Moody’s Investors Service, Inc., a subsidiary of Moody’s Corporation, and its successors or (4) any other reputable credit rating agency of international standing;

“**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 90 Registration Business Days after the Issue Date;

“**Relevant Indebtedness**” means any indebtedness incurred or issued outside the PRC which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other securities which for the time being are, or are intended to be or are capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market;

“**Relevant Period**” means (i) in relation to the Audited Financial Reports, each period of 12 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 counterparts;

“**Subsidiary**” means, with respect to any person, (a) any corporation, association or other business entity of which more than 50 per cent. of the voting power of the outstanding Voting Stock is owned, directly or indirectly, by such person; or (b) any corporation, association or other business entity which at any time has its accounts consolidated with those of that person or which, under the law, 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;

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

5. INTEREST

The Bonds bear interest on their outstanding principal amount from and including the Issue Date at the rate of 2.25 per cent. per annum, payable semi-annually in arrear in equal instalments of U.S.\$ 11.25 per Calculation Amount (as defined below) on 9 January and 9 July in each year (each an “**Interest Payment Date**”), commencing on 9 January 2022.

Each Bond will cease to bear interest from the due date for redemption unless, upon surrender of the Certificate evidencing such Bond, payment of principal or premium (if any) 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 holders, 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).

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**”. If interest is required to be calculated for a period of less than a complete Interest Period, 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.

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).

So long as the Bonds are represented by a Global Certificate which is held on behalf of Euroclear, Clearstream or an Alternative Clearing System (as defined in the Trust Deed), the interests in respect of the Bonds shall be calculated based on the aggregate principal amount of the Bonds represented by the Global Certificate.

6. REDEMPTION AND PURCHASE

(a) Final Redemption

Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on 9 July 2024 (the “**Maturity Date**”). The Bonds may not be redeemed at the option of the Issuer other than in accordance with this Condition 6.

(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**”), which shall specify the date for redemption and the method by which payment shall be made to the Bondholders, in accordance with Condition 16 (which shall be irrevocable) and in writing to the Trustee and the Principal Paying Agent, at 100 per cent. of 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 the giving of such notice that (i) the Issuer has or will become obliged to pay Additional Tax Amounts (as defined in Condition 8) as provided or referred to in Condition 8 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 29 June 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 6(b), the Issuer shall deliver to the Trustee (A) a certificate in English signed by an Authorised Signatory of the Issuer stating that the obligation referred to in (i) above of this Condition 6(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 amendment.

The Trustee shall be entitled (but shall not be obliged) to accept and rely upon such certificate and opinion as sufficient evidence (without further investigation or query and without liability to the Bondholders or any other person) of the satisfaction of the conditions precedent set out in (i) and (ii) above of this Condition 6(b), in which event they shall be conclusive and binding on the Bondholders.

(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 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 accrued interest up to (but excluding) the relevant Put Settlement Date. To exercise such right, the holder of the relevant Bond must deposit at the specified office of any Paying Agent a duly completed and signed notice of redemption, in the form for the time being current, obtainable from the specified office of any Paying Agent (a “**Put Exercise Notice**”), together with the Certificate evidencing the Bonds to be redeemed, by (i) not later than 30 days following the occurrence of a Relevant Event (the “**Initial Exercise Period**”), or, (ii) if later, within 30 days following the date upon which notice of the Relevant Event is given to Bondholders by the Issuer as specified below (the “**Substituted Exercise Period**”). A Put Exercise Notice, once delivered, shall be irrevocable.

The “**Put Settlement Date**” in respect of any Bond for which such option is exercised shall be the 14th day (in the case of a redemption for a Change of Control) or the fifth day (in the case of a redemption for a No Registration Event) after the expiry of (1) the Initial Exercise Period where the option is exercised during the Initial Exercise Period and the Substituted Exercise Period does not commence before expiry of the Initial Exercise Period or (2) in all other circumstances, the Substituted Exercise Period.

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 the occurrence of a Relevant Event, the Issuer shall procure that notice regarding such Relevant Event shall be delivered to the Trustee in writing and to the holders (in accordance with Condition 16) stating:

- (i) the applicable Put Settlement Date;
- (ii) the date of the Relevant Event and, briefly, the events causing, as applicable, the Change of Control or No Registration Event;
- (iii) the date by which a Put Exercise Notice must be given;
- (iv) the redemption amount and the method by which such amount will be paid;
- (v) the names and addresses of all Paying Agents;

- (vi) the procedures that holders must follow and the requirements that holders 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.

The Trustee and the Agents shall have no obligation or duty to verify the accuracy, validity and/or genuineness of any documents in relation to or in connection with any Relevant Event and shall not 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 shall not be liable to holders, the Issuer or any other person for not doing so.

For the purpose of these Conditions:

(A) “**Change of Control**” occurs when:

- i. (a) Wuhan SASAC, (b) the PRC government and all political subdivisions (including provincial, municipal and other regional or local governmental entities and instrumentalities thereof) (the “**PRC Government**”), and (c) any other Person Controlled by Wuhan SASAC and/or the PRC Government, together, cease to directly or indirectly hold or own 100 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 its assets to one or more Persons other than Wuhan SASAC, the PRC Government or any other Person Controlled by Wuhan SASAC and/or the PRC Government;

(B) “**Control**” means (i) the ownership or control of at least 51 per cent. of the voting rights of the issued share capital of the relevant Person or (ii) the right to appoint and/or remove all or the majority of the members of the relevant 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, the possession of voting rights, contract or otherwise; the term “**Controlled**” has meanings correlative to the foregoing;

(C) a “**No Registration Event**” occurs when the Registration Condition is not satisfied on or before the Registration Deadline;

(D) a “**Person**” includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity) but does not include the Issuer’s board of directors or any other governing board and does not include the Issuer’s wholly-owned direct or indirect Subsidiaries;

(E) “**Registration Condition**” means the receipt by the Trustee of the Registration Documents relating to the NDRC Post-Issue Filing and SAFE Registration as set forth in Condition 4(d);

(F) a “**Relevant Event**” will be deemed to occur if (i) there is a No Registration Event; or (ii) there is a Change of Control; and

(G) “**Wuhan SASAC**” means the State-owned Assets Supervision and Administration Commission of Wuhan of the PRC or its successor.

(d) Notice of redemption

All Bonds in respect of which any notice of redemption is given under this Condition 6 shall be redeemed on the date specified in the Tax Redemption Notice or, as the case may be, on the applicable Put Settlement Date. If there is more than one notice of redemption given in respect of any Bond (which shall include a Tax Redemption Notice given by the Issuer pursuant to Condition 6(b) and any Put Exercise Notice given by a Bondholder pursuant to

Condition 6(c)), the notice given first in time shall prevail. Neither the Trustee nor any of the Agents shall be responsible for calculating or verifying any calculations of any amounts payable under any notice of redemption and shall not be liable to holders, the Issuer or any other person for not doing so.

(e) Purchase

The Issuer or any of 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 such Subsidiary, shall not entitle the holder to vote at any meetings of the holders and shall not be deemed to be outstanding for certain purposes, including without limitation for the purpose of calculating quorums at meetings of the holders or for the purposes of Condition 9, Condition 12(a) and Condition 13.

(f) Cancellation

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

7. 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 Paying Agent if no further payment falls to be made in respect of the Bonds evidenced by such Certificates) in the manner provided in paragraph (ii) of this Condition 7(a).
- (ii) Interest on each Bond shall be paid to the holders at their registered accounts shown on the Register at the close of business on the fifth Payment Business Day 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 such registered account. In these Conditions, the “**registered account**” of a holder means the U.S. dollar account maintained by or on behalf of such holder with a bank, details of which appear in the Register at the close of business on the Record Date.

Notwithstanding the foregoing, so long as the Global Certificate is held on behalf of Euroclear, Clearstream or an Alternative 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 1 January and 25 December.

- (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 (which need not be an Authorised Denomination). 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.
- (b) Payments subject to Fiscal Laws:** Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8 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 8) any law implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the Bondholders in respect of such payments.

- (c) **Payment Initiation:** Payment instructions (for value on the due date or, if that is not a day on which the bank where a registered account is maintained is open for receipt of such transfers, for value the next following such day) will be initiated on the due date for payment (or, if this is not a Payment Business Day, on the first following day which is a Payment Business Day), 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 Paying Agent, on the first Payment Business Day on which the Principal Paying Agent is open for business and on which the relevant Certificate is surrendered. In this Condition 7, “**Payment Business Day**” means a day (other than a Saturday, a Sunday or a public holiday) on which commercial banks and foreign exchange markets are open for business in New York City, Hong Kong and the place in which the specified office of the Principal Paying Agent is located. The holder shall not be entitled to payment earlier than the dates for payment specified in this paragraph nor to any interest in respect of a payment delayed or postponed in accordance with this paragraph.
- (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 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, any Transfer Agent or any of the other Agents and to appoint additional or other Agents, provided that the Issuer shall at all times maintain (i) a Principal Paying Agent, (ii) a Registrar with a specified office outside the United Kingdom, (iii) a Transfer Agent and (iv) such other agents as may be required by any stock exchange on which the Bonds may be listed.

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 16.

- (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 Payment Business Day or a day on which the bank where a registered account is maintained is open for receipt of such transfers, or if the Bondholder is late in surrendering or cannot surrender its Certificate (if required to do so) or if a transfer made in accordance with Condition 7(a)(ii) reaches the registered account of the Bondholder after the due date for payment.

8. 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 withholding or deduction for, any 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 withholding or deduction is required by law.

Where such withholding or deduction is made by the Issuer by or within the PRC at the rate up to and including the aggregate rate applicable on 29 June 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 a deduction or withholding in respect of PRC tax 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:

- (i) **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; or
- (ii) **Presentation more than 30 days after the Relevant Date:** in respect of which the Certificate evidencing it is presented (where presentation is required) 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 presenting the Certificate evidencing such Bond for payment on the last day of such period of 30 days.

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 8 or any undertaking or covenant given in addition thereto or in substitution therefor pursuant to the Trust Deed.

In these Conditions, “**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 evidencing such Bond being made in accordance with these Conditions, such payment will be made, provided that payment is in fact made upon such surrender.

If the Issuer becomes subject at any time to any taxing jurisdiction other than the PRC, references in Condition 6(b) and this Condition 8 to the PRC shall be construed as references to the PRC and/or such other jurisdiction (as the case may be).

Neither the Trustee nor any Agent shall be responsible for paying any tax, duty, charges, withholding or other payment referred to in this Condition 8 or for determining whether such amounts are payable or the amount thereof, and shall not be responsible or liable for any failure by the Issuer or the Bondholders or any other person to pay such tax, duty, charges, withholding or other payment or be responsible to provide any notice or information in relation to the Bonds in connection with payment of such tax, duty, charges, withholding or other payment.

9. EVENTS OF DEFAULT

If 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. of the aggregate principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution shall (provided in either such case that the Trustee shall have first been indemnified and/or secured and/or pre-funded to its satisfaction), give written notice to the Issuer declaring that the Bonds are, and they shall immediately become, due and payable at their principal amount together (if applicable) with accrued interest.

An “**Event of Default**” occurs if:

- (a) **Non-Payment:** there has been a failure to pay (i) the principal of or any premium (if any) on any of the Bonds when due, or (ii) any interest on any of the Bonds within 14 calendar days after the due date for such payment of interest; or
- (b) **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 it gives rise to a right to redeem pursuant to Condition 6(c)) and such default (i) is in the opinion of the Trustee incapable of remedy or, (ii) if in the opinion of the Trustee capable of remedy, is not remedied within 30 days after the Trustee has given written notice thereof to the Issuer; or

- (c) **Cross Default:** (i) 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 or potential default, event of default or the like (howsoever described), or (ii) any such indebtedness is not paid when due or, as the case may be, within any originally applicable grace period, or (iii) 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 9(c) 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 9(c) operates); or
- (d) **Enforcement Proceedings:** a distress, attachment, execution or other legal process is levied, enforced or sued out on or against all or any substantial part of the property, assets or revenues of the Issuer or any of its Principal Subsidiaries and it is not discharged or stayed within 45 calendar days; or
- (e) **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 on the whole or any substantial part of its properties, assets or revenues 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 it is not discharged or stayed within 45 calendar days; or
- (f) **Insolvency:** the Issuer or any of its Principal Subsidiaries is 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 any substantial part of its debts; proposes or makes any agreement for the deferral, rescheduling or other readjustment of all of (or all of a particular type of) its debts (or of any part which it will or might otherwise be unable to pay when due); 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 substantial part of the debts of the Issuer or any of its Principal Subsidiaries; or
- (g) **Winding-up:** an order of any court of competent jurisdiction is made or an effective resolution passed for the winding-up or dissolution of the Issuer or any of its Principal Subsidiaries (save for a voluntary solvent winding-up or dissolution of any Principal Subsidiary), 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 (i) a reconstruction, amalgamation, reorganisation, merger or consolidation while solvent or on terms approved by the Trustee acting on an Extraordinary Resolution of the Bondholders, or (ii) in the case of a Principal Subsidiary, whereby the undertaking and assets of such Principal Subsidiary are transferred to or otherwise vested in the Issuer or another Subsidiary; or (iii) a disposal of or by a Principal Subsidiary in an arm's length transaction and the net proceeds from such disposal shall be transferred to or otherwise vested in the Issuer or any of its Subsidiaries; or
- (h) **Nationalisation:** any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or any substantial part of the assets of the Issuer or any of its Principal Subsidiaries; or
- (i) **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 (i) 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, (ii) to ensure that those obligations are legally binding and enforceable and (iii) to make the Bonds, the Certificates and the Trust Deed admissible in evidence in the courts of Hong Kong is not taken, fulfilled or done; or

- (j) **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 or the Trust Deed; or
- (k) **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 Conditions 9(d) to 9(g) (both inclusive).

In this Condition 9, “**Principal Subsidiary**” means any Subsidiary of the Issuer:

- (a) whose operating revenue (consolidated in the case of a Subsidiary which itself has consolidated Subsidiaries), net profits (consolidated in the case of a Subsidiary which itself has consolidated Subsidiaries) or total assets (consolidated in the case of a Subsidiary which itself has consolidated Subsidiaries) represents not less than five per cent. of the consolidated operating revenue, consolidated net profits or, as the case may be, consolidated total assets of the Issuer and its Subsidiaries taken as a whole, all as calculated respectively by reference to the latest audited financial statements (consolidated or, as the case may be, unconsolidated) of the Subsidiary and the then latest Audited Financial Reports of the Issuer, provided that:
 - (i) in the case of a Subsidiary acquired after the end of the financial period to which the then latest audited consolidated financial statements of the Issuer relate for the purpose of applying each of the foregoing tests, the reference to the latest audited consolidated financial statements of the Issuer shall be deemed to be a reference to such audited financial statements adjusted as if such Subsidiary had been shown therein by reference to its then latest relevant audited financial statements;
 - (ii) if at any relevant time in relation to the Issuer or any Subsidiary no financial statements are prepared and audited, its operating revenue, net profits and total assets (consolidated, if applicable) shall be determined on the basis of pro forma financial statements (consolidated, if applicable) prepared for this purpose by the Issuer; and
 - (iii) if the financial statements 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 financial statements (consolidated, if appropriate) with the consolidated financial statements (determined on the basis of the foregoing) of the Issuer prepared for this purpose by the Issuer; 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 Principal Subsidiary, whereupon (i) in the case of a transfer by a Principal Subsidiary, the transferor Principal Subsidiary shall immediately cease to be a Principal Subsidiary; and (ii) the transferee Subsidiary shall immediately become a Principal Subsidiary, provided that on or after the date on which the relevant audited 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 Principal Subsidiary shall be determined pursuant to the provisions of sub-paragraph (a) above of this definition.

10. 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.

11. REPLACEMENT OF CERTIFICATES

If any Certificate is mutilated or defaced or is alleged to have been lost, stolen or destroyed, it may be replaced, subject to applicable laws, regulations or other relevant regulatory authority rules, at the specified office of the Registrar on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security, indemnity, pre-funding and otherwise as the Issuer or the Registrar may require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

12. MEETINGS OF HOLDERS, MODIFICATION, WAIVER, AUTHORISATION, DETERMINATION AND ENTITLEMENT OF TRUSTEE

(a) Meetings of holders

The Trust Deed contains provisions for convening meetings of the Bondholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any of the provisions of the Trust Deed or the Agency Agreement. Such a meeting may be convened by the Trustee or the Issuer and shall be convened by the Trustee upon request in writing from Bondholders holding not less than 10 per cent. in aggregate principal amount of the Bonds for the time being outstanding and subject to the Trustee being indemnified and/or secured and/or pre-funded to its satisfaction. 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 Bondholders whatever the principal amount of the Bonds held or represented, unless the business of such meeting includes the modification or abrogation of certain of the provisions of these Conditions and certain of the provisions of the Trust Deed (each, a “**Reserved Matter**”), including consideration of proposals, *inter alia*, (i) to modify the Maturity Date 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 or (iv) to modify the provisions concerning the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum for passing an Extraordinary Resolution will be two or more persons holding or representing not less than 75 per cent., or at any such meeting adjourned for lack of quorum not less than 25 per cent., in aggregate principal amount of the Bonds then 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 Bondholders of not less than 90 per cent. in principal amount of the Bonds for the time being outstanding shall 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.

(b) Modification, Waiver, Authorisation and Determination

The Trustee may (but shall not be obliged to) agree, without the consent of the Bondholders, to any modification (other than any modification relating to a Reserved Matter) of, or to the waiver or authorisation of any breach or proposed breach of, or any failure to comply with, any of these Conditions or any of the provisions of the Trust Deed and/or the Agency Agreement which in its opinion is not materially prejudicial to the interests of the holders, or may agree, without any such consent as aforesaid, to any modification hereof or thereof which, in its opinion, is of a formal, minor or technical nature or to correct a manifest error or to comply with any mandatory provision of applicable law. Any such modification, waiver or authorisation shall be binding on the holders and, unless the Trustee agrees otherwise, such modification, waiver or authorisation shall be notified to the Bondholders by the Issuer as soon as practicable thereafter in accordance with Condition 16.

(c) Entitlement of the Trustee

In connection with the exercise of its functions, rights, powers and/or discretions (including but not limited to those referred to in this Condition 12), the Trustee shall have regard to the interests of the Bondholders as a class and shall not have regard to the consequences of such exercise for individual Bondholders and the Trustee shall not be entitled to require, nor shall any Bondholder be entitled to claim, from the Issuer (save as provided in Condition 8) or the Trustee any indemnification or payment in respect of any tax consequence of any such exercise upon individual Bondholders.

13. ENFORCEMENT

At any time after the Bonds become due and payable the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to enforce the terms of the Trust Deed, the Agency Agreement and/or the Bonds, but it need not take 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) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction. No Bondholder may proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

14. INDEMNIFICATION OF THE TRUSTEE

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce payment unless first indemnified and/or secured and/or pre-funded to its satisfaction and for the Trustee to be paid or reimbursed for any liabilities incurred by it in priority to the claims of Bondholders. The Trustee is entitled to enter into business transactions with the Issuer and/or any entity related to the Issuer without accounting for any profit.

The Trustee and the Agents shall have no obligation to monitor compliance with the provisions of the Trust Deed, the Agency Agreement or these Conditions, or to ascertain whether an Event of Default or a Potential Event of Default has occurred, and shall not be liable to the holders 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 or these Conditions to exercise any discretion or power, take or refrain from any action, make any decision or give any direction, 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, to seek directions from the Bondholders by way of an Extraordinary Resolution, and the Trustee shall not be responsible for any loss or liability incurred by the Issuer, 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 where the Trustee is seeking such directions from Bondholders or in the event that no such directions are received by the Trustee.

None of the Trustee or the Agents shall be liable to any Bondholder, the Issuer or any other person for any action taken by the Trustee or such Agent in accordance with the instructions of the Bondholders or the Issuer, respectively. The Trustee shall be entitled to rely 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 as further provided in the Trust Deed.

The Trustee and the Agents may rely without liability to Bondholders or the Issuer on any report, confirmation or certificate or any opinion or advice of any legal adviser, accountant, financial adviser, 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, any Agent or any other person or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee and the Agents may accept

and shall be entitled to rely on any such report, confirmation, certificate, opinion or advice and, in such event, such report, confirmation, certificate, opinion or advice shall be binding on the Issuer and the Bondholders.

15. FURTHER ISSUES

The Issuer is at liberty from time to time without the consent of the Bondholders to create and issue further securities having the same terms and conditions as the Bonds in all material respects (or in all material respects save for the first payment of interest on them and the timing for the SAFE Registration and the NDRC Post-Issue Filing) and so that the same shall be consolidated and form a single series with the outstanding Bonds. Any further securities forming a single series with the outstanding Bonds shall be constituted by a deed supplemental to the Trust Deed.

16. NOTICES

All notices required to be given to the holders pursuant to these Conditions will be valid if mailed to them by uninsured mail at their respective addresses in the Register. 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 notice shall be deemed to have been given on the second day after being mailed or, as the case may be, 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 evidenced by the Global Certificate and the Global Certificate is held on behalf of Euroclear and/or Clearstream and/or an Alternative Clearing System, notices to the holders of the Bonds shall be validly given by the delivery of the relevant notice to Euroclear and/or Clearstream and/or the Alternative Clearing System, as applicable, for communication by it to entitled accountholders, in substitution for notification as required by the Conditions and shall be deemed to have been received by the Bondholders on the date of delivery of such notice to such clearing system

17. 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.

18. GOVERNING LAW AND JURISDICTION

(a) Governing Law

The Trust Deed, the Agency Agreement and the Bonds and any non-contractual obligations arising out of or in connection with them are 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 and the Agency Agreement and accordingly any legal action or proceedings arising out of or in connection with any Bonds, the Trust Deed and the Agency Agreement (“**Proceedings**”) may be brought in such courts. The Issuer has, in the Trust Deed, irrevocably submitted to the jurisdiction of such courts and waived any objection to Proceedings in any such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.

(c) Agent for Service of Process

The Issuer has, in the Trust Deed and the Agency Agreement, irrevocably appointed Cogency Global (HK) Limited at Unit B, 1/F, Lippo Leighton Tower, 103 Leighton Road, Causeway Bay, Hong Kong to receive service of process in any Proceedings in Hong Kong. Such service shall be deemed completed on delivery to such agent (whether or not it is forwarded

to and received by the Issuer). If for any reason such agent ceases to act as such or no longer has an address in Hong Kong, the Issuer has, in the Trust Deed and the Agency Agreement, irrevocably agreed to forthwith appoint a substitute process agent in Hong Kong and deliver to the Trustee a copy of the agent's acceptance of that appointment 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, in the Trust Deed, waived any right to claim sovereign, crown, state or other immunity from jurisdiction or execution and any similar defence, and has, in the Trust Deed, irrevocably consented to the giving of any relief or the issue of any process, including, without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment made or given in connection with any Proceedings.

SUMMARY OF PROVISIONS RELATING TO THE BONDS IN GLOBAL FORM

The Global Certificate contains provisions which apply to the Bonds while they are in global form, some of which modify the effect of the Terms and Conditions of the Bonds set out in this Offering Circular. The following is a summary of certain of those provisions.

Terms defined in the Terms and Conditions of the Bonds set out in this Offering Circular have the same meaning in the paragraphs below.

The Bonds will be initially evidenced by a Global Certificate which will be registered in the name of a nominee of, and deposited with, a common depository on behalf of Euroclear and Clearstream.

Under the Global Certificate, the Issuer, for value received, promises to pay such principal, interest and premium (if any) on the Bonds to the holder of the Bonds on such date or dates as the same may become payable in accordance with the Conditions, and to pay interest on such principal sum 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 Conditions, save that the calculation is made in respect of the total aggregate amount of the Bonds represented by the Global Certificate, together with any additional amounts payable in accordance with the Conditions.

The Global Certificate will be exchanged in whole (but not in part) for duly authenticated and completed definitive Certificates if Euroclear or Clearstream 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.

Whenever the Global Certificate is to be exchanged for definitive Certificates, such definitive Certificates shall be issued in an aggregate principal amount equal to the principal amount of the Global Certificate then outstanding. Such exchange will be effected in accordance with the provisions of the Trust Deed, the Agency Agreement and the regulations concerning the transfer and registration of the Bonds scheduled thereto and, in particular, shall be effected without charge to any holder of the Bonds or the Trustee but against such indemnity and/or security as the Registrar or the relevant Agent may require in respect of any tax or other duty of whatever nature which may be levied or imposed in connection with such exchange.

In addition, the Global Certificate will contain provisions which modify the Conditions as they apply to the Bonds evidenced by the Global Certificate. The following is a summary of certain of those provisions:

Payment

So long as the Bonds are evidenced by the Global Certificate, each payment in respect of the Global Certificate will be made to, or to the order of, the person shown as the holder of the Bonds in the Register at the close of business (of the relevant clearing system) on the Clearing System Business Day immediately prior to the due date for such payments, where “**Clearing System Business Day**” means Monday to Friday inclusive except 1 January and 25 December.

Bondholder’s Redemption

The Bondholder’s redemption option in Condition 6(c) (*Redemption of Relevant Events*) of the Conditions may be exercised by the holder of the Global Certificate giving notice to the 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 in accordance with the rules and procedures of Euroclear and Clearstream and any Alternative Clearing System, as applicable, failing which, in the form of the redemption notice available from any Paying Agent. Any such notice shall be irrevocable and may not be withdrawn.

Issuer's Redemption

The option of the Issuer provided for in Conditions 6(b) (*Redemption for Taxation Reasons*) of the Conditions shall be exercised by the Issuer giving notice to the Bondholders within the time limits set out in and containing the information required by the Conditions.

Transfers

Transfers of interests in the Bonds 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 or its Subsidiaries will be effected by a reduction in the principal amount of the Bonds in the Register.

Notices

So long as the Bonds are evidenced by the Global Certificate and the Global Certificate is held on behalf of Euroclear or Clearstream or any Alternative Clearing System, notices to holders of the Bonds shall be given by delivery of the relevant notice to Euroclear or Clearstream or such Alternative Clearing System, for communication by it to accountholders entitled to an interest in the Bonds in substitution for notification as required by the Conditions.

Meetings

For the purposes of any meeting of Bondholders, the holder of the Bonds evidenced 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 Bonds for which the Global Certificate is issued.

Trustee's Powers

In considering the interests of Bondholders while the Global Certificate is registered in the name of a nominee of a common depositary for the Clearing Systems, 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 holders of the Bonds in respect of which the Global Certificate is issued.

Authentication

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

USE OF PROCEEDS

The gross proceeds from this offering will be U.S.\$500,000,000. The net proceeds from this offering (which represents the gross proceeds from this offering less the commissions and offering expenses payable by the Group) will be used by the Issuer for refinance of the Group's offshore indebtedness in accordance with the Sustainable Finance Framework.

SUSTAINABLE FINANCE FRAMEWORK

OVERVIEW OF THE FRAMEWORK

The Company has established a sustainable finance framework (the “**Framework**” or “**Sustainable Finance Framework**”). This Framework sets out how the Group intends to enter into Sustainable Financing Transactions (“**SFT**”) to finance projects that have a positive environmental and/or social impact while supporting its business strategy. SFTs may include bonds, loans and other financing products where proceeds are applied to eligible green and/or social projects (“**Eligible Projects**”) as defined in this Framework.

The Group has prepared this Framework in accordance with the ICMA Green Bond Principles 2018, Social Bond Principles 2020 and Sustainability Bond Guidelines 2018 or as they may be subsequently amended. Other forms of financing may conform to other well-established green or sustainable finance principles as may have been established at the time.

This Framework is presented through the following four pillars: (1) use of proceeds; (2) project evaluation and selection; (3) management of proceeds and (4) reporting.

(1) USE OF PROCEEDS

The proceeds of each SFT will be used exclusively for the financing or the refinancing of Eligible Projects, including without limitation, the refinancing of existing debt in relation to such projects. Refinancing of Eligible Projects will have a look-back period of no longer than 36 months from the time of issuance. Eligibility Criteria are outlined in the table below:

<u>Eligible Project Categories</u>	<u>Eligible Criteria & Examples</u>	<u>UN SDG Mapping</u>
Green Project Categories		
Green buildings	Construct new buildings or refurbish existing buildings that meet national or international third-party environmental certifications, such as: - Chinese Green Building Evaluation Standard: two-star or above; or - any other similar recognized standards.	 
Pollution prevention and control	- Install waste recycling facilities in buildings; or - Install equipment to reduce environmental pollution (including solid, liquid and gas) during construction and/or building operation.	   

Eligible Project Categories	Eligible Criteria & Examples	UN SDG Mapping
Environmentally sustainable management of living natural resources and land use	Develop/redevelop green landscapes that facilitate the preservation or restoration of natural landscapes and enhance the ecological integrity	
Terrestrial and aquatic biodiversity conservation	Protection of coastal, marine and watershed environments	 
Sustainable water and wastewater management	Construct, develop, install and operate sustainable infrastructure or equipment for collection, recycling and treatment of water, rainwater and wastewater.	
Renewable energy	Install renewable energy systems and associated infrastructure.	
Social Project Categories		
Affordable housing	- Construct and operate low-cost housing, including but not limited to public rental housing, compensated housing and long-term rental apartment; and - Undertake renovation of shanty area projects which improve the living conditions of individuals and families living in dilapidated houses.	
Affordable basic infrastructure	Develop and construct large-scale infrastructure projects, such as tunnels, roads and bridges.	
Employment generation, and programs designed to prevent and/or alleviate unemployment stemming from socioeconomic crises	Develop and construct projects which generates employment opportunities for groups including but not limited to low income group, undereducated group and unemployed group.	 

(2) PROJECT EVALUATION AND SELECTION

The Group's project investment including green project investment will be carried out in accordance with strict investment management measures and operating procedures. The Group will also manage the environmental and social risks involved. In any event the Eligible Projects should exclude those projects on the IFC Exclusion List.

Each project investment shall adhere to the following principles:

- Compliance with national and local economic development plans and industrial policies;
- In line with the Group's strategic development plans and principal business development;
- Well documented and disclosed and the benefit indicators should meet the minimum standards of the Group; and
- Strengthening the preliminary investigation, feasibility study and risk analysis. For identified risks, effective prevention and control measures should be formulated and implemented to control the risks.

The Company's legal and finance team will review and approve Eligible Projects based on the eligible criteria under this Framework. In addition, they will review the Eligible Projects list on an annual basis and determine if any changes are necessary (for example, if a project has become ineligible due to amortization, prepayment, sale or other reasons). If such changes are necessary, they will remove the ineligible projects from the list and nominate alternative projects. The Company may also engage external expert when necessary.

(3) MANAGEMENT OF PROCEEDS

The Group has established an effective mechanism to manage the proceeds, ensuring that the proceeds from SFT will be used to fund Eligible Projects. Pending full allocation, unallocated proceeds will be:

- a. held in temporary investment instruments that are asset with high liquidity and safety such as cash, cash equivalent instruments, or short-term financial assets, within a treasury function; or
- b. held in temporary placements that do not include projects, assets or activities that are inconsistent with the nature of a green debt instrument.

The Group will maintain an investment register for SFTs. For each SFT issued, the investment register will contain the following information:

- a. Details of each SFT, including issuance (borrowing) date, maturity date, amount, interest rate, etc.
- b. Eligible Project lists, including:
 - Project description (including the location of projects, project category, etc.)
 - The name of the subsidiary implementing the project
 - Investment amount and date
 - Project progress
 - Energy performance data (including issuing organization and date, etc.)
 - Confirmation that the project meets the Eligible Criteria under this Framework

- Other necessary information related to SFT

The register will also record the balance of unallocated proceeds which will be held by the Group in accordance with the Group's financial and liquidity management policies.

(4) REPORTING

The Group will prepare an Allocation Report at least annually until the net proceeds are almost completely allocated and will prepare an Impact Report at least once during the lifetime of the Bonds after full allocation.

a. Allocation Report should contain the following information:

- A list of Eligible Projects to which proceeds have been allocated, a brief introduction to such projects, including information necessary to determine alignment with the Eligibility Criteria such as building certification and energy performance data.
- Aggregate amount of proceeds of each SFT earmarked to Eligible Projects
- Unallocated balance of proceeds of each SFT
- Detailed information of each SFT that is outstanding, including issuance (borrowing) date, maturity date, amount, interest rate, etc.

b. Impact Report should contain but not limited to the following information:

<u>Eligible Project Categories</u>	<u>Impact Indicator</u>
Green Project Categories	
Green buildings	• Level of certification • Annual GHG emissions reduced/avoided (t CO₂ eq p.a.) • Annual energy savings (MWh p.a.) • Annual reduction in water consumption (in m³)
Pollution prevention and control	• Waste that is prevented, minimised, reused or recycled before and after the project in % of total waste and/or in absolute amount in tonnes p.a.; and • Waste that is separated and/or collected, and treated (including composted) or disposed of in an environmentally sound manner before and after the project.
Environmentally sustainable management of living natural resources and land use	• Restored, conserved or newly developed green area (in m²)
Terrestrial and aquatic biodiversity conservation	• Species and number of animals and plants preserved.
Sustainable water and wastewater management	• The amount of water (m³) upgraded from GB3838-02 Category V to Category IV

Eligible Project Categories	Impact Indicator
	• The amount of water (m³) quality reaching stable level and remaining for a long time at the surface water GB3838-02 Category IV water standard • Species and number of aquatic vegetation restored
Renewable energy	• Annual GHG emissions reduced/avoided in tonnes of CO₂ equivalent.
Social Project Categories	
Affordable housing provided to low-income group	• Number of dwellings; and • Rental costs compared to the national/regional rent index; • Number of individuals/families benefiting from subsidized housing; • Average housing price.
Affordable basic infrastructure	• Number of infrastructure projects built/upgraded.
Employment generation	• Jobs created and/or retained;

The Company will publish the reports via its Wechat public account named 武漢城市建設集團有限公司 (Wuhan Urban Construction Group Co., Ltd.).

External Review

The Group will engage external reviewer to confirm the alignment of the debt instrument and this Framework with the relevant ICMA/LMA principles and guidelines.

The HKQAA Pre-issuance Stage Certificate has been obtained by the Company on 9 June 2021 from the HKQAA for the Bonds, certifying that the Bonds comply with the requirements of the HKQAA Green and Sustainable Finance Certification Scheme.

THE HKQAA GREEN AND SUSTAINABLE FINANCE CERTIFICATION SCHEME

Certain information relating to the HKQAA in this Offering Circular have been obtained from public sources, including the Green and Sustainable Finance Certification Scheme Handbook (as defined below) and other publicly available information. Although this information is believed to be reliable, it has not been independently verified by the Joint Lead Managers, the Trustee, the Agents or their respective directors and advisers, and none of the Joint Lead Managers, the Trustee, the Agents and their respective directors and advisers makes any representation as to the accuracy or completeness of that information.

THE HKQAA

The HKQAA is a non-profit-distributing organisation by the Hong Kong Government and has been the only Hong Kong organisation accredited as a Designated Operational Entity by the Executive Board of the Clean Development Mechanism (“CDM”) under the United Nations Framework Convention on Climate Change to deliver CDM validation and verification services since 2011.

THE HKQAA GREEN AND SUSTAINABLE FINANCE CERTIFICATION SCHEME

The HKQAA Green and Sustainable Finance Certification Scheme was developed with reference to, among others, the CDM, the ICMA Green Bond Principles, the ICMA Social Bond Principles, the ICMA Sustainability Bond Guidelines, the ICMA Sustainability-linked Bond Principles, the LMA, APLMA and LSTA Green Loan Principles 2020 and the PBOC Green Bond Categories. The benefits of the HKQAA Green and Sustainable Finance Certification Scheme include (i) enhancing the credibility of, and stakeholder confidence in, green and sustainable financial instruments via independent, impartial third-party conformity assessments, (ii) reaching out to potential green and sustainable finance investors with the aid of the HKQAA green and sustainable finance certificate and certification mark, (iii) demonstrating issuers’ efforts to promote environmentally friendly investment; and, (iv) promoting a common understanding of green and sustainable finance.

Under the HKQAA Green and Sustainable Finance Certification Scheme, an applicant may apply for either (i) a pre-issuance stage certificate or (ii) a post-issuance stage certificate.

An applicant may apply for a pre-issuance stage certificate ahead of Green and Sustainable Finance issuance. “Green and Sustainable Finance” is defined in the handbook of the HKQAA Green and Sustainable Finance Certification Scheme published on 24 August 2018 (the “**Green and Sustainable Finance Certification Scheme Handbook**”) as financing of investments that provide environmental benefits in the broader context of environmentally sustainable development. A pre-issuance stage certificate is an “as-at” certificate and provides assurance that the Green and Sustainable Finance with its projects activity or activities financed with proceeds from the issuance of Green and Sustainable Finance to make a positive impact on the environment (“**Green and Sustainable Projects**”) (up to the assessment completion date which is also the issue date on such certificate) comply with the HKQAA Green and Sustainable Finance Certification Scheme.

As part of the application for a pre-issuance stage certificate, an applicant is required to complete the relevant application forms (including a self-declaration form) and provide an Environmental Method Statement to the HKQAA which will assess and validate its adequacy in producing a positive environmental effect. An Environmental Method Statement shall include:

- (i) use of proceeds;
- (ii) Green and Sustainable Projects evaluation and selection;
- (iii) management of proceeds;
- (iv) information disclosure and reporting;

- (v) Green and Sustainable Project monitoring;
- (vi) Impact Assessment (which is the determination of the likely environmental consequences, or impacts, of proposed projects or activities conducted by the applicant); and
- (vii) Stakeholder Engagement (which is the engagement with public, including individuals, groups or communities, affected, or likely to be affected, by the proposed project activity, or actions leading to the implementation of such an activity).

An annual surveillance assessment by the HKQAA to verify the continuous implementation and effectiveness of the Environmental Method Statement is not required.

When the HKQAA has completed its assessment and validation of the Environmental Method Statement and no non-conforming issues are outstanding, it will make a recommendation of certification to the Certification Review Board which reviews and approves the recommendation. Upon such approval, a pre-issuance stage certificate and a Certification Mark (a trademark designed by the HKQAA indicating that the applicant's Green Finance is duly certified under the HKQAA Green Finance Certification Scheme) are issued to the applicant.

HKQAA will disclose the Environmental Method Statement via the HKQAA website after the issuance of a pre-issuance stage certificate or the issuance of the relevant debt instrument (whichever is later). The HKQAA also gives flexibility for the applicant to request disclosure of its Environmental Method Statement on the HKQAA website before the issuance of green bond in order to cope with its announcement of certification of green bond in the public domain. The applicant shall inform the HKQAA about the disclosure arrangement at least two working days before the announcement. Such pre-issuance stage certificate will only be valid if the applicant's Environmental Method Statement for the time being corresponds to the version of the applicant's Environmental Method Statement accessible via the HKQAA website.

If an applicant makes any change to its Environmental Method Statement after the issuance of a pre-issuance stage certificate, the corresponding pre-issuance stage certificate will be regarded as invalid. An applicant shall inform the HKQAA in writing for any change in its Environmental Method Statement within one month after the occurrence of any foreseeable or actual changes. An applicant has to make a new application to the HKQAA for the certification of the revised Environmental Method Statement.

The HKQAA Pre-issuance Stage Certificate has been obtained by the Company on 9 June 2021 from the HKQAA for the Bonds, certifying that the Bonds comply with the requirements of the HKQAA Green and Sustainable Finance Certification Scheme.

HKQAA CERTIFICATION DISCLAIMER

The issuance of the HKQAA Pre-issuance Stage Certificate relating to the Bonds by the HKQAA is based solely on the Green and Sustainable Finance Certification Scheme Handbook and does not, and is not intended to, make any representation or give any assurance with respect to any other matter relating to the Bonds or any Eligible Projects, including but not limited to this Offering Circular, the transaction documents, the Company or the management of the Company.

The issuance of the HKQAA Pre-issuance Stage Certificate relating to the Bonds by the HKQAA was addressed solely to the Company and is not a recommendation to any person to purchase, hold or sell the Bonds and such certification does not address the market price or suitability of the Bonds for a particular investor. The certification also does not address the merits of the decision by the Company or any third party to participate in any Eligible Projects and does not express and should not be deemed to be an expression of an opinion as to the Company or any aspect of any Eligible Projects (including but not limited to the financial viability of any Eligible Projects) other than with respect to conformance with the Green and Sustainable Finance Certification Scheme Handbook.

In issuing the HKQAA Pre-issuance Stage Certificate, HKQAA shall not be liable for any loss or damage suffered by any person whatsoever or howsoever caused by, arising from and/or in connection with, whether directly or indirectly, the certification of the Bonds.

The HKQAA Pre-issuance Stage Certificate does not and is not in any way intended to address the likelihood of timely payment of interest when due on the Bonds and/or the payment of principal at maturity or any other date.

The HKQAA Pre-issuance Stage Certificate may be withdrawn at any time in HKQAA's sole and absolute discretion and there can be no assurance that the HKQAA Pre-issuance Stage Certificate will not be withdrawn.

CAPITALISATION AND INDEBTEDNESS

The following table sets forth the consolidated total indebtedness, total owner's equity and total capitalisation of the Issuer as at 31 December 2020:

- (i) on an actual basis, and
- (ii) on an adjusted basis to give effect to the issue of the Bonds before deducting the commissions and other estimated expenses payable in connection with the offering of the Bonds.

The summary consolidated financial information below should be read in conjunction with the Issuer's 2020 Financial Statements and the notes to those financial statements included elsewhere in this Offering Circular.

	As at 31 December 2020			
	Actual		As adjusted	
	(RMB'000)	(U.S.\$'000)	(RMB'000)	(U.S.\$'000)
Short-Term Indebtedness:				
Short-Term Loans	2,406,402	368,797	2,406,402	368,797
Long-Term Loans Due Within One Year. .	9,120,301	1,397,747	9,120,301	1,397,747
Bonds Payable Due Within One Year ⁽¹⁾ . .	<u>7,710,012</u>	<u>1,181,611</u>	<u>7,710,012</u>	<u>1,181,611</u>
Total Short-term Indebtedness	<u>19,236,716</u>	<u>2,948,156</u>	<u>18,236,716</u>	<u>2,948,156</u>
Long-Term Indebtedness:				
Long-Term Loans	61,298,353	9,394,384	61,298,353	9,394,384
Bonds Payable ⁽¹⁾	17,158,950	2,629,724	17,158,950	2,629,724
Bonds to be issued ⁽²⁾	<u>—</u>	<u>—</u>	<u>3,262,500</u>	<u>500,000</u>
Total Long-Term Indebtedness	<u>78,457,303</u>	<u>12,024,108</u>	<u>81,719,803</u>	<u>12,524,108</u>
Total Indebtedness ⁽³⁾	<u>97,694,019</u>	<u>14,972,263</u>	<u>100,956,519</u>	<u>15,472,263</u>
Owner's Equity:				
Paid-in Capital	1,000,000	153,257	1,000,000	153,257
Capital Reserves	66,714,197	10,224,398	66,714,197	10,224,398
Other Comprehensive Incomes	-279,061	-42,768	-297,061	-42,768
Special Reserves	4,836	741	4,836	741
Surplus Reserves	186,123	28,525	186,123	28,525
Undistributed Profits	<u>5,359,619</u>	<u>821,398</u>	<u>5,359,619</u>	<u>821,398</u>
Owner's Equity Attributable to Parent				
Company	72,985,714	11,185,550	72,985,714	11,185,550
Minority Equity	<u>5,270,564</u>	<u>807,749</u>	<u>5,270,564</u>	<u>807,749</u>
Total Owners' Equity	<u>78,256,277</u>	<u>11,993,299</u>	<u>78,256,277</u>	<u>11,993,299</u>
Total Capitalisation⁽⁴⁾	<u>175,950,296</u>	<u>26,965,563</u>	<u>179,212,796</u>	<u>27,465,563</u>

Notes:

- (1) The Issuer issued RMB1,000 million 3.10 per cent. Super Short-term Financial Notes due 10 October 2021, RMB500 million 3.09 per cent. Super Short-term Financial Notes due 17 October 2021, RMB800 million 3.09 per cent. Super Short-term Financial Notes due 19 December 2021, RMB1,500 million 2.95 per cent. Super Short-term Financial Notes due 9 January 2022 and RMB1,000 million 3.63 per cent. Medium Term Notes due 14 June 2026. CBD Investment Company issued RMB600 million 5.07 per cent. Private Placement Notes due 28 January 2023. Construction Engineering Company issued RMB200 million 3.60 per cent. Super Short-term Financial Notes due 6 December 2021.
- (2) This amount represents the aggregate principal amount of the Bonds to be issued, before deducting the commissions and other estimated expenses payable in connection with the offering of the Bonds.
- (3) Total indebtedness equals the sum of short-term indebtedness and long-term indebtedness.
- (4) Total capitalisation equals the sum of total indebtedness and total owners' equity.

The Group incurs indebtedness from time to time to fund its operations. See “*Risk Factors — Risks relating to the Group and its business — The Group has incurred substantial indebtedness and may incur additional indebtedness in the future, which could adversely affect its operations and its ability to satisfy its outstanding and future debt obligations.*”

Except as otherwise disclosed in this Offering Circular, there has been no material adverse change in the consolidated total capitalisation and total indebtedness of the Issuer since 31 December 2020.

DESCRIPTION OF THE GROUP

OVERVIEW

The Issuer is a state-owned company directly and wholly owned by the Wuhan SASAC. Following over 40 years of development, the Group has grown into an important investment and financing platform in the city construction sector in Wuhan. The Issuer is one of the three leading city construction enterprises among the 13 enterprises in Wuhan for which the Wuhan SASAC performs the investor's functions on behalf of the Wuhan Municipal Government.

The Issuer was previously known as Wuhan Real Estate Development & Investment Group Co., Ltd. (武漢地產開發投資集團有限公司). In 2020, the Wuhan Municipal Party Committee (武漢市委) and the Wuhan Municipal Government approved the plan to consolidate and integrate seven enterprises namely Wuhan Real Estate Development & Investment Group Co., Ltd. (武漢地產開發投資集團有限公司), Wuhan CBD Investment Holding Group Co., Ltd. (武漢中央商務區投資控股集團有限公司) (“**CBD Investment Company**”), Wuhan Construction Engineering (Group) Co., Ltd. (武漢建工(集團)有限公司) (“**Construction Engineering Company**”), Wuhan Landscaping and Greening Construction and Development Co., Ltd. (武漢園林綠化建設發展有限公司) (“**Landscaping Development Company**”), Wuhan Municipal Project Consultation Department Co., Ltd. (武漢市工程諮詢部有限公司) (“**Project Consultation Company**”), Wuhan 2049 Group Co., Ltd. (武漢二零四九集團有限公司) (“**2049 Company**”), and Wuhan Urban Industrial Investment Group Co., Ltd. (武漢市都市產業投資集團有限公司) (“**Urban Industrial Investment Company**”) to establish a leading city construction enterprise. The Issuer was renamed as Wuhan Urban Construction Group Co., Ltd. (武漢城市建設集團有限公司) in September 2020, with its registered share capital being increased to RMB10 billion from RMB1 billion with the full registered capital to be paid before July 2052. As at the date of this Offering Circular, the Group is still in the process of completing the industrial and commercial registration procedures for the transfer of the shares in CBD Investment Company to the Issuer, while the relevant registration for the share transfers for the other five enterprises has been completed. In accordance with the notice relating to the Provisions on Regulating the Accounting Treatments for Relevant Businesses of Addressing Overcapacity, Destocking, Deleveraging, Lowering Corporate Costs, and Improving Weak Links (關於印發《規範“三去一降一補”有關業務的會計處理規定》的通知) (財會[2016]17號) issued by the MOF on 22 September 2016, the Issuer has consolidated the assets and liabilities of the six enterprises as at 31 December 2019 into the Issuer's 2020 Financial Statements.

As at the date of this Offering Circular, the Issuer had directly or indirectly held interests in 202 subsidiaries. As a result of the reorganisation, the Group brings together the best municipal state-owned enterprises in the field of urban construction and inherits the unique brand characteristics of these seven enterprises. As at 31 December 2019 and 2020, the Group's total assets amounted to approximately RMB261,000 million and RMB297,345 million, respectively, and its net assets amounted to approximately RMB71,827 million and RMB78,256 million, respectively. For the years ended 31 December 2019 and 2020, the Group's operating revenues totalled approximately RMB9,940 million and RMB26,654 million, respectively, its total profits totalled approximately RMB1,427 million and RMB2,501 million, respectively, and its net profits totalled approximately RMB999 million and RMB2,062 million.

The Group has formed eight business segments, including (i) three core business segments, namely urban modernisation (which includes indemnificatory housing, shantytown renovation and urban infrastructure construction), construction and comprehensive development, (ii) four supporting business segments, namely landscaping, design and engineering consultation, urban service and capital management and (i) an emerging business segment.

- **Urban Modernisation:** The Group serves as the driving force in Wuhan's urban modernisation and transformation. The Wuhan Urban Modernisation Investment Co., Ltd (the “**Urban Modernisation Company**”) was established in July 2020 to act as the operator of the Urban Modernisation Centre of Wuhan to coordinate the progress of key and/or difficult urban modernisation projects, to manage and review the implementation of those projects. The Urban Modernisation Centre builds a database identifying the key and/or difficult urban modernisation projects, which would be included in Wuhan's “14th Five-Year Plan” (“十四五”規劃) upon the approval of the steering group and managed by objectives. The Group undertakes the financing, planning, expropriation and compensation and investment promotion related to Wuhan's key and/or

difficult urban modernisation projects throughout the project management process. During the period of “14th Five-Year Plan” (“十四五”規劃), the Urban Modernisation Centre has selected approximately 233 urban modernisation projects with the expropriation area of approximately 12.84 million square metres. Among them, 12 key and/or difficult urban modernisation projects are planned to be carried out in 2021. The urban modernisation business segment includes indemnificatory housing and shantytown renovation and urban infrastructure construction.

- Indemnificatory Housing and Shantytown Renovation:** The Group acts as an important state-owned platform for investment, financing and construction which undertakes indemnificatory housing, shantytown renovation and public rental housing in Wuhan. The Group has gradually established a unified housing rental platform in Wuhan. It is engaged in construction of a wide range of indemnificatory housing projects including subsidised housing (經濟適用房), low-rent housing (廉租房), public rental housing (公租房), relocation housing (還建房) and long-term rental apartments (長租公寓). In particular, its Qingshan Shantytown Renovation Project (青山棚戶區改造項目) has been recognised as the largest-scale shantytown renovation development in Central China in terms of area. The Qingshan Shantytown Renovation Project and the Relocation Housing for the 800,000-ton Ethylene Project (80萬噸乙烯還建房項目) have been listed as benchmark projects in Wuhan indemnificatory housing construction by the Ministry of Housing and Urban-Rural Development of the PRC.
- Urban Infrastructure Construction:** The Group undertakes urban infrastructure construction projects in Wuhan in accordance with the unified arrangement of the Wuhan Municipal Government. Over the years, the Group has led the construction of a large number of municipal infrastructure projects of strategic and economic importance to Wuhan, including Wuhan Economic and Technology Development Zone (武漢經濟技術開發區), Hankou section of Wuhan Avenue (武漢大道漢口段), East Lake Pass (東湖通道), East Lake Greenway (東湖綠道), Zhongshan Avenue District Renewal Planning (中山大道街區復興規劃) and the Project Connecting the East Lake and the Shahu Lake (東湖與沙湖連通工程) of Fangying Bridge (放鷹橋), Gedi Bridge (歌笛橋), Yunzhong Bridge (雲中橋), Yanxia Bridge (煙霞橋), Wuhan Construction Engineering Science and Technology Center (武漢建工科技中心) and Changjiang Media Building (長江傳媒大廈). The Wuhan Construction Engineering Science and Technology Center was awarded China Construction Engineering Luban Award (National Quality Project) in 2019 and National Green Building Innovation Award in 2020. Moreover, the Group serves as a major entity undertaking the construction and management of important public buildings. It has since its establishment constructed a large number of public buildings of strategic importance to Wuhan, such as the Wuhan Qintai Culture and Art Centre (武漢琴台文化藝術中心) (including the grand theatre, the concert hall and the Moon Lake Park), The 1911 Revolution Museum (辛亥革命博物館), Zhongshan Warship Museum (中山艦博物館), Tazi Lake Sports Centre (塔子湖體育中心) and Shouyi Cultural Park (首義文化園). The Wuhan Qintai Culture and Art Centre and Shouyi Cultural Park have become landmarks in Wuhan.
- Construction:** The Group is primarily engaged in various types of housing construction, municipal infrastructure construction (including roads, bridges and embankments), mechanical and electrical installation construction, steel structure construction, intelligent building construction, housing development and architectural research. The Group was among the nation's first batch to obtain special grade qualification for contracting construction projects (建築工程施工總承包特級資質) in 2002 and holds grade A qualification for design engineering and construction industry (construction engineering) (工程設計建築行業(建築工程)甲級資質). The Group's construction business generates profit by obtaining the general contract through participating in bidding process. The Group is subsequently responsible for organising the construction. The Group undertook the construction of a series of landmark projects such as Yellow Crane Tower (黃鶴樓), Wuhan Library (武漢圖書館), Ruitong Plaza (瑞通廣場), Qintai Grand Theatre (琴台大劇院), Qintai Concert Hall (琴台音樂廳), the 1911 Revolution Museum (辛亥革命博物館), Wuhan International Expo Centre Intercontinental Hotel (武漢國際博覽中心洲際酒店), phase two of the Boao Forum for Asia (博鰲亞洲論壇永久會議二期工程), Yangtze River Media Building (長江傳媒大廈), Wuhan Yaxin Hospital (武漢亞心總醫院), Wuhan Construction and Technology Centre (武漢建工科技中心) and Hubei Olympic Sports Centre (湖北省奧林匹克體育中心).

- **Comprehensive Development:** The Group's comprehensive development business is concentrated in Wuhan. The Group's strategy for its comprehensive development business is to focus on the Wuhan market and selectively expand into other markets, carefully expand key business areas and diversify the types of development projects. In recent years, the Group's comprehensive development business has grown rapidly and achieved remarkable economic results and has also showed a distinct competitive strength in the region. The profits from the Group's comprehensive development business not only brings steady income to the Group but also increases the Group's brand value. Based on the statistics of China Index Academy, the Group was ranked the first among domestic real estate developers with a market share of 7.47 per cent. in the Wuhan real estate market in terms of contracted sales in 2020.
- **Landscaping:** The Group's landscaping business includes both ecological construction and ecological operation covering the whole industry chain, including garden curation, planning, design, construction, supervision, agent construction, maintenance and cultivation of seedlings and trees, etc. It is an entity for the investment, construction, development and operation of the urban gardening and greening construction in Wuhan and is also a leading force in Wuhan's ecological construction and greening development.
- **Design and Engineering Consultation:** The Group has obtained full licences in design and engineering consultation and has completed many landmark projects such as Wuhan — China Optics Valley (武漢•中國光谷), Wuhan Citizens Home (武漢市民之家), Wuhan Garden Expo Park (武漢園博園), East Lake Passage Project (東湖通道工程) and East Lake Greenway Project (環東湖綠道工程), etc. The Group has won 86 awards on consultation at national, provincial and municipal levels.
- **Urban Service:** The Group's urban services business comprises property management and asset operation. The Group carries out its urban services mainly through Wuhan Real Estate Group Orient Property Management Co., Ltd. (武漢地產集團東方物業管理有限公司) which mainly manages the properties developed by the Group. The Group's asset operation mainly includes managing inventory of the Group's existing land reserves, property ownership perfection, revitalization and disposal, and the management of Group's commercial properties, public infrastructure and municipal assets (including indemnificatory rental housing).
- **Capital Management:** The Group has been dedicated to developing its capital management business including industry investment, developing investment funds, setting up and operating finance companies and exploring diversified financing channels.
- **Emerging Business:** The Group actively expands into other emerging businesses, including prefabricated building, new material research and development, green energy, ecology restoration, environmental governance, information consulting and new infrastructure.

The Group has received multiple qualifications in different fields of work, including special grade qualification for contracting of construction engineering (建築工程總承包特級資質), first-level qualification for real estate development (房地產開發一級資質), comprehensive grade A qualification for engineering consultation (工程諮詢綜合甲級資質), class A qualification for surveying, designing and supervision (勘察、設計、監理甲級資質) as well as other more than 100 professional contracting qualifications.

The Group has received numerous awards and recognitions for its achievements in various areas, including more than 300 national awards such as Luban Award (魯班獎), Zhan Tianyou Award (詹天佑獎) and Guangsha Award (廣廈獎), and six international awards including two Planning Excellence Awards awarded by the International Society of City and Regional Planners (國際城市與區域規劃師學會規劃卓越獎), the third C40 Urban Climate Leaders Group — Best Solid Waste Management Award awarded by the Committee of the Conference of Parties to the United Nations Framework Convention on Climate Change (聯合國氣候變化框架公約締約方會議(巴黎氣候大會)組委會C40城市氣候領袖群第三屆城市獎—最佳固體廢物治理獎), the 10th China (Wuhan) International Gardening Expo — Famous Asian Garden awarded by the Asian Gardening Association (亞洲園林協會第十屆中國(武漢)國際園林博覽園—亞洲名園), the fourth Guangzhou International City Innovation Award (第四屆廣州國際城市創新獎) awarded by the Committee of Guangzhou International City Innovation Award, 2019 Asia-

Pacific Professional Landscape Architecture Award — Nature Conservation Excellence Award awarded by the International Federation of Landscape Architects (國際風景園林師聯合會2019亞太地區風景園林專業獎—自然保護類優秀獎). The following are some key awards and recognitions:

- the Group received the China Construction Engineering Luban Award (魯班獎) for the East Lake Greenway (東湖綠道) in 2020;
- the Group received the 9th Guangsha Award (廣廈獎) for the Wuhan Archives and Provident Fund Management Center (武漢市檔案館及公積金管理中心) from China Real Estate Association in 2020;
- the Group received National Green Building Innovation Award (全國綠色建築創新獎) for the Wuhan Construction Technology Center (武漢建工科技中心) in 2020;
- the Group received the Excellence Urban Planning and Design Award (優秀城市規劃設計獎) for the Planning and Design Plan of the maintenance and renovation project of Wutongyuwenxue Center of Huazhong University of Science and Technology (華科技大學大學生學習研討中心維修改造工程梧桐語問學中心規劃設計專案), Wuhan Jiang'an District Liuhe Community Planning (武漢市江岸區六合社區規劃) and South Lake Environment Improvement Plan (南湖水環境提升規劃方案) in 2020;
- the Group received the Science and Technology Award of Chinese Landscaping Association (中國風景園林學會科學技術獎) for the landscaping renovation project of Wuhan Sports Center (武漢體育中心環境綠化提升及景觀改造工程), the construction project of Shishou Undermountain Lake Park (石首市山底湖公園建設工程) and the landscaping project of Guanggu Complex on the Wuhan Southern Rail Traffic Line No.2 Nanyan Line (武漢軌道交通2號線南延線光谷綜合體景觀綠化工程) in 2020;
- the Group was recognised as category A enterprise for state-owned enterprise, in “Double Hundred Action” three system reform (國企改革“雙百行動”三項制度改革A類企業) by SASAC of the State Council in 2020;
- the Group's subsidiary Wuhan Yuanwaiyuan Landscaping Co., Ltd., a pilot enterprise under the “enterprise development + capital cooperation” mixed reform innovation model, was successfully listed on the National Equities Exchange and Quotations (“NEEQ”) on 19 May 2020;
- the Group received the China Construction Engineering Luban Award (National Excellent Construction) for the Wuhan Construction Technology Center in 2019;
- the Group received National Premium Construction Award (國家優質工程獎) for the Yangtze River Media Building (長江傳媒大廈) and Phase Two of Hengrong Commercial Centre (恒融商務中心二期) in 2019.
- the Group was recognised as Civilised Enterprise in Hubei Province from 2015 to 2016 (2015–2016年度湖北省文明單位) by Hubei Provincial Party Committee (湖北省委) and Hubei Provincial Government in 2017;
- the Group was recognised as Top 500 Service Enterprises in China (中國服務企業500強) by China Enterprise Confederation and China Enterprise Directors Association in 2017;
- the Group was recognised as Civilised Enterprise in Wuhan from 2015 to 2016 (2015–2016年度武漢市文明單位) by the Wuhan Municipal Party Committee and the Wuhan Municipal Government in 2017;
- the Group received the Guangsha Award (廣廈獎) for the Wuhan Citizens Home (武漢市民之家) from China Real Estate Association in 2016;
- the Group was recognised as Civilised Enterprise in Hubei Province from 2013 to 2014 (2013–2014年度湖北省文明單位) by Hubei Provincial Party Committee (湖北省委) and Hubei Provincial Government in December 2015;

- the Group was recognised as Civilised Enterprise in Wuhan from 2013 to 2014 (2013–2014年度武漢市文明單位) by Wuhan Municipal Party Committee and Wuhan Municipal Government in 2015;
- the Group was recognised as Advanced Enterprise on Establishing Wuhan as a National Civilised City (武漢市創建全國文明城市先進單位) and Advanced Enterprise on Unifying and Promoting Key Construction Projects in 2014 (2014年度統籌協調推進重點工程建設工作先進單位) by Wuhan Municipal Government in 2015;
- the Group was recognised as Excellent Enterprise in Wuhan from 2013 to 2014 (2013–2014年度優秀企業) by Wuhan Enterprise Confederation and Wuhan Enterprise Directors Association in 2015;
- the Group received the China Construction Engineering Luban Award for the Wuhan Citizens Home (武漢市民之家), the 1911 Revolution Museum (辛亥革命博物館) and the Wuhan Huangpu Street Jinqiao Avenue Express Passage (武漢市黃浦大街 — 金橋大道快速通道) from the Ministry of Housing and Urban-Rural Development of the PRC in 2013;
- the Group received the China Construction Engineering Luban Award for Qintai Grand Theatre — Phase Two of Wuhan Qintai Culture and Art Centre (武漢琴台文化藝術中心二期琴台大劇院) from China Architecture Association in 2008;
- the Group was recognised as Taxpayer with Outstanding Contribution in 2007 (2007年度突出貢獻納稅人) by the Taxation Bureau of Wuhan Municipal Government in 2008;
- the Group was recognised as Excellent Enterprise in Wuhan from 2005 to 2006 (2005–2006年度優秀企業) by Wuhan Enterprise Confederation and Wuhan Enterprise Directors Association in 2007; and
- the Group was recognised as Credit Model Enterprise in Wuhan (武漢市信用示範企業單位) by Wuhan Information Centre in 2005.

HISTORY AND DEVELOPMENT

The Group's history can be traced back to 1978. The table below sets forth certain key milestones in the business and corporate development of the Group:

Year	Event
1978 and 1984	The predecessors of the Issuer, Wuhan Residential Housing Unified Construction Office (武漢市住宅統建辦公室) was established in 1978 and Wuhan Urban Comprehensive Development Group Co., Ltd. (武漢城市綜合開發集團有限公司) (“ Wuhan Urban Development Group ”) was established in 1984 to undertake unified construction and allocation of residential houses for relevant government departments and comprehensive development of urban areas, respectively.
1989	Wuhan Urban Development Group pioneered the construction of the East Lake High-tech Development Zone (東湖高新技術開發區), which is one of the first national high-tech zones in the PRC.
1990	Wuhan Residential Housing Unified Construction Office pioneered the construction of the Wuhan Economic and Technological Development Zone (武漢經濟技術開發區), which is a national economic development zone in the PRC.

Year	Event
2003	In June, following the approvals of the Wuhan Municipal Party Committee and the Wuhan Municipal Government, through the merger and reorganisation of Wuhan Urban Development Group, Wuhan Unified Construction City Construction (Group) Co., Ltd. (武漢統建城市建設(集團)有限責任公司), Wuhan Residential Housing Unified Construction Office and certain of their state-owned assets and the shareholding of Wuhan Labour Industry Comprehensive Development Co., Ltd. (武漢勞業綜合開發股份有限公司) then held by the Bureau of Labour and Social Security of Wuhan (武漢市勞動和社保局), the Issuer became wholly-owned by the Wuhan SASAC. The registered share capital of the Issuer was RMB420 million.
2009	The Group commenced construction of significant urban infrastructure projects throughout Wuhan, such as Wuhan Hankou Section of the Second Ring Line Bridge and Passage Project (武漢市二環線(漢口段)橋樑與通道工程), Huangpu Street — Jinqiao Avenue Express Passage (黃浦大街 — 金橋大道快速通道), the Project Connecting the East Lake and the Shahu Lake (東湖與沙湖連通工程), and Wuxian Road Interchange (武咸公路立交).
2011	In December, the Group's indemnificatory housing business was inaugurated, which makes the Group a major investment, financing and construction platform in Wuhan to undertake indemnificatory housing projects. In accordance with the Notice of the General Office of the Wuhan Municipal Government on Printing and Distributing the Implementation Plan of Financing Construction and Fund Repayment for the Indemnificatory Housing Projects in Wuhan (Wu Zheng [2011] No. 178) (市人民政府辦公廳關於印發武漢市保障性安居工程建設專案融資建設及資金償還實施方案的通知[武政辦[2011]178號]), the Issuer fully participated in the construction of indemnificatory housing projects, and was in charge of establishing a corresponding platform. The Group's "12th Five-year Plan" was finalised, pursuant to which the Group's three core business segments, namely indemnificatory housing, infrastructure construction and real estate development, were formed and the Group re-organised various departments in its headquarters.
2012	In March, Wuhan Indemnificatory Housing Investment and Construction Co., Ltd. (武漢市保障性住房投資建設有限公司) ("Indemnificatory Housing Company"), a wholly-owned subsidiary of the Issuer, was established to serve as a major investment and financing platform in Wuhan to construct indemnificatory housing projects (i.e. public rental housing and shantytown renovation). In May, Wuhan Real Estate Holdings Co., Ltd. (武漢地產控股有限公司), a wholly-owned subsidiary of the Issuer, was established to serve as the Group's platform specialising in real estate. In June, the Issuer's registered share capital was increased to RMB600 million.

Year	Event
2013	In March, the Group issued corporate bonds with an aggregate amount of RMB1.6 billion. It was the first time that the Group entered the bonds market in the PRC and tapped into direct financing. The Group received the Luban Prize for China Construction Project (中國建設工程魯班獎) for the Wuhan Citizens Home (武漢市民之家), the 1911 Revolution Museum (辛亥革命博物館) and the Wuhan Huangpu Street Jinqiao Avenue Express Passage (武漢市黃浦大街 — 金橋大道快速通道) from the Ministry of Housing and Urban-Rural Development of the PRC. Indemnificatory Housing Company started to obtain credit lines from China Development Bank.
2014	In March, in accordance with the Approval of Opinions and Plans of the Wuhan People's Government in relation to Collection of Land Resources to Support Construction of Metros (Wu Zheng [2014] No. 69) (市人民政府關於支援地鐵建設的土地資源籌集意見和方案的批覆[武政[2014]69號]), the Group and Wuhan Metro Group Co., Ltd. (武漢地鐵集團有限公司) entered into an agreement on the cooperation and development of properties near the major metro lines in Wuhan. In June, Wuhan Metro and Real Estate United Properties Co., Ltd. (武漢地鐵地產聯合置業有限公司), a subsidiary of the Issuer, was established to develop properties near the major metro lines in Wuhan.
2015	East Lake Tunnel (東湖隧道), a significant municipal infrastructure project, came into operation. The Group commenced construction of the East Lake Greenway (東湖綠道). The Group commenced Rejuvenation Zhongshan Avenue District Renewal Planning (中山大道街區復興規劃).
2016	In July, the Group successfully registered its RMB3.5 billion medium-term-note programme in National Association of Financial Market Institutional Investors ("NAFMII") and issued notes off the programme with a relatively low price. In September, Wuhan Urban Development and Investment Co., Ltd. (武漢城市發展投資有限公司), a wholly-owned subsidiary of the Issuer, was established to carry out such businesses as city renewal, shantytown renovation and the development of new urban areas. In September, Wuhan Real Estate Group Municipal Construction Management Co., Ltd. (武漢地產集團市政建設管理有限公司) (now known as Wuhan Urban Construction Group Construction Management Co., Ltd. (武漢城建集團建設管理有限公司), a wholly-owned subsidiary of the Issuer, was established to serve as the platform managing urban infrastructure construction projects of the Group. In November, Wuhan Urban Development Investment Fund Management Co., Ltd. (武漢城發投資基金管理有限公司) ("Investment Fund Management Company"), a then wholly-owned subsidiary of the Issuer, was established to serve as the finance platform focusing on provision of services to other business segments of the Group. In November, the Issuer's registered share capital was increased to RMB1 billion.

Year	Event
	In December, the Group successfully registered its short-term financing bonds with an aggregate amount of RMB5 billion in NAFMII. The Group's total assets exceeded RMB100 billion and its net assets exceeded RMB30 billion.
2017	In January, the Group once again successfully registered its RMB3.5 billion medium-term-note programme in NAFMII and issued notes off the programme with a relatively low price. In July, the Group's long-term credit rating was raised to AAA by China Lianhe Credit Rating Co., Ltd. (聯合資信評估有限公司), which made the Group one of the enterprises with first-tier credit ratings in the PRC. In November, the Group obtained the registration notice from Beijing Financial Asset Exchange (北京金融資產交易所) in relation to its RMB3 billion debt financing programme. It was the first state-owned enterprise in Wuhan to obtain such registration from Beijing Financial Asset Exchange. The Group entered into strategic cooperation agreements on regional development with Jiangxia District (江夏區), Huanggang (黃岡市), Linkong Harbour (臨空港), Wuhan Economic and Technological Development Zone (武漢經濟技術開發區) and other places.
2018	In June, the Group was assigned an international credit rating of Baa3 by Moody's. In November, the Group successfully issued the nation's first indemnificatory public rental housing asset securitisation products (保障性公共租賃房資產證券化產品). The Group successfully issued corporate bonds with an aggregate amount of US\$500 million.
2020	In July, the Wuhan Municipal Government established the Urban Modernisation Centre and appointed the Group as the operator of the Urban Modernisation Centre. In September 2020, the Wuhan Municipal Party Committee and the Wuhan Municipal Government approved the plan to consolidate and integrate seven enterprises including the Issuer, CBD Investment Company, Construction Engineering Company, Landscaping Development Company, Project Consultation Company, 2049 Company and Urban Industrial Investment Company to establish a leading city construction enterprise.

RECENT DEVELOPMENTS

Performance of the Group as at and for the three months ended 31 March 2021

In April 2021, the Issuer published its financial statements as at and for the three months ended 31 March 2021 in Chinese in the PRC. For the avoidance of doubt, such financial statements are not incorporated by reference and do not constitute part of this Offering Circular.

For the three months ended 31 March 2021, the operating revenues of the Group increased as compared to the corresponding period in 2020 due to the significant negative impact of the COVID-19 on the Group's operations during the first three months ended 31 March 2020 as further described “— *The recent COVID-19 outbreak*” below and increase in real estate sales in the first three months ended 31 March 2021.

For the three months ended 31 March 2021, the Group recorded a negative net amount in other comprehensive incomes after tax, primarily due to changes in the fair value of the Group's equity investment in Changjiang Securities (stock code: 000783).

As at 31 March 2021, the Group's total liabilities increased as compared to the balance as at 31 December 2020 primarily due to an increase in bonds payable as a result of issues of bonds by the Group to finance the Group's operations this year.

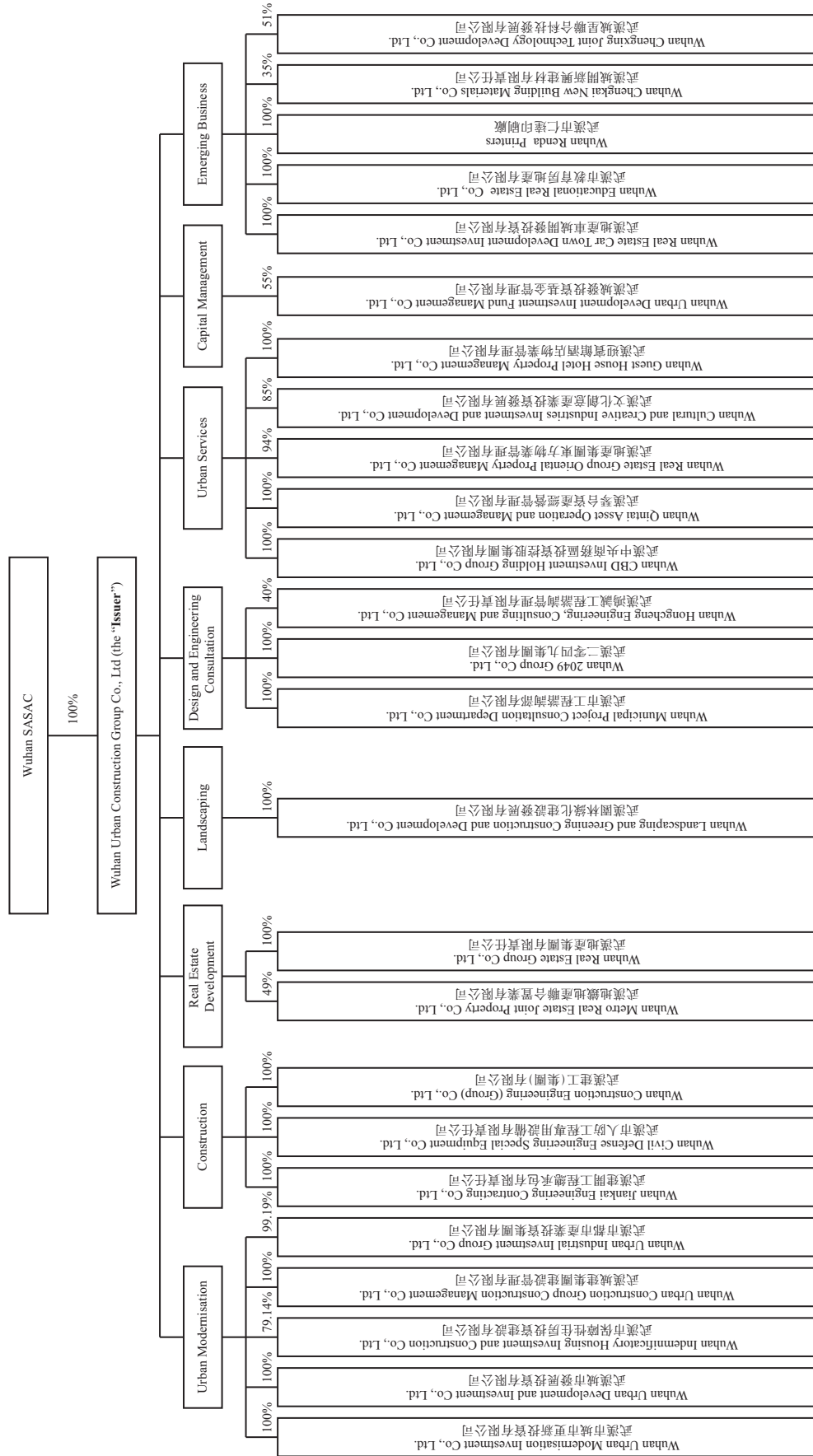
The consolidated financial information of the Issuer as at and for the three months ended 31 March 2021 has not been subject to an audit or review and may be subject to further adjustments. Such financial information should not be relied upon by potential investors to provide the same quality of information associated with information that has been subject to an audit or review. None of the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents, advisers or any person who controls any of them makes any representation or warranty, express or implied, regarding the accuracy of such consolidated financial information or its sufficiency for an assessment of, and potential investors must exercise caution when using such data to evaluate the Group's financial condition and results of operations. Such financial information as at and for the three months ended 31 March 2021 should not be taken as an indication of the expected financial condition or results of operations of the Group for the full financial year ending 31 December 2021.

The recent COVID-19 outbreak

Since December 2019, there has been a global outbreak of a novel coronavirus named COVID-19, which is highly infectious and has resulted in a significant number of hospitalisations and death globally. On 11 March 2020, World Health Organization declared COVID-19 outbreak a pandemic. The COVID-19 pandemic has resulted in a number of countries declaring a state of emergency and a number of countries imposing extensive business and travel restrictions with a view to containing the pandemic. Widespread reductions in consumption, industrial production and business activities due to the COVID-19 pandemic will significantly disrupt the global economy and global markets and is likely to result in a global economic recession. In addition, COVID-19 has led to significant volatility in the global markets across all asset classes, including stocks, bonds, oil and other commodities and this volatility may persist for some time. Particularly, all construction projects in Wuhan were suspended during the first quarter of 2020 and the Group has taken various measures such as division of project planning into several phases, resumption of work and production in batches, implementation of remote working and establishment of COVID-19 prevention and control work mechanism to mitigate the impact of the COVID-19 pandemic. The Group has also been entrusted with the urgent task of constructing the Leishenshan Hospital (雷神山醫院) within 10 days. At present, the Group's business operations have all returned to normal, and the COVID-19 pandemic has no significant adverse impact on the Group's operations and financial positions. The global outbreak of COVID-19 may continue to affect the Group's industry and cause temporary suspension of projects and shortage of labour and raw materials, which would have a material adverse effect on the Group's business, financial condition and results of operations. For more details, please refer to “*Risk Factor — The Group's operations are subject to force majeure events, natural disasters and outbreaks of contagious diseases.*”

CORPORATE STRUCTURE

The following chart sets forth the simplified corporate structure of the Group as at the date of this Offering Circular:



Note: The Group is still in the process of completing the industrial and commercial registration procedures for the transfer of the shares in CBD Investment Company to the Issuer as at the date of this Offering Circular.

RELATIONSHIP WITH THE WUHAN MUNICIPAL GOVERNMENT AND WUHAN SASAC

The Issuer is beneficially wholly-owned by the Wuhan Municipal Government with Wuhan SASAC as its sole registered shareholder. As an important investment and financing platform in the urban construction sector in Wuhan, the Group has extensive relationships with Wuhan SASAC, the Wuhan Municipal Government and other entities directly or indirectly controlled by it. The Group is commissioned by Wuhan SASAC, the Wuhan Municipal Government and other local governmental entities and agencies to participate in many public projects such as construction of indemnificatory housing, shantytown renovation, public buildings and municipal infrastructure. The Group has also received various asset and capital injections, subsidies and other grants and tax incentives from Wuhan SASAC, the Wuhan Municipal Government and other entities and enterprises controlled by it. As the sole registered shareholder of the Issuer, Wuhan SASAC also appoints the Issuer's board of directors and management team and supervises the performance of the Group and the Issuer's board of directors and management team in such capacity through various means. See the section entitled "*Competitive Strengths*" below.

Notwithstanding the Issuer's extensive relationships with Wuhan SASAC, the Wuhan Municipal Government and other entities controlled by it and the many social and community functions performed by the Group, the Issuer is not part of the government. It is operationally and financially separated from the Wuhan Municipal Government. Its functions and departments are separate from those of the government and it does not share any premises with Wuhan SASAC or the Wuhan Municipal Government. Even though the board of directors and management team of the Issuer are appointed by the Wuhan SASAC, they are not government officers and do not have any employment outside of the Group. The budget and financial reporting system of the Issuer and its assets and liabilities are separated from those of Wuhan SASAC and the Wuhan Municipal Government. The Wuhan SASAC as the equity holder of the Issuer only has limited liability to the Issuer in the form of its equity contribution in the Issuer. Neither Wuhan SASAC, the Wuhan Municipal Government nor any other PRC governmental entity has any payment obligation or other obligations under the Bonds or the Trust Deed and they will not provide a guarantee of any kind for the Bonds. The Bondholders do not have any recourse against Wuhan SASAC, the Wuhan Municipal Government or any other PRC governmental entity in respect of any obligation arising out of or in connection with the Bonds or the Trust Deed. The Bonds are solely to be repaid by the Issuer and the obligations of the Issuer under the Bonds or the Trust Deed shall solely be fulfilled by the Issuer as an independent legal person. This position has been reinforced by Circular 23 and Circular 706. Both Circulars do not, however, prohibit the PRC government from providing support (in various forms including capital injection and subsidies, but excluding injecting any kinds of public assets and land reserves as the Group's assets) to the Group in its ordinary course of business in compliance with PRC laws and regulations. The detailed description of the relationships between the Issuer and Wuhan SASAC and/or Wuhan Municipal Government in this Offering Circular does not imply in any way any explicit or implicit credit support of Wuhan SASAC and/or the Wuhan Municipal Government in respect of the Bonds, the repayment of which remains the sole responsibility of the Issuer.

See also the risk factors entitled "A reduction or discontinuation of government support could materially and adversely affect the Group's business, financial condition and results of operations", "The Group may cease to enjoy preferential tax treatment and tax exemptions, the loss of which, or a reduction in which, could reduce the Group's profits", "The Wuhan Municipal Government exerts significant influence on the Group, and the Group may not make decisions, take actions or invest in or operate businesses or projects that are in the Group's best interest or that aim to maximise the Group's profits", "The Group faces risks associated with contracting with public bodies", "PRC regulations on the administration of the financing platforms of local governments may have a material impact on the Group's business and sources of financing" and "PRC regulations on the administration of local government debts may have a material impact on the Group's financing model and business model" in the section entitled "Risk Factors — Risks relating to the Group and its Businesses" and the risk factor entitled "Neither the Wuhan Municipal Government, nor Wuhan SASAC nor any other PRC governmental entity does not have any payment or other obligations under the Bonds or the Trust Deed" in the section entitled "Risk Factors — Risks relating to the Bonds".

COMPETITIVE STRENGTHS

The Group believes it has the following competitive strengths that have led to its success and are important to its future development:

Well-positioned to benefit from Wuhan, Hubei's economic strength and growing competitiveness

The Group believes that its business success and growth potential are largely attributable to the economic strength and growing competitiveness of Wuhan, Hubei, where the Group undertakes a large number of important projects and conducts its businesses.

Located in the centre of China, Hubei Province serves as a gateway to any other part of China. Hubei Province is located at the intersection of the Yangtze River Economic Zone and the route under the “Belt and Road” initiative. It serves as a main transportation hub between central and other parts of China and occupies a key position in the national railway and highway network. Hubei Province has one of the strongest economies in China. According to the Hubei Provincial Bureau of Statistics, Hubei Province ranked the eighth amongst all the provincial administrative regions with a GDP of RMB4,344.3 billion in 2020.

Wuhan is the capital of Hubei Province and is also the only city designated with a sub-provincial status in central China. Located in eastern Hubei Province in central China at the convergence of the Yangtze River and the Hanjiang River, Wuhan serves as an important industrial, scientific and educational base of central China. In 2019, the permanent population of Wuhan was 11.21 million and its urbanisation rate was as high as 80.49 per cent.. Wuhan ranked as one of top ten cities with the highest economic aggregate in China for several years. As Wuhan is the core city in the metropolitan areas located along the Yangtze River's midstream and one of the few cities that is designated with the status of “mega metropolis”, it has attracted an influx of business and commercial activities within China. Widely known as the “gateway to nine provinces”, Wuhan is the largest water and land transportation hubs in central China as well as the shipping centre along the Yangtze River's midstream.

Historically, Wuhan has been strong in steel, chemical, metallurgy, textile and shipbuilding industries. Over the past few years, Wuhan has witnessed rapid growth of its information technology, life science, modern finance and intelligent manufacturing industries in the East Lake High-tech Development Zone (東湖高新技術開發區); its air transportation and cybersecurity industries in Wuhan Linkong Harbour Economic and Technological Development Zone (武漢臨空港經濟技術開發區); and its automobile industries in the Wuhan Economic and Technological Development Zone (武漢經濟技術開發區), attracting many large companies to establish their second headquarters in Wuhan. Wuhan is now the city that serves as a foundation for the strategic development of central China, it is recognised as the nation's Comprehensive Innovation and Reform Pilot Zone (全面創新改革試驗區) and one of the three Intelligence Intensive Areas (智力密集區) across China, attracting several leading companies in various fields such as Pfizer, Microsoft, Huawei and Xiaomi to establish presence in Wuhan.

Wuhan has been the important scientific research and educational base in China. Wuhan has 95 scientific research institutions, 89 universities with the number of enrolled students amounting to 1.3 million, making it the city with the most college students in the world. In particular, Wuhan has seven universities directly under the ministries of the PRC Central Government and two universities under the Hubei Provincial Government.

Wuhan's prime geographical location, advanced transportation network and strong industry presence have all contributed to its continuous economic growth. According to the Statistical Gazette of Wuhan's Economic and Social Development, for the years from 2017 to 2020, Wuhan's GDP reached RMB1,341.0 billion, RMB1,484.7 billion, RMB1,622.3 billion and RMB1,561.6 billion, respectively; and Wuhan's GDP per capita reached RMB120,880, RMB135,877, RMB145,545 and RMB139,280, respectively. In 2020, Wuhan's GDP reached the ninth highest amongst Chinese cities and the fourth highest amongst Chinese sub-provincial cities, and the year-on-year decrease in 2020 was 4.7 per cent. Wuhan contributed approximately 35.9 per cent. of Hubei Province's GDP in 2020. Wuhan also enjoys high per capita disposable income. According to the Hubei Provincial Bureau of Statistics, for the years from 2017 to 2020, the per capita disposable income for urban residents in Hubei was RMB31,889, RMB34,455, RMB37,601 and RMB36,706, respectively; and the per capita disposable income of rural residents was RMB13,812, RMB14,978, RMB16,391 and RMB16,306, respectively.

In June 2016, Wuhan was designated as a “mega metropolis” in the Yangtze River Economic Zone Development Plan Outline (長江經濟帶發展規劃綱要) published by the Central Committee of the Chinese Communist Party (中國共產黨中央委員會). In December 2016, the NDRC issued the Letter to Support Wuhan’s Reconstruction as National Central City (《關於支持武漢建設國家中心城市的覆函》), pledging support to the establishment of Wuhan as a national central city with four key roles namely the national economic centre, technology and innovation centre, commerce and logistics centre and international exchange centre. The Wuhan Municipal Government Standing Committee (武漢市政府常務會) in January 2018 reviewed, and in April 2018 approved in principle, the Implementation Plan of Wuhan as National Central City (《武漢建設國家中心城市實施方案》), demonstrating support for Wuhan to develop as a central city in China.

In December 2020, the 13th CPC Wuhan Municipal Committee approved Wuhan’s 14th Five-Year Plan of Economic and Social Development and the Advice for the Vision of 2035 (the “**14th Five-Year Plan**”) (武漢市國民經濟和社會發展第十四個五年規劃和二〇三五年遠景目標的建議) with the aim of promoting the overall development of the midstream of the Yangtze River, under which Wuhan was designated to establish a shipping centre and develop the network of cities in the midstream of Yangtze River. In addition, the 14th Five-Year Plan also lays its emphasis on making Wuhan a national technology innovation centre, with plans including construction of East Lake Comprehensive National Scientific Centre (東湖綜合性國家科學中心), attracting innovative talents and encouraging the development of emerging industries. The 14th Five-Year Plan targets to build a modernised Wuhan with five featured centres, namely national economic centre, national technology and innovation centre, national commerce and logistics centre, international exchange centre and regional financial centre, with focus on the economic development and innovation in Wuhan.

The strategic location, strong and stable economic growth of Wuhan coupled with the favourable policies of the PRC government and the Wuhan Municipal Government provide a favourable business environment for the development of the Group’s business, in particular its indemnificatory housing, urban infrastructure construction and comprehensive development business segments. As most of the Group’s businesses and operations are located in Wuhan, the Group believes that it is and will continue to be well-positioned to benefit from Wuhan’s economic strength and growing competitiveness.

Supporting and promoting the urbanisation and industrialisation of Wuhan and improving all aspects of livelihood

The Group plays a crucial strategic role in supporting and promoting the urbanisation and industrialisation of Wuhan and improving all aspects of livelihood. The Group contributes to the municipal development of Wuhan as it undertakes functions to implement governmental plans of accelerating Wuhan’s growth as a “National Central City” through the Group’s “dual platform” — an investment, financing and construction platform to undertake indemnificatory housing projects and a construction platform for urban infrastructure.

As the only Urban Modernisation Centre operator in Wuhan, the Group is responsible for the overall implementation of major urban modernisation projects. The Group undertakes the renovation of key and/or difficult urban modernisation projects, such as the construction of indemnificatory housing and conducting shantytown renovation and the construction of public building and urban infrastructure. The Group is in charge for the execution and implementation of every aspect of the modernisation projects during the whole process including financing, planning, housing restoration, expropriation and compensation, improving the living condition of residents in the old communities.

Indemnificatory housing and shantytown renovation

The Group has been designated by the Wuhan Municipal Government as the primary borrowing entity for indemnificatory housing projects (including shantytown renovation projects) in Wuhan. In March 2012, the Issuer established the subsidiary Indemnificatory Housing Company to act as China Development Bank’s sole lending platform to finance shantytown renovation projects in Wuhan. The Group is primarily responsible for borrowing loans from China Development Bank and assessing the feasibility of constructing shantytown projects and plays a key role in improving all aspects of livelihood and supporting and promoting the social development of Wuhan. As at 31 December 2020, the Group invested in 18 shantytown renovation projects with a total investment amount of RMB75,100 million, of which RMB66,728 million (including RMB21,500 million which was used to purchase

settlement housing (安置房)) had been invested, ranked the first amongst all the enterprises in Wuhan in terms of both the number of projects completed and the investment amount. As at 31 December 2020, the total GFA of shantytown renovation covered 3.51 million square metres and the living conditions of approximately 76,000 households (with almost 228,000 people) had been improved. For the year ended 31 December 2020, the Group had undertaken the most shantytown renovation projects in Wuhan among all the enterprises in Wuhan; and the Group was also ranked the first among all the enterprises in Wuhan in terms of the total investment amount which had been approved by the Wuhan Municipal Government to construct such shantytown renovation projects.

Indemnificatory Housing Company serves as the largest state-owned housing rental platform in Wuhan. The Group's key responsibilities involve conducting active research of operation models of rental housing, undertaking rental housing pilot projects in compliance with applicable policies and regulations, and assisting in the establishment, management and standardisation of the rental housing system. Indemnificatory Housing Company was listed among the first batch of Wuhan's housing rental pilot enterprises. As at 31 December 2020, the total investment of the Group's public rental housing projects reached RMB8,500 million, of which RMB8,211 million had been invested. As at 31 December 2020, the Group held 40,769 public rental houses.

Urban infrastructure construction

By leveraging on its extensive construction experience, good reputation and strong financing capabilities, the Group plays an important role in the construction of key public buildings and urban infrastructure projects in Wuhan.

The Group serves as a major entity undertaking the construction and management of important public buildings and has undertaken a majority of the public building projects of strategic importance to Wuhan since its establishment. The Group is the only municipal state-owned enterprise that undertakes the construction of public welfare buildings in Wuhan. The Group also works closely with the Wuhan Municipal Government to participate in its urban development plans. For the years ended 31 December 2019 and 2020, the Group's planned investment accounted for 10.03 per cent. and 11.53 per cent. of Wuhan's total investment in its urban development plans (which only include municipal and shantytown renovation projects but exclude public building projects) ranking 4th in Wuhan, respectively, according to the Notice on the Municipal Urban Construction Investment and Capital Plan of Wuhan (市級城建投資及資金計劃) issued by Wuhan Urban and Rural Construction Commission and Wuhan Municipal Development and Reform Commission for the relevant year.

Support from the PRC government and the Wuhan Municipal Government and closely supervised by the Wuhan Municipal Government

As the Group plays a vital role in managing high-profile state-owned assets in Wuhan, its operation is subject to direct and close supervision and control of the Wuhan SASAC, which is the sole shareholder of the Issuer. As the sole shareholder authorised by the Wuhan Municipal Government, Wuhan SASAC increased the Issuer's registered capital from RMB1.0 billion to RMB10.0 billion in order to strengthen the capacity of the Issuer with the full registered capital to be paid before July 2052.

In recognition of the strategic importance of the Group's business and operations to Wuhan, the Group has received various forms of support from the PRC government and the Wuhan Municipal Government (in the form of asset and capital injections, subsidies and other grants, and tax incentives permissible under PRC laws and regulations). From 2016 to 2020, the Group has received supporting funds directly from the PRC government and the Wuhan Municipal Government amounting to approximately RMB80,676 million.

For the years ended 31 December 2016, 2017, 2018, 2019 and 2020, the Group received funds from the PRC government and the Wuhan Municipal Government amounting to approximately RMB16,623 million, RMB7,767 million, RMB32,938 million, RMB12,743 million and RMB10,605 million, comprising:

- asset injections with an aggregate amount of approximately RMB5,426 million from 2016 to 2020;

- government subsidies with an aggregate amount of approximately RMB607 million from 2016 to 2020;
- fiscal allocation with an aggregate amount of approximately RMB53,252 million from 2016 to 2020; and
- governmental debt swap with an aggregate amount of approximately RMB21,392 million from 2016 to 2020.

The continued support from the PRC government and the Wuhan Municipal Government has been critical to the ability of the Group in operating and investing in capital-intensive and large-scale indemnificatory housing, shantytown renovation, urban infrastructure construction and real estate projects, and further expanding its business operations to strengthen its competitive position in Wuhan. Please also refer to “*Risk Factors — Risks relating to the Group and its Businesses — A reduction or discontinuation of government support could materially and adversely affect the Group’s business, financial condition and results of operations*” for further details.

The Issuer is beneficially controlled and owned by the Wuhan Municipal Government with Wuhan SASAC as its registered shareholder. However, the Wuhan Municipal Government only has limited liability in the form of its equity contribution in the Issuer and shall under no circumstances have any payment or other obligations arising out of or in connection with the Bonds or the Trust Deed. The Bonds are solely to be repaid by the Issuer and the obligations of the Issuer under the Bonds or the Trust Deed shall solely be fulfilled by the Issuer as an independent legal person.

The Group is subject to regular assessments by several governmental authorities in Wuhan. Wuhan SASAC conducts annual or term-based appraisal on the overall performance of the Group, including total profits, operating revenues, return on net assets, operating costs to operating revenue and economic value added. The Group endeavours to achieve a series of goals set by Wuhan SASAC. Wuhan Urban and Rural Construction Bureau (武漢市城鄉建設局) conducts appraisal on the key and/or difficult urban construction projects undertaken by the Group on a monthly and annual basis, including the size of the completed investment, commencement and completion of projects and investment progress. In addition, Wuhan Municipal Development and Reform Commission conducts annual assessment of significant projects undertaken by the Group (including public building projects), including the proportion of completed annual investment, progress of the projects under construction and the quality of newly developed projects.

As an urban modernisation, construction, investment and financing platform designated by the Wuhan Municipal Government, the Group undertakes projects directly assigned by the Wuhan Municipal Government (namely, Wuhan Urban and Rural Construction Commission, Wuhan Municipal Development and Reform Commission and Wuhan Municipal Finance Bureau) and is expected to meet the annual targets, which will be assessed by the Wuhan Municipal Government. In addition, the Issuer enters into a duty agreement with Wuhan SASAC relating to the operation and management objective on an annual basis and the Group’s performance under such duty agreement is subject to Wuhan SASAC’s annual assessment. The Wuhan Municipal Government also provides an annual evaluation on the large-scale infrastructure construction projects undertaken by the Group based on the report results given by the Wuhan Urban and Rural Construction Bureau as well as the Wuhan Development and Reform Commission.

The Group is authorised by Wuhan SASAC to operate state-owned capital within the parameters of the applicable regulations of state-owned assets and regulatory requirements of Wuhan SASAC. The Group is required to report to Wuhan SASAC for approval, among other things, financial statements, financial and operating budgets, financing plans, investment in non-core business, wealth management products and financial derivatives. As a wholly state-owned enterprise, Wuhan SASAC appoints a financial controller for the Issuer, and performs certain supervisory duties over the Issuer through such person.

The Group believes that direct and close supervision of Wuhan Municipal Government and Wuhan SASAC ensures that the Group’s operation is fully aligned with the strategies and goals of the Wuhan Municipal Government and the Group preserves, integrates and increases the value of state-owned capital and assets.

See also the risk factors entitled “A reduction or discontinuation of government support could materially and adversely affect the Group’s business, financial condition and results of operations”, “The Group may cease to enjoy preferential tax treatment and tax exemptions, the loss of which, or a reduction in which, could reduce the Group’s profits”, “The Wuhan Municipal Government exerts significant influence on the Group, and the Group may not make decisions, take actions or invest in or operate businesses or projects that are in the Group’s best interest or that aim to maximise the Group’s profits”, “The Group faces risks associated with contracting with public bodies”, “PRC regulations on the administration of the financing platforms of local governments may have a material impact on the Group’s business and sources of financing” and “PRC regulations on the administration of local government debts may have a material impact on the Group’s financing model and business model” in the section entitled “Risk Factors — Risks relating to the Group and its Businesses” and the risk factor entitled “Neither the Wuhan Municipal Government, nor Wuhan SASAC nor any other PRC governmental entity does not have any payment or other obligations under the Bonds or the Trust Deed” in the section entitled “Risk Factors — Risks relating to the Bonds”.

Interactive and sustainable business model consisting of different specialised entities in the full industrial chain

The Group has developed an interactive and sustainable business model that distinguishes the Group from other state-owned local financing platforms or real estate companies in Wuhan, which involves cross-leveraging the Group’s core infrastructure construction business and shantytown renovation business with functions to implement governmental plans and its complementary real estate business with significant financial benefits. The Group’s competitive advantage lies in its ability to organically integrate its business in respect of undertaking functions to implement governmental plans to urbanise and industrialise Wuhan with its comprehensive development business segment. As part of its infrastructure construction and shantytown renovation businesses, the Group obtains large quantities of land reserves at a low cost, which contributes significantly to the sustainable development of the Group’s comprehensive development business. The sufficiency of properties under development brings the Group continuous demand for construction business. The profit from the Group’s comprehensive development business brings steady income to the Group, enhances the Group’s solvency and increases the Group’s brand value, which further supports the Group’s core business including urban modernisation, infrastructure construction and shantytown renovation. Leveraging Group’s extensive experience in construction segment, the business capabilities and productivities of urban modernisation and infrastructure segments will be greatly enhanced.

After the reorganisation in September 2020, seven entities have been integrated to form the current Group which consists of entities specialising in different fields covering the full industrial chain in the urban construction sector from feasibility study, planning, design, development and construction, supporting service to property management, making the Group a conglomerate involved in the full industrial chain. Please find below a brief introduction of the major businesses of the seven entities now forming the Group:

Wuhan Real Estate Group Company Limited (武漢地產集團有限公司) (the “Real Estate Company”): as an entity specialising in comprehensive development, it also participates in primary land development, urban construction, assets operation and property management. It has been selected as one of the Top 100 Real Estate Enterprises (全國房地產百強) for 16 consecutive years. It now also committees to incubate emerging businesses such as financial investment and new materials.

CBD Investment Company: as an entity specialising in land reserve, infrastructure construction, comprehensive development and property management, it derives a majority of its operating income and profit from the comprehensive development sector. It is the primary investment and construction body in central business districts of Wuhan and the key platform for integration development of military area and civilian area.

Construction Engineering Company: as an entity specialising in construction and comprehensive development businesses, it has been recognised as National Excellence Enterprise with Engineering Quality Management (全國工程品質管制優秀企業) as well as the “Double Hundred Enterprise” of state-owned enterprise reform (國企改革“雙百企業”) by SASAC of the State Council. It has five major business sectors comprising construction, comprehensive development, modernised manufacturing, industrial chain investment and inspection consultation.

Landscaping Development Company: as an entity specialising in landscaping, its business covers the whole landscaping industrial chain from garden planning, design, construction, maintenance, supervision, agent construction, plant nursery to operation. It is the primary landscaping company in Wuhan and ranks 17th among the top 20 companies in national landscaping industry.

Project Consultation Company: its major business includes engineering consultation, engineering agency construction, bidding agency, cost consultation and project inspection. Project Consultation Department derives a majority of its operating income and profit from engineering consultation sector. It is the only engineering consultation company with comprehensive grade A credit (工程諮詢綜合甲級信用單位) in Wuhan.

2049 Company: as an entity specialising in planning, survey and design and functional district development and construction, it is the leading company in Wuhan's planning, surveying and designing industry.

Urban Industrial Investment Company: as an entity specialising in land reserve, infrastructure construction, comprehensive development, asset operation and financial investment, it serves as an important functional platform for Wuhan's land reserves. It has nearly 600,000 sq.m. of operating assets under management with various asset types including office buildings, commercial buildings, indemnificatory housing and industrial parks.

The Group believes that such interactive and sustainable business model consisting of different specialised entities in the full industrial chain will not only further strengthen its key position as a leading municipal infrastructure constructor in Wuhan but also contribute to the Group's financial stability, profitability and sustainable development and create other synergies such as increased brand value. Please also refer to “*Risk Factors — Risks relating to the Group and its Businesses — The Group faces risks associated with contracting with public bodies*” for further details.

Well-established brand reputation and embracing social responsibilities

The Group attaches great importance to environmental, social and corporate governance (“ESG”) and strives to improve the ecological and social environment of Wuhan through its urban modernisation business (including indemnificatory housing and shantytown renovation projects) and ecological landscaping business. The Company has established a Sustainable Finance Framework in accordance with the green, social and sustainability bonds principles of the International Capital Markets Association (“ICMA”) and the United Nations Sustainable Development Goals, and has obtained an independent certification from the HKQAA confirming that the Bonds are in compliance with the requirements of the Green and Sustainable Finance Certification Scheme operated by the HKQAA.

The Group is one of the three leading urban construction enterprises among the 13 enterprises invested by Wuhan SASAC on behalf of the Wuhan Municipal Government. The Group takes an active part in the construction of a large number of public building projects and municipal infrastructure projects of strategic economic and social importance to Wuhan. These projects cover all important aspects of the livelihood of people in the region. The Group is also dedicated to the living environment improvement in Wuhan undertaking the construction of a wide range of indemnificatory housing projects with a total area of approximately 4.5 million square metres including but not limited to subsidised housing (經濟適用房), low-rent housing (廉租房), public rental housing (公租房), relocation housing (還建房), and long-term rental apartments (長租公寓). In particular, its Qingshan Shantytown Renovation Project (青山棚戶區改造項目) has been recognised as the largest-scale shantytown renovation development in Central China.

During the COVID-19 pandemic outbreak in early 2020, the Group was entrusted with the urgent task of constructing the Leishenshan Hospital (雷神山醫院) with a total construction area of 79,900 square metres within 10 days. The Group also undertook the responsibilities of providing property management service to Leishanshan Hospital (雷神山醫院). The Group has received a total of 23 awards in recognition of its contributions to the control of COVID-19 pandemic, including the title of National Leading Entity for Fighting COVID-19 (全國抗擊新冠肺炎疫情先進集體稱號). The Group has helped more than 1,000 small and medium-sized enterprises to resume operation and production through its various large projects covering the full industrial chain. In addition to rent reduction for several small and medium-sized enterprises, the Group also contributed RMB300 million into the assistance funds. In

July 2020, the Group set up six municipal flood control working groups and allocated more than 3,000 people to successfully complete emergency rescue tasks, making an important contribution to ensuring city safety.

Diversified financing channels

The Group has access to diversified financing channels to fund its projects and operations. With the aim of tailoring financing methods to specific projects and optimising its financing costs, the Group endeavours to maintain a well-balanced level of direct and indirect financing. The Group's direct financing mainly comprises corporate bonds, medium-term notes and super short-term commercial paper. As the leading urban construction enterprise in Wuhan, the Group has maintained a good credit rating of AAA by China Cheng Xin International Credit Rating Co., Ltd. (中誠信國際信用評級有限公司). The Group successfully issued RMB500 million of short-term financing with an annual interest rate of only 1.88 per cent., setting the lowest price in the history of the Group on 29 April 2020. The Group's indirect financing mainly comprises bank loans (including loans from policy banks), funds (e.g. insurance funds investment plans), financial leases and asset securitisation. The Group maintains good long-term relationships with many financial institutions, including three policy banks in the PRC, namely China Development Bank, The Export-Import Bank of China, Agricultural Development Bank of China, and major commercial banks, such as Postal Savings Bank of China Co., Ltd., Bank of China Limited and China Construction Bank Corporation, and other financial institutions such as Huatai Assets Management Company (華泰資產管理公司) and China Life Insurance Co., Ltd (中國人壽保險股份有限公司). Leveraging its state-owned background, good credit rating and close relationship with major financial institutions in the PRC, the Group obtained new credit facilities in a total amount of RMB78,334 million in 2020, of which RMB64.6 billion had not been utilised.

As at 31 December 2020, the Group had RMB54.59 billion bank loans (including loans from policy banks), RMB24.93 billion bonds (including medium-term notes, corporate bonds and short-term financing bonds), RMB32.11 billion under its insurance debt financing programme, RMB9.34 billion government debts and RMB8.11 billion financial leases, funds, asset securitisation products, accounting for 42.3 per cent., 19.3 per cent., 24.9 per cent., 7.2 per cent. and 6.3 per cent. of the Group's total financing, respectively.

As at the date of this Offering Circular, the Group has successfully issued 55 domestic bonds (including ultra-short-term bonds, medium-term notes, asset-backed securitisation and ultra-long medium-term notes) with an aggregate amount of RMB46 billion and one offshore bond with issue size of US\$500 million. The issuance of these bonds helped to secure low-cost and long-term funding for the operation of the Group's various projects. The subscription multiple of each abovementioned bond is two times and the subscription multiple of the recently issued bonds is about 3.25 time. From 2019 to 2021, the Group's cumulative average interest rate of the bonds issued is 3.11 per cent..

The Group also actively explored alternative funding channels throughout the year of 2020. Pursuant to the national fiscal policies, the Group obtained RMB882 million funds for the COVID-19 related expenditures for the construction and management of the quarantine facilities such as Leishenshan Hospital (雷神山醫院) and Shelter Hospital (方艙醫院). Construction Engineering Company, was among the first batch of enterprises to receive government's special loans.

The Group has implemented and enhanced its prudent financial management system with well-defined policies and procedures to achieve greater financial efficiency. For example, the Group has maintained a reasonable debt maturity distribution to ensure stable financial performance and avoid potential liquidity risk. As at 31 December 2020, the Group's indebtedness due within one year, between one to three years, between three to five years, between five to ten years and after ten years accounted for 7 per cent., 37 per cent., 20 per cent., 27 per cent. and 9 per cent. of the Group's total indebtedness, respectively. As at 31 December 2020, the Group's annualised financing cost was 4.29 per cent., which was lower than the Group's five-year benchmark interest rate, and the weighted average debt maturity period was 8.39 years.

The Group's strong fund-raising capabilities provide adequate funding sources to support its projects and business operations. The Group believes that its diversified financing channels and strong fund-raising capabilities can reduce financing costs effectively and enable it to achieve long-term sustainable growth.

Conducting state-owned enterprises reform and embracing new opportunities

Since September 2020, Wuhan has begun a new round of state-owned enterprise reform and has been conducting extensive reorganisation and integration of state-owned enterprises. The original 32 municipal state-owned enterprises of Wuhan will be integrated and reorganised into 13 municipal state-owned enterprises in order to avoid homogeneous competition. The state-owned enterprises reform promotes the consolidation of state-owned capital in fields including strategic emerging industries, modern service industries, urban infrastructure construction and other fields and helps to vigorously develop new technologies, new industries and new business forms. The state-owned enterprises reform aims to build a group of leading companies in Wuhan which can compete with both first-tier international and domestic companies. The reform will also enhance the state-owned enterprises' core competitiveness, industrial leadership, and global influence.

As a result of this new round of reform, the previous seven municipal state-owned enterprises have been integrated into the Group which provides more extensive business layout, more professional qualifications and more resources ensuring a more efficient business development with better quality. As a huge conglomerate covering the full industrial chain being able to manage project throughout its life cycle from engineering consultation to ECP general project contracting with synergistic effect among its various business segments and, the Group believes it will be able to provide packaged solutions and one-stop comprehensive development and operation services for the modernisation and construction of the mega city. Each business segment of the Group now forms a full industrial chain consisting preliminary planning and consulting, planning and design, mid-term investment and development, engineering construction, and post-service operation.

Experienced management team with proven track records and strong corporate governance

The Issuer has an experienced management team with extensive knowledge in the industries in which the Group operates. The Group believes that the team's industry knowledge, technical expertise and proven track records enable the Group to assess and manage risks, seize market opportunities, formulate sound investment strategies and make prudent business decisions so as to strengthen its operations in the relevant business segments in Wuhan. In addition, the Issuer's current board of directors and senior management team have in-depth experience in the management of state-owned enterprises operating in the same business segments as the Group. Please see "*Directors, Supervisors and Senior Management*" for further information. The appointment of the Issuer's Party Committee, board of directors and management team is approved by the Organisation Department of Wuhan Municipal Committee and made by Wuhan SASAC. All the members of the Issuer's Party Committee, board of directors and management team are senior Municipal Government officials directly supervised by the Organisation Department of Wuhan Municipal Committee. In accordance with the annual remuneration system, Wuhan SASAC approves the annual remuneration of the chairman and other members of the management team based on the results of annual assessment. The Group has instituted a sound corporate governance system. The Group's corporate governance structure consists of the board of directors, the board of supervisors, senior management and sixteen departments falling into four categories namely resources assurance category, business supporting category, operating management category and risk control category, undertaking different functions concerning the daily operations of the Group.

BUSINESS STRATEGIES

The Group intends to implement the following strategies to achieve the objectives:

Develop "3+4+X" modernised industrial system

With the mission of creating a "better life with ingenuity" as well as embracing the Group's five major positioning as "leader of Chinese urban construction", "model of regional urban modernisation", "pioneer of local state-owned enterprise reform", "leader of industrial innovation" and "creator of people's better life", the Group has established and will continue to develop its "3+4+X" modernised industrial system featuring the three core business segment of the Group, namely urban modernization, construction and comprehensive development, and the four supporting business segments, namely landscaping, design and engineering consultation, urban service, capital management, and the emerging business segment such as research and development of new materials and green energy development.

The Group adheres to reform and innovation as driving force and resource integration as the path to build a first-class comprehensive service provider for urban construction and operation. The Group's objective is to become a leading national brand in the field of urban construction and a showcase of Hubei Province's reform and development as well as Wuhan's modernisation.

Focus on urban development

The Group intends to maintain a strong foothold in Wuhan and play a key role in the overall urban development and modernisation of Wuhan. The Group intends to continue to work closely with Wuhan Municipal Government and Wuhan SASAC to participate and successfully deliver a series of large-scale and high-end municipal and urban construction projects that seek to create a better living environment for the people in this region. The Group anticipates further alignment of its business strategies and corporate interest with the Wuhan Municipal Government's plan for the city. It also intends to focus on the investment in the projects that align with government initiatives and the long-term development of Wuhan.

Promote integration of resources and increase the business scale of the Group

The Group intends to comprehensively promote integration of internal and external resources and manpower to build up a solid foundation to further expand its business and assets scale and to enhance the Group's competitiveness. The Group will continue promoting state-owned enterprise integration through means such as capital injection and upstream and downstream integration with support from the Wuhan Municipal Government. The Group will also actively seek merger and acquisition opportunities with listed companies, high-quality private enterprises and foreign enterprises to further promote the integration of resources between the Group and external enterprises.

Improve coordination, collaboration and technology

The Group intends to strengthen the coordination between its eight main business segments, namely urban modernisation (which includes indemnificatory housing and shantytown renovation, urban infrastructure construction), construction, comprehensive development, landscaping, design and engineering consultation, urban service, capital operation and emerging business. The Group also intends to improve interaction between internal and external contacts. In addition, the Group intends to further explore and employ advanced technologies to guide the business development of the Group.

Fulfil the Group's leading role in urban infrastructure construction business

Through steadily promoting the urban infrastructure construction in Wuhan, the Group intends to build up a strong presence and achieve a market-leading position in the area of urban infrastructure development in Wuhan. The Group intends to undertake the municipal development strategies and lead entrepreneurship and innovation in the region by providing comprehensive, systematic and effective solutions for the urban infrastructure construction market. By leveraging on its extensive industry and execution experience, the Group believes it will continue to play an important role in Wuhan's urban infrastructure development.

Deepen state-owned enterprises reform and establish market-oriented operation systems and mechanisms

The Group intends to further deepen its enterprise reform and diligently implement various requirements of the Wuhan Municipal Party Committee and Wuhan Municipal Government regarding the Group's reorganisation. The Group will accelerate its business integration, and internal management and equity rationalisation. The Group aims to establish a modern enterprise system with the headquarters and the subgroups in business segments having clear positioning, responsibilities and equal rights and responsibilities, transforming the scale effect as a result of the reorganisation into the driving force for corporate development.

In addition, the Group intends to actively participate in the comprehensive pilot programme of regional state-owned enterprise reforms in Wuhan, seeking to become the pilot state-owned capital investment entity in Wuhan with more supporting policies, to serve Wuhan's development strategy, optimise state-owned capital structure, and further enhance its competitiveness. The Group will continue prudently carrying out the mixed ownership reform, exploring the path of mixed ownership reform for different types of enterprises, promoting the listing of high-quality enterprises, exploring innovative share option schemes for management and key employees, optimising its corporate governance and motivating its senior management. The Group will continue adhering to the market-based employee selection mechanisms, distribution mechanisms and incentive scheme mechanisms with the aims to further improve the market-oriented operation mechanism of state-owned enterprises.

Accelerate the Group's geographic expansion beyond Wuhan

As a major state-owned group based in Wuhan, the Group has been a key player in the regional market of Wuhan by actively participating in various infrastructure and construction projects in the area of urban modernisation and comprehensive development.

In the meantime, the Group intends to accelerate its plan to further expand its geographic coverage beyond Wuhan. The Group plans to participate in the urbanisation process of various cities adjacent to Wuhan with the business layout of "1+8" city circle and the development of various urban agglomerations. By leveraging on its competitive strength of having an interactive and sustainable business model consisting of different specialised entities in the full industrial chain, the Group also intends to gradually expand its presence to the rest of China through engaging in regional construction projects as well as the operation of comprehensive projects in several target key cities along the middle stream of Yangtze River, Chengdu-Chongqing zone, Yangtze River Delta zone, and Guangdong-Hong Kong-Macau Greater Bay Area. The Group also aims to explore overseas business development opportunities through the "Belt and Road" initiative and regional comprehensive economic partnerships.

BUSINESS OPERATIONS

While focusing on its business operations in Wuhan, the Group diversifies its business activities and operates in various business segments, including (i) three core business segments, namely urban modernisation (which includes indemnificatory housing, shantytown renovation and urban infrastructure construction), construction and comprehensive development, (ii) four supporting business segments, namely landscaping, design and engineering consultation, urban service and capital management and (i) an emerging business segment.

The table below sets forth a breakdown of the Group's operating revenues by business segment and its respective percentage of the total operating revenues for the periods indicated:

	For the year ended 31 December			
	2019		2020	
	(RMB million)	(per cent.)	(RMB million)	(per cent.)
Urban modernisation	108.84	1.09	251.16	0.94
Construction	588.24	5.92	14,108.82	52.93
Comprehensive development	8,452.62	85.04	10,531.10	39.51
Landscaping	—	—	105.41	0.40
Design and engineering consultation	—	—	281.72	1.06
Urban service	95.32	0.96	226.45	0.85
Capital management	609.46	6.13	665.08	2.50
Emerging business	85.68	0.86	483.84	1.82
Total	<u>9,940.16</u>	<u>100.00</u>	<u>26,653.60</u>	<u>100.00</u>

Note: The comparative consolidated financial information of the Issuer for the year ended 31 December 2019 in the consolidated income statement of the Issuer's 2020 Financial Statements has not been restated to reflect the integration and consolidation of the six enterprises with the Issuer and therefore such financial information of the six enterprises for the year ended 31 December 2019 has not been reflected in such consolidated financial information of the Issuer.

Urban Modernisation

In July 2020, the Urban Modernisation Company was established with a registered capital of RMB1 billion and has been designated as the operator of the Urban Modernisation Centre. The Urban Modernisation Company is wholly owned and controlled by the Issuer while the paid in registered capital of RMB650 million was paid by the Wuhan Finance Bureau. As at and for the year ended 31 December 2020, the Urban Modernisation Company was not consolidated in the Issuer's 2020 Financial Statements. As the driving force in Wuhan's urban modernisation and transformation, the Urban Modernisation Centre coordinates the progress of key and/or difficult urban modernisation projects and manages and reviews the implementation of those projects. The Wuhan Municipal Government also forms a panel to operate and supervise the Centre and is led by the Mayor of Wuhan. The Urban Modernisation Centre operates in a market-oriented manner and is subject to supervision, management and appraisal of the panel. As the operator of the Urban Modernisation Center, the Urban Modernisation Company implements special account management and enjoys independent operation.

For the years ended 31 December 2019 and 2020, the Group's operating revenues from its urban modernisation business segment amounted to approximately RMB109 million and RMB251 million, respectively, representing approximately 1.09 per cent. and 0.94 per cent. of the Group's total operating revenues, respectively.

Establishing database for key and/or difficult urban modernisation projects: the Urban Modernisation Centre builds a database identifying the key and/or difficult urban modernisation projects, which would be included in the "14th Five-Year Plan" upon the approval of the panel and managed by objectives. Other urban modernisation projects not included in the database are implemented in accordance with Wuhan's existing policies.

Drafting of project implementation plan: the Urban Modernisation Centre is responsible for drafting the annual implementation plan for Wuhan's key and/or difficult urban modernisation projects. Upon the approval of the panel, the plan will be implemented by the Group together with the relevant district-level authorities and the projects will be subject to the performance appraisal at the municipal-level.

Review of project implementation: Urban Modernisation Company was established to assume the specific responsibility of renovation and construction of the key and/or difficult urban modernisation projects. Urban Modernisation Company is responsible for the preparation of project implementation plan (including balancing plan). The project implementation plan will be submitted to the Centre for review and will be implemented once the approval is granted by the panel.

Urban Modernisation Company undertakes the financing, planning, housing financing, expropriation and compensation and investment promotion related to Wuhan's key and/or difficult urban modernisation projects throughout the project management process. Under the joint "1+1" mechanism, Urban Modernisation Company will establish district-level urban modernisation companies with the state-owned companies in each district in a 6:4 investment ratio to carry out the specific modernisation work. The Urban Modernisation Centre has received supports from various governmental authorities, including the Wuhan Municipal Finance Bureau, which will allocate a total of RMB1 billion to Urban Modernisation Company to increase its capital fund with RMB650 million already in place. The Centre has selected approximately 233 key and/or difficult urban modernisation projects for the period of the "14th Five-Year Plan", with an expropriation area of approximately 12.84 million square metres and approximately 200,000 households involved. Among them, 12 key and/or difficult urban modernisation projects covering approximately 2,575 mu and 25,000 households are planned to be carried out in 2021. The first urban modernisation project "Shaoxing" (紹興片) covering 49 mu and 121,2 households has already started the pre-expropriation procedure.

- **Indemnificatory Housing and Shantytown Renovation**

In 2011, the Wuhan Municipal Government designated the Group as a major investment, financing and construction platform in Wuhan to coordinate and arrange financing for indemnificatory housing projects invested by the Wuhan Municipal Government. In March 2012, Indemnificatory Housing Company was established for the borrowing and construction for indemnificatory housing projects.

As a professional team for the construction of indemnificatory housing projects, the Group is primarily responsible for the investment, construction, operation and management of indemnificatory housing projects and the renovation of shantytowns in Wuhan as delegated by the Wuhan Municipal Government. This is mainly carried out through the Issuer's subsidiaries, including Indemnificatory Housing Company and Wuhan Urban Development and Investment Co., Ltd. As at the date of this Offering Circular, the Issuer holds 79.14 per cent. equity interest in Indemnificatory Housing Company and 100 per cent. equity interest in Wuhan Urban Development and Investment Co., Ltd. In addition to serving as the unified financing platform in the shantytown renovation sector in Wuhan, Indemnificatory Housing Company is engaged in other indemnificatory housing projects, including public rental housing (公租房), low-rent housing (廉租房), long-term rental apartment (長租公寓), relocation housing (還建房) and subsidised housing (經濟適用房).

(a) *Public rental housing (公租房)*

As at 31 December 2020, Indemnificatory Housing Company had built six public rental housing projects built with a total GFA amounting to approximately 656,900 square metres. Moreover, the Group is authorised by the Wuhan Municipal Government to manage public rental housing covering a total GFA of 1.45 million square metres as at 31 December 2020, 12 of which were in Jiang' an District (江岸區), six of which were in Jiangnan District (江漢區), 11 of which were in Qiaokou District (硤口區), 14 of which were in Hanyang District (漢陽區), four of which were in Qingshan District (青山區), seven of which were in Wuchang District (武昌區), seven of which were in Hongshan District (洪山區) and one of which was in East Lake New District (東湖新區). As at 31 December 2020, the Group has invested approximately RMB7,957 million in the public rental housing projects. As the largest public housing owner and operator in Wuhan, the Group owns and operates 40,769 units of public rental housing, accounting for approximately 70% of Wuhan's overall 58,000 units of public rental housing. According to Circular No.3 Wuzhenggui 2020 (《武政規2020年3號文》), Wuhan Municipal Government is planned to allocate 14,700 units of public rental housing to the Group, making the Group holding a total of 55,469 units of public rental housing.

The table below sets forth certain information of the Group's public rental housing projects as at 31 December 2020:

Type	Project name	Number of houses/ flats	GFA (thousand square metres)	Total investment (RMB million)	Total accumulated investment (RMB million)
Self-built	Huimin Residence (惠民居)	2,145	119.9	543	546
	Qinghe Residence (青和居)	5,235	264.7	1,557	1,429
	Qingya Residence (青雅居)	1,180	70.3	403	378
	Central Hua City (中央華城)	2,130	119.2	661	573
	Huikang Residence (惠康居)	744	41.2	252	224
	Fulin Residence (福臨居)	728	41.6	208	183
Managed for the government		28,337	1,448.9	4,877	4,877
Total		<u>40,769</u>	<u>2,105.8</u>	<u>8,500</u>	<u>8,211</u>

The Group is commissioned by relevant government departments or entities on behalf of the Wuhan Municipal Government to undertake the construction of indemnificatory housing projects as the project owner. The Group finances its indemnificatory housing projects with its own funds, start-up capital allocated by the Wuhan Municipal Government, as well as external financing from financial institutions such as project loans granted by China Development Bank. As the primary purpose of these projects is to promote urbanisation and improve the living standards of people in Wuhan, the Wuhan Municipal Government fully considers the feasibility and the economic and social benefits of each project before approving construction. The Group can only commence construction after the official approval and the applicable construction permits and certificates from various governmental

departments have been obtained. Upon completion and inspection of the projects, the Group will be responsible for the overall operation and management of the projects. As the public housing cannot be sold in accordance with the relevant government policies, the Group generates profit from rental income instead of from property sale. The rents collected from the public rental housing are required to be paid into designated fiscal accounts of the Wuhan Housing Security and Management Bureau. As at the date of this Offering Circular, all loans incurred by the Issuer for its existing public rental housing projects have been repaid in full. Please also refer to “*Risk Factors — Risks relating to the Group and its Businesses — The Group faces risks associated with contracting with public bodies*” for further details.

(b) *Relocation housing*

As at 31 December 2020, the total investment for relocation housing has reached RMB4,162 million, among which RMB3,761 million was funded by fiscal allocation. The remaining outstanding investment will be funded by the revenue generated from the sales of relocation housing.

The table below sets forth certain information of the Group’s relocation housing projects as at 31 December 2020:

Project name	Number of houses/flats	GFA (square metres)	Total investment (RMB million)	Total accumulated investment (RMB million)
Qingkang Residence (青康居)	7,179	—	3,041	2,966
Qingyi Residence (青宜居)	—	527,340	—	—
Qingxin Residence (青馨居)	2,518	253,122	1,196	1,196
Total	<u>9,697</u>	<u>780,462</u>	<u>4,237</u>	<u>4,162</u>

Note: The total investment in Qingkang Residence and Qingyi Residence includes the settlement fees for land demolition.

(c) *Long-term rental apartments*

As one of the first batch of pilot housing leasing companies in Wuhan, the Group is responsible for the construction of long-term rental apartments and is assisting the government in setting up an established housing system for purchase-and-rent (購租並舉). One example of the long-term rental apartments is the Elite City project (菁英城項目) with the GFA of 37,000 square metres and 378 units. Elite City project (菁英城項目) is a large-scale long-term rental apartment in Wuhan.

The table below sets forth certain information of the Group’s long-term rental apartments as at 31 December 2020:

Project name	Number of houses/flats	GFA (thousand square metres)	Total investment (RMB million)	Total accumulated investment (RMB million)
Elite City Project (菁英城項目)	378	37	562	444
Jiangguotian Road Tiangong Newly Developed Rental Housing Project (江國路天工新建租賃住房項目) . . .	<u>1,416</u>	<u>118</u>	<u>630</u>	<u>278</u>
Total	<u>1,794</u>	<u>155</u>	<u>1,192</u>	<u>722</u>

(d) *Shantytown renovation (棚戶區改造)*

Shantytown renovation has remained a priority for the Wuhan Municipal Government in recent years and is aimed at creating comfortable living conditions for people in poor conditions. Such shantytown renovation projects help move people out of shantytowns and into relocation houses or other places.

As at 31 December 2020, the Group has completed accumulatively 18 shantytown renovation projects with the total planned investment of the Group's shantytown renovation projects reached RMB75.1 billion, of which RMB66,728 million (including RMB21,500 million which was used to purchase settlement housing (安置房)) had been used in the investment and the living conditions of 43,445 households had been improved. As at 31 December 2020, the Group held 22,713 relocation houses (還建房) available for shantytown renovation projects. As at the date of this Offering Circular, the Group has remaining 1,437 relocation houses available. Among the first batch of shantytown renovation projects directed by the Wuhan Municipal Government, the Group has completed the construction of 12 shantytown renovation projects with the total investment of approximately RMB53 billion, representing approximately 40 per cent. and 32 per cent. respectively of the total numbers and total investment. The Group participates in shantytown renovation projects in Wuhan mainly in two ways: (i) unified borrowing and repayment of loans and (ii) government procurement of services.

i. *Unified Borrowing and Repayment of Loans*

The shantytown renovation projects in Wuhan are mainly funded by loans from China Development Bank. In accordance with the Notice of the Plans of Unified Borrowing and Repayment relating to Shantytown Renovation Projects in Wuhan and the Interim Measures on Capital Management of United Borrowing and Repayment of Loans relating to Shantytown Renovation Projects in Wuhan (Wu Zheng [2014] No. 46) (關於印發武漢市棚戶區改造專案統借統還實施方案和武漢市棚戶區改造專案貸款統借統還資金管理暫行辦法的通知) (武政[2014]46號), Indemnificatory Housing Company has been designated by the Wuhan Municipal Government as the only borrowing entity under loans from China Development Bank to finance shantytown renovation projects in Wuhan, and is responsible for coordinating borrowing and repayment of such loans. For each approved project, Indemnificatory Housing Company will apply for loans on behalf of the entity in charge of such project (i.e. the actual fund user) and enter into a loan agreement with China Development Bank in the capacity as the borrower. The actual fund user, Indemnificatory Housing Company as the borrower and China Development Bank as the lender will then enter into a separate agreement, pursuant to which the actual fund user will undertake to use the funds for specified purposes only and repay the principal and interests on the relevant loans in accordance with the loan agreement. For the projects undertaken by the Group, the relevant entity in the Group acts as the actual fund user. Usually such loans are revolving loans with a term of 25 years. The main source for repayment of funds for shantytown renovation projects is the entrusted construction funds arranged by the Wuhan Municipal Government, including the subsidies for building and funding shantytown renovation from the central and provincial governments, the land sale revenue and other municipal fiscal funds. After the completion of land expropriation and consolidation in the relevant shantytown renovation projects, the land is made available for sale through public auction, and the revenue from such land sale is used to repay the loans. Please also refer to "*Risk Factors — Risks relating to the Group and its Businesses — The Group faces risks associated with contracting with public bodies*" for further details.

As at 31 December 2020, Indemnificatory Housing Company had obtained revolving credit lines from China Development Bank for 9 shantytown renovation projects with an aggregate amount of RMB6,335 million with a term of 25 years. As at 31 December 2020, the aggregate credit lines utilised by all the actual users in Wuhan were RMB11,932 million, among which RMB6,335 million was used for the shantytown renovation projects undertaken by the Group.

ii. Government Procurement of Services

To implement the relevant policies and promote shantytown renovation in compliance with applicable laws and regulations, the shantytown renovation projects undertaken by the Group since the end of 2017 adopt the government procurement of services model. Under such model, the Wuhan Municipal Government assigns some shantytown renovation projects to entities including the Group through means such as public bidding, directed delegation or request for quotations to improve the quality of public services and the utilisation of fiscal funds. The Wuhan Municipal Government then assesses the performance of such entities by reference to a set of criteria and pays the service fees based on their performance.

The following table sets forth summary information of the Group's major shantytown renovation projects as at 31 December 2020:

Projects	Total investment	Total accumulated investment	Number of households
	(RMB million)	(RMB million)	
Wuxianbao Parcel 1, 2 and 5 (武咸包(1、2、5)號地塊) . . .	2,405.91	872.00	2,137
Second National Cotton Factory Dormitory (國棉二廠宿舍)	4,146.31	3,598.00	1,990
Chongren Parcel A Phase Two (崇仁A片二期)	944.96	272.00	469
Qingshan Xingouqiao Street Neighborhood 25, 28 and 31 (青山區新溝橋街25、28、31街坊)	5,469.00	2,407.00	3,755
Qingshan Xingouqiao Street Neighborhood 17 (青山區新溝橋街17街坊)	2,256.92	2,100.00	1,284
Guibei Phase Two (龜北二期)	8,300.00	8,341.00	3,586
Parcel Baibuting Danshui (百步亭丹水片)	5,600.00	5,095.62	2,418
Provincial Movie Studio (省電影製片廠)	7,600.00	7,175.41	3,318
Parcel Chubao (楚寶片)	6,500.00	7,197.54	3,316
Zhongbei Parcel 65 (65中北片)	3,600.00	3,637.65	1,627
Chongren Parcel A (崇仁A片)	2,329.00	2,242.94	1,247
Guiyuanxi Parcel A (歸元西A片)	2,100.00	2,208.88	610
Libei Community (利北社區)	2,250.00	1,315.35	1,583
Hanqi Dormitory (漢汽宿舍片)	8,300.00	8,341.00	3,586
Qingshan Shantytown Renovation Project (Phase Two) (青山棚改二期)	1,954.00	1,815.00	2,518
Qingshan Binjiang East Area Project (Phase One) (濱江東片一期)	6,263.00	5,442.50	5,527
Qingshan Binjiang East Area Project (Phase Two) (濱江東片二期)	3,550.00	2,700.00	2,553
Qingshan Binjiang East Area Project (Phase Three) (濱江東片三期)	3,750.00	1,800.00	1,921
Total	77,319.10	66,561.89	43,445

Qingshan Shantytown Renovation Project

Leveraging its strong ties with the Wuhan Municipal Government and its extensive experience in urban development, the Group was commissioned by the Wuhan Municipal Government as the project owner to lead the planning, investment, financing, implementing, construction and management of the shantytown renovation in Qingshan District. Since the commencement of the project in March 2008, many persons have moved out of the shantytown and into the relocation houses. In recognition of its substantial contribution to the improvement of living standards of the people in Qingshan District, this project has been recognised as the largest-scale shantytown renovation development in Central China and listed as a benchmark project in Wuhan indemnificatory housing construction by the Ministry of Housing and Urban-Rural Development of the PRC. With the Group's efforts to obtain financial supports from various financial institutions such as China Development Bank Hubei Branch, the reconstruction of the Qingshan District was managed to complete sooner as expected. During the previous 10 years, all the shantytown residents in the Qingshan Old Industrial Zone (青山老工業區) have been relocated and most of them have now lived in relocation housing districts such as Qingkang Residence (青康居), Qingyi Residence

(青宜居), Qingxin Residence (青馨居) and Riverside Harbour (臨江港灣), all of which are either built or invested by the Group, and their living environments have been fundamentally improved. The first phase of the project required a total investment of RMB3,041 million, including RMB2,810 million for construction and RMB231 million for payment of interest. As at 31 December 2020, the actual investment of this project amounted to RMB2,804 million, of which RMB2,700 million was funded by the loans from China Development Bank.

As at 31 December 2020, for this project, the Group has received RMB395.87 million, comprising financial subsidies provided by the Wuhan municipal and district governments amounting to RMB303.09 million, land sale revenue amounting to RMB2,755.68 million, other returns amounting to RMB1,282.64 million, and project surplus (i.e. difference between the return and the costs) amounting to RMB556.55 million.

- **Urban Infrastructure Construction**

The Group undertakes urban infrastructure construction in accordance with the unified arrangement of the Wuhan Municipal Government. The urban infrastructure projects are not undertaken to make profits but to realise the goal of and meet the demand of the Wuhan Municipal Government. Over the years, the Group has led the construction of a large number of urban infrastructure projects of strategic, economic and social importance to Wuhan, which can be divided into public building projects and municipal infrastructure projects. For the year ended 31 December 2020, the Group's total investment in urban infrastructure projects reached RMB14,851 million, accounting for 11.53% of Wuhan's urban construction budget. The urban infrastructure construction missions were mainly related to urban transportation infrastructure and landscaping projects.

- (a) *Public building construction*

The Group serves as a major entity undertaking the construction and management of important public buildings and has undertaken a majority of public building projects in Wuhan. These projects cover all important aspects of the livelihood of people in the region. In particular, it has constructed a large number of public buildings of strategic importance to Wuhan since its establishment, such as the Wuhan Qintai Culture and Art Centre (武漢琴台文化藝術中心) (including the grand theatre, the concert hall and the Moon Lake Park), The 1911 Revolution Museum (辛亥革命博物館), Zhongshan Warship Museum (中山艦博物館), Tazi Lake Sports Centre (塔子湖體育中心), Shouyi Cultural Park (首義文化園), Shahu Park (沙湖公園), Wuhan Convention Center (武漢會議中心) and Wuhan Medical Treatment Center (武漢醫療救治中心). The Group relies on the Wuhan Municipal Government to identify and propose new projects for the Group to undertake. It endeavours to complete the construction of the public buildings with the utmost care and quality with the aim of making people's life more convenient.

The Group's public building construction business uses an agency construction model, which is a widely-adopted model in public building construction business in Wuhan. The Group enters into an entrustment agreement with the Wuhan Municipal Government or other relevant government entity on the construction of the public building involved. The Wuhan Municipal Government provides all necessary funds for the project, and the title of the public building involved belongs to such government or entity. The Group is responsible for the construction only, and after the project is completed and passes the acceptance inspection, the Group receives a construction fee in accordance with the entrustment agreement. For the year ended 31 December 2020, the Group received such construction fees from the Wuhan Municipal Government or other relevant government entities in an aggregate amount of approximately RMB2,144 million.

Please also refer to “Risk Factors — Risks relating to the Group and its Businesses — The Group faces risks associated with contracting with public bodies” and “Risk Factors — Risks relating to the Group and its Businesses — PRC Regulations on the administration of the financing platforms of local governments may have a material impact on the Group's business and sources of financing” for further details.

Set out below are a few examples of the key projects under the Group's public building construction business segment:

Qintai Culture and Art Centre (琴台文化藝術中心)

The entire Qintai project consisted of two phases. The first phase was the building of the grand theatre and was completed in 2007. The second phase consisted of the construction of the concert hall, other supporting facilities and landscaping. The Group was responsible for the construction of the Qintai project as the project owner. After completion of the project, the Wuhan Municipal Government had injected all the project assets into the Group without any compensation for operation.

The Group entrusted an independent third party Wuhan Qintai Grand Theatre Management Co., Ltd. (武漢琴台大劇院管理有限公司) to carry out the daily operation of the Qintai Culture and Art Centre such as ticket sales and maintenance of the centre, and receive an annual fee from Wuhan Qintai Grand Theatre Management Co., Ltd. for its service. The Group remains responsible for the maintenance of the other supporting facilities and landscaping and receives fiscal funds for such maintenance.

Wuhan Citizens Home (武漢市民之家)

Located at the west of Jinqiao Avenue (金橋大道) in Jiang'an District (江岸區), the Wuhan Citizens Home has a total land area of approximately 100,000 square metres and a total GFA of 123,500 square metres. It also encloses an atrium with an area of 5,000 square metres. The overall shape of the project consists of two overlapping L shapes which looks like two holding hands. The architecture design symbolises the indispensable and dependent relationship between the Wuhan Municipal Government and its citizens. The building is an important landmark architecture in Wuhan. It is a multi-functional and integrated service platform for citizen affairs, planning and exhibitions, civic education, training lectures, business negotiations, and culture and recreation. It was awarded the Luban Prize for China Construction Project (中國建設工程魯班獎) in 2013 and the Guangsha Award (廣廈獎) in 2016.

The construction of Wuhan Citizens Home adopted six major energy conservation and environmental protection systems and 21 ecological designs. The information system within the building fully utilises advanced cloud service technology and serves as a unified online platform for integrated city-wide administrative approvals. The Wuhan Citizens Home is conveniently located, with the Wuhan Citizens Home station along the Number 3 Metro Line, pedestrian pathways, underground passages, public transportation hubs and other supporting facilities in the vicinity.

After completion of this project, the Wuhan Municipal Government allocated all the project assets into the Group without any compensation for operation. The Group manages and maintains Wuhan Citizens Home by leasing the building to administrative authorities in exchange for rents and other fiscal subsidies.

(b) *Municipal infrastructure construction*

The Group's municipal infrastructure construction business segment is primarily engaged in construction of municipal roads and bridges in Wuhan. The municipal roads and bridges construction projects undertaken by the Group are often large-scale and complex projects which require advanced technology and architectural sophistication. Accordingly, the Group plays a crucial role in improving the transportation network in Wuhan and is actively embracing its social responsibilities as the main state-owned urban construction entity in implementing the Wuhan Municipal Government's urban development blueprint. For instance, the Group has undertaken municipal infrastructure constructions projects such as Hankou section of Wuhan Avenue (武漢大道漢口段), Baishazhou Avenue Express Pass (白沙洲大道快速通道), Shahu Bridge (沙湖大橋), the Project Connecting the East Lake and the Shahu Lake (東湖與沙湖連通工程), East Lake Greenway (東湖綠道), Yangtze River Avenue (長江大道), Zhongshan Avenue District Renewal Planning (中山大道街區復興規劃), Wu Xian

Road (Qingling — Hongxia section) (武鹹公路(青菱—紅霞段)), Gusaoshu Road Viaduct (姑嫂樹路高架), Changfeng Avenue Viaduct (長豐大道高架) and other major municipal infrastructure projects in Wuhan.

Municipal infrastructure projects have long construction life cycles and require substantial investment. In order to balance the investment in municipal infrastructure construction and ensure that the construction can be carried out smoothly, the main business models in municipal infrastructure construction include the leasing model (租用模式), the cost compensation model (財政資金補償建設成本模式), the land balancing model (土地平衡模式) and the public-private partnership model (the “PPP model”).

Leasing model

With a view to further transforming the governmental functions, optimising the development environment and promoting the development of Wuhan into a national central city, the Wuhan Municipal Government formed the Interim Measures on Management of the Wuhan Municipal Government’s Leasing of Urban Infrastructure Projects Invested by Enterprises (武漢市政府租用企業投資的城市基礎設施專案管理工作暫行辦法). The Group and the Wuhan Urban-Rural Development Commission on behalf of the Wuhan Municipal Government enter into leasing contracts. Under such contracts, the municipal infrastructures the Group constructed are leased to the Wuhan Urban-Rural Development Commission, and the Wuhan Urban-Rural Development Commission is obliged to pay rents to the Group. The Wuhan Finance Bureau will allocate some of the annual city construction funds or other special funds for repayment of such rents. For the Group’s municipal infrastructure projects, the rent is typically payable annually and set at 7.75 per cent. of its total investment amount with an initial lease period of 15 years to 20 years. The Wuhan Urban-Rural Development Commission would issue a project construction confirmation letter for each municipal infrastructure project that the Group undertakes under the leasing model.

A project example for the leasing model is the Shahu Lake Bridge (沙湖大橋) project. It traverses a section of the Wuchang River Beach, starting from Youyi Avenue Interchange (友誼大道立交) and ending at Zhongbei Road (中北路). The project has an initial investment of RMB1,202 million, which is primarily focused on road construction works and other developments of Youyi Avenue Interchange, Shahu Lake Bridge and East Sand Avenue (東沙大道). Following the approval of the Wuhan Municipal Government, the assets involved were leased to the Wuhan Urban-Rural Development Commission for 20 years starting from 1 December 2015. During the lease, the Wuhan Urban-Rural Development Commission is obliged to pay an annual rent of RMB93 million (totalling RMB1,863.42 million). Another project example for the leasing model is Airport Expressway (機場快速通道). The project has an initial investment of RMB2,231 million. The project was leased to the Wuhan Urban-Rural Development Commission for 20 years with an expected annual rent of approximately RMB173 million (totalling RMB3,458 million). For the Wuhan Hankou Section of the Second Ring Line Bridge and Passage Project (武漢市二環線(漢口段)) with initial investment of RMB4,327 million, it was leased to the Wuhan Urban-Rural Development Commission for 15 years with an expected annual rent of approximately RMB335 million (totalling RMB5,030 million). For the Wu Xian Road (武威路) project with initial investment of RMB3,026 million, it was leased to the Wuhan Urban-Rural Development Commission for 20 years with an expected annual rent of approximately RMB235 million (totalling RMB4,690 million).

Cost Compensation Model

Each year, the Group undertakes municipal infrastructure projects in accordance with the Notice of Wuhan Municipal Urban Construction Investment and Funding Plan (武漢市市級城建投資及資金計畫的通知) jointly issued by Wuhan SASAC, Wuhan Municipal Development and Reform Commission and Wuhan Municipal Finance Bureau. The Group therefore receives certain fiscal allocation for the abovementioned projects. From 2019 to 2020, the Group has received fiscal allocation of RMB6.97 billion and RMB2.74 billion respectively. The fiscal allocation varies depending on the actual infrastructure projects involved.

A project example for the cost compensation model is the Back Lake Land (後湖土地) infrastructure project. This project is situated at Wuhan Back Lake Area, an area surrounded by Jingguang Railway (京廣鐵路), Third Ring Line (三環線), Gusaoshu Road (姑嫂樹路), Liberation Avenue (解放大道) and Hanhuang Road (漢黃路). The total investment is approximately RMB6,830 million. As at 31 December 2020, the Group has invested RMB3,987 million and received fiscal allocation of RMB5,734 million.

Land balancing model

The Wuhan Municipal Government's policy on making use of land reserves to finance municipal infrastructure construction projects is guided by the principles of "government-led, market operation, standardised operation and overall balance". Under this policy, for each municipal infrastructure construction project adopting this model, the Municipal Land Consolidation and Reservation Centre (土地整理儲備中心) and its related entities consolidate and reserve land with a value equivalent to the investment amount of such project. Such land is then listed in the Municipal Land Exchange Centre (市土地交易中心) and sold through public auction. The proceeds from the land sale are remitted to the Wuhan Finance Bureau. After deducting associated land development and funding costs, the net proceeds are transferred to the project owner such as the Group for use in municipal infrastructure construction projects, thereby achieving an overall balance of funds.

A project example for the land balancing model is the East Lake Pass (東湖通道) project. This project is situated in the ecological scenic area of East Lake in Wuhan, starting from the main viaduct of the Shuidong Section (水東段主線) of the Second Ring Line (二環線) (Hongmiao Interchange (紅廟立交)) and ending at Yujia Lake Road (喻家湖路) (North Entrance of Yujia Hill Road (喻家山北路路口)). It comprises bridges, tunnels and roads, with a total investment amount of approximately RMB8,102 million. Land reserved by the Municipal Land Consolidation and Reservation Centre to balance the financing for this project amounts to approximately 1,154.70 mu. As at 31 December 2020, the construction of this project has been completed and Group received fiscal fund of RMB4 million.

PPP model

PPP is a long-term arrangement between the public sector and the private sector for provision of municipal infrastructure. The public sector and the private sector establish a project company to finance and build the municipal infrastructure and operate and maintain such facility pursuant to a cooperation contract. After the expiry of the cooperation period, the project company transfers such infrastructure to the public sector or any other entity designated by it without any compensation. Financing for the project partly comes from the private sector but also relies on payments from the public sector and/or uses during the cooperation period.

A project example for the PPP model is the East Lake Greenway (Phase Two) (東湖綠道二期) project. This project was implemented by the Wuhan Parks Bureau (武漢園林局) and the Wuhan Forestry Bureau (武漢林業局). It was undertaken by a project company with a registered capital of RMB400 million, of which the Group contributed ten per cent. on behalf of the Wuhan Municipal Government. This project has a total investment amount of approximately RMB3,509 million, and the cooperation contract has a term of 11 years (comprising a one-year construction period and a ten-year operation and maintenance period). The East Lake Greenway has a total length of approximately 101.98 kilometers, which comprises the East Lake Greenway (Phase One) with 28.68 kilometers and the East Lake Greenway (Phase Two) with 73.30 kilometers. The East Lake Greenway (Phase One) was also constructed by the Group and came into operation in 2016. The East Lake Greenway connects many attractions, universities, museums, notable historical buildings, monuments and other cultural landscapes, and has become the longest core urban area rated 5As in China. The East Lake Greenway has been selected by the United Nations Human Settlements Programme (UN-Habitat) as a demonstration project of urban public space improvement in China. With the completion of the East Lake Greenway, Wuhan's inhabitants now have

access to a world-class ecological recreational area in the centre of the city. The East Lake Greenway has also gained international prestige by the East Lake Hotel Tourist Avenue (東湖賓館遊步道) and the Sea Light Waterside Pavilions (海光水榭) renovated by the Group.

(c) *Construction and development of various areas and zones in Wuhan*

Leveraging on its advantage of being a pilot and leading enterprise in the urban infrastructure sector in Wuhan, the Group plays a key role in the construction and development of various areas and zones in the city such as the Wuhan Economic and Technological Development Zone (武漢經濟技術開發區), East Lake New Technology Development Zone (Optic Vally) (東湖新技術開發區(光谷)), Back Lake New City (後湖新城), Hanyang Urban and Rural Development Demonstration Area (漢陽城鄉統籌示範區) and Jiangxia Jinkou New City (江夏金口新城), and the implementation of the government's development strategies.

The Wuhan Economic and Technological Development Zone (武漢經濟技術開發區) is among the Group's earliest projects. The Group was primarily responsible for land expropriation, investment promotion and construction of infrastructure and supporting facilities during the first ten years of this project before handing it over to its Administration Committee.

The Wuhan Economic and Technological Development Zone commenced construction in 1990 and covers seven sub-districts with a planned land area of approximately 489,700,000 square metres and a population of approximately 400,000. It has formed a complete industrial chain with distinct characteristics. The automobile and electronic products industries are the two pillar industries. It has one of China's most concentrated automobile and automobile parts clusters, including the headquarters of five large automobile enterprises, six car manufacturers, 20 automobile research and development institutions and 180 automobile part enterprises. It further supports four advantageous industries, namely printing and packaging, food and beverage, biomedicine, and new energy and material. In addition to two universities, 24 full-time primary and secondary schools, seven kindergartens and two international schools, the Wuhan Sports Centre Stadium (which is an important cultural and sports centre in Wuhan with a capacity of 60,000 people) is also located in the Wuhan Economic and Technological Development Zone.

In accordance with the industrial development plan and basic conditions of various regions, the entire area of the Wuhan Economic and Technological Development Zone is divided into eight different functions, including seven managing offices and one agricultural development and investment company. The seven managing offices are responsible for managing the business district, the advanced manufacturing demonstration area, the smart eco-city, the export and processing zone, the port logistics area, the automobile and automobile parts industrial park and the navigation and satellite industrial park respectively.

The Wuhan Economic and Technological Development Zone has made a significant contribution to the economic, technological and social development of Wuhan and Hubei Province due to its geographic location, transportation system and comprehensive competitiveness.

Construction

The Group's construction business is primarily engaged in various types of housing construction, municipal infrastructure construction (including roads, bridges and embankments), mechanical and electrical installation construction, steel structure construction, intelligent building construction, housing development and architectural research. The Group's construction business has gone through rapid growth during the past two years.

For the years ended 31 December 2019 and 2020, the Group's revenue from construction business was RMB588.24 million and RMB14,108.82 million, respectively, representing approximately 5.92 per cent. and 52.93 per cent. of the Group's total operating revenues, respectively.

The business mode of the Group's construction business is to obtain the general contract through public bidding process and be responsible for organising the construction. The Wuhan Municipal Government will pay the Group by instalments following the progress of the construction work. The relevant governmental authorities usually determine the specific annual payment amount to be paid to the Group according to their own budgets and there is no exact payment interval. Generally, approximately 85% to 90% of the fees will have been paid by completion, with the remainder to be paid after the project having passed the inspection and examination, and the quality assurance deposit will be released after the guarantee period expires.

The Group's construction business is mainly conducted by the Construction Engineering Company. The predecessor of Wuhan Construction Company was Wuhan Construction Engineering Bureau (武漢市建築工程局) established in 1952. In 1983, it was restructured into Wuhan Construction Engineering Corporation (武漢建築工程總公司). Wuhan Construction Engineering (Group) Co., Ltd. (武漢建工(集團)有限公司) was established in 1994 in accordance with the modern enterprise system. It was also among the first batch of entities authorised to operate national assets in Wuhan.

Construction Engineering Company was among the nation's first batch to obtain special grade qualification for contracting construction projects (建築工程施工總承包特級資質) in 2002 and holds grade A qualification for design engineering and construction industry (construction engineering) (工程設計建築行業(建築工程)甲級資質). The Group has won multiple Luban Awards, which is the most recognised award in China's construction industry. The Group has received a total of 142 national awards, including National Premium Construction Award (國家優質工程獎), Zhan Tianyou Award (詹天佑大獎), National Municipal Gold Cup (全國市政金杯) and China Steel Construction Gold Award (中國鋼結構金獎). The Group owns 21 invention patents, 184 utility modern patents, 6 appearance patents, and participated in the compilation of 25 national industry standards, local engineering construction standards and specifications.

The Group undertook the construction of a series of landmark projects such as Yellow Crane Tower (黃鶴樓), Wuhan Library (武漢圖書館), Ruitong Plaza (瑞通廣場), Qintai Grand Theatre (琴台大劇院), Qintai Concert Hall (琴台音樂廳), the 1911 Revolution Museum (辛亥革命博物館), Wuhan International Expo Centre Intercontinental Hotel (武漢國際博覽中心洲際酒店), phase two of the Boao Forum for Asia (博鰲亞洲論壇永久會議二期工程), Yangtze River Media Building (長江傳媒大廈), Wuhan Yaxin Hospital (武漢亞心總醫院), Wuhan Construction and Technology Centre (武漢建工科技中心), Hubei Olympic Sports Centre (湖北省奧林匹克體育中心), Wuhan Tianhe Airport Transportation Center (武漢天河機場交通中心) and Wuhan Jinyin Lake Wanda Plaza (武漢金銀湖萬達).

Municipal road and bridge

The Group holds the first-level qualification for general contracting of municipal construction and passed quality, environment and occupational health and safety management system certification. In addition, the Group possesses advanced technology and specialised project management abilities for municipal road and bridge construction, rail traffic construction, underground construction and drainage engineering. The Group has successively undertaken several primary municipal projects. In particular, the Group undertakes the watercourse modification projects such as comprehensive watercourse improvement of the section Wuhan Longwangmiao (武漢市龍王廟險段綜合整治工程) and reconstruction of Four Seasons Canal (四季渠改造工程). The Group also undertakes drainage engineering projects such as Huangpu Road Pumping Station (黃浦路泵站) and Junshan Water Plan (軍山水廠).

Mechanical and electrical installation

The Mechanical and Electrical Installation Branch Office (機電安裝分公司) is a specialized branch office, which possess first-level general contracting qualification for construction of mechanical and electrical installation projects and first-level professional contracting qualification for construction of fire control facilities with an annual construction value of nearly RMB500 million.

Building intelligence and system integration

The Group has strong design and construction abilities in the field of building intelligence and system integration with a group of professionals specialising in intelligent building design and construction. The Group enjoys good reputation in the field of building intelligence and has undertaken several large-scale provincial projects including intelligent project of Wuhan International Expo Centre Intercontinental Hotel (武漢國際博覽中心洲際酒店智能化工程), intelligent project of Wuhan International Expo Center (武漢國際博覽中心展館智慧化工程), upgrade of the weak current project of China Southern Power Grid Co., Ltd.'s Information Centre (中國南方電網有限責任公司資訊中心升級改造弱電工程) and intelligent project of Suzhou Marriott Hotel (蘇州萬豪酒店智慧化工程).

For the year ended 31 December 2020, the Group has 55 ongoing projects and the Group's total investment in construction projects reached RMB22.88 billion, the particulars of which are set forth below:

Projects	Total investment	Total accumulated investment	GFA	Estimated completion date
	(RMB million)	(RMB million)	(thousand square metres)	
1 Jiangxia Zhongbai Modern Industrial Park Three Dimensional Warehouse (Phase I) EPC General Contracting of Engineering Design, Procurement and Construction (江夏中百現代工業園立體庫乾貨庫(一期)工程設計採購施工(EPC)總承包)	167.58	145.12	64.30	June 2021
2 Middle Town Dragon Lake Forest (中城龍湖森林)	1,018.33	289.09	232.20	May 2022
3 Wugang Sanzhong (International Department) Construction (武鋼三中(國際部)工程)	238.23	166.26	52.00	June 2021
4 Medical Imaging and Health Big Data Research Building Phase II Project of Huazhong University of Science and Technology — Medical Proton Accelerator Research and Application Building Building (華科技大學醫學成像與健康大資料研究大樓二期工程—醫學質子加速器研究與應用大樓)	86.60	28.51	9.34	December 2021
5 Hubei Wuchang Experimental Middle School Reconstruction and Expansion General Contracting of the Design, Procurement and Construction Project (湖北省武昌實驗中學改擴建專案設計採購施工總承包)	324.81	178.58	50.00	December 2023
6 Wuhan Gaoke Medical Equipments Park Industrial Construction Project (武漢高科醫療器械園工業項目(施工))	356.99	109.09	149.04	March 2022
7 Wuhan Real Estate Group Wulijie Project (Wudi Sunac Jinshang Mansion) (武漢地產集團五裡界專案(武地融創錦上公館))	280.82	160.65	119.05	June 2021
8 Wuhan Hongshan Senior High School Reconstruction and Expansion Bidding Construction Project (武漢市洪山高級中學改擴建專案施工招標)	254.57	119.73	42.09	November 2021
9 Yangluo Water Town Commercial Service and Residential Construction Project (商服、住宅專案(陽邏水鄉)施工)	606.65	55.19	209.00	January 2023
10 Thermal Power Plant Dormitory Parcel Second Bidding Project (New Residential, Park, Comprehensive Public Parking Lots and Supplying Facilities) (新建居住、公園綠地、複合公共停車場庫及供應設施專案(熱電廠宿舍片地塊專案)施工二次招標)	669.39	124.39	214.20	July 2023
11 Guangdong and Hukou Area Final Project Phase I (2#, 3#, 4#, 9#, Power Distribution Room and Outdoor Project) (關東、湖口片區末期工程一期(2#、3#、4#、9#、配電房、室外工程))	127.68	22.74	55.90	June 2022
12 Wuhan Seventh Hospital (Wuchang District Public Health Service Centre) EPC General Contracting Construction Project (武漢市第七醫院遷建(武昌區公共衛生服務中心)建設專案工程總承包(EPC))	1,086.86	168.03	116.00	July 2023
13 Wuhan Blood Centre Jiangnan Business Building Construction Project (武漢血液中心江南業務樓建設專案施工)	116.59	24.00	18.90	June 2023

Projects	Total investment	Total accumulated investment	GFA	Estimated completion date
	(RMB million)	(RMB million)	(thousand square metres)	
14 Middle Town Dragon Lake Forest Phase II Residential and Commercial Project (居住、商業專案(中城•龍湖森林)二期)	60.04	3.55	5.00	October 2021
15 Parcel 03J10a and 03J10b of Chengtou • Sixinzhiguang Phase I Commercial and Residential Project (Base and 1#, 3#, 7#, 12#, M1#, M3#, M4#) (商務、商業、居住項目(一期)城投•四新之光03J10a、03J10b地塊(地下室及1#、3#、7#、12#、M1#、M3#、M4#)).	447.14	252.52	82.77	May 2021
16 Chedu • Chuntaili Phase I Construction Bidding Project (車都•春台裡(一期)施工招標).	426.79	161.97	194.54	August 2021
17 Sunac Wuhan Caidian Mountai and Water General Contracting for Construction and Installation Project (融創武漢蔡甸山水拾間專案建築安裝總承包)	375.49	87.10	195.00	December 2021
18 Harbin Institute of Technology Robotics Group Wuhan Industrial Base Project (哈工大機器人集團武漢產業基地施工)	233.58	50.00	73.40	March 2022
19 Wuhan University Heavy Ion Medical Centre and Hannan District People's Hospital Reconstruction and Expansion EPC General Contracting Project (武漢大學重離子醫學中心暨漢南區人民醫院改擴建專案EPC總承包)	1,470.16	342.24	163.00	March 2024
20 Green Island Plaza Construction Project (綠島廣場施工專案).	189.03	8.59	63.00	January 2023
21 Parcel 59R2 Administrative Complex Construction Project (59R2地塊行政綜合用房專案施工)	33.81	5.23	7.80	August 2021
22 Outpatient Medical Technology Complex of Xiehe Hospital West Wing Construction Project (協和醫院西院門診醫技綜合樓施工)	448.22	47.77	80.59	May 2023
23 New Primary School General Contracting Construction Project in Guanshidun Area (官士墩地區新建小學專案施工總承包)	145.83	—	37.50	February 2023
24 Parcel 16MD and 19R2 of Wuhan Economic and Technology Development Zone (Wujian Yuexiang Hujing) EPC General Contracting Project (武漢經濟技術開發區萬家湖16MD、19R2地塊專案(武建悅享湖環)EPC工程總承包)	1,489.92	3.82	/	June 2023
25 Wuhan Central Book Town (武漢中心書城)	288.86	191.90	72.00	April 2022
26 Dongxi Lake Water Supply Company Wharf Complex Building EPC Integrated Bidding for Design and Construction Project (東西湖自來水公司碼頭潭綜合樓工程項目設計施工一體化招標(EPC))	328.00	243.39	58.19	July 2021
27 Jiaotou Hesheng Jiayuan EPC General Contracting for the Design and Construction Project (交投合盛嘉園專案設計施工總承包(EPC))	2,438.86	1,047.77	643.87	May 2022
28 National Cyber Security Talent Training Centre Phase II (國家網路安全人才培訓中心二期項目).	700.00	525.02	189.50	December 2021
29 Wudi Huafa — Time (武地華髮—時光)	209.49	140.57	94.74	June 2021
30 Laotongcheng Cultural Street (老通城文化風情街).	50.18	116.78	53.25	December 2021
31 New Rail Transit Complex Residential Phase II Construction Project (Sanjintan Comprehensive Property Development Project Zone A) (新建軌道交通複合居住專案(三金潭車輛段上蓋物業綜合開發專案A區)二期施工)	673.42	291.29	198.90	January 2023
32 China Southern Airlines Hubei Branch Pricing-Limited Commercial Housing for Employees (南航湖北分公司員工限價商品房)	249.99	91.76	74.74	August 2023
33 Wujian • Longyueshang City EPC Project (武建•龍樾上城項目EPC)	316.66	185.17	143.60	December 2021
34 Wuhan Children's Hospital Maternity and Children Complex Construction Project (武漢兒童醫院婦幼綜合大樓建設項目).	368.19	126.95	54.62	October 2022

Projects	Total investment	Total accumulated investment	GFA	Estimated completion date
	(RMB million)	(RMB million)	(thousand square metres)	
35 Wujiashan Middle School Reconstruction and Expansion EPC General Contracting for Design, Procurement and Construction Project (吳家山中學改擴建工程(單設初中)項目設計採購施工總承包(EPC))	165.43	26.25	33.06	August 2021
36 Wujian Shining International City (武建光彩國際城)	456.00	64.82	87.25	August 2022
37 Municipal Jinyintan Hospital Emerging Ward Building General Contracting Construction Project (市金銀潭醫院應急病房樓建設項目施工總承包)	280.22	113.09	37.60	February 2023
38 Dongxi Lake the Second People's Hospital (Eastern Medical Treatment and Emergency Building) Complex EPC General Contracting of Project Design, Procurement and Construction Project (東西湖區第二人民醫院綜合大樓(東區醫療救治應急大樓)專案工程設計、採購、施工總承包一體化(EPC))	266.46	17.91	36.00	November 2022
39 Municipal Jinyintan Hospital Outpatient Medical Technology Building and Inpatient South-North Building Reconstruction Project (市金銀潭醫院門診醫技樓及住院部南北樓改造項目)	205.42	86.24	44.00	August 2022
40 Wuhan Hospital of Integrated Traditional Chinese and Western Medicine Panlong District Traditional Chinese Medicine Inheritance Centre Construction Project (武漢市中西醫結合醫院盤龍院區中醫藥傳承中心新建專案施工)	106.82	44.91	19.20	May 2022
41 Jiangnan Renjia District B2 (Office Building) General Contracting Construction Project (江漢人家B-2區(寫字樓)施工總承包專案)	443.60	24.93	98.20	December 2022
42 Municipal Jinyintan Hospital Scientific Research EPC General Contracting Construction Project (市金銀潭醫院科研大樓建設專案工程總承包(EPC))	255.10	77.25	38.90	December 2022
43 Wuhan Dongxi Lake Rehabilitation Hospital EPC General Contracting Project (武漢市東西湖區康復醫院專案工程總承包(EPC))	101.17	20.89	15.50	January 2022
44 Wuhan First Hospital (Wuhan Hospital of Integrated Traditional Chinese and Western Medicine) Panlongcheng Hospital Construction Project Phase I (武漢市第一醫院(武漢市中西醫結合醫院)盤龍城醫院建設專案(一期)工程)	851.42	255.42	122.70	December 2022
45 Happiness Time • Family (Shidajia Urban Village Parcel K2) General Contracting Construction Project (幸福時代•大家(K2地塊)項目(十大家村城中村改造K2地塊)一標段施工總承包)	297.79	52.53	87.40	May 2023
46 Tianhui Dragon City (Longguiyuan District B) Bidding Construction Project (天匯龍城(龍桂苑B區)專案施工招標)	325.99	24.77	137.00	February 2024
47 Jiangnan District Financial Street Old Community Functional Improvement Project — Central Area Old Community Renovation Phase II EPC Bidding Project (江漢區金融街片區老舊社區功能提升工程—中部地區老舊社區改造(二期)EPC招標)	145.34	43.60	/	July 2021
48 Boquan Compulsory Quarantine Drug Rehabilitation Centre Construction Project (柏泉強制隔離戒毒所建設專案一施工)	200.06	—	46.00	March 2023
49 Yichang Evergrande Mingdu Phase III (Building 19–31#, Kindergarden and Supporting Commercial Buildings) and Supporting Facilities Construction Project (宜昌恒大名都三期(19–31#樓、幼稚園及配套商業用房)主體及配套建設)	476.63	406.95	327.33	June 2021
50 Yichang Evergrande Linxijun (Building 1–15#, Kindergarden, Complex and Base) and Supporting Facilities Construction Project 宜昌恒大林溪郡(1#–15#樓、幼稚園、綜合樓及整體地下室)主體及配套建設工程	480.00	277.76	300.11	December 2022
51 Wujian Zhonggang City View Garden Phase I (武建中港城景園一期)	252.00	128.00	126.47	June 2021

Projects		Total investment	Total accumulated investment	GFA	Estimated completion date
		(RMB million)	(RMB million)	(thousand square metres)	
52	Yicheng Lan'an Shijia EPC General Contracting Construction Project 宜城市瀾岸世家建設專案EPC總承包.....	360.00	182.54	180.98	February 2022
53	Checheng Lake View EPC General Contracting Construction Project (車城湖景專案EPC總承包) . . .	200.00	88.32	56.92	September 2021
54	Parcel 4-A Second Bid Section Yichang Urban Tourism Project (宜昌城市旅遊客廳專案(2期)4-A地塊二標段施工).....	238.44	2.46	83.40	October 2022
55	Parcel 19# and 20# of Xiangyang Overseas Chinese Town Ecological Community Phase II General Contracting Project (襄陽華僑城生態社區二期一號19#、20#地塊總承包工程).....	496.94	7.20	146.90	February 2023
Total		<u>22,883.57</u>	<u>7,460.62</u>	<u>5,842.94</u>	

Comprehensive Development

The Group's comprehensive development business is primarily engaged in the development and sale of quality residential properties and commercial properties based in Wuhan. The Group's comprehensive development business has also expanded to other cities beyond Wuhan, such as Xiamen, Chongqing and Shaoxing. On top of the development of traditional residential properties and commercial properties, the Group actively explores new business such as industrial real estate (cultural tourism and healthcare), area development and construction of various rental housing so as to realize the transformation from a residential property developer to a comprehensive urban development and operation platform.

For the years ended 31 December 2019 and 2020, the Group's operating revenues from its comprehensive development business segment amounted to approximately RMB8,452.62 million and RMB10,531.10 million, respectively, representing approximately 85.04 per cent. and 39.51 per cent. of the Group's total operating revenues, respectively.

The Group's comprehensive development business is mainly conducted by the Real Estate Company, which possess level 1 qualification for real estate development enterprises. Over the years, the Group's comprehensive development business has grown rapidly and achieved remarkable economic results and has also showed a clear competitive strength in the region. Based on the statistics of China Index Academy, the Group was ranked the first among domestic real estate developers with a market share of 7.47 per cent. in the Wuhan real estate market in terms of contracted sales in 2020. The Group also ranked 47th on the list of "China's Top 100 Real Estate Enterprises" in 2020 and has been on the list for 16 consecutive years. The Group was award 2020-2021 China Real Estate Annual Social Responsibility Enterprise (2020-2021中國房地產年度社會責任感企業).

The Group has completed the construction of several medium to large-scale residential projects in Wuhan such as Dajiang Garden (大江園), Yuqiao Xindu (玉橋新都), Hankou Garden (漢口花園), Tongxin Garden (同鑫花園), Jinxiu Jiangnan (錦繡江南) and Tongan Garden (同安家園) as well as boutique projects such as Hankou City Square (漢口城市廣場), Huiyue Tiandi (匯悅天地), Tianhui Dragon City (天匯龍城), Elite City (菁英城), Optic Valley 188 International Community (光谷188國際社區), Hangda Panlong Bay (恒達盤龍灣), Star River 2049 (星河2049), Wuhan&Huafa • Time (武地&華髮 • 時光) and Underground Times Evergreen City (地鐵時代常青城).

For the years ended 31 December 2019 and 2020, the GFA of the Group's real properties under construction totalled approximately 8.31 million square metres and 12.71 million square metres, respectively and the aggregate GFA of the Group's completed real properties amounted to approximately 672,700 square metres and 1,995,300 square metres during the respective periods.

For the years ended 31 December 2019 and 2020, the Group completed investment in comprehensive development of approximately RMB20.0 billion and RMB21.35 billion during the respective periods.

For the years ended 31 December 2019 and 2020, the Group's aggregate sales of real properties were approximately 506.7 thousand square metres and 1,301.5 thousand square metres, respectively; the Group generated contracted sales of RMB7,981 million and RMB21,541 million during the respective periods, representing an average sales price of RMB15,751 per square metre and RMB16,551 per square metre; the Group's proceeds of the sales of real properties totalled RMB5,750 million and RMB7,520 million, respectively.

Although each of the Group's comprehensive development projects is unique and is designed to cater to the preferences of specific target markets, it is typically carried out in the following four major stages:

1. *Land acquisition*

Prior to purchasing a parcel of land, the Group collects all relevant information regarding the potential land acquisition opportunities and conducts preliminary feasibility studies and market research with respect to the chosen site. The Group will proceed with the acquisition if it concludes from such evaluation procedures that a particular site has good development potential and an acceptable risk profile. The Group acquires most land through public auction and obtains the relevant land use right grant contract (土地使用權出讓合同) and the approval of land for construction (建設用地批准書).

2. *Project planning and design*

The Group places great emphasis on master planning and architectural design of each comprehensive development project. Once the project planning and the design proposal are in place, the Group will obtain the construction land planning permit (建設用地規劃許可證) and proceed to engage construction companies for its projects through a tender process in accordance with applicable PRC laws and regulations.

3. *Construction management*

Construction management comprises designing and examination of the construction drawings, obtaining the construction project planning permit (建設工程規劃許可證), formulation of construction plans, obtaining the construction engineering commencement permit (建設工程施工許可證), commencement of construction, construction supervision and inspection of completed real properties. The Group focuses on the quality control and construction supervision of its construction projects to ensure that they comply with relevant regulations and its quality standards.

4. *Sales of completed real properties*

After completion of construction of each project, the Group needs to organise and pass an acceptance inspection and obtain a comprehensive inspection and acceptance certificate (綜合驗收合格證). Also, under applicable PRC laws and regulations, the Group must have fulfilled certain pre-sale conditions and obtained the commodity housing pre-sale permit (商品房預售許可證) prior to the sale of any real estate project. The Group adopts the agency sales model to facilitate the sales of its properties. It formulates sales and promotion plans based on in-depth analysis of local property market, competitive landscape and customer behaviour and engages experienced local real estate agencies to better market its projects. The Group is also dedicated to improving its customers' satisfaction and recognition of its brand and maintaining good long-term relationships with the customers by providing comprehensive after-sales services, such as property management.

The Group's real estate projects are mainly developed independently but some of them are through joint development with experienced partners in this industry. Pursuant to the terms of the joint development contract, one party contributes capital while the other party contributes the land use rights to the project, and both parties share profits and risks on a joint basis. The Group believes that joint project development not only helps it access the project resources owned by its partners, but also enables it to establish cooperative relationships with other major developers to achieve mutual benefits.

The Group divides its comprehensive development projects into three categories:

- *completed properties* — the properties in respect of which the Group has obtained the acceptance and compliance form of construction completion (竣工驗收備案表), and in the case of furnished properties, the required furnishment has also been completed;
- *properties under development* — the properties in respect of which the Group has obtained the requisite construction engineering commencement permit but has not yet received the acceptance and compliance form of construction completion, or in the case of furnished properties, the required furnishment has not yet been completed; and
- *properties held for future development* — the properties in respect of which the Group has received the relevant land use rights certificates but has not yet received the construction engineering commencement permit, or the properties for which the Group and the relevant government authorities have entered into land use right grant contracts.

Completed properties

As at 31 December 2020, the Group had completed 50 major comprehensive development projects since 2012, which are residential properties mainly located in the core regions of Wuhan. The majority of the projects have received positive feedback from the market and are fully-sold. The following table sets forth summary information of some of the Group's major completed real estate projects:

	Project name	Completion date	Aggregate GFA that completed construction (thousand square metres)	Total investment of the Group (RMB million)	Sales progress	Total sales value (RMB million)
1	Guanggu 188 International Community Phase Two (光谷188國際社區二期)	December 2019	103.55	906.00	99.00%	1,060.91
2	Jingying City Phase Two (菁英城二期)	December 2019	175.63	1,155.00	99.00%	1,235.65
3	Tianhui Dragon City Phase Three Parcel QA (天匯龍城三期QA地塊)	December 2019	154.84	572.77	99.00%	911.98
4	Hengda Panlong Bay Heyuan Phase Two (恒達盤龍灣荷苑二期)	December 2019	132.07	1,210.48	99.00%	1,475.32
5	Hengrong Commercial Centre (恒融商務中心)	December 2019	79.60	979.86	—	—
6	Xinrong Village Parcel (Yunye Mansion) (新榮村地塊(雲悅邸))	December 2019	47.52	1,700.00	99.00%	1,842.18
7	Fanyue City Phase One (泛悅城一期)	June 2019	324.42	3,520.00	99.00%	4,012.86
8	Fanyue City Phase Two (泛悅城二期)	December 2020	349.61	4,550.00	85.00%	4,907.69
9	Guanggu 188 International Community Phase Three (光谷188國際社區三期)	August 2021	208.30	2,033.00	99.00%	2,430.19
10	Jinkou Backmountain Mansion (金口後山府)	December 2020	—	854.60	0%	873.13
11	Wuhan Mansion Eastern Zone (武漢院子東區)	January 2021	76.22	1,625.00	65.71%	1,710.00
12	Fuqiang International (富強國際)	September 2020	22.22	700.00	26.48%	225.50
13	Yicheng Lanan Mansion (宜城瀾岸公館)	November 2020	205.40	820.00	99.00%	935.29
14	Xiansheng Urban Village Renovation Project (仙山村城中村改造項目)	June 2018	971.88	21,221.00	89%	27,516.00
15	Guiyuan Traditional Cultural Functional Zone Project (歸元傳統文化功能區項目)	November 2020	312.93	4,000.00	61%	7,758.00
16	Taifu Financial City Project (泰富金融城項目)	August 2020	80.96	3,700.00	43.81%	3,785.00
	Total		3,245.14	49,547.71	99.00%	60,679.69

Notes:

- (1) Hengrong Commercial Centre is not for sale. One building is used by the Group as an office building while the other building is leased to the local district government.

Properties under development

As at 31 December 2020, the Group had 65 projects under development with a total planned GFA of 10.50 million square metres, all of which are residential properties. The following table sets forth summary information of some of the Group's major real estate projects under development as at 31 December 2020:

	Project name	Estimated completion date	Site area	Total planned GFA	Total saleable area
			(square metre)	(square metre)	(square metre)
1	Tianhui Dragon City Phase Four parcel D (天匯龍城四期D地塊)	August 2023	27,510.54	110,660.00	97,890.00
2	Huiyue Tiandi Phase Three Parcel K4 (匯悅天地三期K4地塊)	July 2021	619,707.00	329,651.00	258,057.00
3	Daishan K1-1 (Star River) (岱山K1-1(星河2049))	November 2021	79,868.10	325,000.00	278,000.00
4	Tianhui Phase Four (Longhuayuan) (天匯四期N地塊(龍華苑))	September 2022	45,752.00	230,054.00	217,405.00
5	Xinyi Village Parcel K2 (Hanyue Mansion Phase One) (新益村K2(漢悅府一期)).	November 2022	32,285.18	155,153.00	113,422.00
6	Tang Lake Project (Guanzhu) (湯湖項目(觀築))	July 2022	63,612.12	150,085.59	128,714.94
7	Wulijie (Jingshanggongguan) (五里界(錦上公館))	September 2022	46,556.54	83,800.00	82,390.00
8	Qingshan Eighteen Neighborhood (Peace Centre) (青山十八街坊(和平中心))	January 2024	17,407.54	89,603.20	78,520.00
9	Jingkai Xiaojunshan Parcel 122M (Junyue Mansion) (經開小軍山122M地塊(君樾府)).	September 2022	37,540.08	133,279.54	91,016.64
10	Dongxi Lake Jing River Project (Wuhan Difa Time) (東西湖涇河項目(武地華髮時光)).	December 2022	40,366.00	141,348.00	137,673.00
11	Chang Wharf Parcel Ks (Hanyuetai) (常碼頭K2地塊(漢樾台))	December 2023	33,088.74	168,000.00	137,840.00
12	Parcel Xinzhou-Wenjin (Shuiyunchangzhou) (新洲—問津地塊(水韻長洲))	December 2022	61,398.49	171,911.10	167,430.12
13	Parcel Jiangxia Jinkou (江夏金口地塊)	December 2022	33,047.13	72,704.00	71,172.00
14	Yangzhu Phase One (央著一期)	December 2022	21,076.40	61,820.34	56,500.00
15	Mingyue International (Mingyueyuan) (洛悅國際(洛悅苑)).	December 2023	43,673.00	46,929.23	45,010.53
16	Jingyue Mansion (143-R2) (環樾府(143-R2))	July 2023	64,565.25	240,182.75	212,897.00
17	Jingyun Phase One (甬韻一期)	February 2023	56,834.95	192,292.41	126,524.15
18	Meiyuan Phase Two (梅苑二期)	December 2023	96,673.13	170,073.90	143,720.00
19	Shaoxing Mirror Lake New Zone Jiaoli Parcel 2 (Binhu Bay) (紹興市鏡湖新區蛟里2號地塊(濱湖灣))	September 2023	111,660.00	234,485.90	219,934.60
20	Shaoxing Mirror Lake Parcel 03-04-01 (Aoqing Garden) (紹興市鏡湖03-04-01地塊(奧璟園))	October 2023	164,727.00	273,034.53	257,000.00
21	Danshuichi Yuyangshoufu (丹水池御央首府)	July 2024	73,554.00	264,986.12	247,125.44
22	Hanyang Image — Guiyuanxi Parcel D (漢陽印象—歸元西D地塊)	July 2022	27,510.54	110,600.00	101,215.10
23	Heini Hurongyu (黑泥胡融譽)	February 2023	7,210.32	33,056.82	32,895.10
24	Danshui K3-1 (丹水K3-1)	June 2024	15,848.74	72,200.00	65,817.31
25	Elite City Phase Three (菁英城三期)	April 2022	11,108.52	16,073.78	16,073.78
26	Ningbo 135 (寧波135)	August 2023	109,501.00	197,040.94	194,160.75
27	Ningbo 136 (寧波136)	February 2023	39,540.00	63,244.82	63,332.53
28	Wuhan Rongchuang Yuehu Bay (武地融創樾湖灣)	September 2023	96,891.76	280,980.28	270,298.00
29	Jinlin No. 1 (Jinkou) (金麟壹號(金口))	August 2021	33,047.13	72,704.00	71,172.00
30	Wanwei Tiandi (Hanyi Road) (萬維天地(漢宜路))	April 2023	75,700.00	333,100.00	276,738.00
31	Mingyue City Phase One (洛悅城一期)	January 2021		139,644.36	126,697.57
32	Mingyue City Phase Two (洛悅城二期)	October 2020	151,229.00	111,860.19	102,324.88
33	Mingyue City Phase Three (洛悅城三期)	November 2021		195,848.76	144,018.49
34	Fanyue City Phase Two (Changdong) (泛悅城二期(長動))	December 2020	70,426.86	217,586.51	213,550.25
35	Changjiangyue (Thermal Power Plant) (長江悅(熱電廠))	October 2023	32,078.19	155,419.06	142,969.42
36	Tongbaishidajia Parcel K2 (統百十大家K2)	March 2023	31,354.94	114,788.51	110,337.17
37	Tongbaishidajia Parcel K4 (統百十大家K4)	November 2023	14,254.70	51,680.92	51,462.19
38	Chengkai Xinyuan (城開欣園)	August 2022	49,136.00	163,653.70	119,861.16
39	Wuhan Xiyuan (武漢驛院)	November 2021	74,189.67	146,453.12	91,155.20
40	Jingkai Building (經開大廈)	December 2022	7,826.89	41,955.37	29,554.67
41	Meiyuan Phase One (梅苑一期)	July 2021	327,717.97	237,547.67	201,891.00
42	Huafa Midtown Yujing Bay Phase Two (華髮中城峰景灣(二期))	February 2021	65,028.00	262,800.00	87,246.00
43	Houhuli (後湖里)	April 2023	72,975.00	369,900.00	123,911.00
44	Kunlunyu (昆侖御)	July 2022	52,325.00	152,100.00	54,932.00
45	Longshan Lake Phase One (龍山湖(一期))	June 2022			
46	Longshan Lake Phase Two (龍山湖(二期))	June 2022	69,437.00	221,400.00	143,050.00
47	Longshan Lake Phase Three (龍山湖(三期))	June 2022			
48	Midown Water's Edge (中城水岸)	January 2023	65,284.00	209,000.00	154,117.00
49	New Era Phase One (新時代(一期))	January 2022			
50	New Era Phase Two (新時代(二期))	July 2022	156,790.00	449,200.00	292,263.00
51	Zhongyanghui Phase One (中央薈(一期))	December 2021			
52	Zhongyanghui Phase Two (中央薈(二期))	December 2022	174,290.00	502,000.00	136,801.00
53	Huafa Midtown Central Park (華髮中城中央公園)	April 2021	78,477.00	220,200.00	73,493.00
54	Jingyuan Phase One (璟園一期)	March 2022	28,857.60	41,403.30	32,766.37
55	Guanlanshijia (瀾岸世家)	September 2022	60,815.80	180,031.78	130,820.60
56	Longyueshang City (龍樾上城)	June 2022	53,595.09	143,602.93	107,519.70
57	Tianhui Garden (天惠園)	July 2021	23,287.61	83,902.98	83,902.98

	Project name	Estimated completion date	Site area	Total planned GFA	Total saleable area
			(square metre)	(square metre)	(square metre)
58	Wujian Shining International City P2 (武建光彩國際城P2)	June 2023	10,431.98	63,920.59	62,357.86
59	Xiangyue Hujing Zone One (悅享湖璟一區)	July 2023	—	253,209.61	—
60	Zhenyuan 3rd Floor (臻園3#樓)	April 2023	16,450.00	64,610.52	47,665.76
61	Funanchengdong (阜南城東)	December 2021	61,687.20	166,285.00	126,243.90
62	103-Watertown (Display Zone) 103 — 水鎮(示範區)	December 2023	19,707.00	52,000.00	52,000.00
63	100-G (Pilot Zone) 100-G (首開區)	June 2023	77,248.00	265,713.00	206,006.00
64	100-A	September 2023	52,513.00	157,426.00	59,605.00
65	100-B	July 2023	75,950.00	239,098.00	168,071.00
	Total		4,160,624.70	10,498,297.13	7,789,487.16

Land reserve

As at 31 December 2020, the Group had 123,307 square metres in land reserves, laying a solid foundation for its sustainable development.

Procurement

The Group's procurement methods are divided into two categories: open bidding and selecting from the supplier list. The procurement projects that are required by the State or the local administrative authority to adopt the opening bidding method shall be conducted through an opening bidding process according to the relevant requirements of the central and local governments. The Group's other procurement projects adopt a supplier list method. The Group keeps a list of bidders in the opening bidding collected by each department and chooses the supplier from the list through an open selection process. To establish a long-term and stable relationship with the suppliers, improve the quality of equipment and materials procured and reduce the procurement costs, the Group has gradually established a centralised procurement mechanism since 2013, focusing on the centralisation of building materials, suppliers and brands.

For equipment procurement, the Group generally pays 20 per cent. of the purchase price in advance, 60 per cent. after the arrival of the equipment, and 10 per cent. after acceptance and keeps the remaining 10 per cent. as retention for equipment quality. For material procurement, the Group usually pays the purchase price in whole after one month of the delivery of the materials.

Landscaping

Landscaping is one of the supporting businesses that the Group operates in order to support its core businesses. The Group's landscaping business is primarily conducted by Landscaping Development Company. The Group's landscaping businesses include both ecological construction and ecological operation, such as garden curation, planning, design, construction, supervision, agent construction, maintenance and cultivation of seedlings and trees, operation covering the full industry chain. It is an entity for the investment, construction, development and operating of urban gardening and greening construction in Wuhan and is also a leading force in Wuhan's ecological construction and greening development. By integrating the Group's landscaping construction capabilities and resources, the Group has the operation scale to participate in the market competition and hence promoting the rapid development of the landscaping business. The Group has invested and participated in the construction of the 10th China (Wuhan) International Gardening Expo which was awarded by the Asian Gardening Association. In 2020, Landscaping Development Company ranked 33rd among Top 50 National Urban Greening Enterprises, which held a leading position in the landscaping industry. Also in 2020, Landscaping Development Company was ranked 12th in terms of net profits among landscaping companies across the nation.

For the year ended 31 December 2020, the Group's operating revenues from its landscaping business segment amounted to approximately RMB105.41 million, representing approximately 0.40 per cent. of the Group's total operating revenues.

The Group's landscaping business further breaks down into three principal segments including ecology and landscaping, culture and tourism and garden expo.

Ecology and landscaping

The Group's ecology and landscaping business can provide a full spectrum of landscaping businesses to its clients, including garden planning and design, greening construction, plant protection and maintenance and cultivation of seedling, trees and flowers.

Culture and Tourism

The Group carries out its culture and tourism business through Landscaping Development Company's subsidiary, Hankouli Holding Co., Ltd. (漢口里控股有限公司) ("**Hankouli Holding**"). Hankouli Holding is the operating entity of market-oriented investments for Wuhan's horticulture, tourism and commercial development and is the only company that is responsible for the horticultural tourism and business operation management in Wuhan. The Group operates in horticultural tourism, crowd creation ecology, wedding centres, city souvenirs, exhibition service consultation, theatres and other industries.

Garden Expo

Taking Wuhan Garden Expo Park as media, the Group has built a number of nationwide famous cultural brands such as "Great River Dialogue" forum, the "Great River Dialogue" forum, the Changjiang Civilisation Museum (長江文明館) (national level), Wuhan Natural History Museum (武漢自然博物館) (the largest museum in Central China), Garden Expo Lantern Festival — Hankouli Temple Fair (one of the top ten temple fairs in China), etc. The Group's operating and management experiences in horticultural exposition have been applied to horticultural expositions in Huangshi, Jinzhou, Hengshui, Qinhuang Island and etc. Wuhan Horticultural Expo Park is the promoter and leader of the National Garden Expo Park Alliance.

Design and Engineering Consultation

The Group's design and engineering consultation business is at the front line of the full industry chain of the Group which runs through the full construction cycle. The goal of the design and engineering consultation business is to provide intelligence services to facilitate Wuhan to develop into modern, international and ecological city. The Group mainly carries out its design consultation business through 2049 Company and its engineering consultation business through the Project Consultation Company. The Group also carries out its design and engineering consultation through Wuhan Hongcheng Engineering, Consulting and Management Co., Ltd. (武漢鴻誠工程諮詢管理有限責任公司).

For the year ended 31 December 2020, the Group's operating revenues from its design and engineering consultation business segment amounted to approximately RMB281.72 million, respectively, representing approximately 1.06 per cent. of the Group's total operating revenues.

Design consultation

The Group's design consultation business mainly includes planning and design, architectural design, municipal design, survey and garden design. The design consultation business plays a key part in the Group's coordinated development of the whole industry chain and runs through the full construction cycle.

The Group has obtained a comprehensive set of licences in design and engineering consultation such as Class A qualification in municipal industry (for road engineering and drainage engineering), Class A qualification in construction industry (for construction engineering), Class A qualification for comprehensive national engineering and survey (國家工程勘察綜合甲級), Class A qualification for mapping, Class B for urban and rural planning and etc. As of 31 December 2020, the Group has 99 experts with titled of professors (正高級) and associate professor (副高級) and 259 employees with educational qualifications of master degree or above. Since its establishment, 2049 Company has completed the planning for multiple functional districts such as Hankou Riverside International Business District (漢口濱江國際商務區), Hanyang Guiyuan Traditional Cultural Functional District (漢陽歸元傳統文化功能區), Wuhan Design Centre (武漢設計中心) and has won 86 awards on consultation at national, provincial and municipal levels.

Engineering consultation

The Group's engineering consultation business is mainly carried out by Project Consultation Company which is a member of International Federation of Consulting Engineers and a governing member of China National Association of Engineering Consultants. The overall scale of the Group's engineering consultation business has reached the forefront of similar comprehensive engineering consulting companies in the PRC, and is among the first-tier enterprises within the same industry in sub-provincial cities. Most of the employees have a master's degree or above and intermediate and senior technical titles. As at 31 December 2020, the Group has 73 employees who have obtained practicing qualification certificates including national consulting engineers, registered supervision engineers, registered cost engineers, registered construction engineers and most employees have educational qualifications of master degree or above. The Group has established a Wuhan Engineering Consultation Expert Committee (武漢市工程諮詢專家委員會) composed of more than 80 experts with sufficient practical experience in Wuhan. In addition, the Group also has an engineering consultation expert database comprised of more than 1,000 experts.

Project Consultation Company has completed many landmark projects, including Wuhan — China Optics Valley (武漢•中國光谷), Wuhan Citizens Home (武漢市民之家), Wuhan Garden Expo Park (武漢園博園), East Lake Passage Project (東湖通道工程), East Lake Greenway Project (環東湖綠道工程), Wuhan Yangsigang Yangtze River Bridge (武漢楊泗港長江大橋), Development Planning for Hubei Wuhan National Aviation Industrial Base (湖北武漢國家航天產業基地發展規劃), Strategic Development Planning for China Wuhan International Gateway Hub Airport (中國•武漢國際門戶樞紐機場戰略發展規劃), PPP Project of Guanggu Underground Utility Tunnel (光谷中心城地下綜合管廊PPP項目), Special Fund Project for New Infrastructure Construction (新型基礎設施建設工程專項資金項目), Old City Renovation Project for Hankou Historical Area (漢口歷史風貌區舊城改造項目) and Wuhan Urban Rail Transit (Phase II) (武漢市城市軌道交通第三期).

The Group's engineering consultation business further breaks down into the following categories:

- *Seminars, special planning and evaluation and consultation:*

The Group organises seminars on regional, social and economic development and has completed over 200 projects. The Group conducts special planning for regional, social and economic development and has completed over 200 projects since the start of the planning consultation business. The Group assesses the proposals for projects, feasibility reports, application reports for projects and preliminary design and evaluates the projects after completion. Over the past 30 years, the Group has completed over 2,000 evaluation and consultation projects.

- *Project costs consultation and PPP consultation*

The Group provides costs consultation services throughout the construction projects, including estimation of project costs, project budget planning, compiling settlement report and review. Since the start of costs consultation business, the Group has completed over 200 projects.

The Groups has conducted the construction of the PPP Project of Guanggu Underground Utility Tunnel (光谷中心城地下綜合管廊PPP項目) with a length of approximately 24.67 kilometres and it was the first underground utility tunnel project in Wuhan to use the PPP model.

- *Energy saving assessment*

The Group compiles and reviews the energy saving assessment reports for fixed assets investment projects and provides costs consultation services throughout a project, including estimation of project costs, project budget planning, compiling settlement report and review. Since the start of energy saving assessment and costs consultation business, the Group has completed over 100 projects.

- *Information technology*

The Group assisted in establishing a traceability mechanism for controlling the quality and safety of meat and vegetables in Wuhan by establishing electronic systems for the demanding of certificates and invoices and ledgers management and providing the public with relevant information on food safety.

- *Procurement agency*

The Group provides procurement agency services for governmental procurement and projects. Since the start of the procurement agency business, the Group has completed over 2,000 projects.

- *Project management and construction supervision*

The Group provides agent construction, project management and construction supervision services for governments and corporates. Since the start of the project management and construction supervision business, the Group has completed over 200 projects.

Urban Services

The Group's urban services business is a key supporting business of the Group and is important to the maintenance and appreciation of the Group's assets. The Group's urban services business comprises property management and asset operation. The Group carries out its property management service mainly through Wuhan Real Estate Group Orient Property Management Co., Ltd. (武漢地產集團東方物業管理有限公司) ("**Orient Property Management Company**") which mainly manages the properties developed by the Group, including Hankou Garden (漢口花園), Huiyue Tiandi (匯悅天地), Tianhui Longcheng (天匯龍城), etc. The Group intends to first consolidate the property management business from Investment Fund Management Company and gradually consolidate other property management related business within the Group.

During the outbreak of COVID-19 in Wuhan, Orient Property Management Company was the sole property manager of Leishanshan Hospital (雷神山醫院). In response to the outbreak of the pandemic, it gathered 400 employees within three days to manage the Leishanshan Hospital and provided various professional services. Orient Property Management Company was awarded National Leading Entity for Fighting COVID-19 (全國抗擊新冠肺炎疫情先進集體稱號) for its excellent performance in fighting with the pandemic.

The Group's asset operation mainly includes managing the Group's existing land reserves, property ownership perfection, revitalization and disposal, and the management of Group's commercial properties, public infrastructure and municipal assets (including indemnificatory rental housing). The Group intends to integrate its existing high-quality operating assets such as office buildings, commercial buildings, hotels, parks and venues to further explore the value of existing operating properties. The Group plans to associate its asset operation business with its capital management segment to actively explore innovative models for securitization of high-quality operational property assets.

The Group's key strategies for the urban services business are to strengthen basic management, develop value-added services, build intelligent service and enhance market expansion.

For the years ended 31 December 2019 and 2020, the Group's operating revenues from its urban service business segment amounted to approximately RMB95.32 million and RMB226.45 million, respectively, representing approximately 0.96 per cent. and 0.85 per cent. of the Group's total operating revenues, respectively.

Capital Management

To support the development of its core business, the Group has been dedicated to developing its capital management business including industry investment, developing investment funds, setting up and operating finance companies and exploring diversified financing channels. Capital management is a source of urban construction financing as well as an important driving force for the innovation of the Group's business model.

For the years ended 31 December 2019 and 2020, the Group's operating revenues from its capital management business segment amounted to approximately RMB609.46 million and RMB665.08 million, respectively, representing approximately 6.13 per cent. and 2.50 per cent. of the Group's total operating revenues, respectively.

The Group's capital management business is mainly carried out by Investment Fund Management Company in November 2016, having a registered capital of RMB50 million. As at the date of this Offering Circular, the Issuer held 55 per cent. equity interest in Investment Fund Management Company. Investment Fund Management Company was set up to promote, amongst other things, the efficient management and integration of financial, industrial and real estate state-owned capital. It has developed three separate funds since its establishment, each targeting a unique business segment: (i) a shantytown renovation fund; (ii) a consolidation and merger and acquisition fund and (iii) an industrial chain fund.

The Group intends to accelerate the development of capital management business, explore the business model of "finance company + industrial fund + industrial investment", explore innovative financing channels, assist industrial upgrading and development, and strengthen the financial ability to support the real economy.

Emerging business

Besides its core and supporting business segments, the Group actively diversifies its operations by engaging in other emerging businesses including prefabricated building, new material research and development, green energy, ecology restoration, environmental governance, information consulting and new infrastructure.

The Group will continue to place great importance to innovation in the development of the Group, focus on developing innovative businesses relating to the industry chain, facilitate the industry development with technology innovation, build a team of innovative talents, establish an assessment system that encourages innovation, step up the development of the Group leveraging on innovation, explore the future development path and create new business generating point and momentum for business transformation and upgrade.

The Group carries out its emerging business through Wuhan Chengxing Joint Technology Development Co., Ltd. (武漢城星聯合科技發展有限公司) and Wuhan Chengkai New Building Materials Co., Ltd. (武漢城開新興建材有限責任公司). Wuhan Chengxing Joint Technology Development Co., Ltd. is tasked to research, develop and innovate aerospace science and technology, including but not limited to the study on application of non-combustible external wall insulation systems, the research and manufacture of building coating and other insulating materials, the promotion of automatic welding technology in the shipbuilding industry and the formation of the testing standards for energy efficiency of air-conditioning cooling systems. Wuhan Chengkai New Building Materials Co., Ltd. was established in 2000. Through collaborative development with the Group's businesses segments like design consultation, engineering consultation, landscaping and construction technology, Wuhan Chengkai New Building Materials Co., Ltd. seeks to expand its sales channels and enhance its service level.

INSURANCE

The Group is covered by insurance policies which primarily cover fire, flood, other material damage to property and third-party liability. The Group believes that its properties are covered with adequate insurance provided by reputable independent insurance companies and with commercially reasonable deductibles and limits on coverage, which are normal for the type and location of the properties to which they relate.

In accordance with the typical contractual terms the Group enters into, the construction companies are responsible for quality and safety controls during the course of construction and are required to maintain accident insurance against personal injuries pursuant to PRC laws and regulations.

The Group believes it maintains adequate insurance coverage for the Group's operations and that the scope of the coverage is in line with industry practice. Notwithstanding such insurance coverage, damage to the vehicles, buildings, facilities, equipment or other properties as a result of occurrences such as fire, flood, water damage, explosion, power loss, typhoons and other natural disasters or

terrorism, or any decline in the Group's business as a result of any threat of war, outbreak of disease or epidemic, may potentially have a material adverse effect on the Group's financial condition and results of operations. Please see "*Risk Factors — Risks relating to the Group and its Business — The Group's insurance coverage may not adequately protect the Group against all operational risks*" in this Offering Circular for a discussion of the risks associated with the Group's insurance coverage.

EMPLOYEES

As at 31 December 2020, the Group had 8,842 full-time employees, approximately 56.82 per cent. of which hold an undergraduate degree or above.

The Group's ability to attract, retain and motivate qualified personnel is critical to its success. Remuneration to employees is based on their respective performance, working experience, duties and the prevailing market rates. The Group invests in educational and training programs for its employees with a view to continuously upgrading their skills and knowledge. The Group enjoys good relationships with its employees. As at the date of this Offering Circular, to the knowledge of the Issuer, the Group had not experienced any labour disputes that could have a material adverse effect on its operation and performance.

HEALTH AND SAFETY AND ENVIRONMENTAL PROTECTION

The Group has adopted various policies and taken measures to prevent health and safety risks and hazards. As at the date of this Offering Circular, the Issuer believes that the Group has complied in all material respects with the PRC laws and regulations on workplace safety that are applicable to its operations and projects.

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

LEGAL AND REGULATORY PROCEEDINGS

From time to time, the Group may be involved in legal proceedings or other disputes in the ordinary course of its business. Please see "*Risk Factors — Risks relating to the Group and its Business — The Group may be subject to disputes, legal, regulatory or other proceedings*" for further details.

As at the date of this Offering Circular, to the knowledge of the Issuer, save as disclosed in this Offering Circular, there were no legal proceedings, claims or disputes currently existing or pending against the Group that could have a material adverse effect on its business, results of operations and financial condition.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

DIRECTORS

As at the date of this Offering Circular, the Board of Directors of the Issuer comprises nine members including a chairman and a vice chairman.

The table below sets forth the information about the Directors of the Issuer as at the date of this Offering Circular.

Name	Age	Position
FU Minggui (付明貴)	55	Chairman of the Board of Directors and Secretary of the Party Committee
YING Zhigang (應志剛).	55	Vice Chairman of the Board of Directors, General Manager and Deputy Secretary of the Party Committee
MING Wei (明偉).	55	Director and Member of the Party Committee
LIANG Jing (梁晶).	52	Director and Member of the Party Committee
GE Qihong (葛起宏).	52	Director and Member of the Party Committee
WANG Huosheng (王火生) . . .	50	Director and Member of the Party Committee
WU Kejun (吳克軍).	51	Director and Member of the Party Committee
LI Jingzhong (李景中).	59	External Director
GAO Jie (高潔).	58	External Director

FU Minggui (付明貴)

Mr. Fu, 55, has been the Chairman of the Board of Directors and the Secretary of the Party Committee of the Issuer since June 2020. Mr. Fu previously worked as the Chief of the Political Division of the Hubei Corps of Chinese People's Armed Police Force (武警湖北總隊); an analyst at the General Office and a member of the Party Group of Wuhan Water Authority (Wuhan Flood Control Office) (武漢市水務局市防汛辦); the Chief of the Hankou Jiangtan Management Office (漢口江灘管理辦公室); the Chairman of the Board of Directors and the Secretary of the Party Committee of Wuhan Water Resources Development and Investment Co., Ltd. (武漢水資源發展投資有限公司); and the General Manager, the Vice Chairman of the Board of Directors and the Deputy Secretary of the Party Committee of Wuhan Cleanwater Group Co., Ltd. (武漢碧水集團有限公司) and the General Manager of Wuhan Real Estate Development & Investment Group Co., Ltd. (武漢地產開發投資集團有限公司).

Mr. Fu holds a college degree in political affairs from the People's Liberation Army Second Artillery Engineering University and a master's degree in Marxist philosophy from the Party School of the Hubei Provincial Party Committee.

YING Zhigang (應志剛)

Mr. Ying, 55, has been the Vice Chairman of the Board of Directors, the General Manager and the Deputy Secretary of the Party Committee of the Issuer since September 2020 and the Chairman of Wuhan Real Estate Group Co., Ltd. (武漢地產集團有限公司) since September 2020. Mr. Ying previously worked as an officer at the Operation Department of Wuhan Construction Engineering General Corporation (武漢市建築工程總公司); the General Manager, the Deputy Secretary of the Party Committee and the Chairman of the Board of Directors at Wuhan Construction Engineering No.1 Construction Co., Ltd. (武漢建工第一建築有限公司); and the General Manager, the Chairman of the Board and the Secretary of the Party Committee at Wuhan Construction Engineering Co., Ltd. (武漢建工股份有限公司) and the Chairman and Secretary of the Party Committee of the Wuhan Construction Engineering (Group) Co., Ltd. (武漢建工(集團)有限公司).

Mr. Ying holds a bachelor's degree in economics and management from Wuhan University and a master's degree from the Party School of the Wuhan Municipal Party Committee. Mr. Ying is a Senior Economist and a National Certified Constructor.

MING Wei (明偉)

Mr. Ming, 55, has been a Director and a member of the Party Committee of the Issuer since June 2015. Mr. Ming previously worked as an assistant engineer in the Engineering Division of Wuhan Residential Housing Unified Construction Office (武漢市住宅統建辦公室); and an engineer in the Engineering Department of Wuhan Huagang Real Estate Development Co., Ltd. (武漢華港房地產開發有限公司). Mr. Ming also worked as the Deputy Chief of the Planning and Operation Division and the Chief of the Comprehensive Planning Division of Wuhan Residential Housing Unified Construction Office (武漢市住宅統建辦公室) and Wuhan Economic and Technological Development Zone Construction and Development General Corporation (武漢經濟技術開發區建設開發總公司), and the Chief of the Comprehensive Planning Division of Wuhan Residential Housing Unified Construction Office (武漢市住宅統建辦公室) and Wuhan Unified Construction City Development Co., Ltd. (武漢統建城市開發有限責任公司) and the Manager of Wuhan Unified Construction City Development Co., Ltd. (武漢統建城市開發有限責任公司).

Mr. Ming holds a bachelor's degree in civil engineering from Wuhan Industrial University, a master's degree in architecture and civil engineering from Wuhan University of Technology and a master's degree in business administration from Zhongnan University of Economics and Law.

LIANG Jing (梁晶)

Ms. Liang, 52, has been a Director and a member of the Party Committee of the Issuer since June 2015. Ms. Liang previously worked as an engineer, the Deputy General Manager of the First Company, and the Manager and the Assistant to General Manager of the Sales Company of Wuhan Urban Comprehensive Development Group Co., Ltd. (武漢城市綜合開發集團有限公司).

Ms. Liang holds a master's degree in structural engineering from Wuhan University of Technology.

GE Qihong (葛起宏)

Mr. Ge, 52, has been a Director and a member of the Party Committee of the Issuer since June 2015. Mr. Ge previously worked as the Chief of the Structure Office and the Manager of the First Design Division of the Design Company of Wuhan Urban Comprehensive Development Group Co., Ltd. (武漢城市綜合開發集團有限公司); the Deputy Manager and the Manager of the Technological Development Division and the Deputy Chief Engineer of Wuhan Urban Comprehensive Development Group Co., Ltd. (武漢城市綜合開發集團有限公司); and the Deputy Manager of Wuhan Hongcheng Project Supervision Co., Ltd. (武漢鴻城監理有限公司).

Mr. Ge holds a master's degree and a doctoral degree in structural engineering from Wuhan Industrial University.

WANG Huosheng (王火生)

Mr. Wang, 50, has been a Director and a member of the Party Committee of the Issuer since September 2020. Mr. Wang previously worked as the Deputy Chief of the General Office of Wuhan Construction Group Co., Ltd. (武漢建工集團股份有限公司); the Chief of the Policy Analysis Office of Wuhan Jiang'an District Government; the Deputy Chief and a member of the Party Committee of the State-owned Assets Supervision and Administration Commission of Wuhan Municipal People's Government; and the General Manager, the Director and the Deputy Secretary of the Party Committee of Wuhan Construction Group Co., Ltd. (武漢建工集團股份有限公司).

Mr. Wang holds a bachelor's degree in law and a master's degree in business administration from Zhongnan University of Economics and Law. Mr. Wang is a Senior Economist.

WU Kejun (吳克軍)

Mr. Wu, 51, has been a Director and a member of the Party Committee of the Issuer since September 2020 and the Chairman of CBD Investment Company since September 2020. Mr. Wu previously worked as the Deputy Chief and the Chief of the Party Committee Office of the Management Division of Wuhan Huanghelou Park; the Assistant to the President of Wuhan Institute of Landscape Architectural Design

(武漢市園林建築規劃設計院); the Chief of the General Office of the Bureau of Landscaping of Wuhan Municipality; the Chief Engineer of the Bureau of Landscaping and Forestry of Wuhan Municipality; and the Chairman of the Board of Directors and Secretary of the Party Committee of Wuhan Landscaping and Greening Construction and Development Limited (武漢園林綠化建設發展有限公司).

Mr. Wu holds a bachelor's degree in administration management from Wuhan University.

LI Jingzhong (李景中)

Mr. Li, 59, has been an External Director of the Issuer since November 2020. Mr. Li previously worked as the Chief of the General Office, a member of the Party Committee and the Deputy Head of the Bureau of Forestry of Wuhan Municipality; the Deputy Chief of the People's Congress Working Committee on Rural Areas of Wuhan Municipality; and the Secretary of the Party Committee and the Chairman of the Board of Directors of Wuhan Agricultural Group Co., Ltd. (武漢農業集團有限公司).

Mr. Li holds a bachelor's degree in forestry from Huazhong Agricultural University and a master's degree in economics from the Party School of the Hubei Provincial Party Committee.

GAO Jie (高潔)

Mr. Gao, 58, has been an External Director of the Issuer since November 2020. Mr. Gao previously worked as an officer (chief level), the Deputy Analyst at the Rural Areas Analysis Division, and the Deputy Chief of the First Analysis Division of the Analysis Office of the Wuhan Municipal Party Committee. Mr. Gao also worked as the Chief of the General Office of Wuhan Guandong Science and Technology Industrial Park Construction and Development General Company (武漢關東科技工業園建設發展總公司); the Deputy Chief of the General Office of Wuhan Bridge Construction Co., Ltd. (武漢橋梁建設股份有限公司); the Deputy Chief of the General Division of Wuhan Municipal Planning Committee (武漢市計委); the Chief of the Initiative Office of Wuhan Municipal People's Government; the Chief of the Industry Division of Wuhan Municipal Planning Committee; the Chief of the Industry Division and the Chief of the Social Development Division of Wuhan Municipal Development and Planning Committee (武漢市發展計畫委員會); the Chief of the Social Development Division and the Chief of the General Division of Wuhan Municipal Development and Reform Commission; and the Deputy Chief of the Project Consultation Department of Wuhan Municipal People's Government.

Mr. Gao holds a master's degree in agricultural economic management from the Chinese Academy of Social Sciences.

SUPERVISOR

As at the date of this Offering Circular, the supervisory duties over the Issuer were fulfilled by the Audit Management Department (審計管理部) of the Issuer. Mr. PAN Jie is the Chairman of the Board of Supervisors of the Issuer and no other supervisors have been appointed.

Name	Age	Position
PAN Jie (潘杰)	57	Chairman of the Board of Supervisors and Member of the Party Committee

PAN Jie (潘杰)

Mr. Pan, 57, has been the Chairman of the Board of Supervisors and a member of the Party Committee of the Issuer since September 2020. Mr. Pan previously worked as the Chief of the General Office and the Deputy Secretary of the Youth League Committee of Wuhan Jiangnan District; the Chief of the General Office of Wuhan Jiangnan District People's Government, the Deputy Secretary of the Working Committee and the Chief of the Hualou Street Office of Wuhan; the Deputy Secretary of the Working Committee and the Chief of the Wansong Street Office of Wuhan; the Deputy Chief (deputy district mayor level) of the Management Committee of Wuhan Wangjiadun Business District; the Deputy Chief (deputy district mayor level) of the Management Committee and a member of the Working Committee of Wuhan Central Business District; and the General Manager, the Vice Chairman of the Board of Directors and the Deputy Secretary of the Party Committee of CBD Investment Company.

Mr. Pan holds a master's degree in law from the Party School of the Hubei Provincial Party Committee.

SENIOR MANAGEMENT

As at the date of this Offering Circular, the senior management team of the Issuer comprises 18 members.

The table below sets forth the information about the senior management members of the Issuer as at the date of this Offering Circular.

Name	Age	Position
FU Minggui (付明貴)	55	Chairman of the Board of Directors and Secretary of the Party Committee
YING Zhigang (應志剛).	55	Vice Chairman of the Board of Directors, General Manager and Deputy Secretary of the Party Committee
PAN Jie (潘杰).	57	Member of the Party Committee and Chairman of the Board of Supervisors
YANG Jie (楊杰)	57	Secretary of the Commission for Discipline Inspection and the Member of the Party Committee
MING Wei (明偉).	55	Director and Member of the Party Committee
LIANG Jing (梁晶)	52	Director and Member of the Party Committee
GE Qihong (葛起宏)	52	Director and Member of the Party Committee
WANG Huosheng (王火生) . . .	50	Director and Member of the Party Committee
DENG Tao (鄧濤).	55	Chief Accountant
ZHANG Min (張敏)	51	Deputy General Manager
WU Kejun (吳克軍).	51	Director and Member of the Party Committee
YAO Xiaohua (姚曉華)	48	Deputy General Manager
YANG Zhong (楊忠).	53	Deputy General Manager
ZHANG Quansheng (張全勝) . .	52	Deputy General Manager
FENG Wei (馮偉).	57	Deputy General Manager
LIU Kongming (劉孔明)	52	Deputy General Manager
PENG Mengping (彭孟平)	58	Municipal Management Officer (市管幹部)
REN Hanjiang (任漢江).	58	Municipal Management Officer (市管幹部)

FU Minggui (付明貴)

Please refer to the section entitled “— *Directors*” for the biography of Mr. Fu.

YING Zhigang (應志剛)

Please refer to the section entitled “— *Directors*” for the biography of Mr. Ying.

PAN Jie (潘杰)

Please refer to the section entitled “— *Supervisor*” for the biography of Mr. Pan.

YANG Jie (楊杰)

Mr. Yang, 57, has been the Secretary of the Commission for Discipline Inspection and a member of the Party Committee of the Issuer since September 2020. Mr. Yang previously worked as an officer (chief level) at the Policy Analysis Office of Wuhan Municipal Bureau of Supervision; an inspector (deputy division head level) at Wuhan Municipal Committee for Discipline Inspection; the Chief of the Inspection Office at the Wuhan Municipal Administration for Industry and Commerce (assigned by Wuhan Municipal Committee for Discipline Inspection); the Deputy Chief of the Discipline Inspection Team at Wuhan Municipal Development and Reform Commission (assigned by Wuhan Municipal Committee for Discipline Inspection); and the Secretary of the Committee for Discipline Inspection and a member of the Party Committee of Wuhan State-owned Assets Management Company (武漢國有資產經營公司).

Mr. Yang holds a bachelor's degree in agricultural engineering from Wuhan University of Technology and a master's degree in law from the Party School of the Wuhan Municipal Party Committee.

MING Wei (明偉)

Please refer to the section entitled “— *Directors*” for the biography of Mr. Ming.

LIANG Jing (梁晶)

Please refer to the section entitled “— *Directors*” for the biography of Ms. Liang.

GE Qihong (葛起宏)

Please refer to the section entitled “— *Directors*” for the biography of Mr. Ge.

WANG Huosheng (王火生)

Please refer to the section entitled “— *Directors*” for the biography of Mr. Wang.

DENG Tao (鄧濤)

Mr. Deng, 55, has been the Chief Accountant of the Issuer since January 2010. Mr. Deng currently also serves as the Chairman of the Board of Directors of Wuhan Chengfa Investment Fund Management Co., Ltd. (武漢城發投資基金管理有限公司) and a Supervisor at Changjiang Securities Company Limited (長江證券股份有限公司). Mr. Deng previously served as an officer (chief level) and the Chief of the Finance Division of Wuhan Residential Housing Unified Construction Office (武漢市住宅統建辦公室).

Mr. Deng holds a bachelor's degree in investment, economics and management from Zhongnan University of Economics.

ZHANG Min (張敏)

Mr. Zhang, 51, has been the Deputy General Manager of the Issuer since October 2013 and the Chairman of Wuhan Construction Group Co., Ltd. (武漢建工集團股份有限公司) since October 2020. Mr. Zhang previously worked in Wuhan Construction Commission (武漢市建委) as an officer (chief level) and the Chief of the Development and Planning Division. He also worked as the Chief of the Investment and Planning Division of Wuhan Urban and Rural Construction Commission.

Mr. Zhang holds a bachelor's degree in international finance from Wuhan University and a master's degree in economic law from Huazhong University of Science and Technology.

WU Kejun (吳克軍)

Please refer to the section entitled “— *Directors*” for the biography of Mr. Wu.

YAO Xiaohua (姚曉華)

Mr. Yao, 48, has been the Deputy General Manager of the Issuer since September 2020. Mr. Yao previously worked as the Deputy Head of Wuhan Caidian District Science and Technology Bureau; the Chief of the General Office of Wuhan Caidian District People's Government; the Deputy Secretary and Secretary of the Working Committee, the Chief of the Street Office and the Chairman of the People's Congress of Dajie Street of Wuhan Caidian District; the Deputy District Mayor of Wuhan Caidian District People's Government; and a member of the Party Committee and the Deputy General Manager of CBD Investment Company.

Mr. Yao holds a bachelor's degree in administration management from Hubei University and a master's degree in public management from the Party School of the Hubei Provincial Party Committee.

YANG Zhong (楊忠)

Mr. Yang, 53, has been the Deputy General Manager of the Issuer since October 2013. Mr. Yang previously worked as an engineer and the Chief of the First Engineering Division in Wuhan Residential Housing Unified Construction Office (武漢市住宅統建辦公室); and the Manager and a member of the Party Committee of Wuhan Unified Construction City Development Co., Ltd. (武漢統建城市開發有限責任公司).

Mr. Yang holds a master's degree in architecture and civil engineering from Wuhan University of Technology.

ZHANG Quansheng (張全勝)

Mr. Zhang, 52, has been the Deputy General Manager of the Issuer since December 2016. Mr. Zhang previously worked as the Deputy Chief of the Planning Division of Wuhan Residential Housing Unified Construction Office (武漢市住宅統建辦公室); the Head of the Budget Department of Wuhan Real Estate Development & Investment Group Co., Ltd. (武漢地產開發投資集團有限公司); and the Deputy General Manager, the Deputy Secretary of the Party Committee and the Secretary of the Committee for Discipline Inspection of Wuhan Affordable Housing Investment and Construction Co., Ltd. (武漢市保障性住房投資建設有限公司).

Mr. Zhang is a Senior Engineer and holds a bachelor's degree in industrial and civil architecture from Wuhan Industrial University.

FENG Wei (馮偉)

Mr. Feng, 57, has been the Deputy General Manager of the Issuer since May 2019 and the Chairman of Landscaping Development Company since November 2020. Mr. Feng previously worked as the Chief of the Municipal Engineering Division and Vice General Manager of Wuhan Real Estate Development & Investment Group Co., Ltd. (武漢地產開發投資集團有限公司); the Secretary of the Party Branch and the General Manager of Wuhan Real Estate Group Municipal Construction Management Co., Ltd. (武漢地產集團市政建設管理有限公司); the Secretary of the Party Branch and General Manager of Wuhan Real Estate Group Municipal Construction Management Co., Ltd. (武漢地產集團市政建設管理有限公司) (now known as Wuhan Urban Construction Group Construction Management Co., Ltd. (武漢城建集團建設管理有限公司)).

Mr. Feng holds a bachelor's degree in civil engineering from Wuhan University of Technology and a master's degree in architecture and civil engineering from Wuhan Institute of Technology. Mr. Feng is also a Senior Engineer.

LIU Kongming (劉孔明)

Mr. Liu, 52, has been the Deputy General Manager of the Issuer since September 2020. Mr. Liu has previously worked as the Deputy Chief of the General Office, the Secretary to the Board of Directors, the Chief of the Investment and Development Department and the Assistant to the General Manager at Wuhan Zhonglian Pharmaceutical Group Co., Ltd. (武漢中聯藥業集團股份有限公司); the Chief of the General Management Division and the Chief of the Soldier Affairs Division of CBD Investment Company; the Chairman of the Board of Directors, the Deputy General Manager and a member of the Party Committee of Wuhan CBD Asset Management Co., Ltd. (武漢中央商務區資產經營有限公司).

Mr. Liu holds a bachelor's degree in chemistry from Sichuan University and a master's degree in business management from Wuhan University. Mr. Liu is a Senior Economist.

PENG Mengping (彭孟平)

Mr. Peng, 58, has been Municipal Management Officer since September 2020. Mr. Peng previously worked as an assistant engineer in the Survey and Design Institute and a lecturer of the Faculty of Architectural Engineering in Wuhan College of Hydraulic and Electrical Engineering (武漢水利電力學院); a senior engineer, the Manager and the Chief Architect of the Design Company of Wuhan Urban Comprehensive Development Group Co., Ltd. (武漢城市綜合開發集團有限公司); the Deputy Chief

Engineer of Wuhan Urban Comprehensive Development Group Co., Ltd. (武漢城市綜合開發集團有限公司); and the Manager and the Secretary of the Party Branch of Wuhan Times Architectural Design Co., Ltd. (武漢時代建築設計有限公司) and the Chief Engineer at the Wuhan Real Estate Development & Investment Group Co., Ltd. (武漢地產開發投資集團有限公司).

Mr. Peng holds a bachelor's degree in architecture and a master's degree in architectural design from Chongqing Jianzhu Engineering College.

REN Hanjiang (任漢江)

Mr. Ren, 58, has been Municipal Management Officer since September 2020. Mr. Ren previously worked as the Chief of the General Division, the Chief of the Social Welfare Division, the Chief of the Administration, Politics and Laws Division of Wuhan Municipal Finance Bureau; and the Chief Accountant at CBD Investment Company.

Mr. Ren holds a junior college degree in industrial accounting from Wuhan Finance School and a master's degree in economics from the Party School of the Wuhan Municipal Party Committee. Mr. Ren is a Senior Economist.

PRC REGULATIONS

This section is a high-level overview of the principal PRC laws and regulations which are relevant to the issue of the Bonds by the Issuer and the Group's business and operations. As this is a summary, it does not contain a detailed analysis of the PRC laws and regulations, nor does it intend to be an exhaustive list of all the principal laws and regulations affecting the Group.

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 of the competency and qualification of market players, the management of the entire process of the construction projects, and the management of the economic and technical standards of construction projects. The main regulatory authorities include:

- Ministry of Housing and Urban-Rural Development of the PRC (the “**MOHURD**”) (formerly Ministry of Construction of the PRC, the “**MOC**”) and the competent local departments of MOHURD at various levels are responsible for the comprehensive supervision over the construction industry as well as real estate development qualifications. Such management mainly includes: management of the competency and qualification of market players, approval and verification of the qualifications of various construction enterprises for access to the market, examination and approval of occupational qualifications of individuals in the construction industry, supervision over and management of construction projects, and establishment of industrial standards.
- Ministry of Transport of the PRC (the “**MOT**”) and the competent local departments of MOT at various levels are responsible for the construction projects of ports, airports and highways nationwide.
- National Railway Administration of the People's Republic of China (formerly Ministry of Railways, the “**MOR**”) and the competent local departments of MOR at various levels are responsible for the railway construction projects nationwide.
- NDRC and the local development and reform commissions at various levels are responsible for the investment planning, examination and approval of city infrastructure construction projects.
- Ministry of Ecology and Environment of the PRC (former State Environmental Protection Administration, the “**SEPA**”) and the competent local departments of environmental protection at various levels are responsible for the environmental protection management of construction projects.

Regulation on Real Estate Developers

Establishment of a Real Estate Developer

Under the Law of the PRC on Administration of Urban Real Estate (中華人民共和國城市房地產管理法) (Urban Real Estate Law), which was promulgated by the Standing Committee of the National People's Congress on 1 January 1995 and was amended on 30 August 2007, 27 August 2009, 26 August 2019, a “real estate developer” refers to an enterprise which engages in the development and sale of real estate for profit-making purposes. Urban Real Estate Law, together with the Regulations on Administration of Development of Urban Real Estate (城市房地產開發經營管理條例) (Development Regulations), which was promulgated by the State Council on July 20, 1998 and amended on 8 January 2011, 19 March 2018, 24 March 2019, 27 March 2020 and 29 November 2020 stipulate that a real estate developer must meet the following requirements: (1) registered capital must be RMB1 million or more; and (2) it must employ four or more full-time real estate or construction professionals and two or more full-time accounting officers, each of whom must hold the relevant qualification certificate.

Under the Regulations on Real Estate Developments of Hubei Province (湖北省城市房地產開發經營管理辦法), promulgated by the People's Government of Hubei Province on 19 November 1999 and amended on 31 December 2014, the registered capital of a real estate development enterprise in Hubei Province shall be RMB2 million or more, and a real estate development enterprise shall employ one or more full-time real estate or construction management professionals, each of whom must hold the relevant qualification certificate.

Qualifications of a Real Estate Developer

Pursuant to the Provisions on Administration of Qualifications of Real Estate Developers (房地產開發企業資質管理規定) (Provisions on Administration of Qualifications), last amended by the Ministry of Housing and Urban-Rural Development on 22 December 2018, a real estate developer shall apply for registration of its qualifications. An enterprise is not permitted to engage in the development and sale of properties without a qualification classification certificate. The Ministry of Housing and Urban-Rural Development is responsible for monitoring the qualifications of all real estate developers nationwide, and local real estate development authorities at or above the county level are responsible for monitoring the qualifications of local real estate developers. The Provisions on Administration of Qualifications divide real estate developers into four classes.

Class 1 qualifications are subject to approval of the Ministry of Housing and Urban-Rural Development, while Class 2, 3 or 4 qualifications are regulated by the construction authorities at the provincial level. A Class 1 real estate developer is not restricted with respect to the scale of its real estate projects and may undertake a real estate development nationwide. A real estate developer with Class 2 or lower qualifications may only undertake a project with a GFA of less than 250,000 sq.m. The business scope of a developer with Class 2 or lower qualifications is determined by the construction authorities at the provincial level.

Under the Provisions on Administration of Qualifications, the real estate development authorities will examine applications for registration of qualifications submitted by real estate developers from different aspects including the registered capital and financial condition of developers, lengths of time they have conducted real estate development business, the number of professionals they employ, performance and operating results from past real estate operations and their quality control systems. The qualification examination authority will grant the qualification certificate of the relevant class to the real estate developer that passes the qualification examination. A real estate developer shall only conduct the real estate development pursuant to the approved class of qualification.

Regulations on Land and the Development of Real Estate Projects

Land Grants

In April 1988, the National People's Congress of the PRC (the "NPC") passed an amendment to the Constitution of the PRC. The amendment allowed the transfer of land use rights for value to prepare for reforms of the legal regime governing the use of land and transfer of land use rights. In December 1988, the Standing Committee of the NPC (the "SCNPC") amended the Land Administration Law of the PRC (中華人民共和國土地管理法) to permit the transfer of land use rights for value.

Under the Provisional Regulations of the People's Republic of China on Grant and Transfer of the Land Use Rights of State-owned Urban Land (中華人民共和國城鎮國有土地使用權出讓和轉讓暫行條例) (the "**Provisional Regulations on Grant and Transfer**") implemented by the State Council on 19 May 1990, a system of assignment and transfer of the right to use state-owned land was adopted. A land user shall pay land premium to the government as consideration for the grant of the right to use a land site within a certain term, and the land user may transfer, lease out, mortgage or otherwise commercially exploit the land use rights within the term of use. Under the Provisional Regulations on Grant and Transfer and the Law of the PRC on the Administration of Urban Real Estate (中華人民共和國城市房地產管理法), the land administration authority under the local government of the relevant city or county shall enter into an assignment contract with the land user to provide for the grant of land use rights. The land user shall pay the land premium as provided by the assignment contract. After full payment of the land premium, the land user shall register with the land administration authority and obtain a land use rights certificate which evidences the acquisition of land use rights. The Regulations on Administration of Development of Urban Real Estate (城市房地產開發經營管理條例) provide that the land use rights

for a land parcel intended for real estate development shall be obtained through grant except for land use rights which may be obtained through appropriation pursuant to PRC laws or the stipulations of the State Council.

Under the Regulations regarding the Grant of State-Owned Land Use Rights by Way of Public Bidding, Auction and Listing Procedure (招標拍賣掛牌出讓國有土地使用權規定) issued by the Ministry of Land and Resources (the “MLR”) on 9 May 2002 and implemented on 1 July 2002 (the “**2002 Regulations**”) and revised on 28 September 2007 with the name Regulations regarding the Grant of State-Owned Construction Land Use Rights by Way of Public Bidding, Auction and Listing Procedure (招標拍賣掛牌出讓國有建設用地使用權規定) (the “**2007 Regulations**”) effective on 1 November 2007, land for industry (except land for mining), commercial use, tourism, entertainment and commercial residential properties, and land for which there are two or more intended users must be granted by way of the public bidding, auction and listing procedure. A number of measures in the 2007 Regulations ensure such grants of land use rights for commercial purposes are conducted openly and fairly. For instance, the local land bureau must take into account various social, economic and planning considerations when deciding on the use of a certain piece of land, and its decision regarding land use designation is subject to the approval of the city or county government. The grantee shall apply for land registration and obtain the land use rights certificate upon full payment of the land premium for the land according to the land grant contract. In the event that the land premium for the land is not paid in full, the grantee will not receive the land use rights certificate. In addition, the announcement of public bidding, auction and listing procedure must be made 20 days prior to the date on which such competitive process begins. Further, the 2007 Regulations stipulate that for listings on a land exchange, the time period for accepting bids must be no less than ten days. Following the 2002 Regulations, the MLR and the Ministry of Supervision issued the Notice on Continuing the Review of the Implementation of the Grant of Land Use Rights for Commercial Uses By Soliciting Public Bidding, Auction and Listing Procedure on a Land Exchange (關於繼續開展經營性土地使用權招標拍賣出讓情況執法監察工作的通知) on 31 March 2004, which requires all local land administration authorities to strictly enforce the 2002 Regulations. In addition, the MLR and the Ministry of Supervision required that beginning from 31 August 2004, no land use rights for commercial uses granted by way of agreement shall be dealt with due to reasons stemming from historical legal legacy issues. In the Urgent Notice of the General Office of the State Council on Intense Regulation and Rectification of the Land Market and Strict Administration of Land (國務院辦公廳關於深入開展土地市場治理整頓嚴格土地管理的緊急通知), issued by the General Office of the State Council on 29 April 2004, the approval process for the change of use from agricultural land to non-agricultural land for development was suspended for a period of approximately six months so that the PRC government could rectify irregularities in land development in China. On 11 May 2011, the MLR implemented the Opinions on Upholding and Improving the System for the Transfer of Land by Public Bidding, Auction and Listing Procedure (國土資源部關於堅持和完善土地招標拍賣掛牌出讓制度的意見), which provides, among other things (i) how to correctly implement the land transfer policy through the public bidding, auction and listing procedure; (ii) an explanation of improvements in the transparency of the public bidding, auction and listing procedure for housing land; (iii) an explanation of adjustments and improvements to the land transfer policy through the public bidding, auction and listing procedure; (iv) promotion of online operation of the transfer of land use rights; and (v) improvement in contracts for land transfers through the public bidding, auction and listing procedure.

In the case of tenders, the local land bureau granting the land use rights should examine the qualifications of the intended bidders and encourage those who are qualified to participate in the bidding process by sending out invitations to tender. Bidders are asked to submit sealed bids together with the payment of a security deposit. When land use rights are granted through tenders, a tender evaluation committee consisting of an odd number of members of at least five people (including a representative of the grantor and relevant expert) shall be formed by the land bureau which is responsible for initiating the tenders and deciding on the successful bidder. The successful bidder will then sign the land grant contract with the land bureau and pay the balance of the land premium before obtaining a land use rights certificate. Where land use rights are granted by way of the public bidding, auction and listing procedure, a public bidding, auction and listing procedure will be held by the relevant local land bureau. The land use rights are granted to the highest bidder. The successful bidder will then be asked to sign the land grant contract with the local land bureau and pay the relevant land premium within a prescribed period.

Where land use rights are granted through a listing administered by the local government, a public notice will be issued by the local land bureau to specify, among other things, the location, area, purpose of use of the land and the period for receiving bids. The land use rights are granted to the bidder with the highest bid who satisfies the terms and conditions stipulated by the local land bureau. The successful bidder will enter into a land grant contract with the local land bureau and pay the relevant land premium within a prescribed period.

On 1 August 2003, the MLR implemented the Regulations on the Grant of State-owned Land Use Rights by Agreement (協議出讓國有土地使用權規定). According to this regulation, if there is only one entity interested in using the land, the land use rights (excluding profit-oriented land for commercial use, tourism, entertainment and commercial residential properties) may be assigned by way of agreement. If two or more entities are interested in the land use rights to be assigned, such land use rights shall be granted by means of public bidding, auction and listing.

The Measures on the Administration of Reserved Land (土地儲備管理辦法), implemented by the MOF, the PBOC and the MLR and CBIRC on 3 January 2018, define “reserved land” and stipulate the administrative, regulatory and implementing procedures involved with the management, planning, allocation, use, development, capital expenditure and supply of reserved land. The measures clarify that land must be reserved in accordance with the relevant land programs or plans, and that in determining land reserves priority must be given to land included in state inventories which is unused, unoccupied or under-utilised.

On 18 November 2009, the MOF, the MLR, the PBOC, the National Audit Office and the Ministry of Supervision issued the Notice on Further Strengthening the Land Transfer Revenue and Expenditure Management (關於進一步加強土地出讓收支管理的通知) jointly, which stipulates:

- The city or county land resource department must specify the land transfer price, rent and the total sum of the allocated land price, payment time and payment mode in the state-owned land transfer contract, lease contract and letter of decision on appropriation. If the land use conditions have been changed upon approval according to law, the city or county land resource management department must specify the additional price of the land that shall be paid in the land transfer and lease contracts and the payer shall pay the sum of money as stipulated by the contract. If a unit or individual fails to pay up the land price as required, the city or county land resource management department must neither approve nor issue the state-owned land use certificate nor issue a partial certificate according to the proportion of the land price paid.
- In principle, the term for paying the full land transfer price by instalments agreed between the city or county land resource management department and land transferee pursuant to law shall not exceed one year. The proportion of first payment shall not be less than 50.0 per cent. of the total land transfer price.

On 1 May 2012, the MLR implemented the Notice on Further Strengthening and Improving the Pre-examination of Land for Construction Projects (關於進一步加強和改進建設項目用地預審工作的通知) which reinforces the importance of pre-examination administration of land for commercial and industrial purposes. Taking advantage of the public bidding, auction and listing procedure to avoid the pre-examination of the utility of land, entering into a land use right grant contract in advance or issuing a land use right certificate in substitute for a pre-examination opinion is strictly prohibited. Without passing a pre-examination, no application may be made for a project permit or construction land permit. On-line filing for records and tracking supervision shall also be strengthened.

Planning of Construction Projects

On 1 January 2008, the SCNPC implemented the PRC City and Countryside Planning Law (中華人民共和國城鄉規劃法) which was amended on 23 April 2019, pursuant to which a construction planning permit must be obtained from the relevant urban and rural planning government authorities for building any structure, fixture, road, pipeline or other engineering project within an urban or rural planning area. After obtaining the construction works planning permit, a construction project developer shall apply for a construction work commencement permit from the construction authority under the local people's government at the county level or a higher construction authority in accordance with the Measures for the Administration of Construction Permit for Construction Projects (建築工程施工許可管理辦法)

implemented by MOHURD on 25 June 2014 and implemented on 25 October 2014. According to the Notice Regarding Strengthening and Regulating the Administration of Newly-commenced Projects (國務院辦公廳關於加強和規範新開工項目管理的通知) issued by the General Office of the State Council on 17 November 2007, before commencement of construction, all kinds of projects shall fulfil certain conditions, including, among others, compliance with national industrial policies, development plans, land supply policy and market access standards, completion of all approval and filing procedures, compliance with zoning plans in terms of site and planning, completion of proper land use procedures and obtaining proper environmental valuation approvals and construction work commencement permits or construction start-up reports.

In accordance with the Regulations on Administration of Development of Urban Real Estate (城市房地產開發經營管理條例) and the Regulation on the Quality Management of Construction Projects (建設工程質量管理條例) implemented by the State Council on 30 January 2000 and amended on 7 October 2017, the Measures for Reporting Details Regarding Acceptance Examination Upon Completion of Buildings and City Infrastructure (房屋建築和市政基礎設施工程竣工驗收備案管理辦法) implemented by MOHURD on 4 April 2000 and amended on 19 October 2009 and the Rules for the Confirmation of the Completion of Housing Construction and City Infrastructure Projects (房屋建築和市政基礎設施工程竣工驗收規定) implemented by MOHURD and implemented on 2 December 2013, after the completion of construction of a project, the construction project must undergo inspection and receive the relevant approvals from local authorities which include approvals from planning bureau, fire safety authorities and environmental protection authorities.

Lease of Buildings

The Administration Measures for Administration of Commodity Housing Tenancy (商品房屋租賃管理辦法) was issued on 1 December 2010 and came into effect on 1 February 2011. The parties to a real estate lease shall go through the lease registration formalities with the competent construction (real estate) departments of the cities directly under the central government, or the cities and counties where the housing is located, within 30 days after the lease contract is signed. There will be a fine below RMB1,000 on individuals who fail to make corrections within the specified time limit, and a fine between RMB1,000 and RMB10,000 on units which fail to make corrections within the specified time limit.

Real Estate Registration

According to the Interim Regulations on Real Estate Registration (不動產登記暫行條例) issued by the State Council on 24 November 2014 and enforced on 1 March 2015, PRC will apply a uniform registration system over real estate. Under this system, ownership of buildings and land use right shall be registered in accordance with the provisions of the interim regulations. If registration is applied by reasons of transfer or settlement of mortgage, the application shall be made jointly by both parties. However, the first registration application for the real estate without registration record shall be filed by either party involved. Any interested party may apply to inquire about or copy the real estate registration materials in accordance with the law and the registration. The competent authorities shall not refuse to provide the information which has been registered. Furthermore, the Interim Regulation confirmed that various real estate ownership certificates issued prior to the implementation of the interim regulation shall remain valid.

The MLR implemented the Implementing Rules of the Interim Regulations on Real Estate Registration (不動產登記暫行條例實施細則) (the “**Rules**”) on 1 January 2016. The Rules stipulate that after the acceptance of an application for real estate registration, the real estate registration authority shall perform a site inspection. The owners and interested parties may inquire and obtain the relevant real estate registration information. The Rules also clarify that real estate registration information shall be managed by the relevant real estate registration authorities, which shall establish a real estate registration information management system and an information safety and confidentiality system. No individual or entity shall disclose such real estate registration information.

Regulation on Fiscal Debts of Local Governments

In accordance with Guidance on Further Strengthening Adjustment of the Credit Structure to Promote the Fast and Smooth Development of the National Economy (中國人民銀行、中國銀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 the PBOC and the 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 19 and Circular 2881 were separately promulgated in June 2010 and November 2010, respectively. In accordance with Circular 19, all levels of local governments shall clear up the debts of their respective financing platform. In accordance with Circular 2881, the indebtedness of local governments will impact their financing platform's issuance of enterprise bonds.

On 21 September 2014, Circular 43 was promulgated by the State Council. Circular 43 aims to regulate the financing system of local governments and presents three channels. In accordance with Circular 43, financing platforms shall no longer serve the fiscal financing functions or incur new government debts. Public interest projects may be funded by the PRC government through issuing government bonds since the New Budget Law empowers local governments to issue government bonds and carry out public interest projects with the capital generated, such as city infrastructure construction which may be operated independently by social investors or jointly by the PRC 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 PRC 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 the State Council for approval, and then included in the budget plan of local governments.

On 11 May 2015, the Opinion on the Proper Solution of the Follow-up Financing Issues for Projects under Construction of Financing Platform of Local Governments was issued jointly by the MOF, the PBOC and the CBIRC (財政部人民銀行銀監會關於妥善解決地方政府融資平臺公司在建項目後續融資問題意見) (“**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 the relevant regulations by competent investment authorities before the date on which Circular 43 was promulgated.

The key tasks of local governments and banking financial institutions are as follows:

- *Support stock financing needs for projects under construction.* Local governments at all levels and banking financial institutions shall ensure the orderly development of projects under construction. For the loans to the projects under construction of financing platform companies, if the loan contracts with legal effect had been signed before 31 December 2014 and the loans had been granted but the contracts have not yet expired, banking financial institutions shall, under the premise of fully controlling risks and implementing credit conditions, continue to grant loans as agreed in the contracts, and shall not call in loans in advance, delay or suspend the granting of loans.
- *Regulate increment financing for projects under construction.* Local governments at all levels shall pay close attention to the incremental financing needs which are expected to be given for the projects under construction of the financing platform companies, and shall, under the premise of compliance with laws and regulations and standard administration, make overall arrangements for various kinds of capital such as fiscal capital and social capital and ensure the continuation and completion of projects under construction. For the projects under construction of financing platform companies for which the loan amount in the contracts that have been signed fails to meet the construction needs, if it is suitable for them to adopt a government and social capital cooperation mode, they shall prioritise the adaptation of such a mode to make up the construction

needs. If they are in compliance with the relevant state provisions without any other funding sources for construction, but the PRC government and social capital cooperation mode is not suitable temporarily, the increment financing needs shall be incorporated into government budget management and solved through issuing government bonds by local governments as required by law and the relevant regulations.

- *Administer in an effective and proper manner follow-up financing for projects under construction.* Banking financial institutions shall carefully check the destinations of the loans, and focus on supporting the projects under construction of financing platform companies such as farmland water conservancy facilities, affordable housing projects and urban railway systems.
- *Improve supporting measures.* Under the premise of ensuring fiscal expenditure needs, in the regions where there are corresponding amounts of government bonds issuance and where the treasury balances exceed the treasury payment for one and a half months, the local financial departments are allowed to, within the limit of the amount of government bonds issuance, make more effort to effectively use the fiscal funds in the previous years and use the surplus amount of the treasury for capital flow before government bond issuance, so as to address the time difference between the financing for projects under construction and government bonds issuance.

On 28 March 2018, the MOF announced the Notice on Regulating Financial Enterprises' Investment and Financing Activities of Local Government and State-owned Enterprise (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). On 11 May 2018, the NDRC and the MOF promulgated the Circular of the National Development and Reform Commission and the Ministry of Finance 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). In accordance with the two circulars, the offering circular for any local state-owned enterprise's bond issuance should not include any explicit or implied suggestion of government credit support, such as inclusion of the revenue and expenditure of the local government or its debt levels, and should not market the bond by reference to the local government's credit, and shall clearly state in the offering circular that the local government only bears limited liability to the extent of its amount of contribution in such state-owned enterprise, and that the debt should be repaid by the local state-owned enterprise itself.

Regulation on Loans for Real Estate Developers

Pursuant to the Circular on Further Strengthening the Management of Loans for Property Business (關於進一步加強房地產信貸業務的通知), promulgated by the PBOC on 5 June 2003, property development loans shall be granted to real estate developers who are qualified for property development, are ranked high in credibility and have no overdue payment for construction. For real estate developers with a large amount of idle land and high vacancy rate and high debt ratio, banks shall apply strict approval procedures for their new property development loans and strictly monitor their activities.

Guidance on Risk Management of Property Loans Granted by Commercial Banks (商業銀行房地產貸款風險管理指引), issued by the CBIRC on 2 September 2004 and the Notice on Strengthening the Administration of Commercial Real Estate Credit Loans (關於加強商業性房地產信貸管理的通知), issued by the CBIRC on 27 September 2007 both stipulate that commercial banks shall not provide loans for a real estate development project that has not obtained Land Use Rights Certificate, Construction Land Planning Permit, Construction Works Planning Permit and Construction Commencement Permit, and the portion of the real estate developer's own capital among the total project investment shall be no less than 35 per cent.

Regulation on Idle Land

The Notice on Promoting the Saving and Intensive Use of Land (國務院關於促進節約集約用地的通知), issued by the State Council on 3 January 2008, aims at optimising the utilisation of land. It provides that if a piece of land has been idle for two years or more, it must be taken back free of charge resolutely and rearranged for other uses; if a piece of land has been idle for more than one year but less than two years, the real estate developer shall pay the idle land surcharge at 20 per cent. of the land grant premium.

Regulation on the Issuance of Foreign Bonds

Pursuant to the NDRC Circular, which was promulgated by the NDRC and became effective on 14 September 2015, where domestic enterprises and overseas enterprises controlled by them or their overseas branches issue foreign debts, which are debt instruments of no less than one year tenor that are denominated in domestic currency or foreign currency with the capital repaid and interest paid as agreed, including bonds issued overseas and long and medium-term international commercial loans, the enterprises shall apply to the NDRC for dealing with the formalities of record-filing and registration before issuance. The NDRC shall decide whether to accept such application within five working days upon the receipt of the application and provide the Record-filing and Registration Certification of Issuance of Foreign Debts by Enterprises within seven working days after acceptance. The enterprises shall submit the issuance information to the NDRC within 10 working days after the end of each issuance. According to the SAFE Operational Guideline on Capital Account (2017) (資本項目外匯業務操作指引(2017)), if a domestic issuer issues bonds offshore, it shall register with the local branch of the SAFE within five business days after the closing date of such issuance.

Record-Filing and Registration

The NDRC Circular relates to the matters as listed below:

- remove the quota review and approval system for the issuance of foreign debts by enterprises, reform and innovate the ways that foreign debts are managed, and implement the administration of record-filing and the registration system. Realise the supervision and administration of the size of foreign debts borrowed on a macro level with the record-filing, registration, and information reporting of the issuance of foreign debts by enterprises;
- before the issuance of foreign debts, enterprises shall first apply to the NDRC for the handling of the record-filing and registration procedures and shall report the information on the issuance to NDRC within 10 working days of completion of each issuance;
- record-filing and registration materials to be submitted by an enterprise for the issuance of foreign debts shall include: application report for the issuance of foreign debts and issuance plan, including the currency, size, interest rate, and maturity of foreign debts, the purpose of the funds raised, back flow of funds, etc. The applicant shall be responsible for the authenticity, legality, and completeness of the application materials and information;
- the NDRC shall decide whether to accept the application for record-filing and registration within 5 working days of receiving it and shall issue a Certificate for Record-filing and Registration of the Issuance of Foreign Debts by Enterprises within seven working days of accepting the application and within the limit of the total size of foreign debts;
- the issuer of foreign debts shall handle the procedures related to the outflow and inflow of foreign debt funds with the Certificate for Record-filing and Registration according to the regulations. When the limit of the total size of foreign debts is exceeded, the NDRC shall make a public announcement and no longer accept applications for record-filing and registration;
- if there is a major difference between the actual situation of the foreign debts issued by the enterprises and the situation indicated in the record-filing and registration, an explanation shall be given when reporting relevant information. The NDRC shall enter the poor credit record of an enterprise which maliciously and falsely reports the size of its foreign debts for record-filing and registration into the national credit information platform.

Regulation on the Foreign Exchange Administration

According to the Administrative Measures for Foreign Debt Registration (外債登記管理辦法), effective as at 13 May 2013 and amended on 4 May 2015, and its operating guidelines, issuers of foreign debt are required to register with the SAFE. Issuers other than banks and financial departments of the PRC government shall go through registration or record-filing procedures with the local branch of the SAFE within 15 business days of entering into a foreign debt agreement. If the receipt and payment of funds

related to the foreign debt of such issuer is not handled through a domestic bank, the issuer shall, in the event of any change in the amount of money withdrawn, principal and interest payable or outstanding debt, go through the relevant record-filing procedures with the local branch of the SAFE.

Regulation on the Cross-Border Financing

On 12 January 2017, the PBOC issued the Circular of the People's Bank of China on Implementation of the Macro-prudence Management of Cross-border Financing in Full Aperture (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**”), which came into effect on the same date, and amended on 11 March 2020. The Cross-Border Financing Circular established a mechanism aimed at regulating cross-border financing activities based on the capital or net asset of the borrowing entities using a prudent management principle on a macro nationwide scale.

Bidding and Tendering Management

Bidding and tendering for various construction projects have been provided for 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 and was amended on 27 December 2017, 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 and was amended on 1 March 2017 and 19 March 2018 and which amendment became effective on the same date, 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 promulgated on 8 March 2003 which became effective on 1 May 2003 and was amended on 11 March 2013 and which amendment became effective on 1 May 2013, Administrative Measures for the Bidding and Tendering of Design of Construction Projects (建設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, Provisions on the Tendering Scope and Scale Standards of Construction Projects (工程建設專案招標範圍和規模標準規定) issued by NDRC on 1 May 2000 and became effective on the same date and Administrative Measures for the Bidding and Tendering of Housing Construction and City 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.

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 related to social public interests and public security, including large infrastructure and utilities, projects invested by using state-owned fund or financed by the PRC government in whole or in part and projects using loans or funding aid from international organisations or foreign governments.

The process of bidding and tendering consists of five stages including bid invitation, tendering, bid opening, bid evaluation and bid award. The principles 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 tenderer shall issue the notification to the successful bidder. The notification is legally binding on both the tenderer 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 should undergo bidding as required by law fails to go through the bidding process or the bidding process 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 1.0 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 directly in charge of the entity or other person directly liable. Further, in accordance with the provisions of the Interpretations of the Supreme People's Court on Issues of Law Application during the Trial of Construction Contracts for Building Projects (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) issued by the Supreme People's Court on 25 October 2004 and which became

effective on 1 January 2005, 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 (建築法) which became effective on 1 March 1998 and amended on 22 April 2011 which amendment became effective on 1 July 2011, 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, became effective on the same date, and was amended on 7 October 2017, Administrative Measures for Quality Management of Construction Project Survey (建設工程勘察質量管理辦法) amended by MOC on 22 November 2007 and became effective on the same date, Administrative Measures for Completion Acceptance Record of Building Construction and City 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 (房屋建築工程質量保修辦法) 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 19 April 2016, 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 its implementation rules (公路工程竣(交)工驗收辦法實施細則) which was promulgated on 1 May 2010 and Measures for the Management of Construction Project Quality Deposits (建設工程品質保證金管理辦法) issued by the MOHURD and the MOF on 20 June 2017 and became effective on 1 July 2017.

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 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.

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 and last amended on 2 July 2016, 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 amended on 16 July 2017 and became effective on 1 October 2017, and Administrative Measures for Environmental Protection Acceptance of Construction Projects upon Completion (建設項目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 with respect to 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.

Environmental Protection

The Environmental Protection Law (環境保護法), promulgated on 26 December 1989 by the Standing Committee of the National People's Congress, which became effective on 26 December 1989, as amended on 24 April 2014, establishes the legal framework for environmental protection in the PRC. The Ministry of Ecology and Environment of the State Council (the "MEE") supervises environmental

protection work in the PRC and establishes national standards for the discharge of pollutants. Each of the local environmental protection bureaus is responsible for the environmental protection work within their respective jurisdictions.

Air Pollution

The Air Pollution Prevention Law (大氣污染防治法), promulgated on 29 April 2000 by the Standing Committee of the National People's Congress, which became effective on 1 September 2000 and was amended on 29 August 2015 and became effective on 1 January 2016, establishes the legal framework for air pollution prevention in the PRC. The MEE formulates national air quality standards. Each of the local environmental protection bureaus is authorised to regulate air pollution within each of their respective jurisdictions by formulating specific local standards and may impose penalties for violation.

Water Pollution

The Water Pollution Prevention Law (水污染防治法), promulgated on 11 May 1984 by the Standing Committee of the National People's Congress, which became effective on 1 November 1984, and last amended on 27 June 2017, establishes the legal framework for water pollution prevention in the PRC. The MEE formulates national waste discharge standards. Enterprises that discharge waste into water shall pay a treatment fee. Each of the local environmental protection bureaus is authorised to regulate water pollution within each of its respective jurisdictions by formulating more specific local standards, and may impose penalties for violation, including suspending operations.

Noise Pollution

The Noise Pollution Prevention Law (中華人民共和國環境噪聲污染防治法), promulgated by the Standing Committee of the National People's Congress on 29 October 1996, which became effective on 1 March 1997, establishes the framework for noise pollution prevention in the PRC. Under the Noise Pollution Prevention Law, any person undertaking a construction, decoration or expansion project which might cause environmental noise pollution, shall prepare and submit an environmental impact report to the environmental protection authority for approval. Facilities for prevention and control of environmental noise pollution shall be designed and approved by the environmental protection authority prior to the commencement of the project, and be built and put into use simultaneously with the project works. Facilities for prevention and control of environmental noise pollution may not be dismantled or suspended without the approval of the environmental protection authority.

Construction Projects

The Environmental Impact Appraisal Law (環境影響評價法), promulgated by the Standing Committee of the National People's Congress on 28 October 2002, which became effective on 1 September 2003 and was amended on 2 July 2016, Administrative Regulations on Environmental Protection of Construction Projects (建設項目環境保護管理條例), promulgated by the State Council on 29 November 1998, which became effective on 29 November 1998 and was amended on 16 July 2017, and the Measures for the Administration of Examination and Approval of Environmental Protection Facilities of Construction Projects (建設項目竣工環境保護驗收管理辦法), promulgated by the Ministry of Environmental Protection (now the MEE) on 27 December 2001, which became effective on 1 February 2002 and was amended on 22 December 2010, require enterprises planning construction projects to engage qualified professionals to provide assessment reports on the environmental impact of such projects. The assessment report shall be filed with and approved by the relevant environmental protection bureau prior to the commencement of any construction work. The construction project shall not commence operation, unless inspected and approved by the relevant environmental protection bureau.

Labour

Employment Contracts

The Labour Contract Law (勞動合同法), promulgated by the Standing Committee of the National People's Congress 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 Standing Committee of the National People's Congress 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 on Work Safety

According to the Work Safety Law of the People's Republic of China (安全生產法) effective from 1 November 2002 and last amended on 31 August 2014, if anything relating to work safety shall be subject to examination and approval according to the provisions of the relevant laws and regulations (including approval, verification, permission, registration, certification, granting licences, and etc.), the departments responsible for work safety supervision and administration must carry out the examination and approval by strictly following the relevant laws and regulations as well as the conditions and procedures for safe production as required by national or industrial standards. In the event that the administrative department in charge of examination and approval discovers or receives reports that any entity has unlawfully engaged in relevant activities without obtaining approval or without passing the examinations for acceptance, it shall revoke the unlawful act without delay and handle the case according to the law.

Administrative Regulations on the Safety of Hazardous Chemicals (危險化學品安全管理條例), which was promulgated on 26 January 2002 and last amended on 7 December 2013, firstly provides that the State implements the licensing system for the operation of hazardous chemicals (including storage management, hereinafter the same), and without being licensed, any units and individuals shall not deal in hazardous chemicals. Secondly, it provides that the enterprises dealing in hyper-toxic chemicals or hazardous chemicals to make explosives shall file applications to the production safety supervision and administration departments of the local people's governments at municipality (with districts) level and the enterprises dealing in other hazardous chemicals shall file applications to the production safety supervision and administration departments of the local people's governments at county level (if the enterprise has storage facilities, it shall file applications to the production safety supervision and administration department of the local people's government at municipality (with districts) level). Thirdly, the authorities mentioned above shall examine such documents pursuant to laws, conduct on-site verification on the business premises and storage facilities of the applicants, and make the decision of approval or refusal (if the application is approved, the licences for dealing in hazardous chemicals shall be issued). At last, the applicants shall not deal in hazardous chemicals until they hold the licenses for dealing in hazardous chemicals to handle registration at AICs.

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 advisers concerning the possible tax consequences of buying, holding or selling any Bonds under the laws of their country of citizenship, residence or domicile.

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-resident Bondholders” in this “Taxation — PRC” section. In considering whether to invest in the Bonds, investors should consult their individual tax advisers 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.

Income Tax

Pursuant to the EIT Law, the IIT Law, and the implementation regulations of the EIT Law and the IIT Law, an income tax is imposed on payment of interest by way of withholding in respect of debt securities, issued by PRC enterprises to non-PRC Bondholders, including non-PRC resident enterprises and non-PRC resident individuals. The current rates of such income tax are 10 per cent. for non-PRC resident enterprises and 20 per cent. for non-PRC resident individuals. IIT Law was further amended on 31 August 2018 and became effective on 1 January 2019, according to which, the rate of such income tax remains at 20 per cent. for non-PRC individuals (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 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. The tax so charged on interests paid on the Bonds to non-PRC Bondholders who, or which are residents of Hong Kong (including enterprise holders and individual holders) as defined in the Arrangement will be 7 per cent. of the gross amount of the interest pursuant to the Arrangement and relevant interpretation of the Arrangement formulated by the State Administration of Taxation. To enjoy this preferential tax rate of 7 per cent., the Issuer could apply, on behalf of the Bondholders, to the State Administration of Taxation of the PRC for the application of the tax rate of 7 per cent. in accordance with the Arrangement on the interest payable in respect of the Bonds.

Capital Gains

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 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 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 one 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.

Value-added Tax

On 23 March 2016, the MOF and the State Administration of Taxation issued Circular 36, which introduced a new VAT from 1 May 2016. Under Circular 36, VAT is applicable where the entities or individuals provide services within the PRC. The operating revenues generated from the provision of taxable sale of services by entities and individuals, such as financial services, shall be subject to VAT if the seller or purchaser of the services is within the PRC. In the event that the seller is an entity or individual which does not have a business establishment in the PRC, the purchaser of the services shall act as the withholding agent. According to the Explanatory Notes to Sale of Services, Intangible Assets and Real Property attached to Circular 36, financial services refer to the business activities of financial and insurance operation, including loan services, financial services of direct charges, insurance services and the transfer of financial instruments, and the applicable VAT rate is 6 per cent.

Accordingly, the interest and other interest-like earnings received by a non-resident Bondholder from the Issuer will be subject to PRC VAT at the rate of 6 per cent. The Issuer will be obliged to withhold VAT of 6 per cent. and certain surcharges on payments of interest and other amounts on the Bonds paid by the Issuer to Bondholders that are non-resident enterprises or individuals. According to the Interim Regulation of the PRC on City Maintenance and Construction Tax, the Interim Provisions on the Collection of Educational Surcharges and Notice of the Ministry of Finance on the Relevant Matters regarding Unifying the Policies on Local Education Surcharges and the Administrative Measures on the Collection and Utilisation of Local Educational Surcharges in Wuhan, certain surcharges include a city maintenance and construction tax (7.0 per cent. in the case of the Issuer), an educational surcharge (3.0 per cent.) and a local educational surcharge (2.0 per cent.).

However, there is uncertainty as to whether gains derived from a sale or exchange of Bonds consummated outside the PRC between non-PRC resident Bondholders will be subject to VAT. 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, the interpretation and enforcement of such laws and regulations involve uncertainties.

Pursuant to the EIT Law, IIT Law and the VAT reform detailed above, the Issuer shall withhold EIT or IIT (should such tax apply) from the payments of interest in respect of the Bonds for any non-PRC resident enterprise or non-PRC resident individual Bondholder and the Issuer shall withhold VAT (should such tax apply) from the payments of interest in respect of the Bonds for any Bondholders located outside of the PRC. However, in the event that the Issuer is required to make such a deduction or withholding (whether by way of EIT, IIT, VAT or otherwise), the Issuer has agreed to 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, as further set out in “*Terms and Conditions of the Bonds — Taxation*”.

Stamp Duty

No PRC stamp duty will be imposed on non-resident 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 the PRC.

HONG KONG

Withholding Tax

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

Stamp Duty

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

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 Issuer may be a foreign financial institution for these purposes. A number of jurisdictions 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 date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register, and Bonds characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining “foreign passthru payments” are filed with the U.S. Federal Register generally would be “grandfathered” for purposes of FATCA withholding unless materially modified after such date. However, if additional bonds (as described under “*Terms and Conditions of the Bonds — Further Issues*”) that are not distinguishable from previously issued Bonds are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Bonds, including the Bonds offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Bonds.

SUBSCRIPTION AND SALE

The Issuer has entered into a subscription agreement with the Joint Lead Managers dated 29 June 2021 (the “**Subscription Agreement**”), pursuant to which and subject to certain conditions contained therein, the Issuer has agreed to sell to the Joint Lead Managers, and the Joint Lead Managers have agreed to subscribe and pay for, or to procure subscribers to subscribe and pay for the aggregate principal amount of the Bonds set forth opposite its name below:

	Principal Amount of the Bonds be subscribed
	(U.S.\$)
Joint Lead Managers	
Bank of China Limited.	320,000,000
CEB International Capital Corporation Limited	20,000,000
China CITIC Bank International Limited	20,000,000
China Everbright Bank Co., Ltd., Hong Kong Branch.	20,000,000
China International Capital Corporation Hong Kong Securities Limited.	20,000,000
China Minsheng Banking Corp., Ltd., Hong Kong Branch	20,000,000
CMB International Capital Limited	20,000,000
ICBC International Securities Limited	20,000,000
Industrial Bank Co., Ltd. Hong Kong Branch	20,000,000
Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch.	20,000,000
Total	500,000,000

The Subscription Agreement provides that the Joint Lead Managers and their respective subsidiaries, affiliates or any person who controls any of them or any of their respective directors, officers, employees or agents 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.

The Joint Lead Managers and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities (“**Banking Services or Transactions**”). The Joint Lead Managers and their respective affiliates may have, from time to time, performed, and may in the future perform, various Banking Services or Transactions with the Issuer for which they have received, or will receive, fees and expenses.

In connection with the offering of the Bonds, each of the Joint Lead Managers and/or their respective affiliate(s) or affiliates of the Issuer may act as investors and place orders, receive allocations and trade the Bonds for their own account and such orders, allocations or trading of the Bonds may be material. Such entities 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. 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 or affiliates of the Issuer as investors for their own account. Such persons are not expected to disclose such investment or transaction or the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so. If such transactions occur, the trading price and liquidity of the Bonds may be impacted. Furthermore, it is possible that a significant proportion of the Bonds may be initially allocated to, and subsequently held by, a limited number of investors. If this is the case, the trading price and liquidity of trading in the Bonds may be constrained. The Issuer and the Joint Lead Managers are under no obligation to disclose the extent of the distribution of the Bonds amongst individual investors, otherwise than in accordance with any applicable legal or regulatory requirements.

Each of the Joint Lead Managers or their respective affiliates may purchase the Bonds for its own account or for the accounts of its 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 or its subsidiaries or associates 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). Such transactions 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 other financial instruments of the Issuer, and may recommend to their clients that they acquire long and/or short positions in the Bonds or other financial instruments of the Issuer.

In connection with the issue of the Bonds, any of the Joint Lead Managers (or any of its affiliates) appointed and acting in its capacity as Stabilisation Manager or any person acting on its behalf provided that China CITIC Bank International Limited shall not be appointed and acting as the Stabilisation Manager may, to the extent permitted by applicable laws and regulations, 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 its behalf shall act as principal and not as agent of the Issuer. However, there is no assurance that the Stabilisation Manager or any person acting on its behalf 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 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 loss or profit sustained as a consequence of any such over-allotment or stabilisation shall be for the account of the Stabilisation Manager.

If a jurisdiction requires that the offering be made by a licenced broker or dealer and a Joint Lead Manager or any affiliate of such Joint Lead Manager is a licenced broker or dealer in that jurisdiction, the offering shall be deemed to be made by such Joint Lead Managers or such affiliate on behalf of the Issuer in such jurisdiction.

GENERAL

The distribution of this Offering Circular or any offering material and the offering, sale or delivery of the Bonds are subject to restrictions in certain jurisdictions and may not be made except pursuant to registration with or authorisation by the relevant securities regulatory authorities or an exemption therefrom. 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. Persons into whose hands this Offering Circular comes are required by the Issuer and the Joint Lead Managers to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Bonds or have in their possession, distribute or publish this Offering Circular or any other offering material relating to the Bonds, in all cases at their own expense.

UNITED STATES

The Bonds have not been and will not be registered under 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. The Bonds are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the Securities Act.

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.

UNITED KINGDOM

Each of the Joint Lead Managers has represented 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.

THE PEOPLE’S REPUBLIC OF CHINA

Each of the Joint Lead Managers has represented and agreed 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 the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by the securities laws of the PRC.

HONG KONG

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

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Bonds other than (i) to “professional investors” as defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”) and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (b) 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 of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to 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.

SINGAPORE

The Joint Lead Managers have 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 agreed that it has not offered or sold any Bonds or caused such Bonds to be made the subject of an invitation for subscription or purchase, and will not offer or sell such Bonds or cause such 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 such 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:

- (1) 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;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 276(7) of the SFA; or
- (5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Any reference to the SFA is a reference to the Securities and Futures Act, Chapter 289 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

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 (the “CMP Regulations 2018”), the Issuer has determined, and hereby notified 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 (Law No. 25 of 1948, as amended) (the “**Financial Instruments and Exchange Act**”) and, accordingly, each of the Joint Lead Managers has represented and agreed 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.

SUMMARY OF CERTAIN DIFFERENCES BETWEEN PRC GAAP AND IFRS

The consolidated financial statements of the Issuer included in this Offering Circular have been prepared and presented in accordance with PRC GAAP. Certain differences exist between PRC GAAP and IFRS which might be relevant to the Issuer's consolidated financial information. The following is a general summary of certain differences between PRC GAAP and IFRS as applicable to the Group. Since the summary is not meant to be exhaustive, there is no assurance regarding the completeness of this summary. The Issuer has not prepared a complete reconciliation of the consolidated financial information and related disclosure between PRC GAAP and IFRS and have not quantified such differences. Had any such quantification or reconciliation been undertaken by the Group, other potentially significant accounting and disclosure differences may have been 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. Furthermore, no attempt has been made to identify future differences between PRC GAAP and IFRS that may affect the financial information as a result of transactions or events that may occur in the future. As a result, 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 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.

GOVERNMENT GRANT

Prior to 1 January 2017, under PRC GAAP, an assets-related government grant was only required to be recognised as deferred income, and evenly amortised to profit or loss over the useful life of the related asset. However, under IFRS, such assets-related government grants are allowed to be presented in the statement of financial position either by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset. From 1 January 2017, the treatment of an assets-related government grant under the PRC GAAP has changed and is the same as that under IFRS.

Under PRC GAAP, the relocation compensation for public interests is required to be recognised as special payables. The income from compensation attributable to losses of fixed assets and intangible assets, related expenses, losses from production suspension incurred during the relocation and reconstruction period and purchases of assets after the relocation are transferred from special payables to deferred income and accounted for in accordance with the government grants standard. The surplus reached after deducting the amount transferred to deferred income shall be recognised in capital reserve.

Under IFRS, if an entity relocates for reasons of public interests, the compensation received shall be recognised in profit or loss.

REVERSAL OF AN IMPAIRMENT LOSS

Under PRC GAAP, once an impairment loss is recognised for a long-term asset (including investment property valued under the cost model, long-term equity investments, 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 may 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.

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.

AVAILABLE-FOR-SALE FINANCIAL ASSETS

Under PRC GAAP, an enterprise shall measure available-for-sale financial assets at their fair values. If the available-for-sale financial assets do not have a quoted market price in an active market, and their fair value cannot be reliably measured, cost model shall be applied.

Under IFRS, available-for-sale financial assets are measured at fair value.

RELATED PARTY DISCLOSURES

Under PRC GAAP, government-related entities are not regarded as related parties simply because they are under common control from the State. The transactions with such government-related entities do not need to be disclosed.

Under IFRS, government-related entities are treated as related parties. The transactions with such government-related entities may be exempted from certain disclosure requirements under IAS 24, but it is still compulsory to disclose information including the name of the government and the relationship between such entity and the government, the nature and amount of each material transaction and other material qualitative or quantitative indicators of such transaction.

GENERAL INFORMATION

1. **Clearing Systems:** The Bonds have been accepted for clearance through Euroclear and Clearstream under Common Code 235243733 and the International Securities Identification Number for the Bonds is XS2352437334. The Issuer's Legal Entity Identifier is 549300COGKUP1D5V6086.
2. **Authorisations:** The issue of the Bonds and entry into the transaction documents relating thereto were authorised by the decision of Wuhan SASAC dated 31 December 2020 and by the resolutions of the board of directors of the Issuer dated 7 November 2020. The Issuer has obtained all necessary consents, approvals and authorisations and completed all necessary filing, registration and other actions in connection with the issue and performance of its obligations under the Bonds, the Trust Deed and the Agency Agreement, except for (i) the submission of the Bonds for registration with the SAFE within fifteen Registration Business Days after the Issue Date and (ii) the filing of the requisite information and documents with the NDRC within 10 Registration Business Days after the Issue Date.
3. **No Material 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 financial condition, prospects, results of operations or general affairs of the Issuer or the Group since 31 December 2020.
4. **Litigation:** Save as disclosed in this Offering Circular, neither the Issuer nor the Group is involved in any litigation or arbitration proceedings which could have a material and adverse effect on their business, results of operations and financial condition nor is the Issuer aware that any such proceedings are pending or threatened.
5. **Available Documents:** Copies of the Trust Deed and the Agency Agreement relating to the Bonds and the Issuer's 2020 Financial Statements will be available for inspection during normal business hours (being 9:00 a.m. to 3:00 p.m. Monday to Friday, public holidays excepted) by the Bondholders at the principal place of business for the time being of the Trustee, being at the Issue Date at 20/F, Citi Tower, One Bay East, 83 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong, so long as any Bond is outstanding.
6. **Financial Statements:** The Issuer's audited consolidated financial statements as at and for the years ended 31 December 2019 and 2020 have been audited by Zhongxingcai. Zhongxingcai has given and not withdrawn its consent to the inclusion of its auditor report to the Issuer included in this Offering Circular in the form and context in which it appears.
7. **Listing of Bonds:** Application will be made to the SEHK for the listing of, and permission to deal in, the Bonds by way of debt issues to Professional Investors only and such permission is expected to become effective on or about 12 July 2021.

INDEX TO FINANCIAL STATEMENTS

Consolidated Financial Statements of the Issuer as at and for the year ended 31 December 2020

Audit Report.	F-4
Consolidated and the Company's Balance Sheet.	F-8
Consolidated and the Company's Income Statement	F-10
Consolidated and the Company's Cash Flow Statement.	F-11
Consolidated and the Company's Statement of Changes of Owner's Equity	F-12
Notes to Financial Statements	F-16

WuHan Urban Construction Group Co., Ltd.

Z.X.C.G.H.S.K. Zi.[2021]No.323001

Table of Contents

Audit Report

Consolidated and the Company's Balance Sheet	1-2
Consolidated and the Company's Income Statement	3
Consolidated and the Company's Statement of Cash Flows	4
Consolidated and the Company's Statement of Changes in Owners' Equity	5-8
Notes to the Financial Statements	9-302

Audit Report

Z.X.C.G.H.S.K. Zi.[2021]No.323001

WuHan Urban Construction Group Co., Ltd.,

I. Opinion

We have audited the attached financial statements of WuHan Urban Construction Group Co., Ltd. (hereinafter referred to as "the Company"), which comprise the consolidated balance sheet and the Company's balance sheet as at December 31, 2020, the consolidated income statement and the Company's income statement, the consolidated statement of cash flows and the Company's statement of cash flows, the consolidated statement of changes in owners' equity and the Company's statement of changes in owners' equity and notes to the related financial statements for the year then ended.

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

II. Basis for Opinion

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

III. Management and Governance’s Responsibility for the Financial Statements

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

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

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

IV. Certified Public Accountant’s Responsibility for the Audit of the Financial Statements

Our objective is to obtain reasonable assurance about whether the overall financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but it cannot guarantee that an audit conducted in accordance with the Audit Standards will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are generally considered material if separate or aggregated misstatements are reasonably expected to possibly influence the economic decisions made by the users of financial statements based on these financial statements.

During the process of an audit conducted in accordance with audit standards, we exercise professional judgment and maintain professional skepticism. Meanwhile, we also:

(1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for

our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(2) Understand the 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 internal control.

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

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

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

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

Zhongxingcai Guanghua Certified Public
Accountants LLP
(Special Ordinary Partnership)



Beijing, China

Certified Public Accountant
of China:



Certified Public Accountant
of China:



April 29, 2021

Consolidated Balance Sheet and Balance Sheet of the Company

Prepared by: WuHan Urban Construction Group Co, Ltd.

Monetary unit: RMB

Item	Notes	As at December 31, 2020		As at December 31, 2019	
		Consolidation	Company	Consolidation	Company
Current assets:					
Cash and Cash equivalents	7.1	30,622,373,207.70	7,732,335,750.28	24,178,811,893.34	5,881,961,410.21
Financial assets measured at fair value through current profit or loss					
Derivative financial assets					
Notes receivable	7.2	270,505,666.99		34,635,720.27	
Accounts receivable	7.3	7,555,755,070.99		6,190,900,585.86	
Prepayment	7.4	10,704,016,702.19	3,447,347,308.72	19,602,840,562.11	4,771,768,758.54
Other receivables	7.5	43,663,646,212.77	39,305,020,579.91	40,534,571,109.11	37,921,965,451.12
Inventories	7.6	111,142,425,080.41	67,826,935.90	94,489,867,182.87	67,248,586.95
Held-for-sale assets					
Non-current assets due within one year	7.7	427,790,335.74			
Other current assets	7.8	3,182,173,382.57	9,616,968.00	2,711,264,598.02	1,515,987.07
Total current assets		207,568,685,659.36	50,562,147,542.81	187,742,891,651.58	48,644,460,193.89
Non-current assets:					
Available-for-sale financial assets	7.9	5,511,495,008.10	4,254,493,555.00	6,649,202,535.23	5,553,475,417.73
Held-to-maturity investments					
Long-term receivables	7.10	8,490,116,194.07		1,726,307,880.13	543,449,460.31
Long-term equity investments	7.11	6,154,849,910.71	20,490,002,886.58	3,318,250,811.89	20,213,306,201.54
Investment properties	7.12	6,863,693,810.15	778,314,511.28	3,383,368,503.11	808,813,954.93
Fixed assets	7.13	1,174,909,519.64	36,694,734.11	992,327,250.96	39,125,554.37
Construction in progress	7.14	58,988,670,420.22	48,783,251,668.01	54,320,709,901.85	45,466,204,028.22
Productive biological assets					
Oil and gas assets					
Intangible assets	7.15	735,482,683.38	165,041,337.50	653,664,429.38	169,193,320.83
Development expenditure	7.16	5,185,129.50		4,589,523.65	
Goodwill	7.17	18,938,902.23		18,938,902.23	
Long-term deferred expenses	7.18	737,803,361.20	52,534,392.04	668,097,508.08	
Deferred income tax assets	7.19	566,929,442.83	119,326,827.95	510,425,069.58	185,935,069.56
Other non-current assets	7.20	528,503,820.07		1,010,919,437.79	
Total non-current assets		89,776,578,202.10	74,679,659,912.47	73,256,801,753.88	72,979,503,007.49
Total assets		297,345,263,861.46	125,241,807,455.28	260,999,693,405.46	121,623,963,201.38

Legal Representative:



Chief Accountant:



Head of the Accounting Department:



Consolidated Balance Sheet and Balance Sheet of the Company (continued)

Prepared by: WuHan Urban Construction Group Co., Ltd.

Monetary unit: RMB

Item	Notes	As at December 31, 2020		As at December 31, 2019	
		Consolidation	company	Consolidation	company
Current liabilities:					
Short-term borrowings	7.21	2,406,402,124.22		4,403,648,205.79	
Financial liabilities measured at fair value through current profit or loss					
Derivative financial liabilities					
Notes payable	7.22	828,529,818.53		356,771,494.11	
Accounts payable	7.23	18,537,796,262.23	987,984,675.11	16,370,416,346.29	1,399,665,184.57
Receipts in advance	7.24	39,943,140,888.34	6,245,480.06	28,857,870,935.67	6,360,096.06
Contract liabilities	7.25	1,976,566,604.28			
Employee benefits payables	7.26	253,056,181.93	935,015.36	270,554,733.37	757,370.79
Taxes payable	7.27	2,186,957,206.85	38,754,429.31	1,766,513,818.93	36,098,594.58
Other payables	7.28	23,407,037,230.00	19,652,128,484.21	15,430,702,170.89	17,342,201,319.69
Held-for-sale liabilities					
Non-current liabilities due within one year	7.29	19,534,513,215.02	8,490,361,651.08	19,886,094,795.32	6,796,000,000.00
Other current liabilities	7.30	1,492,717,582.12		919,214,500.19	
Total current liabilities		110,566,717,113.52	29,176,409,735.13	88,261,787,000.56	25,581,082,565.69
Non-current liabilities:					
Long-term borrowings	7.31	61,298,352,836.95	15,261,112,234.00	57,123,124,103.40	14,853,410,000.00
Bonds payable	7.32	17,158,950,000.00	10,443,950,000.00	17,896,100,000.00	13,493,100,000.00
Including: preferred shares					
Perpetual bond					
Long-term payables	7.33	29,928,141,193.49	10,663,455,344.35	25,550,210,186.03	10,130,154,651.69
Long-term Employee benefits payables					
Accrued liabilities	7.34	2,892,101.07		36,083.97	
Deferred income	7.35	94,491,286.55		168,400,090.82	
Deferred income tax liabilities	7.19	39,442,095.06		172,728,792.17	
Other non-current liabilities					
Total non-current liabilities		108,522,269,513.12	36,368,517,578.35	100,910,599,256.39	38,476,664,651.69
Total liabilities		219,088,986,626.64	65,544,927,313.48	189,172,386,256.95	64,057,747,217.38
Owners' equity:					
Paid-in capital	7.36	1,000,000,000.00	1,000,000,000.00	1,000,000,000.00	1,000,000,000.00
Other equity instruments					
Including: preferred shares					
Perpetual bond					
Capital reserves	7.37	66,714,196,647.10	58,620,646,729.20	64,748,621,622.95	56,724,604,976.41
Less: treasury stock					
Other comprehensive income		-279,061,248.62	-289,679,297.56	-471,744,328.26	-481,992,900.50
Special reserve	7.38	4,836,012.94		3,097,922.60	
Surplus reserves	7.39	186,123,121.45	186,123,121.45	170,327,324.54	171,292,241.24
Retained earnings	7.40	5,359,619,142.13	179,789,588.71	3,716,014,150.69	152,311,666.85
Total equity attributable to owners of the parent company		72,985,713,675.00	59,696,880,141.80	69,166,316,692.52	57,566,215,984.00
Non-controlling interests		5,270,563,559.82		2,660,990,455.99	
Owners' equity		78,256,277,234.82	59,696,880,141.80	71,827,307,148.51	57,566,215,984.00
Total liabilities and owner's equity		297,345,263,861.46	125,241,807,455.28	260,999,693,405.46	121,623,963,201.38

Legal Representative:



Chief Accountant:



Head of the Accounting Department:



Consolidated Income Statement and Income Statement of the Company

Prepared by: Wuhan Urban Construction Group Co., Ltd.

Monetary unit: RMB

Item	Notes	2020		2019	
		Consolidation	Company	Consolidation	Company
I. Operating income		26,653,598,479.41	379,396,098.72	9,940,158,463.73	529,000,491.58
Less: operating cost	7.41	21,203,779,227.75	217,705,950.36	6,735,469,558.59	405,175,937.96
Taxes and surcharges		856,848,806.21	12,422,366.15	994,194,883.65	15,372,810.00
Selling expenses	7.42	543,338,281.56		139,165,216.85	
General and administrative expenses	7.43	1,112,417,617.30	60,342,572.35	512,875,336.67	70,710,922.17
Research & development expenses	7.44	479,753,824.28		9,801,518.02	
Financial expenses	7.45	975,482,663.39	263,155,534.82	526,955,253.47	279,823,288.90
Including: interest expenses	7.45	1,305,136,452.32	263,984,451.22	658,953,085.29	271,798,680.31
Interest income	7.45	384,045,370.36	1,119,129.24	146,537,729.50	1,786,255.15
Plus: other income	7.46	161,568,035.29	167,964.92	5,143,281.93	2,218,922.47
Investment income ("-" for loss)	7.47	1,061,332,209.85	324,254,727.96	391,201,447.13	231,498,467.98
Including: income from investment in associates and joint ventures	7.47	740,821,798.16	42,881,796.25	81,252,087.29	-649,144.33
Gains from changes in fair value ("-" for loss)					
Credit impairment losses ("-" for loss)	7.48	548,492.86			
Assets impairment losses ("-" for loss)	7.49	-226,828,322.76	14,829.10	7,592,608.47	11,489,550.01
Gains from disposal of assets ("-" for loss)	7.50	12,590,338.74		-5,308.72	
II. Operating profit ("-" for losses)		2,491,188,812.90	150,207,197.02	1,425,628,725.29	3,124,473.01
Plus: Non-operating income	7.51	17,843,099.47	806,218.00	16,090,540.12	33,874.99
Less: non-operating expenses	7.52	8,418,879.64	200,905.67	14,889,239.44	257,030.77
III. Total profit ("-" for total loss)		2,500,613,032.73	150,812,509.35	1,426,830,025.97	2,901,317.23
Less: income tax expenses	7.53	438,136,170.73	2,503,707.28	428,319,166.90	1,830,897.06
IV. Net profit ("-" for net loss)		2,062,476,862.00	148,308,802.07	998,510,859.07	1,070,420.17
(I) Classification by the continuity of operation		2,062,476,862.00	148,308,802.07	340,461,980.74	1,070,420.17
1. Net profit from continued operation ("-" for net loss)		2,062,476,862.00	148,308,802.07	340,461,980.74	1,070,420.17
2. Net profit from discontinued operation ("-" for net loss)					
(II) Classified by ownership		2,062,476,862.00	148,308,802.07	998,510,859.07	1,070,420.17
1. Net profit attributable to owners of the parent company ("-" for net loss)		1,862,965,829.52	148,308,802.07	824,800,159.68	1,070,420.17
2. Net profit attributable to non-controlling interests		199,511,032.48		173,710,699.39	
V. Other comprehensive income, net of tax	7.54	192,683,079.64	192,313,602.94	340,461,980.74	342,407,208.73
(I) Other comprehensive income, net of tax, attributable to owners of the parent company	7.54	192,683,079.64	192,313,602.94	340,461,980.74	342,407,208.73
1. Other comprehensive income that cannot be reclassified into profit and loss		-	-	-	-
(1) Changes in remeasurement of defined benefit plans					
(2) Other comprehensive income that cannot be transferred into profit and loss under equity method					
2. Other comprehensive income to be reclassified into profit and loss	7.54	192,683,079.64	192,313,602.94	340,461,980.74	342,407,208.73
(1) Other comprehensive income that can be transferred into profit and loss under equity method					
(2) Profit and loss of change in fair value of available-for-sale financial assets	7.54	192,683,079.64	192,313,602.94	340,461,980.74	342,407,208.73
(3) Held-to-maturity investments reclassified into gains and losses of available-for-sale financial assets					
(4) Effective portion of cash flow hedging gains and losses					
(5) Translation differences of foreign currency financial statements					
(II) Net amount of other comprehensive incomes after tax attributable to minority shareholders					
VI. Total comprehensive income		2,255,159,941.64	340,622,405.01	1,338,972,839.81	343,477,628.90
Total comprehensive income attributable to owners of the parent company		2,055,648,909.16	340,622,405.01	1,165,262,140.42	343,477,628.90
Total comprehensive income attributable to non-controlling interests		199,511,032.48		173,710,699.39	

In case of business combination under common control, net profit realized by the combinee before the combination in the period was RMB ____; net profit realized by the combinee in the previous period was RMB ____.

Legal Representative:



Chief Accountant:

3

F-10
A-174



Head of the Accounting Department:



Consolidated Statement of Cash Flows and Statement of Cash Flows of the Company

Prepared by: WuHan Urban Construction Group Co., Ltd.

Monetary Unit: RMB

Item	Notes	2020		2019	
		Consolidation	Company	Consolidation	Company
I. Cash flows from operating activities:					
Cash received from sale of goods and rendering of services		41,216,482,870.61	117,984,682.01	10,489,229,283.34	111,694,448.14
Refunds of taxes and surcharges		4,308,738.51		33,796.70	
Cash from other operating activities		12,756,780,930.35	31,003,372.12	3,180,830,683.02	155,439,502.68
Sub-total of cash inflows from operating activities		53,977,572,539.47	148,988,054.13	13,670,093,763.06	267,133,950.82
Cash paid for purchase of goods or accepting services		32,890,452,407.53	18,825,026.18	11,190,222,226.84	41,787,136.31
Cash paid to and for employees		1,827,229,957.90	32,480,228.33	623,272,198.81	43,652,674.17
Cash paid for taxes and surcharges		2,402,913,852.91	37,234,891.69	1,570,165,638.70	28,350,368.30
Cash paid for other operating activities		17,733,279,064.98	68,154,300.05	5,222,327,938.55	35,557,286.29
Sub-total of cash outflows from operating activities		54,853,875,283.32	156,694,446.25	18,605,988,002.90	149,347,465.07
Net cash flows from operating activities		-876,302,743.85	-7,706,392.12	-4,935,894,239.84	117,786,485.75
II. Cash flows from investing activities:					
Cash received from disposal of investments		2,181,331,529.33	1,350,000,000.00	233,447,308.88	-
Cash received from investment income		904,623,465.82	269,619,265.93	282,866,594.38	281,277,158.89
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		4,376,945.85		671,438.54	291,563.00
Net cash from disposal of subsidiaries and other business units					
Cash received from other investing activities		12,637,274,707.51	21,997,469,524.06	13,105,479,468.58	22,870,043,939.61
Subtotal of cash inflows from investing		15,727,606,648.51	23,617,088,789.99	13,622,464,810.38	23,151,612,661.50
Cash paid to acquire and construct fixed assets, intangible assets and other long-term assets		829,807,500.45	90,520.00	35,843,322.70	29,043,509.70
Cash paid for investments		261,794,300.00	140,000,000.00	192,862,000.00	108,867,100.00
Net cash paid to acquire subsidiaries and other business units					
Cash paid for other investing activities		12,814,138,167.58	21,125,913,819.33	6,474,941,447.43	22,161,370,603.02
Sub-total of cash outflows from investing activities		13,905,739,968.03	21,266,004,339.33	6,703,646,770.13	22,299,281,212.72
Net cash flows from the investing activities		1,821,866,680.48	2,351,084,450.66	6,918,818,040.25	852,331,448.78
III. Cash flows from financing activities:					
Cash received from investment		4,624,421,904.50	2,145,298,696.57	3,723,291,755.60	3,408,047,559.60
Including: cash received by subsidiaries from investments of non-controlling interests		2,658,846,880.35		290,014,196.00	
Cash received from borrowings		43,846,178,734.93	11,260,436,438.71	25,065,061,360.58	9,943,914,164.38
Cash received from other financing activities		17,974,293,612.67	3,055,250,000.00	49,541,048.95	3,038,000,000.00
Subtotal of cash inflows from financing activities		66,444,894,252.10	16,460,985,135.28	28,837,894,165.13	16,389,961,723.98
Cash paid for debt repayments		43,629,443,775.36	11,517,962,500.00	12,653,130,000.00	9,939,830,000.00
Cash paid for distribution of dividends and profits or payment of interests		9,245,554,539.33	3,774,191,206.00	5,466,244,514.18	4,392,831,023.62
Including: dividends and profit paid to non-controlling interests by subsidiaries		248,784,809.00		443,016,804.23	
Cash paid for other financing activities		8,021,663,001.90	1,662,384,919.33	1,162,385,539.55	773,734,954.92
Sub-total of cash outflows from financing activities		60,896,661,316.59	16,954,538,625.33	19,281,760,053.73	15,106,395,978.54
Net cash flows from financing activities		5,548,232,935.51	-493,553,490.05	9,556,134,111.40	1,283,565,745.44
IV. Effect of fluctuation in exchange rate on cash and cash equivalents		549,719.76	549,771.58	3,378,504.25	
V. Net increase in cash and cash equivalents		6,494,346,591.90	1,850,374,340.07	11,542,436,416.06	2,253,683,679.97
Plus: beginning balance of cash and cash equivalents		23,842,138,169.14	5,881,961,410.21	12,299,701,753.08	3,628,277,730.24
VI. Balance of cash and cash equivalents at the end of the period		30,336,484,761.04	7,732,335,750.28	23,842,138,169.14	5,881,961,410.21

Legal Representative:



Chief Accountant:



Head of the Accounting Department:



Consolidated Statement of Changes in Owner's Equity

2020													Monetary unit: RMB	
Item	Equity attributable to owners of the parent company					Capital reserves	Less: treasury stock	Other comprehensive income	Special reserve	Surplus reserves	Retained earnings	Sub-total	Non-controlling interests	Owners' equity
	Paid-in capital	Preferred shares	Other equity instruments	Perpetual bond	Others									
I. Balance as at the end of last year Plus: adjustments for changes in accounting policies Correction of accounting errors in prior periods Business combination under common control Others	1,000,000,000.00	-	-	-	-	64,748,621,622.95	-	-471,744,328.26	3,097,922.60	170,327,324.54	3,716,014,150.69	69,166,316,692.52	2,660,990,455.99	71,827,307,148.51
II. Balance as at the beginning of this year	1,000,000,000.00	-	-	-	-	64,748,621,622.95	-	-471,744,328.26	3,097,922.60	170,327,324.54	3,716,014,150.69	69,166,316,692.52	2,660,990,455.99	71,827,307,148.51
III. Increases/decreases in the current period ("+" for increases)	-	-	-	-	-	1,965,575,024.15	-	192,683,079.64	1,738,090.34	15,795,796.91	1,643,604,991.44	3,819,396,982.48	2,609,573,103.83	6,428,970,086.31
(I) Total comprehensive income	-	-	-	-	-	-	-	192,683,079.64	-	-	1,862,965,829.52	2,055,648,909.16	199,511,032.48	2,255,159,941.64
(II) Capital contributed and reduced by owners	-	-	-	-	-	1,965,575,024.15	-	-	-	-	-	1,965,575,024.15	2,658,846,880.35	4,624,421,904.50
1. Common stock contributed by owners	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Capital invested by the holders of other equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Amounts of share-based payments recognized in owner's equity	-	-	-	-	-	1,965,575,024.15	-	-	-	-	-	-	2,594,659,855.57	2,594,659,855.57
4. Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(III) Profit distribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Withdrawal of surplus reserve	-	-	-	-	-	-	-	-	-	15,795,796.91	-219,360,838.08	1,965,575,024.15	64,187,024.78	2,029,765,048.93
2. Profit distributed to owners	-	-	-	-	-	-	-	-	-	14,830,880.21	-14,830,880.21	-203,565,041.17	-248,784,809.00	-452,549,850.17
3. Others	-	-	-	-	-	-	-	-	-	964,916.70	-204,529,957.87	964,916.70	-248,784,809.00	-453,314,766.87
(IV) Internal carry-forward of owner's equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Conversion of capital reserves into paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Conversion of surplus reserves into paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Losses offset by surplus reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Forwarding of retained gains from changes in remeasurement of defined benefit plans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5. Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(V) Special reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Withdrawal in current period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Amount used in the current period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(VI) Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV. Balance as at the end of this year	1,000,000,000.00	-	-	-	-	66,714,196,647.10	-	-279,061,248.62	4,836,012.94	186,123,121.45	5,359,619,142.13	72,985,713,675.00	5,270,563,559.82	78,256,277,234.82
V. Balance as at the beginning of this year	1,000,000,000.00	-	-	-	-	64,748,621,622.95	-	-471,744,328.26	3,097,922.60	170,327,324.54	3,716,014,150.69	69,166,316,692.52	2,660,990,455.99	71,827,307,148.51
VI. Increases/decreases in the current period ("+" for increases)	-	-	-	-	-	1,965,575,024.15	-	192,683,079.64	1,738,090.34	15,795,796.91	1,643,604,991.44	3,819,396,982.48	2,609,573,103.83	6,428,970,086.31
(I) Total comprehensive income	-	-	-	-	-	-	-	192,683,079.64	-	-	1,862,965,829.52	2,055,648,909.16	199,511,032.48	2,255,159,941.64
(II) Capital contributed and reduced by owners	-	-	-	-	-	1,965,575,024.15	-	-	-	-	-	1,965,575,024.15	2,658,846,880.35	4,624,421,904.50
1. Common stock contributed by owners	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Capital invested by the holders of other equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Amounts of share-based payments recognized in owner's equity	-	-	-	-	-	1,965,575,024.15	-	-	-	-	-	-	2,594,659,855.57	2,594,659,855.57
4. Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(III) Profit distribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Withdrawal of surplus reserve	-	-	-	-	-	-	-	-	-	15,795,796.91	-219,360,838.08	1,965,575,024.15	64,187,024.78	2,029,765,048.93
2. Profit distributed to owners	-	-	-	-	-	-	-	-	-	14,830,880.21	-14,830,880.21	-203,565,041.17	-248,784,809.00	-452,549,850.17
3. Others	-	-	-	-	-	-	-	-	-	964,916.70	-204,529,957.87	964,916.70	-248,784,809.00	-453,314,766.87
(IV) Internal carry-forward of owner's equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Conversion of capital reserves into paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Conversion of surplus reserves into paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Losses offset by surplus reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Forwarding of retained gains from changes in remeasurement of defined benefit plans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5. Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(V) Special reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Withdrawal in current period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Amount used in the current period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(VI) Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV. Balance as at the end of this year	1,000,000,000.00	-	-	-	-	66,714,196,647.10	-	-279,061,248.62	4,836,012.94	186,123,121.45	5,359,619,142.13	72,985,713,675.00	5,270,563,559.82	78,256,277,234.82
V. Balance as at the beginning of this year	1,000,000,000.00	-	-	-	-	64,748,621,622.95	-	-471,744,328.26	3,097,922.60	170,327,324.54	3,716,014,150.69	69,166,316,692.52	2,660,990,455.99	71,827,307,148.51
VI. Increases/decreases in the current period ("+" for increases)	-	-	-	-	-	1,965,575,024.15	-	192,683,079.64	1,738,090.34	15,795,796.91	1,643,604,991.44	3,819,396,982.48	2,609,573,103.83	6,428,970,086.31
(I) Total comprehensive income	-	-	-	-	-	-	-	192,683,079.64	-	-	1,862,965,829.52	2,055,648,909.16	199,511,032.48	2,255,159,941.64
(II) Capital contributed and reduced by owners	-	-	-	-	-	1,965,575,024.15	-	-	-	-	-	1,965,575,024.15	2,658,846,880.35	4,624,421,904.50
1. Common stock contributed by owners	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Capital invested by the holders of other equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Amounts of share-based payments recognized in owner's equity	-	-	-	-	-	1,965,575,024.15	-	-	-	-	-	-	2,594,659,855.57	2,594,659,855.57
4. Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(III) Profit distribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Withdrawal of surplus reserve	-	-	-	-	-	-	-	-	-	15,795,796.91	-219,360,838.08	1,965,575,024.15	64,187,024.78	2,029,765,048.93
2. Profit distributed to owners	-	-	-	-	-	-	-	-	-	14,830,880.21	-14,830,880.21	-203,565,041.17	-248,784,809.00	-452,549,850.17
3. Others	-	-	-	-	-	-	-	-	-	964,916.70	-204,529,957.87	964,916.70	-248,784,809.00	-453,314,766.87
(IV) Internal carry-forward of owner's equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Conversion of capital reserves into paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Conversion of surplus reserves into paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Losses offset by surplus reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Forwarding of retained gains from changes in remeasurement of defined benefit plans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5. Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(V) Special reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Withdrawal in current period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Amount used in the current period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(VI) Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV. Balance as at the end of this year	1,000,000,000.00	-	-	-	-	66,714,196,647.10	-	-279,061,248.62	4,836,012.94	186,123,121.45	5,359,619,142.13	72,985,713,675.00	5,270,563,559.82	78,256,277,234.82
V. Balance as at the beginning of this year	1,000,000,000.00	-	-	-	-	64,748,621,622.95	-	-471,744,328.26	3,097,922.60	170,327,324.54	3,716,014,150.69	69,166,316,692.52	2,660,990,455.99	71,827,307,148.51
VI. Increases/decreases in the current period ("+" for increases)	-	-	-	-	-	1,965,575,024.15	-	192,683,079.64	1,738,090.34	15,795,796.91	1,643,604,991.44	3,819,396,982.48	2,609,573,103.83	6,428,970,086.31
(I) Total comprehensive income	-	-	-	-	-	-	-	192,683,079.64	-	-	1,862,965,829.52	2,055,648,909.16	199,511,032.48	2,255,159,941.64
(II) Capital contributed and reduced by owners	-	-	-	-	-	1,965,575,024.15	-	-	-	-	-	1,965,575,024.15	2,658,846,880.35	4,624,421,904.50
1. Common stock contributed by owners	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Capital invested by the holders of other equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Amounts of share-based payments recognized in owner's equity	-	-	-	-	-	1,965,575,024.15	-	-	-	-	-	-	2,594,659,855.57	2,594,659,855.57
4. Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(III) Profit distribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Withdrawal of surplus reserve	-	-	-	-	-	-	-	-	-	15,795,796.91	-219,360,838.08	1,965,575,024.15	64,187,024.78	2,029,765,048.93
2. Profit distributed to owners	-	-	-	-	-	-	-	-	-	14,830,880.21	-14,830,880.21	-203,565,041.17	-248,784,809.00	-452,549,850.17
3. Others	-	-	-	-	-	-	-	-	-	964,916.70	-204,529,957.87	964,916.70	-248,784,809.00	-453,314,766.87
(IV) Internal carry-forward of owner's equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Conversion of capital reserves into paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Conversion of surplus reserves into paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Losses offset by surplus reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Forwarding of retained gains from changes in remeasurement of defined benefit plans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5. Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(V) Special reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Withdrawal in current period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Amount used in the current period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(VI) Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV. Balance as at the end of this year	1,000,000,000.00	-	-	-	-	66,714,196,647.10	-	-279,061,248.62	4,836,012.94	186,123,121.45	5,359,619,142.13	72,985,713,675.00	5,270,563,559.82	78,256,277,234.82
V. Balance as at the beginning of this year	1,000,000,000.00	-	-	-	-	64,748,621,622.95	-	-471,744,328.26	3,097,922.60	170,327,324.54	3,716,014,150.69	69,166,316,692.52	2,660,990,455.99	71,827,307,148.51
VI. Increases/decreases in the current period ("+" for increases)	-	-	-	-	-	1,965,575,024.15	-	192,683,079.64	1,738,090.34	15,795,796.91	1,643,604,991.44	3,819,396,982.48	2,609,573,103.83	6,428,970,086.31
(I) Total comprehensive income	-	-	-	-	-	-	-	192,683,079.64	-	-	1,862,965,829.52	2,055,648,909.16	199,511,032.48	2,255,159,941.64
(II) Capital contributed and reduced by owners	-	-	-	-	-	1,965,575,024.15	-	-	-	-	-	1,965,575,024.15	2,658,846,880.35	4,624,421,904.50
1. Common stock contributed by owners	-	-	-	-	-	-								

Head of the Accounting Department:

Chief Accountant:

Legal Representative:

武陈

邓涛
42010310026459

贵付印明
42010310026459

Monetary unit: RMB

Consolidated Statement of Changes in Owner's Equity

Item	2019							Non-controlling interests	Total of owners' equity
	Paid-in capital	Preferred shares	Other equity instruments	Equity attributable to owners of the parent company	Special reserve	Surplus reserves	Retained earnings		
			Perpetual kind	Less: treasury stock	Other comprehensive income			Sub-total	
I. Balance as at the end of last year	1,000,000,000.00	-	-	43,120,570,002.71	-812,206,309.00	170,220,282.52	2,735,576,679.82	46,217,258,578.65	1,211,682,855.03
Plus adjustments for changes in accounting policies	-	-	-	-	-	-	-	-	-
Correction of accounting errors in prior periods	-	-	-	-	-	-	-	-	-
Business combination under common control	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
II. Balance as at the beginning of this year	1,000,000,000.00	-	-	43,120,570,002.71	-812,206,309.00	170,220,282.52	2,735,576,679.82	46,217,258,578.65	1,211,682,855.03
III. Increases/decreases in the current period ("+" for increases, "-" for decreases)	-	-	-	-	-	-	-	-	-
(I) Total comprehensive income	-	-	-	-	-	-	-	-	-
(II) Capital contributed and reduced by owners	-	-	-	-	-	-	-	-	-
1. Common stock contributed by owners	-	-	-	-	-	-	-	-	-
2. Capital invested by the holders of other equity instruments	-	-	-	-	-	-	-	-	-
3. Amounts of share-based payments recognized in owner's equity	-	-	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-	-	-
(III) Profit distribution	-	-	-	-	-	-	-	-	-
1. Withdrawal of surplus reserve	-	-	-	-	-	-	-	-	-
2. Profit distributed to owners	-	-	-	-	-	-	-	-	-
3. Others	-	-	-	-	-	-	-	-	-
(IV) Internal carry-forward of owner's equity	-	-	-	-	-	-	-	-	-
1. Conversion of capital reserves into paid-in capital	-	-	-	-	-	-	-	-	-
2. Conversion of surplus reserves into paid-in capital	-	-	-	-	-	-	-	-	-
3. Losses offset by surplus reserves	-	-	-	-	-	-	-	-	-
4. Forwarding of retained gains from changes in reinsurance or defined benefit plans	-	-	-	-	-	-	-	-	-
5. Others	-	-	-	-	-	-	-	-	-
(V) Special reserves	-	-	-	-	-	-	-	-	-
1. Withdrawal in current period	-	-	-	-	-	-	-	-	-
2. Amount used in the current period	-	-	-	-	-	-	-	-	-
(VI) Others	-	-	-	-	-	-	-	-	-
IV. Balance as at the end of this year	1,000,000,000.00	-	-	64,748,021,622.95	-471,744,328.26	170,327,324.54	3,716,014,150.69	69,166,316,692.52	2,660,990,455.99

Head of the Accounting Department:

Chief Accountant:

Legal Representative:

武陈印必

邓涛印 42010310026459

贵付印明 42010310026459

Statement of Changes in Owners' Equity									
2020									
Item	Paid-in capital	Preferred shares	Other equity instruments	Capital reserves	Less: treasury stock	Other comprehensive income	Special reserve	Surplus reserves	Retained earnings
I. Balance as at the end of last year	1,000,000,000.00	-	-	56,724,604,976.41	-	481,992,900.50	-	171,292,241.24	152,311,666.85
Plus: adjustments for changes in accounting policies	-	-	-	-	-	-	-	-	-
Correction of accounting errors in prior periods	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
II. Balance as at the beginning of this year	1,000,000,000.00	-	-	56,724,604,976.41	-	481,992,900.50	-	171,292,241.24	152,311,666.85
III. Increases/decreases in the current period ("+" for increases, "-" for decreases)	-	-	-	1,896,041,752.79	-	192,313,602.94	-	14,830,880.21	27,477,921.86
(I) Total comprehensive income	-	-	-	1,896,041,752.79	-	192,313,602.94	-	-	148,308,802.07
(II) Capital contributed or reduced by owners	-	-	-	56,496,669.59	-	-	-	-	-
1. Common stock contributed by owners	-	-	-	-	-	-	-	-	-
2. Capital invested by the holders of other equity instruments	-	-	-	-	-	-	-	-	-
3. Amounts of share-based payments recognized in owner's equity	-	-	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-	-	-
(III) Profit distribution	-	-	-	1,839,545,083.20	-	-	-	14,830,880.21	-120,830,880.21
1. Withdrawal of surplus reserve	-	-	-	-	-	-	-	14,830,880.21	-14,830,880.21
2. Profit distributed to owners	-	-	-	-	-	-	-	-	-106,000,000.00
3. Others	-	-	-	-	-	-	-	-	-
(IV) Internal carry-forward of owner's equity	-	-	-	-	-	-	-	-	-
1. Conversion of capital reserves into paid-in capital	-	-	-	-	-	-	-	-	-
2. Conversion of surplus reserves into paid-in capital	-	-	-	-	-	-	-	-	-
3. Losses offset by surplus reserves	-	-	-	-	-	-	-	-	-
4. Forwarding of retained gains from changes in remeasurement of defined benefit plans	-	-	-	-	-	-	-	-	-
5. Others	-	-	-	-	-	-	-	-	-
(V) Special reserves	-	-	-	-	-	-	-	-	-
1. Withdrawal in current period	-	-	-	-	-	-	-	-	-
2. Amount used in the current period	-	-	-	-	-	-	-	-	-
(VI) Others	-	-	-	-	-	-	-	-	-
IV. Balance as at the end of this year	1,000,000,000.00	-	-	58,620,646,729.20	-	-289,679,297.56	-	186,123,121.45	179,789,588.71

Monetary unit: RMB

Prepared by: Wuhan Urban Construction Group Co., Ltd.

Legal Representative:

Chief Accountant:

Head of the Accounting Department:



Statement of Changes in Owners' Equity

Prepared by: Wufan Urban Construction Group Co., Ltd. Monetary unit: RMB

Item	2019						Total of owners' equity
	Paid-in capital	Preferred shares	Other equity instruments		Capital reserves	Less: treasury stock	
			Perpetual bond	Others			
I. Balance as at the end of last year Plus: adjustments for changes in accounting policies Correction of accounting errors in prior periods Others	1,000,000,000.00				34,658,326,695.41	-	35,288,260,074.10
II. Balance as at the beginning of this year	1,000,000,000.00						
III. Increased/decreased in the current period ("+" for increases, "-" for decreases)							
(I) Total comprehensive income							
(II) Capital contributed or reduced by owners							
1. Common stock contributed by owners					34,658,326,695.41	-	35,288,260,074.10
2. Capital invested by the holders of other equity instruments					22,066,278,281.00	-	22,277,955,909.90
3. Amounts of share-based payments recognized in owner's equity					22,066,278,281.00	-	343,477,628.90
4. Others					18,437,343,028.25	-	22,066,278,281.00
(III) Profit distribution							
1. Withdrawal of surplus reserve							18,437,343,028.25
2. Profit distributed to owners							
3. Others							
(IV) Internal carry-forward of owner's equity							
1. Conversion of capital reserves into paid-in capital					3,628,935,252.75	-	3,628,935,252.75
2. Conversion of surplus reserves into paid-in capital							-131,800,000.00
3. Losses offset by surplus reserves							
4. Forwarding of retained gains from changes in remeasurement of defined benefit plans							
5. Others							
(V) Special reserves							
1. Withdrawal in current period							
2. Amount used in the current period							
(VI) Others							
IV. Balance as at the end of this year	1,000,000,000.00				56,724,604,976.41	-	57,566,215,984.00

Legal Representative:

Chief Accountant:

Head of the Accounting Department:



Notes to the Financial Statements

I. Company profile

(I) History, registered place, organization form and headquarters address of the Company

WuHan Urban Construction Group Co., Ltd. (hereinafter referred to as the "Company") was formerly known as Wuhan Real Estate Development and Investment Group Co., Ltd. On September 13, 2020, according to the Circular of General Office of Wuhan Municipal Party Committee and Wuhan Municipal People's Government on Releasing the Implementation Plan for the Integration and Reorganization of Certain Wuhan-Funded Enterprises (WBW [2020] No.31), as approved by Wuhan Municipal Party Committee and Wuhan Municipal People's Government, seven Wuhan-funded and state-owned enterprises of Wuhan Real Estate Development and Investment Group Co., Ltd., Wuhan Central Business District Investment Holding Group Co., Ltd., Wuhan Construction Engineering (Group) Co. Ltd., Wuhan Landscape Construction Development (Group) Co., Ltd., Wuhan Engineering Consulting Department, Wuhan 2049 Group Co., Ltd. and Wuhan Urban Estate Investment & Development Group Co., Ltd. were integrated and at the same time, Wuhan Real Estate Development and Investment Group Co., Ltd. was renamed WuHan Urban Construction Group Co., Ltd.

Unified social credit code: 91420100737546008W; registration authority: Wuhan Economic and Technological Development Zone Market Supervision Administration; domicile: Dingli Building, Wuhan Economic and Technological Development Zone; legal representative: Fu Minggui; registered capital: RMB 10 billion; type: wholly state-owned enterprise.

(II) Business nature and main business activities of the Company

The Company operates in the housing construction industry, with the scope of business being: not operating any business prohibited by laws and regulations; operating business subject to approval if required; and operating business at its own discretion if not required by laws and regulations.

(III) Names of the parent company and the group headquarters

The controlling shareholder and ultimate controller of the Company is State-owned Assets Supervision and Administration Commission of Wuhan Municipal People's Government.

The Company had a total of 202 subsidiaries included in the scope of consolidation. For details, see Note VIII "Equity in other entities".

1. Entities included in the scope of consolidation in this year

S/N	Name	Tier
1	Wuhan Real Estate Group Co., Ltd. (Consolidated)	Level 2
2	Wuhan Xiangyue Real Estate Development Co., Ltd.	Level 3
3	Wuhan Xiangyuan Real Estate Development Co., Ltd.	Level 4
4	Wuhan Changyue Real Estate Development Co., Ltd.	Level 3
5	Wuhan Changyuan Real Estate Development Co., Ltd.	Level 4
6	Wuhan Tianhui Longcheng Real Estate Development Co., Ltd.	Level 3
7	Wuhan Xingyuesheng Real Estate Development Co., Ltd.	Level 3
8	Wuhan Real Estate Group Zhiyin Real Estate Development Co., Ltd. (Consolidated)	Level 3

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements
For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

S/N	Name	Tier
9	Wuhan Bogui Real Estate Co., Ltd.	Level 3
10	Wuhan Dirun Zhihe Real Estate Co., Ltd.	Level 3
11	Wuhan Hengda Housing Development and Decoration Engineering Co., Ltd.	Level 3
12	Wuhan Tongjian City Development Co., Ltd.	Level 3
13	Wuhan Tongjian (Xianning) Urban Development Co., Ltd.	Level 4
14	Wuhan Tiancheng Meijing Real Estate Co., Ltd.	Level 4
15	Hubei Tiancheng Meiya Real Estate Co., Ltd.	Level 4
16	Wuhan Tongjian Zhixin Real Estate Co., Ltd.	Level 4
17	Wuhan Tongjian Zhicheng Real Estate Co., Ltd.	Level 4
18	Wuhan Tongjian Tianhui Real Estate Development Co., Ltd.	Level 4
19	Wuhan Tongjian (Jingzhou) City Development Co., Ltd.	Level 4
20	Wuhan Tongjian Baibuting United Real Estate Co., Ltd.	Level 4
21	Wuhan Tongbai Asset Management Co., Ltd.	Level 5
22	Wuhan Chengkai Real Estate Development Co., Ltd. (Consolidated)	Level 3
23	Wuhan Chengxing Real Estate Agency Consulting Co., Ltd.	Level 4
24	Wuhan Chengkai Tianhui Real Estate Development Co., Ltd.	Level 4
25	Wuhan Jinsha Peninsula Real Estate Co., Ltd.	Level 4
26	Wuhan Chengkai Jingkai Real Estate Development Co., Ltd.	Level 4
27	Wuhan Chengkai Yixin Real Estate Development Co., Ltd.	Level 4
28	Wuhan Zhong'elian Real Estate Co., Ltd. (Consolidated)	Level 4
29	Wuhan Chengrun Real Estate Development Co., Ltd.	Level 5
30	Wuhan Zhong'elian Tianhui Real Estate Development Co., Ltd.	Level 5
31	Wuhan Real Estate Group Optical Valley Real Estate Development Co., Ltd.	Level 3
32	Wuhan Lingyue Real Estate Development Co., Ltd.	Level 3
33	Wuhan Puyue Real Estate Development Co., Ltd.	Level 3
34	Wuhan Hengrong Real Estate Co., Ltd.	Level 3
35	Wuhan Taiheng Real Estate Development Co., Ltd.	Level 4
36	Wuhan Dikong Jincheng Real Estate Development Co., Ltd.	Level 3
37	Wuhan Qingyue Zhihe Real Estate Development Co., Ltd.	Level 3
38	Wuhan Real Estate Shaoxing Tongjian City Development Co., Ltd.	Level 3
39	Wuhan Dikong Xinsheng Real Estate Co., Ltd.	Level 3
40	Chongqing Wudi Mingyue Real Estate Development Co., Ltd.	Level 3

S/N	Name	Tier
41	Xiamen Yiwudi Real Estate Co., Ltd. (Consolidated)	Level 3
42	Xiamen Zhaoyuelong Real Estate Development Co., Ltd. (Individual)	Level 4
43	Shaoxing Wudi Zhenya Real Estate Co., Ltd.	Level 3
44	Shaoxing Dibo Real Estate Co., Ltd.	Level 3
45	Wuhan Yunsheng Zhihe Real Estate Co., Ltd.	Level 3
46	Wuhan Dikong Shengyuan Real Estate Co., Ltd.	Level 3
47	Zhejiang Hanyu Real Estate Co., Ltd.	Level 3
48	Ningbo Wuchuang Real Estate Co., Ltd.	Level 4
49	Zhejiang Wuyue Real Estate Co., Ltd.	Level 3
50	Wuhan City Guaranteed Housing Investment and Construction Co., Ltd.	Level 2
51	Wuhan Baolong Real Estate Co., Ltd.	Level 3
52	Wuhan Chengkai Xinxing Building Materials Co., Ltd.	Level 2
53	Wuhan Real Estate Checheng Development and Investment Co., Ltd.	Level 2
54	Wuhan Human Defense Engineering Special Equipment Co., Ltd.	Level 2
55	Wuhan Tongsheng Mining Co., Ltd.	Level 3
56	Wuhan Xinyanyang Human Defense Engineering Co., Ltd.	Level 3
57	Wuhan Real Estate Group Oriental Property Management Co., Ltd.	Level 2
58	Wuhan Chengfa Investment Fund Management Co., Ltd.	Level 2
59	Wuhan Chengxing United Technology Development Co., Ltd.	Level 2
60	Yixing Chengxing United Material Technology Co., Ltd.	Level 3
61	Wuhan Quintai Asset Management Co., Ltd.	Level 2
62	Wuhan Ying Hotel Property Management Co., Ltd.	Level 2
63	Wuhan Cultural and Creative Industry Investment Development Co., Ltd.	Level 2
64	Wuhan City Development Investment Co., Ltd.	Level 2
65	Wuhan Real Estate Development Co., Ltd.	Level 3
66	Wuhan Jialian Real Estate Development Co., Ltd.	Level 4
67	Wuhan Fangkai Tianqin Real Estate Co., Ltd.	Level 4
68	Wuhan Wufang Property Development Co., Ltd.	Level 4
69	Wuhan Chengfa Yuancheng Real Estate Co., Ltd.	Level 3
70	Wuhan Xinyuejia Real Estate Co., Ltd.	Level 3
71	Wuhan Jinyue Real Estate Co., Ltd.	Level 4
72	Wuhan Jinyue Real Estate Co., Ltd.	Level 4

S/N	Name	Tier
73	Wuhan City Construction Debt Investment No.1 Pooled Fund Trust Plan	Level 3
74	Wuhan Jiankai General Engineering Contracting Co., Ltd.	Level 2
75	Wuhan Jiankai Labor Subcontracting Co., Ltd.	Level 3
76	WuHan Urban Construction Group Construction Management Co., Ltd.	Level 2
77	Wuhan Huize Rongling Municipal Engineering Co., Ltd.	Level 3
78	Wuhan Hongcheng Engineering Consulting Management Co., Ltd.	Level 2
79	Wuhan Renda Printing Factory	Level 2
80	Wuhan Education Real Estate Development Co., Ltd.	Level 2
81	Wuhan Hangyu Culture Service Co., Ltd.	Level 3
82	Wuhan Urban Estate Investment & Development Group Co., Ltd.	Level 2
83	Wuhan Dubao Real Estate Co., Ltd.	Level 3
84	Wuhan Urban Deya Commercial Operation Management Co., Ltd.	Level 3
85	Wuhan Jimei Real Estate Co., Ltd.	Level 3
86	Wuhan Urban Shuncheng Real Estate Co., Ltd.	Level 4
87	Wuhan Central Business District Investment Holding Group Co., Ltd. (consolidated)	Level 2
88	Wuhan Central Business District Asset Management Co., Ltd.	Level 3
89	Wuhan Central Business District Real Estate Management Co., Ltd. (Consolidated)	Level 3
90	Wuhan Central Business District Parking Management Co., Ltd.	Level 4
91	Wuhan Central Business District Property Management Co., Ltd.	Level 4
92	Wuhan Central Business District Human Resource Management Co., Ltd.	Level 4
93	Wuhan Central Business District Cultural Communication Co., Ltd.	Level 4
94	Wuhan Central Business District Sports Development Co., Ltd.	Level 4
95	Wuhan Zhongcheng Yiju Marketing Planning Co., Ltd.	Level 4
96	Wuhan Central Business District Urban Construction Development Co., Ltd. (Consolidated)	Level 3
97	Wuhan Zhongcheng Times Real Estate Development Co., Ltd.	Level 4
98	Wuhan Zhongcheng Yuecheng Real Estate Development Co., Ltd.	Level 4
99	Wuhan Zhongcheng Changxin Real Estate Co., Ltd.	Level 4
100	Wuhan Yuanwaiyuan Green Landscape Co., Ltd.	Level 4
101	Wuhan Zhongcheng Industrial Development Co., Ltd.	Level 4
102	Enshi Zhongcheng Cultural Tourism Development Co., Ltd.	Level 4
103	Wuhan Jinwanjia Real Estate Co., Ltd.	Level 4
104	Wuhan Zhongcheng Keyuan Real Estate Development Co., Ltd.	Level 4

S/N	Name	Tier
105	Wuhan Zhongcheng Shangpin Real Estate Development Co., Ltd.	Level 4
106	Wuhan Zhongcheng Shangzhi Property Operation Management Co., Ltd.	Level 4
107	Wuhan Zhongchengjia Property Service Co., Ltd.	Level 4
108	Wuhan Yangluo Water Town Resort Management Co., Ltd.	Level 4
109	Wuhan Zhongcheng Longhu Real Estate Development Co., Ltd. (Consolidated)	Level 4
110	Wuhan Zhongcheng Chengguang Real Estate Development Co., Ltd.	Level 5
111	Enshi Yunya Real Estate Development Co., Ltd. (Consolidated)	Level 4
112	Enshi Yunshang Real Estate Development Co., Ltd.	Level 5
113	Enshi Banshan Real Estate Development Co., Ltd.	Level 5
114	Enshi Yuntao Real Estate Development Co., Ltd.	Level 5
115	Enshi Yunding Real Estate Development Co., Ltd.	Level 5
116	Enshi Yungu Real Estate Development Co., Ltd.	Level 5
117	Enshi Yunjing Real Estate Development Co., Ltd.	Level 5
118	Enshi Yunling Real Estate Development Co., Ltd.	Level 5
119	Wuhan Zhongcheng Hongfang Real Estate Co., Ltd. (Consolidated)	Level 4
120	Wuhan Zhongcheng Bin'an Real Estate Co., Ltd.	Level 5
121	Wuhan Zhongcheng Industry Investment Management Co., Ltd. (Consolidated)	Level 4
122	Wuhan Zhongcheng Jiye Investment Center (Limited Partnership) (Consolidated)	Level 5
123	Wuhan Zhongcheng Real Estate Development Co., Ltd.	Level 6
124	Wuhan Central Business District Investment and Development Co., Ltd. (Consolidated)	Level 4
125	Wuhan Huaqi Real Estate Development Co., Ltd.	Level 5
126	Wuhan Huayicheng Real Estate Development Co., Ltd.	Level 5
127	Wuhan Huazhongtou Real Estate Development Co., Ltd.	Level 5
128	Wuhan Engineering Consulting Department	Level 2
129	Wuhan Xinji Construction Project Management Co., Ltd.	Level 3
130	Wuhan Jizhi Engineering Construction Supervision Co., Ltd.	Level 4
131	Hubei Huaqin Construction Engineering Consulting Co., Ltd.	Level 3
132	Wuhan Wuzi Bidding Agency Co., Ltd.	Level 3
133	Wuhan Wuzi Information Technology Co., Ltd.	Level 3
134	Wuhan Engineering Consulting Firm	Level 3
135	Wuhan Landscape Construction Development (Group) Co., Ltd. (Consolidated))	Level 2
136	Hankouli Holdings Limited (Consolidated)	Level 3

S/N	Name	Tier
137	Wuhan Yellow Crane Tower Tourism Distribution Center Co., Ltd.	Level 4
138	Wuhan Yuanbo Wedding Culture Development Co., Ltd.	Level 4
139	Wuhan Tanhui Ecological Technology Co., Ltd.	Level 4
140	Yangtze River Civilization Hall Operation and Management Co., Ltd. (Consolidated)	Level 3
141	Wuhan Blockchain Industrial Park Co., Ltd.	Level 4
142	Wuhan Yuanbo Auto Management Service Co., Ltd (Consolidated)	Level 3
143	Wuhan Chunjiang Auto Repair Center	Level 4
144	Direct Branch of Wuhan Chunjiang Automobile Rental Co., Ltd.	Level 4
145	Jiangnan Branch of Wuhan Chunjiang Automobile Rental Co., Ltd.	Level 4
146	Wuhan Sanchu Construction Supervision Co., Ltd (Grade III)	Level 3
147	Wuhan Garden Construction Management Co., Ltd.	Level 3
148	Wuhan Garden Sculpture Institute	Level 3
149	Wuhan Riyue Shanshui Sculpture Design Co., Ltd.	Level 4
150	Wuhan Baiquan Nursery	Level 3
151	Wuhan Garden Construction Engineering Company (Level II Consolidation)	Level 3
152	Wuhan Garden Construction Landscape Engineering Design Co., Ltd (Level 3 parent company)	Level 4
153	Wuhan Tangmaodeng Labor Service Co., Ltd.	Level 4
154	Wuhan Lanyin Greening Maintenance Co., Ltd.	Level 4
155	Wuhan Garden Construction Group Co., Ltd.	Level 3
156	Wuhan Garden Architecture Planning and Design Research Institute Co., Ltd. (Level III Consolidation)	Level 4
157	Wuhan Garden Institute Landscape Engineering Co., Ltd.	Level 5
158	Wuhan Chuangan Ecological Garden Engineering Co., Ltd. (Consolidated)	Level 4
159	Wuhan Shuan Nursery Co., Ltd.	Level 5
160	Wuhan Flower and Tree Company (Consolidated)	Level 4
161	Jingzhou Muben Garden and Landscape Engineering Co., Ltd.	Level 5
162	Ezhou Lvyuan Flower and Tree Co., Ltd.	Level 5
163	Wuhan Urban Gardening Co., Ltd (Consolidated)	Level 5
164	Wuhan Kefa Gardening & Greening Co., Ltd.	Level 3
165	Wuhan Changjiang Ecological Real Estate Investment Co., Ltd.	Level 3
166	Wuhan 2049 Group Co., Ltd.	Level 2
167	Wuhan 2049 Construction Development Co., Ltd.	Level 3
168	Wuhan Transportation Planning and Design Co., Ltd.	Level 3

S/N	Name	Tier
169	Wuhan Jianghua Industrial Development Co., Ltd (Consolidated)	Level 3
170	Wuhan Jiangzhihua Real Estate Technical Service Co., Ltd.	Level 4
171	Wuhan Planning and Design Co., Ltd. (Consolidated)	Level 3
172	Wuhan Zhiyue Water Ecology Technology Co., Ltd.	Level 4
173	Wuhan Survey and Design Co., Ltd. (Consolidated)	Level 3
174	Wuhan Changsha Foundation Engineering Co., Ltd.	Level 4
175	Wuhan Tianhan Engineering Quality Inspection Co., Ltd.	Level 4
176	Wuhan Construction Engineering (Group) Co. Ltd. (Consolidated)	Level 2
177	Wuhan Construction Group Co., Ltd. (Consolidated)	Level 3
178	Jingzhou Wujian Construction Engineering Co., Ltd.	Level 4
179	Wuhan Yanhe Avenue Construction Development Co., Ltd.	Level 4
180	Wuhan Jiangong Huada Architectural Decoration and Design Engineering Co., Ltd.	Level 4
181	Wuxue North Station Wujian High-speed Railway Plaza Construction Management Co., Ltd.	Level 4
182	Wuhan Jiangong Intelligent Technology Co., Ltd.	Level 4
183	Wuhan Jiangong Xinxiang Technology Development Co., Ltd.	Level 4
184	Wuhan Jiangong Fuqiang Real Estate Co., Ltd. (Consolidated)	Level 3
185	Wuhan Jiangong Project Investment Management Co., Ltd.	Level 4
186	Wuhan Fuqiang Tianhui Real Estate Co., Ltd.	Level 4
187	Funan Fuqiang Real Estate Co., Ltd.	Level 4
188	Hubei Aobang Real Estate Development Co., Ltd.	Level 4
189	Wuhan Changfu Property Management Co., Ltd.	Level 4
190	Wuhan Jiangong Fuqiang Jiechen Meiyu Apartment Management Co., Ltd.	Level 4
191	Hubei Wujian Fuqiang Real Estate Co., Ltd.	Level 4
192	Wuhan Fuqiang Tiansheng Real Estate Co., Ltd.	Level 4
193	Wuhan Jiangong Guangcai Real Estate Co., Ltd.	Level 4
194	Wuhan Jiangong Yuexiang Real Estate Co., Ltd.	Level 4
195	Wuhan Jiangong Construction Investment Co., Ltd. (Consolidated)	Level 3
196	Wuhan Jiangong Changxin Technology Development Co., Ltd.	Level 4
197	Wuhan Jiangong Xinxing Building Materials Green Industry Technology Co., Ltd.	Level 4
198	Wuhan Jiangong Fuqiang Tianze Real Estate Co., Ltd.	Level 3
199	Wuhan Jiangong Industrial Park Construction Development Co., Ltd.	Level 3
200	Wuhan Center Engineering Inspection Co., Ltd.	Level 3

S/N	Name	Tier
201	Wuhan Commercial Concrete Engineering Quality Inspection Center	Level 3
202	Wuhan Building Energy Efficiency Testing Center	Level 3

2. The new scope of consolidation this year

S/N	Name	Tier
1	Wuhan Hongcheng Engineering Consulting Management Co., Ltd.	Level 2
2	Wuhan Renda Printing Factory	Level 2
3	Wuhan Education Real Estate Development Co., Ltd.	Level 2
4	Wuhan Hangyu Culture Service Co., Ltd.	Level 3
5	Wuhan Urban Estate Investment & Development Group Co., Ltd.	Level 2
6	Wuhan Dubao Real Estate Co., Ltd.	Level 3
7	Wuhan Urban Deya Commercial Operation Management Co., Ltd.	Level 3
8	Wuhan Jimei Real Estate Co., Ltd.	Level 3
9	Wuhan Urban Shuncheng Real Estate Co., Ltd.	Level 4
10	Wuhan Central Business District Investment Holding Group Co., Ltd. (consolidated)	Level 2
11	Wuhan Central Business District Asset Management Co., Ltd.	Level 3
12	Wuhan Central Business District Real Estate Management Co., Ltd. (Consolidated)	Level 3
13	Wuhan Central Business District Parking Management Co., Ltd.	Level 4
14	Wuhan Central Business District Property Management Co., Ltd.	Level 4
15	Wuhan Central Business District Human Resource Management Co., Ltd.	Level 4
16	Wuhan Central Business District Cultural Communication Co., Ltd.	Level 4
17	Wuhan Central Business District Sports Development Co., Ltd.	Level 4
18	Wuhan Zhongcheng Yiju Marketing Planning Co., Ltd.	Level 4
19	Wuhan Central Business District Urban Construction Development Co., Ltd. (Consolidated)	Level 3
20	Wuhan Zhongcheng Times Real Estate Development Co., Ltd.	Level 4
21	Wuhan Zhongcheng Yuecheng Real Estate Development Co., Ltd.	Level 4
22	Wuhan Zhongcheng Changxin Real Estate Co., Ltd.	Level 4
23	Wuhan Yuanwaiyuan Green Landscape Co., Ltd.	Level 4
24	Wuhan Zhongcheng Industrial Development Co., Ltd.	Level 4
25	Enshi Zhongcheng Cultural Tourism Development Co., Ltd.	Level 4
26	Wuhan Jinwanjia Real Estate Co., Ltd.	Level 4
27	Wuhan Zhongcheng Keyuan Real Estate Development Co., Ltd.	Level 4
28	Wuhan Zhongcheng Shangpin Real Estate Development Co., Ltd.	Level 4
29	Wuhan Zhongcheng Shangzhi Property Operation Management Co., Ltd.	Level 4

S/N	Name	Tier
30	Wuhan Zhongchengjia Property Service Co., Ltd.	Level 4
31	Wuhan Yangluo Water Town Resort Management Co., Ltd.	Level 4
32	Wuhan Zhongcheng Longhu Real Estate Development Co., Ltd. (Consolidated)	Level 4
33	Wuhan Zhongcheng Chengguang Real Estate Development Co., Ltd.	Level 5
34	Enshi Yunya Real Estate Development Co., Ltd. (Consolidated)	Level 4
35	Enshi Yunshang Real Estate Development Co., Ltd.	Level 5
36	Enshi Banshan Real Estate Development Co., Ltd.	Level 5
37	Enshi Yuntao Real Estate Development Co., Ltd.	Level 5
38	Enshi Yunding Real Estate Development Co., Ltd.	Level 5
39	Enshi Yungu Real Estate Development Co., Ltd.	Level 5
40	Enshi Yunjing Real Estate Development Co., Ltd.	Level 5
41	Enshi Yunling Real Estate Development Co., Ltd.	Level 5
42	Wuhan Zhongcheng Hongfang Real Estate Co., Ltd (Consolidated)	Level 4
43	Wuhan Zhongcheng Bin'an Real Estate Co., Ltd.	Level 5
44	Wuhan Zhongcheng Industry Investment Management Co., Ltd. (Consolidated)	Level 4
45	Wuhan Zhongcheng Jiye Investment Center (Limited Partnership) (Consolidated)	Level 5
46	Wuhan Zhongcheng Real Estate Development Co., Ltd.	Level 6
47	Wuhan Central Business District Investment and Development Co., Ltd. (Consolidated)	Level 4
48	Wuhan Huaqi Real Estate Development Co., Ltd.	Level 5
49	Wuhan Huayicheng Real Estate Development Co., Ltd.	Level 5
50	Wuhan Huazhongtou Real Estate Development Co., Ltd.	Level 5
51	Wuhan Engineering Consulting Department	Level 2
52	Wuhan Xinji Construction Project Management Co., Ltd.	Level 3
53	Wuhan Jizhi Engineering Construction Supervision Co., Ltd.	Level 4
54	Hubei Huaqin Construction Engineering Consulting Co., Ltd.	Level 3
55	Wuhan Wuzi Bidding Agency Co., Ltd.	Level 3
56	Wuhan Wuzi Information Technology Co., Ltd.	Level 3
57	Wuhan Landscape Construction Development (Group) Co., Ltd. (Consolidated))	Level 2
58	Hankouli Holdings Limited (Consolidated)	Level 3
59	Wuhan Yellow Crane Tower Tourism Distribution Center Co., Ltd.	Level 4
60	Wuhan Yuanbo Wedding Culture Development Co., Ltd.	Level 4
61	Wuhan Tanhui Ecological Technology Co., Ltd.	Level 4

S/N	Name	Tier
62	Yangtze River Civilization Hall Operation and Management Co., Ltd. (Consolidated)	Level 3
63	Wuhan Blockchain Industrial Park Co., Ltd.	Level 4
64	Wuhan Yuanbo Auto Management Service Co., Ltd (Consolidated)	Level 3
65	Wuhan Chunjiang Auto Repair Center	Level 4
66	Direct Branch of Wuhan Chunjiang Automobile Rental Co., Ltd.	Level 4
67	Jiangnan Branch of Wuhan Chunjiang Automobile Rental Co., Ltd.	Level 4
68	Wuhan Sanchu Construction Supervision Co., Ltd (Grade III)	Level 3
69	Wuhan Garden Construction Management Co., Ltd.	Level 3
70	Wuhan Garden Sculpture Institute	Level 3
71	Wuhan Riyue Shanshui Sculpture Design Co., Ltd.	Level 4
72	Wuhan Baiquan Nursery	Level 3
73	Wuhan Garden Construction Engineering Company (Level II Consolidation)	Level 3
74	Wuhan Garden Construction Landscape Engineering Design Co., Ltd (Level 3 parent company)	Level 4
75	Wuhan Tangmaodeng Labor Service Co., Ltd.	Level 4
76	Wuhan Lanyin Greening Maintenance Co., Ltd.	Level 4
77	Wuhan Garden Construction Group Co., Ltd.	Level 3
78	Wuhan Garden Architecture Planning and Design Research Institute Co., Ltd. (Level III Consolidation)	Level 4
79	Wuhan Garden Institute Landscape Engineering Co., Ltd.	Level 5
80	Wuhan Chuangran Ecological Garden Engineering Co., Ltd. (Consolidated)	Level 4
81	Wuhan Shuan Nursery Co., Ltd.	Level 5
82	Wuhan Flower and Tree Company (Consolidated)	Level 4
83	Jingzhou Muben Garden and Landscape Engineering Co., Ltd.	Level 5
84	Ezhou Lvyuan Flower and Tree Co., Ltd.	Level 5
85	Wuhan Tiankai Landscape Engineering Design Co., Ltd.	Level 5
86	Wuhan Urban Gardening Co., Ltd (Consolidated)	Level 5
87	Wuhan Kaichuang Landscape Maintenance Co., Ltd.	Level 6
88	Wuhan Kaitai Landscape Construction Project Management Co., Ltd.	Level 5
89	Wuhan Kefa Gardening & Greening Co., Ltd.	Level 3
90	Wuhan Changjiang Ecological Real Estate Investment Co., Ltd.	Level 3
91	Wuhan 2049 Group Co., Ltd.	Level 2
92	Wuhan 2049 Construction Development Co., Ltd.	Level 3
93	Wuhan Transportation Planning and Design Co., Ltd.	Level 3

S/N	Name	Tier
94	Wuhan Jianghua Industrial Development Co., Ltd (Consolidated)	Level 3
95	Wuhan Jiangzhihua Real Estate Technical Service Co., Ltd.	Level 4
96	Wuhan Planning and Design Co., Ltd. (Consolidated)	Level 3
97	Wuhan Zhiyue Water Ecology Technology Co., Ltd.	Level 4
98	Wuhan Survey and Design Co., Ltd. (Consolidated)	Level 3
99	Wuhan Changsha Foundation Engineering Co., Ltd.	Level 4
100	Wuhan Tianhan Engineering Quality Inspection Co., Ltd.	Level 4
101	Wuhan Construction Engineering (Group) Co. Ltd. (Consolidated)	Level 2
102	Wuhan Construction Group Co., Ltd. (Consolidated)	Level 3
103	Jingzhou Wujian Construction Engineering Co., Ltd.	Level 4
104	Wuhan Yanhe Avenue Construction Development Co., Ltd.	Level 4
105	Wuhan Jiangong Huada Architectural Decoration and Design Engineering Co., Ltd.	Level 4
106	Wuxue North Station Wujian High-speed Railway Plaza Construction Management Co., Ltd.	Level 4
107	Wuhan Jiangong Intelligent Technology Co., Ltd.	Level 4
108	Wuhan Jiangong Xinxiang Technology Development Co., Ltd.	Level 4
109	Wuhan Jiangong Fuqiang Real Estate Co., Ltd. (Consolidated)	Level 3
110	Wuhan Jiangong Project Investment Management Co., Ltd.	Level 4
111	Wuhan Fuqiang Tianhui Real Estate Co., Ltd.	Level 4
112	Funan Fuqiang Real Estate Co., Ltd.	Level 4
113	Hubei Aobang Real Estate Development Co., Ltd.	Level 4
114	Wuhan Changfu Property Management Co., Ltd.	Level 4
115	Wuhan Jiangong Fuqiang Jiechen Meiyu Apartment Management Co., Ltd.	Level 4
116	Hubei Wujian Fuqiang Real Estate Co., Ltd.	Level 4
117	Wuhan Fuqiang Tiansheng Real Estate Co., Ltd.	Level 4
118	Wuhan Jiangong Guangcai Real Estate Co., Ltd.	Level 4
119	Wuhan Jiangong Yuexiang Real Estate Co., Ltd.	Level 4
120	Wuhan Jiangong Construction Investment Co., Ltd. (Consolidated)	Level 3
121	Wuhan Jiangong Changxin Technology Development Co., Ltd.	Level 4
122	Wuhan Jiangong Xinxing Building Materials Green Industry Technology Co., Ltd.	Level 4
123	Wuhan Jiangong Fuqiang Tianze Real Estate Co., Ltd.	Level 3
124	Wuhan Jiangong Industrial Park Construction Development Co., Ltd.	Level 3
125	Wuhan Center Engineering Inspection Co., Ltd.	Level 3

S/N	Name	Tier
126	Wuhan Commercial Concrete Engineering Quality Inspection Center	Level 3
127	Wuhan Building Energy Efficiency Testing Center	Level 3

3. Companies not included in the scope of consolidation this year

S/N	Enterprise name	Tier
1	Cloud Wuhan Internet Industry Investment Development Co., Ltd.	Level 2
2	Wuhan Residential Development Company	Level 2
3	Wuhan Jiahua Real Estate Development Co., Ltd.	Level 3
4	Wuhan Huimin Property Management Co., Ltd.	Level 3
5	Wuhan Jingcheng Construction Engineering Supervision Co., Ltd.	Level 3

The Company has a Board of Directors to implement management and control over major decisions and daily work of the Company.

(IV) Approval of the financial report

The Company's financial report was approved by the Company's board of directors on April 29, 2021.

(V) Business term

The business term of the Company is from July 4, 2002 to July 4, 2052.

II. Basis of preparation for financial statements

1. Preparation basis

Based on going concern and according to actually occurred transactions and events, the Company prepares its financial statements in accordance with the Accounting Standards for Business Enterprises – Basic Standards and various specific accounting standards issued by the Ministry of Finance on February 15, 2006, as well as the Accounting Standards for Business Enterprises – Application Guidelines, and the Accounting Standards for Business Enterprises – Interpretations and other relevant provisions (collectively known as "Accounting Standards for Business Enterprises").

According to the relevant provisions of the Accounting Standards for Business Enterprises, the accounting of the Company shall be made on accrual basis. Except for certain financial instruments, the financial statements are measured on basis of historical cost. If the assets are impaired, the depreciation reserves shall be provided according to the relevant provisions.

2. Going concern

The Company is able to operate on a going concern basis within 12 months as of the end of the reporting period, and it has no significant matters affecting its sustainable operation ability.

III. Principal accounting policies and accounting estimates of the Company

1. Statement on compliance with Accounting Standards for Business Enterprises

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

2. Accounting period

Accounting period of the Company is divided into annual and interim period. Interim period refers to a reporting period shorter than a full fiscal year. The calendar year is adopted for the accounting year of the Company, namely, from January 1 to December 31 of each year.

3. Operating cycle

The normal operating cycle refers to the cycle from the Company's purchase of assets for processing to the realization of cash or cash equivalents. The Company has an operating cycle of 12 months, and regards it as the classification standard for the liquidity of assets and liabilities.

4. Reporting currency

The functional currency of the Company is RMB.

5. Accounting treatment methods for business combinations under and not under common control

Business combination refers to any transaction or event that brings together two or more separate enterprises into one reporting entity. Business combinations are classified into business combination under common control and business combination not under common control.

(1) Business combination under common control

Business combination under common control refers to that business involved in the merger is, before and after the merger, subject to the ultimate control of the same party or the same parties, and that control is not temporary. For business combination under common control, the party that obtained the control over the other parties involved on the combination date is referred to as the "combining party", and other business involved in the merger is referred to as the "combinee". Combination date is the date when the combining party has actually obtained the control over the combined.

The assets and liabilities obtained in a business combination are stated at the book value of the acquiree on the combination date. Capital stock premium in the capital reserves should be adjusted according to the difference between the book value of net asset acquired from the combination and that of consideration (total face value of the shares issued) paid for the combination. In case the capital stock premium is not enough, the retained earnings need to be adjusted.

Various direct expenses generated for a business combination, should be included into current profit or loss when they take place.

(2) Business combination not under the common control

Business combination under common control refers to that business involved in the merger are before and after the merger not subject to the ultimate control of the same party or the same parties. For business combination under common control, the party that obtained the control over the other parties involved on the acquisition date is referred to as "acquirer", and other business involved in the merger is referred to as "acquiree". Acquisition date refers to the date when the acquirer has actually obtained the control over the acquiree.

For the business combination not under the same control, the combination costs contain the fair value, on the acquisition date, of any assets paid, any liabilities incurred or assumed, and any equity securities issued by the acquirer, in exchanges for control of the acquiree, the intermediary service charges such as audit fee, legal service fee, and appraisal and consultancy fee paid for the business combination and other general and administrative expenses, and are included in the current profit and loss when incurred. Transaction expenses incurred by the acquirer for issuance of equity or debt securities as consideration for business

combination shall be included in the initial recognition amount of those equity securities or debt securities. The contingent consideration involved shall be included into combination cost at the fair value on the acquisition date. In case contingent consideration needs to be adjusted on the basis of any new or further evidence presented in relation to the condition existed on the acquisition date within 12 months after the acquisition date, the consolidated goodwill shall be adjusted accordingly. The combination cost incurred by the acquirer and the identifiable net assets acquired by the acquirer in a business combination are measured at the fair value on the acquisition date. Any difference between the combination costs and the fair value of the identifiable net assets acquired from the acquiree is recognized as goodwill. For the combination cost less than the fair value of the identifiable net assets acquired from the acquiree, the measurement of the fair value of the identifiable net assets, liabilities and contingent liabilities acquired from the acquiree as well as the combination cost shall be firstly reviewed. If it is true after the review, the balance shall be included into current profit and loss.

For the acquiree's deductible temporary differences obtained by the acquirer in a business combination, they are not recognized because they do not meet the recognition criteria of the deferred income tax assets. If, within 12 months after the acquisition date, new or further information obtained indicates that the relevant circumstances exist at the acquisition date, and it is expected that the economic benefits arising from the deductible temporary differences of the acquiree at the acquisition date, the related deferred income tax assets will be recognized, and at the same time the goodwill will be deducted; if the goodwill is insufficient to offset, the difference is recognized as current profit and loss; except for the case mentioned above, the deferred income tax assets associated with the business combination are recognized in current profit and loss.

Business combination not under common control achieved in stages through multiple transactions, shall be judged whether the multiple transactions belong to "package deal" in accordance with the Notice of the Ministry of Finance on Issuing Interpretation No. 5 of the Accounting Standards for Business Enterprises (CK [2012] No. 19) and the "package deal" criteria as set forth in Article 51 of Accounting Standards for Business Enterprises No.33 - Consolidated Financial Statements (see Note III.6(2)). If it is true, the business combination shall be subject to relevant accounting treatment by reference to the description said earlier in this section and in the Note 3.13 "long-term equity investment"; If it is not true, the business combination shall be subject to relevant accounting treatment by distinguishing separate financial statements from consolidated financial statements:

In separate financial statements, the sum of book value of equity investments held from the acquiree before the acquisition date and new investment cost generated on the acquisition date shall be recognized as the initial investment cost of such investment; should the equity held from the acquiree before the acquisition date involve other comprehensive income, when dealing with the investment, other comprehensive income associated shall be subject to accounting treatment on the base that is adopted by the acquiree in direct disposal of assets or liabilities (except the corresponding share in the changes resulting from net liabilities or net assets of defined benefit plans, which is remeasured by the acquiree and accounted using equity method, other shares are transferred in current investment income).

In consolidated financial statements, the equity held from the acquiree before the acquisition date shall be remeasured at the fair value of such equity on the acquisition date, and the difference between the fair value and its book value shall be included in current investment income; should the equity held from the acquiree before the acquisition date

involves other comprehensive income, other comprehensive income associated shall be subject to accounting treatment on the base that is adopted by the acquiree in direct disposal of assets or liabilities (that is, except the corresponding share in the changes resulting from net liabilities or net assets of defined benefit plans, which is remeasured by the acquiree and accounted using the equity method, other shares are transferred in current investment income where the equity belong to on the acquisition date).

6. Preparation method of consolidated financial statements

(1) Determination principle for consolidation scope

The consolidation scope of the consolidated financial statements is determined on the basis of control. Control means the power owned over the investee by the Company which enjoys the variable return through participating in activities related to the investee, and has the ability to affect the return by using the power over the investee. The consolidation scope includes the Company and all its subsidiaries. The scope of consolidated financial statements includes the Company and all its subsidiaries, which refers to the subject under the control of the Company.

Once the relevant facts and circumstances change, leading to changes in factors relating to the definition of aforesaid control, the Company will carry out a reappraisal.

(2) Methods for the preparation of the consolidated financial statements

From the date of acquisition of net assets and actual control of production and business decision right of subsidiaries, the company begin to bring them in the scope of consolidated financial statements; from the date of loss of the actual control over the subsidiaries, the company shall stop to do so. For the subsidiaries under disposal by the Company, recent operating result and cash flow before disposal (date of control loss) have been properly included in the consolidated income statement and consolidated statement of cash flow. For the subsidiaries emerged in a business combination not under common control, its operating result and cash flow after the acquisition date have been properly included in the consolidated income statement and consolidated cash flow statement, without adjustment of the beginning balance and comparison number of the consolidated financial statements. For the subsidiaries emerged in a business combination under common control or the merged party under the consolidation by merger, its operating result and cash flow from the beginning of the current period to the combination date have been properly included in the consolidated income statement and consolidated cash flow statement, simultaneously subject to the adjustment of the comparison number of the consolidated financial statements.

When preparing the consolidated financial statements, where accounting policies and accounting periods adopted by subsidiaries are inconsistent with those of the Company, necessary adjustments should be made to the financial statements of subsidiaries according to the accounting policy and accounting period adopted by the Company. For subsidiaries acquired from business combination not under common control, adjustments will be made to their financial statements based on the fair value of the identifiable net assets on the acquisition date.

All internal current balance, transactions and unrealized profits should be offset in the preparation of the consolidated statements.

The part in shareholders' equity and current net profit or loss of subsidiaries not attributable to the Company shall be presented separately under the shareholders' equity and net profits in the consolidated financial statements as minority shareholders' equity and minority interest income, respectively. The share attributable to minority shareholders in subsidiary's current net profit and loss will be listed under "profit and loss of minority

shareholders" item in the consolidated income statement. Where the loss shared by minority shareholders in subsidiaries exceeds the shares enjoyed by minority shareholders in shareholders' equity at the beginning of the period, minority equity should be written down.

When the Company loses control over the original subsidiaries due to disposal of partial equity investment or for other reasons, the remaining equity will be re-measured at its fair value on the date of losing the right of control. The sum of the consideration of equity disposal and the fair value of the remaining equity, less the share of net assets of the subsidiary attributable to the Company calculated continuously since the acquisition date in accordance with the original shareholding ratio, shall be included in the investment income for the current period when the control is lost. For other comprehensive income associated with the former subsidiary's equity investment, if the control right is lost, it shall be subject to accounting treatment on the base that is adopted by the acquiree in direct disposal of relevant assets or liabilities (except the changes resulting from net liabilities or net assets of defined benefit plans, which is remeasured by the former subsidiary, other gains are transferred in current investment income). Thereafter, the residual equity of the part shall receive subsequent measurement in accordance with relevant provisions of Accounting Standards for Business Enterprises No.2 - Long-term Equity Investments and Accounting Standards for Business Enterprises No.22 - Financial Instruments: Recognition and Measurement. See Note III.13 "long-term equity investments" or Note III.10 "financial instruments" for details.

If the Company disposes of its equity investments in subsidiaries through multiple transactions until it loses control, it is necessary to distinguish whether each transaction of disposing of equity investments in subsidiaries until it loses control is a package transaction. The terms, conditions and economic impact of the transactions related to the enterprise's disposal of its investment in the subsidiary meet one or more of the following circumstances, it should be deemed that multiple transaction events are included into a package of transactions and subject to accounting processing as such: ① such transactions are entered into simultaneously or entered into taking account of their effect on each other; ② such transactions can achieve a complete business result as a whole; ③ occurrence of a transaction depends on occurrence of one or more of the other transactions; and ④ a transaction may be considered uneconomic when it stands alone, but it is considered economic when it stands with other transactions. For the transactions not belonging to a package of transactions, every transaction shall, as the case may be, be individually subject to accounting treatment in accordance with the applicable principle of "Partial disposal of long-term equity investments in the subsidiary without losing control" (see details about long-term equity investment in the Note III.13.(2)④) and "loss of control over the former subsidiaries due to disposal of partial equity investment or for other reasons" (see details in the previous paragraph). If the aforementioned multiple transactions for the disposal of equity investment in subsidiaries that leads to the loss of control are under a package of transactions, the Company treats all such transactions as one transaction through which the Company disposes of its equity in the subsidiary and loses its control over such subsidiary; nonetheless, the difference between the proceeds from each transaction before the Company loses its control over the subsidiary and the corresponding share in the net assets of the subsidiary of the disposed-of investment shall

be recognized as other comprehensive income in the consolidated financial statements, and shall be included into the loss and profit in the then current period when the Company loses its control over the subsidiary.

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

Joint venture arrangement refers to an arrangement jointly controlled by two or more participants. The Company divide joint venture arrangements into joint operation and joint ventures according to the rights enjoyed and obligations borne in joint venture arrangements. Joint operation refers to those joint venture arrangements under which the Company is entitled to relevant assets and be responsible for relevant liabilities. Joint venture refers to those venture arrangements under which the Company is just entitled to the net assets.

The Company accounts for investment in joint venture under the equity method and according to the accounting policies specified in Note III.13. (2) ② "long-term equity investments accounted for under the equity method".

For joint operation as a joint operator, the Company shall recognize assets singly held by the Company and liabilities singly borne by the Company, and recognize jointly held assets and jointly borne liabilities according to its share; recognize income from sale of its share in the joint operation outcome; recognize income from the sale of joint operation outcome according to its share; and recognize expenses singly incurred by the Company, and expenses incurred by joint operation according to its share.

When the Company, as a joint operator, invests assets in or sells assets to the joint operation (such assets not constituting assets, hereinafter the same), or purchase assets from the joint operation, before such assets are sold to a third party, the Company shall only recognize the part in the profits and losses arising from such transaction attributable to other party to the joint operation. Where the assets incurred meet the losses from asset impairment stipulate in Accounting Standards for Business Enterprises No.8 -- Assets Impairment, the Company shall recognize all its investment in the joint operation or sale of assets to the joint operation as losses; and recognize its purchase of assets from the joint operation as losses according to the share borne by it.

8. Recognition criteria of cash and cash equivalents

The Company's cash and cash equivalents include the cash on hand, the deposits available for payment at any time and the short-term (generally maturing within three months from acquisition date) and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

9. Foreign currency transactions and translation of foreign currency financial statements

(1) Methods for translation of foreign currency transactions

At the time at which a foreign currency transaction is initially recognized, the amount in the relevant foreign currency shall be translated into the functional currency at the spot exchange rate prevailing on the transaction date; however, the amount in the foreign currency exchange business or the transaction involved with foreign currency exchange shall be translated into the functional currency at the exchange rate actually adopted.

(2) Methods for translation of foreign currency monetary items and foreign currency non-monetary items

On the balance sheet date, monetary items in foreign currency shall be converted at the spot exchange rate prevailing on the balance sheet date. The exchange difference arising from the special borrowings in foreign currencies for the purchase of the assets in line with the

capitalization conditions of borrowing costs during the capitalization period shall be capitalized.

Where the preparation of consolidated financial statements involves with the overseas business, if there is any foreign currency monetary item constitute the investment in overseas business, the exchange difference arising from the fluctuation in exchange rate shall be recognized as other comprehensive income; if the overseas business is disposed of, the difference therefrom shall be included in the current profit or loss.

Foreign currency non-monetary items measured at historical costs shall still be translated at the spot exchange rates when the transactions occur, without changing the functional currency amount. Foreign currency non-monetary items measured at fair value shall be translated into RMB at the spot exchange rates on the day when the fair value is determined. The difference between the functional currency and previous functional currency after translation is taken as fair value changes (including fluctuation in the exchange rate) and included in current profit and loss or recognized as other comprehensive income.

(3) Methods for translation of foreign currency statements

The foreign currency financial statements of overseas operations shall be converted into RMB statements according to the following methods: assets and liabilities in the balance sheet of overseas operations are measured at the spot exchange rates on balance sheet date. Shareholders' equity items, except for the item of "undistributed profits", are measured at spot exchange rates at the dates of the transactions. The income and expenses in the income statement are translated at the spot exchange rate prevailing on the date when transactions occur. The undistributed profit at the beginning of current year is the translated undistributed profit at the ending of last year; the undistributed profit at the ending of the year is calculated and presented according to the translated profit distribution items; the difference between the amount of the translated items of assets and that of liabilities and shareholders' equity shall be itemized as the currency translation difference to be recognized as other comprehensive income. Where the Company disposes of an overseas business and loses its control rights, it shall transfer the exchange difference relating to the business disposed of, which is presented under the items of the shareholders' equity in the balance sheet, to the current profit and loss on disposal entirely or partially by the proportion of the overseas business disposed of.

Foreign currency cash flows shall be translated at the spot exchange rate on the date when such cash flows occur. Effect of exchange rate changes on cash will be separately presented as an adjustment item in the statement of cash flows.

Where the Company disposes of all the owners' equity in its overseas business or losses the control over its overseas business due to the disposal of the partial equity investment or other reasons, all of the difference presented in the owners' equity items in the balance sheet arising from the translation of the foreign currency financial statements of the equity attributable to owners of the parent company relating to the overseas business.

Where the ratio of the shares in the overseas business decreases due to its disposal of its partial equity investment or other reasons but the Group does not lose its control over the overseas business, the difference arising from the translation of the foreign financial statements relating to the overseas business disposed of is attributable to the minority equity and will not be included in the current profit and loss. Where the Group disposes of its partial equity in the overseas business which is a jointly-run business or joint venture, the difference arising from the translation of foreign currency financial statements relating to the overseas business shall be included in the current profit and loss in proportion to the overseas business disposed of.

10. Financial instruments

A. Wuhan Central Business District Investment and Development Co., Ltd. and Wuhan Yuanwaiyuan Green Landscape Co., Ltd., subsidiaries of Wuhan Central Business District Investment Holding Group Co., Ltd. are subject to the "New Standards on Financial Instruments", while other subsidiaries of the Group are subject to the following policies:

When the Company becomes a party to a financial instrument, it shall recognize a financial asset or financial liability. Financial assets and liabilities are measured at fair value for the initial recognition. For financial assets measured at fair value through profit or loss, the relevant transaction costs are directly included in the profit or loss and for other financial assets and financial liabilities, the relevant transaction costs are included in the initial recognition amount.

(1) Recognition method of fair value of financial assets and financial liabilities

Fair value is the price required to pay for sales of an asset or paid for transfer of a liability by a market participant in an orderly transaction on the measurement date. Where there is an active market for financial instruments, the fair value shall be recognized according to quoted prices in active markets. The quoted prices in active markets are the price liable to be obtained regularly from an exchange, broker-dealers, industry associations and pricing service institutions, and it represents the trading price occurred in fair market transactions. Where there is no active market, the valuation techniques will be adopted to determine their fair values. Valuation techniques include reference to the price to be used in the transactions between knowledgeable and willing parties in recent market transactions, or the current fair value of other substantially similar financial instruments, or determined by using discounted cash flow and options pricing model.

(2) Classification, recognition and measurement of financial assets

For the financial assets purchased or sold in regular way, it shall be subject to accounting recognition and derecognition on the trading date. Financial assets shall be classified into financial assets measured at fair value with their changes recorded into the current profit and loss, held-to-maturity investments, loans and receivables as well as available-for-sale financial assets when initial recognition is made.

① Financial assets measured at fair value through current profit or loss

Including financial assets held for trading and financial assets designated to be measured at fair value through current profit or loss.

Financial assets held for trading refer to the financial assets that meet one of the following conditions: A. the purpose of the acquisition of the financial assets is mainly for the sale in the near future; B. they belong to a part of identifiable portfolios of financial instruments subject to centralized management, and there is objective evidence that the Company manages the portfolio by way of short-term profit in the near future; or C. they belong to derivative instruments, except for derivative instruments that are designated and that are effective hedging instruments, derivative instruments that belong to financial guarantee contracts and derivative instruments that relate to equity instrument investments which have no quoted price in the active market and fair values of which cannot be measured reliably and that shall be settled through the delivery of such equity instruments.

Financial assets meeting one of the following conditions may, at the time carrying out the initial recognition, be designated to the financial assets measured at fair value through the current profit or loss: A. the designation may eliminate or significantly reduce the recognition and measurement inconsistencies of the relevant profits or losses incurred by the difference in

the measurement basis of the financial assets; B. formal written documents on risk management or investment strategies of the Company have specified to manage and evaluate the financial asset portfolio which the financial asset falls under or financial asset and financial liability portfolio based on the fair value and report to key management personnel.

Financial assets measured at fair value with its changes recorded in current profit or loss is subsequently measured at fair value. Gains or losses from the change of fair value as well as dividends and interest expenses related to such financial liabilities are included in the current profit or loss.

② Held-to-maturity investments

The term "held-to-maturity investment" refers to the non-derivative financial assets with a fixed date of maturity, a fixed or determinable amount of recoverable price and which the Company holds for a definite purpose or the Company is able to hold until its maturity.

Held-to-maturity investments shall be subsequently measured at amortized cost by using the effective interest method. Its gains or losses on derecognition, impairment or amortization are included in the current profit or loss.

Effective interest method is a method that calculates the amortized cost and income and expense of various interests as per the effective interest rate of whole financial assets or financial liabilities (including a group of financial assets and financial liabilities). Effective interest rate refers to the interest rate that is used to discount future cash flows of financial assets or financial liabilities in current book value of such financial assets or financial liabilities during expected existence period or applicable shorter period.

When calculating the effective interest rate, the Company will estimate future cash flows pursuant to all contractual terms of financial assets or financial liabilities (without considering future credit losses) and by also considering various charges, transaction costs and discounts or premiums that are paid or received by and between all contract parties and are an integral part of effective interest rate.

③ Loans and receivables

Loans and receivables refer to non-derivative financial assets without quoted price in the active market and with fixed or determinable recovery amount. Financial assets classified by the Company into loans and receivables shall include notes receivable, accounts receivable, interest receivable, dividends receivable and other receivables.

Loans and receivables shall be subsequently measured at amortized cost by using the effective interest method. Its gains or losses on derecognition, impairment or amortization are included in the current profit or loss.

④ Available-for-sale financial assets

Available-for-sale financial assets shall include non-derivative financial assets designated as available-for-sale financial assets upon initial recognition and the financial assets other than financial assets measured at fair value with its changes recorded in current profit or loss, loans, receivables and held-to-maturity investments.

The ending costs of available-for-sale debt instruments shall be recognized using amortized cost method, i.e. initial recognized amount minus principal repaid plus or minus accumulated amortization on the amortization of the differences between initial recognized amount and maturity amount using the effective interest method, and deduction of amount from incurred impairment loss. The ending cost of available-for-sale equity instrument

investment is its initial acquisition cost.

Available-for-sale financial assets are subsequently measured at fair value. The gains or losses arising from changes in the fair value, except that impairment losses and exchange differences associated with foreign currency financial assets and amortized costs are included in the current profit or loss, are recognized as other comprehensive income which is transferred in derecognition of financial assets and included in the current profit or loss. However, for an equity instrument investment that has no quoted price in an active market and whose fair value cannot be reliably measured, and for derivative financial asset linked to the said equity instrument and settled by delivery of the same equity instrument, they are subsequently measured at cost.

Interest acquired during the period of holding the available-for-sale financial assets and cash dividends declared and distributed by the investee should be included in investment income.

(3) Impairment of financial assets

Except for the financial assets measured at fair values with its changes recorded into current profit and loss, the book value of other financial assets on every balance sheet date should be checked. If there is objective evidence that a financial asset is impaired, provision for impairment shall be made.

The Company will carry out an impairment test on financial assets with individually significant amount separately; carry out an impairment test on financial assets with individually insignificant amount separately or include it in financial assets portfolio with similar credit risk characteristics for an impairment test. If separate test indicates that there is no impairment (including financial assets with significant single amount and insignificant single amount), it shall be included in the financial assets portfolio with similar credit risk characteristics for an impairment test. For financial assets with an impairment loss recognized on a single item, it shall not be included in the financial assets portfolio with similar credit risk characteristics for an impairment test.

① Impairment of held-to-maturity investments, loans and receivables

Financial assets measured at cost or amortized cost have its book value written down to present value of estimated future cash flows, and the written-down amount is recognized as the impairment loss and recorded in the current profit or loss. After impairment loss is recognized on the financial assets, if there is an objective evidence that the financial assets have been recovered and are objectively related to an event occurred after recognition of the loss, the originally-recognized impairment loss shall be reversed, and the book value of the financial assets with impairment loss reversed does not exceed amortized cost of the financial assets on the reversal date under the assumption that no provision for impairment is made.

② Impairment of available-for-sale financial assets

When integrating correlative factors to judge the fair value of available-for-sale equity instrument investments drops significantly or not temporary, indicating that there is an impairment in available-for-sale instrument investments. Where the "significant" means that the fair value drops over 20% cumulatively; "not contemporary" means that the fair value has dropped for more than 12 months continuously.

In case there is any impairment loss happened to the available-for-sale financial assets, the accumulated loss due to decrease in fair value originally recorded in other comprehensive income shall be transferred and recorded in the current profit and loss. The accumulated loss

thus transferred shall be initial acquired cost of such assets less recovered principal and amortized amount, current fair value and impairment loss originally recorded in the profit and loss.

After impairment loss is recognized on the financial assets, if there is an objective evidence thereafter that the financial assets have been recovered and are objectively related to an event occurred after recognition of the loss, the originally recognized impairment loss shall be reversed, and the impairment loss on available-for-sale equity instrument investments is reversed and recognized as other comprehensive income, and the impairment loss on available-for-sale debt instrument is reversed and recorded in the current profit or loss.

However, for an equity instrument investment that has no quoted price in an active market and whose fair value cannot be reliably measured, and for derivative financial asset linked to the said equity instrument investment and settled by delivery of the same equity instrument, the impairment loss shall not be reversed.

(4) Recognition basis and measurement method of financial assets transfer

Where a financial asset satisfies any of the following requirements, it shall be derecognized: ①Where the contractual rights for collecting the cash flow of the said financial asset are terminated; ②the financial asset has been transferred and nearly all the risks and rewards associated with the ownership of the financial asset have been transferred to the transferee; ③the financial asset has been transferred and the Company has neither transferred nor retained nearly all the risks and rewards associated with the ownership of the financial asset but waives the control over the financial asset.

Where the Company has neither transferred nor retained nearly all the risks and rewards associated with the ownership of the financial asset and does not waive the control over the financial assets, the Company recognizes the relevant financial assets and liabilities in accordance with the extent of its continuous involvement in the transferred financial assets. The term "continuous involvement in the transferred financial assets" refers to the risk level that the enterprise faces due to the change of the value of the financial assets.

If the entire transfer of financial assets satisfies the criteria for derecognition, the book value of financial assets transferred and consideration received from the transfer less the accumulated amount of the changes in fair value originally included in other comprehensive income should be included in the current profit or loss.

If the partial transfer of financial asset satisfies the criteria for derecognition, the book value of all the transferred financial asset shall be split into the derecognized part and recognized part according to their respective fair value and the difference between the sum of the consideration received from the transfer and the accumulated amount of the changes in fair value that should be amortized into the derecognized part and that are originally included in other comprehensive income should be included in the current profit or loss.

For the financial assets sold by attaching recourse or the financial assets transferred through endorsement, the Company shall determine whether nearly all risks and rewards associated with the ownership of the financial assets have been already transferred. Where the Company has transferred nearly all risks and rewards associated with the ownership of a financial asset to the transferee, the financial asset shall be de-recognized; where the Company retains nearly all risks and rewards associated with the ownership of a financial asset, the financial asset shall be continuously recognized. Where the Company has neither

transferred nor retained nearly all the risks and rewards associated with the ownership of the financial asset, it will judge whether the control over the financial assets has been retained and accounting treatment will be made in the principles stated in foregoing paragraphs.

(5) Classification and measurement of financial liabilities

Financial liabilities are classified into financial liabilities measured at fair value through the current profit or loss and other financial liabilities at initial recognition. At initial recognition, financial liabilities are measured at fair value. For financial liabilities measured at fair value through the current profit or loss, the relevant transaction costs are directly included in the current profit or loss; for other financial liabilities, the relevant transaction costs are included in the initial recognition amount.

① Financial liabilities measured at fair value through current profit or loss

The conditions for financial liabilities held for trading and the financial liabilities designated to be measured at fair value through the current profit or loss on initial recognition are consistent with that for financial assets held for trading and the financial assets designated to be measured at fair value through the current profit or loss on initial recognition.

Financial liabilities measured at fair value through current profit and loss are subsequently measured at fair value. Gains or losses from the change of fair value as well as dividends and interest expenses related to such financial liabilities are included in the current profit and loss.

② Other financial liabilities

As for derivative financial liabilities linked up with equity instrument whose fair value cannot be reliably measured and that has no quoted price in the active market, and settlement thereof must be done via the delivery of such equity instrument, the subsequent measurement shall be done at cost method. Other financial liabilities shall be subsequently measured at amortized cost by using the effective interest method. Gains or losses from derecognition or amortization are included in the current profit or loss.

③ Financial guarantee contracts

Financial guarantee contracts of financial liabilities that are not designated to be measured by fair value through current profit or loss shall be initially recognized at fair value. Thereafter, they shall be subsequently measured in accordance with the amount defined in Accounting Standard for Business Enterprises No. 13 - Contingencies or initial-recognized amount less total accumulated amortization defined as per the principles of Accounting Standard for Business Enterprises No. 14- Revenue, whichever is higher.

(6) Derecognition of financial liabilities

When the prevailing obligations of a financial liability are relieved in whole or in part, the financial liability could be derecognized in whole or in part. Where the Company (debtor) 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 shall recognize a new financial liability at the same time.

Where financial liabilities are derecognized in whole or in part, the differences between the book value of the financial liabilities derecognized and the consideration paid (including non-cash assets transferred out or new financial liabilities borne) will be included into current profit or loss.

(7) Derivative instruments and embedded derivative instruments

Derivative instruments are initially measured at fair value on relevant contract signature date and subsequently measured at fair value. Changes in the fair value of derivative instruments are recognized in the current profit or loss.

For hybrid instruments containing the embedded derivative instruments, such as financial assets or financial liabilities designated to be measured by fair value and which change is recorded in current profit or loss, if the embedded derivative instruments are not closely connected to the master contract in economic characteristics and risks, hybrid instruments have the same conditions with embedded derivative instruments, and the independent instrument is in line with the definition of derivatives, embedded derivative instruments will be separated from the hybrid instruments and treated as an independent derivative financial instruments. If embedded derivative instruments thereof fail to be separately measured when they are acquired or on the following balance sheet date, such hybrid instruments shall be designated as financial assets or financial liabilities measured at fair value through the current profit or loss as a whole.

(8) Offset of financial assets and financial liabilities

When the Company has the legal right to offset the recognized financial assets and financial liabilities and may currently enforce the legal right, while the Company plans to net or realize the financial assets and the financial liabilities simultaneously, the amount mutually offset between the financial assets and the financial liabilities should be presented in the balance sheet. In addition, financial assets and financial liabilities should be presented separately in the balance sheet, without mutual offset.

(9) Equity instruments

Equity instruments refer to a contract that could prove the ownership of remaining equity of the Company's assets after deduction of all liabilities. The Company issues (refinances), repurchases, sells or cancels equity instruments as a handling of changes in equity. The Company does not recognize the changes in the fair value of equity instruments. Expenses related to equity transaction shall be deducted from the value of equity.

Various distributions (excluding stock dividends) from the Company to the holders of equity instruments that reduce shareholders' equity. The Company does not recognize the changes in the fair value of equity instruments.

B. Wuhan Central Business District Investment and Development Co., Ltd. and Wuhan Yuanwaiyuan Green Landscape Co., Ltd., subsidiaries of Wuhan Central Business District Investment Holding Group Co., Ltd. apply the "New Standards on Financial Instruments" and implement the following policy:

A financial instrument refers to a financial asset forming an enterprise and a contract forming financial liabilities or equity instruments of other entities. When the Company becomes a party to a financial instrument, it shall recognize the related financial asset or financial liability.

Financial assets or financial liabilities are measured at fair value on initial recognition:

① as for financial assets measured at fair value through profit and loss and financial liabilities, transaction costs are directly charged to the current profit or loss; ② as for other financial assets and financial liabilities, relevant transaction costs are charged to the amount initially recognized. Subsequent measurement of financial assets and financial liabilities depends on their classification.

Financial assets or financial liabilities meeting one of the following conditions indicate that the purpose of holding them is transactional: ① the purpose of acquiring the relevant financial assets or assuming the relevant financial liabilities is mainly for the purpose of selling or repurchasing in the near future; ② initially recognized as part of a centrally managed portfolio of identifiable financial instruments, and there is objective evidence of actual short-term profit pattern in the near future; ③ are derivatives, but derivatives that meet the financial guarantee contract definition and are designated as effective hedging instruments are excluded.

(1) Debt instruments

Debt instruments are those instruments that meet the definition of financial liabilities when analyzed from the perspective of the issuer. The classification and subsequent measurement of debt instruments depend on the Company's business model for managing financial assets and the contractual cash flow characteristics of the financial assets. Those that cannot pass the cash flow characteristics test are classified directly as financial assets at fair value through profit or loss; those that can pass the cash flow characteristics test are classified depending on the business model for managing financial assets and whether they are designated as financial assets measured at fair value through profit or loss.

① Measured at amortized cost. The Company's business model for managing this kind of financial assets is to collect contractual cash flows, and the contractual cash flow characteristics of such financial assets are consistent with the underlying borrowing arrangements, i.e., cash flows generated at a specific date that are solely payments of principal and interest based on the outstanding principal and at the same time such financial assets are not designated as those measured at fair value through profit or loss. The Company recognizes interest income using the effective interest rate method for such financial assets. Gains or losses arising from derecognition of such financial assets and losses due to impairment are recognized directly in current profit or loss.

② Measured at fair value through other comprehensive income. The Company's business model for managing such financial assets is to both collect contractual cash flows and for sale, and the contractual cash flow characteristics of such financial assets are consistent with the underlying borrowing arrangements, i.e., cash flows generated at a specific date that are solely payments of principal and interest based on the outstanding principal and at the same time such financial assets are not designated as those measured at fair value through profit or loss. The Company measures such financial assets at fair value through other comprehensive income, except for impairment losses or gains, foreign exchange gains or losses and interest income calculated using the effective interest method, which are recognized in current profit or loss. Upon derecognition of such financial assets, the cumulative changes in fair value recognized in other comprehensive income are carried forward to current profit or loss. Such financial assets are presented as other debt investments.

③ Measured at fair value through current profit or loss. Debt instruments held by the Company that are not classified as financial assets at amortized cost and at fair value through other comprehensive income, are classified as financial assets at fair value through profit or

loss and are presented as financial assets held for trading or other non-current financial assets.

(2) Equity instruments

An equity instrument is an instrument that meets the definition of an equity instrument when analyzed from the perspective of the issuer. Investments in equity instruments that are measured at fair value through profit or loss are presented as financial assets held for trading, except for those designated by the Company's management as at fair value through other comprehensive income. If designated as at fair value through comprehensive income, it is presented as investment in other equity instruments, and the related fair value changes cannot be carried forward to current profit or loss, and the designation cannot be revoked once made. The related dividend income is recognized in current profit or loss. Investments in other equity instruments are not provided for impairment. When a financial asset is derecognized, the accumulated gains or losses previously included in other comprehensive income shall be transferred from other comprehensive income and included in retained earnings.

(3) Financial liabilities

Financial liabilities are classified into financial liabilities measured at fair value through the current profit or loss and the other financial liabilities at initial recognition.

Financial liabilities measured at fair value through the current profit or loss include financial liabilities held for trading and the financial liabilities designated to be measured at fair value through the current profit or loss. A financial liability may be designated as a financial liability at fair value through profit or loss at initial measurement if one of the following conditions is met: ① the designation eliminates or significantly reduces an

accounting mismatch; ② the portfolio of financial liabilities or the portfolio of financial assets and financial liabilities is managed and performance evaluated on a fair value basis in accordance with the risk management or investment strategy set forth in formal written documents, and is reported to key management personnel within the Company on this basis. This designation, once made, cannot be revoked.

For financial liabilities designated as at fair value through profit or loss, the amount of change in fair value arising from changes in the Company's own credit risk is recognized in other comprehensive income; other changes in fair value are recognized in current profit or loss. When a financial liability is derecognized, the accumulated gains or losses previously included in other comprehensive income shall be transferred from other comprehensive income and included in retained earnings.

The Company's other financial liabilities mainly include short-term borrowings and long-term borrowings. Other financial liabilities shall be subsequently measured at amortized cost by using the effective interest method.

(4) Derecognition of financial assets and financial liabilities

Where a financial asset satisfies any of the following requirements, it shall be derecognized:

① Where the contractual rights for collecting the cash flow of the said financial asset are terminated;

② The financial asset has been transferred, and nearly all the risks and rewards associated with ownership of the financial assets have been transferred to the transferee;

③ The financial asset has been transferred and the Group has neither transferred nor retained nearly all the risks and rewards associated with the ownership of the financial asset but waives the control over the financial asset.

The Company ceases to recognize a financial liability (or a portion of a financial liability) when the present obligation for that financial liability (or a portion thereof) has been discharged.

(5) Impairment of financial instruments

Based on the expected credit losses, the Company performs impairment accounting treatment on the financial instruments and recognizes the loss provision. Expected credit losses are the weighted average of credit losses on financial instruments weighted by the risk of default. Credit loss refers to the difference between all contractual cash flows receivable from the contract discounted at the original actual interest rate and all cash flows expected to be received by the Company, that is, the present value of all cash shortages.

The Company's methodology for measuring expected credit losses on financial instruments reflects factors such as: unbiased probability-weighted average amounts determined by evaluating a range of possible outcomes, time value of money and reasonable and informed information about past events, current conditions, and projected future economic conditions that are available at the balance sheet date without undue additional cost or effort. The Company determines the expected credit losses on the underlying financial instruments in accordance with the following methodology:

① In the case of financial assets, the credit loss is the present value of the difference between the contractual cash flows due to the Company and the cash flows expected to be received;

② For lease receivables, credit losses are the present value of the difference between the contractual cash flows receivable by the Company and the cash flows expected to be collected;

③ For financial assets that are impaired at the balance sheet date but are not purchased or derived and has been subject to credit impairment, the credit loss is the difference between the book balance of the financial asset and the present value of estimated future cash flows discounted at the original effective interest rate.

For financial instruments purchased or originated without credit impairment, at each balance sheet date, considering reasonable and substantiated information (including forward-looking information), the Company assesses whether the credit risk has increased significantly since initial recognition and recognizes expected credit losses in accordance with each of the three stages. If the credit risk has not increased significantly since initial recognition, the financial instrument is in the first stage, and the allowance for loss is measured based on the expected credit loss over the next 12 months; if the credit risk has increased significantly since initial recognition but no credit impairment has occurred, the financial instrument is in the second stage, and the allowance for loss is measured based on the expected credit loss over the entire life of the financial instrument; if credit impairment has occurred since initial recognition, the financial instrument is in the third stage, and the allowance for loss is measured based on the expected credit loss over the entire life of the financial instrument. For financial instruments in the first and second stages, interest income

is calculated based on the book balance and effective interest rate; for financial instruments in the third stage, interest income is determined based on their amortized cost and effective interest rate.

For financial assets acquired or originating from which credit impairment has been incurred, only the cumulative change in expected credit losses over the entire period since initial recognition is recognized as a provision for loss at the balance sheet date and the interest income is determined on the basis of the amortized cost of the financial assets and the effective interest rate adjusted by credit.

The increase or reversal of the loss provision is included in the current profit or loss as an impairment loss or gain. For debt instruments held at fair value through other comprehensive income, the Company adjusts other comprehensive income at the same time as it recognizes impairment losses or gains in profit or loss for the current period.

A. For notes receivable and accounts receivable, regardless of whether there is a significant financing component, the Company measures their provision for loss according to the amount of expected credit losses for the entire duration.

When it is impossible to estimate the expected credit loss of a single note receivable or account receivable at a reasonable cost, the Company divides the note receivable or account receivable into several portfolios based on credit risk characteristics, and calculates the expected credit loss on the basis of portfolios.

For notes receivable classified as a portfolio, the Company calculates expected credit losses by referring to historical credit loss experience, taking into account current conditions and forecasts of future economic conditions, through default risk exposure and expected credit loss rate for the entire duration. Determination basis of portfolio is listed as following:

Notes receivable portfolio 1 Commercial acceptances

Notes receivable portfolio 2 Bankers' acceptances

For accounts receivable that are classified into portfolios, the Company compiles a comparison table of aging of accounts receivable and the expected credit loss rate of the entire duration, and calculates the expected credit loss, by referring to historical credit loss experience, and taking into consideration the current situation and the prediction of future economic conditions. Determination basis of portfolio of receivables is listed as following:

Portfolio 1 of receivables Aging analysis method

Accounts receivable portfolio 2 Other portfolio methods

B. When it is impossible to estimate the expected credit loss of other receivables or long-term receivables on an individually basis at a reasonable cost, the Company divides the other receivables or long-term receivables into several portfolios based on credit risk characteristics, and calculates the expected credit loss on the basis of portfolios. Determination basis of portfolio is listed as following:

Portfolio 1 of other receivables Aging analysis method

Other receivable portfolio 2 Other portfolio methods

(6) Offset of financial assets and financial liabilities

When the Company has the legal right to offset the recognized financial assets and financial liabilities and may currently enforce the legal right, while the Company plans to net or realize the financial assets and the financial liabilities simultaneously, the amount mutually offset between the financial assets and the financial liabilities should be presented in the balance sheet. In addition, financial assets and financial liabilities should be presented separately in the balance sheet, without mutual offset.

(7) Determination of fair value of financial instruments

For financial instruments for which there is an active market, their fair value is the price required to pay for sales of an asset or paid for the transfer of a liability by a market participant in an orderly transaction on the measurement date. The fair value of a financial instrument, for which there is no active market, is determined by using valuation techniques. At the time of valuation, the Company adopts the techniques that are applicable in the current situation and supported by enough available data and other information, selects the input values that are consistent with the features of assets or liabilities as considered by market participants in relevant asset or liability transactions, and gives priority to use relevant observable inputs as soon as possible. Unobservable input is used only under the circumstance when it is impossible or unobservable input to obtain relevant observable input.

11. Receivables

Receivables include accounts receivable, notes receivable, other receivables and others. The accounts receivable generated from external sales of goods or rendering of services by the Company are initially recognized at the fair value of the consideration which shall be received by the purchaser under the contract or agreement.

According to the organizational structure and business type of WuHan Urban Construction Group in 2020, the Group's business is divided into the following two segments to provide for bad debts separately, as follows: a. Real estate and other business segment; b. Building construction business segment.

(1) Real estate and other business segments

①Receivables that are individually significant but with allowance for bad debts made on an individual basis:

Basis and standard for "individually significant"	Accounts receivable with the balance of over RMB 50.00 million and other receivables with the balance of over RMB 1 million.
Provision method for receivables with individually significant amount and individual allowance for bad debts	When there is objective evidence showing that the Company will be incapable of recovering all receivables in accordance with the original terms of receivables, separate impairment test shall be made at the difference of present value of future cash flows in short of their book values, and the provision of allowance for bad debts shall be made as well.

②Receivables subject to provision for bad debts on credit risk portfolio basis

For receivables that are individually insignificant and receivables that are individually significant but proved to be unimpaired after separate test, they shall be classified into different portfolios according to the similarities and connection of the credit risk characteristics, these credit risks usually reflect the debtor's ability to pay all amounts due according to the contractual terms of these assets, and are related to the estimation of future cash flows of the assets checked.

A. Basis to determine different portfolios:

Item	Determination basis of portfolio
Portfolio 1	Classified by taking the aging of receivables as the credit

	risk characteristics.
Portfolio 2	Receivables from related parties, receivables from government or state-owned enterprises, deposits, security deposits and other receivables

B. Method of accruing allowance for bad debts by portfolios:

Item	Provision method
Portfolio 1	Aging analysis method
Portfolio 2	No bad debt will be provided. If there is objective evidence that impairment has occurred, impairment losses shall be recognized at the difference of present value of their future cash flows in short of their book value.

a. Provision methods of portfolios for bad debts under the aging analysis method in the portfolio

Aging	Proportion of provision for accounts receivable (%)	Proportion of provision for other receivables (%)
Within 1 year (including 1 year, the same as below)	1	1
1-2 years	5	5
2-3 years	10	10
3-4 years	20	20
4-5 years	50	50
Over 5 years	100	100

b. Methods for provision for bad debts by a percentage-of-balance approach in portfolio

Portfolio name	Proportion of provision for accounts receivable (%)	Proportion of provision for other receivables (%)
Ending balance of receivables	0.5	0.5

C. Methods for provision for bad debts by other approaches in portfolio

Portfolio name	Proportion of provision for accounts receivable (%)	Proportion of provision for other receivables (%)
Receivables from the related parties	No provision	No provision
Receivables from government or state-owned enterprises	No provision	No provision
Guarantees, deposits and other receivables	No provision	No provision

③Receivables with insignificant single amount but provided for bad debt on a single basis

Reasons for individual provision for bad debts	Receivables that are not individually significant and for which the provision for bad debts in the portfolio does not reflect their credit risk characteristics (in dispute or

	involved in litigation or arbitration; or for which there are clear indications of the probability that the debtor will not be able to fully meet its repayment obligations due to the age of the accounts)
Methods for provision for bad debts	Make provision for bad debt based on the difference of the cash flows' present value in short of its book value.

The Company performs impairment tests separately on these receivables with individually insignificant amount that have the following characteristics. If any object evidence proving the existence of impairment, impairment loss is recognized and provision for bad debts is made at the difference between present value of future cash flows in short of their book value.

(2) Building construction business segment

①Receivables that are individually significant but with allowance for bad debts made on an individual basis:

Basis and standard for "individually significant"	The balance of receivables is more than RMB1,000,000
Provision method for receivables with individually significant amount and individual allowance for bad debts	When there is objective evidence showing that the Company will be incapable of recovering all receivables in accordance with the original terms of receivables, separate impairment test shall be made at the difference of present value of future cash flows in short of their book values, and the provision of allowance for bad debts shall be made as well.

②Receivables subject to provision for bad debts on credit risk portfolio basis

For receivables that are individually insignificant and receivables that are individually significant but proved to be unimpaired after separate test, they shall be classified into different portfolios according to the similarities and connection of the credit risk characteristics, these credit risks usually reflect the debtor's ability to pay all amounts due according to the contractual terms of these assets, and are related to the estimation of future cash flows of the assets checked.

A. Basis to determine different portfolios:

Item	Determination basis of portfolio
Portfolio 1	Classified by taking the aging of receivables as the credit risk characteristics.
Portfolio 2	Receivables from related parties, receivables from government or state-owned enterprises, deposits, security deposits and other receivables

B. Method of accruing allowance for bad debts by portfolios:

Item	Provision method
Portfolio 1	Aging analysis method

Portfolio 2	No bad debt will be provided. If there is objective evidence that impairment has occurred, impairment losses shall be recognized at the difference of present value of their future cash flows in short of their book value.

a. Provision methods of portfolios for bad debts under the aging analysis method in the portfolio

Aging	Proportion of provision for accounts receivable (%)	Proportion of provision for other receivables (%)
Within 1 year (including 1 year, the same as below)	1	1
1-2 years	3	3
2-3 years	5	5
3-4 years	15	15
4-5 years	50	50
Over 5 years	100	100

b. Methods for provision for bad debts by a percentage-of-balance approach in portfolio

Portfolio name	Proportion of provision for accounts receivable (%)	Proportion of provision for other receivables (%)
Ending balance of receivables	0.5	0.5

C. Methods for provision for bad debts by other approaches in portfolio

Portfolio name	Proportion of provision for accounts receivable (%)	Proportion of provision for other receivables (%)
Receivables from the related parties	No provision	No provision
Receivables from government or state-owned enterprises	No provision	No provision
Guarantees, deposits and other receivables	No provision	No provision

③Receivables with insignificant single amount but provided for bad debt on a single basis

Reasons for individual provision for bad debts	Receivables that are not individually significant and for which the provision for bad debts in the portfolio does not reflect their credit risk characteristics (in dispute or involved in litigation or arbitration; or for which there are clear indications of the probability that the debtor will not be able to fully meet its repayment obligations due to the age of the accounts)
Methods for provision for bad debts	Make provision for bad debt based on the difference of the cash flows' present value in short of its book value.

The Company performs impairment tests separately on these receivables with individually insignificant amount that have the following characteristics. If any object evidence proving the existence of impairment, impairment loss is recognized and provision

for bad debts is made at the difference between present value of future cash flows in short of their book value.

(3) Reversal of provision for bad debts

If there is any objective evidence showing that the value of the receivables has been recovered and it relates objectively to the event occurred after the recognition of the loss, the originally recognized impairment loss shall be reversed and included in the current profit or loss. However, the book value after the reversal does not exceed amortized cost of the receivables on the reversal date under the assumption that no provision for impairment is made.

(4) Where the Company transfers receivables to financial institutions without attaching any right of recourse, the difference of the transaction cost less the book value of receivables written down and relevant taxes and surcharges, is included in the current profit and loss.

(5) If there is any sign of impairment of other receivables such as advances to suppliers and long-term receivables maturing within one year, the provision for bad debts shall be made at the difference between the present value and the book value of future cash flows.

12. Inventories

(1) Classification

Inventories mainly include inventory materials, developed products under construction (development costs), finished developed products, developed products proposed to be sold but temporarily rented out, construction (outstanding price for completed projects).

(2) Evaluation methods of acquisition and dispatching inventories

The perpetual inventory system is adopted for the Company's inventories, which are evaluated at their actual costs when acquired. The cost of inventory consists of purchase costs, processing costs and other costs. Inventories, except for real estate development projects, are valued on a weighted-average basis when they are claimed and issued. Low-cost consumables are amortized at lump-sum method when applied for use.

The costs of development products include the land premium, expenses for infrastructure facilities, expenses for construction and installation project, borrowing costs incurred prior to the completion of the development project and other related expenses during the development process. When the development products are dispatched, the actual costs are determined by employing the specific identification method.

(3) Provision method for inventory depreciation reserves

Where at the end of the period, the inventory costs are higher than the net realizable values, the provision for inventory depreciation reserves shall be made. The Company usually calculates the inventory depreciation reserves on an individual basis. At the end of the period, if factors causing any write-down of the inventories have disappeared, the amount shall be reversed from the inventory depreciation reserves that have been made.

(4) Determination method for net realizable values of inventories

The net realizable values of inventories refer to the amounts of the estimated selling prices of inventories minus the estimated costs to completion, estimated selling expenses and relevant taxes and surcharges.

13. Long-term equity investments

For the purpose of this part, long-term equity investments refer to Long-term equity investments where the Company has joint control over or significant influence on the investees. The Company shall account for long-term equity investments where the Company has no control or joint control over or significant impact on the investees as available-for-sale financial assets or financial assets measured at fair value through the current profit or loss.

See Note 3.8 "financial instruments" for detailed accounting policies.

Joint control refers to the control shared by the Company over an arrangement in accordance with the relevant stipulations, and the decision-making of related activities of the arrangement should not be made before the party sharing the control right agrees the same. Significant influence refers to the Company's power to participate in making decisions on the financial and operating policies of the investee, but not the power to control, or jointly control, the formulation of such policies with other parties.

(1) Determination of investment cost

For long-term equity investments acquired from business combinations under common control, the investment initial cost thereof shall be recognized at the share of book value of the shareholder's equity of the combinee in the consolidated financial statements of the ultimate controller on the acquisition date. Capital reserves should be adjusted according to the difference between the initial investment cost of long-term equity investment and the book value of the paid cash, the non-cash assets transferred and the debts assumed; in case the capital reserves are not enough, the retained earnings need to be adjusted. If the equity securities are issued as consideration for business combination, the share of book value of its shareholders' equity in the consolidated financial statements of the ultimate controlling party shall be regarded as the initial investment cost of the long-term equity investment and total par value of issued shares shall be regarded as share capital on the combination day. If there is a difference between the initial investment cost of the long-term equity investment and the total par value of issued shares, the difference shall be used to adjust the capital reserve; and if the capital reserve is insufficient to be offset, retained earnings shall be adjusted. Where equities of the combinee under common control are acquired through multiple transactions and by stages, finally forming business combinations under common control, they should be treated based on whether they fall under a package deal; if they fall under a package deal, the Group should account for various transactions as a transaction with control. Where the transactions do not belong to a package deal, the initial investment cost of long-term equity investments shall be the share of the book value of shareholders' equity of the acquiree in the consolidated financial statements of the ultimate controller on the combination date. Capital reserve should be adjusted at the difference between the initial investment cost of long-term equity investments and the sum of the book value of long-term equity investments before the combination and the book value of consideration newly paid for additional shares on the combination date. Where capital reserve is insufficient, the retained earnings shall be written down. Other comprehensive income from equity investments held prior to the date of consolidation that is recognized under the equity method or as available-for-sale financial asset is withheld from accounting treatment.

For long-term equity investments obtained due to the business combination not under common control, the combination costs on the acquisition date are the initial investment costs of long-term equity investments and the combination cost includes the sum of fair values of assets paid, any liabilities incurred or assumed, and any equity securities issued by the acquirer. Where equities of the acquiree are acquired through multiple transactions and by stages, finally forming business combinations under common control, they should be treated based on whether they fall under a package deal; if they fall under a package deal, the Company should account for various transactions as a transaction with control. Where they do not fall under a package deal, the initial investment cost of the long-term equity investments should be changed to be accounted for under the cost method and recognized at the sum of the book value of equity investments originally held in the acquiree and newly increased

investment costs. Where equities held before are accounted for under the equity method, the relevant other comprehensive income should not be handled with accounting treatment. Where previously held equity investment is classified into available-for-sale financial assets, the difference between its fair value and book value and the cumulative change in fair value originally recognized in other comprehensive income will be transferred to the current profit and loss.

Intermediary service charges such as audit fee, legal service fee, appraisal and consultancy fee paid by the combiner or the acquirer for business combinations and other relevant general and administrative expenses are included in the current profit and loss when incurred.

Other equity investments other than long-term equity investments from business combinations are initially measured at costs. The costs are respectively recognized at purchase price in cash actually paid by the Company, fair value of equity securities issued by the Company, value agreed in investment contracts or agreements, fair value or original book value of assets transferred out from non-monetary assets exchange transactions and the fair value of such long-term equity according to the method of acquisition of long-term equity investments. Expenses, taxes and other necessary expenses that are directly related to the long-term equity investments shall be recognized as the initial costs. Where the Company can exercise significant influence or joint control or over the investee but fails to constitute control due to additional investments, costs of long-term equity investments are the sum of the fair value of originally held equity investments recognized according to the Accounting Standards for Business Enterprises No.22 - Recognition and Measurement of Financial Instruments and newly increased investment costs.

(2) Subsequent measurements and recognition of profit or loss

Long-term equity investments that the Company has joint control over (except those constituting joint operation) or significant influence on the investees are accounted with the equity method. In addition, the Company measures the long-term equity investments where the Company can exercise control over the investee under the cost method.

① Long-term equity investment under cost method

Where the cost method is adopted for accounting, long-term equity investments are measured at initial investment cost. The Company shall increase or recover the investment to adjust the cost of long-term equity investments. The share of cash dividends or profits declared to be distributed by the investees shall be recognized as the current investment income, except for cash dividends or profits declared but not yet distributed which are included in the actual payments or consideration of the investments when acquired.

② Long-term equity investments accounted for under the equity method

For long-term equity investments measured under the equity method, if the initial investment costs are higher than the investor's attributable share of the fair value of the investee's identifiable net assets, no adjustment will be made to the initial costs of the long-term equity investments; however, 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 balance should be included into current profit and loss and at the same time, the costs of the long-term equity investments should be adjusted.

When the equity method is adopted, the Group should, according to the shares of net profits and losses and other comprehensive income realized by the investee which the Group

should enjoy or bear, respectively confirm the profit and loss on investments and other comprehensive income, and adjust the book value of the long-term equity investments at the same time; the Group should calculate the part distributed from cash dividends or profits declared by the investee and correspondingly reduce the book value of long-term equity investments; for other changes in owner's equity of the investee except for the net profit or loss, other comprehensive income and profit distribution, the Group should adjust the book value of long-term equity investments and include the change book value into the capital reserve. When recognizing the share of net profit or loss of the investee that the Group shall enjoy or bear, based on fair value of various identifiable assets and others of the investee while acquiring the investment, the Group should confirm such share after adjusting the investee's net profit. If accounting policies and accounting periods adopted by the investee are inconsistent with those of the Company, the financial statements of the investee should be adjusted according to the accounting policies and accounting periods of the Company and investment income and other comprehensive income etc. should be recognized on such basis. For transactions between the Company and associates and joint ventures, if invested or sold assets fail to constitute business, the Company shall write off the part of incomes from internal unrealized transactions which are attributable to the Company according to the corresponding ratio and recognize the profit and loss on investments on such basis. Where the losses from internal transactions between the Company and the investee fall into the scope of losses from asset impairment, they should not be offset. Where assets invested in joint ventures or associates by the Company constitute business and then the Company acquires long-term equity investments but fails to obtain control, the fair value of invested business as the initial investment cost of the newly increased long-term equity investments. The difference between the initial investment cost and book value of invested business shall be included in the current profit and loss. Where assets sold to joint ventures or associates by the Company constitute business, the difference between the consideration paid and book value of the business shall be fully included in the current profit and loss. Where assets purchased from associates and joint ventures by the Company constitute business, accounting treatment shall be made according to the Accounting Standards for Business Enterprises No. 20 - Business Combinations. Gains or losses related to transactions should be fully recognized.

When recognizing the net losses occurred in the investee that should be shared, the reduction value of book value of long-term equity investments and other long-term equities that constitute net investments in the investee will be the limit until it becomes zero. In addition, if the Company still assumes additional obligations for the investee, the obligation expected to be assumed should be recognized as estimated liabilities and included into the investment loss in the current period. Where the investee is profitable in subsequent accounting periods, the Company shall restore the income shared after making up for unrecognized losses undertaken by such income.

For long-term equity investments on associates and joint ventures held prior to the first implementation of new accounting standards by the Company, debit balance of the related equity investments, if any, shall be amortized with the straight-line method during the remaining period and the amortization shall be recognized in the current profit and loss.

③ Purchase of minority interest

In preparing the consolidated financial statements, the capital reserves will be adjusted at the difference between the long-term equity investment acquired by the Company for the purchase of minority equities and the share of net assets calculated constantly from the

acquisition date (or combination date) according to the newly increased shareholding ratio. Where the capital reserve is insufficient, retained earnings will be adjusted.

④ Disposal of long-term equity investments

The difference between the proceeds from partial disposal of equity investments without losing control in the subsidiaries and the share of net assets of the subsidiaries attributable to the Company corresponding to the disposal of long-term equity investments should be charged into shareholders' equity in the consolidated financial statements; long-term equity investments with the loss of control over the subsidiaries due to partial disposal of equity investments by the parent company should be handled according to the relevant accounting policies set forth in Note III.6.(2) "Preparation method of consolidated financial statements".

For disposal of long-term equity investments under other circumstances, the difference between book value and the actual purchase price should be included in the current profit and loss.

For long-term equity investments accounted for under the equity method, where the remaining equities after the disposal are still accounted for with the equity method, the part of other comprehensive income that is originally included in shareholders' equity on disposal should be accounted for on the same basis on which the investee directly disposes the relevant assets or liabilities according to the corresponding proportion. Owner's equity recognized from changes in other owner's equity of the investee other than net profit and loss, other comprehensive income and the profit distribution should be included into current profit or loss in proportion.

For long-term equity investments accounted for under the cost method, where the remaining equities after the disposal are still accounted for with the cost method, other comprehensive income that is recognized by using the equity method or according to the standards for recognition and measurement of financial instruments before the Company obtains the control over the investee should be accounted for on the same basis on which the investee directly disposes the relevant assets or liabilities and shall be carried forward to the current profit and loss in proportion; Changes in other owner's equity other than net profit or loss, other comprehensive income and profit distribution in net asset of the investee recognized by using the equity method should be carried forward to the current profit and loss in proportion.

Where the Company loses the control over the investee due to disposal of partial equity investments or other reasons, when it prepares individual financial statements, if the remaining equity after disposal can exercise joint control or significant influence on the investee, such investments should be changed to be accounted for under the equity method and the remaining equity should be deemed to have be adjusted on acquisition, namely when the equity method is adopted for accounting; if the remaining equity after disposal can exercise joint control or significant influence on the investee, such equity will be changed to be accounted for according to recognition and measurement standards of financial instruments and the difference between fair value and book value on the date of loss of the control or significant influence should be included in the current profit and loss. Other comprehensive income that is recognized by using the equity method or according to the standards for recognition and measurement of financial instruments before the Company obtains the control over the investee should be accounted for on the same basis on which the investee directly disposes the relevant assets or liabilities. Changes in other owner's equity other than net profit or loss, other comprehensive income and profit distribution in net asset of the investee

recognized by using the equity method should be carried forward to the current profit and loss when the Company loses the control over the investee. Among them, the remaining equities after the disposal are accounted for under the equity method, other comprehensive income and other owners' equities are carried forward in proportion; where the remaining equities after the disposal are changed to be accounted for according to standards for recognition and measurement of financial instruments, other comprehensive income and other owners' equities should be fully carried forward.

In case the joint control or significant influence over the investee is lost for disposing part of equity investments, the remaining equity will be changed to be accounted for according to the recognition and measurement principles of financial instruments. The difference between the fair value and the book value on the date of the loss of joint control or significant influence should be included in the current profit and loss. For other comprehensive income recognized from accounting of the original equity investments under the equity method, accounting treatment should be made by using the same basis for the investee to directly dispose the relevant assets or liabilities when the equity method is no longer adopted. Owner's equity recognized from the investee's changes in other owner's equity other than net profit or loss, other comprehensive income and profit distribution should all transferred to the current investment income when the equity method confirmed is no longer adopted.

Where the Company disposes of equity investments in subsidiaries through multiple transactions and by stages until loss of the control, if the above transactions belong to a package deal, accounting treatment shall be made on the transactions as a transaction to dispose equity investments of subsidiaries and lose the control. The difference between each disposal cost and the book value of long-term equity investments corresponding to disposed equities before the loss of the control should be firstly recognized as other comprehensive income and then transferred into the current profit or loss at the loss of the control.

14. Investment property

The investment properties refer to the real estate held for earning rentals or/and capital appreciation. Investment properties include leased land use right, land use right held for transfer upon appreciation and leased building.

The Company's investment properties are initially measured at cost at acquisition. Subsequent expenditures related to investment properties are included in the cost of investment properties if it is probable that the economic benefits associated with the assets will flow and their costs can be measured reliably, and other subsequent expenditures, when incurred, are recognized in current profit or loss.

The Company's investment properties are subsequently measured at cost and the depreciation or amortization will be withdrawn according to relevant regulations on fixed assets and intangible assets.

15. Fixed assets and accumulated depreciation

(1) Recognition criteria of fixed assets

Fixed assets of the Company refer to tangible assets held for the purpose of producing commodities, providing services, renting or business management with useful lives exceeding one accounting year.

Fixed assets should be recognized only when the economic benefits related to the fixed assets are likely to flow into the enterprise and the cost of the fixed assets can be measured reliably.

The Company initially measures its fixed assets based on their actual costs when

acquired.

(2) Classification and depreciation methods of fixed assets

The Company adopts the straight-line method for the provision for depreciation. The provision for depreciation should be made when the fixed assets have reached the working condition for their intended use and ceased at the time of derecognition or the fixed assets are classified as non-current assets held for sale. In the case of leaving out the provision for impairment, annual depreciation rates of fixed assets determined by the Company based on the category of fixed assets, estimated useful lives and estimated residual values are as following:

Type	Depreciation method	Useful life (year)	Residual value rate %	Annual depreciation rate %
Houses and constructions	Straight-line depreciation	30	3	3.23
Machinery equipment	Straight-line depreciation	10	3	9.70
Means of transportation	Straight-line depreciation	6	3	16.17
Office facilities	Straight-line depreciation	5	3	19.40
Other equipment	Straight-line depreciation	5	3	19.40

Specifically, for fixed assets of which provision for impairment has been made, the depreciation rate shall be determined based on the fixed assets deducting the accumulated amount of provision for impairment withdrawn.

The Company should review useful lives, estimated net residual rate and depreciation methods of the fixed assets at the end of each year. For any differences between the estimated useful life and the previous estimates, the useful life of the fixed assets shall be adjusted; for any differences between the estimated net residuals and the previous estimates, the estimated net residual shall be adjusted.

(3) Determination basis, valuation method and depreciation method of fixed assets acquired under financing leases

Fixed assets leased by the Company will be recognized as the fixed assets under financial lease if they conform to one or several following standards:

① The ownership of the leased asset is transferred to the Company when the term of lease expires;

② The Company has the option to buy the leased asset on the date when the option becomes exercisable at a lower price than the fair value of the leased asset. At the commencement of the lease it can be reasonably determined that this option will be exercised.

③ Even if the ownership of the asset is not transferred, the lease term covers the major part of the useful life of the leased asset.

④ The present value of the minimum payment by the Company on the lease commencement date is almost equal to the asset's fair value.

⑤ The leased asset is of such a special nature that only the Company can use it without making major modifications.

For fixed assets acquired under financing leases, if there is reasonable assurance that the Group 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 Group 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.

(4) Overhaul expenses

For the overhaul expenses occurred during the company's regular inspection on the fixed assets, if there is conclusive evidence showing that any part of it meets the recognition criteria on fixed asset, such part should be included in the cost of the fixed assets, and others which do not meet the recognition criteria should be included in the current profits and losses. The fixed assets during the overhaul compartment period should be depreciated as well.

16. Construction in progress

The Company's costs of construction in progress are determined according to actual project expenditures, including all necessary project expenses incurred during the construction period, the borrowing costs that shall be capitalized before the construction reaches its condition for the intended use and other related expenses.

Constructions in progress are transferred to fixed assets when they reach the condition for its intended use.

17. Borrowing costs

Borrowing costs include interest on borrowings, amortization of discounts or premiums on borrowings, auxiliary expenses, exchange difference on foreign currency borrowings, etc. Borrowing costs that are directly attributable to the acquisition, construction or production of assets eligible for capitalization 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; capitalization should cease when the acquired and constructed or produced assets eligible for capitalization have reached the working condition for their intended use or sale. Other borrowing costs are recognized as current expenses as incurred.

Interest expenses of special borrowings actually incurred in the current year less the interest income from unused borrowings deposited in the bank or investment income from temporary investment should be capitalized; as for general borrowings, the capitalization amount should be recognized by the weighted average of asset disbursements of the part of accumulated asset disbursements exceeding special borrowings multiplying by the capitalization rate of used general borrowings. The capitalization rate is calculated and recognized at the average weighted interest rate of general borrowings.

During the period of capitalization, exchange differences incurred from special foreign currency borrowings should be capitalized; exchange differences from general foreign currency borrowings should be included in the current profit or loss.

Assets eligible for capitalization refer to fixed assets, investment property, inventories and other assets which may reach their intended use or sale status only after long-time acquisition and construction or production activities.

If the acquisition and construction or production activities of assets eligible for

capitalization are abnormally interrupted and such condition lasts for more than three months, the capitalization of borrowing costs should be suspended until the restart of the acquisition and construction or production activities of the assets.

18. Intangible assets

Intangible assets shall be initially measured at cost, and their useful lives will be analyzed and determined on acquisition. If the useful life is finite, intangible assets are amortized over their estimated useful lives from the time they are available for use, using an amortization method that reflects the expected realization of economic benefits associated with the assets; if the expected realization cannot be reliably determined, the straight-line method is used; intangible assets with indefinite useful lives are not amortized.

The Company reviews the useful lives and amortization method of intangible assets with limited useful lives at the end of each year. Where the useful lives and amortization method of the intangible assets are different from those estimated before, the Company shall adjust the original estimates and treat them as changes in accounting estimates.

If the Company expects that an intangible asset cannot bring economic interests to the enterprise any more at the end of the year, the book value of such intangible assets should be fully transferred into current profits or losses.

19. Research and development expenses

The Company classifies the expenditures for its internal research and development projects into research expenditures and development expenditures. The expenditures in research phase will be included in the current profit or loss on occurrence.

Expenditures in the development stage are capitalized when the following conditions are simultaneously satisfied: (1) it is feasible technically to finish intangible assets for use or sale; (2) it is intended to finish and use or sell the intangible assets; (3) the usefulness of methods for intangible assets to generate economic benefits shall be proved, including being able to prove that there is a potential market for the products manufactured by applying the intangible assets or there is a potential market for the intangible assets itself or the intangible assets will be used internally; (4) it is able to finish the development of the intangible assets, and able to use or sell the intangible assets, with the support of sufficient technologies, financial resources and other resources; and (5) the expenditure attributable to the intangible asset during its development phase can be measured reliably. The development expenditures that do not meet the above conditions are included in the current profit or loss.

The Company's corresponding items will, after satisfying the above conditions, passing the studies on technical feasibility and economic feasibility, and obtaining project approval, enter into the development phase.

20. Amortization methods for long-term deferred expenses

Long-term deferred expenses will be measured at actual cost and averagely amortized at the beneficial period. If an item of long-term deferred expense cannot bring any benefit in future accounting periods, the amortized value thereof shall all be transferred to the current profit or loss.

21. Long-term assets impairment

For fixed assets, construction in progress, intangible assets with limited useful life, investment property and non-current non-financial assets of long-term equity investment in subsidiaries, joint ventures, affiliated business, etc., the Company will judge whether there is any indication of impairment on the balance sheet day. If there is any indication that the assets may be impaired, the Company will estimate the recoverable amount and carry out an impairment test. Impairment tests for goodwill, intangible assets with uncertain useful lives

and intangible assets not reaching serviceable condition shall be conducted every year whether they have indication of impairment or not.

If the recoverable amount of the asset is less than its book value after test, assets impairment provision will be made at the difference and included into impairment loss. The recoverable amount is determined at the higher of the net of the fair value less disposal costs and the present value of the expected future cash flows. The fair value of the assets is determined at the sales contract price in fair trade; where there is no sales contract but an active market, the fair value of assets shall be determined at the bid price of the assets; where there is neither sales contract nor an active market, the fair value of assets may be estimated based on the accessible optimum information. Disposal expenses include legal expenses related to the asset disposal, relevant taxes and carriage expenses and direct costs incurred to make such assets reach the conditions for sales. The present value of expected future cash flows of the asset is determined at the expected future cash flows during the continuous use and final disposal of the asset discounted at proper discount rate. The asset impairment provision shall be calculated and recognized on the basis of single asset, if it is difficult to estimate the recoverable amount of the individual asset, the Company shall estimate the recoverable amount of the asset group that the individual asset belongs to. Asset group is the minimum combination of assets that can independently generate cash inflows.

When the impairment test is conducted on the goodwill separately presented in the financial statements, the book value of goodwill is amortized to the asset group or the asset group portfolio expected to benefit from the synergistic effect of business combination. Where the results of the test indicate that the recoverable amount of asset group or asset group portfolio of goodwill containing allocation of goodwill is lower than book value, the corresponding impairment losses should be made. The amount of the impairment loss shall first be used to charge against the book value of the goodwill of assets or portfolio of asset groups then charge it against the book value of other assets in proportion to the weight of other assets in the asset group or portfolio of asset groups with the goodwill excluded.

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

22. Employee compensation

Employee compensation of the Company mainly includes short-term employee compensation, post-employment benefits, dismissal benefits and other long-term employee benefits. Among others,

Short-term compensation mainly includes salaries, bonuses, allowances and subsidies, employee warfare, medical insurance premiums, maternity insurance premiums, work-related injury insurance premiums, housing provident funds, trade union dues and education funds, non-monetary benefits, etc. During the accounting period in which employees provide service to the Company, the short-term compensation actually incurred is recognized as liabilities and charged to the current profit or loss or the relevant assets cost. Among them, non-monetary benefits are measured at the fair value.

Post-employment benefits mainly include defined contribution plans. Defined contribution plans mainly include basic endowment insurance and unemployment insurance. The corresponding amounts to be paid shall be included in the cost of related assets or the current profit and loss when they are incurred.

Where the Company rescinds labor relationship with employees prior to expiry of a labor contract, or encourages employees to accept voluntary redundancy offer of compensation recommended, employee compensation incurred from dismissal benefits should be recognized

as liabilities and should be recorded into the current profit and loss at the earlier date when the Company is unable to unilaterally withdraw the dismissal benefits provided in the plan on the cancellation of labor relationship or the layoff proposal and when the Company recognizes the cost related to restructuring concerning payment of dismissal benefits. However, dismissal benefits that are expected to fail to be fully paid within 12 months after the end of the annual reporting period should be handled according to other long-term employee compensation.

Internal retirement plan for employees shall be handled by using the same principles of dismissal benefits above. Wages proposed to be paid to early retired employees, social insurance premiums paid and other expenses during the period from the date when the employees stop providing services to the normal retirement date are included in the current profit and loss (dismissal benefits) when they meet the recognition criteria of estimated liabilities.

Other long-term employee benefits provided for employees by the Group in conformity with defined contribution plans should be accounted for according to the defined contribution plans. Others should be accounted for according to the defined benefit plans.

23. Estimated liabilities

The Company recognizes the obligation related to contingencies which meeting the following conditions at the same time as liabilities:

A. It is a current obligation of the Company;

B. The performance of this obligation may very probably lead to the flow of economic interests out of the Company; and

C. The amount of the obligation can be measured reliably.

The estimated liabilities are initially measured as the best estimate of expenses required for the performance of relevant present obligations by comprehensively considering the risks, uncertainties, time value of money and others with respect to contingencies. If the time value of money is significant, the best estimate shall be determined after discounting the relevant future outflow of cash.

If the expenditures required to settle estimated liabilities are expected to be fully or partly compensated by a third party or other parties, the compensation amount shall be separately recognized as an asset when the receipt thereof can be basically secured. The recognized compensation amount does not exceed the book value of the liability recognized.

24. Share-based payment

(1) Classification of share-based payment

The Company's share-based payments consist of equity-settled share-based payments and cash-settled share-based payments.

(2) Recognition method of fair values of equity instruments

The fair value of a financial instrument, for which there is an active market, is the prices quoted for it therein. For the share option granted without active market and other equity instruments, the Center will determine their fair values by using the options pricing model.

(3) Basis for recognition of best estimates of the equity instruments with the exercisable rights

On each balance sheet date of the waiting period, best estimates of the equity instruments will be made according to the latest subsequent information including changes in the number of employees with exercisable rights and the Company will revise the expected number of the exercisable equity instruments. On vesting date, the final predicted number of exercisable equity instruments and the actual number shall be the same.

25. Preferred shares, perpetual bonds and other financial instruments

(1) Distinction between perpetual bonds and preferred stock

The perpetual debt, preferred stock and other financial instruments issued by the Company should be recognized as equity instruments when they accord with the following conditions:

① Such kind of financial instrument does not cover contractual obligations such as delivering cash or other financial assets to others, or changing financial assets or liabilities with others under potential adverse conditions;

② Where such financial instrument requires to or may be settled by using an enterprise's own equity instruments, if the financial instrument is a non-derivative instrument, then it does not cover the contract obligation of settlement via delivering the own equity instruments with variable amount; if it is a derivative instrument, it can be settled by the Company only through exchanging fixed cash of other financial assets using the own equity instruments with fixed amount.

In addition to financial instruments that can be classified into the equity instrument according to above conditions, other financial instruments issued by the Company should be classified into the financial liability.

If the financial instrument issued by the Company is a compound financial instrument, it should be recognized as a liability on the basis of the fair value of the component of liabilities, and recognized as the "other equity instruments" according to the amount of actually received amount deducting the fair value of the component of liabilities. Transaction fee from the compound financial instruments issued should be amortized respectively according to each proportion taking in the total issue proceeds between the liabilities and equity thereof.

(2) Accounting treatment of perpetual debt, preferred share and others

Interest, dividends, gains or losses on financial instruments classified as financial liabilities, such as perpetual debt and preferred stock, and gains or losses on redemption or refinancing are recognized in current profit or loss, except for borrowing costs that are eligible for capitalization (see Note III.17, "Borrowing costs").

Financial instruments classified as equity instruments, such as perpetual debt and preferred stock, are treated as changes in equity upon issuance (including refinancing), repurchase, sale or cancellation, and the related transaction costs are deducted from equity. Distributions from the Company to the holders of equity instruments are treated as profit distribution.

The Company does not recognize the changes in the fair value of equity instruments.

26. Recognition principle of revenues

(1) During the year, Wuhan Central Business District Investment and Development Co., Ltd. and Wuhan Yuanwaiyuan Green Landscape Co., Ltd., subsidiaries of Wuhan Central Business District Investment Holding Group Co., Ltd., applied the "New Revenue Standards" and other subsidiaries of the Group implemented the following policies:

① Sales of goods

Revenues from sales of goods are recognized when the seller has transferred to the buyer the significant risks and rewards related to the ownership of goods without retaining neither continuous management rights to the ownership of goods sold nor effective control over such goods, relevant amount of revenue can be measured reliably, relevant economic benefits may well flow into the enterprise, and relevant costs occurred or to occur can be measured reliably.

Revenue from real estate sales will be recognized when the Company has transferred the significant risks and rewards of the ownership of the houses to the buyer; the Company retains neither managerial involvement nor effective control over the houses; the proof of payments has been obtained with respect to the relevant revenues, and the costs relating to the sale of the houses can be measured reliably. That is, the Company recognizes the realization of revenue when the housing is completed and filed with the relevant construction authorities, and the construction financial settlement procedures are completed with the construction unit; a sales contract is signed with the buyer, proof of payment is obtained from the buyer; an invoice is issued, and the handover procedures of the commercial properties are completed.

②Rendering of services

If the Company can reliably estimate the final outcome of a service rendering transaction, it shall recognize the revenue from the rendering of services by means of the percentage-of-completion method as at the end of the period.

Where the outcome of rendering of service transactions cannot be estimated reliably, then the revenue from rendering of services is recognized at labor costs that are incurred and that are expected to be compensated. The labor costs that are incurred are recognized as the expenses in the current year. Labor costs that are incurred but that are expected to not be compensated should not be recognized as revenue.

When the contracts or agreements signed between the Company and other enterprises involve commodity sales and labor service rendering, if the commodity sales and labor service rendering can be distinguished and separately measured, then the contracts or agreements for commodity sales and labor service rendering shall be separately treated; if they cannot be distinguished or they can be distinguished but cannot be separately measured, the contracts or agreements shall be treated all as for commodity sales.

③Transfer of right to use assets

When the economic benefits related to the transfer of right to use assets can flow to the Company and the revenue amount can be reliably measured, the Company shall recognize the revenue.

④Construction contracts

If the outcome of a construction contract can be estimated in a reliable way at the end of the period, the contract revenue and contract costs shall be recognized at the percentage-of-completion method on the balance sheet date. The completed workload is confirmed according to the output value statistics provided by the project management department and the progress of contract completion is determined by the ratio of the completed workload to the expected total workload. Outcome of construction contract can be reliably estimated when all the following conditions are satisfied:

- A. The contract revenue can be measured reliably;
- B. Economic benefits related to the contract will probably flow into the Company;
- C. On the balance sheet date, the percentage of completion and cost needed for completion of the contract can be measured reliably;
- D. The contract costs which have been occurred to complete the contract has occurred can be clearly distinguished and measured reliably so that the actual contract costs can be compared with the previous estimated cost.

Where the outcome of construction contract cannot be estimated reliably, the revenue

from the construction contract is recognized by the Group on the basis of the actual contract cost that can be recovered, and the contract cost is recognized as expense in the period happened. If the total cost of construction contract estimated exceeds total revenue estimated, then the estimated loss should be recognized as the period charge.

(2) Wuhan Central Business District Investment and Development Co., Ltd. and Wuhan Yuanwaiyuan Green Landscape Co., Ltd. implement the following policies:

Revenue refers to total inflow of economic benefit that is formed in the daily activities, leads to increase in the shareholders' equity, and is irrelevant to the capital contributed by shareholders. The Company recognizes the income when its performance obligations as stipulated in the contract are fulfilled, that is, when the customer obtained control of the related goods or services (hereinafter referred to as "goods").

Where the contract contains two or more performance obligations, the Company will, on the contract start date, allocate the transaction price to each individual performance obligation in the proportion of the individual selling price of the goods for which each individual performance obligation is committed and measure revenues at the transaction price allocated to each performance obligation.

The transaction price is the amount of consideration that the Company expects to be entitled to receive for the transfer of goods to customers, excluding amounts received on behalf of third parties. The Company does not recognize transaction prices in excess of the amount for which it is highly probable that there will be no material reversal of revenue recognized in the aggregate when the related uncertainty is removed. Where there is a significant financing component in the contract, the Company determines the transaction price in accordance with the amount payable in cash assuming the customer acquires control of the goods and the difference between such transaction price and the consideration promised in the contract is amortized using the effective interest method over the term of the contract.

Performance obligations are fulfilled at a certain period when one of the following conditions is met; otherwise, performance obligations are fulfilled at a certain point in time:

① the customer obtains and consumes the economic benefits resulting from the Company's performance at the same time as the Company's performance; ② the customer is able to control the goods under construction in the course of the Company's performance; ③ the goods produced in the course of the Company's performance have irreplaceable uses and the Company is entitled to receive payment for the portion of performance that has been completed to date in the aggregate.

Where performance obligations are fulfilled within a certain period of time, the Company shall recognize the revenue according to the performance progress. When there is no reasonable certainty of the progress of performance, revenue is recognized at the costs incurred when the costs incurred are expected to be reimbursed until the progress of performance can be reasonably determined. The Company recognizes the income from the performance obligations to be performed at certain time, that is, when the customer obtained control of the related goods.

① Revenues from real estate sales

The Company recognizes revenue from the sale of commercial properties when control of the property is transferred to the customer. Based on the terms of the sales contract and

applicable laws and regulations, control of the property may be transferred at a certain point in time. Sales revenue is recognized at the point when the contractual delivery conditions are met and the customer obtains the relevant control.

② Revenue from rendering of services

The Company recognizes revenue over a period of time based on the progress of completed services, which is determined based on the proportion of costs incurred to the estimated total costs. At the balance sheet date, the Company re-estimates the progress of completed labor to enable it to reflect changes in performance.

③ Revenue from construction work

The Company provides engineering and construction services to outside parties and recognizes revenue over a period of time based on the progress of completed labor. The progress of performance is determined based on the proportion of costs incurred to the estimated total costs. At the balance sheet date, the Company re-estimates the progress of completed labor to enable it to reflect changes in performance.

27. Government subsidies

Government subsidies are monetary and non-monetary assets that the Company acquires from the government at no cost, excluding capital for which the government acts as an investor and enjoys the corresponding owners' equity. If a government subsidy is a monetary asset, it shall be measured in the light of the amount received or receivable. 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. Government subsidies measured at the nominal amount are directly included in the current profit or loss.

A government subsidy is recognized when the Company complies with the conditions attaching to the grant and when the Company is able to receive the amount.

Government subsidies are classified into government subsidies relating to assets and government grants relating to income. Asset-related government subsidies refer to government subsidies obtained by the Company for forming long-term assets by acquisition, construction or other manners. Government subsidies related to income refer to government grants other than government grants related to assets.

The government grants related to assets shall be recognized as deferred income under the gross method, and included in the current profit or loss by stages by a reasonable and systematic method within the useful lives of relevant assets. Where relevant assets are sold, transferred, scrapped or damaged before the end of their lives, balance of the unallocated deferred income is transferred to the current profit or loss on asset disposal. Where a recognized government grant needs to be refunded, the book balance of relevant deferred income shall be written down, and the remainder shall be recorded in the current profit or loss.

If income-related government grants are used to compensate the relevant expenses or losses incurred by the Company under the gross method, such government grants should be directly included in the current profit and loss. If income-related government grants are used to compensate the Company's relevant expenses or losses in future periods, such government grants should be recognized as deferred income, and included in the current profit and loss during the period of recognizing relevant costs or losses.

Government subsidies that contain both an asset-related component and a revenue-related component, accounting treatment will be made by different components; if it

is difficult to distinguish, the whole is classified as a government grant related to gains.

Government subsidies related to routine activities of the Company should, according to the nature of business transaction, be included in the other income or offset relevant costs. Where the government subsidies are irrelevant to the daily activities of the Company, they will be included in non-operating income or expenses.

28. Deferred income tax assets and deferred income tax liabilities

For the temporary differences arising from, the difference between the book value of certain assets or liabilities items and their tax basis, as well as the difference between the book value of the items fail to be recognized as assets or liabilities but of which the tax basis may be recognized in accordance with the provisions of tax law and their tax basis, the deferred income tax assets and deferred income tax liabilities shall be recognized by the balance sheet liability method.

For taxable temporary differences related to initial recognition of goodwill and related to initial recognition of assets or liabilities incurred in the transaction that is not a business combination and that affects neither accounting profit nor taxable income (or deductible loss) when the transaction occurs, the relevant deferred income tax liabilities should not be recognized. In addition, for the taxable temporary differences related to the investments in subsidiaries, associates and joint ventures, if the timing of the reversal of the temporary differences is able to be controlled by the Company and the temporary differences will be probable not to be reversed in the foreseeable future, the relevant deferred income tax liabilities should not be recognized. Except for the above exceptions, the Company recognizes deferred tax liabilities arising from all of other taxable temporary differences.

For deductible temporary differences related to initial recognition of assets or liabilities incurred in the transaction that is not a business combination and that affects neither accounting profit nor taxable income (or deductible loss) when the transaction occurs, the relevant deferred tax assets should not be recognized. In addition, for the deductible temporary differences related to the investments in subsidiaries, associates and joint ventures, if the temporary differences will be probable not to be reversed in the foreseeable future or the deductible temporary differences will be probable not to be reversed in the future, the relevant deferred tax assets should not be recognized. Except for the above exceptions, the Company shall recognize deferred income tax assets arising from deductible temporary differences to the extent of the taxable income that is probably obtained to cover the deductible temporary differences.

For deductible losses and tax credits that can be carried forward to subsequent periods, the Company recognized deferred income tax assets to the extent that it is probable that taxable profit will be available against which the deductible losses and tax credits can be utilized.

On the balance sheet date, deferred income tax assets and deferred income tax liabilities should be measured at the applicable tax rate during the period of expected recovery of the relevant assets or liquidation of the relevant assets according to the provisions of tax laws.

On the balance sheet date, the book value of deferred tax assets shall be reexamined. If it is unlikely to obtain sufficient taxable income to offset the benefit of the deferred tax assets, the book value of the deferred tax assets shall be written down. When it is likely to earn sufficient taxable income, the write-down amount should be reversed.

29. Income tax

Income tax includes the current income tax and deferred income tax. Except that the adjusted goodwill arising from business combination or the deferred income tax related to

transactions or events directly recognized in owners' equity shall be included in owners' equity, other current income tax and deferred income tax shall be included in current profit and loss as income tax expenses.

Current income tax should be the current income tax payable measured at the amounts expected to be paid to taxation authorities. The taxable income is calculated after the corresponding adjustment to accounting profit before tax in the current period in accordance with the relevant provisions of the tax law.

The Company recognizes deferred income tax through balance sheet liability approach based on the temporary difference between the book value of assets and liabilities on the balance sheet date and the tax base.

Deferred income tax liabilities are recognized for each taxable temporary difference unless the taxable temporary difference arises from a transaction that is: A. the initial recognition of goodwill, or the initial recognition of an asset or liability arising from a transaction with the following characteristics: the transaction is not a business combination and the transaction affects neither accounting profit nor taxable income when it occurs; B. for taxable temporary difference related to investments in subsidiaries, joint ventures and associates, the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not be reversed in the foreseeable future.

For the deductible temporary differences, deductible losses and tax credits that can be carried forward, deferred tax assets arising therefrom will be recognized to the extent that it is probable that future taxable income will be available against the deductible temporary differences, deductible losses and tax credits that can be carried forward, unless the deductible temporary differences arise from a transaction that: A. is not a business combination and the transaction affects neither accounting profit nor taxable income when it occurs; B. For deductible temporary differences associated with investments in subsidiaries, joint ventures and associates, deferred income tax assets are recognized if the following conditions are met: it is probable that the temporary differences will reverse in the foreseeable future and it is probable that taxable income will be available against which the deductible temporary differences can be utilized in the future.

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

On the balance sheet date, the Company reviews the book value of deferred income tax assets. If it is unlikely to obtain sufficient taxable income taxes to offset the benefit of the deferred income tax assets, the book value of the deferred income tax assets shall be written down. When it is likely to earn sufficient taxable income, the write-down amount should be reversed.

30. Leases

The Company recognizes the lease all the risks and rewards related to the ownership of the asset of which have been substantially transferred as finance lease and recognizes other leases except for the finance lease as operating leases.

At the commencement of the lease terms, assets acquired under finance leases shall be recorded at the lower of their fair values and the present values of the minimum lease payments, and the Company shall recognize the long-term payables at amounts equal to the minimum lease payments, and shall record the differences between book value of the leased assets and the long-term payables as unrecognized finance charges.

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

IV. Notes to adjustments for changes in accounting policies and accounting estimates and corrections of significant accounting errors

1. Changes in accounting policies

① Implementation of the New Revenue Standard

In 2017, the Ministry of Finance issued the revised Accounting Standards for Business Enterprises No. 14 - Revenue ("New Revenue Standard") and the Company's financial statements for 2020 were prepared in accordance with the New Revenue Standard. In accordance with the relevant provisions of the New Revenue Standard, the Company adjusted the amount of retained earnings and other related items in the financial statements as at the beginning of 2020 for the cumulative effect of the first-time implementation of the standard, and did not adjust the comparative financial statement data. The impact of the implementation of the New Revenue Standard at the beginning items in 2020 is as following:

Item	December 31, 2019	January 1, 2020	Adjusted amount
Other current assets	2,711,264,598.02	2,692,635,411.46	18,629,186.56
Accounts payable	16,370,416,346.29	16,366,943,128.02	3,473,218.27
Deferred income tax liabilities	172,728,792.17	168,071,495.53	4,657,296.64
Retained earning	3,716,014,150.69	3,709,167,924.63	6,846,226.06
Non-controlling interests	2,660,990,455.99	2,653,864,792.13	7,125,663.86

2. Changes in accounting estimates

① Approval of changes in accounting estimates, reasons and applicable date.

In accordance with the document of the General Office of the General Office of CPC Wuhan Municipal Committee (WBW [2020] No. 31), the Company's ultimate controller (formerly) Wuhan Real Estate Development and Investment Group Co., Ltd. completed the reorganization of the equity of state-owned enterprises and established WuHan Urban Construction Group Co., Ltd. In order to unify the accounting policies and accounting estimates across the Group, further strengthen the management of receivables, match the scale of the Company's business development and business characteristics, and reflect the Company's financial position and operating results in a more realistic and objective manner. In September 2020, the Board of Directors of WuHan Urban Construction Group Co., Ltd. held a meeting to consider and adopt the Proposal on the Change of Method of Provision for Bad Debt (Accounting Policy and Accounting Estimates) for Receivables of Urban Construction Group, which adjusted the bad debt provision method for receivables from "balance percentage method" to "aging analysis method".

The above changes in accounting estimates were implemented from January 1, 2020.

② The names and amounts of the items affected by the change in accounting estimate for the current and future periods.

The change in accounting estimate will not be retroactively adjusted for previous years and therefore will not have any impact on the total assets, net assets and net income in the disclosed financial statements of the Company for each period.

Proportion of provision for bad debts under the aging analysis method in the portfolio:

Aging	Proportion of provision for accounts receivable (%)	Proportion of provision for other receivables (%)
Within 1 year (including 1 year, the same as below)	1	1
1-2 years	5	5
2-3 years	10	10
3-4 years	20	20
4-5 years	50	50
Over 5 years	100	100

Proportion of provision for bad debts made at the balance percentage method in original portfolios:

Item	Proportion of provision for accounts receivable (%)	Proportion of provision for other receivables (%)
Accounts receivable (balance)	0.5	0.5

3. Corrections of significant accounting errors in prior periods

None.

4. Other changes

(1) On September 13, 2020, in accordance with the Circular of General Office of Wuhan Municipal Party Committee and Wuhan Municipal People's Government on Releasing the Implementation Plan for the Integration and Reorganization of Certain Wuhan-Funded Enterprises (WBW [2020] No.31), as approved by Wuhan Municipal Party Committee and Wuhan Municipal People's Government, with December 31, 2019 as the base date, seven state-owned enterprises, Wuhan Real Estate Development and Investment Group Co., Ltd., Wuhan Central Business District Investment Holding Group Co., Ltd., Wuhan Construction Engineering (Group) Co. Ltd., Wuhan Landscape Construction Development (Group) Co., Ltd., Wuhan Engineering Consulting Department, Wuhan 2049 Group Co., Ltd., Wuhan Urban Estate Investment & Development Group Co., Ltd., were integrated; Wuhan Real Estate Development and Investment Group Co., Ltd. was renamed WuHan Urban Construction Group Co., Ltd. and Wuhan Central Business District Investment Holding Group Co., Ltd., Wuhan Construction Engineering (Group) Co. Ltd., Wuhan Landscape Construction Development (Group) Co., Ltd., Wuhan Engineering Consulting Department, Wuhan 2049 Group Co., Ltd. and Wuhan Urban Estate Investment & Development Group Co., Ltd. were integrated into WuHan Urban Construction Group Co., Ltd. as a whole.

The Company consolidated the assets and liabilities of the above six companies as of December 31, 2019, in accordance with the document Notice on Issuing Regulations on Accounting Treatment of Operations Related to "Five Tasks" (CK [2016] No. 17) issued by the Ministry of Finance on September 22, 2016. The details are as following:

Item	Audited in prior year	After transfer in the current year Approved amount	Difference	Reason for difference
	①	②	③=②-①	

Item	Audited in prior year	After transfer in the current year Approved amount	Difference	Reason for difference
	①	②	③=②-①	
Cash and Cash equivalents	13,582,735,026.92	24,178,811,893.34	-10,596,076,866.42	In accordance with the requirements of Wuhan SASAC, the audited net assets as of December 31, 2019 were used as the benchmark to include six municipal state-owned enterprises without compensation.
Notes receivable		34,635,720.27	-34,635,720.27	
Accounts receivable	355,920,865.19	6,190,900,585.86	-5,834,979,720.67	
Prepayment	16,824,580,978.47	19,602,840,562.11	-2,778,259,583.64	
Other receivables	34,752,775,212.94	40,534,571,109.11	-5,781,795,896.17	
Inventories	55,086,425,011.95	94,489,867,182.87	-39,403,442,170.92	
Other current assets	1,663,324,971.58	2,711,264,598.02	-1,047,939,626.44	
Available-for-sale financial assets	5,450,935,529.27	6,649,202,535.23	-1,198,267,005.96	
Long-term receivables	1,712,731,056.38	1,726,307,880.13	-13,576,823.75	
Long-term equity investments	2,022,656,304.94	3,318,250,811.89	-1,295,594,506.95	
Investment properties	1,535,391,779.85	3,383,368,503.11	-1,847,976,723.26	
Fixed assets	230,278,045.30	992,327,250.96	-762,049,205.66	
Construction in progress	45,477,001,841.98	54,320,709,901.85	-8,843,708,059.87	
Intangible assets	248,628,125.28	653,664,429.38	-405,036,304.10	
Development expenses	3,751,724.16	4,589,523.65	-837,799.49	
Goodwill	18,180,782.96	18,938,902.23	-758,119.27	
Long-term deferred expenses	6,591,539.77	668,097,508.08	-661,505,968.31	
Deferred income tax assets	321,841,547.06	510,425,069.58	-188,583,522.52	
Other non-current assets		1,010,919,437.79	-1,010,919,437.79	
Total assets	179,293,750,344.00	260,999,693,405.46	-81,705,943,061.46	
Short-term borrowings	170,000,000.00	4,403,648,205.79	-4,233,648,205.79	In accordance with the requirements of Wuhan SASAC, the
Notes payable	122,000,000.00	356,771,494.11	-234,771,494.11	

Item	Audited in prior year	After transfer in the current year Approved amount	Difference	Reason for difference
	①	②	③=②-①	
Accounts payable	2,921,112,202.64	16,370,416,346.29	-13,449,304,143.65	audited net assets as of December 31, 2019 were used as the benchmark to include six municipal state-owned enterprises without compensation.
Receipts in advance	21,828,490,610.79	28,857,870,935.67	-7,029,380,324.88	
Employee Benefits payable	118,108,195.00	270,554,733.37	-152,446,538.37	
Taxes payable	1,001,961,053.45	1,766,513,818.93	-764,552,765.48	
Other payables	12,548,004,218.05	15,430,702,170.89	-2,882,697,952.84	
Non-current liabilities due within one year	13,424,194,795.32	19,886,094,795.32	-6,461,900,000.00	
Other current liabilities		919,214,500.19	-919,214,500.19	
Long-term borrowings	36,818,830,787.95	57,123,124,103.40	-20,304,293,315.45	
Bonds payable	13,896,100,000.00	17,896,100,000.00	-4,000,000,000.00	
Long-term payables	23,650,394,050.04	25,550,210,186.03	-1,899,816,135.99	
Estimated liabilities	36,083.97	36,083.97		
Deferred income	68,903,900.00	168,400,090.82	-99,496,190.82	
Deferred income tax liabilities	4,164,766.51	172,728,792.17	-168,564,025.66	
Total liabilities	126,572,300,663.72	189,172,386,256.95	-62,600,085,593.23	
Capital reserves	46,868,036,037.50	64,748,621,622.95	-17,880,585,585.45	1. In accordance with the requirements of Wuhan SASAC, the audited net assets as of December 31, 2019 were used as the benchmark to include six municipal state-owned enterprises without compensation, of which

Item	Audited in prior year	After transfer in the current year Approved amount	Difference	Reason for difference
	①	②	③=②-①	
				RMB18,437,343.02 8.25 was attributable to the minority parent company; 2. Wuhan Central Business District Investment Holding Group Co., Ltd. applied the new standard in advance to adjust the retained earnings as at the beginning of the year, of which the portion attributable to the parent company amounted to RMB6,846,226.06; 3. The impact of cross shareholding of subsidiaries adjusted at the consolidation of WuHan Urban Construction Group was RMB11,886,674.65 ; 4. Under uniform accounting policy of WuHan Urban Construction Group, the investment properties measured at fair value of the subsidiary Wuhan Central Business District Investment Holding Group Co., Ltd. were changed

Item	Audited in prior year	After transfer in the current year Approved amount	Difference	Reason for difference
	①	②	③=②-①	
				and therefore measured at cost, with the adjustment amount being RMB575,490,343.51.
Retained Earning	3,716,014,150.69	3,716,014,150.69		
Total equity attributable to owners of the parent company	51,285,731,107.07	69,166,316,692.52	-17,880,585,585.45	
* Non-controlling interests	1,435,718,573.21	2,660,990,455.99	-1,225,271,882.78	1. In accordance with the requirements of Wuhan SASAC, the audited net assets as of December 31, 2019 were used as the benchmark to include six municipal state-owned enterprises without compensation, of which 1,309,927,181.42 was attributable to the minority shareholders; 2. Wuhan Central Business District Investment Holding Group Co., Ltd. applied the new standard in advance to adjust the retained earnings as at the beginning of the year, of which the portion attributable to

Item	Audited in prior year	After transfer in the current year Approved amount	Difference	Reason for difference
	①	②	③=②-①	
				minority shareholders amounted to RMB7,125,663.86; 3. Recognition of minority interest of RMB25,471,755.86 to Wuhan Urban Estate Investment & Development Group Co., Ltd. at the consolidation of WuHan Urban Construction Group; 4. The effect of adjusting the cross shareholding of subsidiaries at the consolidation of WuHan Urban Construction Group was -RMB117,252,718.36.
Total owners' equity	52,721,449,680.28	71,827,307,148.51	-19,105,857,468.23	
Total liabilities and owner's equity	179,293,750,344.00	260,999,693,405.46	-81,705,943,061.46	

(2) In accordance with WZB [2016] No.177 Document issued by the General Office of Wuhan Municipal People's Government, on December 31, 2020, Wuhan Building Energy Efficiency Testing Center, Wuhan Commercial Concrete Engineering Quality Inspection Center and Wuhan Center Engineering Inspection Co., Ltd. signed handover agreement with Wujian Group (for details, please refer to VI. Change in scope of consolidation 6.7.8.), which agreed to transfer the state-owned property rights of the three testing companies as a whole to Wuhan Construction Engineering (Group) Co. Ltd. without compensation, and the state-owned property rights of two companies, Wuhan Renda Printing Factory and Wuhan Education Real Estate Development Co., Ltd., as a whole to WuHan Urban Construction Group Co., Ltd. without compensation, and the five companies were included in the scope of consolidation.

(3) In accordance with the Interim Administrative Measures for the Free Transfer of State-owned Property Rights of Enterprises (GZFGQ [2005] No.239) and the Circular of General Office of Wuhan Municipal Party Committee and Wuhan Municipal People's Government on Releasing the Implementation Plan for the Integration and Reorganization of Certain Wuhan-Funded Enterprises (WBW [2020] No.31), on December 31, 2020, Wuhan Urban Estate Investment & Development Group Co., Ltd., Wuhan 2049 Group Co., Ltd., Wuhan Engineering Consulting Department, Wuhan Landscape Construction Development (Group) Co., Ltd., Wuhan Central Business District Investment Holding Group Co., Ltd. and Wuhan Construction Engineering (Group) Co. Ltd., transferred the above six group companies to WuHan Urban Construction Group Co., Ltd. free of charge, with the benchmark date for the transfer of state-owned property rights being December 31, 2019.

V. Taxation

1. Main tax types and tax rates

Tax type	Tax basis	Tax rate
VAT	Taxable income	3%, 5%, 6%, 9%, 13%
Urban maintenance and construction tax	Turnover tax payable	7%, 5%
Education surcharge	Turnover tax payable	3%
Local educational surcharge	Turnover tax payable	1.5%
Enterprise income tax:	Taxable income	25%, 20%, 15%
Land value-added tax	Accounts on house sales received in advance and value-added tax	1.5% advance levy and four levels of over-rate progressive tax rate for liquidation
Property taxes	Ad valorem: based on the original value of taxable property * (1-10% to 30%); Taxable from rent: based on taxable rental income	1. 20%, and 12%

Note 1: The scope of VAT application and tax rate of the Company, under the general taxation method: sales of goods subject to 13% tax rate; provision of construction services and sales of real estate subject to 9% tax rate; provision of design services subject to 6% tax rate; provision of leasing services subject to 5% tax rate. Under the simplified taxation method, the provision of construction industry services is subject to a 3% tax rate, and the sale of real estate and real estate leasing services is subject to a 5% tax rate.

Note 2: After VAT in lieu of business tax on May 1, 2016, the Company's old real estate development projects and rentals are subject to VAT at a rate of 5% of taxable income, and old engineering construction projects are subject to VAT at a rate of 3% of taxable income; for new projects of real estate development and engineering construction, output tax will be calculated at 11%, 10% and 9% of taxable income, and for property management and labor services, output tax will be calculated at 6% of taxable income; the VAT is calculated based on the difference after deducting the input tax allowed for deduction in the current period.

Note 3: According to the Announcement of the Ministry of Finance, the General Administration of Taxation and the General Administration of Customs on Deepening the Relevant Policies of Value-Added Tax Reform (Ministry of Finance, the General Administration of Taxation and the General Administration of Customs Announcement No.39 of 2019), starting from April 1, 2019, the tax rate is adjusted to 13% and 9%, respectively, for the Company's VAT taxable sales or imported goods where 16% and 10% tax rates were originally applied.

2. Preferential tax burden and approvals

(1) Enterprise income tax preferences

① According to the Circular of the Ministry of Finance and the State Taxation Administration on Implementing Inclusive Tax Relief Policy for Small and Micro Enterprises (CS [2019] No.13), from January 1, 2019 to December 31, 2021, for annual taxable income of small low-profit enterprises, the portion of less than CNY1 million, and the portion of more than CNY1 million but less than CNY3 million, will be included in the actual taxable income at 25% and 50% respectively, based on which the enterprise income tax payable will be calculated at the reduced tax rate of 20%. Wuhan Chengfa Investment Fund Management Co., Ltd., a level 2 subsidiary of the Company, Wuhan Jimei Real Estate Co., Ltd., level 3 subsidiaries of the Company, Wuhan Urban Deya Commercial Operation Management Co., Ltd. and Wuhan City Shuncheng Real Estate Co., Ltd., a level 4 subsidiary of the Company, are subject to the above regulations.

② According to Article 28 of the Enterprise Income Tax Law: high-tech enterprises that the State supports are subject to a reduced tax rate of 15% for enterprise income tax. Wuhan Human Defense Engineering Special Equipment Co., Ltd., a level 2 subsidiary of the Company, obtained a high-tech enterprise certificate on November 30, 2018, with the certificate number GR201842002412, valid for three years; Wuhan Chengkai Xinxing Building Materials Co., Ltd., a level 2 subsidiary of the Company, obtained a high-tech enterprise certificate on November 28, 2019, with the certificate number GR201942002879, valid for three years; Wuhan Planning and Design Co., Ltd., a subsidiary of Wuhan 2049 Group Co., Ltd., obtained a high-tech enterprise certificate on November 15, 2018, with the certificate number GR201842000275, valid for three years, and its subsidiary Wuhan Survey and Design Co., Ltd. obtained a high-tech enterprise certificate on November 15, 2019, with the certificate number No. GR201942001188, valid for three years; Wuhan Construction Engineering (Group) Co. Ltd.'s subsidiary Wuhan Construction Group Co., Ltd passed the high-tech enterprise certification on November 30, 2018, with the certificate number GR201842001532, valid for three years; Wuhan Landscape Construction Development (Group) Co., Ltd.'s subsidiary Wuhan Garden Construction Engineering Company obtained the high-tech enterprise certificate on December 1, 2020, with certificate number GR202042003766, valid for three years; all of the above companies are subject to a 15% rate for the corporate income tax.

(2) Preferential VAT policies

① According to the Announcement of the Ministry of Finance, the State Taxation Administration and the General Administration of Customs on Deepening the Value Added Tax-related Reform Policy (Announcement of the Ministry of Finance, the State Taxation Administration and the General Administration of Customs [2019] No.39), from April 1, 2019 to December 31, 2021, taxpayers providing production and living services are allowed to claim a credit against the tax payable at 10% above the input tax deductible in the current period. This tax credit is applicable to Wuhan Urban Deya Commercial Operation Management Co., Ltd., a level 3 subsidiary of the Company.

② According to the Circular on Implementing the Policy of Universal Tax Relief for Small and Micro Enterprises (CS [2019] No.13), small-scale VAT taxpayers with monthly sales of RMB 100,000 or less (inclusive) are exempt from VAT.

③ According to the Announcement of the Ministry of Finance and the State Taxation Administration on Clarifying Deductions for the Value Added Tax on Living Services (Announcement of the Ministry of Finance and the State Taxation Administration [2019] No.87), from October 1, 2019 to December 31, 2021, taxpayers providing living services are allowed to claim a credit against the tax payable at 15% above the input tax deductible in the current period (additional 15% deductions).

According to the Announcement of the Ministry of Finance and the State Taxation Administration on Taxation Policies Related to Supporting the Prevention and Control of COVID-19 Epidemic (Announcement of the Ministry of Finance and the General Taxation Administration 2020 No.8), it stipulated in Article 5 that "income obtained by taxpayers from the provision of public transportation

services, living services, and the provision of essential delivery services for residents is exempt from VAT. This announcement was implemented from January 1, 2020, and the deadline will be announced separately as the case may be. Wuhan Landscape Construction Development (Group) Co., Ltd., a level 2 subsidiary of the Company, is subject to this tax incentive.

(3) Other tax preferences

According to the Announcement on Preferential Tax Policies for Public Rental Housing issued by the Ministry of Finance and the State Taxation Administration (Announcement of the Ministry of Finance and the State Taxation Administration 2019 No. 61), from January 1, 2019 to December 31, 2020, the land used during the construction of public rental housing and the land occupied after the completion of public rental housing shall be exempted from urban land use tax, and the parties to the lease of public rental housing shall be exempted from stamp duty involved in the signing of the lease agreement; the rental income derived from the operation of public rental housing shall be exempted from value-added tax. Rental income from public rental housing management units shall be separately accounted, and those who do not do so will not enjoy the preferential policies of the VAT exemption and the property tax exemption. The Company enjoys this tax preference.

VI. Business combinations and consolidated financial statements

(I) Subsidiaries included in the scope of consolidated statements in this period

S/N	Enterprise name	Tier	Enterprise type	Main premise	Registration place	Business nature	Paid-in capital (RMB'0,000)	Shareholding ratio (%)	Voting rights percentage (%)
1	Wuhan Real Estate Group Co., Ltd.	2	Domestic non-financial subsidiary	Wuhan, Hubei	Wuhan, Hubei	Real estate development	20,000.00	100.00	100.00
2	Wuhan Real Estate Group Oriental Property Management Co., Ltd.	2	Domestic non-financial subsidiary	Wuhan, Hubei	Wuhan, Hubei	Property management	1,010.00	97.886	97.886
3	Wuhan Real Estate Checheng Development and Investment Co., Ltd.	2	Domestic non-financial subsidiary	Wuhan, Hubei	Wuhan, Hubei	Real estate development	7,000.00	100.00	100.00
4	Wuhan Chengkai Xinxing Building Materials Co., Ltd.	2	Domestic non-financial subsidiary	Wuhan, Hubei	Wuhan, Hubei	Sale of materials	3,000.00	66.67	66.67
5	Wuhan City Guaranteed Housing Investment and Construction Co., Ltd.	2	Domestic non-financial subsidiary	Wuhan, Hubei	Wuhan, Hubei	Guaranteed housing purchase and operation	25,271.50	100.00	100.00
6	Wuhan Quintai Asset Management Co., Ltd.	2	Domestic non-financial subsidiary	Wuhan, Hubei	Wuhan, Hubei	Asset management	1,000.00	100.00	100.00
7	Wuhan Jiankai Engineering General Contracting Co., Ltd.	2	Domestic non-financial subsidiary	Wuhan, Hubei	Wuhan, Hubei	Project construction	7,100.00	100.00	100.00
8	Wuhan Chengxing United	2	Domestic	Wuhan, Hubei	Wuhan, Hubei	Material	2,000.00	51.00	51.00

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements
For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

S/N	Enterprise name	Tier	Enterprise type	Main premise	Registration place	Business nature	Paid-in capital (RMB'0,000)	Shareholding ratio (%)	Voting rights percentage (%)
	Technology Development Co., Ltd.		non-financial subsidiary			production and R&D technical services			
9	WuHan Construction Urban Group Construction Management Co., Ltd.	2	Domestic non-financial subsidiary	Wuhan, Hubei	Wuhan, Hubei	Building	2,000.00	100.00	100.00
10	Wuhan City Development Investment Co., Ltd.	2	Domestic non-financial subsidiary	Wuhan, Hubei	Wuhan, Hubei	Land development at level 1 and real estate development	20,000.00	100.00	100.00
11	Wuhan Human Defense Engineering Special Equipment Co., Ltd.	2	Domestic non-financial subsidiary	Wuhan, Hubei	Wuhan, Hubei	Manufacturing	1,000.00	100.00	100.00
12	Wuhan Chengfa Investment Fund Management Co., Ltd.	2	Domestic non-financial subsidiary	Wuhan, Hubei	Wuhan, Hubei	Fund management investment	250.00	55.00	55.00
13	Wuhan Creative Cultural and Industry Investment Development Co., Ltd.	2	Domestic non-financial subsidiary	Wuhan, Hubei	Wuhan, Hubei	Cultural and creative industry investment and financing	10,000.00	70.00	70.00
14	Wuhan Ying Hotel Property Management	2	Domestic non-financial	Wuhan, Hubei	Wuhan, Hubei	Hotel management	300.00	100.00	100.00

S/N	Enterprise name	Tier	Enterprise type	Main premise	Registration place	Business nature	Paid-in capital (RMB'0,000)	Shareholding ratio (%)	Voting rights percentage (%)
	Co., Ltd.		subsidiary			and property services			
15	Wuhan Hongcheng Engineering Consulting Management Co., Ltd.	2	Domestic non-financial subsidiary	Wuhan, Hubei	Wuhan, Hubei	Conference services	300.00	72.29	72.29
16	Wuhan Renda Printing Factory	2	Domestic non-financial subsidiary	Wuhan, Hubei	Wuhan, Hubei	Printing and publishing and literature and educational supplies	100.00	100.00	100.00
17	Wuhan Education Real Estate Development Co., Ltd.	2	Domestic non-financial subsidiary	Wuhan, Hubei	Wuhan, Hubei	Real estate development and commodity house sales	500.00	100.00	100.00
18	Wuhan Central Business District Investment Holding Group Co., Ltd.	2	Domestic non-financial subsidiary	Wuhan, Hubei	Wuhan, Hubei	Real estate development	50,000.00	100.00	100.00
19	Wuhan 2049 Group Co., Ltd.	2	Domestic non-financial subsidiary	Wuhan, Hubei	Wuhan, Hubei	Urban design	47,000.00	100.00	100.00
20	Wuhan Urban Estate Investment & Development Group Co., Ltd.	2	Domestic non-financial subsidiary	Wuhan, Hubei	Wuhan, Hubei	Real estate development	172,800.00	99.19	99.19
21	Wuhan Landscape	2	Domestic	Wuhan, Hubei	Wuhan, Hubei	Landscape	50,000.00	100.00	100.00

S/N	Enterprise name	Tier	Enterprise type	Main premise	Registration place	Business nature	Paid-in capital (RMB'0,000)	Shareholding ratio (%)	Voting rights percentage (%)
	Construction Development (Group) Co., Ltd.		non-financial subsidiary			construction			
22	Wuhan Engineering Consulting Department	2	Domestic non-financial subsidiary	Wuhan, Hubei	Wuhan, Hubei	Engineering consulting	800.00	100.00	100.00
23	Wuhan Engineering (Group) Co. Ltd.	2	Domestic non-financial subsidiary	Wuhan, Hubei	Wuhan, Hubei	Building construction	16,500.00	100.00	100.00

2. Changes in the scope of consolidation in this year

(1) Entities newly included in the consolidation scope in this year

S/N	Name	Shareholding ratio (%)	Net assets as at the end of the year	Net profit in this year	Method of acquisition	Remark
1	Wuhan Hongcheng Engineering Consulting Management Co., Ltd.	72.29	100,296,244.17	6,159,758.05	Newly included in the consolidation	According to the resolution of the board of directors of the Company, the control of the company was acquired during the period and therefore it was included in the scope of consolidation
2	Wuhan Renda Printing Factory	100	2,580,288.87	469,051.56	Free transfer	Entities newly included in the consolidation scope in this year
3	Wuhan Education Real Estate Development Co., Ltd.	100	2,534,880.38	283,493.75	Free transfer	Entities newly included in the consolidation scope in this year
4	Wuhan Central Business District	100	47,887,492,081.10	70,967,212.89	Free transfer	Transfer without compensation with the

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

S/N	Name	Shareholding ratio (%)	Net assets as at the end of the year	Net profit in this year	Method of acquisition	Remark
	Investment Holding Group Co., Ltd.					approval of Wuhan State-owned Assets Supervision and Administration Commission
5	Wuhan 2049 Group Co., Ltd.	100	3,089,298,725.49	107,128,614.08	Free transfer	Transfer without compensation with the approval of Wuhan State-owned Assets Supervision and Administration Commission
6	Wuhan Urban Estate Investment & Development Group Co., Ltd.	99.19	6,648,189,543.78	157,298,901.13	Free transfer	Transfer without compensation with the approval of Wuhan State-owned Assets Supervision and Administration Commission
7	Wuhan Landscape Construction Development (Group) Co., Ltd.	100	11,420,820,237.77	126,951,159.30	Free transfer	Transfer without compensation with the approval of Wuhan State-owned Assets Supervision and Administration Commission
8	Wuhan Engineering Consulting Department	100	106,364,903.63	5,873,561.61	Free transfer	Transfer without compensation with the approval of Wuhan State-owned Assets Supervision and Administration Commission
9	Wuhan Construction Engineering (Group) Co. Ltd.	100	22,102,282,045.85	179,314,985.06	Free transfer	Transfer without compensation with the approval of Wuhan State-owned Assets Supervision and Administration Commission
(2) Entities excluded from the consolidation scope in this year						
S/N	Enterprise name	Registration	Business	Shareholding ratio	Voting rights ratio	Reason for not being

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

	place	nature	(%)	(%)	included in the scope of consolidation
1	Wuhan Convention Center Management Co., Ltd.	Conference services	100.00	100.00	Cancellation

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

Unless noted otherwise in the notes, the beginning of the period refers to [January 1, 2020]; the end of the period refers to [December 31, 2020]; the current period refers to 2020 and the previous period refers to 2019.

(I) Cash and Cash equivalents**1. Balance of Cash and Cash equivalents**

Item	Ending balance	Beginning balance
Cash on hand	438,020.13	454,126.05
Bank deposit	30,336,046,741.00	23,841,684,043.09
Other monetary funds	285,888,446.57	336,673,724.20
Total	30,622,373,207.70	24,178,811,893.34
Including: total amount deposited abroad		

2. Breakdowns of restricted monetary funds

Item	Ending balance	Beginning balance
Bank acceptance bills deposit	27,372,524.69	75,600,000.00
L/G deposit	359,797.80	34,698,096.24
Performance guarantee	137,250,600.74	139,340,414.98
Fixed-term deposit or call deposit used for guarantee		5,780,000.00
Bank guarantee deposit	82,838,474.98	32,402,774.22
Deposits frozen due to legal disputes	37,409,240.04	48,850,101.34
Others	657,808.41	2,337.42
Total	285,888,446.66	336,673,724.20

Note: Other items of restricted monetary funds are: lending deposit of RMB 492,166.65, ETC deposit of RMB 122,892.83 and bank frozen account of RMB 42,748.93.

(II) Notes receivable**1. Classification of notes receivable**

Category	Ending balance		
	Book balance	Provision for bad debts	Book value
Bank acceptance bills	13,490,000.00		13,490,000.00
Commercial acceptance bills	257,015,666.99		257,015,666.99
Total	270,505,666.99		270,505,666.99

Continued:

Category	Beginning balance		
	Book balance	Provision for bad debts	Book value
Bank acceptance bills	18,401,220.19		18,401,220.19

Commercial acceptance bills	16,234,500.08		16,234,500.08
Total	34,635,720.27		34,635,720.27

2. Endorsed or discounted notes receivable that is not yet matured as at the end of the reporting period

Category	Amount de-recognized as at the end of the year	Amount not de-recognized as at the end of the year
Bank acceptance bills	136,590,000.00	
Commercial acceptance bills	8,968,338.33	
Total	145,558,338.33	

(III) Accounts receivable

1. Classification of the accounts receivable by risks:

Type	Ending balance			
	Book balance		Provision for bad debts	
	Amount	Ratio (%)	Amount	Ratio (%)
Accounts receivable that are individually significant and subject to individual provision for bad debts	171,646,535.26	2.12	136,907,593.58	79.76
Accounts receivable with provision for bad debts accrued by portfolio with credit risk features	7,800,213,898.70	97.46	286,535,377.18	3.63
Including: Portfolio 1-aging analysis method	1,592,867,484.84	19.90	286,535,377.18	17.99
Portfolio 2-balance percentage method				
Portfolio 3-Other combination methods	6,207,346,413.86	77.56		
Accounts receivable that are individually insignificant but subject to individual provision for bad debt	31,584,819.72	0.39	24,247,211.93	76.77
Total	8,003,445,253.68	-	447,690,182.69	-

Continued:

Type	Beginning balance			
	Book balance		Provision for bad debts	
	Amount	Ratio (%)	Amount	Ratio (%)
Accounts receivable that are individually significant and subject to individual provision for bad debts	313,949,524.77	4.89	142,587,145.86	45.42
Accounts receivable with provision for bad debts accrued by portfolio with credit risk features	6,044,511,782.83	94.07	73,738,148.91	1.22
Including: Portfolio 1-aging analysis method	392,800,110.99	6.11	32,098,910.97	8.17
Portfolio 2-balance percentage method	5,114,530,442.14	79.59	41,639,237.94	0.81

Type	Beginning balance			
	Book balance		Provision for bad debts	
	Amount	Ratio (%)	Amount	Ratio (%)
Portfolio 3-Other combination methods	537,181,229.70	8.36		
Accounts receivable that are individually insignificant but subject to individual provision for bad debt	67,265,603.08	1.05	18,501,030.05	27.50
Total	6,425,726,910.68	-	234,826,324.82	-

2. Accounts receivable with significant single amount and individual allowance for bad debts at the end of the year

Debtor name	Book balance	Bad debts	Aging	Proportion of provision (%)	Reason
Planning Bureau resettlement house	75,619,429.88	75,619,429.88	Over 5 years	100.00	It is expected to be irrecoverable due to long-term aging
Tianyu Shengshi Binjiang	49,925,442.00	24,962,721.00	Over 5 years	50.00	Irrecoverable in part
Guangzhou Aiqun Huijingwan	20,804,080.88	20,804,080.88	Over 5 years	100.00	The debtor has been listed as a defaulter by the court, and all of the debtor's assets have been seized or placed with security rights, and there is no other property available for repayment, so it is expected that the debt is difficult to recover
New Village B, Xiejiaji District, Huainan City, Anhui Province	1,103,909.46	1,103,909.46	Over 5 years	100.00	Due to the discovered quality problems and temporarily undetermined quality maintenance amount, the employer will not agree to return the remaining warranty money until the impact of local letters and complaints about

Debtor name	Book balance	Bad debts	Aging	Proportion of provision (%)	Reason
					the residential building's quality maintenance problems, part of which are subject to the satisfaction of residents, is eliminated, so the final payment for the project is difficult to successfully recover
Experimental Building of Fujian Longyan University	4,599,743.64	4,599,743.64	Over 5 years	100.00	The limitation of action has expired
Section I of Bengbu City Experimental School, Anhui Province	2,863,793.68	2,863,793.68	Over 5 years	100.00	The possibility of recovery is expected to be small as contact with both the owner and the partner has been lost
Huainan City Coal Mining Subsidence Area New Home Section I	1,461,176.36	1,461,176.36	Over 5 years	100.00	The quality of the project has caused corresponding litigation disputes and complaint disputes. If legal action is taken, the employer will probably file a counter-suit against the company, and the final compensation to be paid by the company will be greater than the final payment for the project, so the possibility of recovering the final payment is small
Youth Palace	1,332,904.99	1,332,904.99	Over 5 years	100.00	Recovery is expected to be difficult

Debtor name	Book balance	Bad debts	Aging	Proportion of provision (%)	Reason
The Second People's Hospital of Yichang	1,255,464.85	1,255,464.85	Over 5 years	100.00	The project amount is expected to be less likely to recover
Section III of the road project in the south demonstration area of Xiantao City	1,093,123.32	1,093,123.32	Over 5 years	100.00	The limitation of action has expired
Kaisa Real Estate (Wuhan) Co., Ltd.	11,587,466.20	1,811,245.52	Over 5 years	15.63	Irrecoverable in part
Total	171,646,535.26	136,907,593.58	-	-	-

3. Accounts receivable with provision for bad debts accrued by portfolio with credit risk features

(1) Accounts receivable subject to provision for bad debts made with aging analysis method

Aging structure	Ending balance		
	Book balance		Provision for bad debts
	Amount	Ratio (%)	
Within 1 year (including 1 year)	870,285,096.40	54.64	2,951,176.87
1-2 years	260,696,233.11	16.37	9,848,062.29
2-3 years	99,446,274.16	6.24	3,534,048.05
3-4 years	110,224,716.24	6.92	21,456,413.17
4-5 years	6,938,976.33	0.44	3,469,488.20
Over 5 years	245,276,188.60	15.40	245,276,188.60
Total	1,592,867,484.84	--	286,535,377.18

Continued:

Aging structure	Beginning balance		
	Book balance		Provision for bad debts
	Amount	Ratio (%)	
Within 1 year (including 1 year)	318,807,121.55	81.16	3,026,871.02
1-2 years	41,029,850.68	10.45	4,456,266.69
2-3 years	8,270,557.02	2.11	2,489,229.55
3-4 years	19,382,610.09	4.93	17,006,478.98
4-5 years	765,531.82	0.19	575,624.92
Over 5 years	4,544,439.83	1.16	4,544,439.81

Aging structure	Beginning balance		
	Book balance		Provision for bad debts
	Amount	Ratio (%)	
Total	392,800,110.99	-	32,098,910.97

(2) Accounts receivable with the provisions for bad debts made by balance percentage method

Portfolio name	Ending balance		
	Book balance	Proportion of provision (%)	Provision for bad debts
Receivables			
Total			

Continued:

Portfolio name	Beginning balance		
	Book balance	Proportion of provision (%)	Provision for bad debts
Receivables	221,878,877.06	0.50	1,109,394.39
Receivables	4,892,651,565.08	0.83	40,529,843.55
Total	5,114,530,442.14	-	41,639,237.94

(3) Accounts receivable with provision for bad debts accrued under other combined methods

Portfolio name	Ending balance		
	Book balance	Proportion of provision (%)	Provision for bad debts
Receivables from the related parties	554,734,820.48		
Receivables from government or state-owned enterprises	5,346,260,802.21		
Guarantees, deposits and other receivables	306,350,791.17		
Total	6,207,346,413.86	-	

Continued:

Portfolio name	Beginning balance		
	Book balance	Proportion of provision (%)	Provision for bad debts
Receivables from the related parties	24,072,427.90		
Receivables from government or state-owned enterprises	125,092,744.30		
Guarantees, deposits and other receivables	388,016,057.50		
Total	537,181,229.70	-	

4. Accounts receivable with insignificant single amount but with individual provision for bad debts at the

end of the year

Debtor name	Book balance	Bad debts	Aging	Proportion of provision (%)	Reason
Hubei Jincheng Construction Group Co., Ltd.	9,850,848.59	4,146,649.21	4-5 years	42.09	Irrecoverable in part
Chen Minghou	3,550,000.00	3,550,000.00	Over 5 years	100.00	Expected to be irrecoverable
Zhang Ling, Wen Wei	2,300,000.00	2,300,000.00	Over 5 years	100.00	Expected to be irrecoverable
Hubei National Construction Group Co., Ltd.	1,109,655.00	606,218.00	4-5 years	54.63	Irrecoverable in part
Wuhan Tiangong Construction Engineering Co., Ltd.	1,095,242.12	416,349.78	4-5 years	38.01	Irrecoverable in part
Maintenance of the office building of Wuhan Garden Bureau	926,523.14	926,523.14	4-5 years	100.00	Expected to be unrecoverable
Lu Xuemin	885,515.04	885,515.04	Over 5 years	100.00	Expected to be irrecoverable
Wuhan Municipal Housing Reform Office (Qilimiao Phase I Housing Payment)	783,663.40	783,663.40	Over 5 years	100.00	Expected to be irrecoverable
Wuhan PanlongMingda Construction Co., Ltd.	770,175.85	319,096.78	4-5 years	41.43	Irrecoverable in part
Wuhan Qiaokou District Real Estate Company Fifth Housing Management Office	707,492.20	707,492.20	Over 5 years	100.00	Expected to be irrecoverable
Faculty Buildings 1-2# in the new campus of Huanggang High School of Hubei Province	706,372.79	706,372.79	Over 5 years	100.00	The limitation of action has expired

Debtor name	Book balance	Bad debts	Aging	Proportion of provision (%)	Reason
East Lake rescue project	616,943.00	616,943.00	Over 5 years	100.00	The age of accounts receivable is long and the debtor is unclear, and the limitation of action is not effective, it is expected that the accounts receivable cannot be recovered
Wangda Group Co., Ltd. (Qilimiao)	614,019.85	614,019.85	Over 5 years	100.00	Expected to be irrecoverable
Chemical Institute	583,903.95	583,903.95	Over 5 years	100.00	The accounts receivable is not sufficient to cover the maintenance costs arising from quality problems and the limitation of action has expired, so recovery is expected to be difficult
Wuhan Construction Headquarters - Golden Elegance Garden	569,500.07	569,500.07	Over 5 years	100.00	The limitation of action has expired
New Jinling Apartment Project in Sanya City, Hainan Province	512,000.00	512,000.00	Over 5 years	100.00	The limitation of action has expired
Chengmai Sewage Treatment Project in	462,748.00	462,748.00	Over 5 years	100.00	The limitation of action has

Debtor name	Book balance	Bad debts	Aging	Proportion of provision (%)	Reason
Hainan Province					expired
Sewage Pipe Network in Yidong District, Fuyang City - Jihe Coastal Section I	401,512.62	401,512.62	Over years 5	100.00	The limitation of action has expired
Wuhan Construction Headquarters - Wu Heavy Duty Machine Tool Second Processing United Workshop and Auxiliary Facilities Project	395,432.11	395,432.11	Over years 5	100.00	The accounts receivable is not sufficient to cover the maintenance costs arising from quality problems and the limitation of action has expired, so recovery is expected to be difficult
Hefei University of Technology in Anhui Province	356,605.00	356,605.00	Over years 5	100.00	The limitation of action has expired
Wuhan Construction Headquarters - 95829 force's military history museum	337,000.00	337,000.00	Over years 5	100.00	The limitation of action has expired
Shishou Water Company	311,963.00	311,963.00	Over years 5	100.00	Expected to be irrecoverable
Wuhan Construction Headquarters - Zhongbai Group Jiangxia Fresh Cold Chain Processing and Distribution Center	262,187.40	262,187.40	Over years 5	100.00	Recovery is expected to be difficult
Yang Jidong	258,960.00	258,960.00	Over years 5	100.00	Expected to be irrecoverable
Chen Wei	230,000.00	230,000.00	Over years 5	100.00	Expected to be irrecoverable
Wanrui Electronic	195,128.35	195,128.35	Over 5	100.00	The possibility

Debtor name	Book balance	Bad debts	Aging	Proportion of provision (%)	Reason
No.16 Institute in Anhui Province			years		of recovery is expected to be small as contact with both the owner and the partner has been lost
Shanghai Fengwo Catering Co., Ltd.	186,450.60	186,450.60	Over years 5	100.00	Expected to be unrecoverable
Peace Garden of Anhui Medical University	177,675.22	177,675.22	Over years 5	100.00	The limitation of action has expired
Wuhan Construction Headquarters - Building 8, Section II, North, Gezhoubu International Plaza	176,010.36	176,010.36	Over years 5	100.00	Due to the deduction of maintenance costs from the warranty money, the warranty money is difficult to recover subsequently
Hefei Bureau, Anhui Provincial Tax Service	175,200.00	175,200.00	Over years 5	100.00	The limitation of action has expired
Xinhua • Wenjing Garden	160,601.06	160,601.06	Over years 5	100.00	The possibility of recovery is expected to be small as contact with both the owner and the partner has been lost
Wuhan Construction Headquarters - Huale Garden	154,910.00	154,910.00	Over years 5	100.00	The limitation of action has expired
Luo Changgang	137,858.50	137,858.50	Over years 5	100.00	Expected to be irrecoverable

Debtor name	Book balance	Bad debts	Aging	Proportion of provision (%)	Reason
Wuhan Huizhuo Real Estate Co., Ltd.	134,160.00	134,160.00	3-4 years	100.00	Due to the cancellation of the project, payment cannot be recovered
East No.10 Teaching and Research Building of Huazhong University of Science and Technology	130,580.00	130,580.00	Over 5 years	100.00	Since the lump-sum contract signed was a fixed lump-sum contract, and the omission of bids and discrepancies in the bill of quantity arising in the bidding process could not enter into the lump-sum settlement, the costs of 4 elevators were not included in the total bid price due to doubtful interpretation of the bid documents, and separate audit fees were incurred, which are not expected to be recoverable
Wuhan Yihe Real Estate	128,000.00	128,000.00	4-5 years	100.00	Due to the cancellation of

Debtor name	Book balance	Bad debts	Aging	Proportion of provision (%)	Reason
Comprehensive Development Co., Ltd.					the project, payment cannot be recovered
Wuhan Economic and Practical Housing Center (Qilimiao construction utilities)	101,523.54	101,523.54	Over 5 years	100.00	Expected to be irrecoverable
Xinzhou County Yangluo Development Office	100,000.00	100,000.00	Over 5 years	100.00	Expected to be irrecoverable
Shanxi Qilin	86,329.75	86,329.75	Over 5 years	100.00	Wuhan Construction Cable Company Equipment Branch was written off on May 22, 2012 and tax cancellation was completed on April 25, 2019. The accounts receivable is not expected to be recoverable
Gezhouba Power Supply Customer Service Center	72,174.87	72,174.87	Over 5 years	100.00	The limitation of action has expired
China Resources Phoenix City	70,506.94	70,506.94	Over 5 years	100.00	Because the project is located in the community making way for the construction of the subway, the company's

Debtor name	Book balance	Bad debts	Aging	Proportion of provision (%)	Reason
					construction drawing information is not fully preserved and is much different from the original construction drawings, and the after-sales service cannot satisfy Party A, Party A refused to sign on the application procedures for the warranty money, so the final payment was not recovered
Wuhan Bowie Zhilian Technology Co., Ltd.	50,000.00	50,000.00	4-5 years	100.00	Due to the cancellation of the project, payment cannot be recovered
Wuhan Fusheng Real Estate Co., Ltd.	46,850.00	46,850.00	Over 5 years	100.00	Expected to be irrecoverable
Wuhan Supply and Marketing Cooperative (Non-ferrous Metals Group Corporation)	46,000.20	46,000.20	Over 5 years	100.00	Expected to be irrecoverable
Hainan branch medical area of PLA General Hospital in Sanya City, Hainan	45,765.00	45,765.00	Over 5 years	100.00	The limitation of action has expired

Debtor name	Book balance	Bad debts	Aging	Proportion of provision (%)	Reason
Province					
Chen Jiabin	45,000.00	45,000.00	Over years 5	100.00	Expected to be irrecoverable
Xunda Communication Company	44,300.00	44,300.00	Over years 5	100.00	Irrecoverable
Liu Changping	43,377.00	43,377.00	Over years 5	100.00	Expected to be irrecoverable
Wuhan ICBC Jiangnan Office	38,292.80	38,292.80	Over years 5	100.00	Expected to be irrecoverable
Zhongnan Petrochemical Co., Ltd.	36,288.50	36,288.50	Over years 5	100.00	Expected to be irrecoverable
Rent for revolving materials of external parties	35,879.19	35,879.19	Over years 5	100.00	Wuhan Construction Cable Company Equipment Branch was written off on May 22, 2012 and tax cancellation was completed on April 25, 2019. The accounts receivable is not expected to be recoverable
Evergreen Garden (outside the group)	33,216.30	33,216.30	Over years 5	100.00	Wuhan Construction Cable Company Equipment Branch was written off on May 22, 2012 and tax

Debtor name	Book balance	Bad debts	Aging	Proportion of provision (%)	Reason
					cancellation was completed on April 25, 2019. The accounts receivable is not expected to be recoverable
The Second Bureau of Shipping Engineering, Ministry of Communications	30,000.00	30,000.00	Over years 5	100.00	Expected to be irrecoverable
Fushi Yating	28,000.00	28,000.00	Over years 5	100.00	As the legal representative of the owner was involved in the case and sentenced to imprisonment, and the whole project has been seized, the final payment is expected to be unrecoverable subsequently
Jianghuai Automobile Parts Development and Verification Center	27,035.10	27,035.10	Over years 5	100.00	The limitation of action has expired
Wuhan Economic and Practical Housing Center (Caijiantian North)	25,000.00	25,000.00	Over years 5	100.00	Expected to be irrecoverable
Jia Desheng	23,876.00	23,876.00	Over years 5	100.00	Expected to be irrecoverable
Huangpi Fifth Construction Company	20,000.00	20,000.00	Over years 5	100.00	Expected to be irrecoverable

Debtor name	Book balance	Bad debts	Aging	Proportion of provision (%)	Reason
Hefei No.35 Middle School	20,000.00	20,000.00	Over years 5	100.00	The possibility of recovery is expected to be small as contact with both the owner and the partner has been lost
Hanyang Housing Development Company (Qilimiao)	14,600.00	14,600.00	Over years 5	100.00	Expected to be irrecoverable
Wuhan Yuehu Culture and Arts Center Quintai Grand Theatre	14,509.43	14,509.43	Over years 5	100.00	The debtor's domicile and place of registration have been written off, so the debt is expected to be unrecoverable
Wuhan Construction Headquarters - Shantui Chutian Concrete Machinery Production Base Project Dormitory and Canteen	11,568.30	11,568.30	Over years 5	100.00	The limitation of action has expired
Three Gorges Corporation - Changjiang Water Resources Commission Office Building Reconstruction	11,152.40	11,152.40	Over years 5	100.00	The limitation of action has expired
Enshi Jinye	11,000.00	11,000.00	Over years 5	100.00	Due to the difficulty in the implementation of the project warranty, Party

Debtor name	Book balance	Bad debts	Aging	Proportion of provision (%)	Reason
					A has completed the warranty work on its own, resulting in the non-recoverability of the warranty money
Lan Zhihua	10,000.00	10,000.00	Over 5 years	100.00	Expected to be irrecoverable
Wuxue highway landscape design fee (transferred from Beijing)	10,000.00	10,000.00	4-5 years	100.00	Expected to be unrecoverable
Yangzi Housing Industrial Company	9,986.25	9,986.25	Over 5 years	100.00	Expected to be irrecoverable
Western Water Supply in Sanya City, Hainan Province	8,111.97	8,111.97	Over 5 years	100.00	The limitation of action has expired
Li Jun	8,048.00	8,048.00	Over 5 years	100.00	Expected to be irrecoverable
Anhui Huainan Cable TV Station Broadcast and Control Building	8,000.00	8,000.00	Over 5 years	100.00	As the age of accounts receivable is long and contact with the cooperator and the owner is unavailable, the possibility of recovery is expected to be small
Zhang Wu, Xu Jun	7,520.00	7,520.00	Over 5 years	100.00	Expected to be irrecoverable
Wuhan Municipal Public Utilities Administration	7,231.00	7,231.00	Over 5 years	100.00	Expected to be irrecoverable

Debtor name	Book balance	Bad debts	Aging	Proportion of provision (%)	Reason
Peng Junfeng	6,000.00	6,000.00	Over 5 years	100.00	Expected to be irrecoverable
Chedu greening and landscape engineering design fees (transferred from Beijing)	5,804.80	5,804.80	4-5 years	100.00	Expected to be unrecoverable
Hu Deyun (Rongdong housing payment)	5,657.30	5,657.30	Over 5 years	100.00	Expected to be irrecoverable
Wuhan Municipal Government Policy Research Office	5,086.00	5,086.00	Over 5 years	100.00	Expected to be irrecoverable
Li Li	2,468.50	2,468.50	Over 5 years	100.00	Expected to be irrecoverable
Section IV, Staff Residential Building, Living Area, No. 388 Factory Yichang Branch	1,140.21	1,140.21	Over 5 years	100.00	The limitation of action has expired
Comprehensive machine processing workshop project of CSSC	809.05	809.05	Over 5 years	100.00	Because the amount is too small and all the personnel of Yichang Company withdrew from Yichang after 2011, and the cost of collection will be considered far beyond the amount owed, the payment for the project will not be recovered.
Wuhan Guoya Construction (Miaoshan)	800.00	800.00	Over 5 years	100.00	Wuhan Construction Cable

Debtor name	Book balance	Bad debts	Aging	Proportion of provision (%)	Reason
					Company Equipment Branch was written off on May 22, 2012 and tax cancellation was completed on April 25, 2019. The accounts receivable is not expected to be recoverable
Water bill for Hongtai Garden tenants	600.00	600.00	Over years 5	100.00	Expected to be irrecoverable
Gu Feng 1101	297.00	297.00	Over years 5	100.00	Expected to be irrecoverable
Wang Shaolan 3002 Shen Bin	129.00	129.00	Over years 5	100.00	Expected to be irrecoverable
Hongtai Garden power supply guarantee	48.00	48.00	Over years 5	100.00	Expected to be irrecoverable
Xiantao Second Bureau of Shipping Engineering, Ministry of Communications	0.10	0.10	Over years 5	100.00	Wuhan Construction Cable Company Equipment Branch was written off on May 22, 2012 and tax cancellation was completed on April 25, 2019. The accounts receivable is not expected to be recoverable

Debtor name	Book balance	Bad debts	Aging	Proportion of provision (%)	Reason
Total	31,584,819.72	24,247,211.93	-	-	-

5. Top 10 of accounts receivable in terms of the balance at the ending of the period by the debtors

Debtor name	Book balance	Proportion in the total accounts receivables(%)	Provision for bad debts
CITIC General Institute of Architectural Design and Research Co., Ltd.	713,666,492.37	8.82	
Funan County Real Estate Administration	264,950,621.00	3.27	
Jingchu Cultural Industry Investment Group Co., Ltd.	241,372,812.69	2.98	
Luxi County Wujian Park Infrastructure Construction Co., Ltd.	115,402,947.05	1.43	
Wuhan Dingji Construction Engineering Co., Ltd.	115,177,936.50	1.42	1,755,538.00
Wuhan Panlong Water Resources Construction Investment Development Co., Ltd.	106,459,109.48	1.32	
Wuhan Land Arranging Storage Center	92,495,569.82	1.14	
Jiangling County Municipal Garden Construction Center	58,057,700.00	0.72	
China Construction Third Engineering Bureau Group Co., Ltd.	52,433,178.95	0.65	
Hubei Jincheng Construction Group Co., Ltd.	47,008,299.39	0.58	4,436,629.95
Total	1,807,024,667.25	22.83	6,192,167.95

(2) Provision for bad debt

Item	1/1/2020	Increase in this year	Decrease in the current year		12/31/2020
			Reversal	Elimination or write-off	
Provision for bad debts of accounts receivable	234,826,324.82	212,863,857.87			447,690,182.69

(IV) Prepayment

1. Aging of Prepayment

Aging	Ending balance	
	Book value	Provision for

	Amount	Ratio (%)	bad debts
Within 1 year (including 1 year)	4,377,387,207.72	40.89	
1-2 years	1,044,545,751.77	9.76	
2-3 years	553,315,978.59	5.17	
Over 3 years	4,728,767,764.11	44.18	
Total	10,704,016,702.19	-	

Continued:

Aging	Beginning balance		
	Book value		Provision for bad debts
	Amount	Ratio (%)	
Within 1 year (including 1 year)	5,463,350,429.84	27.88	
1-2 years (including 2 years)	2,643,426,991.16	13.48	
2-3 years (including 3 years)	2,041,449,366.22	10.41	
Over 3 years	9,454,613,774.89	48.23	
Total	19,602,840,562.11	-	

2. Prepayment with large amount and aging of over 1 year but not recovered

Creditor name	Debtor name	Ending balance	Aging	Reason for no settlement
Wuhan Chengkai Real Estate Development Co., Ltd.	Wuhan Liancheng Economic and Trade Co., Ltd.	883,000,000.00	1-2 years, 2-3 years and over 3 years	The project has not been settled yet
WuHan Urban Construction Group Co., Ltd.	Wuhan Qing'anju Construction Engineering Company	780,721,222.90	1-2 years and over 3 years	The project has not been settled yet
Wuhan Chengkai Real Estate Development Co., Ltd.	Wuhan Yinzhaoh Real Estate Investment Development Co., Ltd.	600,170,684.15	Over 3 years	The project has not been settled yet
Wuhan Landscape Construction Development (Group) Co., Ltd.	Wuhan Land Reserve Center Gardening Construction Sub-Center	379,894,660.51	1-2 years and over 3 years	Land reserves
WuHan Urban Construction Group Co., Ltd.	Land Arranging Storage Center of Jingshan District, Wuhan	337,270,000.00	Over 3 years	The project has not been settled yet
Wuhan Construction Industry Group Co., Ltd.	Land Arranging Storage Center of Jingshan District, Wuhan	110,000,000.00	1-2 years	Unfinished project payment
WuHan Urban	Wuhan Jiang'an District	280,261,866.35	1-3 years	The project has

Creditor name		Debtor name	Ending balance	Aging	Reason for no settlement
Construction Co., Ltd.	Group	Construction Bureau			not been settled yet
Wuhan Business Investment Group Co., Ltd.	Central District Holding	Wuhan Qianjian Wangjiadun Investment and Construction Development Co., Ltd.	247,730,000.00	Over 3 years	Land deposit
WuHan Construction Co., Ltd.	Urban Group	Wuhan Urban Construction Engineering Co., Ltd.	214,530,000.00	1-3 years	The project has not been settled yet
WuHan Construction Co., Ltd.	Urban Group	WuHan Municipal Construction Group Co., Ltd.	175,340,181.00	1-3 years	The project has not been settled yet
Wuhan Business Investment Group Co., Ltd.	Central District Holding	Wuhan CBD Investment & Development Co., Ltd.	150,000,000.00	Over 3 years	Substitute road construction funds
WuHan Construction Co., Ltd.	Urban Group	Houhu Sub-district Office, Jiang'an District, Wuhan City	132,600,000.00	Over 3 years	The project has not been settled yet
WuHan Construction Co., Ltd.	Urban Group	China Railway Group (Wuhan) Co., Ltd.	128,810,000.00	1-3 years	The project has not been settled yet
WuHan Construction Co., Ltd.	Urban Group	Wuhan Zhongxin Municipal Construction Engineering Co., Ltd.	126,058,400.00	1-3 years	The project has not been settled yet
WuHan Construction Co., Ltd.	Urban Group	Wuhan Zhiyuan Municipal Construction Engineering Co., Ltd.	71,027,080.13	1-3 years	The project has not been settled yet
WuHan Construction Co., Ltd.	Urban Group	Wuhan Xinghue Real Estate Development Co., Ltd.	70,749,480.00	Over 3 years	The project has not been settled yet
Wuhan Industry Group Co., Ltd.	Construction Co.,	Hainan Xingong Labor Service Co., Ltd.	37,673,190.65	1-2 years	Unfinished project payment
Wuhan Xinxing Building Materials Co., Ltd.	Chengkai Building	Wuhan Lejiazhu Building Materials Co., Ltd.	31,755,762.03	2-3 years	The project has not been settled yet
Wuhan Business Investment Group Co., Ltd.	Central District Holding	Finance Bureau of Qiaokou District, Wuhan City	30,000,000.00	1-2 years	Construction price paid in advance

Creditor name	Debtor name	Ending balance	Aging	Reason for no settlement
Wuhan Chengkai Real Estate Development Co., Ltd.	Houhu Street Office of Wuhan Jiang'an District People's Government	27,765,694.00	Over years 3	The project has not been settled yet
Wuhan Jiankai General Contracting Co., Ltd.	Qingshan Shantytown Phase II Workers' Village 12 7#8#9# Project Department	26,412,452.00	Over years 3	The project has not been settled yet
Wuhan Jiankai General Contracting Co., Ltd.	Qingshan Shantytown Phase II Workers' Village 12 3#4# Project Department	24,308,747.00	2-3 years and over 3 years	The project has not been settled yet
Wuhan Jiankai General Contracting Co., Ltd.	Qingshan Shantytown Phase II Workers' Village 12 1#2# Project Department	16,197,598.00	Over years 3	The project has not been settled yet
Wuhan Jiankai General Contracting Co., Ltd.	Tongan Phase V 59#	24,854,000.00	Over years 3	The project has not been settled yet
Wuhan Jiankai General Contracting Co., Ltd.	Fourth Project Department Tongan Phase V 60#	22,593,134.00	Over years 3	The project has not been settled yet
Wuhan Construction Industry Group Co., Ltd.	Shaanxi Liancheng Petrochemical Technology Development Co., Ltd.	21,993,376.77	Over years 3	Unfinished project payment
Wuhan Construction Industry Group Co., Ltd.	Wuhan Weiye Construction Labor Co., Ltd.	15,424,077.40	1-2 years	Unfinished project payment
Wuhan Construction Industry Group Co., Ltd.	Yueyang Hengtai Concrete Co., Ltd.	14,874,531.64	1-2 years	Unfinished project payment
Wuhan Jiankai General Contracting Co., Ltd.	Chengkai Tianxing Garden Tianshengyuan 101# Project Department	14,122,003.82	Over years 3	The project has not been settled yet
Anhui Jianyin Real Estate Development Co., Ltd.	Anhui Jianyin Real Estate Development Co., Ltd.	13,081,058.63	1-2 years	Unfinished project payment
Wuhan Chengkai Xinxing Building Materials Co., Ltd.	Pinganpu New Station (cost of building a new station)	7,336,500.94	Over years 3	The project has not been settled yet
Wuhan Garden Construction	China Construction Third Engineering Bureau -	6,857,640.00	Over years 3	The project has not been settled yet

Creditor name	Debtor name	Ending balance	Aging	Reason for no settlement
Engineering Company	Horticultural Expo Project			settled yet
Wuhan Real Estate Development Co., Ltd.	Huangpu Industry and Trade Development Co., Ltd.	5,202,586.19	1-2 years, 2-3 years and over 3 years	The project has not been settled yet
Wuhan Jiankai General Contracting Co., Ltd.	Wuhan Changsha Foundation Engineering Co., Ltd.	4,680,000.00	Over 3 years	The project has not been settled yet
Wuhan Garden Construction Engineering Company	Wuchang Uprising Park Project	4,617,626.00	Over 3 years	The project has not been settled yet
Wuhan Garden Construction Engineering Company	Shahu Park Project	4,491,899.00	Over 3 years	The project has not been settled yet
Wuhan Chengkai Real Estate Development Co., Ltd.	Huajian New Era (Wuhan) Engineering Design Co., Ltd.	3,500,000.00	Over 3 years	The project has not been settled yet
Wuhan Garden Construction Engineering Company	Zoo Project	3,000,000.00	Over 3 years	The project has not been settled yet
Wuhan Central Business District Investment Holding Group Co., Ltd.	Jiangnan District Urban Renewal and Housing Acquisition Management Office	3,000,000.00	Over 3 years	Prepayment for demolition and relocation work
Wuhan Garden Construction Engineering Company	Guishan Park Upgrading Project	2,598,963.58	Over 3 years	The project has not been settled yet
Wuhan Garden Construction Engineering Company	Guishan Renovation Project	2,451,685.52	Over 3 years	The project has not been settled yet
Wuhan Garden Construction Engineering Company	Metro Line 2 Hongshan Square Project	2,532,328.00	Over 3 years	The project has not been settled yet
Wuhan Garden Construction Engineering Company	Zhanggongdi Forest Belt Project	2,400,000.00	2-3 years and over 3 years	The project has not been settled yet
Wuhan Chengkai Xinxing Building Materials Co., Ltd.	Longxin Company	2,254,793.67	2-3 years	The project has not been settled yet
Hubei Tiancheng Meiya Real Estate Co.,	Shenzhen New Base Point Intelligence Co.,	2,150,000.00	2-3 years and over 3 years	The project has not been settled yet

Creditor name	Debtor name	Ending balance	Aging	Reason for no settlement
Ltd.	Ltd.		years	settled yet
Wuhan Taiheng Real Estate Development Co., Ltd.	Wuhan Power Supply Company of State Grid Hubei Electric Power Co., Ltd.	1,941,506.88	1-2 years	The project has not been settled yet
Hubei Tiancheng Meiya Real Estate Co., Ltd.	Wuhan Yungu Creative Software Co., Ltd.	1,910,377.35	2-3 years	The big data platform software development project was unsettled
Wuhan Garden Construction Engineering Company	Wuhan Horticultural Expo Project	1,800,000.00	Over 3 years	The project has not been settled yet
Wuhan Garden Construction Engineering Company	Junshan Avenue Green Belt Project	1,727,807.00	Over 3 years	The project has not been settled yet
Wuhan Changjiang Ecological Real Estate Investment Co., Ltd.	A Wolf Culture and Creativity Co., Ltd.	1,686,000.00	2-3 years	The project has not been settled yet
Wuhan City Guaranteed Housing Investment and Construction Co., Ltd.	Qingxinju Rental Tax	1,469,569.26	1-3 years	The project has not been settled yet
Wuhan Garden Construction Engineering Company	Miliangshan Interchange Project	1,403,457.10	Over 3 years	The project has not been settled yet
Wuhan Garden Construction Engineering Company	International Expo Center Project	1,243,194.00	Over 3 years	The project has not been settled yet
Wuhan Garden Construction Engineering Company	East-West Lake Matoutan Project	1,000,000.00	Over 3 years	The project has not been settled yet
Wuhan Tongjian City Development Co., Ltd.	Wuhan Jiankai Decoration Engineering Co., Ltd.	1,000,000.00	Over 3 years	The project has not been settled yet
Wuhan Chengkai Xinxing Building Materials Co., Ltd.	Hu Qiuyang Quarry, Baiyunshan Village, Yue Town, Jiayu County	900,953.97	Over 1 year; 2-3 years	The project has not been settled yet
Wuhan Chengkai Xinxing Building	Guangdong Shucheng Construction Technology	388,000.00	Over 3 years	The project has not been settled yet

Creditor name	Debtor name	Ending balance	Aging	Reason for no settlement
Materials Co., Ltd.	Co., Ltd.			settled yet
Total	-	5,082,764,089.44	-	-

3. Top 10 prepayments from debtors in terms of the ending balance

Debtor name	Book balance	Percentage (%)	Provision for bad debts
Ningbo Municipal Finance Bureau	1,868,413,500.00	17.46	
Wuhan Liancheng Economic and Trade Co., Ltd.	1,183,000,000.00	11.05	
Ningbo Bureau of Natural Resources and Planning	860,000,000.00	8.03	
Wuhan Qing'anju Construction Engineering Company	780,721,222.90	7.29	
Wuhan Land Reserve Center Gardening Construction Sub-Center	691,052,160.50	6.46	
Finance Bureau of Wuhan East Lake New Technology Development Zone Management Committee	670,360,000.00	6.26	
Wuhan Yinzhaoh Real Estate Investment Development Co., Ltd.	600,194,681.30	5.61	
Land Arranging Storage Center of Jingshan District, Wuhan	337,270,000.00	3.15	
Wuhan Jiang'an District Construction Bureau	280,261,866.40	2.62	
Wuhan Qianjian Wangjiadun Investment and Construction Development Co., Ltd.	247,730,000.00	2.31	
Total	7,519,003,431.08	70.24	

(V) Other receivables

Item	Ending balance	Beginning balance
Interest receivable	58,342,844.03	33,249,779.71
Dividends receivable		
Other receivables	43,605,303,368.74	40,501,321,329.40
Total	43,663,646,212.77	40,534,571,109.11

1. Interests receivable

(1) Classification of interest receivable

Item	Ending balance	Beginning balance
Time deposit		
Entrusted loan		
Bond investment	1,808,400.00	222,953.42

Item	Ending balance	Beginning balance
Others (interest on personal loans)	56,534,444.03	33,026,826.29
Total	58,342,844.03	33,249,779.71

2. Other receivables

Type	Ending balance			
	Book balance		Provision for bad debts	
	Amount	Ratio (%)	Amount	Ratio (%)
Other receivables that are individually significant and subject to individual provision for bad debts	21,501,339.83	0.05	20,108,411.68	93.52
Other receivables with provision for bad debts accrued by portfolio with credit risk features	43,689,248,624.09	99.94	85,705,412.81	0.20
Including: Portfolio 1-aging analysis method	277,005,378.46	0.63	85,681,991.93	30.93
Portfolio 2-balance percentage method				
Portfolio 3-Other combination methods	43,412,243,245.63	99.30		
Other receivables that are individually insignificant but subject to individual provision for bad debts	5,153,778.36	0.01	4,809,969.93	93.33
Total	43,715,903,742.28	100.00	110,600,373.54	-

Continued:

Type	Beginning balance			
	Book balance		Provision for bad debts	
	Amount	Ratio (%)	Amount	Ratio (%)
Other receivables that are individually significant and subject to individual provision for bad debts	251,027,718.28	0.62	18,202,324.27	7.25
Other receivables with provision for bad debts accrued by portfolio with credit risk features	40,300,183,704.86	99.36	34,685,637.68	0.09
Including: Portfolio 1-aging analysis method	181,378,681.64	0.45	31,964,484.46	17.62
Portfolio 2-balance percentage method	508,756,703.82	1.25	2,721,153.22	0.53
Portfolio 3-Other combination methods	39,610,048,319.40	97.66		
Other receivables that are individually significant and subject to individual provision for bad debts	8,077,827.90	0.02	5,079,959.69	62.89
Total	40,559,289,251.04	100.00	57,967,921.64	-

(1) Other receivables with significant single amount and individual allowance for bad debts as at the end of the year

Debtor name	Book balance	Bad debts	Aging	Provision ratio (%)	Reasons
Shandong Laizhou Hanzheng Street Northern Market Project Investment Money	8,386,195.93	6,993,267.78	1-5 years and over 5 years	83.39	Irrecoverable in part
Daye City also Diqiao Town Zixiang iron ore	7,637,720.52	7,637,720.52	3-4 years	100	Expected to be irrecoverable
Wuhan Municipal Public Security Bureau No.8 Division	2,105,581.97	2,105,581.97	Over 5 years	100	Irrecoverable
Operating Department (decoration money of the sales department)	1,195,949.00	1,195,949.00	Over 5 years	100	After litigation is completed, the debtor is insolvent
Personal income tax	1,131,492.91	1,131,492.91	Over 5 years	100	Personal income tax (the person concerned is out of contact)
Wuhan Ansheng Electric Power Co., Ltd.	1,044,399.50	1,044,399.50	Over 5 years	100	Expected to be irrecoverable
Total	21,501,339.83	20,108,411.68		-	-

(2) Other receivables with provision for bad debts accrued by portfolio with credit risk features

1) Other receivables with provision for bad debts by using aging analysis method

Aging structure	Ending balance		
	Amount	Ratio (%)	Provision for bad debts
Within 1 year (including 1 year)	57,208,895.91	20.65	444,752.98
1-2 years	21,046,847.91	7.60	1,026,750.79
2-3 years	109,512,554.38	39.53	11,406,351.32
3-4 years	32,593,707.28	11.77	22,412,123.40
4-5 years	12,502,819.09	4.51	6,251,459.55
Over 5 years	44,140,553.89	15.93	44,140,553.89
Total	277,005,378.46	79.55	85,681,991.93

Continued:

Aging structure	Beginning balance

	Amount	Ratio (%)	Provision for bad debts
Within 1 year (including 1 year)	39,566,128.54	22.70	1,003,829.88
1-2 years	105,503,046.39	60.53	6,011,483.40
2-3 years	5,551,172.41	3.18	2,077,982.89
3-4 years	21,821,651.20	12.52	21,416,470.20
4-5 years	69,342.91	0.04	54,594.46
Over 5 years	1,800,223.63	1.03	1,400,123.63
Total	174,311,565.08	98.93	31,964,484.46

2) Other accounts receivable with the provisions for bad debts made by balance percentage method

Portfolio name	Beginning balance		
	Book balance	Provision ratio (%)	Provision for bad debts
Receivables	74,222,357.98	0.50	371,111.81
Receivables	434,534,345.84	0.54	2,350,041.41
Total	508,756,703.82	-	2,721,153.22

3) Other receivables with provision for bad debts under other methods

Portfolio name	Ending balance		
	Amount	Proportion of provision (%)	Provision for bad debts
Receivables from the related parties	8,668,860,065.85		
Receivables from government or state-owned enterprises	32,815,668,612.23		
Guarantees, deposits and other receivables	1,927,650,887.57		
Total	43,412,179,565.65	-	

Continued:

Portfolio name	Beginning balance		
	Amount	Proportion of provision (%)	Provision for bad debts
Receivables from the related parties	8,170,380,503.42		
Receivables from government or state-owned enterprises	29,887,354,245.46		
Guarantees, deposits and other receivables	1,559,380,687.08		
Total	39,617,115,435.96	-	

(3) Other receivables that are individually insignificant but with provision for bad debts made on an individual basis as at the end of the year

Debtor name	Book balance	Bad debts	Aging	Proportion of provision	Reasons
Wuhan Zhennan Pipe Pile Co., Ltd.	800,000.00	800,000.00	2-3 years	100.00	Expected to be irrecoverable
Wuhan Landscape Technical School Factory	665,877.47	322,069.04	1-2 years, 2-3 years, 2-4 years and over 5 years	48.37	Irrecoverable in part
Wanda Group Company (Qilimiao 14-23 affordable housing supporting fee)	616,983.94	616,983.94	Over 5 years	100.00	Expected to be irrecoverable
Hanyang Residential Development Company (Qilimiao 14-23 affordable housing supporting fee)	500,000.00	500,000.00	Over 5 years	100.00	Expected to be irrecoverable
Hubei Jinhua Industrial Development Company	300,000.00	300,000.00	1-2 years	100.00	Expected to be irrecoverable
Jiang'an District People's Court	221,000.00	221,000.00	Over 5 years	100.00	Expected to be irrecoverable
Four Star Elevator (elevator payment for Caijiantian project)	200,000.00	200,000.00	Over 5 years	100.00	Expected to be irrecoverable
Advance payment - Dongjian Company	181,342.84	181,342.84	Over 5 years	100.00	Expected to be irrecoverable
Advances	177,480.66	177,480.66	4-5 years	100.00	Expected to be irrecoverable
Wuhan Fuhua Real Estate Development and Construction Co., Ltd.	149,139.17	149,139.17	Over 5 years	100.00	Expected to be irrecoverable
Runhe accident processing mediation fee compensation	135,680.00	135,680.00	Over 5 years	100.00	Expected to be irrecoverable
Chengkai I Company	130,000.00	130,000.00	Over 5 years	100.00	Expected to be irrecoverable
WISCO Hanyang Steel Plant Zhongyuan Co., Ltd.	100,000.00	100,000.00	Over 5 years	100.00	Expected to be irrecoverable
Drilling service team-pit	100,000.00	100,000.00	Over 5 years	100.00	Expected to be irrecoverable

Debtor name	Book balance	Bad debts	Aging	Proportion of provision	Reasons
Wuhan Xinfu Hongxin Light Steel House Co., Ltd.	99,668.00	99,668.00	Over 5 years	100.00	Expected to be irrecoverable
Zhongguan Company	94,570.48	94,570.48	Over 5 years	100.00	Expected to be irrecoverable
Qinghua Interchange	91,634.96	91,634.96	Over 5 years	100.00	Expected to be irrecoverable
Wuhan Hongweifa Light Steel House Co., Ltd.	70,200.00	70,200.00	Over 5 years	100.00	Expected to be irrecoverable
Hanyang District Housing Company Material Station	54,625.86	54,625.86	Over 5 years	100.00	Expected to be irrecoverable
Chenjiadun utilities	54,203.42	54,203.42	Over 5 years	100.00	Expected to be irrecoverable
He Yanyan	50,000.00	50,000.00	Over 5 years	100.00	Expected to be irrecoverable
Wuhan Xinfu Hongxin Light Steel House Co., Ltd.	46,511.60	46,511.60	Over 5 years	100.00	Expected to be irrecoverable
Shahu Park Project Department Electricity	43,362.46	43,362.46	Over 5 years	100.00	Expected to be irrecoverable
Wuhan Huanyu Flying Boat Advertising Co., Ltd.	40,000.00	40,000.00	3-4 years	100.00	Expected to be irrecoverable
Film factory rental deposit	39,600.00	39,600.00	Over 5 years	100.00	Expected to be irrecoverable
Wuhan Shun Ankang Light Steel House Co., Ltd.	33,400.00	33,400.00	Over 5 years	100.00	Expected to be irrecoverable
Wuhan Guanhua Steel Structure Co., Ltd.	32,272.00	32,272.00	Over 5 years	100.00	Expected to be irrecoverable
Friendship Bond	30,000.00	30,000.00	Over 5 years	100.00	Expected to be irrecoverable
Chen Guanjian	22,275.45	22,275.45	Over 5 years	100.00	Expected to be irrecoverable
Wuhan Heyi Integrated Housing Co., Ltd.	20,000.00	20,000.00	Over 5 years	100.00	Expected to be irrecoverable
Deng Guozhu Restaurant	18,899.75	18,899.75	Over 5 years	100.00	Expected to be irrecoverable
Wuhan Yahong Container Co., Ltd.	10,700.00	10,700.00	Over 5 years	100.00	Expected to be irrecoverable
Wuhan Yahong Container Co., Ltd.	10,000.00	10,000.00	Over 5 years	100.00	Expected to be irrecoverable

Debtor name	Book balance	Bad debts	Aging	Proportion of provision	Reasons
Wuhan Hongju United Light Steel House Co., Ltd.	8,000.00	8,000.00	Over 5 years	100.00	Expected to be irrecoverable
Jin Yangcheng (individual)	2,000.00	2,000.00	Over 5 years	100.00	Expected to be irrecoverable
Three Gorges Materials Corporation	1,602.62	1,602.62	Over 5 years	100.00	Expected to be irrecoverable
Wuhan Hongju United Light Steel House Co., Ltd.	1,030.00	1,030.00	Over 5 years	100.00	Expected to be irrecoverable
Wuhan Electricity Supply Bureau--Deposit out deposit	600.00	600.00	Over 5 years	100.00	Expected to be irrecoverable
Pre-deposit of electricity bill	587.68	587.68	Over 5 years	100.00	Expected to be irrecoverable
Deposit out deposit-Long distance call deposit	530.00	530.00	Over 5 years	100.00	Expected to be irrecoverable
Total	5,153,778.36	4,809,969.93			

(4) Top 10 of other receivables in terms of the balance as at the end of the year by the debtors

Debtor name	Nature	Ending balance	Aging	Percentage (%)	Provision for bad debts
Wuhan Municipal Bureau of Finance	Reserve land development compensation	3,212,660,600.00	Within 1 year	7.35	
Land Arranging Storage Center of Jingshan District, Wuhan	Primary land development advancement	2,340,712,588.28	1-4 years	5.35	
Central City Development Sub-center of Wuhan Land Arranging Storage Center	Borrowings	2,295,676,313.57	1-4 years	5.25	
Housing Acquisition Management	Prepayments	2,088,329,809.49	1-3 years	4.78	

Debtor name	Nature	Ending balance	Aging	Percentage (%)	Provision for bad debts
Office of Qingshan District People's Government, Wuhan City					
Wuhan Zhaocheng Real Estate Co., Ltd.	Land purchase payment	1,500,000,000.00	Within 1 year	3.43	
Wuhan United Investment Vanke Real Estate Co., Ltd.	Housing resettlement payment	1,311,181,320.48	Within 1 year / 1-4 years	3.00	
Wuhan Yuanhui Real Estate Co., Ltd.	Housing resettlement payment	1,115,997,027.67	Within 1 year / 1-4 years	2.55	
Wuhan Huaafa Real Estate Co., Ltd.	Current accounts	807,007,164.85	Within 1 year	1.85	
Wuhan Huaqiao Jiacheng Real Estate Co., Ltd.	Housing resettlement payment	765,746,943.57	Within 1 year / 1-4 years	1.75	
Finance Bureau of Wuhan East Lake New Technology Development Zone Management Committee	Bid deposit	670,360,000.00	Within 1 year	1.53	
Total	-	16,107,671,767.91	-	36.84	

3. Provision for bad debt

Item	1/1/2020	Increase in this year	Decrease in the current year		12/31/2020
			Reversal	Elimination or write-off	
Provision for	57,967,921.64	52,632,451.90			110,600,373.54

bad debts of other accounts receivable					

(VI) Inventories

1. Classification

Item	Ending balance		
	Book balance	Depreciation provision	Book value
Raw materials	34,316,328.07		34,316,328.07
Self-manufactured semi-finished products and goods in process	82,377,104,612.41		82,377,104,612.41
Including: completed but unsettled project	5,028,624,060.88		5,028,624,060.88
Development costs (to be completed by real estate development enterprises)	77,344,323,784.20		77,344,323,784.20
Stock commodities (finished goods)	7,859,343,708.09	3,549,270.74	7,855,794,437.35
Including: Development products	6,483,923,919.51	3,549,270.74	6,480,374,648.77
Revolving materials (packaging materials, low-cost consumables)	7,144,858.05		7,144,858.05
Consumable biological assets	24,767,931.97		24,767,931.97
Contract performance costs	892,313.29		892,313.29
Others	20,842,404,599.27		20,842,404,599.27
Including: undeveloped land reserve	1,894,710,860.57		1,894,710,860.57
Total	111,145,974,351.15	3,549,270.74	111,142,425,080.41

Continued:

Item	Beginning balance		
	Book balance	Depreciation provision	Book value
Raw materials	18,196,966.06		18,196,966.06
Self-manufactured semi-finished products and goods in process	66,963,293,203.07		66,963,293,203.07
Including: completed but unsettled project	4,864,114,128.42		4,864,114,128.42
Development costs (to be completed by real estate development enterprises)	62,099,179,074.65		62,099,179,074.65
Stock commodities (finished goods)	5,216,420,737.47	119,138.56	5,216,301,598.91
Including: Development products	5,190,371,871.60	119,138.56	5,190,252,733.04
Revolving materials (packaging materials, low-cost consumables)	1,960,742.75		1,960,742.75

Item	Beginning balance		
	Book balance	Depreciation provision	Book value
Consumable biological assets	65,327,235.71		65,327,235.71
Contract performance costs			
Others	22,224,787,436.37		22,224,787,436.37
Including: undeveloped land reserve	14,145,182,175.55		14,145,182,175.55
Total	94,489,986,321.43	119,138.56	94,489,867,182.87

Notes: (1) Inventory goods (finished goods) are mainly completed commercial properties that have not yet been delivered;

(2) Other items are mainly: ①RMB4,937,032,044.16 for government-allocated low-cost housing, public rental housing and completed public rental housing; ② RMB13,698,154,106.30 for primary land development expenditure; ③ RMB1,894,710,860.57 for undeveloped land reserve; ④ RMB312,507,588.24 for other issued goods.

(3) For details of inventories subject to restrictions on ownership such as mortgages and pledges, see Notes VII(LXVI) Assets with restrictions on the ownership or right of use.

2. Provision for inventories

Item	1/1/2020	Increase in this year		Decrease in this year		12/31/2020
		Provision	Others	Reversal or write-off	Others	
Raw materials						
Products in progress						
Merchandise inventories	119,138.56	3,430,132.18				3,549,270.74
Revolving materials						
Consumable biological assets						
Inventories arising from construction contracts						
Outstanding assets for completed project						
Total	119,138.56	3,430,132.18				3,549,270.74

3. Land reserves of real estate development enterprises

Item	Land area as at the beginning of the year	Increase or decrease in this year	Land area as at the end of the year	Book balance as at the end of the year	Name
Parcel K3-1 of Baibuting		15,848.74	15,848.74	813,150,375.43	Wuhan Dikong Shengyuan Real Estate Co., Ltd.
Parcel P(2019) 185	36,803.44		36,803.44	343,542,992.45	Wuhan Yunsheng Zhihe Real Estate Co., Ltd.
Parcel P(2019) 186	11,263.37		11,263.37	99,715,947.40	Wuhan Yunsheng Zhihe Real Estate Co., Ltd.
Parcel P(2020) 074		59,391.94	59,391.94	638,301,545.29	Wuhan Yunsheng Zhihe Real Estate Co., Ltd.
Total	48,066.81	75,240.68	123,307.49	1,894,710,860.57	

4. Capitalization of borrowing costs included in the ending balance of inventories

Item	Ending balance	Beginning balance
Inventories - Capitalization amount of borrowing costs in development costs	14,758,824,406.85	12,257,941,197.00
Inventories-Capitalization amount of borrowing costs in finished products	352,267,793.48	64,457,362.90

5. Completed and outstanding assets arising from a construction contract at the end of the year

Item	Ending balance
Accumulated cost incurred	8,426,037,908.66
Gross profit accumulatively recognized	283,010,290.63
Less: expected loss	-
Amount already settled	3,680,424,138.41
Completed but unsettled assets arising from a construction contract	5,028,624,060.88

(VII) Non-current assets due within one year

Item	Book value as at the end of the year	Book value as at the beginning of year
Long-term receivables due within one year	427,790,335.74	-
Entrusted loans due within one year	-	-
Long-term deferred expenses due within one year	-	-
Including: Provisions for impairment	-	-

Total	427,790,335.74	-
(VIII) Other current assets		
Item	Ending balance	Beginning balance
Pending deduct VAT on purchase	962,237,585.84	624,026,109.37
Prepaid taxes	2,090,073,430.94	1,592,603,240.29
Contract acquisition cost (under new standards)	20,976,868.41	22,102,404.83
Cost of return receivable (under new standards)		
Uncertified input tax	275,482.56	379,378.25
Short-term entrusted loans	106,700,000.00	388,000,000.00
Payment in lieu of withholding personal income tax	1,909,189.82	
Housing fund of employees		73,247,599.70
Long-term uncollected transactions of Chongqing and Xinjiang branches		900,175.95
Blockchain products of Zheshang Bank OTC trading platform		10,000,000.00
Others	825.00	5,689.63
Total	3,182,173,382.57	2,711,264,598.02

Note: Short-term entrusted loans are entrusted loans of subordinate enterprise Wuhan Urban Estate Investment & Development Group Co., Ltd. for which impairment of RMB10,200,000.00 has been provided.

(IX) Available-for-sale financial assets

1. Available-for-sale financial assets

Item	Ending balance		
	Book balance	Provisions for impairment	Book value
Available-for-sale debt instruments	76,710,000.00		76,710,000.00
Available-for-sale equity instruments	5,450,205,608.10	15,420,600.00	5,434,785,008.10
Including: measured at fair value	1,976,992,739.08		1,976,992,739.08
Measured at cost	3,473,212,869.02	15,420,600.00	3,457,792,269.02
Others			
Total	5,526,915,608.10	15,420,600.00	5,511,495,008.10

Continued:

Item	Beginning balance

	Book balance	Provisions for impairment	Book value
Available-for-sale debt instruments	30,410,000.00		30,410,000.00
Available-for-sale equity instruments	6,634,213,135.23	15,420,600.00	6,618,792,535.23
Including: measured at fair value	1,720,081,966.21		1,720,081,966.21
Measured at cost	4,914,131,169.02	15,420,600.00	4,898,710,569.02
Others			
Total	6,664,623,135.23	15,420,600.00	6,649,202,535.23

2. Available-for-sale financial assets measured at fair value as at the end of the period

Item	Available-for-sale equity instruments	Available-for-sale debt instruments	Others	Total
Cost of the equity instruments / amortized cost of debt instruments	2,349,074,403.83			2,349,074,403.83
Fair value	1,976,992,739.08	76,710,000.00		2,053,702,739.08
Cumulative amount of changes in fair value included into other comprehensive income	-372,081,664.75	76,710,000.00		-295,371,664.75
Amount of provision for impairment				

3. Available-for-sale financial assets measured at cost as at the end of the year

Investee	Book balance			
	As at the beginning of the year	Increase in this year	Decrease in this year	As at the end of the year
Wuhan Wang'an Construction Investment Fund Partnership (Limited Partnership)	120,200,000.00			120,200,000.00
CITIC Wang'an (Wuhan) Investment Development Co., Ltd.	60,000,000.00			60,000,000.00
Wuhan Radio and Television Tianhan Media Co., Ltd.	10,000,000.00			10,000,000.00
Wuhan Zhongcheng Real Estate Development Co., Ltd.	2,000,000.00			2,000,000.00

Investee	Book balance			
	As at the beginning of the year	Increase in this year	Decrease in this year	As at the end of the year
Liangshan Xinxing Cultural Tourism Construction and Development Company	8,000.00			8,000.00
Wuhan Luyuan Construction Engineering Co., Ltd.	60,000,000.00			60,000,000.00
Wuhan Huamu E-buy E-commerce Co., Ltd.	450,000.00			450,000.00
Wuhan Dexin Construction Investment Co., Ltd.	2,000,000.00			2,000,000.00
Hubei Changtuo Ecological Xiantao Construction Investment Co., Ltd.		401,700.00		401,700.00
Wuhan Taifu 2049 Commercial Development Co., Ltd.	314,551,005.96			314,551,005.96
Wuhan Binjiang Infrastructure Construction Development Co., Ltd.	30,000,000.00	1,500,000.00		31,500,000.00
Hubei Asset Management Co., Ltd.	648,470,000.00			648,470,000.00
Wuhan Xinji Property Management Co., Ltd.	100,000.00			100,000.00
Wuhan Yuanchen Group Co., Ltd.	400,000.00			400,000.00
Wuhan Jinyuan World Housing and Construction Development Co., Ltd.	15,000,000.00			15,000,000.00
Wuhan Shutong Technology Co., Ltd.	900,000.00			900,000.00
Wuhan Cultural Development Group Co., Ltd.	20,000,000.00			20,000,000.00
Wuhan Jiansu Industry and Trade Co., Ltd.	70,000.00			70,000.00
Hankou Bank of China Ltd.	190,000,000.00			190,000,000.00
Yichang Wanyeyuan Enterprise Management Co., Ltd.	500,000.00			500,000.00

Investee	Book balance			
	As at the beginning of the year	Increase in this year	Decrease in this year	As at the end of the year
Wuhan Donghu Guolong Stock Investment Fund Management Co., Ltd.	40,000,000.00		40,000,000.00	
Wuhan Gaoxin Building Materials Co., Ltd.	450,000.00			450,000.00
Wuhan Chengfa Shanty Reform Project Fund	2,748,259,725.60		1,300,000,000.00	1,448,259,725.60
Wuhan Chengfa No.1 Fund	1,000,000.00			1,000,000.00
Wuhan Changjiang Water Supply Industry Co., Ltd.	850,000.00			850,000.00
Guohua Life Insurance Co., Ltd.	499,997,460.00			499,997,460.00
Wuhan Zhongjian Wudi Development and Construction Co., Ltd.	100,000,000.00		100,000,000.00	
Wuhan Tongsui Construction Investment Co., Ltd.	20,000,000.00			20,000,000.00
Wuhan Xianmishan Road Construction Development Co., Ltd.	15,200,000.00			15,200,000.00
Wuhan Real Estate Group Century Supporting Co., Ltd.	900,000.00			900,000.00
Cloud Wuhan Internet Industry Investment Development Co., Ltd.	500,000.00		500,000.00	
Wuhan Human Defense Engineering Co., Ltd.	7,404,977.46			7,404,977.46
Wuhan Shuntiantai Group Co., Ltd.	1,000,000.00			1,000,000.00
Wuhan Real Estate Development Group Co., Ltd.	1,600,000.00			1,600,000.00
Wuhan Hongcheng Engineering Consulting Management Co., Ltd.	2,320,000.00		2,320,000.00	
Total	4,914,131,169.02	1,901,700.00	1,442,820,000.00	3,473,212,869.02

Continued:

Investee	Provisions for impairment				Shareholding ratio in the investee (%)
	As at the beginning of the year	Increase in this year	Decrease in the current year	As at the end of the year	
Wuhan Wang'an Construction Investment Fund Partnership (Limited Partnership)					19.84
CITIC Wang'an (Wuhan) Investment Development Co., Ltd.					5.00
Wuhan Radio and Television Tianhan Media Co., Ltd.					10.00
Wuhan Zhongcheng Real Estate Development Co., Ltd.					7.08
Liangshan Xinxing Cultural Tourism Construction and Development Company					1.00
Wuhan Luyuan Construction Engineering Co., Ltd.					15.00
Wuhan Huamu E-buy E-commerce Co., Ltd.					15.00
Wuhan Dexin Construction Investment Co., Ltd.					2.00
Hubei Changtuo Ecological Xiantao Construction Investment Co., Ltd.					3.00
Wuhan Taifu 2049 Commercial Development Co., Ltd.					10.00
Wuhan Binjiang Infrastructure Construction Development Co., Ltd.					10.00
Hubei Asset Management Co., Ltd.					19.00
Wuhan Xinji Property Management Co., Ltd.					9.90
Wuhan Yuanchen Group Co., Ltd.					0.80
Wuhan Jinyuan World Housing and Construction Development Co., Ltd.	14,520,600.00			14,520,600.00	50.00
Wuhan Shutong Technology	900,000.00			900,000.00	9.00

Investee	Provisions for impairment				Shareholding ratio in the investee (%)
	As at the beginning of the year	Increase in this year	Decrease in the current year	As at the end of the year	
Co., Ltd.					
Wuhan Cultural Development Group Co., Ltd.					6.06
Wuhan Jiansu Industry and Trade Co., Ltd.					10.00
Hankou Bank of China Ltd.					1.21
Yichang Wanyeyuan Enterprise Management Co., Ltd.					4.11
Wuhan Donghu Guolong Stock Investment Fund Management Co., Ltd.					
Wuhan Gaoxin Building Materials Co., Ltd.					10.00
Wuhan Chengfa Shanty Reform Project Fund					
Wuhan Chengfa No.1 Fund					
Wuhan Changjiang Water Supply Industry Co., Ltd.					1.16
Guohua Life Insurance Co., Ltd.					1.14
Wuhan Zhongjian Wudi Development and Construction Co., Ltd.					
Wuhan Tongsui Construction Investment Co., Ltd.					10.00
Wuhan Xianmishan Road Construction Development Co., Ltd.					5.00
Wuhan Real Estate Group Century Construction Supporting Co., Ltd.					10.00
Cloud Wuhan Internet Industry Investment Development Co., Ltd.					
Wuhan Human Defense Engineering Co., Ltd.					22.79

Investee	Provisions for impairment				Shareholding ratio in the investee (%)
	As at the beginning of the year	Increase in this year	Decrease in the current year	As at the end of the year	
Wuhan Shuntiantai Group Co., Ltd.					2.48
Wuhan Real Estate Development Group Co, Ltd.					6.67
Minmetals Trust Guarantee Fund					
Zhongyuan Trust Guarantee Fund					
Wuhan Hongcheng Engineering Consulting Management Co., Ltd.					
Total	15,420,600.00			15,420,600.00	

Notes: 1. The available-for-sale financial assets of Hubei Changtuo Ecological Xiantao Construction Investment Co., Ltd. increased by RMB401,700.00, which is the additional private placement investment this year, and the shareholding ratio is 3%;

2. The available-for-sale financial assets of Wuhan Binjiang Infrastructure Construction Development Co., Ltd. increased by RMB1.5 million of investment this year, with the same proportion of each share category upon each capital increase in accordance with the articles of association;

3. The decrease of RMB40,000,000.00 in available-for-sale financial assets of Wuhan Donghu Guolong Share Investment Fund Management Co., Ltd. is the amount redeemed by Donghu Huagong Private Placement Fund upon maturity;

4. A decrease of RMB1,300,000,000.00 in available-for-sale financial assets of Wuhan Chengfa Shanty Reform Project Fund represents the recovery of the principal of Chengfa Shanty Reform Project Fund;

5. The company transferred to a long-term equity joint venture for Wuhan Zhongjian Wudi Development and Construction Co., Ltd. The company holds over 20% equity in Wuhan Civil Air Defense Engineering Co., Ltd. but does not have significant influence on the latter as it does not participate in the daily operation and management thereof;

6. The Company signed a transfer agreement with the State-owned Assets Supervision and Administration Commission of Wuhan City to transfer its 100% equity interests in Cloud Wuhan Internet Industry Investment Development Co., Ltd. with a book balance of RMB500,000.00 as a whole, and the change of industrial and commercial information and other related transfer procedures had been completed as of December 31, 2020;

7. Wuhan Jinyuan World Housing and Construction Development Co., Ltd. was transferred at the time of the establishment of the company, and the company currently has no influence on it and has fully provided for impairment;

8. Wuhan Digital Technology Co., Ltd. has registered capital of RMB10 million with RMB900,000 or 9% contributed by Wuhan Urban Construction Group Co., Ltd.; after consultation with the credit information publicity system of Hubei Province, the company has been revoked. Therefore, full provision for

impairment has been made according to the amount of capital contribution.

9. The Company holds 72.29% equity interests in Wuhan Hongcheng Engineering Consulting Management Co., Ltd. and enjoys control over the company, which is included in the scope of consolidation in the statement this year.

(X) Long-term receivables

Type	Ending balance		
	Book balance	Provision for bad debts	Book value
Financing lease			
Including: unrealized financing income			
Proceeds from sale of goods in installments			
Payment by instalments for providing services			
Others	8,490,116,194.07		8,490,116,194.07
Total	8,490,116,194.07		8,490,116,194.07

Continued:

Type	Beginning balance		
	Book balance	Provision for bad debts	Book value
Financing lease			
Including: unrealized financing income			
Proceeds from sale of goods in installments			
Payment by instalments for providing services			
Others	1,726,307,880.13		1,726,307,880.13
Total	1,726,307,880.13		1,726,307,880.13

Note: Long-term receivables - other RMB8,490,116,194.07 represents land reserve costs of RMB462,090,192.63 incurred by Wuhan City Protected Housing Investment and Construction Co., Ltd. commissioned by Qingshan Land Storage to act as agent for Qingshan Shanty Reform Phase II land demolition and relocation work; Wuhan City Development Investment Co., Ltd. Land reserve costs of RMB8,027,773,283.97; the investment, construction, operation and maintenance costs of Wuxue North Station Wujian High-speed Railway Plaza Construction Management Co., Ltd. for the PPP project of Wuxue North Station Wujian High-speed Railway Plaza and comprehensive supporting facilities was RMB252,717.47.

(XI) Long-term equity investment

1. Classification of long-term equity investments

Item	Beginning	Increase in this	Decrease in	Ending balance

	balance	year	this year	
Investment in subsidiaries				
Investment in joint ventures	282,365,128.16	2,396,622,113.07		2,678,987,241.23
Investment in associates	3,035,885,683.73	682,600,285.09	242,623,299.34	3,475,862,669.48
Sub-total	3,318,250,811.89	3,079,222,398.16	242,623,299.34	6,154,849,910.71
Less: Provision for impairment of long-term investments				
Total	3,318,250,811.89	3,079,222,398.16	242,623,299.34	6,154,849,910.71

2. Details of long-term equity investments

Investee	Investment cost	Beginning balance	Increase or decrease in this year			Adjustments to other comprehensive income
			Additional investment	Reduced investment	Profit and loss on investments recognized under the equity method	
I. Joint ventures	981,383,135.00	282,365,128.16	2,205,550,000.00		-8,928,843.37	
Hubei Zhongcheng October Ecological Science and Technology Agriculture Co., Ltd.	7,223,135.00	2,163,282.00			-1,103,048.43	
Wuhan Huafa Zhongcheng Aloe Commercial Management Co., Ltd.	3,000,000.00				2,589,470.53	
Wuhan Qiaokou District Green Chain Forest Service Center	10,000.00	10,000.00				
Xiangyang Yuliangzhou Economic Development Zone Park Tourism Management Co., Ltd.	800,000.00		800,000.00		-120,747.83	
Wuhan Xinxing Binjiang New Energy Co., Ltd.	4,750,000.00		4,750,000.00		-119,150.02	
Wuhan Urban Shilian Capital Management Co., Ltd.	500,000.00	1,669,196.60			-1,669,196.60	
Wuhan Metro Real Estate United Real Estate Co., Ltd.	24,500,000.00	36,936,632.56			48,519,908.60	
Wuhan Shuanglian Chuanghe Real Estate Co., Ltd.	10,000,000.00	31,550,179.74			-27,356,496.78	
Wuhan Wandu Hanyi Real Estate Co., Ltd.	250,000,000.00	191,697,351.10	1,750,000,000.00		-5,690,839.67	

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements
For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Investee	Investment cost	Beginning balance	Increase or decrease in this year			Adjustments to other comprehensive income
			Additional investment	Reduced investment	Profit and loss on investments recognized under the equity method	
Wuhan Chengrui Shunxiang Real Estate Development Co., Ltd.	5,100,000.00	4,839,376.62			-3,053,550.25	
Wuhan Zhaoyuecheng Real Estate Development Co., Ltd.	25,500,000.00	13,499,109.54			-13,213,059.54	
Wuhan Dihua Zhihe Real Estate Development Co., Ltd.	600,000,000.00		400,000,000.00		-7,712,133.38	
Wuhan Rongchuang Wudi Changjiang Cultural Tourism City Investment Development Co., Ltd.	50,000,000.00		50,000,000.00			
II. Associates	2,876,535,191.21	3,035,885,683.73	154,802,600.00		749,750,641.53	
Shishou Beyuan Infrastructure Construction Co., Ltd.	3,002,209.41		3,000,000.00		2,209.41	
Luxi County Wujian Park Infrastructure Construction Co., Ltd.	598,549.17	2,034,567.12			-1,436,017.95	
Xianning Bishang Real Estate Development Co., Ltd.	139,832.63	964,425.18			-824,592.55	
Wuhan Huada Architectural Decoration and Design Engineering Co., Ltd.	21,952,000.00	21,952,000.00				
Wuhan Hanzhongsheng Real Estate Development Co., Ltd.	440,000,000.00	439,877,764.87			-1,805.80	
Wuhan Huarong Real Estate Development	467,400,000.00	466,379,674.51	40,000,000.00		-4,857,758.09	

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements
For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Investee	Investment cost	Beginning balance	Increase or decrease in this year			Adjustments to other comprehensive income
			Additional investment	Reduced investment	Profit and loss on investments recognized under the equity method	
Co., Ltd.						
Wuhan Huachong Real Estate Development Co., Ltd.	107,200,000.00	98,677,504.88			-5,163,037.51	
Wuhan Zhaocheng Real Estate Co., Ltd.					10,769.35	
Wuhan New Flower Realm Green Ecology Co., Ltd.	3,000,000.00	3,305,680.07			803,213.89	
Wuhan Hankouli Culture and Creativity Co., Ltd.	600,000.00	134,584.78			272.50	
Wuhan Yuanbo Wine Industry Co., Ltd.	125,000.00	106,201.31	125,000.00		1,145.21	
Wuhan 2049 Newport City Construction Co., Ltd.	50,000,000.00	49,726,048.23			0.69	
Wuhan 2049 Poly Real Estate Development Co., Ltd.	60,000,000.00	122,947,126.78			86,997,303.17	
Wuhan Yuanhui Real Estate Co., Ltd.	15,000,000.00					
Wuhan Hongsheng Yongtai Real Estate Co., Ltd.	15,000,000.00	2,207,814.46			-2,207,814.46	
Wuhan Design Heart Construction Development Co., Ltd.	15,000,000.00	14,954,101.80			-563,270.49	
Wuhan Urban Industry Capital Management Co., Ltd.	490,000.00	8,223,237.57			2,000,957.54	

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements
For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Investee	Investment cost	Beginning balance	Increase or decrease in this year				Adjustments to other comprehensive income
			Additional investment	Reduced investment	Profit and loss on investments recognized under the equity method		
Wuhan Hengda Urban Real Estate Development Co., Ltd.	20,000,000.00	140,715,340.50					
Wuhan Sanxin Material Incubator Co., Ltd.	11,217,600.00		11,217,600.00		-28,614.67		
Wuhan Urban-Rural Integration Demonstration Zone Investment and Development Co., Ltd.	49,000,000.00	24,842,523.50			6,869,183.85		
Hubei Green Edge New Material Technology Co., Ltd.	52,500,000.00	47,161,127.03			-4,273,028.64		
Huajian New Era (Wuhan) Engineering Design Co., Ltd.	2,810,000.00	9,851,472.46	460,000.00		3,036,944.84		
Wuhan Zhongjian Wudi Development and Construction Co., Ltd.	100,000,000.00		100,000,000.00		-10,208,879.58		
Wuhan Mingyue Real Estate Co., Ltd.	24,500,000.00	174,069,646.93			444,237,791.36		
Chongqing Qirun Real Estate Development Co., Ltd.	90,000,000.00	117,388,226.19			15,496,623.88		
Xiamen Zhaowudi Real Estate Co., Ltd.	1,127,000,000.00	1,090,365,659.12			219,859,045.58		
Wuhan Dihua Zhihe Real Estate Development Co., Ltd.	200,000,000.00	200,000,956.44					
Total	3,857,918,326.21	3,318,250,811.89	2,360,352,600.00	-	740,821,798.16		

Continued:

Investee	Increase or decrease in this year				Ending balance	Balance of provision for impairment t as at the end of the year
	Changes in other equity	Cash dividends or profits declared and distributed	Provision for impairment	Others		
I. Joint ventures				200,000,956.44	2,678,987,241.23	
Hubei Zhongcheng October Ecological Science and Technology Agriculture Co., Ltd.					1,060,233.57	
Wuhan Huafa Zhongcheng Aloe Commercial Management Co., Ltd.					2,589,470.53	
Wuhan Qiaokou District Green Chain Forest Service Center					10,000.00	
Xiangyang Yuliangzhou Economic Development Zone Park Tourism Management Co., Ltd.					679,252.17	
Wuhan Xinxing Binjiang New Energy Co., Ltd.					4,630,849.98	
Wuhan Urban Shilian Capital Management Co., Ltd.						
Wuhan Metro Real Estate United Real Estate Co., Ltd.					85,456,541.16	
Wuhan Shuanglian Chuanghe Real Estate Co., Ltd.					4,193,682.96	
Wuhan Wandu Hanyi Real Estate Co., Ltd.				200,000,956.44	2,136,007,467.87	

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements
For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Investee	Increase or decrease in this year				Ending balance	Balance of provision for impairment t as at the end of the year
	Changes in other equity	Cash dividends or profits declared and distributed	Provision for impairment	Others		
Wuhan Chengrui Shunxiang Real Estate Development Co., Ltd.					1,785,826.37	
Wuhan Zhaoyuecheng Real Estate Development Co., Ltd.					286,050.00	
Wuhan Dihua Zhihe Real Estate Development Co., Ltd.					392,287,866.62	
Wuhan Rongchuang Wudi Changjiang Cultural Tourism City Investment Development Co., Ltd.					50,000,000.00	
II. Associates		242,623,299.34		-221,952,956.44	3,475,862,669.48	
Shishou Beyuan Infrastructure Construction Co., Ltd.					3,002,209.41	
Luxi County Wujian Park Infrastructure Construction Co., Ltd.					598,549.17	
Xianning Bishang Real Estate Development Co., Ltd.					139,832.63	
Wuhan Huada Architectural Decoration and Design Engineering Co., Ltd.				-21,952,000.00		
Wuhan Hanzhongsheng Real Estate Development Co., Ltd.					439,875,959.07	

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements
For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Investee	Increase or decrease in this year				Ending balance	Balance of provision for impairment t as at the end of the year
	Changes in other equity	Cash dividends or profits declared and distributed	Provision for impairment	Others		
Wuhan Huarong Real Estate Development Co., Ltd.					501,521,916.42	
Wuhan Huachong Real Estate Development Co., Ltd.					93,514,467.37	
Wuhan Zhaocheng Real Estate Co., Ltd.					10,769.35	
Wuhan New Flower Realm Green Ecology Co., Ltd.					4,108,893.96	
Wuhan Hankouli Culture and Creativity Co., Ltd.					134,857.28	
Wuhan Yuanbo Wine Industry Co., Ltd.					232,346.52	
Wuhan 2049 Newport City Construction Co., Ltd.					49,726,048.92	
Wuhan 2049 Poly Real Estate Development Co., Ltd.					209,944,429.95	
Wuhan Yuanhui Real Estate Co., Ltd.						
Wuhan Hongsheng Yongtai Real Estate Co., Ltd.						
Wuhan Design Heart Construction Development Co., Ltd.					14,390,831.31	
Wuhan Urban Industry Capital					10,224,195.11	

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements
For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Investee	Increase or decrease in this year				Ending balance	Balance of provision for impairment t as at the end of the year
	Changes in other equity	Cash dividends or profits declared and distributed	Provision for impairment	Others		
Management Co., Ltd.						
Wuhan Hengda Urban Real Estate Development Co., Ltd.		50,000,000.00			90,715,340.50	
Wuhan Sanxin Material Incubator Co., Ltd.					11,188,985.33	
Wuhan Urban-Rural Integration Demonstration Zone Investment and Development Co., Ltd.					31,711,707.35	
Hubei Green Edge New Material Technology Co., Ltd.					42,888,098.39	
Huajian New Era (Wuhan) Engineering Design Co., Ltd.					13,348,417.30	
Wuhan Zhongjian Wudi Development and Construction Co., Ltd.					89,791,120.42	
Wuhan Mingyue Real Estate Co., Ltd.		192,623,299.34			425,684,138.95	
Chongqing Qirun Real Estate Development Co., Ltd.					132,884,850.07	
Xiamen Zhaowudi Real Estate Co., Ltd.					1,310,224,704.70	
Wuhan Dihua Zhihe Real Estate Development Co., Ltd.				-200,000,956.44		

Investee	Increase or decrease in this year				Ending balance	Balance of provision for impairment at the end of the year
	Changes in other equity	Cash dividends or profits declared and distributed	Provision for impairment	Others		
Total		242,623,299.34		-21,952,000.00	6,154,849,910.71	
3. Principal financial information of major joint ventures						
Item	Ending amount					
	Wuhan Metro Real Estate United Real Estate Co., Ltd.	Wuhan Shuanglian Chuanghe Real Estate Co., Ltd.	Wuhan Huafa Zhongcheng Aloe Management Co., Ltd.	Hubei Zhongcheng October Ecological Science and Technology Agriculture Co., Ltd.	Xiangyang Yuliangzhou Economic Development Zone Park Tourism Management Co., Ltd.	Wuhan Xinxing Binjiang New Energy Co., Ltd.
Current assets	9,488,012,485.14	58,672,960.19	13,385,000.56	3,078,480.56	1,973,860.42	79,135,265.62
Non-current assets	216,826.76	415,788.41	410,528.34	4,380,767.56	175,700.00	84,143,824.07
Total assets	9,488,229,311.90	59,088,748.60	13,795,528.90	7,459,248.12	2,149,560.42	163,279,089.69
Current liabilities	3,072,068,205.76	50,701,382.69	8,616,587.86	4,873,312.59	451,430.00	3,529,931.83
Non-current liabilities	6,241,760,001.73					150,000,000.00
Total liabilities	9,313,828,207.49	50,701,382.69	8,616,587.86	4,873,312.59	451,430.00	153,529,931.83
Net assets	174,401,104.41	8,387,365.91	5,178,941.04	2,585,935.53	1,698,130.42	9,749,157.86

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements
For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Item	Ending amount					
	Wuhan Metro Real Estate United Real Estate Co., Ltd.	Wuhan Shuanglian Chuanghe Real Estate Co., Ltd.	Wuhan Huaafa Zhongcheng Aloe Commercial Management Co., Ltd.	Hubei Zhongcheng October Ecological Science and Technology Agriculture Co., Ltd.	Xiangyang Yuliangzhou Economic Development Zone Park Tourism Management Co., Ltd.	Wuhan Xinxing Binjiang New Energy Co., Ltd.
Share in net assets calculated according to shareholding ratio	85,456,541.16	4,193,682.96	2,589,470.52	1,060,233.57	679,252.17	4,630,849.98
Adjusted matters						
Book value of equity investments in joint ventures	85,456,541.16	4,193,682.96	2,589,470.52	1,060,233.57		4,630,849.98
Fair value of the publicly quoted equity investments						
Operating income	666,690,211.01	37,926,985.00	15,396,226.42	4,019,438.04	65,852.50	
Financial expenses		-219,149.40			49.10	-755,882.13
Income tax expense	32,826,851.69	-447,297.60				
Net profits	98,480,555.07	-874,213.37	6,547,931.91	-2,690,362.02	-301,869.58	-50,297.73
Other comprehensive income						
Total comprehensive income	98,480,555.07	-874,213.37	6,547,931.91	-2,690,362.02	-301,869.58	-50,297.73
Dividends received from joint ventures in this period						
Continued:						

Continued:

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements
For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Item	Beginning amount					Wuhan Xinxing Binjiang New Energy Co., Ltd.
	Wuhan Metro Real Estate United Real Estate Co., Ltd.	Wuhan Shuanglian Chuanghe Real Estate Co., Ltd.	Wuhan Huafa Zhongcheng Aloe Commercial Management Co., Ltd.	Hubei Zhongcheng October Ecological Science and Technology Agriculture Co., Ltd.	Xiangyang Yuliangzhou Economic Development Zone Park Tourism Management Co., Ltd.	
Current assets	8,576,793,697.56	119,198,655.64	1,439,536.18	3,733,442.01		192,976.81
Non-current assets	281,929.83	449,781.01	585,978.16	5,033,293.01		660,377.36
Total assets	8,577,075,627.39	119,648,436.65	2,025,514.34	8,766,735.02		853,354.17
Current liabilities	2,562,900,701.24	56,557,953.99	3,394,505.21	3,490,437.47		1,053,898.58
Non-current liabilities	5,938,794,043.37					
Total liabilities	8,501,694,744.61	56,557,953.99	3,394,505.21	3,490,437.47		1,053,898.58
Net assets	75,380,882.78	63,090,482.66	-1,368,990.87	5,276,297.55		-200,544.41
Share in net assets calculated according to shareholding ratio	36,936,632.56	31,545,241.33		2,163,282.00		
Adjusted matters						
Book value of equity investments in joint ventures	36,936,632.56	31,550,179.74		2,163,282.00		
Fair value of the publicly quoted equity investments						
Operating income		152,196,353.36	2,669,811.29	5,161,672.65		
Financial expenses		-332,885.87				487.82

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Item	Beginning amount				
	Wuhan Metro Real Estate United Real Estate Co., Ltd.	Wuhan Shuanglian Chuanghe Real Estate Co., Ltd.	Wuhan Huaafa Zhongcheng Aloe Commercial Management Co., Ltd.	Hubei Zhongcheng October Ecological Science and Technology Agriculture Co., Ltd.	Xiangyang Yuliangzhou Economic Development Zone Park Tourism Management Co., Ltd.
Income tax expense		13,926,728.33			
Net profits		31,738,715.90	-7,377,876.22	-2,488,535.57	-200,544.41
Other comprehensive income					
Total comprehensive income		31,738,715.90	-7,377,876.22	-2,488,535.57	-200,544.41
Dividends received from joint ventures in this period	18,282,000.00				
4. Main financial information of major associates					

Item	Ending amount						
	Wuhan Urban-Rural Integration Demonstration Zone Investment and Development Co., Ltd.	Wuhan MUYUE Real Estate Co., Ltd.	Chongqing Qirun Real Estate Development Co., Ltd.	Hubei Green Edge New Material Technology Co., Ltd.	Shishou Beyuan Infrastructure Construction Co., Ltd.	Luxi County Wujian Park Infrastructure Construction Co., Ltd.	Xianning Bishang Real Estate Development Co., Ltd.
Current assets	931,461,071.20	4,479,853,505.36	4,183,434,103.81	93,971,370.00	10,007,364.71	87,428,396.19	76,026,570.38
Non-current assets	316,880,232.61	340,358.34	970,920.63	406,209,684.93			

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Item	Ending amount						
	Wuhan Urban-Rural Integration Demonstration Zone Investment and Development Co., Ltd.	Wuhan MUNYUE Real Estate Co., Ltd.	Chongqing Qirun Real Estate Development Co., Ltd.	Hubei Green Edge New Material Technology Co., Ltd.	Shishou Beyuan Infrastructure Construction Co., Ltd.	Luxi County Wujian Park Infrastructure Construction Co., Ltd.	Xianning Bishang Real Estate Development Co., Ltd.
Total assets	1,248,341,303.81	4,480,193,863.70	4,184,405,024.44	500,181,054.93	10,007,364.71	87,428,396.19	76,026,570.38
Current liabilities	8,623,533.70	2,424,450,722.99	2,726,647,195.79	60,893,630.97		85,433,232.31	69,244,680.00
Non-current liabilities	1,175,000,000.00	1,187,000,000.00	1,109,000,000.00	316,750,000.00			
Total liabilities	1,183,623,533.70	3,611,450,722.99	3,835,647,195.79	377,643,630.97		85,433,232.31	69,244,680.00
Net assets	64,717,770.11	868,743,140.71	348,757,828.65	122,537,423.96	10,007,364.71	1,995,163.88	6,781,890.38
Share in net assets calculated according to shareholding ratio	31,711,707.35	425,684,138.95	99,329,717.18	42,888,098.39	3,002,209.41	598,549.16	2,034,567.11
Adjusted matters							
Book value of the equity investment in associates	31,711,707.35	425,684,138.95	132,884,850.07	42,888,098.39	3,002,209.41	598,549.16	2,034,567.11
Fair value of the publicly quoted equity investments							
Operating income	17,210,347.89	4,758,779,801.19	636,182,019.17	48,598,823.65			
Net profits	13,910,167.70	872,280,109.35	66,857,374.10	-12,301,197.65	7,364.71	-4,786,726.50	-3,013,634.61
Other comprehensive							

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Item	Ending amount						
	Wuhan Urban-Rural Integration Demonstration Zone Investment and Development Co., Ltd.	Wuhan MUNYUE Real Estate Co., Ltd.	Chongqing Qirun Real Estate Development Co., Ltd.	Hubei Green Edge New Material Technology Co., Ltd.	Shishou Beyuan Infrastructure Construction Co., Ltd.	Luxi County Wujian Park Infrastructure Construction Co., Ltd.	Xianning Bishang Real Estate Development Co., Ltd.
income							
Total comprehensive income	13,910,167.70	872,280,109.35	66,857,374.10	-12,301,197.65	7,364.71	-4,786,726.50	-3,013,634.61
Dividends received from associates in the current period		1,145.21		272.50			
Continued:							
Item	Ending amount						
	Wuhan Huarong Real Estate Development Co., Ltd.	Wuhan Huachong Real Estate Development Co., Ltd.	Wuhan Hanzhongsheng Real Estate Development Co., Ltd.	Wuhan Zhaocheng Real Estate Co., Ltd.	Wuhan New Flower Realm Green Ecology Co., Ltd.	Wuhan Yuanbo Wine Industry Co., Ltd.	
Current assets	9,849,218,252.77	857,181,198.23	1,565,617,299.97	3,000,028,718.25	48,190,372.26	1,521,403.30	
Non-current assets	106,780,769.68	22,809,221.06			197,259.01	11,387.19	
Total assets	9,955,999,022.45	879,990,419.29	1,565,617,299.97	3,000,028,718.25	48,387,631.27	1,532,790.49	
Current liabilities	4,520,696,064.13	412,419,708.34	465,927,402.30	3,000,007,179.56	34,691,318.07	603,404.38	
Non-current liabilities	2,927,693,396.23						

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Item	Ending amount					
	Wuhan Huarong Real Estate Development Co., Ltd.	Wuhan Huachong Real Estate Development Co., Ltd.	Wuhan Hanzhongsheng Real Estate Development Co., Ltd.	Wuhan Zhaocheng Real Estate Co., Ltd.	Wuhan New Flower Realm Green Ecology Co., Ltd.	Wuhan Yuanbo Wine Industry Co., Ltd.
Total liabilities	7,448,389,460.36	412,419,708.34	465,927,402.30	3,000,007,179.56	34,691,318.07	603,404.38
Net assets	2,507,609,562.09	467,570,710.95	1,099,689,897.67	21,538.69	13,696,313.20	929,386.11
Share in net assets calculated according to shareholding ratio	501,521,912.42	93,514,142.19	439,875,959.07	10,769.35	4,108,893.96	232,346.53
Adjusted matters						
Book value of the equity investment in associates	501,521,912.42	93,514,142.19	439,875,959.07	10,769.35	4,108,893.96	232,346.53
Fair value of the publicly quoted equity investments						
Operating income					40,652,666.27	1,012,539.65
Net profits	-24,288,790.45	-25,815,187.57	-4,514.49	21,538.69	2,677,379.63	4,580.84
Other comprehensive income						
Total comprehensive income	-24,288,790.45	-25,815,187.57	-4,514.49	21,538.69	2,677,379.63	4,580.84
Dividends received from associates in the current period						1,145.21

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Continued:

Item	Ending amount					
	Wuhan Hankouli Culture and Creativity Co., Ltd.	Wuhan 2049 Poly Real Estate Development Co., Ltd.	Wuhan Yuanhui Real Estate Co., Ltd.	Wuhan 2049 Newport City Construction Co., Ltd.	Wuhan Hongsheng Yongtai Real Estate Co., Ltd.	Wuhan Design Heart Construction Development Co., Ltd.
Current assets	449,524.26	11,702,029,323.94	14,826,596,258.63	164,800,452.50	14,893,217,578.45	2,248,578,203.24
Non-current assets		218,819,025.06	89,612.94	179,451,645.33	414,473.09	52,743.36
Total assets	449,524.26	11,920,848,349.00	14,826,685,871.57	344,252,097.83	14,893,632,051.54	2,248,630,946.60
Current liabilities		11,171,033,582.49	12,055,506,535.39	244,800,000.00	8,021,234,159.08	1,284,172,007.80
Non-current liabilities		50,000,000.00	2,816,515,024.10		6,934,000,000.00	916,480,000.00
Total liabilities		11,221,033,582.49	14,872,021,559.49	244,800,000.00	14,955,234,159.08	2,200,652,007.80
Net assets	449,524.26	699,814,766.51	-45,335,687.92	99,452,097.83	-61,602,107.54	47,978,938.80
Share in net assets calculated according to shareholding ratio	134,857.28	209,944,429.95	-13,600,706.38	49,726,048.92	-18,480,632.26	14,393,681.64
Adjusted matters						
Book value of the equity investment in associates	134,857.28	209,944,429.95		49,726,048.92		14,393,681.64
Fair value of the publicly quoted equity investments						
Operating income		1,641,741,191.42				
Net profits	908.33	289,991,010.57	-22,518,769.34	1.38	-68,961,489.06	-1,877,568.31

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Item	Ending amount					
	Wuhan Hankouli Culture and Creativity Co., Ltd.	Wuhan 2049 Poly Real Estate Development Co., Ltd.	Wuhan Yuanhui Real Estate Co., Ltd.	Wuhan 2049 Newport City Construction Co., Ltd.	Wuhan Hongsheng Yongtai Real Estate Co., Ltd.	Wuhan Design Heart Construction Development Co., Ltd.
Other comprehensive income						
Total comprehensive income	908.33	289,991,010.57	-22,518,769.34	1.38	-68,961,489.06	-1,877,568.31
Dividends received from associates in the current period	272.50					

Continued:

Item	Beginning amount						
	Wuhan Urban-Rural Integration Demonstration Zone Investment and Development Co., Ltd.	Wuhan Mingyue Real Estate Co., Ltd.	Chongqing Qirun Real Estate Development Co., Ltd.	Hubei Green Edge New Material Technology Co., Ltd.	Shishou Beyuan Infrastructure Construction Co., Ltd.	Luxi County Wujian Park Infrastructure Construction Co., Ltd.	Xianning Bishang Real Estate Development Co., Ltd.
Current assets	3,022,210,403.84	8,310,840,342.81	3,434,585,583.19	109,426,718.51			
Non-current assets	61,044.49	1,409,823.78	890,658.27	332,733,812.60			
Total assets	3,022,271,448.33	8,312,250,166.59	3,435,476,241.46	442,160,531.11			

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Item	Beginning amount						
	Wuhan Urban-Rural Integration Demonstration Zone Investment and Development Co., Ltd.	Wuhan Mingyue Real Estate Co., Ltd.	Chongqing Qirun Real Estate Development Co., Ltd.	Hubei Green Edge New Material Technology Co., Ltd.	Shishou Beyuan Infrastructure Construction Co., Ltd.	Luxi County Wujian Park Infrastructure Construction Co., Ltd.	Xianning Bishang Real Estate Development Co., Ltd.
Current liabilities	11,469,024.82	7,258,007,448.19	3,132,817,164.56	67,161,909.50			
Non-current liabilities	2,960,000,000.00	699,000,000.00		240,160,000.00			
Total liabilities	2,971,469,024.82	7,957,007,448.19	3,132,817,164.56	307,321,909.50			
Net assets	50,802,423.51	355,242,718.40	302,659,076.90	134,838,621.61			
Share in net assets calculated according to shareholding ratio	24,842,523.50	174,068,932.02	86,200,331.69	47,161,127.03			
Adjusted matters							
Book value of the equity investment in associates	24,842,523.50	174,069,646.93	117,388,226.19	47,161,127.03			
Fair value of the publicly quoted equity investments							
Operating income		2,799,504,217.38		399,092.72			
Net profits		357,610,177.50	-8,468,996.22	-13,062,509.57			
Other comprehensive income							

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Item	Beginning amount						
	Wuhan Urban-Rural Integration Demonstration Zone Investment and Development Co., Ltd.	Wuhan Mingyue Real Estate Co., Ltd.	Chongqing Qirun Real Estate Development Co., Ltd.	Hubei Green Edge New Material Technology Co., Ltd.	Shishou Beyuan Infrastructure Construction Co., Ltd.	Luxi County Wujian Park Infrastructure Construction Co., Ltd.	Xianning Bishang Real Estate Development Co., Ltd.
Total comprehensive income		357,610,177.50	-8,468,996.22	-13,062,509.57			
Dividends received from associates in the current period							
Continued:							
Item	Beginning amount						
	Wuhan Huarong Real Estate Development Co., Ltd.	Wuhan Huachong Real Estate Development Co., Ltd.	Wuhan Hanzhongsheng Real Estate Development Co., Ltd.	Wuhan Zhaocheng Real Estate Co., Ltd.	Wuhan New Flower Realm Green Ecology Co., Ltd.	Wuhan Yuanbo Wine Industry Co., Ltd.	
Current assets	5,896,012,664.30	856,959,558.99	1,384,121,814.46		13,046,315.07	959,875.58	
Non-current assets	21,118,005.28	14,204,158.53			243,981.15	22,851.89	
Total assets	5,917,130,669.58	871,163,717.52	1,384,121,814.46		13,290,296.22	982,727.47	
Current liabilities	3,585,232,317.04	377,777,819.00	284,427,402.30		2,271,362.65	562,922.20	
Non-current liabilities							

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Item	Beginning amount					
	Wuhan Huarong Real Estate Development Co., Ltd.	Wuhan Huachong Real Estate Development Co., Ltd.	Wuhan Hanzhongsheng Real Estate Development Co., Ltd.	Wuhan Zhaocheng Real Estate Co., Ltd.	Wuhan New Flower Realm Green Ecology Co., Ltd.	Wuhan Yuanbo Wine Industry Co., Ltd.
Total liabilities	3,585,232,317.04	377,777,819.00	284,427,402.30		2,271,362.65	562,922.20
Net assets	2,331,898,352.54	493,385,898.52	1,099,694,412.16		11,018,933.57	419,805.27
Share in net assets calculated according to shareholding ratio	466,379,670.51	98,677,179.70	439,877,764.87		3,305,680.07	106,201.31
Adjusted matters						
Book value of the equity investment in associates	466,379,674.51	98,677,504.88	439,877,764.87		3,305,680.07	106,201.31
Fair value of the publicly quoted equity investments						
Operating income					5,057,935.81	1,667,835.07
Net profits	-5,101,627.46	-42,612,475.58	-305,291.51		1,007,569.16	53,628.17
Other comprehensive income						
Total comprehensive income	-5,101,627.46	-42,612,475.58	-305,291.51		1,007,569.16	53,628.17
Dividends received from associates in the current period						

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Continued:

Item	Beginning amount					
	Wuhan Hankouli Culture and Creativity Co., Ltd.	Wuhan 2049 Poly Real Estate Development Co., Ltd.	Wuhan Yuanhui Real Estate Co., Ltd.	Wuhan 2049 Newport City Construction Co., Ltd.	Wuhan Hongsheng Yongtai Real Estate Co., Ltd.	Wuhan Design Heart Construction Development Co., Ltd.
Current assets	448,615.93	11,705,749,491.34	14,007,912,766.45	134,000,451.12	17,906,051,630.98	1,199,083,428.45
Non-current assets		199,644,989.86	156,877.27	179,451,645.33	603,244.24	76,917.40
Total assets	448,615.93	11,905,394,481.20	14,008,069,643.72	313,452,096.45	17,906,654,875.22	1,199,160,345.85
Current liabilities		10,808,570,725.27	9,517,161,538.20	214,000,000.00	9,865,543,206.27	1,149,303,838.74
Non-current liabilities		687,000,000.00	4,513,725,024.10		8,033,752,287.43	
Total liabilities		11,495,570,725.27	14,030,886,562.30	214,000,000.00	17,899,295,493.70	1,149,303,838.74
Net assets	448,615.93	409,823,755.93	-22,816,918.58	99,452,096.45	7,359,381.52	49,856,507.11
Share in net assets calculated according to shareholding ratio	134,584.78	122,947,126.78	-6,845,075.57	49,726,048.23	2,207,814.46	14,956,952.13
Adjusted matters						
Book value of the equity investment in associates	134,584.78	122,947,126.78		49,726,048.23	2,207,814.46	14,956,952.13
Fair value of the publicly quoted equity investments						
Operating income		2,831,937,362.86				

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Item	Beginning amount					
	Wuhan Hankouli Culture and Creativity Co., Ltd.	Wuhan 2049 Poly Real Estate Development Co., Ltd.	Wuhan Yuanhui Real Estate Co., Ltd.	Wuhan 2049 Newport City Construction Co., Ltd.	Wuhan Hongsheng Yongtai Real Estate Co., Ltd.	Wuhan Design Heart Construction Development Co., Ltd.
Net profits	756.50	250,211,450.66	-49,765,405.30	-548,652.53	-49,765,405.30	-143,492.89
Other comprehensive income						
Total comprehensive income	756.50	250,211,450.66	-49,765,405.30	-548,652.53	-49,765,405.30	-143,492.89
Dividends received from associates in the current period	226.95					

(XII) Investment property

1. Investment property measured at cost

Item	Beginning balance	Increase in this year	Decrease in this year	Ending balance
Total original cost	3,807,293,343.06	3,629,946,555.25	1,160,799.37	7,436,079,098.94
1. Buildings and constructions	3,787,712,744.02	3,629,946,555.25	1,160,799.37	7,416,498,499.90
2. Land use right	19,580,599.04			19,580,599.04
Total accumulated depreciation (amortization)	423,924,839.95	148,922,147.47	461,698.63	572,385,288.79
1. Buildings and constructions	423,924,839.95	148,922,147.47	461,698.63	572,385,288.79
2. Land use right				
Total net book value	3,383,368,503.11			6,863,693,810.15
1. Buildings and constructions	3,363,787,904.07			6,844,113,211.11
2. Land use right	19,580,599.04			19,580,599.04
Total provision for impairment				
1. Buildings and constructions				
2. Land use right				
Total book value	3,383,368,503.11			6,863,693,810.15
1. Buildings and constructions	3,363,787,904.07	--	--	6,844,113,211.11
2. Land use right	19,580,599.04	--	--	19,580,599.04

2. Investment properties measured under cost model

Item	Houses and buildings	Land use rights	Total
I. Total original book value			
1. Beginning balance	3,787,712,744.02	19,580,599.04	3,807,293,343.06
2. Increase in this period	3,629,946,555.25		3,629,946,555.25
(1) Purchases	3,628,198,180.16		3,628,198,180.16
(2) Transfer from inventory/fixed assets/construction in progress	1,748,375.09		1,748,375.09
3. Decrease in this period	1,160,799.37		1,160,799.37
(1) Disposal	1,160,799.37		1,160,799.37
(2) Other transfers			
4. Balance as at the end of the year	7,416,498,499.90	19,580,599.04	7,436,079,098.94

Item	Houses and buildings	Land use rights	Total
II. Accumulated depreciation and accumulated amortization			
1. Beginning balance	423,924,839.95		423,924,839.95
2. Increase in this period	148,922,147.47		148,922,147.47
(1) Depreciation or amortization	148,922,147.47		148,922,147.47
3. Decrease in this period	461,698.63		461,698.63
(1) Disposal	461,698.63		461,698.63
(2) Other transfers			
4. Balance as at the end of the year	572,385,288.79		572,385,288.79
III. Provision for impairment			
1. Beginning balance			
2. Increase in this period			
3. Decrease in this period			
4. Balance as at the end of the year			
IV. Book value			
1. Book value as at the end of the year	6,844,113,211.11	19,580,599.04	6,863,693,810.15
2. Book value as at the beginning of the year	3,363,787,904.07	19,580,599.04	3,383,368,503.11

Notes: (1) For details of investment properties subject to ownership restrictions such as mortgages and pledges, please refer to Note VII, (56) Assets subject to ownership restrictions in this note.

(2) The amount of depreciation and amortization charged during the period was RMB148,922,147.47.

3. Investment properties with certificate of title uncompleted

Item	Book value	Reason for failure to properly handle the certificates of title
Building 2 of Heng Rong Business Center	306,306,259.79	Formalities for final accounts of completed project have not been gone through
Store 12-12 in Area D of Taihe Baihua Park	1,044,800.00	The property right certificate has not been obtained yet.
Total	307,351,059.79	

(XIII) Fixed assets

Item	Ending balance	Beginning balance
Fixed assets	1,174,908,115.24	991,380,401.99
Liquidation of fixed assets	1,404.40	946,848.97
Total	1,174,909,519.64	992,327,250.96

1. Fixed assets

(1) Fixed assets

Item	Beginning balance	Increase in this year	Decrease in this year	Ending balance
Total original cost	1,438,431,281.01	337,763,840.75	47,577,874.17	1,728,617,247.59
Buildings and constructions	953,053,038.32	233,806,613.20	21,665,769.32	1,165,193,882.20
Machinery equipment	91,709,377.63	33,473,724.40	7,045,374.73	118,137,727.30
Vehicles	158,578,137.06	26,377,700.10	9,770,055.76	175,185,781.40
Electronic equipment	24,433,622.99	14,239,859.03	1,774,884.22	36,898,597.80
Office facilities	51,847,431.70	18,074,138.88	4,429,241.76	65,492,328.82
Hotel furniture	1,898,011.28	881,191.08	1,455,343.50	1,323,858.86
Others	156,911,662.03	10,910,614.06	1,437,204.88	166,385,071.21
Total accumulated depreciation	447,050,879.02	182,919,339.32	76,261,085.99	553,709,132.35
Houses and buildings	195,479,644.59	83,828,815.72	52,780,644.39	226,527,815.92
Machinery equipment	46,192,163.65	17,744,380.81	6,190,968.37	57,745,576.09
Vehicles	108,844,165.49	26,664,380.62	9,285,981.78	126,222,564.33
Electronic equipment	13,469,225.94	13,284,453.65	1,579,159.42	25,174,520.17
Office facilities	38,111,627.06	14,208,174.87	3,885,370.59	48,434,431.34
Hotel furniture	1,408,015.80	736,136.90	1,358,484.84	785,667.86
Others	43,546,036.49	26,452,996.75	1,180,476.60	68,818,556.64
Total net value of fixed assets	991,380,401.99	--	--	1,174,908,115.24
Houses and buildings	757,573,393.73	--	--	938,666,066.28
Machinery equipment	45,517,213.98	--	--	60,392,151.21
Vehicles	49,733,971.57	--	--	48,963,217.07
Electronic equipment	10,964,397.05	--	--	11,724,077.63
Office facilities	13,735,804.64	--	--	17,057,897.48
Hotel furniture	489,995.48	--	--	538,191.00
Others	113,365,625.54	--	--	97,566,514.57
Total of impairment of fixed assets				
Houses and buildings				
Machinery equipment				
Vehicles				
Electronic equipment				

Item	Beginning balance	Increase in this year	Decrease in this year	Ending balance
Office facilities				
Hotel furniture				
Others				
Total book value of fixed assets	991,380,401.99	--	--	1,174,908,115.24
Houses and buildings	757,573,393.73	--	--	938,666,066.28
Machinery equipment	45,517,213.98	--	--	60,392,151.21
Vehicles	49,733,971.57	--	--	48,963,217.07
Electronic equipment	10,964,397.05	--	--	11,724,077.63
Office facilities	13,735,804.64	--	--	17,057,897.48
Hotel furniture	489,995.48	--	--	538,191.00
Others	113,365,625.54	--	--	97,566,514.57

(2) Fixed assets of which certificates of title have not been obtained

Item	Book value	Reason for failure to properly handle the certificates of title
Office building (Jinbao garage)	157,855.82	Certificate of ownership has not been processed for the time being.
Office building (Nanjing Dongyu Building)	278,167.04	Since the property is a debt-settled asset, the relevant documents and information for the property and land certificates are incomplete, so the property and land certificates have not yet been applied for. At present, the Legal Affairs Department and the Nanjing branch of the joint-stock company are trying to solve the problem of issuing certificates by means of litigation.
Wuhan garden research building and the surrounding green space planning temporary office building of the flower and tree company	1,322,260.87	Temporary office buildings have no property rights
Total	1,758,283.73	

2. Liquidation of fixed assets

Item	Book value as at the end of the year	Book value as at the beginning of year	Reasons for transfer for disposal
Gui E17730 Mazda 3 car	1,404.40	1,404.40	Has reached the end of its useful life, asset liquidation

Item	Book value as at the end of the year	Book value as at the beginning of year	Reasons for transfer for disposal
800B hydrostatic machine		95,500.00	Has reached the end of its useful life, listed for transfer.
Buildings and constructions		849,944.57	Demolition completed
Total	1,404.40	946,848.97	

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

(XIV) Construction in progress
1. Construction in progress

Item	Ending balance			Beginning balance		
	Book balance	Provisions for impairment	Book value	Book balance	Provisions for impairment	Book value
Repair and renovation of Beijing Wuhan Building (Head Office)				52,721,286.58		52,721,286.58
Donghu Passage	6,581,786,516.46		6,581,786,516.46	6,564,805,478.96		6,564,805,478.96
Dongsha Link	5,869,660,363.58		5,869,660,363.58	4,102,350,006.21		4,102,350,006.21
Second Ring Road	4,730,105,245.66		4,730,105,245.66	4,730,105,245.66		4,730,105,245.66
Gusaoshu Road renovation	2,416,116,595.52		2,416,116,595.52	2,416,116,595.52		2,416,116,595.52
Hanguang piece demolition and relocation	213,987,761.30		213,987,761.30	-		
Houhu Capital Construction	2,752,718,289.16		2,752,718,289.16	2,577,114,964.88		2,577,114,964.88
Houhu public construction	1,225,542,537.00		1,225,542,537.00	1,225,436,117.28		1,225,436,117.28
Airport access road	3,839,509,722.30		3,839,509,722.30	3,839,509,722.30		3,839,509,722.30
Linjiang Avenue	652,317,664.96		652,317,664.96	569,670,900.52		569,670,900.52
Qintai Landscape	1,217,912,847.58		1,217,912,847.58	1,157,062,322.70		1,157,062,322.70
Qintai Cultural Center	1,763,662,073.64		1,763,662,073.64	1,763,662,073.64		1,763,662,073.64
Qintai Concert Hall	1,059,561,499.25		1,059,561,499.25	1,059,561,499.25		1,059,561,499.25
Qinshan Shack	1,793,104,506.35		1,793,104,506.35	1,785,500,959.01		1,785,500,959.01
Shahu Bridge	1,472,833,246.20		1,472,833,246.20	1,472,833,246.20		1,472,833,246.20
Nepal				418,813,367.07		418,813,367.07
Wuhan Highway	6,028,878,672.03		6,028,878,672.03	6,028,878,672.03		6,028,878,672.03

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Item	Ending balance			Beginning balance		
	Book balance	Provisions for impairment	Book value	Book balance	Provisions for impairment	Book value
Yangtze River Avenue (Fanhua Zhongnan Road)	4,969,608,294.20		4,969,608,294.20	4,934,925,461.20		4,934,925,461.20
Gushaoshu Upper Bridge Ramp	120,025,856.92		120,025,856.92	98,997,277.41		98,997,277.41
Military Games Supporting Road	469,374,865.72		469,374,865.72	379,519,501.88		379,519,501.88
Swan Lake	72,650,421.38		72,650,421.38	55,232,021.24		55,232,021.24
Xinhua Road	295,460,252.98		295,460,252.98	233,387,308.68		233,387,308.68
Youyi Avenue Middle Section	134,380,816.68		134,380,816.68			
Youyi Avenue North	1,104,053,619.14		1,104,053,619.14			
Non-combustible high-efficiency heat insulation and thermal insulation decoration integrated building exterior wall system project	5,094,212.72		5,094,212.72	5,010,522.47		5,010,522.47
Water cutting unit system	531,270.13		531,270.13			
Fabric storage roller machine				124,041.81		124,041.81
Human Defense Equipment Yangluo Production and Manufacturing Base Project	30,634,484.69		30,634,484.69			
Wuhan Nan'anzui Han Automobile Project	5,663,249.48		5,663,249.48	5,663,249.48		5,663,249.48
Enshi Qingyunya Cultural Tourism Characteristic Town	308,358,047.14		308,358,047.14	170,055,694.54		170,055,694.54
Oriental commercial capital fire engineering	116,927.72		116,927.72	116,927.72		116,927.72
Wangjiadun Municipal Project	2,268,156,297.31		2,268,156,297.31	1,914,302,639.74		1,914,302,639.74

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Item	Ending balance			Beginning balance		
	Book balance	Provisions for impairment	Book value	Book balance	Provisions for impairment	Book value
New Office Building of Midtown Commercial Exchange Project	10,918,063.57		10,918,063.57	6,427,752.60		6,427,752.60
Zhenxing Road Parking Lot Project	194,422.62		194,422.62	-		
Jiehe Road parking lot project	108,074.51		108,074.51	-		
Decoration of the joint venture's company office on the 25th and 26th floors of the 7# building of the fifth site	4,746,649.04		4,746,649.04	-		
Landscape infrastructure project	730,329,245.50		730,329,245.50	738,540,278.33		738,540,278.33
Zirun North Road	55,960,712.71		55,960,712.71	55,911,566.17		55,911,566.17
Yuanfa Office Building	928,010.31		928,010.31	615,353.15		615,353.15
Yangtze River Civilization Hall	186,301,442.83		186,301,442.83	185,427,625.96		185,427,625.96
Horticultural Expo Construction Fee	5,213,795,153.71		5,213,795,153.71	5,041,291,549.11		5,041,291,549.11
Yellow Crane Tower Project	1,194,842.70		1,194,842.70	1,194,842.70		1,194,842.70
Turtle Mountain Project	127,289,292.36		127,289,292.36	118,453,761.02		118,453,761.02
Ezhou Flower Valley Project	700,700.00		700,700.00	700,700.00		700,700.00
Jingang New District Project	169,856.32		169,856.32	169,856.32		169,856.32
Wuhan Landscape Technical School Project	1,403,238.73		1,403,238.73	1,209,063.97		1,209,063.97
Wuhan Nature Museum	172,219,310.70		172,219,310.70	168,635,090.16		168,635,090.16
Fuhe Wetland-Baiquan Country Park	6,654,000.09		6,654,000.09	3,405,242.10		3,405,242.10
Fuhe Green Wedge-Airport Second Passage Ecological Belt	92,123,471.16		92,123,471.16	87,280,184.01		87,280,184.01

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Item	Ending balance			Beginning balance		
	Book balance	Provisions for impairment	Book value	Book balance	Provisions for impairment	Book value
South Outer Square of the Garden Expo Park	563,243.79		563,243.79	3,532,320.71		3,532,320.71
Park Spring Country Park Ancient Well Culture Project				2,258,074.06		2,258,074.06
Tourism Distribution Center	109,994.81		109,994.81	109,994.81		109,994.81
Wuhan Zoo Project	8,057,276.80		8,057,276.80	7,208,691.49		7,208,691.49
2018 Daijiahu Park Phase II	26,446,244.05		26,446,244.05	17,419,082.63		17,419,082.63
2018 Military Games Control Green Space	16,914,121.16		16,914,121.16	14,371,054.65		14,371,054.65
Garden Development Project Construction Management Project	2,562,821.64		2,562,821.64	2,562,821.64		2,562,821.64
Hanyang Binjiang Avenue - Xinhua Road Project	4,331,584.42		4,331,584.42	1,226,583.78		1,226,583.78
Garden Expo Park post-exhibition functional transformation and landscape enhancement project	21,211,751.90		21,211,751.90	90,566.04		90,566.04
Zhongshan Park water body improvement project	20,345,433.07		20,345,433.07	16,558,619.61		16,558,619.61
Shahu Park D and E landscape enhancement project	726,675.44		726,675.44	698,675.44		698,675.44
2018 Military Games - Fuhu Ecological Green Wedge Demonstration Greenway	2,545,337.32		2,545,337.32	1,036,420.45		1,036,420.45
2018 Garden Expo Park Maintenance and Renovation Phase II	30,530,712.85		30,530,712.85	1,751,118.87		1,751,118.87
2018 Municipal park maintenance and renovation	5,301,876.77		5,301,876.77	1,973,932.29		1,973,932.29
2018 Victory Street Playground	3,547,473.16		3,547,473.16	2,308,134.87		2,308,134.87

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Item	Ending balance			Beginning balance		
	Book balance	Provisions for impairment	Book value	Book balance	Provisions for impairment	Book value
2019 Jingzhou Horticultural Expo Wuhan Park construction project	4,871,040.59		4,871,040.59	4,085,413.48		4,085,413.48
2019 Jiefang Avenue landscape enhancement project	11,126,101.70		11,126,101.70	8,030,423.22		8,030,423.22
2019 East Lake Road landscape upgrading project	18,928,338.05		18,928,338.05	15,108,333.56		15,108,333.56
2019 Jiangbei Expressway	42,286,256.81		42,286,256.81	33,180,302.63		33,180,302.63
2019 Zhangbi Lake and Zhuyehai Park Project	2,158,740.00		2,158,740.00	2,158,740.00		2,158,740.00
2019 Hanyang Avenue landscape enhancement project design and construction integration project	12,548,961.11		12,548,961.11	8,886,022.00		8,886,022.00
Jinkou Landfill Project	20,532,549.95		20,532,549.95	22,274,881.53		22,274,881.53
Fuhe Wetland Park	19,274,526.48		19,274,526.48	256,075.47		256,075.47
Dahe Botanical Garden	544,325.47		544,325.47	544,325.47		544,325.47
Changqing Five Road Touring Garden (Phase I) Project	1,271,876.68		1,271,876.68	788,931.29		788,931.29
Moon Lake Scenic Area Underground Parking Project	1,938,115.46		1,938,115.46	387,623.09		387,623.09
2018 Liberation Park	4,200,600.00		4,200,600.00	2,000,600.00		2,000,600.00
Yezhi Lake Park	2,280,772.00		2,280,772.00	730,400.00		730,400.00
2019 Huangjiahu Park	2,268,017.55		2,268,017.55	150,000.00		150,000.00
2019 Hankou Ring Greenway	524,250.00		524,250.00	460,750.00		460,750.00
2019 Zhongshan Park and Jiefang Park Infrastructure Improvement	4,857,544.64		4,857,544.64	587,854.90		587,854.90

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Item	Ending balance			Beginning balance		
	Book balance	Provisions for impairment	Book value	Book balance	Provisions for impairment	Book value
2019 Municipal urban construction projects				2,338,100.00		2,338,100.00
2019 Baishazhou Avenue plot construction	18,397,221.16		18,397,221.16	-		
2019 Wild Zhi Lake Park	7,920,131.60		7,920,131.60	-		
2019 Third Ring Road and Huangjiahui intersection plot project	12,543,337.94		12,543,337.94	-		
2019 Military Games Control Green Space	2,915,414.26		2,915,414.26	-		
2019 Unity Avenue and Garden Road intersection plot project	13,393,904.35		13,393,904.35	-		
2019 Airport Second Passage (Gusaoshu Road Interchange - Machi Middle Road) road greening project for parcels on both sides	7,191,567.97		7,191,567.97	-		
2019 Renovation project of Yingqu Park in Duisburg, Germany	39,394.36		39,394.36	-		
2019 Airport Second Passage wetland ecological belt	1,660,782.83		1,660,782.83	-		
Wuhan ecological garden and seedling technology demonstration industrial park project	5,234,246.75		5,234,246.75	-		
2019 Ximachangjie Area landscape enhancement project	16,010,491.94		16,010,491.94	-		
2019 Zhangbi Lake Park renovation project	3,255,406.35		3,255,406.35	-		
2019 Zhuyehai Park renovation project	75,604,576.10		75,604,576.10	-		
2019 Jiefang Park public parking renovation project	169,177.36		169,177.36	-		

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Item	Ending balance			Beginning balance		
	Book balance	Provisions for impairment	Book value	Book balance	Provisions for impairment	Book value
2019 Jiefang Park human defense project demolition and relocation construction fee	1,333,500.00		1,333,500.00	-		
Humanistic Greenway Project of East-West Mountain Axis in 2020	9,000.00		9,000.00	-		
Ecological Industrial Park in the Emotional Mounts	1,200.00		1,200.00	-		
Construction of Yangtze River Civilization Hall	642,638.22		642,638.22	642,638.22		642,638.22
Scientific Research Building and Supporting Facilities	63,484,134.67		63,484,134.67	45,024,650.24		45,024,650.24
Shuan Nursery	77,891.43		77,891.43	-		
Integration of design, procurement and construction of floors 5-8 of office building on Shiqiao Road				9,268,140.64		9,268,140.64
Jiangxia Nursery	974,531.07		974,531.07	974,531.07		974,531.07
Hankouli Commercial Street Water and Electricity Meter Retrofit Project	38,793.10		38,793.10	38,793.10		38,793.10
Escalator frequency conversion energy-saving renovation project				51,886.79		51,886.79
Garden Expo Park Intelligent Transportation Upgrade	222,641.51		222,641.51	38,113.21		38,113.21
Handheld Ticket Checker				56,097.91		56,097.91
Glass Hall Banquet Hall Project Engineering	988,456.13		988,456.13	-		
Central Park	101,825,695.33		101,825,695.33	95,598,155.22		95,598,155.22
Decoration project of 300 talent apartments for Qingshan eight family	23,013,689.13		23,013,689.13	22,923,550.70		22,923,550.70

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Item	Ending balance			Beginning balance		
	Book balance	Provisions for impairment	Book value	Book balance	Provisions for impairment	Book value
groups						
Tiangong new rental housing project	331,019,286.21		331,019,286.21	-		
Elevator and firefighting system renovation project	560,200.72		560,200.72	278,507.19		278,507.19
Office room and warehouse decoration project	493,902.00		493,902.00	-		
Total	58,988,670,420.22		58,988,670,420.22	54,320,709,901.85		54,320,709,901.85
2. Changes of significant construction in progress in this period						
Project Name	Beginning balance	Increase in this year	Transfer into fixed assets in this year	Other decrease in this year	Ending balance	
Repair and renovation of Beijing Wuhan Building (Head Office)	52,721,286.58	340,798.56		53,062,085.14		
Donghu Passage	6,564,805,478.96	16,981,037.50			6,581,786,516.46	
Dongsha Link	4,102,350,006.21	1,767,310,357.37			5,869,660,363.58	
Second Ring Road	4,730,105,245.66				4,730,105,245.66	
Gusaoshu Road renovation	2,416,116,595.52				2,416,116,595.52	
Hanguang piece demolition and relocation		213,987,761.30			213,987,761.30	
Houhu Capital Construction	2,577,114,964.88	175,603,324.28			2,752,718,289.16	
Houhu public construction	1,225,436,117.28	106,419.72			1,225,542,537.00	
Airport access road	3,839,509,722.30				3,839,509,722.30	
Linjiang Avenue	569,670,900.52	82,646,764.44			652,317,664.96	

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Project Name	Beginning balance	Increase in this year	Transfer into fixed assets in this year	Other decrease in this year	Ending balance
Qintai Landscape	1,157,062,322.70	60,850,524.88			1,217,912,847.58
Qintai Cultural Center	1,763,662,073.64				1,763,662,073.64
Qintai Concert Hall	1,059,561,499.25				1,059,561,499.25
Qinshan Shack	1,785,500,959.01	7,603,547.34			1,793,104,506.35
Shahu Bridge	1,472,833,246.20				1,472,833,246.20
Nepal	418,813,367.07			418,813,367.07	
Wuhan Highway	6,028,878,672.03				6,028,878,672.03
Yangtze River Avenue (Fanhui Zhongnan Road)	4,934,925,461.20	34,682,833.00			4,969,608,294.20
Gushaoshu Upper Bridge Ramp	98,997,277.41	21,028,579.51			120,025,856.92
Military Games Supporting Road	379,519,501.88	89,855,363.84			469,374,865.72
Swan Lake	55,232,021.24	17,418,400.14			72,650,421.38
Xinhua Road	233,387,308.68	62,072,944.30			295,460,252.98
Youyi Avenue Middle Section		134,380,816.68			134,380,816.68
Youyi Avenue North		1,104,053,619.14			1,104,053,619.14
Non-combustible high-efficiency heat insulation and thermal insulation decoration integrated building exterior wall system project	5,010,522.47	744,703.75	129,743.37		5,625,482.85
Fabric storage roller machine	124,041.81		124,041.81		
Human Defense Equipment Yangluo Production and Manufacturing Base Project		30,634,484.69			30,634,484.69

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Project Name	Beginning balance	Increase in this year	Transfer into fixed assets in this year	Other decrease in this year	Ending balance
Wuhan Nan'an zui Han Automobile Project	5,663,249.48				5,663,249.48
Enshi Qingyunya Cultural Tourism Characteristic Town	170,055,694.54	138,302,352.60			308,358,047.14
Wangjiadun Municipal Project	1,914,302,639.74	353,853,657.57			2,268,156,297.31
Oriental commercial capital fire engineering	116,927.72				116,927.72
New Office Building of Midtown Commercial Exchange Project	6,427,752.60	4,490,310.97			10,918,063.57
Zhenxing Road Parking Lot Project		194,422.62			194,422.62
Jiehe Road parking lot project		108,074.51			108,074.51
Decoration of the joint venture's company office on the 25th and 26th floors of the 7# building of the fifth site		4,746,649.04			4,746,649.04
Landscape infrastructure project	738,540,278.33			8,211,032.83	730,329,245.50
Zirun North Road	55,911,566.17	49,146.54			55,960,712.71
Yuanfa Office Building	615,353.15	312,657.16			928,010.31
Yangtze River Civilization Hall	185,427,625.96	873,816.87			186,301,442.83
Horticultural Expo Construction Fee	5,041,291,549.11	172,503,604.60			5,213,795,153.71
Yellow Crane Tower Project	1,194,842.70				1,194,842.70
Turtle Mountain Project	118,453,761.02	8,835,531.34			127,289,292.36
Ezhou Flower Valley Project	700,700.00				700,700.00
Jingang New District Project	169,856.32				169,856.32
Wuhan Landscape Technical School	1,209,063.97	194,174.76			1,403,238.73

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Project Name	Beginning balance	Increase in this year	Transfer into fixed assets in this year	Other decrease in this year	Ending balance
Project					
Wuhan Nature Museum	168,635,090.16	3,584,220.54			172,219,310.70
Fuhe Wetland-Baiquan Country Park	3,405,242.10	3,248,757.99			6,654,000.09
Fuhe Green Wedge-Airport Second Passage Ecological Belt	87,280,184.01	4,843,287.15			92,123,471.16
South Outer Square of the Garden Expo Park	3,532,320.71		2,969,076.92		563,243.79
Park Spring Country Park Ancient Well Culture Project	2,258,074.06		2,258,074.06		
Tourism Distribution Center	109,994.81				109,994.81
Wuhan Zoo Project	7,208,691.49	848,585.31			8,057,276.80
2018 Daijiahu Park Phase II	17,419,082.63	9,027,161.42			26,446,244.05
2018 Military Games Control Green Space	14,371,054.65	2,543,066.51			16,914,121.16
Park development project construction management fee	2,562,821.64				2,562,821.64
Hanyang Binjiang Avenue - Xinhua Road Project	1,226,583.78	3,105,000.64			4,331,584.42
Garden Expo Park post-exhibition functional transformation and landscape enhancement project	90,566.04	21,121,185.86			21,211,751.90
Zhongshan Park water body improvement project	16,558,619.61	3,786,813.46			20,345,433.07
Shahu Park D and E landscape enhancement project	698,675.44	28,000.00			726,675.44
2018 Military Games - Fuhe Ecological Green Wedge Demonstration Greenway	1,036,420.45	1,508,916.87			2,545,337.32

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Project Name	Beginning balance	Increase in this year	Transfer into fixed assets in this year	Other decrease in this year	Ending balance
2018 Garden Expo Park Maintenance and Renovation Phase II	1,751,118.87	28,779,593.98			30,530,712.85
2018 Municipal park maintenance and renovation	1,973,932.29	3,327,944.48			5,301,876.77
2018 Victory Street Playground	2,308,134.87	1,239,338.29			3,547,473.16
2019 Jingzhou Horticultural Expo Wuhan Park construction project	4,085,413.48	785,627.11			4,871,040.59
2019 Jiefang Avenue landscape enhancement project	8,030,423.22	3,095,678.48			11,126,101.70
2019 East Lake Road landscape upgrading project	15,108,333.56	3,820,004.49			18,928,338.05
2019 Jiangbei Expressway	33,180,302.63	9,105,954.18			42,286,256.81
2019 Zhangbi Lake and Zhuyehai Park Project	2,158,740.00				2,158,740.00
2019 Hanyang Avenue landscape enhancement project design and construction integration project	8,886,022.00	3,662,939.11			12,548,961.11
Jinkou Landfill Project	22,274,881.53		1,742,331.58		20,532,549.95
Fuhe Wetland Park	256,075.47	19,018,451.01			19,274,526.48
Dahe Botanical Garden	544,325.47				544,325.47
Changqing Five Road Touring Garden (Phase I) Project	788,931.29	482,945.39			1,271,876.68
Moon Lake Scenic Area Underground Parking Project	387,623.09	1,550,492.37			1,938,115.46
2018 Liberation Park	2,000,600.00	2,200,000.00			4,200,600.00
Yezhi Lake Park	730,400.00	1,550,372.00			2,280,772.00
2019 Huangjiahu Park	150,000.00	2,118,017.55			2,268,017.55

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Project Name	Beginning balance	Increase in this year	Transfer into fixed assets in this year	Other decrease in this year	Ending balance
2019 Hankou Ring Greenway	460,750.00	63,500.00			524,250.00
2019 Zhongshan Park and Jiefang Park Infrastructure Improvement	587,854.90	4,269,689.74			4,857,544.64
2019 Municipal urban construction projects	2,338,100.00		2,338,100.00		
2019 Baishazhou Avenue plot construction		18,397,221.16			18,397,221.16
2019 Wild Zhi Lake Park		7,920,131.60			7,920,131.60
2019 Third Ring Road and Huangjiahu intersection plot project		12,543,337.94			12,543,337.94
2019 Military Games Control Green Space		2,915,414.26			2,915,414.26
2019 Unity Avenue and Garden Road intersection plot project		13,393,904.35			13,393,904.35
2019 Airport Second Passage (Gusaoshu Road Interchange - Machi Middle Road) road greening project for parcels on both sides		7,191,567.97			7,191,567.97
2019 Renovation project of Yingqu Park in Duisburg, Germany		39,394.36			39,394.36
2019 Airport Second Passage wetland ecological belt		1,660,782.83			1,660,782.83
Wuhan ecological garden and seedling technology demonstration industrial park project		5,234,246.75			5,234,246.75
2019 Ximachangjie Area landscape enhancement project		16,010,491.94			16,010,491.94
2019 Zhangbi Lake Park renovation project		3,255,406.35			3,255,406.35
2019 Zhuyehai Park renovation project		75,604,576.10			75,604,576.10

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Project Name	Beginning balance	Increase in this year	Transfer into fixed assets in this year	Other decrease in this year	Ending balance
2019 Jiefang Park public parking renovation project		169,177.36			169,177.36
2019 Jiefang Park human defense project demolition and relocation construction fee		1,333,500.00			1,333,500.00
Humanistic Greenway Project of East-West Mountain Axis in 2020		9,000.00			9,000.00
Ecological Industrial Park in the Emotional Mounts		1,200.00			1,200.00
Other costs of construction of Yangtze River Civilization Hall	642,638.22				642,638.22
Scientific Research Building and Supporting Facilities	45,024,650.24	18,459,484.43			63,484,134.67
Shuan Nursery		77,891.43			77,891.43
Integration of design, procurement and construction of floors 5-8 of office building on Shiqiao Road	9,268,140.64		9,268,140.64		
Jiangxia Nursery	974,531.07				974,531.07
Hankouli Commercial Street Water and Electricity Meter Retrofit Project	38,793.10				38,793.10
Escalator frequency conversion energy-saving renovation project	51,886.79		51,886.79		
Garden Expo Park Intelligent Transportation Upgrade	38,113.21	184,528.30			222,641.51
Handheld Ticket Checker	56,097.91		56,097.91		
Glass Hall Banquet Hall Project Engineering		988,456.13			988,456.13
Central Park	95,598,155.22	6,227,540.11			101,825,695.33
New factory industrial park project		24,965,959.00	24,965,959.00		

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Project Name	Beginning balance	Increase in this year	Transfer into fixed assets in this year	Other decrease in this year	Ending balance
Tiangong new rental housing project		331,019,286.21			331,019,286.21
Decoration project of 300 talent apartments for Qingshan eight family groups	22,923,550.70	90,138.43			23,013,689.13
Elevator and firefighting system renovation project	278,507.19	281,693.53			560,200.72
Office room and warehouse decoration project		493,902.00			493,902.00
Total	54,320,709,901.85	5,191,950,455.49	43,903,452.08	480,086,485.04	58,988,670,420.22

Notes 1. Others of Beijing Wuhan Building maintenance and renovation project decreased by RMB53,062,085.14 in the current year, which was transferred to long-term deferred expenses;

2. The decrease of RMB418,813,367.07 in others in the year for the Nepal project, which was accounted for by consolidating the Nepal project into the Hansteel piece demolition project this year as the same land balance package as the Hansteel piece demolition project;

3. Other decrease of RMB 8,211,032.83 in garden infrastructure projects was mainly due to the splitting and cleaning of the project.

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements
For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

(XV) Intangible assets					
1. Classification of intangible assets					
Item	Beginning balance	Increase in this year	Decrease in this year	Ending balance	
Total original cost	711,286,508.19	102,127,073.33	715,951.94	812,697,629.58	
Software	17,514,746.03	5,388,191.48	715,951.94	22,186,985.57	
Land use rights	405,869,018.21	23,976,493.84		429,845,512.05	
Patent rights		100,000.00		100,000.00	
Non-patented technology	4,043,000.00			4,043,000.00	
Trademark right		17,915.00		17,915.00	
Others	283,859,743.95	72,644,473.01		356,504,216.96	
Total accumulated amortization	57,622,078.81	21,758,700.75	2,165,833.36	77,214,946.20	
Software	9,319,005.10	4,018,559.94	609,646.94	12,727,918.10	
Land use rights	46,618,490.21	17,329,573.59	1,556,186.42	62,391,877.38	
Patent rights		6,267.18		6,267.18	
Non-patented technology	1,684,583.50	404,300.04		2,088,883.54	
Trademark right					
Others					
Total accumulated amount of provision for impairment					
Software					
Land use rights					
Patent right					
Non-patented technology					

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Item	Beginning balance	Increase in this year	Decrease in this year	Ending balance
Trademark right				
Others				
Total book value	653,664,429.38	--	--	735,482,683.38
Software	8,195,740.93	--	--	9,459,067.47
Land use rights	359,250,528.00	--	--	367,453,634.67
Patent rights		--	--	93,732.82
Non-patented technology	2,358,416.50	--	--	1,954,116.46
Trademark right		--	--	17,915.00
Others	283,859,743.95	--	--	356,504,216.96

2. Land use rights of which certificates of title have not been obtained

Item	Book value	Reason for failure to properly handle the certificate of title
Anshan nursery cultivation plots (garden development investment)	12,771,498.81	The certificate was not settled.
Total	12,771,498.81	--

(XVI) Development expenses

Item	Beginning balance	Increase in this year	
		Internal development expenditures	Others
Smart IOT community software	3,751,724.16		
Protection and pruning of old and valuable trees, pest and disease control, soil improvement, water environment management, and waste resource utilization technologies	-	307,782.00	-
Informatization office platform	837,799.49		369,190.82
Total	4,589,523.65	307,782.00	369,190.82

Continued:

Item	Decrease in this year			Ending balance
	Recognized as intangible assets	Transferred in the current profit or loss	Others	
Smart IOT community software		-		3,751,724.16
Protection and pruning of old and valuable trees, pest and disease control, soil improvement, water environment management, and waste resource utilization technologies	-	81,366.97	-	226,415.03
Informatization office platform		-		1,206,990.31
Total		81,366.97		5,185,129.50

(XVII) Goodwill

Name of the investee or matters forming goodwill	Beginning balance	Increase in this year	Decrease in this year	Ending balance
Wuhan Hengda Housing Development and Decoration Engineering Co., Ltd.	17,448,866.23			17,448,866.23
Wuhan Chengkai Xinxing Building Materials Co., Ltd.	731,916.73			731,916.73
Wuhan Yuanwaiyuan Green Landscape Co., Ltd.	100,650.00			100,650.00
Wuhan Garden Sculpture Institute	657,469.27			657,469.27
Total	18,938,902.23			18,938,902.23

Note: (1) The goodwill of the Company represents the difference between the fair value share of the identifiable net assets of the goodwill of Wuhan Hengda Housing Development and Decoration

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Engineering Co., Ltd., Wuhan Chengkai Xinxing Building Materials Co., Ltd., Wuhan Yuanwaiyuan Green Landscape Co., Ltd. and Wuhan Garden Sculpture Institute in the process of business combination not under common control and the consideration for the combination.

(2) No indication of impairment of the asset group or combination of asset groups related to goodwill was identified during the period.(XVIII) Long-term deferred expenses

(XVIII) Long-term deferred expenses

Item	Beginning balance	Increase in this year	Decrease in this year		Ending balance	Reasons for other decreases
			Amortization in this year	Other decrease in this year		
Repairment and renovation of Beijing Wuhan Building		52,534,392.04			52,534,392.04	
Land lease fee of Yizhi Village in Zhashan Street	777,707.33	696,710.40	135,187.20		1,339,230.53	
Land lease fee of Xianguang Village in Zhashan Street	731,880.00		65,056.00		666,824.00	
Commercial Leaseback	460,607.21		460,607.21			
Office building renovation project	43,114.43		43,114.43			
Sales department furniture payment	2,330.00		2,330.00			
Land rent of Panlong City	598,125.00		239,250.00		358,875.00	
Elite City decoration payment		19,475,340.94	4,219,657.20		15,255,683.74	
Shaoxing Jiaoli project rent	93,838.55		93,838.55			
Renovation of elevator in the standard factory (2015)	316,800.00		52,800.00		264,000.00	
Renovation of elevator in the standard factory (2016)	136,800.00		21,600.00		115,200.00	
Civil construction of elevator renovation in the standard factory	69,458.52		10,967.04		58,491.48	
Garment fee		434,694.12			434,694.12	
Fire engineering	129,288.03		33,009.72		96,278.31	

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Item	Beginning balance	Increase in this year	Decrease in this year		Ending balance	Reasons for other decreases
			Amortization in this year	Other decrease in this year		
Plant renovation and expansion project	1,961,346.05	195,049.51	508,013.44		1,648,382.12	
Gas engineering	229,090.87		57,272.76		171,818.11	
Rest area decoration project	108,349.53		24,077.64		84,271.89	
Office building renovation	603,878.82		154,181.88		449,696.94	
Pre-start-up costs	328,925.43		239,421.48		89,503.95	
Firefighting maintenance and renovation		12,845.62	12,845.62			
Technical service fee		9,433.89	9,433.89			
Rent of Office at South Exhibition Road of Guangxi Company	330,000.00		110,000.00		220,000.00	
Renovation costs	460,904.99	5,882,941.13	644,553.09		5,699,293.03	
Leased-in office space renovation and transformation	492,658.11		98,531.64		394,126.47	
Huanggang Industrial Park Wanfu Resettlement Community-land rent		90,000.00	30,000.00		60,000.00	
Light box infrastructure construction fee of ecological parking lot		230,582.53			230,582.53	
Renovation costs	3,711,508.99	1,798,528.19	2,527,429.89		2,982,607.29	
Security system	313,179.00		289,179.00		24,000.00	
Land contract fee	594,579,060.59		15,838,040.80		578,741,019.79	

Item	Beginning balance	Increase in this year	Decrease in this year		Ending balance	Reasons for other decreases
			Amortization in this year	Other decrease in this year		
Wuhan Central Business District Eco-parking Project	43,036,045.27	403,030.89	1,651,165.13		41,787,911.03	
Charging Pile Project of Wuhan Central Business District Eco-parking Project	895,331.43		214,619.99		680,711.44	
Shente Miaoyu Indoor Basketball Hall		22,900.00	1,272.22		21,627.78	
Open-air basketball court of Pan Ocean Life Plaza		621,757.20	38,651.59		583,105.61	
Silver Lake Royal Garden Decoration Payment	75,156.56		74,391.49		765.07	
Decoration payment for post-exhibition renovation project of western service area 2# building	1,765,968.00		494,915.28		1,271,052.72	
Overall planning service fee for the post-garden expo era	609,685.54		279,245.28		330,440.26	
Shuan land transfer fee charged by Shuan Finance Office, Jiangxia District, Wuhan City	2,465,906.00		308,238.25		2,157,667.75	
Lease fee of Haili Village	1,006,836.41		120,820.48		886,015.93	
Shuan nursery land lease	25,672.50	2,771,120.00	2,852.50		2,793,940.00	
Amortization of Fasi nursery land transfer fee		277,068.00	277,068.00			

Item	Beginning balance	Increase in this year	Decrease in this year		Ending balance	Reasons for other decreases
			Amortization in this year	Other decrease in this year		
Decoration, design, procurement and construction integration project of the office building on Shiqiao First Road	-68,507.55	12,431,945.13	2,472,687.52		9,890,750.06	
Office building renovation	3,250,557.45	716,040.26	1,452,023.25		2,514,574.46	
Software fee	68,507.55	165,495.14	217,511.42		16,491.27	
Rental	22,641.51		7,547.16		15,094.35	
Land transfer fee for Shuan Project	715,887.77	8,042,772.46	2,501,604.39		6,257,055.84	
Decoration project for western Building 5	1,358,460.19		354,380.88		1,004,079.31	
Flow shadow decoration projects	639,600.00		310,742.40	18,115.13	310,742.47	Transfer out of input tax
Star tent soft decoration project	297,196.61		132,087.36		165,109.25	
Wedding photography base decoration project	3,974,596.78	44,218.52	1,004,703.84		3,014,111.46	
Amortization of banquet furniture and appliances	54,697.57		54,697.57			
Service charges	1,080,999.35		1,080,999.35			
Rental	47,142.00	23,571.00	70,713.00			
Renovation costs	281,275.69	3,267,317.36	1,370,449.25		2,178,143.80	

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Item	Beginning balance	Increase in this year	Decrease in this year		Ending balance	Reasons for other decreases
			Amortization in this year	Other decrease in this year		
Membership fee of China Institute of Urban Planning	15,000.00		10,000.00		5,000.00	
Total	668,097,508.08	110,147,754.33	40,423,786.08	18,115.13	737,803,361.20	--

(XIX) Deferred income tax assets and deferred income tax liabilities

1. Deferred income tax assets and deferred income tax liabilities presented by net amount after offset

Item	Book balance as at the end of the year		Book balance as at the beginning of the year	
	Deferred tax assets/liabilities	Deductible or taxable temporary differences	Deferred tax assets/liabilities	Deductible or taxable temporary differences
Deferred tax assets:				
Provision for asset impairment	104,943,692.66	555,686,175.03	64,976,773.82	308,915,698.11
Deductible loss	190,252,112.18	761,008,448.73	141,101,973.15	565,025,811.77
Estimated liabilities	723,025.27	2,892,101.07	9,020.99	36,083.96
Land value-added tax	105,619,072.98	422,476,291.81	55,892,769.33	223,571,077.37
Profit from internal sales	56,566,701.80	226,266,807.20	87,778,232.19	351,112,928.76
Unrealized profits from internal transactions (estimated profit)	12,248,697.15	48,994,788.58		
Others	96,576,140.79	386,304,563.12	160,666,300.10	642,665,200.44
Sub-total	566,929,442.83	2,403,629,175.54	510,425,069.58	2,091,326,800.41
Deferred tax liabilities:				
Valuation for held-for-trading financial assets and derivative financial instruments				
Changes in fair value of available-for-sale financial assets attributable to other comprehensive income	3,555,724.65	14,222,898.60	3,418,190.75	13,672,763.00
Changes in fair value of investment			162,864,492.56	651,457,970.25

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

property				
Unrealized internal profit	35,777,451.56	143,109,806.24	5,699,533.10	4,168,945.84
Others	108,918.85	435,675.40	746,575.76	2,986,303.04
Sub-total	39,442,095.06	157,768,380.27	172,728,792.17	672,285,982.13

Notes: (1) Deferred income tax assets - other represents the gain on fair value changes of available-for-sale financial assets for the year included in other comprehensive income;

(2) Deferred income tax assets - unrealized internal profits, representing the calculation of taxable income at a rate of 15% on the amount received in advance upon settlement of income tax and accrual of the corresponding income tax and recognition of related deferred income tax assets in accordance with the Circular on Issues Concerning the Collection of Enterprise Income Tax for Real Estate Development Business (GSF [2016] No.31) of the State Taxation Administration;

(3) Deferred income liabilities – others, representing the deferred income tax liabilities arising from the appreciation in the valuation of inventory of Xiamen Yiwudi Real Estate Co., Ltd.;

(4) Deferred income liabilities - unrealized internal profits, representing the deferred income tax liabilities recognized as a result of the recalculation and adjustment of the cost of main business by Wuhan Central Business District Investment and Development Co., Ltd. in accordance with the tax accounting standards upon remittance of the 2019 corporate income tax, which resulted in taxable temporary differences.

2. Unrecognized deferred tax assets

Item	Ending balance	Beginning balance
Deductible temporary differences	3,681,823.88	60,918.73
Deductible loss	164,129,484.77	57,451,315.53
Total	167,811,308.65	57,512,234.26

(XX) Other non-current assets

Item	Ending balance	Beginning balance
Guanggu Center City Project	340,000,000.00	340,000,000.00
Jiangnan District Evergreen Area Reserve Project	150,465,704.71	150,465,704.71
Disposal of dismantled assets of pending Guishan ropeway and ancillary facilities	35,772,179.18	38,662,087.43
China First Metallurgical Group Garden Research Building Project	1,560,036.18	4,751,645.65
Xinzhou Cangbu Production Base Irrigation System Project	165,900.00	
Liaoyuan Villagers' Committee, Shuan Sub-district, Jiangxia District, Wuhan City	540,000.00	540,000.00
Long-term entrusted loans		48,500,000.00

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Item	Ending balance	Beginning balance
Daguiyuan Project		145,000,000.00
Tianhe Airport Phase III Project		83,000,000.00
Liujiadian Project		200,000,000.00
Total	528,503,820.07	1,010,919,437.79

(XXI) Short-term borrowings

1. Classification of short-term borrowings:

Item	Ending balance	Beginning balance
Pledge borrowings	282,100,000.00	150,000,000.00
Mortgage borrowings	635,314,141.93	470,000,000.00
Guaranteed borrowings	510,282,399.27	2,402,694,951.00
Credit loans	978,705,583.02	1,380,953,254.79
Total	2,406,402,124.22	4,403,648,205.79

2. Supplementary information on short-term borrowings

(1) Pledged borrowings

Loaner	Balance of borrowings	Pledge
CZBank Leasing Co., Ltd.	105,600,000.00	Intelligent garden control equipment of RMB61,386,672.52 for Wuhan Garden Expo, special lighting equipment of RMB 19,804,616.39 for the first section of Wuhan Garden Expo and air conditioning equipment of RMB 45,670,000.00 for Wuhan Garden Expo
HSBC Bank (China) Wuhan Branch	100,000,000.00	Accounts receivable from Wujian
CZBank Leasing Co., Ltd.	76,500,000.00	Waste disposal equipment of RMB57,879,684.00 for Wuhan Garden Expo Garden, elevator equipment of RMB11,994,000.00 for Wuhan Garden Expo Garden and low voltage equipment of RMB12,271,000.00 for Wuhan Garden Expo Garden
Total	282,100,000.00	

(2) Mortgage borrowings

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements
For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Loaner	Balance of borrowings	Collateral
Hubei Financial Leasing Co., Ltd.	607,220,000.00	Zhongcheng Shangcheng Lot 5 #7 office building
Business Department of Hankou Bank	10,000,000.00	Properties at Room 603-605 and Room 608 of Zhaoyin Building, No. 66-5 Qingnian Road, Jiangnan District and properties at Room 301-302, Unit 2, Building A, Hongtai Jiayuan, No. 153 Qingnian Road, Jiangnan District of Pan Yaosheng, shareholder of Huada Company
Wuhan Jiangnan Subbranch, Bank of China Ltd.	7,594,141.93	Workshop (1), 5/6/7/8/F, Unit 1, Building A, Phase III, Standard Factory Building, No.3, Shiqiao Road 1, Jiang'an District, Wuhan
Business Department of Hubei Branch	5,500,000.00	Property at Room 102, 1F, Building 19, Phase II, Wuhan Tiandi Yujiaoyuan, No. 8 Yong'an Road, Jiang'an District
Wuhan Branch, China Everbright Bank	5,000,000.00	WFQZAZ No.2012001080 and WFQZAZ No.2013002097
Total	635,314,141.93	

(3) Guaranteed borrowings

Loaner	Balance of borrowings	Guarantor
Hubei Provincial Branch, Bank of Communications Co., Ltd.	150,000,000.00	Wuhan Construction Engineering (Group) Co. Ltd.
Wuhan Branch of Ping An Bank Co., Ltd.	50,000,000.00	WuHan Urban Construction Group Co., Ltd.
Hubei Huaqiao Subbranch, Bank of Communications Co., Ltd.	50,000,000.00	WuHan Urban Construction Group Co., Ltd.
Wuhan Qiaokou Subbranch of China Guangfa Bank Co., Ltd.	50,000,000.00	WuHan Urban Construction Group Co., Ltd.
Qingdao Road Subbranch of China Merchants Bank	50,000,000.00	Wuhan Landscape Construction Development (Group) Co., Ltd.
Qingdao Road Subbranch of China Merchants Bank	47,970,850.00	Wuhan Landscape Construction Development (Group) Co., Ltd.
Qingdao Road Subbranch of China Merchants Bank	29,558,100.00	Wuhan Landscape Construction Development (Group) Co., Ltd.
Wuhan Jiang'an Subbranch, China	21,000,000.00	WuHan Urban Construction Group

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements
For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Loaner	Balance of borrowings	Guarantor
Guangfa Bank Co., Ltd.		Co., Ltd.
Wuhan Branch of Hengfeng Bank Co., Ltd.	10,000,000.00	WuHan Urban Construction Group Co., Ltd.
Wuhan Hankou Subbranch of Hubei Bank Co., Ltd.	10,000,000.00	Wujian Company
Qiaokou Subbranch of Hankou Bank	10,000,000.00	Wuhan Central Business District Urban Construction Development Co., Ltd.
Business Department of Wuhan Branch of China Merchants Bank	8,000,000.00	Wuhan Central Business District Investment Holding Group Co., Ltd.
Jiangnan Subbranch of Wuhan Rural Commercial Bank Co., Ltd.	7,330,259.27	Wuhan Central Business District Urban Construction Development Co., Ltd.
Wuhan Branch of Huaxia Bank Limited	7,000,000.00	Wuhan Landscape Construction Development (Group) Co., Ltd.
Wuhan Hankou Subbranch of Hubei Bank Co., Ltd.	4,000,000.00	Wujian Company
Wuhan Branch of Huaxia Bank Limited	3,105,190.00	Wuhan Landscape Construction Development (Group) Co., Ltd.
Wuhan Branch of Huaxia Bank Limited	610,000.00	Wuhan Landscape Construction Development (Group) Co., Ltd.
Wuhan Branch of Huaxia Bank Limited	588,000.00	Wuhan Landscape Construction Development (Group) Co., Ltd.
ICBC Wuhan Wuchang Subbranch	580,000.00	Hankouli Holdings Limited
Wuhan Branch of Huaxia Bank Limited	540,000.00	Wuhan Landscape Construction Development (Group) Co., Ltd.
Total	510,282,399.27	

(4) Credit loans

Loaner	Balance of borrowings
Wuhan Branch of Ping An Bank Co., Ltd.	240,000,000.00
Wuhan Branch of Hengfeng Bank Co., Ltd.	200,000,000.00
CITIC Bank Zhuyishan Subbranch	100,000,000.00
Business Department of Hankou Bank of China Ltd.	100,000,000.00
Wuhan Jiang'an Subbranch, Industrial Bank Co., Ltd.	95,640,200.00
Wuhan Branch, Shanghai Pudong Development Bank Co., Ltd.	90,000,000.00
CITIC Bank Wuhan Branch	80,000,000.00

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements
For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Loaner	Balance of borrowings
Wuhan Branch, Shanghai Pudong Development Bank Co., Ltd.	40,000,000.00
Qingshan Subbranch of Hankou Bank	10,000,000.00
Jiangnan Subbranch of Hankou Bank Co., Ltd.	10,000,000.00
Wuhan Branch, CZBank Co., Ltd.	4,211,592.27
Optical Valley Technology Subbranch of Huaxia Bank	3,597,978.00
Jiangnan Subbranch of Wuhan Rural Commercial Bank	3,000,000.00
Qingshan Subbranch of Hankou Bank	2,255,812.75
Total	978,705,583.02

(XXII) Notes payable

Category	Ending balance	Beginning balance
Bank acceptance bills	381,390,397.16	63,909,127.20
Commercial acceptance bills	447,139,421.37	292,862,366.91
Total	828,529,818.53	356,771,494.11

(XXIII) Accounts payable

Aging	Ending balance		Beginning balance	
	Amount	Ratio (%)	Amount	Ratio (%)
Within 1 year (including 1 year)	7,940,208,270.85	42.83	8,268,510,397.30	50.51
1-2 years (including 2 years)	5,009,064,924.63	27.02	3,760,512,277.45	22.97
2-3 years (including 3 years)	2,196,963,406.90	11.85	1,301,112,237.97	7.95
Over 3 years	3,391,559,659.85	18.30	3,040,281,433.57	18.57
Total	18,537,796,262.23	100.00	16,370,416,346.29	100.00

1. Significant account payables with aging more than one year

Creditor name	Ending balance	Reason for no repayment
China Construction Wuhan Bridge and Tunnel Development Co., Ltd.	680,657,319.00	Unsettled
China Construction Third Bureau Construction Co., Ltd.	137,446,176.28	Unsettled
Wuhan Zhongye Infrastructure Investment and Construction Co., Ltd.	123,378,018.51	Unsettled
Wuhan Jiangong Installation Engineering Co., Ltd.	84,421,375.89	Unsettled

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements
For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Creditor name	Ending balance	Reason for no repayment
Wuhan Kecheng Foundation Engineering Co., Ltd.	76,439,921.25	Unsettled
Xinba Construction Group Co., Ltd.	72,139,411.74	Unsettled
Haikou Xinzhiyuan Trading Co., Ltd.	71,431,341.90	Unsettled
Wuhan Weiye Construction Labor Co., Ltd.	69,968,092.01	Unsettled
No.5 Construction Engineering Co., Ltd of Guangxi Construction and Engineering Group	50,902,603.54	Unsettled
Wuhan Dingji Construction Engineering Co., Ltd.	49,861,179.98	Unsettled
Wuhan Huazhong Geotechnical Engineering Co., Ltd.	40,678,758.88	Unsettled
Zhejiang Yuanbo Landscape Construction Co., Ltd.	28,208,852.54	Unsettled
Longxin Construction Group Co., Ltd.	24,613,791.00	Unsettled
Wuhan Yongzheng Zhaofa Construction Engineering Co., Ltd.	20,759,659.31	Unsettled
Wuhan Kefa Gardening Co., Ltd.	18,227,098.90	Unsettled
Hubei Jincheng Construction Group Co., Ltd.	18,170,635.48	Unsettled
Wuhan Tianshi Construction Engineering Co., Ltd.	15,049,044.28	Unsettled
Wuhan Changfa Construction Group Co., Ltd.	13,845,963.27	Unsettled
Wuhan Fourth Construction Group Co., Ltd.	12,801,084.44	Unsettled
Hubei Tianyu Construction Co., Ltd.	11,813,509.95	Balance of public rental housing projects
Zhejiang Tengtou Garden Co., Ltd.	10,967,112.61	Unsettled
Wuhan PanlongMingda Construction Co., Ltd.	10,529,676.76	Unsettled
Beijing Tiantu Design & Engineering Co., Ltd.	10,174,666.20	Unsettled
Total	1,652,485,293.72	--

2. Top ten accounts payable in terms of balances

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements
For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Creditor name	Ending balance	Proportion in accounts payable (%)
China Construction Wuhan Bridge and Tunnel Development Co., Ltd.	680,657,319.00	3.67
Shenzhen Qianhai Lianjie Commercial Factoring Co., Ltd.	197,185,644.23	1.06
China Construction Third Engineering Bureau Group Co., Ltd.	187,193,768.02	1.01
China Construction Third Bureau Construction Co., Ltd.	137,446,176.28	0.74
Zhuhai Huafa Jinglong Construction Co., Ltd.	127,391,671.75	0.69
Wuhan Zhongye Infrastructure Investment and Construction Co., Ltd.	123,378,018.51	0.67
Wuhan Dingji Construction Engineering Co., Ltd.	120,546,979.98	0.65
Hubei Jincheng Construction Group Co., Ltd.	92,132,969.83	0.50
Wuhan Kecheng Foundation Engineering Co., Ltd.	76,439,921.25	0.41
Xinba Construction Group Co., Ltd.	71,142,399.78	0.38
Total	1,813,514,868.63	9.78

(XXIV) Receipts in advance

Aging	Ending balance		Beginning balance	
	Amount	Ratio (%)	Amount	Ratio (%)
Within 1 year (including 1 year)	22,168,457,177.99	55.50	15,014,359,374.17	52.03
Over 1 year	17,774,683,710.35	44.52	13,843,511,561.50	47.97
Total	39,943,140,888.34	100.00	28,857,870,935.67	100.00

1. Significant advances from customers with aging of more than 1 year:

Creditor name	Ending balance	Reason for no carrying-forward
Huiyue Tiandi house payment	3,942,121,099.00	Unsettled
Optical Valley 188 house payment	2,717,448,693.00	Unsettled
Star River 2049 house payment	2,357,812,107.00	Unsettled
Qingxinju residential house payment paid in advance	1,185,959,982.63	Unsettled

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements
For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Creditor name	Ending balance	Reason for no carrying-forward
Lot N (Longhuayuan) house payment	896,142,064.00	Unsettled
Hanyuefu Kunjing house payment	535,157,871.00	Unsettled
Wuhan Courtyard house payment	443,820,582.00	Unsettled
Baibuting project house payment	408,928,221.00	Unsettled
New Trunk Line house payment	381,854,207.00	Unsettled
Meiyuan house payment	238,134,291.00	Unsettled
Rental proceeds of Huiminju, Qingheju, Huikangju, Fulinju and Central Huacheng public rental housing	77,005,174.81	Unsettled
Zicheng Garden house payment	67,927,817.00	Unsettled
House rentals	60,349,960.26	Unsettled
Hankou Garden house payment	45,377,308.14	Unsettled
Eastern Yayuan house payment	39,486,320.87	Unsettled
Wuhan Hancheng Real Estate Information Consulting Co., Ltd.	20,000,000.00	Unsettled
Chongqing Mingyue City house payment	13,933,139.00	Unsettled
Total	13,431,458,837.71	

2. Top ten of advances received in terms of balances

Creditor name	Ending balance	Proportion in advances from customers (%)
Huiyue Tiandi house payment	3,942,121,099.00	9.87
Accounts on 2049 house sales	3,593,059,549.00	9.00
Binhu Bay house payment	3,530,019,746.00	8.84
Wudi Rongchuang Yuyang Shoufu pre-sale house payment	3,132,363,278.00	7.85
Aojingyuan house payment	3,007,678,631.00	7.53
Optical Valley 188 house payment	2,430,186,561.00	6.09
Hanyuefu Kunjing house payment	1,377,876,200.00	3.45
Lot N (Longhuayuan) house payment	1,292,406,165.00	3.24
Qingxinju house payment	1,220,814,841.12	3.06

Creditor name	Ending balance	Proportion in advances from customers (%)
Wuhan Courtyard house payment	800,780,357.00	2.01
Total	24,327,306,427.12	60.93

(XXV) Contract liabilities

Item	Ending balance	Beginning balance
Advance of housing funds	1,976,566,604.28	
Total	1,976,566,604.28	

(XXVI) Employee benefits payable

1. Employee benefits payable

Item	Beginning balance	Increase in this year	Decrease in this year	Ending balance
I. Short-term compensation	262,859,812.80	1,738,065,597.83	1,758,141,359.40	242,784,051.23
II. Post-employment benefits-defined contribution plans	7,694,920.57	70,672,160.90	68,094,950.77	10,272,130.70
III. Dismissal welfare		993,647.73	993,647.73	
IV. Other benefits due within one year				
V. Others				
Total	270,554,733.37	1,809,731,406.46	1,827,229,957.90	253,056,181.93

2. Short-term compensation

Item	Beginning balance	Increase in this year	Decrease in this year	Ending balance
Salary, bonus, allowance and subsidy	216,558,274.24	1,494,445,218.37	1,516,005,598.84	194,997,893.77
Employee benefits	21,614,608.06	68,654,053.52	69,047,413.57	21,221,248.01
Social insurance premiums	792,927.08	59,084,619.70	58,948,325.10	929,221.68
Including: medical insurance premiums	770,432.94	54,897,575.99	54,825,146.22	842,862.71

Item	Beginning balance	Increase in this year	Decrease in this year	Ending balance
Work-related injury insurance premiums	10,444.09	575,153.64	585,597.73	
Maternity insurance premiums	12,050.05	2,773,300.20	2,782,331.28	3,018.97
Others		838,589.87	755,249.87	83,340.00
Housing fund	455,221.22	86,293,803.99	85,631,553.74	1,117,471.47
Labor union expenditures and employee education expenses	23,062,447.95	26,714,103.11	25,660,109.01	24,116,442.05
Short-term compensated absences				
Short-term profit sharing plan				
Other short-term compensation	376,334.25	2,873,799.14	2,848,359.14	401,774.25
Total	262,859,812.80	1,738,065,597.83	1,758,141,359.40	242,784,051.23

3. Defined contribution plans

Item	Beginning balance	Increase in this year	Decrease in this year	Ending balance
Basic endowment insurance	676,392.30	28,494,476.52	26,919,589.64	2,251,279.18
Unemployment insurance	12,544.86	1,176,055.44	1,187,919.29	681.01
Enterprise annuity contribution	7,005,983.41	41,001,628.94	39,987,441.84	8,020,170.51
Total	7,694,920.57	70,672,160.90	68,094,950.77	10,272,130.70

(XXVII) Taxes and surcharges payable

Item	Beginning balance	Increase in this year	Decrease in this year	Ending balance
Value added tax	200,326,147.23	988,879,585.75	749,781,513.53	439,424,219.45
Enterprise income tax	353,749,668.82	839,863,367.97	776,595,752.97	417,017,283.82
Urban maintenance and construction tax	22,656,909.35	60,914,624.93	52,796,571.76	30,774,962.52

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Item	Beginning balance	Increase in this year	Decrease in this year	Ending balance
Property taxes	16,105,090.29	98,941,626.33	85,502,330.74	29,544,385.89
Land use taxes	1,937,348.69	30,175,933.85	22,990,978.75	9,122,303.79
Individual income tax	14,242,044.67	73,874,428.24	64,446,874.84	23,669,598.07
Educational surtax (including local educational surtax)	18,450,619.71	38,609,487.95	34,120,326.55	22,939,781.11
Other taxes and surcharges	1,139,045,990.17	756,545,060.65	681,126,378.61	1,214,464,672.20
Total	1,766,513,818.93	2,887,804,115.67	2,467,360,727.75	2,186,957,206.85

(XVIII) Other payables

Item	Ending balance	Beginning balance
Interest payable	703,503,330.07	473,008,963.77
Dividends payable	11,597,269.16	2,744,296.76
Other payables	22,691,936,630.77	14,954,948,910.36
Total	23,407,037,230.00	15,430,702,170.89

1. Interest payable

(1) Interest payable

Item	Ending balance	Beginning balance
Interests on long-term loans that are repaid by installment with principal paid on due date	16,086,501.20	31,558,859.29
Interest on corporate bonds	301,514,093.35	240,708,006.84
Interests payable for short-term loan	13,656,665.26	12,869,282.07
Interest on the preferred shares/perpetual bond classified as financial liabilities		
Other interests	372,246,070.26	187,872,815.57
Total	703,503,330.07	473,008,963.77

2. Dividends payable

Item	Ending balance	Beginning balance
Ordinary share dividends	11,597,269.16	1,831,093.08
Dividends from the preferred shares/perpetual bond classified as equity instruments		
Others		913,203.68
Total	11,597,269.16	2,744,296.76

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements
For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

3. Other payables

(1) Classification of other payables by nature

Nature of payment	Ending balance	Beginning balance
Current payments for equity participation and cooperative development projects	2,937,400,909.30	1,402,294,286.59
Temporary receipt from public construction projects	1,075,571,220.34	187,519,979.62
Temporary receipt from construction of guaranteed housing	356,149,034.50	364,347,019.34
Temporary receipt from resettlement (rebuilding) housing	855,050,335.00	748,000,000.00
Warranty deposit, security deposit, subscription deposit, deposit and security	1,146,503,264.48	1,236,737,599.21
Collection and payment	31,931,401.94	26,963,801.80
Expenses to be paid	338,175,341.87	511,697,151.24
Temporary credits	1,702,161,947.02	1,644,542,050.33
Other current accounts among related parties	11,313,923,814.59	5,417,675,559.55
Current accounts not among related parties	2,685,631,410.68	3,038,744,222.76
Withholding payments	1,486,611.05	1,094,871.39
Others	247,951,340.00	375,332,368.53
Total	22,691,936,630.77	14,954,948,910.36

(2) Other significant payables aged over 1 year

Entity name	Ending balance	Reasons for no payment
Wuhan Land Arranging Storage Center	514,508,210.00	Failure to meet agreed payment terms
Central City Development Sub-center of Wuhan Land Arranging Storage Center	348,982,390.00	Not settled
Changhuai Xinda Real Estate Co., Ltd.	406,892,156.00	Not fall due
Wuhan 2049 Poly Real Estate Development Co., Ltd.	387,074,510.00	Not fall due
Wuhan Baofeng North Project Management Co., Ltd.	375,000,000.00	Land demolition is not completed
Special funds for guaranteed housing	308,685,880.24	Receipt and collection of special funds on an agent basis
Wuhan Hengze Asset Management Co., Ltd.	221,760,000.00	Not settled
Land Arranging Storage Center of Jiangnan District, Wuhan	197,850,484.00	Not settled

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Entity name	Ending balance	Reasons for no payment
PowerChina Real Estate Group Ltd.	171,252,550.00	Not settled
Wuhan Taihe Real Estate Development Group Co., Ltd.	122,306,943.40	Not settled
Wuhan Wuchang District Housing Collection Management Office	88,007,326.00	Not settled
Shaoxing Shengshi Energy Development Co., Ltd.	78,221,000.00	Not settled
Wuhan City Landscape Bureau	50,316,512.75	Not settled
Wuhan Yinzhaoh Real Estate Investment Development Co., Ltd.	40,000,000.00	Cooperation development payment for Erqi project, which has not yet been developed.
Wuhan Fuhao Real Estate Development Co., Ltd.	33,234,000.56	Not settled
Wuhan Municipal Bureau of Land Resources and Planning	30,849,000.00	Not settled
Hubei Bohao Bailian Construction Engineering Co., Ltd.	30,000,000.00	Security deposit
Wuhan Qiaokou State-Owned Assets Management Co., Ltd.	27,551,200.00	Failure to meet agreed payment terms
Xiamen Yiyue Real Estate Co., Ltd.	20,098,623.92	Not settled
Guangzhou Fuli Real Estate Company	20,000,000.00	Not fall due
10th China (Wuhan) International Garden Expo Preparatory Leading Group Office	14,452,727.82	Not settled
Wuhan Jiangong Installation Engineering Co., Ltd.	12,000,000.00	The amount is not settled
Guizhou Construction Group Co., Ltd.	11,156,558.56	Not fall due
Wuhan Municipal People's Government Reception Office of the CPC Wuhan Municipal Committee	10,405,940.78	Not settled
Total	3,586,606,014.03	-

(3) Top ten balances of other payables

Entity name	Ending balance	Ratio in other payables (%)
Central City Development Sub-center of Wuhan Land Arranging Storage Center	1,584,040,747.60	6.98
Wuhan Rongchuang Jiye Holding Group Co., Ltd.	1,386,567,308.28	6.11

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Xiamen Zhaoqilong Real Estate Development Co., Ltd.	1,303,264,236.82	5.74
Chenjiaji Street Office of Wuhan Jiang'an District People's Government	931,930,197.20	4.11
China Resources Land Co., Ltd.	821,645,168.22	3.62
Wuhan Land Arranging Storage Center	507,108,210.00	2.23
PowerChina Real Estate Group Ltd.	353,513,020.18	1.56
Wuhan Hengze Asset Management Co., Ltd.	221,760,000.00	0.98
Land Arranging Storage Center of Jiangnan District, Wuhan	197,850,484.00	0.87
Wuhan Taihe Real Estate Development Group Co., Ltd.	122,306,943.40	0.54
Total	7,429,986,315.70	32.74

(XXIX) Non-current liabilities due within one year

Item	Ending balance	Beginning balance
Long-term borrowings due within one year	9,120,301,354.78	14,975,700,000.00
Bonds payable due within one year	7,710,012,613.82	4,621,000,000.00
Long-term payables due within one year	2,704,199,246.42	289,394,795.32
Other long-term liabilities due within one year		
Total	19,534,513,215.02	19,886,094,795.32

1. Supplementary information on long-term borrowings due within one year

(1) Pledged borrowings

Loaner	Balance of borrowings	Pledge
Hubei Branch of Bank of Communications Co., Ltd., Wuhan Jiang'an Subbranch of China Construction Bank	685,500,000.00	State-owned construction land use rights of Dubao (E2019 WHSSBDCQ No.0000144) and ownership of Tiangong New Rental Housing Project at Jiangguo Road, Wuhan
Wuhan Huaqiao Subbranch of Bank of Communications	268,660,000.00	Receivables from urban infrastructure rental contracts invested by enterprises as security for credit facilities
Wuhan Huaqiao Subbranch of Bank of Communications	178,920,000.00	Receivables from urban infrastructure rental contracts invested by enterprises as security for credit facilities
ICBC Jiang'an Subbranch	60,000,000.00	60% equity interest in Wuhan Jinsha Peninsula Real Estate Co., Ltd.
Wuhan Hankou Subbranch of	16,666,665.00	Expected proceeds from the

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Loaner	Balance of borrowings	Pledge
Industrial and Commercial Bank of China Limited		Government Purchase Service Agreement on 17 Neighborhood Shantytown Improvement Project in the East Area of Qingshan Binjiang
Wuhan Hankou Subbranch of Industrial and Commercial Bank of China Limited	15,000,000.00	Rental income of Building 9-11 of Elite City for the next 25 years under Housing Subscription Agreement on Elite City Phase II Project
Bank of China Limited	4,200,000.00	Receivables from Qiaokou District Chongren A shantytown renovation project
Hubei Branch of China Development Bank	200,000.00	All proceeds and interests enjoyed under the Commissioning and Construction Agreement on Wuhan Qingshan Old Industrial Shantytown Improvement Project Phase II
Total	1,229,146,665.00	

(2) Mortgage borrowings

Loaner	Balance of borrowings	Collateral
Hubei Branch of China Cinda Asset Management Co., Ltd.	1,300,000,000.00	E (2019) WHSSBDCQ No. 0001449 land use right
Wuhan Jiang'an Subbranch of China Construction Bank Corporation	700,000,000.00	Rooms 1 and 2 of - 1 to 4 floors of Youth Square, Jiangnan District and 7 floors (F1,H,G) of the northeast corner of Oriental Commercial City; also guaranteed by Wuhan Central Business District Urban Construction Development Co., Ltd.
Wuhan Hankou Subbranch of Industrial and Commercial Bank of China Limited	40,000,000.00	All rental income of Wuhan City People's Home from December 23, 2014 to December 20, 2024; house ownership and land use right of Wuhan City People's Home project, Land Certificate No. WGY (2010) No. 64,

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Loaner	Balance of borrowings	Collateral
		Property Certificate No. WFQZSZ No.2014022248
Wuhan Branch, Shanghai Pudong Development Bank Co., Ltd.	25,200,000.00	E (2017) WHSDKBDCQ No. 0012130 and also guaranteed by Wuhan Central Business District Urban Construction Development Co., Ltd.
Enshi Branch of Industrial and Commercial Bank of China Limited	10,000,000.00	Land and construction in progress in the community of Sankongqiao, Wuyangba Street Office, Enshi City
Wuhan Hanyang Subbranch of Bank of Communications Co., Ltd.	2,700,000.00	Assets of Baowu Building (now renamed Bauhaus Building)
Total	2,077,900,000.00	

(3) Guaranteed borrowings

Loaner	Balance of borrowings	Guarantor
Ping An Trust Co., Ltd.	976,000,000.00	WuHan Urban Construction Group Co., Ltd.
Jiang ' an Subbranch of Wuhan Rural Commercial Bank Co., Ltd.	1,090,000,000.00	Wuhan Real Estate Group Co., Ltd., Wuhan Tongjian City Development Co., Ltd. and Wuhan Chengkai Real Estate Development Co., Ltd.
Wuhan Branch of China Merchants Bank Co., Ltd.	555,000,000.00	WuHan Urban Construction Group Co., Ltd., Wuhan Real Estate Group Co., Ltd.
Business Department of Hankou Bank	2,000,000.00	Wuhan Real Estate Group Co., Ltd.
Shaoxing Branch of Bank of Communications Co., Ltd.	352,300,000.00	Rongchuang Real Estate Group Co., Ltd.
Chongqing Shapingba Subbranch of Bank of Communications Co., Ltd.	29,150,000.00	Wuhan Real Estate Group Co., Ltd., PowerChina Real Estate Group Co., Ltd.
Wuhan Hankou Subbranch of Industrial and Commercial Bank of China Limited	100,000,000.00	WuHan Urban Construction Group Co., Ltd.
Wuhan Branch of CITIC Bank Co., Ltd.	75,000,000.00	WuHan Urban Construction Group Co., Ltd.

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements
For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Loaner	Balance of borrowings	Guarantor
China Minsheng Banking Corp., Ltd.	30,000,000.00	WuHan Urban Construction Group Co., Ltd.
China Merchants Bank Co., Ltd.	165,000,000.00	WuHan Urban Construction Group Co., Ltd.
Wuhan Jiang'an Subbranch of Bank of Communications Co., Ltd.	270,000,000.00	Wuhan Central Business District Urban Construction Development Co., Ltd.
Jiangnan Subbranch of Wuhan Rural Commercial Bank Co., Ltd.	20,000,000.00	Wuhan Central Business District Urban Construction Development Co., Ltd.
Business Department of Wuhan Branch of Bohai Bank Co., Ltd.	45,000,000.00	Wuhan Central Business District Urban Construction Development Co., Ltd.
Qiaokou Subbranch of Hubei Bank Co., Ltd.	44,444,445.00	Wuhan Central Business District Urban Construction Development Co., Ltd.
Cedars International Trust Co., Ltd.	442,444,445.45	Wuhan Central Business District Urban Construction Development Co., Ltd.
Business Department of Hubei Branch of Bank of China	70,000,000.00	Wuhan Central Business District Urban Construction Development Co., Ltd.
Business Department of Hankou Bank of China Ltd.	450,000,000.00	Wuhan Central Business District Investment Holding Group Co., Ltd.
Pacific Asset Management Co., Ltd.	21,583,333.33	Zhuhai Huafa Industrial Co., Ltd.
China Construction Bank Co., Ltd.	200,000.00	Zhuhai Huafa Industrial Co., Ltd. and Wuhan Central Business District Investment Holding Group Co., Ltd.
Wuhan Branch of China Guangfa Bank Co., Ltd.	212,000,000.00	Zhuhai Huafa Industrial Co., Ltd. and Wuhan Central Business District Investment Holding Group Co., Ltd.
Wuhan Rural Commercial Bank	40,000,000.00	Wuhan Central Business District Investment Holding Group Co., Ltd.
Total	4,990,122,223.78	

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements
For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

(4) Credit Loans

Loaner	Balance of borrowings
Wuhan Jiangnan Subbranch of Guangfa Bank	296,000,000.00
Wuhan Branch of Bohai Bank	233,482,466.00
Business Department of Hubei Branch of China Construction Bank	140,000,000.00
Business Department of Hubei Branch of China Construction Bank	125,000,000.00
Wuhan Xinhua Subbranch of China Minsheng Banking Corp., Ltd.	20,000,000.00
Wuhan Huaqiao Subbranch of Bank of Communications	4,000,000.00
Wuhan Branch of Industrial Bank	1,300,000.00
Wuhan Branch of Industrial Bank	1,210,000.00
Wuhan Branch of Industrial Bank	1,140,000.00
Wuhan Branch of Ping An Bank	500,000.00
Wuhan Branch of Ping An Bank	500,000.00
Total	823,132,466.00

(XXX) Other current liabilities

1. Classification of other current liabilities

Item	Ending balance	Beginning balance
Output tax to be carried forward	1,179,115,973.73	828,410,502.90
Ultra-short term bonds	299,850,000.00	
Long-term unpaid current accounts	13,751,608.39	13,751,608.39
Housing fund of employees		72,974,058.58
Withholding expenses		4,078,330.32
Total	1,492,717,582.12	919,214,500.19

(XXXI) Long-term borrowings

1. Classification of long-term borrowings

Item	Ending balance	Beginning balance
Pledge borrowings	11,827,127,500.00	15,981,660,000.00
Mortgage borrowings	10,913,008,980.00	8,713,159,980.00
Guaranteed borrowings	34,667,890,511.73	32,531,804,123.40
Credit loans	13,010,627,200.00	14,872,200,000.00
Less: long-term borrowings due within one year	9,120,301,354.78	14,975,700,000.00
Total	61,298,352,836.95	57,123,124,103.40

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

2. Additional information on long-term borrowings

(1) Pledged borrowings

Loaner	Balance of borrowings	Pledge
Wuhan Branch of Zheshang Bank	1,770,000,000.00	Equity interest in Wuhan Tuijian Baibuting United Real Estate Co., Ltd. held by Wuhan Anju Engineering Development Co., Ltd. and equity interest in Wuhan Tongjian Baibuting United Real Estate Co., Ltd. held by Wuhan Tongjian City Development Co., Ltd.
Wuhan Huaqiao Subbranch of Bank of Communications	1,432,280,000.00	Receivables from urban infrastructure rental contracts invested by enterprises as security for credit facilities
Industrial Bank Co., Ltd.	1,400,000,000.00	Receivables from Wuchang District Cotton Factory No.2 Dormitory Shantytown Improvement Project
Wuhan Branch of China Minsheng Banking Corp., Ltd.	1,227,230,000.00	All interests and proceeds entitled under the Contract on the Purchase of Social Public Services for the 10th (Wuhan) International Garden Expo Project dated July 29, 2014 by Wuhan Municipal People's Government with Wuhan Municipal People's Government
Hubei Branch of China Development Bank Co., Ltd.	1,125,000,000.00	All interests and proceeds entitled under the Contract on the Purchase of Social Public Services for the 10th (Wuhan) International Garden Expo Project by Wuhan Municipal People's Government with Wuhan Municipal People's Government
Wuhan Huaqiao Subbranch of	954,880,000.00	Receivables from urban

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Loaner	Balance of borrowings	Pledge
Bank of Communications		infrastructure rental contracts invested by enterprises as security for credit facilities
Hubei Branch of Bank of Communications Co., Ltd., Wuhan Jiang'an Subbranch of China Construction Bank	755,500,000.00	State-owned construction land use rights of Dubao (E2019 WHSSBDCQ No.0000144) and ownership of Tiangong New Rental Housing Project at Jiangguo Road, Wuhan
Wuhan Hankou Subbranch of Industrial and Commercial Bank of China Limited	700,000,000.00	Expected proceeds from the Government Purchase Service Agreement on 17 Neighborhood Shantytown Improvement Project in the East Area of Qingshan Binjiang
Wuhan Branch of China Merchants Bank / CR Trust Co., Ltd.	525,037,500.00	Rent receivable from Shahu Bridge and Huangpu Bridge-Jinqiao Avenue Expressway Project as pledge security
Hubei Branch of China Development Bank	489,900,000.00	All proceeds and interests enjoyed under the Commissioning and Construction Agreement on Wuhan Qingshan Old Industrial Shantytown Improvement Project Phase II
Wuhan Jiangnan Subbranch of Bank of Communications Co., Ltd.	425,700,000.00	RMB 2.15 billion of government purchase service funds and admission fee income from the Garden Expo
Bank of China Limited	407,400,000.00	Receivables from Qiaokou District Chongren A shantytown renovation project
Wuhan Hankou Subbranch of Industrial and Commercial Bank of China Limited	300,000,000.00	Rental income of Building 9-11 of Elite City for the next 25 years under Housing Subscription Agreement on Elite City Phase II Project

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Loaner	Balance of borrowings	Pledge
Wuhan Tiandi Subbranch of China Merchants Bank	250,000,000.00	Wuhan Yanhe Avenue Construction and Development Co., Ltd. pledged its receivables under Wuhan Yanhe Avenue (Qiaokou Road – 3rd Ring Road) Project PPP Contract owned by it
ICBCJiang'an Subbranch	60,000,000.00	60% equity interest in Wuhan Jinsha Peninsula Real Estate Co., Ltd.
Bank of China Limited	4,200,000.00	Receivables from Qiaokou District Chongren A shantytown renovation project
Less: long-term borrowings due within one year	1,229,146,665.00	
Total	10,597,980,835.00	

(2) Mortgage borrowings

Loaner	Balance of borrowings	Collateral
Shaoxing Branch of Huaxia Bank Limited	1,750,000,000.00	Lot 03-04-1, Lingzhi Street, Yuecheng District, Shaoxing City
Citic Trust Co., Ltd.	1,500,000,000.00	The total gross floor area of the stores of Tongjian New Trunk and Dongfang Yayuan being 333,959.62 square meters, with an appraised value of RMB887.87 million; the total gross floor area of the stores of Tongjian Tiancheng Meijing being 13,306.87 square meters, with an appraised value of RMB339.63 million; the total gross floor area of the stores of Tongjian Tongan Jiayuan being 14,099.39 square meters, with an appraised value of RMB38,497; the total gross floor area of the stores of

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Loaner	Balance of borrowings	Collateral
		Tongjian New Trunk being 10648.41 square meters, with an appraised value of RMB 265.53 million; that of Tongjian Tiancheng Meiya being 4020.10 square meters, with an appraised value of RMB 99.47 million.
Hubei Branch of China Cinda Asset Management Co., Ltd.	1,300,000,000.00	E (2019) WHSSBDCQ No. 0001449 land use right
Wuhan Jiang'an Subbranch of China Construction Bank Corporation	1,200,000,000.00	Rooms 1 and 2 of - 1 to 4 floors of Youth Square, Jiangnan District and 7 floors (F1,H,G) of the northeast corner of Oriental Commercial City; also guaranteed by Wuhan Central Business District Urban Construction Development Co., Ltd.
Wuhan Branch of Pudong Development Bank	1,199,400,000.00	E (2017) WHSDKBDCQ No. 0012130 and also guaranteed by Wuhan Central Business District Urban Construction Development Co., Ltd.
CITIC Bank Wuhan Branch	1,199,000,000.00	Pledge of construction in progress
Wuhan Jiang'an Subbranch of Bank of Communications Co., Ltd.	650,000,000.00	Reserve land: Wuhan Benguan (WGY 2008 No.776), Hanzhengjie Street Office (WGY 2008 No.723), Wuhan Public Bus Factory (WGY 2010 No.260); No.55 Changqing Road, Jiangnan District (JGY (2014) No.06962) and also guaranteed by Wuhan Central Business District Urban Construction Development Co., Ltd.
Wuhan Wusheng Subbranch of Bank of Communications Co., Ltd.	420,500,000.00	Construction in progress of Wujian Longyue Shangcheng

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Loaner	Balance of borrowings	Collateral
		project, the property of floors 3 to 7, 19 to 22 and 24 to 31 (1) of Wuhan Construction Technology Center at Lot 2C1 of Wuhan Economic and Technological Development Zone and the property of floors 24 to 32 at the intersection of Fanhu Road and North Shuili Road in Jiangnan District (Fuqiang International Project)
Wuhan Branch of Industrial Bank Co., Ltd.	327,080,000.00	Lot 55R2, Wuhan Economic Development Zone
Wuhan Branch of Industrial Bank	300,000,000.00	Pledge of construction in progress
Jiang ' an Subbranch of Wuhan Rural Commercial Bank	299,000,000.00	Land use right (E (2019) WHSBDCQ No. 0001603)
Hubei Financial Leasing Co., Ltd.	200,000,000.00	271 sets of commercial real estate in Oriental Yayuan and 69 sets of office real estate of Tongjian office building
Wuhan Hankou Subbranch of Industrial and Commercial Bank of China Limited	160,000,000.00	All rental income of Wuhan City People's Home from December 23, 2014 to December 20, 2024; house ownership and land use right of Wuhan City People's Home project, Land Certificate No. WGY (2010) No. 64, Property Certificate No. WFQZSZ No.2014022248
Jiang'an Subbranch of Industrial Bank Co., Ltd.	111,000,000.00	Land mortgage: E (2018) WHSJKBDCQ No. 0019842
Wuhan Hanyang Subbranch of Bank of Communications Co., Ltd.	104,899,980.00	Assets of Baowu Building (now renamed Bauhaus Building)
Wuhan Branch of Zheshang Bank	102,129,000.00	Rongchuang Real Estate Group Co., Ltd., Wuhan Real Estate Group Co., Ltd.
Enshi Branch of Industrial and	90,000,000.00	Land and construction in

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Loaner	Balance of borrowings	Collateral
Commercial Bank of China Limited		progress in the community of Sankongqiao, Wuyangba Street Office, Enshi City
Less: long-term borrowings due within one year	2,077,900,000.00	
Total	8,835,108,980.00	

(3) Guaranteed borrowings

Loaner	Balance of borrowings	Guarantor
Hetai Asset Management Co., Ltd.	3,000,000,000.00	Hubei Branch of China Construction Bank
Wuhan Branch of Industrial Bank	2,592,000,000.00	Wuhan Real Estate Group Co., Ltd.
Shaoxing Branch of Bank of Communications Co., Ltd.	2,196,900,000.00	Rongchuang Real Estate Group Co., Ltd.
Shaanxi International Trust Co., Ltd.	2,040,000,000.00	WuHan Urban Construction Group Co., Ltd.
Wuhan Branch of Hankou Bank	1,499,000,000.00	Wuhan Central Business District Investment Holding Group Co., Ltd.
Wuhan Branch of China Merchants Bank Co., Ltd.	1,480,000,000.00	WuHan Urban Construction Group Co., Ltd., Wuhan Real Estate Group Co., Ltd.
Wuhan Branch of CITIC Bank Co., Ltd.	1,425,000,000.00	WuHan Urban Construction Group Co., Ltd.
Pacific Asset Management Co., Ltd.	1,421,583,333.33	Zhuhai Huafa Industrial Co., Ltd.
Jiang'an Subbranch of Wuhan Rural Commercial Bank Co., Ltd.	1,399,560,787.95	Wuhan Real Estate Group Co., Ltd., Wuhan Tongjian City Development Co., Ltd. and Wuhan Chengkai Real Estate Development Co., Ltd.
Wuhan Rural Commercial Bank	1,340,000,000.00	Wuhan Central Business District Investment Holding Group Co., Ltd.
Wuhan Hankou Subbranch of Industrial and Commercial Bank of China Limited	1,300,000,000.00	WuHan Urban Construction Group Co., Ltd.
Citic Trust Co., Ltd.	1,001,000,000.00	WuHan Urban Construction Group Co., Ltd.

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Loaner	Balance of borrowings	Guarantor
ICBC Hubei (Wuhan) Pilot Free Trade Zone Branch	1,000,000,000.00	51% secured by Wuhan Central Business District Investment Holding Group Co., Ltd. and 49% by Cinda Real Estate Co., Ltd.
Ping An Trust Co., Ltd.	976,000,000.00	WuHan Urban Construction Group Co., Ltd.
Wuhan Branch of Bohai Bank	880,000,000.00	Wuhan Central Business District Urban Construction Development Co., Ltd.
China Merchants Bank Co., Ltd.	846,000,000.00	WuHan Urban Construction Group Co., Ltd.
Citic Trust Co., Ltd.	700,000,000.00	WuHan Urban Construction Group Co., Ltd.
Great Wall Wealth Asset Management Co., Ltd.	697,000,000.00	WuHan Urban Construction Group Co., Ltd.
Zhuhai Huafa Group Finance Co., Ltd.	650,000,000.00	Central Business District Urban Construction Development Co., Ltd., Zhuhai Huafa Group Finance Co., Ltd.
Business Department of Hubei Branch of Bank of China	641,100,000.00	Wuhan Central Business District Urban Construction Development Co., Ltd.
Wuhan Branch of China Minsheng Banking Corp., Ltd.	620,000,000.00	WuHan Urban Construction Group Co., Ltd.
Wuhan Branch of China Construction Bank Co., Ltd.	589,700,000.00	Zhuhai Huafa Industrial Co., Ltd. and Wuhan Central Business District Investment Holding Group Co., Ltd.
Wuhan Branch of China Guangfa Bank Co., Ltd.	540,000,000.00	Secured by Zhuhai Huafa Industrial Co., Ltd. and Wuhan Central Business District Investment Holding Group Co., Ltd. and pledged with Huafa Zhongchenghui under construction
Jiangnan Subbranch of Wuhan Rural Commercial Bank Co., Ltd.	535,000,000.00	Wuhan Central Business District Urban Construction Development Co., Ltd.
Wuhan Branch of Hengfeng Bank	475,000,000.00	Rongchuang Real Estate Group

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Loaner	Balance of borrowings	Guarantor
Co., Ltd.		Co., Ltd., Wuhan Real Estate Group Co., Ltd.
Cedor International Trust Co., Ltd.	442,444,445.45	Wuhan Central Business District Urban Construction Development Co., Ltd.
Wuhan Jiangnan Subbranch of Industrial and Commercial Bank of China Limited	400,000,000.00	Wuhan Construction Engineering (Group) Co. Ltd.
Jiefang Park Subbranch of China Merchants Bank	400,000,000.00	China Resources Land Holdings Co., Ltd. 50% and Wuhan Central Business District Investment Holding Group Co., Ltd. 50%
Wuhan Branch of Huaxia Bank	399,000,000.00	PowerChina Construction Group Co., Ltd., Wuhan Real Estate Group Co., Ltd.
Business Department of Hankou Bank	343,000,000.00	Wuhan Real Estate Group Co., Ltd.
Wuhan Branch of China Guangfa Bank Co., Ltd.	320,000,000.00	Construction-in-progress mortgage of Huafa Zhongyanghui Project - Zhuhai Huafa Industrial Co., Ltd., Wuhan Central Business District Investment Holding Group Co., Ltd.
Wuhan Jiang'an Subbranch of Bank of Communications Co., Ltd.	270,000,000.00	Wuhan Central Business District Urban Construction Development Co., Ltd.
Chongqing Shapingba Subbranch of Bank of Communications Co., Ltd.	261,800,000.00	Wuhan Real Estate Group Co., Ltd., PowerChina Real Estate Group Co., Ltd.
Zhuhai Huafa Group Finance Co., Ltd.	250,000,000.00	Central Business District Urban Construction Development Co., Ltd., Zhuhai Huafa Group Finance Co., Ltd.
China Minsheng Banking Corp., Ltd.	240,000,000.00	WuHan Urban Construction Group Co., Ltd.
East Lake Subbranch of Industrial and Commercial Bank of China	200,000,000.00	Secured by Wuhan Central Business District Urban Construction Development Co.,

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Loaner	Balance of borrowings	Guarantor
		Ltd. and Wuhan Central Business District Investment Holding Group Co., Ltd.
Business Department of Hubei Branch of China Construction Bank	199,700,000.00	Wuhan Construction Engineering (Group) Co. Ltd.
Business Department of Wuhan Branch of China Minsheng Banking Corp., Ltd.	195,000,000.00	Wuhan Construction Engineering (Group) Co. Ltd.
China Merchants Bank Co., Ltd.	165,000,000.00	WuHan Urban Construction Group Co., Ltd.
Jingzhou Branch of China Everbright Bank	144,187,500.00	PowerChina Construction Group Co., Ltd., Wuhan Real Estate Group Co., Ltd.
Business Department of Hankou Bank	140,000,000.00	Wuhan Real Estate Group Co., Ltd. and Wuhan Rongchuang Jiye Holding Group Co., Ltd.
Wuhan East-West Lake Subbranch of China Agricultural Development Bank	125,470,000.00	Wuhan Landscape Construction Development (Group) Co., Ltd.
Huangpu Subbranch of Bank of China Ltd.	88,000,000.00	Wuhan Construction Engineering (Group) Co. Ltd.
Wuhan Economic and Technological Development Zone Subbranch of Huaxia Bank	80,000,000.00	Wuhan Construction Engineering (Group) Co. Ltd.
Wuhan Branch of China Everbright Bank	50,000,000.00	Wuhan Real Estate Group Co., Ltd., PowerChina Construction Group Co., Ltd.
Qiaokou Subbranch of Bank of Hubei Co., Ltd.	44,444,445.00	Wuhan Central Business District Urban Construction Development Co., Ltd.
Jiang'an Subbranch of Industrial Bank Co., Ltd.	35,000,000.00	Wuhan City Guaranteed Housing Investment and Construction Co., Ltd.
China Minsheng Banking Corp., Ltd.	30,000,000.00	WuHan Urban Construction Group Co., Ltd.
Less: long-term borrowings due within one year	4,990,122,223.78	
Total	29,677,768,287.95	

(4) Credit Loans

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Loaner	Balance of borrowings
Minmentals International Trust Co., Ltd.	2,000,000,000.00
Business Department of Hubei Branch of China Construction Bank	1,670,000,000.00
Wuhan Branch of Bohai Bank	1,668,157,200.00
Business Department of Hubei Branch of China Construction Bank	1,520,000,000.00
Business Department of Hankou Bank / Beijing Financial Assets Exchange	1,180,000,000.00
Wuhan Branch of Ping An Bank	999,250,000.00
Wuhan Xinhua Subbranch of China Minsheng Banking Corp., Ltd.	840,000,000.00
Business Department of Wuhan Branch of Hankou Bank	672,000,000.00
Wuhan Huaqiao Subbranch of Bank of Communications	598,000,000.00
Wuhan Huaqiao Subbranch of Bank of Communications	300,000,000.00
Hongshan Subbranch of Hankou Bank	299,000,000.00
Wuhan Jiangnan Subbranch of Guangfa Bank	296,000,000.00
Wuhan Branch of China Guangfa Bank Co., Ltd.	200,000,000.00
Wuhan Branch of Industrial Bank	130,000,000.00
Wuhan Branch of Industrial Bank	119,790,000.00
Wuhan Branch of Industrial Bank	113,430,000.00
Hubei Branch of China Import and Export Bank	100,000,000.00
Hubei Branch of China Import and Export Bank	100,000,000.00
Wuhan Branch, China Everbright Bank	100,000,000.00
Wuhan Branch, China Everbright Bank	100,000,000.00
Wuhan Branch of Ping An Bank	5,000,000.00
Less: long-term borrowings due within one year	823,132,466.00
Total	12,187,494,734.00

(XXXII) Bonds payable

1. Bonds payable

Item	Ending balance	Beginning balance
Medium-term notes and bills	6,400,000,000.00	9,200,000,000.00
2018 3-year overseas bonds	3,262,450,000.00	3,488,100,000.00

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Item	Ending balance	Beginning balance
Bohai Bank PPN	2,000,000,000.00	1,000,000,000.00
Debt financing plan	1,320,000,000.00	1,000,000,000.00
CBD Group 2018 non-public directional debt financing instrument	1,000,000,000.00	1,000,000,000.00
Medium-term notes	1,000,000,000.00	
Yangtze River Capital Management-Wuhan Real Estate Public Rental Housing Asset Support Special Plan	781,500,000.00	805,000,000.00
2019 Hubei Provincial People's Government Special Bond Issue 27	500,000,000.00	500,000,000.00
Bank of Communications PPN	300,000,000.00	
Hongshan Subbranch of Hankou Bank of China Ltd.	300,000,000.00	500,000,000.00
Hubei Provincial People's Government Special Bond (Shuili Road)	295,000,000.00	
China Investment Securities- Asset-Backed Securities under Wuhan Real Estate Receivables Asset-Backed Special Program		403,000,000.00
Total	17,158,950,000.00	17,896,100,000.00

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements
For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

2. Increases or decreases in bonds payable:

Bond name	Total face value	Date of issue	Term of bond	Amount issued	Beginning balance
Medium term notes phase I in 2016	100	June 16, 2016	5 years	1,500,000,000.00	1,500,000,000.00
Medium term notes phase II in 2016	100	June 16, 2016	5 years	1,000,000,000.00	1,000,000,000.00
2016 3rd medium term note	100	July 21, 2016	5 years	1,000,000,000.00	1,000,000,000.00
Medium term notes phase I in 2017	100	August 31, 2017	5 years	500,000,000.00	500,000,000.00
Medium term notes phase II in 2017	100	August 31, 2017	5 years	400,000,000.00	400,000,000.00
Medium term notes phase I in 2018	100	July 19, 2018	5 years	700,000,000.00	700,000,000.00
Medium term notes phase II in 2018	100	August 21, 2018	5 years	600,000,000.00	600,000,000.00
2018 3rd medium term note	100	November 20, 2018	15 years	2,000,000,000.00	2,000,000,000.00
Medium term notes phase I in 2019	100	March 7, 2019	15 years	1,500,000,000.00	1,500,000,000.00
Medium term notes phase I in 2020	100	January 15, 2020	5 years	700,000,000.00	
2018 3-year overseas bonds	1,367,222.00	August 2, 2018	3 years	3,418,055,000.00	3,488,100,000.00
Yangtze River Capital Management-Wuhan Real Estate Public Rental Housing Asset Support Special Plan	100	December 21, 2018	18 years	855,500,000.00	826,000,000.00
Ultra-short term notes 2019 (Phase I)	100	April 28, 2019	270 days	1,500,000,000.00	1,500,000,000.00
Ultra-short term notes 2019 (Phase II)	100	June 14, 2019	270 days	1,200,000,000.00	1,200,000,000.00
Ultra-short term notes 2019 (Phase III)	100	July 18, 2019	270 days	1,000,000,000.00	1,000,000,000.00
Ultra-short term notes 2019 (Phase IV)	100	August 13, 2019	270 days	500,000,000.00	500,000,000.00

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Bond name	Total face value	Date of issue	Term of bond	Amount issued	Beginning balance
Ultra-short term notes 2020 (Phase I)	100	January 9, 2020	180 days	800,000,000.00	
Ultra-short term notes 2020 (Phase II)	100	March 5, 2020	270 days	1,200,000,000.00	
Ultra-short term notes 2020 (Phase III)	100	April 7, 2020	270 days	1,000,000,000.00	
Ultra-short term notes 2020 (Phase IV)	100	April 27, 2020	270 days	500,000,000.00	
Ultra-short term notes 2020 (Phase V)	100	June 24, 2020	270 days	800,000,000.00	
Ultra-short term notes 2020 (Phase VI)	100	November 26, 2020	270 days	1,200,000,000.00	
Ultra-short term notes 2020 (Phase VII)	100	December 15, 2020	30 days	1,000,000,000.00	
China Investment Securities-Asset-Backed Securities under Wuhan Real Estate Receivables Asset-Backed Special Program	100	December 20, 2018	3 years	403,000,000.00	403,000,000.00
Less: Portion due within one year					4,221,000,000.00
PPN001-CBD Group 2018 Phase I Private Targeted Debt Financing Instrument	500,000,000.00	February 9, 2018	3 years	500,000,000.00	500,000,000.00
PPN001- CBD Group 2018 Phase II Private Targeted Debt Financing Instrument	300,000,000.00	April 26, 2018	5 years	300,000,000.00	300,000,000.00
PPN001- CBD Group 2018 Phase III Private Targeted Debt Financing Instrument	200,000,000.00	April 27, 2018	5 years	200,000,000.00	200,000,000.00

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Bond name	Total face value	Date of issue	Term of bond	Amount issued	Beginning balance
Bohai Bank PPN	1,000,000,000.00	March 15, 2019	3 years	1,000,000,000.00	1,000,000,000.00
Hankou Bank 2019 Phase I Debt Financing Plan	500,000,000.00	June 20, 2019	3 years	500,000,000.00	500,000,000.00
Zheshang Bank Phase II Debt Financing Plan Funds (Enshi Project)	500,000,000.00	June 25, 2019	3 years	500,000,000.00	500,000,000.00
2019 Hubei Provincial People's Government Special Bond Issue 27	500,000,000.00	September 30, 2019	10 years	500,000,000.00	500,000,000.00
Medium term notes phase I in 2020	1,000,000,000.00	June 12, 2020	3 years	1,000,000,000.00	
Received from Bohai Bank 20 Wuhan Commercial Investment PPN001	1,000,000,000.00	January 16, 2020	2 years	1,000,000,000.00	
Funds received from Bohai Bank 2020 Phase II Directed Debt Financing Instrument (Epidemic Prevention and Control Debt) (Adjustment against June 2020 5# Voucher)	300,000,000.00	June 3, 2020	3 years	300,000,000.00	
Funds received from Bohai Bank 2020 Phase I Debt Financing Plan	320,000,000.00	August 28, 2020	2 years	320,000,000.00	
Wuhan Municipal Bureau of Finance (special bond for the shantytown reconstruction project at Shuili Road)	1,500,000.00	June 26, 2018	3 years	1,500,000.00	
Wuhan Municipal Bureau of Finance (special bond for the shantytown reconstruction project at Shuili Road)	6,000,000.00	June 9, 2020	5 years	6,000,000.00	

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Bond name	Total face value	Date of issue	Term of bond	Amount issued	Beginning balance
Wuhan Municipal Bureau of Finance (special bond for the shantytown reconstruction project at Shuili Road)	3,000,000.00	June 26, 2015	7 years	3,000,000.00	
Wuhan Municipal Bureau of Finance (special bond for the shantytown reconstruction project at Shuili Road)	4,500,000.00	June 26, 2015	10 years	4,500,000.00	
Wuhan Municipal Bureau of Finance (special bond for the shantytown reconstruction project at Shuili Road)	140,000,000.00	October 30, 2016	5 years	140,000,000.00	
Wuhan Municipal Bureau of Finance (special bond for the shantytown reconstruction project at Shuili Road)	56,000,000.00	October 30, 2016	7 years	56,000,000.00	
Wuhan Municipal Bureau of Finance (special bond for the shantytown reconstruction project at Shuili Road)	84,000,000.00	October 30, 2016	7 years	84,000,000.00	
Wuhan Landscape Construction Development (Group) Co., Ltd. 2019 Phase I Debt Financing	500,000,000.00	July 31, 2019	5 years	500,000,000.00	500,000,000.00
Total	6,916,369,522.00	-	-	32,191,555,000.00	17,896,100,000.00

Continued:

Bond name	Amount issued the current year	Interest withdrawn by face value	Premium and discount amortization	Reimbursement in the current year	Ending balance

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Bond name	Amount issued the current year	Interest withdrawn by face value	Premium and discount amortization	Reimbursement in the current year	Ending balance
Medium term notes phase I in 2016		60,000,000.00		60,000,000.00	1,500,000,000.00
Medium term notes phase II in 2016		40,000,000.00		40,000,000.00	1,000,000,000.00
2016 3rd medium term note		34,700,000.00		34,700,000.00	1,000,000,000.00
Medium term notes phase I in 2017		25,600,000.00		25,600,000.00	500,000,000.00
Medium term notes phase II in 2017		20,480,000.00		20,480,000.00	400,000,000.00
Medium term notes phase I in 2018		33,250,000.00		33,250,000.00	700,000,000.00
Medium term notes phase II in 2018		30,360,000.00		30,360,000.00	600,000,000.00
2018 3rd medium term note		104,000,000.00		104,000,000.00	2,000,000,000.00
Medium term notes phase I in 2019		76,350,000.00		76,350,000.00	1,500,000,000.00
Medium term notes phase I in 2020	700,000,000.00				700,000,000.00
2018 3-year overseas bonds		199,886,175.00		425,536,175.00	3,262,450,000.00
Yangtze River Capital Management-Wuhan Real Estate Public Rental Housing		43,520,000.00		64,520,000.00	805,000,000.00

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Bond name	Amount issued the current year	Interest withdrawn by face value	Premium and discount amortization	Reimbursement in the current year	Ending balance
Asset Support Special Plan					
Ultra-short term notes 2019 (Phase I)		38,729,508.20		1,538,729,508.20	
Ultra-short term notes 2019 (Phase II)		30,098,360.66		1,230,098,360.66	
Ultra-short term notes 2019 (Phase III)		23,975,409.84		1,023,975,409.84	
Ultra-short term notes 2019 (Phase IV)		11,618,852.46		511,618,852.46	
Ultra-short term notes 2020 (Phase I)	800,000,000.00	9,600,000.00		809,600,000.00	
Ultra-short term notes 2020 (Phase II)	1,200,000,000.00	18,641,095.89		1,218,641,095.89	
Ultra-short term notes 2020 (Phase III)	1,000,000,000.00	14,794,520.55		1,014,794,520.55	
Ultra-short term notes 2020 (Phase IV)	500,000,000.00				500,000,000.00
Ultra-short term notes 2020 (Phase V)	800,000,000.00				800,000,000.00
Ultra-short term notes 2020 (Phase VI)	1,200,000,000.00				1,200,000,000.00
Ultra-short term notes 2020	1,000,000,000.00				1,000,000,000.00

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Bond name	Amount issued the current year	Interest withdrawn by face value	Premium and discount amortization	Reimbursement in the current year	Ending balance
(Phase VII)					
China Investment Securities-Asset-Backed Securities under Wuhan Real Estate Receivables Asset-Backed Special Program					403,000,000.00
Less: Portion due within one year					7,426,500,000.00
PPN001-CBD Group 2018 Phase I Private Targeted Debt Financing Instrument		36,500,000.00	36,500,000.00		500,000,000.00
PPN001- CBD Group 2018 Phase II Private Targeted Debt Financing Instrument		21,900,000.00	21,900,000.00		300,000,000.00
PPN001- CBD Group 2018 Phase III Private Targeted Debt Financing Instrument		14,600,000.00	14,600,000.00		200,000,000.00
Bohai Bank PPN		66,000,000.00	66,000,000.00		1,000,000,000.00
Hankou Bank 2019 Phase I Debt Financing Plan		26,500,000.00	26,500,000.00		500,000,000.00
Zheshang Bank Phase II Debt Financing Plan Funds (Enshi Project)		29,250,000.00	29,250,000.00		500,000,000.00

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Bond name	Amount issued the current year	Interest withdrawn by face value	Premium and discount amortization	Reimbursement in the current year	Ending balance
2019 Hubei Provincial People's Government Special Bond Issue 27		16,800,000.00	16,800,000.00		500,000,000.00
Medium term notes phase I in 2020	1,000,000,000.00				1,000,000,000.00
Received from Bohai Bank 20 Wuhan Commercial Investment PPN001	1,000,000,000.00				1,000,000,000.00
Funds received from Bohai Bank 2020 Phase II Directed Debt Financing Instrument (Epidemic Prevention and Control Debt) (Adjustment against June 2020 5# Voucher)	300,000,000.00				300,000,000.00
Funds received from Bohai Bank 2020 Phase I Debt Financing Plan	320,000,000.00				320,000,000.00
Wuhan Municipal Bureau of Finance (special bond for the shantytown reconstruction project at Shuili Road)	1,500,000.00	57,300.00	57,300.00		1,500,000.00
Wuhan Municipal Bureau of Finance (special bond for the	6,000,000.00	222,600.00	222,600.00		6,000,000.00

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Bond name	Amount issued the current year	Interest withdrawn by face value	Premium and discount amortization	Reimbursement in the current year	Ending balance
shantytown reconstruction project at Shuili Road)					
Wuhan Municipal Bureau of Finance (special bond for the shantytown reconstruction project at Shuili Road)	3,000,000.00	121,500.00	121,500.00		3,000,000.00
Wuhan Municipal Bureau of Finance (special bond for the shantytown reconstruction project at Shuili Road)	4,500,000.00	185,850.00	185,850.00		4,500,000.00
Wuhan Municipal Bureau of Finance (special bond for the shantytown reconstruction project at Shuili Road)	140,000,000.00	3,906,000.00	3,906,000.00		140,000,000.00
Wuhan Municipal Bureau of Finance (special bond for the shantytown reconstruction project at Shuili Road)	56,000,000.00	1,691,200.00	1,691,200.00		56,000,000.00
Wuhan Municipal Bureau of Finance (special bond for the shantytown reconstruction project at Shuili Road)	84,000,000.00	2,595,600.00	2,595,600.00		84,000,000.00
Wuhan Landscape Construction				200,000,000.00	300,000,000.00

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Bond name	Amount issued the current year	Interest withdrawn by face value	Premium and discount amortization	Reimbursement in the current year	Ending balance
Development (Group) Co., Ltd. 2019 Phase I Debt Financing					
Total	10,115,000,000.00	1,035,933,972.60	220,330,050.00	8,462,253,922.60	17,158,950,000.00

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

(XXXIII) Long-term payables

Item	Beginning balance	Increase in this year	Decrease in this year	Ending balance
Long-term payables	14,948,706,798.10	5,081,043,708.59	874,594,959.25	19,155,155,547.44
Special payables	10,601,503,387.93	189,264,898.36	17,782,640.24	10,772,985,646.05
Total	25,550,210,186.03	5,270,308,606.95	892,377,599.49	29,928,141,193.49

1. Breakdown of the year-end balance of long-term payables

Item	Ending balance	Beginning balance
Total	19,155,155,547.44	14,948,706,798.10
Taikang Asset Management Co., Ltd (Wuhan Real Estate Shantytown Improvement Project Debt Investment)	7,860,000,000.00	1,260,000,000.00
Yangtze River Pension-Wuhan Real Estate Shantytown Improvement Debt Investment Plan Phase I	3,500,000,000.00	3,500,000,000.00
Yangtze River Pension-Wuhan Real Estate Shantytown Improvement Debt Investment Plan Phase II	2,000,000,000.00	2,000,000,000.00
BOC Urban Development (Tianjin) Investment Co., Ltd (Wuhan Shantytown Improvement Project Private Investment Fund)	1,448,259,725.60	1,448,259,725.60
China National Foreign Trade Financial & Leasing Co., Ltd.	1,380,632,396.93	1,220,027,192.17
Shanghai International Trust Co., Ltd.	1,023,342,954.93	1,333,400,000.00
Everbright Financial Leasing Co., Ltd.	1,000,000,000.00	
Life Asset Management Co., Ltd (Wuhan Real Estate Shantytown Improvement Project Debt Investment)	750,000,000.00	750,000,000.00
CDB Fund Development Co., Ltd.	683,700,000.00	710,400,000.00
Everbright Financial Leasing Co., Ltd.	588,615,535.82	
Wuhan Municipal Finance Bureau (transfer of local debt to loan)	380,000,000.00	760,000,000.00
Wuhan Optics Valley Center Urban Construction Investment Co., Ltd.	340,000,000.00	-
Central China Financial Leasing Co., Ltd.	220,000,000.00	274,000,000.00
China Merchants Financial Leasing (Tianjin) Co., Ltd.	200,000,000.00	

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements
For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Item	Ending balance	Beginning balance
China National Foreign Trade Financial & Leasing Co., Ltd.	50,000,000.00	150,000,000.00
Hubei Financial Leasing Co., Ltd. Financing lease	44,800,000.00	323,000,000.00
Wuhan Zhongcheng Investment Co., Ltd.	32,021,773.39	34,324,071.11
Wuhan Heji Real Estate Co., Ltd.	22,021,772.49	24,324,070.21
Shanghai International Trust Co., Ltd.	10,000,000.00	
Wuhan Tiantai Real Estate Co., Ltd.	5,518,042.96	6,029,817.46
Wuhan Guangweihong Real Estate Co., Ltd.	4,432,591.74	4,326,716.87
Employee investment-Zhang Xinhua	10,000.00	10,000.00
China Development Bank Securities		1,440,000,000.00
Less: the part due within one year	-2,388,199,246.42	-289,394,795.32

2. Details of year-end balance of special accounts payable

Item	Beginning balance	Increase in this year	Decrease in this year	Ending balance
Total	10,601,503,387.93	189,264,898.36	17,782,640.24	10,772,985,646.05
Local government replacement debt funds	9,340,890,000.00		4,000.00	9,340,886,000.00
Local debt funds	300,000,000.00			300,000,000.00
Guaranteed housing 2016 local debt	94,591,000.00			94,591,000.00
Research and development expenses relating to energy saving technology	65,264,651.69	600,000.00	1,146,122.26	64,718,529.43
Guaranteed housing 2019 local debt	40,539,000.00			40,539,000.00
Special funds for retiring employees	12,417,275.90		2,317,301.12	10,099,974.78
Compensation for land in Shuili Road	200,000,000.00			200,000,000.00

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Item	Beginning balance	Increase in this year	Decrease in this year	Ending balance
Compensation for land in Hanxi Area	200,000,000.00			200,000,000.00
Compensation for land Changqing Area	200,000,000.00			200,000,000.00
Compensation for land in Changmatou	56,000,000.00			56,000,000.00
Land compensation for Zongdi 27 reserve project	34,000,000.00			34,000,000.00
Compensation for land	5,000,000.00		5,000,000.00	
Garden Expo Hubei Park special fund	21,748,697.04			21,748,697.04
Special funds for two types of society project	1,271,649.90	2,702,834.35	2,727,668.29	1,246,815.96
Funds for the Garden Expo construction project	1,000,000.00			1,000,000.00
Special fund for the zoo water supply and drainage project	4,000,000.00		971,738.68	3,028,261.32
Preliminary exhibition costs of Yangtze River Civilization Pavilion	9,260,098.10			9,260,098.10
Wuhan Landscape Construction Development (Group) Co., Ltd.		35,732,064.01		35,732,064.01

Item	Beginning balance	Increase in this year	Decrease in this year	Ending balance
Research funds for green plant waste resource utilization operation mechanism		40,000.00		40,000.00
Agented construction of the outdoor training field of the police training base	14,458,829.54		5,615,809.89	8,843,019.65
Sculpture exhibition funds	415,638.20			415,638.20
Research on sludge high-temperature ceramic substrate materials and artificial wetland technology	30,000.00	80,000.00		110,000.00
Research on light-weight soil for roof greening	30,000.00	80,000.00		110,000.00
Research on the regulation of seedling intelligent management and maintenance system		30,000.00		30,000.00
Hubei Provincial Department of Finance (2020 Hubei Provincial Government Special Bond)		150,000,000.00		150,000,000.00
Housing reform funds	586,547.56			586,547.56

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

(XXXIV) Estimated liabilities

Item	Beginning balance	Increase in this year	Decrease in this year	Ending balance
Others	36,083.97	2,856,017.10		2,892,101.07
Total	36,083.97	2,856,017.10		2,892,101.07

Note: Others were the maintenance funds withdrawn by the subsidiary Xiamen Yiwudi Real Estate Co., Ltd. in accordance with the development contract.

(XXXV) Deferred income

Item	Beginning balance	Increase in this year	Decrease in this year	Ending balance
Government grants	94,957,689.69	771,850.00	33,517,094.23	62,212,445.46
Including: Qingshan shanty reconstruction project	62,296,758.46		32,498,409.23	29,798,349.23
Old industrial area relocation and transformation funds	20,670,000.00			20,670,000.00
Subsidy from finance authorities	10,000,000.00			10,000,000.00
Research and development funds	916,246.23		144,000.00	772,246.23
Subsidy for stabilizing posts	874,685.00	771,850.00	874,685.00	771,850.00
Funds for start-up of Wuhan postdoctoral innovation practice base	200,000.00			200,000.00
Funds for construction of supporting infrastructure for guaranteed housing projects	68,903,900.00	33,696,100.00	73,890,000.00	28,710,000.00
Financial information funding	608,610.07	36,750.00	151,727.36	493,632.71
Security subsidy	49,468.18	710.83		50,179.01
Wuhan state capital internal control subsidy	200,000.00			200,000.00
Stabilization subsidy	20,081.44		20,081.44	

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Item	Beginning balance	Increase in this year	Decrease in this year	Ending balance
for dispatched personnel (Wuhan talents)				
Subsidy for vehicle renewal	3,660,341.44		835,312.07	2,825,029.37
Total	168,400,090.82	34,505,410.83	108,414,215.10	94,491,286.55

(XXXVI) Paid-in capital

Investor	Beginning balance		Increase in this year	Decrease in this year	Ending balance	
	Amount	Proportion (%)			Amount	Proportion (%)
Total	1,000,000,000.00	100.00			1,000,000,000.00	100.00
State-owned Assets Supervision and Administration Commission of Wuhan People's Government	1,000,000,000.00	100.00			1,000,000,000.00	100.00

(XXXVII) Capital reserves

Item	Beginning balance	Increase in this year	Decrease in this year	Ending balance
1. Capital (or share capital) premium	1,009,507,902.39			1,009,507,902.39
2. Other capital reserves	63,739,113,720.56	1,975,375,024.15	9,800,000.00	65,704,688,744.71
Total	64,748,621,622.95	1,975,375,024.15	9,800,000.00	66,714,196,647.10
Including: capital reserves exclusively owned				

Item	Beginning balance	Increase in this year	Decrease in this year	Ending balance
by the State				
1. Breakdown of the increase in capital surplus for the year				
Type	Item	Amount	Remark	
Construction funds allocated by the government	Grant for the overhaul of Qintai landscape project	3,758,940.40		
	Fund for Qinshan shantytown renovation Phase I project	51,425,135.33		
	Youyi Avenue (Hongmao Lane - Wuche Road) project financial funds	154,000,000.00		
	2019 special financial funds for Gusoushu Upper Bridge Ramp Project	15,728,800.00	RMB 7,121,300.00 received directly from the finance for the construction of 2020 and RMB 8,607,500.00 from the Linjiang Avenue project according to the 2019 budget adjustment notice of the URA	
	Funds allocated from the Urban Construction Fund for the Military Games project	109,290,300.00	RMB 38,148,700.00 received directly from the finance for the construction of 2020 and RMB 71,141,600.00 from the Linjiang Avenue project according to the 2019 budget adjustment notice of the URA	
	Financial funds from the Water Affairs Bureau for Swan Lake project	5,000,000.00		
	City construction funds for Xinhua Road project	87,799,600.00	RMB 23,320,900.00 received directly from the finance for the construction of 2020 and RMB 64,478,700.00 from the Linjiang Avenue project according to the 2019 budget adjustment notice of the URA	
	Funds allocation to Linjiang Avenue (Erqi Yangtze River Bridge - Zhangzhidong Road)	-118,818,700.00	Construction funds of RMB 25,409,100.00 were allocated by the finance authorities in this year for Linjiang Avenue	

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Type	Item	Amount	Remark
			(Erqi Yangtze River Bridge - Zhangzhidong Road) project. According to the 2019 budget adjustment notice of the URA, the construction funds were transferred to Gusoushu Upper Bridge Ramp project at RMB 8,607,500.00, Xinhua Road project at RMB 64,478,700.00, and the Military Games project at RMB 71,141,600.00.
	Financial funds for Youyi Avenue (3rd Ring Road - Hongmao Lane)	1,103,980,000.00	
	Additional special bonds for Hexie Avenue Phase III project in 2020	100,000,000.00	
	Infrastructure fee for repaid housing - Huatengyuan	-40,104,300.00	
	Project subsidy funds from the housing authority	58,617,921.00	Wuhan Urban Estate Investment & Development Group Co., Ltd.
	Special bond funds allocated by Wuhan Municipal Bureau of Finance	300,000,000.00	Wuhan Landscape Construction Development (Group) Co., Ltd.
	Capital funds allocated by Wuhan Municipal Bureau of Landscape Architecture	113,901,028.75	Wuhan Landscape Construction Development (Group) Co., Ltd.
	Special funds transferred from Wuhan Urban Construction Bureau for Nanniwan Avenue municipality	5,000,000.00	Wuhan Central Business District Investment Holding Group Co., Ltd.
	Financial allocation for public rental housing from the Real Estate Group	28,000,000.00	Guaranteed Housing Company
	Special funds from Wuhan Huangpi District Housing and Urban-Rural Development Bureau for 2020 central financial guaranteed housing project in urban areas	7,097,290.68	Guaranteed Housing Company -Baolong Real Estate
Invested	Registered capital allocated by municipal finance	50,000,000.00	

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Type	Item	Amount	Remark
with state-owned capital	Transfer of land revenue funds to increase state capital	1,443,818,900.00	Transferring the land revenue funds allocated by the municipal finance to increase the state capital according to the Letter of Wuhan Municipal Finance Bureau on Increasing the State Capital
	Transfer of financial subsidized interest funds to state capital	3,050,000.00	
Land proceeds	Reserve land use proceeds from the Finance Bureau	4,416,391.00	Wuhan Central Business District Investment Holding Group Co., Ltd.
	Land proceeds of P(2019) No.195 at gas station parcel of Huangpu Village	82,530,000.00	Headquarters of Urban Construction Group
	Proceeds from land use of plot C-1 of Guiyuan West	97,683,200.00	Headquarters of Urban Construction Group
	Land proceeds of P(2019) No.206 at Houhu Parking Lot	7,043,600.00	Headquarters of Urban Construction Group
	Land proceeds of P(2019) No.207 at Danshui K3-1 plot	35,200,000.00	Headquarters of Urban Construction Group
	Land proceeds of P (2019) No.196 at Houhu gas station	65,500,000.00	Headquarters of Urban Construction Group
	Land proceeds of plot in Changbao	42,604,700.00	Headquarters of Urban Construction Group
	Transfer of land revenue funds to increase state capital	-1,443,818,900.00	Transferring the land revenue funds allocated by the municipal finance to increase the state capital according to the Letter of Wuhan Municipal Finance Bureau on Increasing the State Capital
	P (2019) No.206 Houhu parking lot land cost return, P (2019) No. 196 land cost return, replacement cost return of Houhu Xingye Road B7 parcel and Wusheng Road parcel	-38,565,255.83	Land cost refund of RMB106,740,000.00 was received in this year for Houhu land reserve project; the in-progress cost incurred was RMB145,305,255.83, which offset the land cost refund received in the current

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements
For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Type	Item	Amount	Remark
			period of RMB106,740,000.00 and the land cost refund received in previous years of RMB38,565,255.83
Free transfer of state-owned capital	Free transfer of opening net assets of Wuhan Garden Seedling Center (Wuhan Boquan Nursery)	75,188,168.21	Wuhan Landscape Construction Development (Group) Co., Ltd.
	Free transfer of opening net assets of Wuhan Kefa Gardening Co., Ltd.	-6,978,624.24	Wuhan Landscape Construction Development (Group) Co., Ltd.
	Free transfer of net assets of three testing companies (Wuhan Building Energy Efficiency Testing Center, Wuhan Commercial Concrete Engineering Quality Inspection Center and Wuhan Center Engineering Inspection Co., Ltd.)	42,012,862.03	Wuhan Construction Engineering (Group) Co. Ltd.
	Transfer of opening net assets of Wuhan Renda Printing Factory	1,486,757.59	
	Transfer of opening net assets of Wuhan Education Real Estate Development Co., Ltd.	1,959,912.00	
Other changes	Adjustment of the impact of cross shareholding of subsidiaries (Oriental Property and Hongcheng Consulting)	386,545.07	
	3 subsidiaries of the Real Estate Group introduced the cooperation of Rongchuang	10,535,806.31	Wuhan Real Estate Group Co., Ltd.
	CBD 2020 early application of new standards to adjust opening net assets attributable to the parent company	6,846,226.06	
	CBD adjustment of cost method for measurement of investment properties	-575,490,343.51	
	Rectification due to employee's irregular shareholding	85,289,063.30	
Total		1,975,375,024.15	

2. Breakdown of the decrease in capital surplus for the year

Type	Item	Amount	Remark
Free transfer of shares	Non-repayable transfer of cloud company	500,000.00	
Transfer of financial construction funds	Adjustment of municipal special funds of Linjiang Avenue to Huian Avenue project	9,300,000.00	Municipal special funds of Linjiang Avenue was adjusted to Huian Avenue project according to the budget adjustment notice of URA
Total		9,800,000.00	

(XXXVIII) Special reserves

Item	Beginning balance	Increase in this year	Decrease in this year	Ending balance
Work safety expenses	3,097,922.60	2,714,987.63	976,897.29	4,836,012.94
Total	3,097,922.60	2,714,987.63	976,897.29	4,836,012.94

(XXXIX) Surplus reserves

Item	Beginning balance	Increase in this year	Decrease in this year	Ending balance
Statutory surplus reserve	167,995,430.91	15,795,796.91		183,791,227.82
Discretionary surplus reserve	2,331,893.63			2,331,893.63
Total	170,327,324.54	15,795,796.91		186,123,121.45

Note: The increase of surplus reserve this year was based on the legal surplus reserve provision at 10% of net profit.

(XL) Retained Earnings

Item	Current year	Previous year
Balance as at the beginning of the year	3,716,014,150.69	5,066,834,642.63
Increase in this year	1,862,965,829.52	-1,181,050,083.43
Including: transferred-in net profit in this year	1,862,965,829.52	1,835,242,420.30
Other adjustment factors		-3,016,292,503.73
Decrease in this year	219,360,838.08	169,770,408.51
Including: surplus reserves withdrawn in this year	14,830,880.21	41,884,914.05
General risk reserves withdrawn in this year		
Cash dividends distributed in this year	204,529,957.87	299,320,010.08

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Item	Current year	Previous year
Transferred to paid-in capital		116,109,837.59
Other decreases		-287,544,353.21
Balance as at the end of the year	5,359,619,142.13	3,716,014,150.69

(XLI) Operating incomes and operating costs

Item	Amount in this year		Amount in previous year	
	Income	Costs	Income	Costs
1. Sub-total of primary business	25,925,461,263.41	20,829,107,761.65	9,279,257,706.18	6,334,374,599.43
Including: Building construction income	13,899,011,016.46	12,458,613,760.15	404,246,965.49	329,553,475.93
Income from houses sales	10,531,103,763.03	7,519,642,081.43	8,452,616,024.96	5,749,611,961.43
Income from concrete sales	209,810,996.25	157,990,434.30	183,994,770.54	157,544,004.68
Income from urban planning and design	148,248,942.96	75,860,840.65		
revenue from property management	215,473,040.05	177,947,976.13	95,324,737.92	89,317,406.33
Project consulting income	133,471,561.21	74,589,799.53		
Income from ecological gardening	105,406,436.04	50,708,801.22		
Project management fees and working expenses	236,522,852.64	88,871,826.48	101,761,448.14	4,105,882.24
Others	446,382,940.49	224,882,241.76	41,313,759.13	4,241,868.82
2. Sub-total of other business	728,137,216.00	374,671,466.10	660,900,757.55	401,094,959.16
Including: Housing rental	199,398,589.31	106,711,912.65	209,642,492.48	101,818,065.59

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Item	Amount in this year		Amount in previous year	
	Income	Costs	Income	Costs
income				
Income from management fee	14,641,267.87	7,312,419.40	7,077,924.52	1,078,086.40
Guarantee deposit	17,183,836.55		5,421,497.15	
Interest income on borrowings	440,633,135.13	216,855,107.82	394,393,538.30	274,055,602.35
Parking services	3,843,703.20	1,420,559.13		
Lease revenue	4,025,634.92	1,665,215.91		
Property management	10,979,205.51	17,048,502.24		
Others	37,431,843.50	23,657,748.95	44,365,305.10	24,143,204.82
Total	26,653,598,479.41	21,203,779,227.75	9,940,158,463.73	6,735,469,558.59

Note: (1) Main business income-others were mainly constructor management fee, PC component sales income, decoration project income, rental income, delivery evaluation income, etc.

(2) Other business income-other was mainly income from site rental, parking service, decoration design income, etc.

(XLII) Selling expenses

Item	Current year	Previous year
Sales service fees	120,585,948.62	56,386,831.09
Advertising expenses	119,759,480.30	28,197,348.74
Employee remuneration	114,615,929.02	25,455,772.22
Business funds	58,766,561.84	6,748,645.19
Handling charges for commission sale	35,906,453.40	3,167,917.93
Property management fees	30,916,011.66	5,783,014.57
Office costs	16,660,712.14	1,659,495.54
Exhibition expenses	4,877,862.94	711,878.27
Consulting fees	2,604,243.74	844,296.02
Depreciation cost	696,845.64	262,051.05
Insurance premiums	345,810.51	12,302.53
Traveling expenses	320,351.84	182,871.14

Item	Current year	Previous year
Repair costs	285,225.37	113,366.26
Vehicle costs	261,968.71	558,300.04
Transportation expenses	212,231.86	29,625.60
Technical consulting fee	98,773.42	25,481.24
Promotional expenses	86,380.66	3,092,662.52
Packing expenses	40,541.78	15,127.40
Sample and product loss	25,634.83	957,680.51
Others	36,133,878.28	4,960,548.99
Total	543,338,281.56	139,165,216.85

Note: Other mainly refers to project pre-planning fee, promotion fee, leasing fee, agency fee, etc. and other incidental expenses.

(XLIII) General and administrative expenses

Item	Current year	Previous year
Employee remuneration	823,594,714.85	404,286,616.72
Depreciation cost	71,510,053.87	17,259,024.92
Office costs	40,842,287.81	19,965,523.30
Expenses from employment of intermediaries	28,027,900.94	12,105,250.04
Labor protection expenses	13,217,530.16	2,635,723.31
Property management fees	9,968,582.31	10,852,191.22
Transportation expenses	9,041,054.22	1,989,943.55
Consulting fees	9,028,811.54	3,680,259.21
Publicity fees, administrative expenses and other expenses	8,844,653.88	2,323,215.67
Traveling expenses	11,645,373.44	5,587,029.94
Office building leasing fees	7,709,137.03	2,250,593.79
Expenses for safety production	9,502,463.02	5,447,120.81
Entertainment expense	5,533,847.07	683,820.20
Low-value consumables	5,299,971.95	377,421.10
Amortization of intangible assets	4,465,591.24	729,257.14
Entrusted management fees	4,192,411.27	659,800.39
Repair costs	3,844,404.74	1,805,650.96
Enterprise culture construction fees and building renovation costs	3,818,672.58	646,278.31

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Item	Current year	Previous year
Retirement expenses	1,772,709.68	940,355.17
Insurance premiums	3,322,146.70	3,917,674.58
Expenses in Party construction	1,036,071.38	285,008.75
Legal cost	4,261,009.68	2,521,812.02
Conference expense	927,441.24	4,585.96
Expenses of the board of directors and the board of supervisors	27,410.66	32,078.23
Others	30,983,366.04	11,889,101.38
Total	1,112,417,617.30	512,875,336.67

Note: Others mainly included expenses for daily management activities, marketing expenses, labor insurance expenses for epidemic prevention, long-term amortization expenses and other incidental expenses.

(XLIV) Research and development expenses

Item	Current year	Previous year
Research on construction technology of large group EPC small high-rise residential buildings	56,453,605.38	
Research on integrated construction technology of rail transit and super high-rise buildings	41,391,558.71	
Research and application of green construction and construction technology for public buildings	40,150,877.75	
Research and application of new technology of composite construction of high-rise buildings	36,326,519.85	
Research and development of new technology of assembled residential building	35,887,022.82	
Research and development of construction technology of large commercial body shaped light roof group	33,110,555.26	
Research and application of composite hollow slab construction technology	16,549,419.22	
Sewage impermeability process system	16,450,133.26	
Mountain steep slope greening technology		
Domestic waste purification and treatment system		
Urban building three-dimensional greening		
Application of new technology of urban landscape lighting		
Research and application of construction technology of large volume raft slab skip bin method for residential projects	15,307,506.10	
Research and development of new construction technology	15,280,652.44	

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements
For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Item	Current year	Previous year
of new frame structure building		
Research on construction technology of super-thick concrete structure of medical building	14,460,399.85	
Research on key construction technology of all-cast-in-place concrete exterior wall climbing frame system and aluminum alloy formwork	14,206,621.01	
Research and application of engineering technology for installation of mechanical and electrical pipes and lamps in comprehensive buildings	13,356,640.68	
Research and development of new technology for large span steel frame core clear concrete public buildings	12,899,358.76	
Research on lean construction technology under deep full penetration system of super high-rise residential buildings	12,245,081.71	
Research on basement anti-floating technology and construction technology of reinforced concrete truss structure	11,382,448.31	
Research on the connection and key installation technology of multiform combination curtain wall	10,130,043.49	
Research on the expansion and promotion of fine germplasm of seedlings in Shuan Nursery	10,122,453.87	
Expansion and promotion of new superior strains of late flowering and fruitless pendants		
Research and application of key technology of high-rise residential building facade construction	9,470,991.67	
Production technology development of new techniques, subway door installation French, etc.	7,250,871.89	9,801,518.02
Research and development of hand pulse recognition system technology for mega parks	7,199,468.42	
Induction type LED night steps	7,607,700.65	
Rapid drainage tiles and structure for plaza paving		
Flower bed type hidden garbage can		
Tree transplanting water fertilizer automatic replenishment device		
A kind of sponge pavement		
A kind of landscape retaining wall structure		
A kind of green roof		
A kind of drainage structure for gardening		

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Item	Current year	Previous year
A floating wetland for purifying landscape water (new type)		
A drip irrigator for garden watering system		
Water-saving device for garden watering		
Garden landscape planting box		
Assembled light steel structure antique roof		
Research on construction technology for renovation of old buildings	6,714,054.24	
Research and development of smart site construction technology for super high-rise buildings	5,335,688.44	
Research and development of innovative technology for medical buildings	4,478,453.77	
Research and application of new technologies for high assembly rate residential buildings	3,634,825.70	
Research on anti-cracking and anti-seepage technology of thin plastering system for masonry and vertical concrete structure	3,316,472.66	
Research on water supply classification planning index in Wuhan	1,729,138.34	
Intelligent Wuhan - River and Lake Basin Water Environment Management Cloud Platform	1,605,441.57	
Research and application of precast reinforced concrete inspection well construction technology for municipal roads	1,548,757.92	
Research on the transformation path of Lvzhong Village in Wuhan based on social survey	1,500,606.13	
Research on the whole life cycle management model in integrated watershed management	1,359,748.36	
Research, development and demonstration of key technologies for intelligent detection of underground pipelines based on robotics with Beidou GNSS multi-sensor fusion	1,267,741.94	
Comprehensive intelligent monitoring cloud platform (Phase I)	1,201,639.98	
Research on surface runoff pollution characteristics analysis of typical subsurface in Wuhan	1,071,966.10	
Research, development and application of automatic monitoring and early warning system for foundation pits	943,396.21	
Research, development and application of 3D laser scanning technology	471,698.10	

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Item	Current year	Previous year
Research on the correlation between groundwater level change and ground subsidence in Houhu, Wuhan	954,413.98	
Research on standardization of geological data based on standard variability	950,795.98	
Preparation of local standards of Structural Monitoring Techniques during the Operation Period of Wuhan Rail Transit Project	836,940.68	
Research on fiber grating monitoring technology for karst ground subsidence in Wuhan	592,166.00	
Research and engineering application of key parameters of Wuhan Linjiang hydrogeology	556,796.02	
Preparation of local standards of Technical Regulations for Solid Waste Landfill of Construction Projects in Wuhan	453,760.27	
Research on the innovation of mine geological environment restoration and management model in Wuhan	429,554.73	
Research on the landscape performance of urban water park in Wuhan under the guidance of green development concept	367,531.98	
Technical guideline for multi-element urban geological survey in Wuhan (for trial implementation)	348,322.68	
Research on the application of high pressure rotary glass fiber anchor in foundation pit engineering	305,743.41	
Software update of internal operation of surveying and mapping	291,872.10	
Volunteer Time (public welfare forest) system commissioned development project	246,365.89	
Total	479,753,824.28	9,801,518.02

(XLV) Financial expenses

Type	Current year	Previous year
Interest expenditures	1,305,136,452.32	658,953,085.29
Less: interest income	384,045,370.36	146,537,729.50
Less: Net gains on foreign exchange		
Plus: Net exchange losses	93.88	
Plus: handling charges	7,789,442.18	14,539,897.68
Plus: Others	46,602,045.37	
Total	975,482,663.39	526,955,253.47

Note: Other mainly was interest discount on promissory notes.

(XLVI) Other income

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements
For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Item	Current year	Previous year
Subsidy for stabilizing posts	39,970,325.92	653,915.05
Forestry Bureau's subsidies for Garden Expo Park operations	30,500,000.00	
Funds for construction of supporting infrastructure for guaranteed housing projects	73,890,000.00	
Refunds of value-added tax	3,327,388.95	33,796.70
Subsidy for epidemic prevention	2,350,785.09	
Loan subsidies for relief funds	1,709,848.23	
Enterprise support money	1,191,400.00	
Other income	981,349.56	180,845.41
Work-for-training subsidy	659,000.00	
Government car subsidy	599,927.04	
Temporary office construction subsidy	468,924.67	
Tax relief	520,239.71	
Maternity insurance rebate	305,116.35	219,991.38
High-tech enterprise recognition subsidy	300,000.00	
Research and development funds	144,000.00	
Government's subsidy for red property services	134,500.00	57,199.92
Garden Bureau's subsidies for nursery maintenance and new seedling introduction	95,100.00	
Comprehensive management assessment reward of Wuhan Caidian District Housing and Urban-Rural Development Bureau	84,905.66	
Tax contribution reward	68,900.00	
Overseas debt subsidy		2,218,922.47
Grants for the development of new material application enterprises		1,476,261.21
Others	4,266,324.11	302,349.79
Total	161,568,035.29	5,143,281.93

Note: Other gains - mainly consist of various government incentives and subsidies.

(XLVII) Investment income

Source for investment income	Current year	Previous year

Source for investment income	Current year	Previous year
Long-term equity investment income calculated under the equity method:	740,821,798.16	81,252,087.29
Investment income from disposal of long-term equity investments	3,328,649.04	-1,794.76
Investment income obtained during the period of financial assets held for trading (under new standards)	--	--
Investment income obtained from disposal of trading financial assets (under new standards)	--	--
Investment income from financial assets measured at fair value through current profit and loss incurred during the holding period		15,000.00
Investment income from disposal of financial assets measured at fair value through current profit and loss		
Investment income during holding the held-to-maturity investments (under old standards)		
Investment income from disposal of the held-to-maturity investments (under old standards)		
Investment income obtained from available-for-sale financial assets	157,457,449.06	230,654,687.78
Investment income acquired from disposal of the available-for-sale financial assets	12,669,369.86	99,323,327.36
Interest income during the holding period of claim investments (under new standards)	--	--
Interest income during the holding period of other claim investments (under new standards)	--	--
Gain on disposal of claim investments (under new standards)	--	--
Gain on disposal of other claim investments (under new standards)	--	--
Gains from equities re-measured at the fair value upon obtainment of control right		
Gains from the remaining equities re-measured at the fair value after the loss of		

Source for investment income	Current year	Previous year
control right		
Dividend income obtained during the holding of other equity instruments (subject to new standards)	--	--
Others	145,703,343.73	-20,041,860.54
Total	1,061,332,209.85	391,201,447.13

Note: (1) Investment income obtained from available-for-sale financial assets, etc. mainly consisted of cash dividends from available-for-sale financial assets measured at cost at the end of the year, as well as dividends of RMB 30 million from Changjiang Securities, dividends from convertible bonds of RMB 2.3088 million from Changjiang Securities, dividends of RMB 314,800 from China Zhongbai Group, dividends of RMB 110,900 from E Wushang A, dividends of RMB 188,300 from Bank of Communications, income of RMB12.6694 million from East Lake Huagong private equity fund.

(3) Others were mainly the difference of investment income of RMB 27,556,600 at consolidation when Wuhan Hongcheng Engineering Consulting Management Co., Ltd. was consolidated, the interest on entrusted loan of RMB 16,330,200 from Wuhan Urban Estate Investment & Development Group Co., Ltd. and interests on fixed-term deposit of RMB 1.94 million. Proceeds from the liquidation of the Central Business District Group's Qingshan District Settlement Project shantytown renovation project of RMB2,698,100. Wuhan Urban Estate Investment & Development Group Co., Ltd. contributed 2019 operating profit of RMB2,025,410,000 to Wuhan State-owned Assets Supervision and Administration Commission; Wuhan 2049 Group Co., Ltd. contributed 2019 operating profit of RMB7,588,350,000 and Wuhan Engineering Consulting Department, RMB2,392,400.

(XLVIII) Credit impairment loss

Item	Current year	Previous year
Credit impairment losses on accounts receivable	274,810.87	
Credit impairment loss of other receivables	273,681.99	
Total	548,492.86	-

(XLIX) Losses from asset impairment

Item	Current year	Previous year
Loss from bad debts	-233,598,190.58	7,719,876.95
Losses from depreciation of inventories	-3,430,132.18	-127,268.48
Others	10,200,000.00	
Total	-226,828,322.76	7,592,608.47

Note: Assets impairment loss - other mainly represents the provision for impairment of

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

entrusted loans of the subordinate enterprise Wuhan Urban Estate Investment & Development Group Co., Ltd.

(L) Income from asset disposal

Item	Current year	Previous year	Amount included in the current non-recurring profit and loss
Income from fixed asset disposal	360,401.03	-5,308.72	360,401.03
Housing demolition and relocation payments	12,229,937.71		12,229,937.71
Total	12,590,338.74	-5,308.72	12,590,338.74

(LI) Non-operating income

Item	Current year	Previous year	Amount included in the current non-recurring profit and loss
Gains from the damage and scrapping of non-current assets	1,040,123.20	244,922.39	1,040,123.20
Donations received	1,034,207.00		1,034,207.00
Government subsidies irrelevant to the daily activities of the Company	10,073,671.80	11,336,302.91	10,073,671.80
Penalty and confiscatory income	1,015,479.10	45,203.10	1,015,479.10
Income from liquidated damages	765,120.10		765,120.10
Income from forfeited deposits	1,785,137.17	1,260,981.22	1,785,137.17
Other gains	2,129,361.10	3,203,130.50	2,129,361.10
Total	17,843,099.47	16,090,540.12	17,843,099.47

Note: Other gains mainly represent gains from the write-off of current accounts and gains from the sale of used materials.

1. Government subsidies irrelevant to the daily activities of the Company

Item	Current year	Previous year	Associated with assets/income
Government special subsidy for epidemic	7,592,151.60		Associated with gains
New third board listing incentives	1,500,000.00		Associated with gains

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Item	Current year	Previous year	Associated with assets/income
Support fund	847,433.00	11,000,000.00	Associated with gains
Jiangxia District Shuan Street retirement incentive subsidy	64,187.20		Associated with gains
Agricultural industrialization incentive subsidy	60,000.00		Associated with gains
Landscape construction project on both sides of Jing River (Jing River Park), landscape construction project of Wuxi Village (EPC) 2019 Wuhan Municipal Engineering Golden Award	4,600.00		Associated with gains
3rd Ring ecological belt (West of Yezhi River Interchange) construction project 2019 Wuhan Municipal Engineering Silver Award	4,300.00		Associated with gains
Wuhan Talent Service Center 2020 Wuhan on-duty internship subsidy (Phase II)	1,000.00		Associated with gains
Enterprise incentive funds from Sino-French Wuhan Eco-Model City Management Committee		200,000.00	Associated with gains
2019 IPR certification subsidy (Wuhan Administration of Market Regulation)		100,000.00	Associated with gains
2019 high-tech enterprise incentive funds from Wuhan Caidian District Science and Technology and Economic Information Bureau		30,000.00	Associated with gains
25th batch of industrial and trade industry safety standardization reassessment subsidies from Caidian District Bureau of Safety Production and Quality and Technical Supervision		6,000.00	Associated with gains
Quarterly sales being less than RMB 300,000 (VAT exemption amount)		302.91	Associated with gains
Total	10,073,671.80	11,336,302.91	

(LII) Non-operating expenses

Item	Current year	Previous year	Amount included in the current non-recurring profit and loss
Losses from the damage and scrapping of non-current assets	334,998.72	145,076.76	334,998.72
Donations made	2,077,128.01	390,059.30	2,077,128.01
Amercement outlay and overdue fines	3,655,107.18	9,591,658.67	3,655,107.18
Damages and liquidated damages	1,386,105.81	2,440,995.59	1,386,105.81
Other expenditures	965,539.92	2,321,449.12	965,539.92
Total	8,418,879.64	14,889,239.44	8,418,879.64

Note: Other expenses are mainly non-recurring expenses such as subsidies for retired staff and other compensations.

(LIII) Income tax expenses

Item	Current year	Previous year
Income tax expenses for the current period	692,006,292.48	545,537,344.98
Adjustment for deferred income tax	-253,870,121.75	-117,218,178.08
Total	438,136,170.73	428,319,166.90

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements
For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

(LIV) Other comprehensive income attributable to owners of the parent company

1. Items and income tax influence of other comprehensive income and transfer of other comprehensive income to profit and loss

Item	Current year			Previous year		
	Pretax amount	Income tax	Net amount after-tax	Pretax amount	Income tax	Net amount after-tax
I. Other comprehensive income to be classified into profits or losses later						
1. Changes arising from the re-measurement of net liabilities or net assets of defined benefit plan						
2. Share in other comprehensive income of the investee that will not be reclassified into profit and loss under the equity method						
3. Changes in fair value of investments in other equity instruments (under new standards)						
4. Changes in the fair value of the enterprise's own credit risk (under new standards)						
II. Other comprehensive income that will be	256,910,772.87	64,227,693.23	192,683,079.64	453,949,307.65	113,487,326.91	340,461,980.74

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements
For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Item	Current year			Previous year		
	Pretax amount	Income tax	Net amount after-tax	Pretax amount	Income tax	Net amount after-tax
reclassified as profits and losses subsequently						
1. Share in other comprehensive income of the investee that will be reclassified into profit and loss under the equity method						
2. Changes in fair value of other debt investments (under new standards)						
3. Gains and losses from changes in fair value of available-for-sale financial assets	256,910,772.87	64,227,693.23	192,683,079.64	453,949,307.65	113,487,326.91	340,461,980.74
Less: the amount included in other comprehensive income in prior periods and transferred to current profits and losses						
Sub-total	256,910,772.87	64,227,693.23	192,683,079.64	453,949,307.65	113,487,326.91	340,461,980.74
III. Total of other comprehensive income	256,910,772.87	64,227,693.23	192,683,079.64	453,949,307.65	113,487,326.91	340,461,980.74

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

2. Adjustment to various items in other comprehensive income					
Item	Balance as at the beginning in previous year	Increases/decreases in the previous year	Balance as at the beginning of the year	Increase or decrease in the current year	Balance as at the end of the year
Profit and loss of change in fair value of available-for-sale financial assets	-812,206,309.00	340,461,980.74	-471,744,328.26	192,683,079.64	-279,061,248.62
Total	-812,206,309.00	340,461,980.74	-471,744,328.26	192,683,079.64	-279,061,248.62

3. Adjustment to various items in other comprehensive income

Item	Profit and loss of change in fair value of available-for-sale financial assets
I. Balance as at the beginning of previous year	-812,206,309.00
II. Increases/decreases in previous year ("-" for decreases)	340,461,980.74
III. Balance as at the beginning of this year	-471,744,328.26
IV. Increases/decreases in this year ("-" for decreases)	192,683,079.64
V. Balance as at the end of this year	-279,061,248.62

(LV) Statement of cash flows

1. Supplementary information to the consolidated statement of cash flows

Item	Current year	Previous year
1. Net profit adjusted to cash flows from operating activities	—	—
Consolidated net income	2,062,476,862.00	998,510,859.07
Plus: provision for assets impairment	226,828,322.76	-7,592,608.47
Credit impairment losses (under new financial standards)	-548,492.86	
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of productive biological assets	331,841,486.79	78,983,026.88
Amortization of intangible assets	21,758,700.75	3,630,253.65
Amortization of long-term deferred expenses	40,423,786.08	3,585,764.39
Losses from disposal of fixed assets, intangible assets and other long-term assets ("-" for gains)	-12,590,338.74	5,308.72
Losses on write-off of fixed assets ("-" for gains)	705,124.48	-99,845.63
Losses from changes in fair value ("-" for gains)		
Financial expenses ("-" for gains)	1,305,136,452.32	658,953,085.29
Investments losses ("-" for gains)	-1,061,332,209.85	-391,201,447.13
Decreases in deferred income tax assets ("-" for increases)	-120,474,505.79	-115,176,687.64
Increase in deferred income tax liabilities ("-" for decreases)	-133,395,615.96	
Decreases in inventories ("-" for increases)	-16,652,557,897.54	-23,081,774,915.60
Decreases in operating receivables ("-" for increases)	3,698,115,539.86	3,328,388,604.48

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Item	Current year	Previous year
Increases in operating payables (“-” for decreases)	9,417,310,041.85	13,587,894,362.12
Others		
Net cash flows from operating activities	-876,302,743.85	-4,935,894,239.87
2. Significant investing and financing activities not involving cash inflows and outflows		—
Transfer of debts into capital		
Convertible corporate bonds maturing within 1 year		
Fixed assets leased from financing		
3. Net change in cash and cash equivalents		—
Ending balance of cash	30,336,484,761.04	13,582,735,026.92
Less: beginning balance of cash	23,842,138,169.14	12,299,701,753.08
Plus: ending balance of cash equivalents		
Less: beginning balance of cash equivalents		
Net increase of cash and cash equivalents	6,494,346,591.90	1,283,033,273.84

2. Cash and cash equivalents

Item	Ending balance	Beginning balance
Cash	30,622,373,207.70	24,178,811,893.34
Including: cash on hand	438,020.13	454,126.05
Unrestricted bank deposits	30,336,046,741.00	23,841,684,043.09
Other unrestricted monetary funds	285,888,446.57	336,673,724.20
Available-for-payment deposits in the central bank		
Deposits with banks and other financial institutions		
Loans to or from banks and other financial institutions		
Cash equivalents		
Including: bond investments maturing within three months		
Ending balance of cash and cash equivalents	30,622,373,207.70	24,178,811,893.34
Including: cash and cash equivalents with restricted use right by parent company or subsidiaries of the Group	285,888,446.57	336,673,724.20

(LXVI) Assets with restrictions on the ownership or right of use

Assets subject to ownership restrictions	Book value as at the beginning of year	Book value as at the end of the year	Reason for restriction
I. Assets used for guarantee	13,299,829,384.10	15,697,214,763.24	
Cash and cash equivalents	315,842,836.05	249,727,136.02	For details, see Note VII, (I), 2
Accounts receivable	98,805,034.99	103,530,107.12	Note 1
Inventories	11,977,609,912.70	13,858,175,575.12	Notes 2 to Notes 10
Fixed assets	170,036,876.36	349,229,624.18	Notes 14-③, Notes 16
Construction in progress		331,019,286.21	Notes 12, 14, 15
Investment properties	737,534,724.00	806,119,482.15	Notes 14-②, Notes 17
II. Asset with its ownership restricted caused by other reasons	173,406,196.15	366,311,436.94	
Cash and cash equivalents	20,830,888.15	36,161,310.64	Deposits frozen due to legal disputes
Others	152,575,308.00	330,150,126.30	Note 11
Total	13,473,235,580.25	16,063,526,200.18	

Note 1: Wuhan Construction Group Co., Ltd. borrowed RMB50,000,000.00 on May 20, 2020 and RMB50,000,000.00 on May 21, 2020 from HSBC Bank (China) Company Limited Wuhan Branch. According to the accounts receivable pledge agreement signed on May 28, 2019, the claims determination period is from October 13, 2014 to May 28, 2024, and the pledged assets under the pledge contract for the debt up to RMB220,000,000.00 are accounts receivable for engineering construction of Hubei Administration of Sport - Hubei Olympic Sports Center functional improvement project (comprehensive stadium and power station), Wuhan Jiangnan District Cultural Bureau - Hankou Cultural and Sports Center underground parking lot project (repair and upgrade of Hankou Cultural and Sports Center and construction of new underground parking lot project) and Wuhan Indemnificatory Housing Investment and Construction Co., Ltd. - Qingshan Old Industrial Shantytown Improvement Project Phase II.

Note 2: Tongbai Company obtained a loan of RMB1.77 billion from China Zheshang Bank Wuhan Branch for a period from October 22, 2020 to October 22, 2023 by pledging the land use right of E (2020) WHSBDCQ No.0000691 with the year-end appraised value of RMB846,994,400.00 and an area of 31,354.94 square meters, 35 commercial properties at Happiness Times Phase IV, 31 Wenxin Road, Jiang'an District with the book value of RMB139,095,890.61, the appraised value of RMB70,852,200.00 and a gross floor area of 4,540.36 square meters, 49 commercial properties at Happiness Times, 335 Houhu Avenue, Jiang'an District with the appraised value of RMB244,718,500.00 and a gross floor area of

12,191.96 square meters, and 50% equity interests in Tongbai Company held by Tongjian Company with the year-end book value of RMB177,574,818.30. As of December 31, 2020, the balance of RMB1,770,000,000.00 was outstanding.

Note 3: Tongjian Company obtained a loan of RMB1.5 billion from CITIC Trust Co., Ltd. by mortgaging Tongjian New Trunk Shops with the year-end book value of RMB410,976,325.21, the appraised value of RMB266,510,000 and a gross floor area of 10,614.34 square meters, Tongjian Tiancheng Meijing Shops with a gross floor area of 13,306.87 square meters and the appraised value of RMB339,630,000), Tongjian Tongan Home Shops with a gross floor area of 14,099.39 square meters and the appraised value of RMB384,970,000, Tongjian Dongfang Yayuan Shops with a gross floor area of 22,781.28 square meters and the appraised value of RMB621,360,000, and Tongjian Tiancheng Meiya Shops with a gross floor area of 4,020.10 square meters and the appraised value of RMB99,470,000. As of December 31, 2020, the balance of RMB1,500,000,000.00 was outstanding.

Note 4: Tongjian Company obtained a loan of RMB100 million from Industrial Bank Co., Ltd. with Wuhan Economic Development Zone Parcel 55R2 with the year-end book value of RMB1,141,751,055.00 and an area of 63,612.12 square meters as collateral. As of December 31, 2020, the balance of RMB327,080,000.00 was outstanding.

Note 5: Tongjian Zhicheng Company obtained a loan of RMB230 million from Industrial Bank Co., Ltd. by mortgaging the land of E (2018) WHSJKBDCQ No.0019842 with the book value of RMB324,710,000.00 and an area of 93,848 square meters for a period from July 18, 2019 to July 18, 2022. As of December 31, 2020, the balance of RMB111,000,000.00 was outstanding.

Note 6: Tongjian Company obtained a loan of RMB590 million from Hubei Financial Leasing Co., Ltd. by mortgaging a total of 340 properties including 271 commercial properties at Dongfang Yayuan and 69 properties at Tongjian office buildings with the book value of RMB174,092,745.99 for a period from December 22, 2020 to December 23, 2023. As of December 31, 2020, the balance of RMB200,000,000.00 was outstanding.

Note 7: Taiheng Company obtained a loan of RMB255,339,000.00 from Zhejiang Commercial Bank Wuhan Branch by mortgaging the land of E (2018) WHSJXBDCQ No.0029942 with the book value of RMB364,770,000.00 and an area of 46,556.54 square meters, for a period from January 9, 2020 to November 25, 2022. As of December 31, 2020, the balance of RMB102,129,000.00 was outstanding.

Note 8: Shaoxing Dibo Real Estate Co., Ltd. obtained a mortgage loan of RMB2,000,000,000.00 from Huaxia Bank Co., Ltd. Shaoxing Branch with Parcel 03-04-1, Lingzhi Street, Yuecheng District with the book value of RMB3,812,000,000, the appraised value of RMB4,500,341,640.00 and the mortgage value of RMB3,000,000,000.00 as collateral. As of December 31, 2020, the balance of RMB1,750,000,000.00 was outstanding.

Note 9: Wuhan Bogui Real Estate Co., Ltd. obtained a mortgage loan of RMB299,000,000.00 from Wuhan Rural Commercial Bank Jiang'an Branch by pledging land use rights with the book value of RMB1,015,000,000 and the appraised value of RMB1,078,349,900.00 as collateral. As of December 31, 2020, the balance of RMB299,000,000.00 was outstanding.

Note 10: ①Wuhan Zhongcheng Yuecheng Real Estate Development Co., Ltd. obtained a loan of RMB120,500,000.00 from Hubei Financial Leasing Co., Ltd. by mortgaging the facilities and

equipment related to the commercial part of 5#, 14# and 15# of Parcel K2 with the book value of RMB154,451,005.12 in the development cost as collateral.

② Wuhan Zhongcheng Longhu Real Estate Development Co., Ltd. obtained a long-term loan of RMB1,199,800,000.00 from Shanghai Pudong Development Bank Co., Ltd. Wuhan Branch by using the land use right with the book value of RMB1,278,900,000.00 in the development cost as collateral.

③ Wuhan Central Business District Investment and Development Co., Ltd. obtained a short-term loan of RMB600,000,000.00 from Hubei Financial Leasing Co., Ltd. by using 7 buildings in progress on Parcel 5# of the Huaafa Zhongchenghui Project with the book value of RMB690,840,483.77 in the development cost as collateral.

④ Wuhan Central Business District Investment Holding Group Co., Ltd. obtained a long-term loan of RMB650,000,000.00 from Bank of Communications Co., Ltd. Wuhan Jiang'an Subbranch by using the land use right with the book value of RMB268,537,375.26 of the reserved land and the fixed-assets buildings with the original value of RMB43,573,688.71 and the net value of RMB25,876,906.66 as collateral.

⑤ Wuhan Zhongcheng Changxin Real Estate Co., Ltd. obtained a long-term loan of RMB1.3 billion from China Cinda Asset Management Co., Ltd. Hubei Branch with land use rights with the book value of RMB2,598,791,804.72 in the development cost as collateral.

⑥ Wuhan Central Business District Urban Construction Development Co., Ltd. signed the Financial Lease Contract with Everbright Financial Leasing Co., Ltd. in May 2020 to obtain a loan of RMB800,000,000.00, with Wuhan Central Business District Investment Holding Group Co., Ltd. bearing joint and several liability as a guarantee, and 100% equity interests in Wuhan Zhongcheng Longhu Real Estate Development Co., Ltd. held by Wuhan Central Business District Urban Construction Development Co., Ltd. as pledge. Meanwhile, the parking spaces of Wuhan Zhongcheng Real Estate Development Co., Ltd., Wuhan Central Business District Urban Construction Development Co., Ltd., Wuhan Zhongcheng Shangpin Real Estate Development Co., Ltd., Wuhan Zhongcheng Yuecheng Real Estate Development Co., Ltd. and Wuhan Zhongcheng Times Real Estate Development Co., Ltd. with the total book value of RMB525,495,652.90 were mortgaged.

Note 11: Chengkai Company obtained a loan of RMB250 million from ICBC Jiang'an Subbranch with 60% equity interests in Jinsha Peninsula with the year-end book value of RMB152,575,308.00 as pledge, for a period from November 30, 2016 to November 30, 2021. As of December 31, 2020, the balance of RMB60,000,000 was outstanding.

Note 12: Dikong Xinsheng Company obtained a loan of RMB1,300,000,000.00 from CITIC Bank Wuhan Branch by mortgaging construction in progress (book value of RMB422,128,661.84) with an appraised value of RMB35,527,600.00, west of Jiefang Avenue and south of Xingye Road in Jiang'an District (Parcel A of K1 Project in Danxi Area), for a period from June 28, 2020 to June 28, 2023. As of December 31, 2020, the balance of RMB1,199,000,000.00 was outstanding.

Note 13: Dikong Xinsheng Company obtained a loan of RMB300,000,000.00 from Industrial Bank Wuhan Branch by mortgaging construction in progress (book value of RMB422,128,661.84) with the present value of RMB57,124,900.00 and a total construction area of 4,559.23 square meters, west of Jiefang Avenue and south of Xingye Road in Jiang'an District (Parcel A of K1

Project in Danxi Area), for a period from November 10, 2020 to November 9, 2023. As of December 31, 2020, the balance of RMB300,000,000.00 was outstanding.

Note 14: ① Wuhan Jiangong Fuqiang Real Estate Co., Ltd. obtained a loan of RMB100,000,000.00 from Industrial and Commercial Bank of China Ltd. on March 25, 2020, with the loan contract number of 0181700030-2020 (LJ) Z No.00011. The assets pledged under the loan contract are Hubei Wujian Fuqiang Company's land (the land use right certificate number is E 2019 ESSBDCQ No.0003842) and construction in progress (with an area of 21,053.75 square meters) located in Sankongqiao Community, Wuyangba Sub-district Office, Enshi City, and the use right is restricted.

② Wuhan Fuqiang Tiansheng Real Estate Co., Ltd. borrowed a total of RMB424,000,000.00 from Bank of Communications Wuhan Wusheng Subbranch from August 2019 to December 2020, with loan contract numbers of A701WS19032, A701WS19017, A701WS19031 and A701WS20023. The assets mortgaged in the loan contracts are assets of the project investment company including Parcel 2C1 of Wuhan Economic and Technological Development Zone and floors 3 to 7, 19 to 22, and 24 to 31 of Wuhan Construction Technology Center, with the right certificate number of E (2018) WHSJKBDCQ No.0023722; construction in progress Wu Jian - Longyue Shangcheng Project of Tiansheng located in Panlongcheng Economic Development Zone, Huangpi District, north of Xinglong Road, east of Songjiagang East Road. The right to use the above assets is restricted.

③ Wuhan Huada Architectural Decoration and Design Engineering Co., Ltd. mortgaged its fixed assets of Rooms 603-605 and Room 608 of Zhaoyin Building, No. 66-5, Youth Road, Jiangnan District. The year-end book value of the fixed assets was RMB216,166.38.

Note 15: Wuhan DuBao Real Estate Co., Ltd. signed the RMB Syndicated Loan Contract for Jiangguo Road Tiangong New Rental Housing Project with Bank of Communications Hubei Branch and China Construction Bank Wuhan Jiang'an Subbranch on September 23, 2019, and obtained a credit line of RMB500 million with the construction in progress (Tiangong New Rental Housing) whose year-end book value was RMB331,019,286.21 as collateral. As of December 31, 2020, a long-term loan of RMB70 million was obtained.

Note 16: Wuhan 2049 Group Co., Ltd. entered into 5 fixed-asset loan contracts with Bank of Communications Co., Ltd. Wuhan Hanyang Subbranch, for loans totaling RMB114,300,000.00 for a period from August 12, 2015 to August 12, 2025 at a fixed annual interest rate of 4.9%, with the assets of E Steel Building (now renamed Bauhaus Building) under the name of the company as collateral.

Note 17: ① Wuhan Zhongcheng Industrial Development Co., Ltd. and Hubei Financial Leasing Co., Ltd. entered into the Financial Lease Contract (JZZHZ No.006 [2019]) for a loan of RMB202,500,000.00. The subsidiary Zhongcheng Real Estate, as the mortgagor, entered into the Mortgage Contract (JZDZ No.006 [2019]) with Hubei Financial Leasing Co., Ltd. with the property located at the podium of Building 1 and 1-3/F, Building 2, Phase I of Century City (Zhongcheng International) at the intersection of Jingnan Avenue and Public Security Road in Jiang'an District as collateral. The year-end book value of the investment property was RMB426,556,855.00.

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

② Wuhan Central Business District Investment Holding Group Co., Ltd. mortgaged the investment property of 7/F (F1,H,G) block at the northeast corner of Dongfang Shangdu: rooms 1-2, -1/F to 4/F, Youth Square, Jiangnan District as collateral for a loan of RMB1,200,000,000.00 from China Construction Bank Co., Ltd. Wuhan Jiang'an Subbranch. The year-end book value of the investment property was RMB357,718,700.00.

(LVII) Foreign currency monetary items

(1) Foreign currency monetary items

Item	Ending balance of foreign currency	Exchange rate of conversion	Ending balance in RMB
Cash and cash equivalents			
Including: USD	1.00	6.52	6.52
RM	265.00	1.62	428.52
THB	2,000.00	0.22	435.77

(2) Notes to overseas operating entity

None.

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

(LVIII) Government grants

(1) Government grants recognized in the current period

Grants	Amount	Associated with assets		Related to gains			Whether actually received
		Deferred income	Against book value of assets	Deferred income	Other income	Non-operating income	Against costs
Subsidy for stabilizing posts	39,970,325.92				39,970,325.92		Yes
Forestry Bureau's subsidies for Garden Expo Park operations	30,500,000.00				30,500,000.00		Yes
Funds for construction of supporting infrastructure for guaranteed housing projects	73,890,000.00				73,890,000.00		Yes
Refunds of value-added tax	3,327,388.95				3,327,388.95		Yes
Subsidy for epidemic prevention	2,350,785.09				2,350,785.09		Yes
Enterprise support money	1,191,400.00				1,191,400.00		Yes
Other income	981,349.56				981,349.56		Yes
Work-for-training subsidy	659,000.00				659,000.00		Yes
Government car subsidy	599,927.04				599,927.04		Yes
Temporary office construction subsidy	468,924.67				468,924.67		Yes
Tax relief	520,239.71				520,239.71		Yes
Maternity insurance rebate	305,116.35				305,116.35		Yes
Research and development funds	144,000.00				144,000.00		Yes

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Grants	Amount	Associated with assets		Related to gains				Whether actually received
		Deferred income	Against book value of assets	Deferred income	Other income	Non-operating income	Against costs	
Government's subsidy for red property services	134,500.00				134,500.00			Yes
Loan subsidies for relief funds	1,709,848.23				1,709,848.23			Yes
High-tech enterprise recognition subsidy	300,000.00				300,000.00			Yes
Garden Bureau's subsidies for nursery maintenance and new seedling introduction	95,100.00				95,100.00			Yes
Comprehensive management assessment reward of Wuhan Caidian District Housing and Urban-Rural Development Bureau	84,905.66				84,905.66			Yes
Tax contribution reward	68,900.00				68,900.00			Yes
Government subsidies irrelevant to the daily activities of the Company	10,073,671.80					10,073,671.80		Yes
Others	4,266,324.11				4,266,324.11			Yes
Total	171,641,707.09			-	161,568,035.29	10,073,671.80		
(2) Government grants included in current profit and loss								
Grants		Associated with		Credited to		Credited to		Against costs

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements
For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

	assets/income	Other income	Non-operating income
Subsidy for stabilizing posts	Associated with gains	39,970,325.92	
Forestry Bureau's subsidies for Garden Expo Park operations	Associated with gains	30,500,000.00	
Funds for construction of supporting infrastructure for guaranteed housing projects	Associated with gains	73,890,000.00	
Refunds of value-added tax	Associated with gains	3,327,388.95	
Subsidy for epidemic prevention	Associated with gains	2,350,785.09	
Enterprise support money	Associated with gains	1,191,400.00	
Other income	Associated with gains	981,349.56	
Work-for-training subsidy	Associated with gains	659,000.00	
Government car subsidy	Associated with gains	599,927.04	
Temporary office construction subsidy	Associated with gains	468,924.67	
Tax relief	Associated with gains	520,239.71	
Maternity insurance rebate	Associated with gains	305,116.35	
Research and development funds	Associated with gains	144,000.00	
Government's subsidy for red property services	Associated with gains	134,500.00	
Loan subsidies for relief funds	Associated with gains	1,709,848.23	
High-tech enterprise recognition subsidy	Associated with gains	300,000.00	
Garden Bureau's subsidies for nursery maintenance and new seedling introduction	Associated with gains	95,100.00	
Comprehensive management assessment reward of Wuhan Caidian	Associated with gains	84,905.66	

Grants	Associated with assets/income	Credited to		Against costs
		Other income	Non-operating income	
District Housing and Urban-Rural Development Bureau				
Tax contribution reward	Associated with gains	68,900.00		
Government subsidies irrelevant to the daily activities of the Company	Associated with gains		10,073,671.80	
Others	Associated with gains	4,266,324.11		
Total	--	161,568,035.29	10,073,671.80	

(3) Government grants returned during the period

None.

VIII. Equities in other entities

1. Rights and interests in subsidiaries

(1) Structure of the enterprise group

S/N	Name of subsidiaries	Main premise	Registration place	Business nature	Shareholding ratio (%)		Method of acquisition
					Direct	Indirect	
1	Wuhan Real Estate Group Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development	100.00		Investment
2	Wuhan Hengrong Real Estate Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		100.00	Investment
3	Wuhan Taiheng Real Estate Development Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		51.00	Investment
4	Wuhan Real Estate Group Optical Valley Real Estate Development Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		100.00	Investment

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements
For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

S/N	Name of subsidiaries	Main premise	Registration place	Business nature	Shareholding ratio (%)		Method of acquisition
					Direct	Indirect	
5	Wuhan Real Estate Group Zhiyin Real Estate Development Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		100.00	Investment
6	Wuhan Xiangyue Real Estate Development Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		100.00	Investment
7	Wuhan Xiangyuan Real Estate Development Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		100.00	Investment
8	Wuhan Changyue Real Estate Development Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		100.00	Investment
9	Wuhan Changyuan Real Estate Development Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		100.00	Investment
10	Wuhan Tianhui Longcheng Real Estate Development Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		100.00	Investment
11	Wuhan Lingyue Real Estate Development Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		51.00	Investment
12	Wuhan Puyue Real Estate Development Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		51.00	Investment
13	Wuhan Hengda Housing Development and Decoration Engineering Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		62.52	Investment
14	Wuhan Qingyue Zhihe Real Estate Development Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		51.00	Investment
15	Chongqing Wudi Mingyue Real Estate Development Co., Ltd.	Chongqing	Chongqing	Real estate development		65.00	Investment
16	Xiamen Yiwudi Real Estate Co., Ltd.	Xiamen,	Xiamen,	Real estate		51.00	Investment

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements
For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

S/N	Name of subsidiaries	Main premise	Registration place	Business nature	Shareholding ratio (%)		Method of acquisition
					Direct	Indirect	
		Fujian	Fujian	development			
17	Xiamen Zhaoyuelong Real Estate Development Co., Ltd.	Xiamen, Fujian	Xiamen, Fujian	Real estate development		51.00	Investment
18	Wuhan Dikong Jincheng Real Estate Development Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		51.00	Investment
19	Wuhan Real Estate Shaoxing Tongjian City Development Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		90.00	Investment
20	Wuhan Dikong Xinsheng Real Estate Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		51.00	Investment
21	Wuhan Bogui Real Estate Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		100.00	Investment
22	Shaoxing Wudi Zhenya Real Estate Co., Ltd.	Shaoxing, Zhejiang	Shaoxing, Zhejiang	Real estate development		51.00	Investment
23	Shaoxing Dibo Real Estate Co., Ltd.	Shaoxing, Zhejiang	Shaoxing, Zhejiang	Real estate development		51.00	Investment
24	Wuhan Dirun Zhihe Real Estate Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		51.00	Investment
25	Wuhan Yunsheng Zhihe Real Estate Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		100.00	Investment
26	Wuhan Dikong Shengyuan Real Estate Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		100.00	Investment
27	Zhejiang Wuyue Real Estate Co., Ltd.	Shaoxing, Zhejiang	Shaoxing, Zhejiang	Real estate development		100.00	Investment

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements
For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

S/N	Name of subsidiaries	Main premise	Registration place	Business nature	Shareholding ratio (%)		Method of acquisition
					Direct	Indirect	
28	Wuhan Chengkai Real Estate Development Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		70.26	Investment
29	Wuhan Chengxing Real Estate Agency Consulting Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate agency services		69.97	Investment
30	Wuhan Chengkai Tianhui Real Estate Development Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		70.26	Investment
31	Wuhan Jinsha Peninsula Real Estate Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		42.16	Investment
32	Wuhan Chengkai Jingkai Real Estate Development Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		70.26	Investment
33	Wuhan Chengkai Yixin Real Estate Development Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		70.26	Investment
34	Wuhan Zhong'erlian Real Estate Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		67.34	Investment
35	Wuhan Chengrun Real Estate Development Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		66.00	Investment
36	Wuhan Zhong'elian Tianhui Real Estate Development Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		67.34	Investment
37	Wuhan Tongjian City Development Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		57.16	Investment
38	Wuhan Tiancheng Meijing Real Estate Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		57.16	Investment
39	Wuhan Tongjian (Xianning) Urban Development	Xianning,	Xianning,	Real estate		45.72	Investment

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements
For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

S/N	Name of subsidiaries	Main premise	Registration place	Business nature	Shareholding ratio (%)		Method of acquisition
					Direct	Indirect	
	Co., Ltd.	Hubei	Hubei	development			
40	Wuhan Tongjian (Jingzhou) City Development Co., Ltd.	Xianning, Hubei	Xianning, Hubei	Real estate development		57.16	Investment
41	Wuhan Tongjian Zhixin Real Estate Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		57.16	Investment
42	Hubei Tiancheng Meiya Real Estate Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		57.16	Investment
43	Wuhan Tongjian Zhicheng Real Estate Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		57.16	Investment
44	Wuhan Tongjian Tianhui Real Estate Development Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		57.16	Investment
45	Wuhan Tongjian Baibuting United Real Estate Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		57.16	Investment
46	Wuhan Tongbai Asset Management Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		57.16	Investment
47	Wuhan Xingyuesheng Real Estate Development Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		76.05	Investment
48	Zhejiang Hanyu Real Estate Co., Ltd.	Shaoxing, Zhejiang	Shaoxing, Zhejiang	Real estate development		100.00	Investment
49	Ningbo Hanrong Real Estate Co., Ltd.	Ningbo, Zhejiang	Ningbo, Zhejiang	Real estate development		90.00	Investment
50	Ningbo Wuchuang Real Estate Co., Ltd.	Ningbo, Zhejiang	Ningbo, Zhejiang	Real estate development		90.00	Investment

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements
For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

S/N	Name of subsidiaries	Main premise	Registration place	Business nature	Shareholding ratio (%)		Method of acquisition
					Direct	Indirect	
51	Wuhan Real Estate Group Oriental Property Management Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Property management	97.89		Investment
52	Wuhan Real Estate Checheng Development and Investment Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development	100.00		Investment
53	Wuhan Chengkai Xinxing Building Materials Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Sale of materials	66.67		Investment
54	Wuhan City Guaranteed Housing Investment and Construction Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Guaranteed housing purchase and operation	100.00		Investment
55	Wuhan Baolong Real Estate Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		70.64	Investment
56	Wuhan Qintai Asset Management Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Asset management	100.00		Investment
57	Wuhan Jiankai General Engineering Contracting Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Project construction	100.00		Investment
58	Wuhan Jiankai Labor Subcontracting Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Labor dispatching service		100.00	Investment
59	Wuhan Chengxing United Technology Development Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Material production R&D and technical services	51.00		Investment
60	Yixing Chengxing United Material Technology Co., Ltd.	Yixing, Jiangsu	Yixing, Jiangsu	New material technology research and development		51.00	Investment

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements
For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

S/N	Name of subsidiaries	Main premise	Registration place	Business nature	Shareholding ratio (%)		Method of acquisition
					Direct	Indirect	
61	Wuhan City Development Investment Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Land development at level 1 and real estate development	100.00		Investment
	Wuhan City Construction Debt Investment No.1 Pooled Fund Trust Plan	Wuhan, Hubei	Wuhan, Hubei	Land development at level 1 and real estate development	25.00		Investment
62	Wuhan Xinyuejia Real Estate Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		100.00	Investment
63	Wuhan Jinyue Real Estate Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		100.00	Investment
64	Wuhan Jinyue Real Estate Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		100.00	Investment
65	Wuhan Chengfa Yuancheng Real Estate Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		100.00	Investment
66	Wuhan Real Estate Development Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		100.00	Investment
67	Wuhan Fangkai Tianqin Real Estate Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		100.00	Investment
68	Wuhan Jialian Real Estate Development Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		96.30	Investment
69	Wuhan Wufang Property Development Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Property management		100.00	Investment
70	Wuhan City Construction Debt Investment No.1	Wuhan,	Wuhan,	Trust plan		25%	Investment

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements
For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

S/N	Name of subsidiaries	Main premise	Registration place	Business nature	Shareholding ratio (%)		Method of acquisition
					Direct	Indirect	
	Pooled Fund Trust Plan	Hubei	Hubei				
71	Wuhan Human Defense Engineering Special Equipment Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Manufacturing	100.00		Investment
72	Wuhan Tongsheng Mining Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Mining equipment production and sales and drilling engineering services		100.00	Investment
73	Wuhan Xinyanyang Human Defense Engineering Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Construction and installation		100.00	Investment
74	Wuhan Chengfa Investment Fund Management Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Fund management investment	55.00		Investment
75	Wuhan Cultural and Creative Industry Investment Development Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Cultural and creative industry investment and financing	85.00		Investment
76	Wuhan Ying Hotel Property Management Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Hotel management and property services	100.00		Allocation without compensation
77	WuHan Urban Construction Group Construction Management Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Construction decoration and other construction industry	100.00		Investment
78	Wuhan Huize Rongling Municipal Engineering Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		60.00	Investment
79	Wuhan Hongcheng Engineering Consulting	Wuhan,	Wuhan,	Houses and buildings	72.29		Allocation

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements
For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

S/N	Name of subsidiaries	Main premise	Registration place	Business nature	Shareholding ratio (%)		Method of acquisition
					Direct	Indirect	
	Management Co., Ltd.	Hubei	Hubei				without compensation
80	Wuhan Renda Printing Factory	Wuhan, Hubei	Wuhan, Hubei	Packaging and decoration and other printing	100.00		Allocation without compensation
81	Wuhan Education Real Estate Development Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development	100.00		Allocation without compensation
82	Wuhan Hangyu Culture Service Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Other cultural articles retailing		100.00	Allocation without compensation
83	Wuhan Engineering Consulting Department	Wuhan, Hubei	Wuhan, Hubei	Other professional consulting and investigation	100.00		Allocation without compensation
84	Wuhan Xinji Construction Project Management Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Project management services		100.00	Allocation without compensation
85	Wuhan Jizhi Engineering Construction Supervision Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Engineering supervision services		100.00	Allocation without compensation
86	Hubei Huaqin Construction Engineering Consulting Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Other professional consulting and investigation		100.00	Allocation without compensation

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements
For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

S/N	Name of subsidiaries	Main premise	Registration place	Business nature	Shareholding ratio (%)		Method of acquisition
					Direct	Indirect	
87	Wuhan Wuzi Bidding Agency Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Other professional consulting and investigation		100.00	Allocation without compensation
88	Wuhan Wuzi Information Technology Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Other professional consulting and investigation		100.00	Allocation without compensation
89	Wuhan 2049 Group Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Design services	100.00		Allocation without compensation
90	Wuhan 2049 Construction Development Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Investment and assets management		100.00	Allocation without compensation
91	Wuhan Transportation Planning and Design Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Design services		100.00	Allocation without compensation
92	Wuhan Jianghua Industrial Development Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		100.00	Allocation without compensation
93	Wuhan Jiangzhihua Real Estate Technical Service Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		100.00	Allocation without compensation
94	Wuhan Planning and Design Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Engineering survey activities		100.00	Allocation without compensation

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements
For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

S/N	Name of subsidiaries	Main premise	Registration place	Business nature	Shareholding ratio (%)		Method of acquisition
					Direct	Indirect	
							compensation
95	Wuhan Zhiyue Water Ecology Technology Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Water source and water supply facilities engineering construction		100.00	Allocation without compensation
96	Wuhan Survey and Design Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Geological survey technical services		100.00	Allocation without compensation
97	Wuhan Changsha Foundation Engineering Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Contracting pile foundation engineering construction		100.00	Allocation without compensation
98	Wuhan Tianhan Engineering Quality Inspection Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Testing services		100.00	Allocation without compensation
99	Wuhan Urban Estate Investment & Development Group Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Other integrated management services	99.19		Allocation without compensation
100	Wuhan Dubao Real Estate Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		91.31	Allocation without compensation
101	Wuhan Urban Deya Commercial Operation Management Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Park management services		59.51	Allocation without

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements
For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

S/N	Name of subsidiaries	Main premise	Registration place	Business nature	Shareholding ratio (%)		Method of acquisition
					Direct	Indirect	
							compensation
102	Wuhan Jimei Real Estate Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		99.19	Allocation without compensation
103	Wuhan Urban Shuncheng Real Estate Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Property management		59.51	Allocation without compensation
104	Wuhan Central Business District Investment Holding Group Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Investment and assets management	100.00		Allocation without compensation
105	Wuhan Central Business District Asset Management Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Investment and assets management		100.00	Allocation without compensation
106	Wuhan Central Business District Real Estate Management Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Property management		100.00	Allocation without compensation
107	Wuhan Central Business District Parking Management Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Property management		100.00	Allocation without compensation
108	Wuhan Central Business District Property Management Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Property management		100.00	Allocation without compensation
109	Wuhan Central Business District Human Resource	Wuhan,	Wuhan,	Human resource		100.00	Allocation

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements
For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

S/N	Name of subsidiaries	Main premise	Registration place	Business nature	Shareholding ratio (%)		Method of acquisition
					Direct	Indirect	
	Management Co., Ltd.	Hubei	Hubei	services			without compensation
110	Wuhan Central Business District Cultural Communication Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Culture and art industry		100.00	Allocation without compensation
111	Wuhan Central Business District Sports Development Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Culture and art industry		100.00	Allocation without compensation
112	Wuhan Zhongcheng Yiju Marketing Planning Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate consultancy and brokerage services		55.00	Allocation without compensation
113	Wuhan Central Business District Urban Construction Development Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		100.00	Allocation without compensation
114	Wuhan Zhongcheng Times Real Estate Development Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		100.00	Allocation without compensation
115	Wuhan Zhongcheng Yuecheng Real Estate Development Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		100.00	Allocation without compensation
116	Wuhan Zhongcheng Changxin Real Estate Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		51.00	Allocation without compensation

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements
For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

S/N	Name of subsidiaries	Main premise	Registration place	Business nature	Shareholding ratio (%)		Method of acquisition
					Direct	Indirect	
117	Wuhan Yuanwaiyuan Green Landscape Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Construction and installation		100.00	Allocation without compensation
118	Wuhan Zhongcheng Industrial Development Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		100.00	Allocation without compensation
119	Enshi Zhongcheng Cultural Tourism Development Co., Ltd.	Enshi, Hubei	Enshi, Hubei	Tourism resources development and operation		100.00	Allocation without compensation
120	Wuhan Jinwanjia Real Estate Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		100.00	Allocation without compensation
121	Wuhan Zhongcheng Keyuan Real Estate Development Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		51.00	Allocation without compensation
122	Wuhan Zhongcheng Shangpin Real Estate Development Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		100.00	Allocation without compensation
123	Wuhan Zhongcheng Shangzhi Property Operation Management Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		100.00	Allocation without compensation
124	Wuhan Zhongchengjia Property Service Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Property management		100.00	Allocation without compensation

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements
For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

S/N	Name of subsidiaries	Main premise	Registration place	Business nature	Shareholding ratio (%)		Method of acquisition
					Direct	Indirect	
125	Wuhan Yangluo Water Town Resort Management Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		100.00	Allocation without compensation
126	Wuhan Zhongcheng Longhu Real Estate Development Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		100.00	Allocation without compensation
127	Wuhan Zhongcheng Chengguang Real Estate Development Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		50.00	Allocation without compensation
128	Enshi Yunya Real Estate Development Co., Ltd.	Enshi, Hubei	Enshi, Hubei	Real estate development		100.00	Allocation without compensation
129	Enshi Yunshang Real Estate Development Co., Ltd.	Enshi, Hubei	Enshi, Hubei	Real estate development		100.00	Allocation without compensation
130	Enshi Banshan Real Estate Development Co., Ltd.	Enshi, Hubei	Enshi, Hubei	Real estate development		100.00	Allocation without compensation
131	Enshi Yuntao Real Estate Development Co., Ltd.	Enshi, Hubei	Enshi, Hubei	Real estate development		100.00	Allocation without compensation
132	Enshi Yunding Real Estate Development Co., Ltd.	Enshi, Hubei	Enshi, Hubei	Real estate development		100.00	Allocation without compensation

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements
For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

S/N	Name of subsidiaries	Main premise	Registration place	Business nature	Shareholding ratio (%)		Method of acquisition
					Direct	Indirect	
				development			without compensation
133	Enshi Yungu Real Estate Development Co., Ltd.	Enshi, Hubei	Enshi, Hubei	Real estate development		100.00	Allocation without compensation
134	Enshi Yunjing Real Estate Development Co., Ltd.	Enshi, Hubei	Enshi, Hubei	Real estate development		100.00	Allocation without compensation
135	Enshi Yunling Real Estate Development Co., Ltd.	Enshi, Hubei	Enshi, Hubei	Real estate development		100.00	Allocation without compensation
136	Wuhan Zhongcheng Hongfang Real Estate Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		100.00	Allocation without compensation
137	Wuhan Zhongcheng Bin'an Real Estate Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		100.00	Allocation without compensation
138	Wuhan Zhongcheng Industry Investment Management Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		100.00	Allocation without compensation
139	Wuhan Zhongcheng Jiye Investment Center (Limited Partnership)	Wuhan, Hubei	Wuhan, Hubei	Investment and assets management		1.46	Allocation without compensation

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements
For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

S/N	Name of subsidiaries	Main premise	Registration place	Business nature	Shareholding ratio (%)		Method of acquisition
					Direct	Indirect	
140	Wuhan Zhongcheng Real Estate Development Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		8.44	Allocation without compensation
141	Wuhan CBD Investment & Development Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		49.00	Allocation without compensation
142	Wuhan Huaqi Real Estate Development Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		49.00	Allocation without compensation
143	Wuhan Huayicheng Real Estate Development Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		49.00	Allocation without compensation
144	Wuhan Huazhongtuo Real Estate Development Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		49.00	Allocation without compensation
145	Wuhan Landscape Construction Development (Group) Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Other professional forestry and auxiliary activities	100.00		Allocation without compensation
146	Hankouli Holdings Limited	Wuhan, Hubei	Wuhan, Hubei	Security system monitoring services		100.00	Allocation without compensation
147	Wuhan Yellow Crane Tower Tourism Distribution Center Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Travel agency and related services		100.00	Allocation without compensation

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements
For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

S/N	Name of subsidiaries	Main premise	Registration place	Business nature	Shareholding ratio (%)		Method of acquisition
					Direct	Indirect	
148	Wuhan Yuanbo Wedding Culture Development Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Marriage service		70.00	Allocation without compensation
149	Wuhan Tanhui Ecological Technology Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Software development		100.00	Allocation without compensation
150	Yangtze River Civilization Hall Operation and Management Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Exhibition Hall Operation and Management		100.00	Allocation without compensation
151	Wuhan Blockchain Industrial Park Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Software development		100.00	Allocation without compensation
152	Wuhan Yuanbo Auto Management Service Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Car rental		100.00	Allocation without compensation
153	Wuhan Chunjiang Auto Repair Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Automobile repair and maintenance		100.00	Allocation without compensation
154	Direct Branch of Wuhan Chunjiang Automobile Rental Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Cab passenger transport		100.00	Allocation without compensation
155	Jiangnan Branch of Wuhan Chunjiang Automobile	Wuhan,	Wuhan,	Cab passenger		100.00	Allocation

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements
For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

S/N	Name of subsidiaries	Main premise	Registration place	Business nature	Shareholding ratio (%)		Method of acquisition
					Direct	Indirect	
	Rental Co., Ltd.	Hubei	Hubei	transport			without compensation
156	Wuhan Sanchu Construction Supervision Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Project management services		100.00	Allocation without compensation
157	Wuhan Garden Construction Management Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Project management services		100.00	Allocation without compensation
158	Wuhan Garden Sculpture Institute	Wuhan, Hubei	Wuhan, Hubei	Construction and installation		100.00	Allocation without compensation
159	Wuhan Riye Shanshui Sculpture Design Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Construction and installation		100.00	Allocation without compensation
160	Wuhan Baiquan Nursery	Wuhan, Hubei	Wuhan, Hubei	Seedling and flower planting		100.00	Allocation without compensation
161	Wuhan Garden Construction Engineering Company	Wuhan, Hubei	Wuhan, Hubei	Landscaping project implementation		100.00	Allocation without compensation
162	Wuhan Yuanjian Landscape Engineering Design Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Engineering supervision services		100.00	Allocation without compensation

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements
For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

S/N	Name of subsidiaries	Main premise	Registration place	Business nature	Shareholding ratio (%)		Method of acquisition
					Direct	Indirect	
163	Wuhan Tangmaodeng Labor Service Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Building curtain wall decoration and renovation		100.00	Allocation without compensation
164	Wuhan Lanyin Greening Maintenance Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Greening management		100.00	Allocation without compensation
165	Wuhan Garden Construction Group Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Other construction installation		100.00	Allocation without compensation
166	Wuhan Garden Architecture Planning and Design Research Institute Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Engineering supervision services		100.00	Allocation without compensation
167	Wuhan Garden Institute Landscape Engineering Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Project management services		100.00	Allocation without compensation
168	Wuhan Chuangran Ecological Garden Engineering Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Other construction installation		100.00	Allocation without compensation
169	Wuhan Shuan Nursery Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Forest tree nursery		100.00	Allocation without compensation
170	Wuhan Flower and Tree Company	Wuhan, Hubei	Wuhan, Hubei	Other construction installation		100.00	Allocation without compensation

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements
For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

S/N	Name of subsidiaries	Main premise	Registration place	Business nature	Shareholding ratio (%)		Method of acquisition
					Direct	Indirect	
171	Jingzhou Muben Garden and Landscape Engineering Co., Ltd.	Jingzhou, Hubei	Jingzhou, Hubei	Other construction installation		100.00	Allocation without compensation
172	Ezhou Lvyuan Flower and Tree Co., Ltd.	Ezhou, Hubei	Ezhou, Hubei	Other construction installation		100.00	Allocation without compensation
173	Wuhan Urban Gardening Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Construction of landscaping projects		100.00	Allocation without compensation
174	Wuhan Kefa Gardening & Greening Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Landscaping engineering design		100.00	Allocation without compensation
175	Wuhan Changjiang Ecological Real Estate Investment Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		100.00	Allocation without compensation
176	Wuhan Construction Engineering (Group) Co. Ltd.	Wuhan, Hubei	Wuhan, Hubei	Other civil engineering construction	100.00		Allocation without compensation
177	Wuhan Construction Industry Group Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Other construction installation		92.16	Allocation without compensation
178	Jingzhou Wujian Construction Engineering Co.,	Jingzhou,	Jingzhou,	Other construction		92.16	Allocation

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements
For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

S/N	Name of subsidiaries	Main premise	Registration place	Business nature	Shareholding ratio (%)		Method of acquisition
					Direct	Indirect	
	Ltd.	Hubei	Hubei	installation			without compensation
179	Wuhan Yanhe Avenue Construction Development Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Other civil engineering construction		92.12	Allocation without compensation
180	Wuhan Jiangong Huada Architectural Decoration and Design Engineering Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Public building decoration and renovation		32.26	Allocation without compensation
181	Wuxue North Station Wujian High-speed Railway Plaza Construction Management Co., Ltd.	Huanggang, Hubei	Huanggang, Hubei	Other civil engineering construction		82.94	Allocation without compensation
182	Wuhan Jiangong Intelligent Technology Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Other civil engineering construction		92.16	Allocation without compensation
183	Wuhan Jiangong Xinxiang Technology Development Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Cement manufacturing		41.47	Allocation without compensation
184	Wuhan Jiangong Fuqiang Real Estate Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		97.16	Allocation without compensation
185	Wuhan Jiangong Project Investment Management Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Property management		97.06	Allocation without compensation

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements
For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

S/N	Name of subsidiaries	Main premise	Registration place	Business nature	Shareholding ratio (%)		Method of acquisition
					Direct	Indirect	
186	Wuhan Fuqiang Tianhui Real Estate Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		58.29	Allocation without compensation
187	Funan Fuqiang Real Estate Co., Ltd.	Fuyang, Anhui	Fuyang, Anhui	Real estate development		97.16	Allocation without compensation
188	Hubei Aobang Real Estate Development Co., Ltd.	Yicheng, Hubei	Yicheng, Hubei	Real estate development		49.55	Allocation without compensation
189	Wuhan Changfu Property Management Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Property management		97.16	Allocation without compensation
190	Wuhan Jiangong Fuqiang Jiechen Meiye Apartment Management Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate lease and operations		49.55	Allocation without compensation
191	Hubei Wujian Fuqiang Real Estate Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		49.55	Allocation without compensation
192	Wuhan Fuqiang Tiansheng Real Estate Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		97.16	Allocation without compensation
193	Wuhan Jiangong Guangcai Real Estate Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		53.44	Allocation without compensation

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements
For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

S/N	Name of subsidiaries	Main premise	Registration place	Business nature	Shareholding ratio (%)		Method of acquisition
					Direct	Indirect	
194	Wuhan Jiangong Yuexiang Real Estate Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		94.71	Allocation without compensation
195	Wuhan Jiangong Construction Investment Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Property management		100.00	Allocation without compensation
196	Wuhan Jiangong Changxin Technology Development Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Cement manufacturing		35.00	Allocation without compensation
197	Wuhan Jiangong Xinxing Building Materials Green Industry Technology Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Manufacturing of concrete structural components		100.00	Allocation without compensation
198	Wuhan Jiangong Fuqiang Tianze Real Estate Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		100.00	Allocation without compensation
199	Wuhan Jiangong Industrial Park Construction Development Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate development		96.55	Allocation without compensation
200	Wuhan Center Engineering Inspection Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Testing services		100.00	Allocation without compensation
201	Wuhan Commercial Concrete Engineering Quality	Wuhan,	Wuhan,	Testing services		100.00	Allocation

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

S/N	Name of subsidiaries	Main premise	Registration place	Business nature	Shareholding ratio (%)		Method of acquisition
					Direct	Indirect	
	Inspection Center	Hubei	Hubei				without compensation
202	Wuhan Building Energy Efficiency Testing Center	Wuhan, Hubei	Wuhan, Hubei	Testing services		100.00	Allocation without compensation
(2) Major non-wholly-owned subsidiaries							
S/N	Name of subsidiaries	Shareholding ratio of minority shareholders (%)	Profit and loss attributable to minority shareholders in this year	Dividends paid to minority shareholders in this year	Accumulative minority equity as at the end of the year		
1	Wuhan Urban Estate Investment & Development Group Co., Ltd.	0.81	1,261,745.53		21,997,948.68		

(3) Main financial information of major non-wholly-owned subsidiaries

Item	Current year	Previous year
	Wuhan Urban Estate Investment & Development Co., Ltd.	Wuhan Urban Estate Investment & Development Co., Ltd.
Current assets	3,850,482,997.95	5,936,942,551.07
Non-current assets	2,797,706,545.83	2,971,259,820.25
Total assets	6,648,189,543.78	8,908,202,371.32
Current liabilities	2,944,538,588.70	4,124,534,950.27
Non-current liabilities	850,468,349.23	1,559,466,758.46
Total liabilities	3,795,006,937.93	5,684,001,708.73
Operating income	722,958,562.65	387,860,071.59
Net profits	157,298,901.13	153,801,756.91
Total comprehensive income	157,298,901.13	153,801,756.91
Cash flows from operating activities	352,277,322.02	62,640,387.48

2. Equity in joint ventures or associates

(1) Important joint ventures or associates

Name of joint ventures or associates	Main premise	Registration place	Business nature	Shareholding ratio (%)		Accounting treatment method in investments in joint ventures or associates
				Direct	Indirect	
Wuhan Zhaoyuecheng Real Estate Development Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate		35.83	Equity method
Wuhan Chengrui Shunxiang Real Estate Development Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate		35.83	Equity method
Wuhan Eandi Hanyi Real Estate Development Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate		50.00	Equity method
Wuhan United Investment Real Estate Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate		50.00	Equity method

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements
For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Name of joint ventures or associates	Main premise	Registration place	Business nature	Shareholding ratio (%)		Accounting treatment method in investments in joint ventures or associates
				Direct	Indirect	
Wuhan Shuanglian Chuanghe Real Estate Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate		50.00	Equity method
Xiamen Zhaowudi Real Estate Co., Ltd.	Xiamen, Fujian	Xiamen, Fujian	Real estate		49.00	Equity method
Wuhan Mingyue Real Estate Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate		49.00	Equity method
Chongqing Qirun Real Estate Development Co., Ltd.	Chongqing	Chongqing	Real estate		28.48	Equity method
Huajian New Era (Wuhan) Engineering Design Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Houses and buildings		39.17	Equity method
Wuhan Metro Real Estate United Real Estate Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate		49.00	Equity method
Wuhan Urban-Rural Integration Demonstration Zone Investment and Development Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Business services		49.00	Equity method
Hubei Green Edge New Material Technology Co., Ltd.	Huanggang, Hubei	Huanggang, Hubei	Non-metallic mineral products industry		35.00	Equity method
Wuhan Zhongjian Wudi Development and Construction Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Business services		30.00	Equity method
Wuhan Cultural and Creative Industry	Wuhan, Hubei	Wuhan, Hubei	Business services		15.00	Equity method

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements
For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Name of joint ventures or associates	Main premise	Registration place	Business nature	Shareholding ratio (%)		Accounting treatment method in investments in joint ventures or associates
				Direct	Indirect	
Investment Development Co., Ltd.						
Wuhan Binjiang Infrastructure Construction Development Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Public facilities management industry		10.00	Equity method
Wuhan Jiangjin Pipeline Corridor Construction Development Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Civil engineering construction		10.00	Equity method
Wuhan 2049 Newport City Construction Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate		50.00	Equity method
Wuhan Taifu 2049 Commercial Development Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Business services		10.00	Equity method
Wuhan 2049 Poly Real Estate Development Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate		30.00	Equity method
Wuhan Yuanhui Real Estate Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate		30.00	Equity method
Wuhan Hongsheng Yongtai Real Estate Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate		30.00	Equity method
Wuhan Design Heart Construction Development Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate		30.00	Equity method
Wuhan Xinxing	Wuhan,	Wuhan,	Business		47.50	Equity method

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements
For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Name of joint ventures or associates	Main premise	Registration place	Business nature	Shareholding ratio (%)		Accounting treatment method in investments in joint ventures or associates
				Direct	Indirect	
Binjiang New Energy Co., Ltd.	Hubei	Hubei	services			
Sinopec Green Energy (Wuhan) Technology and Energy Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Business services		40.00	Equity method
Wuhan Shilian Urban Capital Management Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Business services		49.59	Equity method
Wuhan Industry Urban Capital Management Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Business services		48.60	Equity method
Wuhan Hengda Urban Real Estate Development Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Real estate		39.68	Equity method
Xianning Bishang Real Estate Development Co., Ltd.	Xianning, Hubei	Xianning, Hubei	Real estate		19.41	Equity method
CITIC Wang'an (Wuhan) Investment Development Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Business services		4.61	Equity method
Wuhan Wang'an Construction Investment Fund Partnership (Limited Partnership)	Wuhan, Hubei	Wuhan, Hubei	Business services		18.28	Equity method
Luxi County Wujian Park Infrastructure Construction Co.,	Jiangxi Province	Jiangxi Province	Houses and buildings		27.65	Equity method

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Name of joint ventures or associates	Main premise	Registration place	Business nature	Shareholding ratio (%)		Accounting treatment method in investments in joint ventures or associates
				Direct	Indirect	
Ltd.						
Gong'an County Anye Construction Co., Ltd.	Jingzhou, Hubei	Jingzhou, Hubei	Houses and buildings		32.26	Equity method
Shishou Beyuan Infrastructure Construction Co., Ltd.	Jingzhou, Hubei	Jingzhou, Hubei	Houses and buildings		27.65	Equity method

(2) Principal financial information of major joint ventures

For details, see 3. Key financial information of significant joint ventures under Item (XI) Long-term equity investments in Note VII, Notes to Consolidated Financial Statements.

(3) Principal financial information of major associates

For details, see 4. Key financial information of significant associates under (XI) Long-term equity investments in Note VII, Notes to Consolidated Financial Statements.

IX. Related party relationships and related party transactions

1. Parent company of the Company

Parent company	Registration place	Shareholding ratio (%)	Voting rights ratio (%)
State-owned Assets Supervision and Administration Commission of Wuhan People's Government	Wuhan	100.00	100.00

The ultimate controller of the Company is the State-owned Assets Supervision and Administration Commission of the Wuhan Municipal People's Government.

2. Subsidiaries of the Company

For subsidiaries of the Company, see Note VIII. 1 "Equity in subsidiaries".

3. Joint ventures and associates of the Company

For details of the Company's significant joint ventures and associates, please refer to Note VII, (XI), Long-term equity investments.

4. Other related parties

Other related parties	Relationship with the Company
Beijing Satellite Manufacturing Plant	Minority shareholders with significant influence on subsidiaries
Fujian Zhaolian Real Estate Co., Ltd.	Minority shareholders with significant influence on subsidiaries
Hubei Construction Machinery Industrial Co., Ltd.	Minority shareholders with significant influence on subsidiaries
Hubei Construction Machinery Co., Ltd.	Minority shareholders with significant influence on subsidiaries
Hubei Zhongcheng October Ecological Science and Technology Agriculture Co., Ltd.	Minority shareholders with significant influence on subsidiaries
Huajian New Era (Wuhan) Engineering Design Co., Ltd.	Minority shareholders with significant influence on subsidiaries
China Resources Land Co., Ltd.	Minority shareholders with significant influence on subsidiaries
Jianfa Real Estate Group Co., Ltd.	Minority shareholders with significant influence on subsidiaries
Longyan Lirong Real Estate Development Co., Ltd.	Minority shareholders with significant influence on subsidiaries
Xiamen Yiyue Real Estate Co., Ltd.	Minority shareholders with significant influence on subsidiaries

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements
For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Other related parties	Relationship with the Company
Xiamen Zhaoqilong Real Estate Development Co., Ltd.	Minority shareholders with significant influence on subsidiaries
Xiamen Zhaowudi Real Estate Co., Ltd.	Minority shareholders with significant influence on subsidiaries
Xiamen Zhaoyu Real Estate Development Co., Ltd.	Minority shareholders with significant influence on subsidiaries
Shaoxing Rongchuang Real Estate Co., Ltd.	Minority shareholders with significant influence on subsidiaries
Wuhan Anju Engineering Development Co., Ltd.	Minority shareholders with significant influence on subsidiaries
Wuhan Chengrui Shunxiang Real Estate Development Co., Ltd.	Minority shareholders with significant influence on subsidiaries
Wuhan Dihua Zhihe Real Estate Development Co., Ltd.	Minority shareholders with significant influence on subsidiaries
Wuhan Metro Real Estate United Real Estate Co., Ltd.	Minority shareholders with significant influence on subsidiaries
Wuhan Urban Capital Management Co., Ltd.	Minority shareholders with significant influence on subsidiaries
Wuhan 2049 Poly Real Estate Development Co., Ltd.	Minority shareholders with significant influence on subsidiaries
Wuhan 2049 Newport City Construction Co., Ltd.	Minority shareholders with significant influence on subsidiaries
Wuhan Real Estate Development Group Co, Ltd.	Minority shareholders with significant influence on subsidiaries
Wuhan Huafa Real Estate Marketing Consultant Co., Ltd.	Minority shareholders with significant influence on subsidiaries
Wuhan Huafa Changmao Real Estate Development Co., Ltd.	Minority shareholders with significant influence on subsidiaries
Wuhan Huafa Real Estate Co., Ltd.	Minority shareholders with significant influence on subsidiaries
Wuhan Huafa Zhongcheng Aloe Commercial Management Co., Ltd.	Minority shareholders with significant influence on subsidiaries
Wuhan Huafa Zhongcheng Aloe Commercial Management Co., Ltd.	Minority shareholders with significant influence on subsidiaries
Wuhan Huashuo Real Estate Development Co., Ltd.	Minority shareholders with significant influence on subsidiaries
Wuhan Jiangong (Group) Xiamen Company	Minority shareholders with significant influence on subsidiaries
Wuhan Jiangong Group Installation Development Co., Ltd.	Minority shareholders with significant influence on subsidiaries

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements
For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Other related parties	Relationship with the Company
Wuhan Jiangong Group Second Economic Development Co., Ltd.	Minority shareholders with significant influence on subsidiaries
Wuhan Jiangong Group Third Economic Development Co., Ltd.	Minority shareholders with significant influence on subsidiaries
Wuhan Jiangong Group First Economic Development Co., Ltd.	Minority shareholders with significant influence on subsidiaries
Wuhan Jiangong Group Tiantai Co., Ltd.	Minority shareholders with significant influence on subsidiaries
Wuhan Jianghua Industrial Development Corporation	Minority shareholders with significant influence on subsidiaries
Wuhan Jiutouniao Co., Ltd.	Minority shareholders with significant influence on subsidiaries
Wuhan United Investment Wudi Real Estate Co., Ltd.	Minority shareholders with significant influence on subsidiaries
Wuhan Nanguo Real Estate Co., Ltd.	Minority shareholders with significant influence on subsidiaries
Wuhan Rongchuang Jiye Holding Group Co., Ltd.	Minority shareholders with significant influence on subsidiaries
Wuhan Rongchuang Wudi Changjiang Cultural Tourism City Investment Development Co., Ltd.	Minority shareholders with significant influence on subsidiaries
Wuhan Urban-Rural Integration Demonstration Zone Investment and Development Co., Ltd.	Minority shareholders with significant influence on subsidiaries
Wuhan Human Defense Engineering Co., Ltd.	Minority shareholders with significant influence on subsidiaries
Wuhan Shuanglian Chuanghe Real Estate Co., Ltd.	Minority shareholders with significant influence on subsidiaries
Wuhan Taihe Real Estate Development Group Co., Ltd.	Minority shareholders with significant influence on subsidiaries
Wuhan Wandi Hanyi Real Estate Development Co., Ltd.	Minority shareholders with significant influence on subsidiaries
Wuhan Xinxing Binjiang New Energy Co., Ltd.	Minority shareholders with significant influence on subsidiaries
Wuhan Zhaocheng Real Estate Co., Ltd.	Minority shareholders with significant influence on subsidiaries
Wuhan Zhaoyuecheng Real Estate Development Co., Ltd.	Minority shareholders with significant influence on subsidiaries
PowerChina Real Estate Group Ltd.	Minority shareholders with significant influence on subsidiaries
Chongqing Qirun Real Estate Development Co., Ltd.	Minority shareholders with significant influence on subsidiaries

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements
For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Other related parties	Relationship with the Company
Exhibition Executive Apartment Branch of Zhuhai Huafa International Hotel Management Co., Ltd.	Minority shareholders with significant influence on subsidiaries
Zhuhai Huafa Group Finance Co., Ltd.	Minority shareholders with significant influence on subsidiaries
Zhuhai Huafa Jinglong Construction Co., Ltd.	Minority shareholders with significant influence on subsidiaries
Zhuhai Huafa Jinglong Construction Co., Ltd.	Minority shareholders with significant influence on subsidiaries
Zhuhai Huafa Industrial Co., Ltd.	Minority shareholders with significant influence on subsidiaries
Wuhan Branch of Zhuhai Huafa Property Management Service Co., Ltd.	Minority shareholders with significant influence on subsidiaries
Zhuhai Huafa Yuechao Culture Co., Ltd.	Minority shareholders with significant influence on subsidiaries
Zhuhai Huashang Department Store Co., Ltd.	Minority shareholders with significant influence on subsidiaries
Zhuhai Huashi Medical Equipment Co., Ltd.	Minority shareholders with significant influence on subsidiaries

5. Related party transactions

(1) Related party transaction on purchase and sales of goods, rendering and receipt of services

① Purchase of goods/rendering of labor services

Related parties	Related-party transaction	Amount	
		2020	2019
Hubei Zhongcheng October Ecological Science and Technology Agriculture Co., Ltd.	Purchase of goods	206,138.80	39,944.00
Wuhan Huafa Zhongcheng Aloe Commercial Management Co., Ltd.	Purchase of goods	15,396,226.42	3,726,414.97
Zhuhai Huafa Jinglong Construction Co., Ltd.	Purchase of goods	268,480,494.38	197,647,579.95
Wuhan Huafa Real Estate Marketing Consultant Co., Ltd.	Purchase of goods		5,549,085.93
Zhuhai Huafa Yuechao Culture Co., Ltd.	Purchase of goods	132,075.48	660,377.40
Exhibition Executive Apartment Branch of Zhuhai Huafa International Hotel Management Co., Ltd.	Purchase of goods	5,050.94	
Wuhan Branch of Zhuhai Huafa Property Management Service Co., Ltd.	Purchase of goods	3,288,561.72	
Zhuhai Huafa Industrial Co., Ltd.	Purchase of goods	69,113,347.53	

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

	goods		
Zhuhai Huashang Department Store Co., Ltd.	Purchase of goods	49,354.49	
Zhuhai Huashi Medical Equipment Co., Ltd.	Purchase of goods	7,312.41	
Huajian New Era (Wuhan) Engineering Design Co., Ltd.	Purchase of goods	21,073,635.32	
Total		377,752,197.49	207,623,402.25

② Sales of goods/ rendering of services

Related parties	Related-party transaction	Amount	
		2020	2019
Wuhan Huashuo Real Estate Development Co., Ltd.	Rendering of services		1,279,877.39
Wuhan Huafa Changmao Real Estate Development Co., Ltd.	Rendering of services		770,887.32
Zhuhai Huafa Jinglong Construction Co., Ltd.	Rendering of services		405.66
Zhuhai Huafa Group Finance Co., Ltd.	Rendering of services	9,149.78	
Wuhan Branch of Zhuhai Huafa Property Management Service Co., Ltd.	Rendering of services	1,649,337.44	
Wuhan 2049 Poly Real Estate Development Co., Ltd.	Rental income	640,285.71	
Total		2,298,772.93	2,051,170.37

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

(2) Related-party guarantees

Guarantor	The guaranteed	Guaranteed amount	Commencement date	End date	Whether the guarantee has been discharged
Wuhan Central Business District Urban Construction Development Co., Ltd.	Wuhan Central Business District Investment Holding Group Co., Ltd.	650,000,000.00	4/30/2009	10/21/2022	No
Wuhan Central Business District Urban Construction Development Co., Ltd.	Wuhan Central Business District Investment Holding Group Co., Ltd.	1,200,000,000.00	6/19/2009	6/21/2028	No
Wuhan Central Business District Urban Construction Development Co., Ltd.	Wuhan Central Business District Investment Holding Group Co., Ltd.	270,000,000.00	7/19/2017	7/19/2021	No
Wuhan Central Business District Urban Construction Development Co., Ltd.	Wuhan Central Business District Investment Holding Group Co., Ltd.	535,000,000.00	6/29/2020	6/27/2028	No
Wuhan Central Business District Investment Holding Group Co., Ltd.	Wuhan Central Business District Urban Construction Development Co., Ltd.	330,000,000.00	12/27/2019	12/26/2020	No
Wuhan Central Business District Investment Holding Group Co., Ltd.	Wuhan Central Business District Urban Construction Development Co., Ltd.	480,000,000.00	12/23/2019	12/19/2024	No
Wuhan Central Business District Investment Holding Group Co., Ltd.	Wuhan Central Business District Urban Construction Development Co., Ltd.	400,000,000.00	12/24/2020	12/23/2025	No
Wuhan Central Business District Investment Holding Group Co., Ltd.	Wuhan Central Business District Urban Construction Development Co., Ltd.	44,444,445.00	1/18/2018	4/27/2021	No
Wuhan Central Business District	Wuhan Central Business District Urban Construction Development Co., Ltd.	442,444,445.45	2/1/2018	4/27/2021	No

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Guarantor	The guaranteed	Guaranteed amount	Commencement date	End date	Whether the guarantee has been discharged
Investment Holding Group Co., Ltd.	Construction Development Co., Ltd.				
Wuhan Central Business District Investment Holding Group Co., Ltd.	Wuhan Central Business District Urban Construction Development Co., Ltd.	370,631,700.00	4/1/2020	12/31/2028	No
Wuhan Central Business District Investment Holding Group Co., Ltd.	Wuhan Central Business District Urban Construction Development Co., Ltd.	270,468,300.00	1/22/2020	12/31/2028	No
Wuhan Central Business District Urban Construction Development Co., Ltd.	Wuhan Zhongcheng Industrial Development Co., Ltd.	10,000,000.00	1/29/2019	1/29/2022	No
Wuhan Central Business District Urban Construction Development Co., Ltd.	Wuhan Yuanwaiyuan Green Landscape Co., Ltd.	3,408,000.00	9/27/2020	9/26/2021	No
Wuhan Central Business District Urban Construction Development Co., Ltd.	Wuhan Yuanwaiyuan Green Landscape Co., Ltd.	3,586,455.46	12/28/2020	12/27/2021	No
Wuhan Central Business District Urban Construction Development Co., Ltd.	Wuhan Yuanwaiyuan Green Landscape Co., Ltd.	3,403,003.81	12/4/2020	12/3/2021	No
Zhuhai Huafa Industrial Co., Ltd.	Wuhan CBD Investment & Development Co., Ltd.	1,421,583,333.33	1/18/2019	1/17/2024	No
Zhuhai Huafa Industrial Co., Ltd. and Wuhan Central Business District	Wuhan Huaqi Real Estate Development Co., Ltd.	109,700,000.00	3/7/2019	2/1/2022	No

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements
For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Guarantor	The guaranteed	Guaranteed amount	Commencement date	End date	Whether the guarantee has been discharged
Investment Holding Group Co., Ltd.					
Zhuhai Huafa Industrial Co., Ltd. and Wuhan Central Business District Investment Holding Group Co., Ltd.	Wuhan Huaqi Real Estate Development Co., Ltd.	200,000,000.00	3/13/2019	2/2/2022	No
Zhuhai Huafa Industrial Co., Ltd. and Wuhan Central Business District Investment Holding Group Co., Ltd.	Wuhan Huaqi Real Estate Development Co., Ltd.	100,000,000.00	3/29/2019	2/2/2022	No
Zhuhai Huafa Industrial Co., Ltd. and Wuhan Central Business District Investment Holding Group Co., Ltd.	Wuhan Huaqi Real Estate Development Co., Ltd.	50,000,000.00	3/26/2019	2/2/2022	No
Zhuhai Huafa Industrial Co., Ltd. and Wuhan Central Business District Investment Holding Group Co., Ltd.	Wuhan Huaqi Real Estate Development Co., Ltd.	90,000,000.00	4/4/2019	2/2/2022	No
Zhuhai Huafa Industrial Co., Ltd. and Wuhan Central Business District Investment Holding Group Co., Ltd.	Wuhan Huaqi Real Estate Development Co., Ltd.	40,000,000.00	12/30/2019	2/2/2022	No
Zhuhai Huafa Industrial Co., Ltd. and Wuhan Central Business District Urban Development Co., Ltd.	Wuhan Huaqi Real Estate Development Co., Ltd.	250,000,000.00	1/2/2020	1/1/2023	No
Zhuhai Huafa Industrial Co., Ltd. and Wuhan Central Business District Investment Holding Group Co., Ltd.	Wuhan Huayicheng Real Estate Development Co., Ltd.	540,000,000.00	12/31/2019	12/30/2022	No

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Guarantor	The guaranteed	Guaranteed amount	Commencement date	End date	Whether the guarantee has been discharged
Zhuhai Huafa Industrial Co., Ltd. and Wuhan Central Business District Investment Holding Group Co., Ltd.	Wuhan Huayicheng Real Estate Development Co., Ltd.	320,000,000.00	9/14/2020	12/30/2022	No
Zhuhai Huafa Industrial Co., Ltd. and Wuhan Central Business District Urban Development Co., Ltd.	Wuhan Huazhongtuo Real Estate Development Co., Ltd.	650,000,000.00	1/2/2020	1/1/2023	No
Wuhan Central Business District Investment Holding Group Co., Ltd.	Wuhan Zhongcheng Changxin Real Estate Co., Ltd.	1,000,000,000.00	8/30/2019	8/29/2021	No
Wuhan Central Business District Investment Holding Group Co., Ltd.	Wuhan Zhongcheng Changxin Real Estate Co., Ltd.	300,000,000.00	8/30/2019	8/29/2021	No
51% secured by Wuhan Central Business District Investment Holding Group Co., Ltd. and 49% by Wuhan Central Business District Investment Holding Group Co., Ltd.	Wuhan Zhongcheng Changxin Real Estate Co., Ltd.	1,000,000,000.00	12/28/2020	12/27/2025	No
China Resources Land Holdings Co., Ltd. 50% and Wuhan Central Business District Investment Holding Group Co., Ltd. 50%	Wuhan Zhongcheng Chengguang Real Estate Development Co., Ltd.	50,000,000.00	10/30/2020	10/29/2023	No
China Resources Land Holdings Co., Ltd. 50% and Wuhan Central Business District Investment Holding Group Co., Ltd.	Wuhan Zhongcheng Chengguang Real Estate Development Co., Ltd.	150,000,000.00	11/1/2020	11/1/2023	No

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Guarantor	The guaranteed	Guaranteed amount	Commencement date	End date	Whether the guarantee has been discharged
Holding Group Co., Ltd. 50%					
China Resources Land Holdings Co., Ltd. 50% and Wuhan Central Business District Investment Holding Group Co., Ltd. 50%	Wuhan Zhongcheng Chengguang Real Estate Development Co., Ltd.	100,000,000.00	12/10/2020	12/9/2023	No
China Resources Land Holdings Co., Ltd. 50% and Wuhan Central Business District Investment Holding Group Co., Ltd. 50%	Wuhan Zhongcheng Chengguang Real Estate Development Co., Ltd.	100,000,000.00	12/25/2020	12/9/2023	No
Wuhan Central Business District Urban Construction Development Co., Ltd. and Wuhan Central Business District Investment Holding Group Co., Ltd.	Enshi Zhongcheng Cultural Tourism Development Co., Ltd.	200,000,000.00	3/25/2020	3/24/2023	No
Wuhan Central Business District Investment Holding Group Co., Ltd.					
Wuhan Central Business District Investment Holding Group Co., Ltd.	Wuhan Zhongcheng Times Real Estate Development Co., Ltd.	200,000,000.00	7/21/2020	7/21/2023	No
Wuhan Central Business District Investment Holding Group Co., Ltd.	Wuhan Zhongcheng Times Real Estate Development Co., Ltd.	1,140,000,000.00	7/29/2020	7/29/2023	No
Wuhan Central Business District Investment Holding Group Co., Ltd.	Wuhan Zhongcheng Times Real Estate Development Co., Ltd.	1,000,000,000.00	7/29/2020	7/29/2023	No
Wuhan Central Business District Investment Holding Group Co., Ltd.	Wuhan Zhongcheng Times Real Estate Development Co., Ltd.	499,000,000.00	9/30/2020	9/29/2023	No

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Guarantor	The guaranteed	Guaranteed amount	Commencement date	End date	Whether the guarantee has been discharged
Wuhan Central Business District Urban Construction Development Co., Ltd.	Wuhan Zhongcheng Longhu Real Estate Development Co., Ltd.	999,700,000.00	6/27/2019	6/26/2022	No
Wuhan Central Business District Urban Construction Development Co., Ltd.	Wuhan Zhongcheng Longhu Real Estate Development Co., Ltd.	199,700,000.00	6/28/2019	6/27/2022	No
Wuhan Central Business District Urban Construction Development Co., Ltd. and Wuhan Central Business District Investment Holding Group Co., Ltd.	Wuhan Zhongcheng Yuecheng Real Estate Development Co., Ltd.	75,000,000.00	6/17/2019	6/16/2022	No
Wuhan Central Business District Investment Holding Group Co., Ltd.	Wuhan Central Business District Urban Construction Development Co., Ltd.	732,128,149.64	5/29/2020	5/28/2025	No
Wuhan Central Business District Investment Holding Group Co., Ltd.	Wuhan Central Business District Real Estate Management Co., Ltd.	8,000,000.00	10/12/2020	10/12/2021	No
Wuhan Urban Estate Investment & Development Group Co., Ltd.	Wuhan Dubao Real Estate Co., Ltd.	70,000,000.00	10/18/2019	5/20/2044	No
WuHan Urban Construction Group Co., Ltd.	Wuhan Urban-Rural Integration Demonstration Zone Investment and Development Co., Ltd.	50,000,000.00	12/20/2019	12/20/2024	No

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements
For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Guarantor	The guaranteed		Guaranteed amount	Commencement date	End date	Whether the guarantee has been discharged
WuHan Urban Construction Group Co., Ltd.	Wuhan Urban-Rural Demonstration Zone Integration and Development Co., Ltd.	Real Estate	280,000,000.00	12/23/2019	9/30/2028	No
WuHan Urban Construction Group Co., Ltd.	Wuhan Metro Real Estate United Real Estate Co., Ltd.	Real Estate	294,000,000.00	6/29/2018	6/28/2021	No
Wuhan Real Estate Group Co., Ltd., PowerChina Real Estate Group Co., Ltd.	Wuhan Mingyue Real Estate Co., Ltd.	Real Estate	392,000,000.00	1/23/2019	1/22/2022	No
Wuhan Real Estate Group Co., Ltd., Zhuhai Huafa Group Co., Ltd.	Wuhan Dihua Zhihe Real Estate Development Co., Ltd.	Real Estate	25,000,000.00	9/11/2019	9/10/2022	No
Wuhan Real Estate Group Co., Ltd., Zhuhai Huafa Group Co., Ltd.	Wuhan Dihua Zhihe Real Estate Development Co., Ltd.	Real Estate	105,000,000.00	9/26/2019	9/10/2022	No
Wuhan Real Estate Group Co., Ltd., Zhuhai Huafa Group Co., Ltd.	Wuhan Dihua Zhihe Real Estate Development Co., Ltd.	Real Estate	57,590,000.00	10/27/2020	9/10/2022	No
Wuhan Real Estate Group Co., Ltd., PowerChina Chongqing Engineering Corporation Limited	Chongqing Qirun Real Estate Development Co., Ltd.	Real Estate	419,000,000.00	3/30/2020	3/30/2023	No
WuHan Urban Construction Group Co., Ltd.	Wuhan Xingyuesheng Real Estate Development Co., Ltd.	Real Estate	1,490,000,000.00	3/24/2017	3/16/2021	No
WuHan Urban Construction Group Co., Ltd.	Wuhan Xiangyue Real Estate Development Co., Ltd.	Real Estate	1,850,000,000.00	12/22/2017	12/21/2022	No

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements
For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Guarantor	The guaranteed	Guaranteed amount	Commencement date	End date	Whether the guarantee has been discharged
WuHan Urban Construction Group Co., Ltd.	Wuhan Tongjian City Development Co., Ltd.	1,500,000,000.00	1/7/2020	1/7/2023	No
WuHan Urban Construction Group Co., Ltd.	Wuhan City Guaranteed Housing Investment and Construction Co., Ltd.	600,000,000.00	12/17/2019	7/3/2028	No
WuHan Urban Construction Group Co., Ltd.	Wuhan City Guaranteed Housing Investment and Construction Co., Ltd.	800,000,000.00	5/9/2020	7/3/2028	No
WuHan Urban Construction Group Co., Ltd.	Wuhan City Guaranteed Housing Investment and Construction Co., Ltd.	1,500,000,000.00	12/19/2019	10/1/2028	No
WuHan Urban Construction Group Co., Ltd.	Wuhan Jiankai General Engineering Contracting Co., Ltd.	70,000,000.00	5/7/2020	6/20/2021	No
WuHan Urban Construction Group Co., Ltd.	Wuhan Real Estate Development Co., Ltd.	3,000,000,000.00	6/27/2019	6/27/2021	No
WuHan Urban Construction Group Co., Ltd.	Wuhan Real Estate Development Co., Ltd.	3,000,000,000.00	4/26/2019	4/25/2022	No
WuHan Urban Construction Group Co., Ltd.	Wuhan Real Estate Development Co., Ltd.	620,000,000.00	8/8/2019	8/8/2022	No
WuHan Urban Construction Group Co., Ltd.	Wuhan Chengxing United Technology Development Co., Ltd.	10,000,000.00	9/4/2020	9/4/2021	No
WuHan Urban Construction Group Co., Ltd.	Wuhan City Development Investment Co., Ltd.	1,500,000,000.00	1/6/2020	1/6/2023	No
WuHan Urban Construction Group Co., Ltd.	Wuhan City Development Investment Co., Ltd.	300,000,000.00	8/8/2019	8/8/2022	No

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Guarantor	The guaranteed	Guaranteed amount	Commencement date	End date	Whether the guarantee has been discharged
WuHan Urban Construction Group Co., Ltd.	Wuhan Chengkai Yixin Real Estate Development Co., Ltd.	1,000,000,000.00	5/29/2018	5/28/2021	No
WuHan Urban Construction Group Co., Ltd.	Wuhan Chengkai Xinxing Building Materials Co., Ltd.	50,000,000.00	4/9/2020	4/7/2021	No
WuHan Urban Construction Group Co., Ltd.	Wuhan Chengkai Xinxing Building Materials Co., Ltd.	50,000,000.00	4/15/2020	4/15/2021	No
WuHan Urban Construction Group Co., Ltd.	Wuhan Chengkai Xinxing Building Materials Co., Ltd.	50,000,000.00	8/14/2020	8/14/2021	No
WuHan Urban Construction Group Co., Ltd.	Wuhan Chengkai Real Estate Development Co., Ltd.	700,000,000.00	2/25/2020	2/25/2023	No
Wuhan Real Estate Group Co., Ltd.	Wuhan Xiangyue Real Estate Development Co., Ltd.	1,850,000,000.00	12/28/2017	12/21/2022	No
Wuhan Real Estate Group Co., Ltd.	Wuhan Changyue Real Estate Development Co., Ltd.	540,000,000.00	1/24/2018	1/23/2022	No
Wuhan Real Estate Group Co., Ltd.	Wuhan Changyue Real Estate Development Co., Ltd.	700,000,000.00	1/14/2019	1/13/2022	No
Wuhan Real Estate Group Co., Ltd.	Wuhan Changyue Real Estate Development Co., Ltd.	500,000,000.00	3/7/2019	3/6/2022	No
Wuhan Real Estate Group Co., Ltd.	Wuhan Changyue Real Estate Development Co., Ltd.	500,000,000.00	4/28/2019	4/27/2022	No
Wuhan Real Estate Group Co., Ltd.	Wuhan Changyue Real Estate Development Co., Ltd.	250,000,000.00	6/13/2019	6/12/2022	No

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Guarantor	The guaranteed			Guaranteed amount	Commencement date	End date	Whether the guarantee has been discharged
Wuhan Real Estate Group Co., Ltd.	Wuhan	Changyue	Real Estate	100,000,000.00	1/14/2020	1/14/2023	No
Wuhan Real Estate Group Co., Ltd.	Wuhan	Changyue	Real Estate	345,000,000.00	8/4/2020	8/4/2023	No
Wuhan Real Estate Group Co., Ltd.	Wuhan	City Guaranteed Investment and Construction Co., Ltd.	Housing	300,000,000.00	2/1/2019	1/29/2044	No
Wuhan Real Estate Group Co., Ltd., Rongchuang Real Estate Group Co., Ltd.	Wuhan	Dikong Jincheng Real Estate Development Co., Ltd.	Real Estate	255,000,000.00	12/27/2019	12/26/2022	No
Wuhan Real Estate Group Co., Ltd., PowerChina Chongqing Engineering Corporation Limited	Chongqing	Wudi Mingyue Real Estate Development Co., Ltd.	Real Estate	29,250,000.00	1/8/2020	1/8/2023	No
Wuhan Real Estate Group Co., Ltd., PowerChina Chongqing Engineering Corporation Limited	Chongqing	Wudi Mingyue Real Estate Development Co., Ltd.	Real Estate	295,750,000.00	1/10/2020	1/10/2023	No
Wuhan Real Estate Group Co., Ltd., Rongchuang Real Estate Group Co., Ltd.	Wuhan	Taiheng	Real Estate	130,222,890.00	11/25/2019	11/25/2022	No
Wuhan Real Estate Group Co., Ltd., Rongchuang Real Estate Group Co., Ltd.	Shaoxing	Zhenya	Real Estate	459,000,000.00	3/12/2020	3/12/2022	No

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements
For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Guarantor	The guaranteed	Guaranteed amount	Commencement date	End date	Whether the guarantee has been discharged
Wuhan Real Estate Group Co., Ltd., PowerChina Real Estate Group Co., Ltd.	Wuhan Tongjian Zhixin Real Estate Co., Ltd.	228,068,400.00	5/22/2020	5/22/2023	No
Wuhan Real Estate Group Co., Ltd., PowerChina Real Estate Group Co., Ltd.	Wuhan Tongjian (Jingzhou) City Development Co., Ltd.	228,640,000.00	6/8/2020	6/7/2022	No
Wuhan Real Estate Group Co., Ltd. and Wuhan Rongchuang Jiye Holding Group Co., Ltd.	Wuhan Lingyue Real Estate Development Co., Ltd.	91,800,000.00	6/29/2020	6/28/2022	No
Wuhan Real Estate Group Co., Ltd., Rongchuang Real Estate Group Co., Ltd.	Wuhan Dikong Xinsheng Real Estate Co., Ltd.	612,000,000.00	6/29/2020	6/28/2023	No
Wuhan Real Estate Group Co., Ltd., Wuhan Tongjian City Development Co., Ltd. and Wuhan Chengkai Real Estate Development Co., Ltd.	Wuhan Xingyuesheng Real Estate Development Co., Ltd.	374,000,000.00	9/20/2020	3/19/2021	No
Wuhan Real Estate Group Co., Ltd., PowerChina Real Estate Group Co., Ltd.	Wuhan Mingyue Real Estate Co., Ltd.	147,000,000.00	10/31/2020	1/30/2022	No
Wuhan Real Estate Group Co., Ltd., Rongchuang Real Estate Group Co., Ltd.	Wuhan Dikong Xinsheng Real Estate Co., Ltd.	153,000,000.00	11/10/2020	11/9/2023	No

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Guarantor	The guaranteed	Guaranteed amount	Commencement date	End date	Whether the guarantee has been discharged
Wuhan Real Estate Group Co., Ltd.	Wuhan Bogui Real Estate Co., Ltd.	299,000,000.00	11/13/2020	11/12/2023	No

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

6. Receivables and payables from and to related parties

(1) Receivables

Item	Related parties	12/31/2020	12/31/2019
		Book balance	Book balance
Accounts receivable	Wuhan Dihua Zhihe Real Estate Development Co., Ltd.	890,137.50	
Accounts receivable	Wuhan Huafa Zhongcheng Aloe Commercial Management Co., Ltd.		12,400.00
Accounts receivable	Wuhan Huashuo Real Estate Development Co., Ltd.		67,994.87
Accounts receivable	Zhuhai Huafa Jinglong Construction Co., Ltd.	1,926,321.39	
Accounts receivable	Wuhan Real Estate Development Group Co, Ltd.	4,430,000.00	4,430,000.00
Accounts receivable	Wuhan Human Defense Engineering Co., Ltd.	1,385,793.00	13,339.00
Other receivables	Wuhan Jiangong Group First Economic Development Co., Ltd.	2,695,630.98	2,429,897.83
Other receivables	Wuhan Jiangong Group Second Economic Development Co., Ltd.	4,595,164.33	4,299,458.64
Other receivables	Wuhan Jiangong Group Third Economic Development Co., Ltd.	6,962,785.89	6,788,658.71
Other receivables	Wuhan Jiangong Group Installation Development Co., Ltd.	4,368,865.08	4,017,848.96
Other receivables	Hubei Construction Machinery Co., Ltd.	2,054,120.31	1,678,254.12
Other receivables	Wuhan Jiangong (Group) Xiamen Company	1,397,036.10	1,397,036.10
Other receivables	Zhuhai Huafa Industrial Co., Ltd.		780,460,363.78
Other receivables	Hubei Zhongcheng October Ecological Science and Technology Agriculture Co., Ltd.	1,214,591.50	1,150,000.00
Other receivables	Wuhan Huafa Real Estate Co., Ltd.	807,007,164.85	
Other receivables	Wuhan Zhaocheng Real Estate Co., Ltd.	1,500,000,000.00	
Other receivables	Zhuhai Huafa Jinglong Construction Co., Ltd.	466,056.63	

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Item	Related parties	12/31/2020	12/31/2019
		Book balance	Book balance
Other receivables	Wuhan 2049 Newport City Construction Co., Ltd.	122,400,000.00	
Other receivables	Wuhan Xinxing Binjiang New Energy Co., Ltd.	150,000,000.00	
Other receivables	Wuhan Metro Real Estate United Real Estate Co., Ltd.	2,516,078,396.03	2,382,815,076.44
Other receivables	Wuhan Rongchuang Wudi Changjiang Cultural Tourism City Investment Development Co., Ltd.	680,750,000.00	
Other receivables	Wuhan Wandi Hanyi Real Estate Development Co., Ltd.	496,044,942.73	2,557,566,133.51
Other receivables	Wuhan United Investment Wudi Real Estate Co., Ltd.	435,402,036.39	
Other receivables	Wuhan Zhaoyuecheng Real Estate Development Co., Ltd.	401,058,900.00	436,758,900.00
Other receivables	Wuhan Urban-Rural Integration Demonstration Zone Investment and Development Co., Ltd.	260,166,666.67	
Other receivables	Chongqing Qirun Real Estate Development Co., Ltd.	96,897,656.05	415,910,515.10
Other receivables	Wuhan Chengrui Shunxiang Real Estate Development Co., Ltd.	58,589,344.68	138,149,344.68
Other receivables	Xiamen Zhaowudi Real Estate Co., Ltd.	1,456,795.15	1,541,745.75
Other receivables	Wuhan Rongchuang Jiye Holding Group Co., Ltd.	360,242,565.11	
Other receivables	Shaoxing Rongchuang Real Estate Co., Ltd.	269,500,000.00	
Other receivables	Wuhan Anju Engineering Development Co., Ltd.	198,598,754.03	136,223,530.14
Other receivables	Xiamen Yiyue Real Estate Co., Ltd.	185,783,091.42	
Other receivables	Xiamen Zhaoqilong Real Estate Development Co., Ltd.	98,000,000.00	465,291.80
Other receivables	Wuhan Nanguo Real Estate Co., Ltd.	7,000,000.00	
Other receivables	Longyan Lirong Real Estate Development Co., Ltd.	98,056.92	77,966.28
Other receivables	Fujian Zhaolian Real Estate Co., Ltd.	28,508.40	17,057.16
Other receivables	Jianfa Real Estate Group Co., Ltd.	2,936.60	101,826.42
Other receivables	Xiamen Zhaoyu Real Estate Development Co., Ltd.		415,000.00

(2) Payables

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Item	Related parties	12/31/2020	12/31/2019
		Book balance	Book balance
Accounts payable	Zhuhai Huafa Jinglong Construction Co., Ltd.	127,391,671.75	20,297,931.78
Accounts payable	Zhuhai Huashang Department Store Co., Ltd.	51,660.01	
Accounts payable	Huajian New Era (Wuhan) Engineering Design Co., Ltd.	24,000.00	
Other payables	Wuhan Jiangong Group Installation Development Co., Ltd.	164,524.05	164,524.05
Other payables	Hubei Construction Machinery Industrial Co., Ltd.	6,278,110.94	6,278,110.94
Other payables	Wuhan Jiutouniao Co., Ltd.	373,959.51	374,109.51
Other payables	Wuhan Jiangong Group Tiantai Co., Ltd.	3,724,346.80	3,724,346.80
Other payables	Zhuhai Huafa Industrial Co., Ltd.	133,889,467.73	
Other payables	Zhuhai Huafa Jinglong Construction Co., Ltd.	1,159,271.18	1,075,928.00
Other payables	Wuhan Xinxing Binjiang New Energy Co., Ltd.	2,812,500.00	
Other payables	Wuhan 2049 Poly Real Estate Development Co., Ltd.	387,074,510.00	
Other payables	Wuhan Urban Capital Management Co., Ltd.	80,464.14	88,391.64
Other payables	Xiamen Zhaoqilong Real Estate Development Co., Ltd.	1,303,264,236.82	1,127,000,000.00
Other payables	Wuhan Mingyue Real Estate Co., Ltd.	31,497,025.28	277,982,848.41
Other payables	Wuhan Shuanglian Chuanghe Real Estate Co., Ltd.		49,605.38
Other payables	Wuhan Jianghua Industrial Development Corporation	66,000,000.00	
Other payables	Wuhan Rongchuang Jiye Holding Group Co., Ltd.	1,357,678,738.97	2,825,361,584.06
Other payables	PowerChina Real Estate Group Ltd.	601,583,570.18	663,134,302.32
Other payables	China Resources Land Co., Ltd.	821,645,168.22	
Other payables	Wuhan Taihe Real Estate Development Group Co., Ltd.	122,438,387.84	152,443,054.51
Other payables	Shaoxing Rongchuang Real Estate Co., Ltd.	21,845,820.50	
Other payables	Xiamen Yiyue Real Estate Co., Ltd.	31,559,177.53	16,038,738.55
Other payables	Beijing Satellite Manufacturing Plant	6,012,132.21	6,012,132.21

X. Commitments and contingencies

1. Significant commitments

There were no significant commitments required to be disclosed by the Company as at December 31, 2020.

2. Contingencies

① Contingent liabilities and financial impacts arising from pending litigation or arbitration

(1) Outstanding litigation with respect to Tianan Garden project arrears

In September 2004, Wujian Group initiated arbitration against Xinjiang Chuangtian Real Estate Development Co., Ltd. and demanded it to pay nearly RMB20 million in arrears for the Tianan Garden project in Xinjiang Urumqi and Chuangtian then filed a counter-claim for arbitration, claiming nearly RMB 15,000,000 from WJG for delay in construction and quality compensation. During the hearing of the case, the arbitration tribunal has commissioned an intermediary institution to issue a judicial appraisal report on the construction cost, and as of December 31, 2020, no award has been issued.

(2) Suspension of pending litigation with respect to the outstanding amount of Jiali Plaza

Wujian Group and Lu's Industry (Wuhan) Co., Ltd. (hereinafter referred to as "Lu's Industry") signed in 1994 and 1995 several construction contracts for the basement project and civil works above plus or minus zero of Jia Li Plaza, etc. After the signing of the contracts, Wujian Group constructed the project in accordance with the contract, and the project was completed before October 1, 1999, and the projects have passed the acceptance. On July 15, 2002, Wujian Group and Lu's Industry reached an agreement on the final account of the project, agreeing that the total price of the construction project of Jiali Plaza contracted by Wujian Group was RMB 192,550,000 and Lu's Industry had paid RMB 149,980,000 for the project and still owed RMB 42,570,000 for the project. Wujian Group filed a lawsuit with Wuhan Intermediate People's Court regarding the outstanding payment from Lu's Industry. On January 18, 2004, Wuhan Intermediate People's Court of Hubei Province issued a judgment on the dispute between Wujian Group and Lu's Industry by means of Civil Judgment (2003) WMCZ No. 155, making a ruling on the outstanding payment for the construction project between Wujian Group and Lu's Industry: (1) Lu's Industry shall pay Wujian Group RMB 42.57 million for the construction work; (2) Lu's Industry shall pay late penalty interest to Wujian Group from July 16, 2002 to the date of payment in full, at the late penalty interest rate stipulated by the People's Bank of China. On April 3, 2004, Wujian Group applied to the People's Court for enforcement. On November 17, 2004, Wuhan Intermediate People's Court of Hubei Province ruled by (2004) WZZ No. 00334 Civil Judgment that the execution of (2003) WMCZ No. 155 Civil Judgment was suspended and the whereabouts of the assets were being traced as of December 31, 2020.

(3) Dispute over the bankruptcy and liquidation of the office building of Nanjing Branch of Wuhan Construction is under trial

The office building of Nanjing Branch, Dongyu Building, located at Xinjiekou, Zhenghong Street, Baixia District, Nanjing City, Jiangsu Province, was invested and developed by Nanjing Tianyuxin Co., Ltd. ("Tianyuxin") and Nanjing No.1 Construction is the constructor. Due to the unpaid amount owed to Nanjing No.1 Construction for the project, Tianyuxin pledged Tower F of the 17th floor of Dongyu Building (with a floor area of 178.66 square meters) to Nanjing No.1 Construction in November 1998, and then Nanjing No.1 Construction pledged it to Hubei Construction Machinery Co., Ltd., a subsidiary of Wujian Group, to repay the outstanding amount for the equipment. Then Hubei Construction Machinery Co., Ltd. pledged it to Wujian Group for

the repayment of the current account, and then Wujian Group pledged the house to Wuhan Construction Group Co., Ltd. In August 2000, Wujian Group started to move into Tower F of the 17th floor of Dongyu Building till now. Since the developer Nanjing Tianyuxin did not handle the commodity house sales contract when offsetting the office building to Nanjing Yijian for repayment, and the developer has since gone out of business, Wujian Group is still unable to apply for the real estate right certificate of the house.

As Tianyuxin owed attorney fees to Jiangsu Huacheng law firm, the law firm applied in 2010 to Nanjing Intermediate People's Court for bankruptcy liquidation of the company, and Nanjing Intermediate People's Court gave a Civil Ruling (2010) NSPZ No.3 in December 2011 to Wujian Group, judging that the property belongs to Tianyuxin. The Wujian Group immediately filed an objection in the name of Wujian Group to Nanjing Intermediate People's Court and the insolvency administrator, Jiangsu Oriental Liquidation Firm Co., Ltd., pointing out that Wujian Group had actually used the office building for many years and the offsetting procedures for Wujian Group to obtain the property were legal, and requesting that the property should not be recognized as the assets of Tianyuxin. As of December 31, 2020, the court did not respond to Wujian Group's objection.

(4) Weihang Star v. Wujian Group with respect to property damage is under trial

In May 2020, the plaintiff, Weihang Star Hotel Management Co., Ltd. ("Weihang Star"), filed a lawsuit against Wujian Group to Wuhan Jiangnan District People's Court, claiming that during the period when it was operating a hotel in the premises leased by Caishen Plaza, Wujian Group unlawfully terminated the lease contract, causing its operation loss and property damage, and therefore requested Wujian Group to pay a total of RMB 5.8 million for the property loss and operation loss. After hearing the case, Wuhan Jiangnan District People's Court issued a civil verdict (2020) E0103 MC No.1081 on November 23, 2020, rejecting all of the litigation requests of Weihang Star.

Weihang Star appealed to Wuhan Intermediate People's Court against the first instance judgment, and as of December 31, 2020, the case was being heard in the second instance.

(5) There is a significant risk of recovering the amount due from the construction of Huayin Building in litigation

Wujian Company originally undertook the construction of Huayin Building invested by Wuhan Huayin Real Estate Development Co., Ltd. ("Huayin "), but later Huayin failed to repay the project arrears in time. Wujian Company filed a lawsuit to Wuhan Intermediate People's Court in November 2006. Wuhan Intermediate People's Court issued [2007] WMCZ No.16 civil judgment, ordering Huayin to repay the arrears of RMB 4.5 million and interest, litigation costs, execution costs, etc.

As Huayin failed to repay on time, Wujian Company applied to Wuhan Intermediate People's Court for enforcement on January 21, 2008, which was accepted by the Wuhan Intermediate People's Court on January 22, 2008, which ruled on July 23, 2008 in the civil judgment [2008] WZZ No.00044 that, Wujian Company applied to the court for enforcement within the legal period and its legal rights are protected; however, since the party subject to enforcement does not have any property available for execution, the court issued a Certificate of Claim to the applicant, Wujian Company and if the party subject to enforcement is found to have property available for

execution, it may apply to Wuhan Intermediate People's Court for enforcement by virtue of the Certificate of Claim, which is not limited by the execution period. Considering Huayin's current situation of operation, there is a greater risk of recovery of this litigation-related amount as of December 31, 2020.

(6) Dispute over the subcontracting of Guangzhou Central Directly Administered Cotton Reserve Project is under re-trial

In 2009, Wujiang Company undertook Guangzhou Central Directly Administered Cotton Reserve Project and subcontracted the labor part of the project to Li Yongxing. In 2013, Li Yongxing filed a lawsuit with the People's Court of Luogang District, Guangzhou City, requesting Wujian Company and the contractor, China Cotton Reserve Management Corporation, to pay him a total of RMB 19,404,368.23 for the project, and requesting Wujian Company to return the project deposit of RMB 800,000. After the trial, the People's Court of Luogang District, Guangzhou City, issued civil judgment (2012) SLFMSZ No.112 on January 8, 2014, ruling to reject all of Li Yongxing's claims. Li Yongxing appealed the judgment to Guangzhou Intermediate People's Court, which, after hearing, issued a second instance judgment on September 24, 2014, rejecting Li Yongxing's appeal and upholding the original judgment. Li Yongxing was again dissatisfied and applied to the Guangdong High People's Court for a retrial, but his application for retrial was rejected by Guangdong High People's Court on July 20, 2015. Li Yongxing then applied to Guangzhou Municipal People's Procuratorate for procuratorial supervision, which has requested Guangdong Provincial People's Procuratorate to file a protest on July 12, 2019. As of December 31, 2020, the case was being heard by Guangzhou Intermediate People's Court.

(7) Dispute over the steel sales and purchase contract on the East China Greenland Xiangshu Project and Xinda Tianyao Project is under trial

Anhui Jianhang Trading Co., Ltd. (hereinafter referred to as "Jianhang ") filed a lawsuit with Hefei Luyang District People's Court ("Luyang District Court") on June 4, 2018, demanding Wujian Company, Xu Jing and Zhang Xiaomei to pay it principal of RMB4,291,114.79 and interest of RMB1,209,020.40 and freight advance of RMB320,000.00, totaling RMB5,820.135.19 for the steel sales contract on East China Greenland Xiangshu Project and Xinda Tianyao Project.

On June 17, 2019, Wujiang Company applied to Wuhan Intermediate People's Court to confirm the validity of the arbitration clause in the steel sales contract. Wuhan Intermediate People's Court issued civil rulings (2019) E01 MT No.308 and No.309 on August 2, 2019, ruling that the arbitration clause in the steel sales and purchase contract was valid. Subsequently, Luyang District Court made on August 13, 2019 a civil ruling (2018) W 0103 MC No.4110 based on the above civil ruling made by Wuhan Intermediate People's Court, rejecting the plaintiff Jianhang's suit. The civil ruling was appealed by Jianhang, which lodged an appeal to the Intermediate People's Court of Hefei City, Anhui Province, which issued on January 19, 2020 a civil ruling (2020) W 01 MZ No.112, ruling that the appeal was rejected and the original ruling was upheld. On September 4, 2020, Wujiang Company submitted an arbitration application to Wuhan Arbitration Commission, and the case was under trial as of December 31, 2020.

(8) Dispute over the sale and purchase contract of the CAS project is under trial

On January 7, 2019, Wujian Company undertook Huainan CAS project and Hecaiquan Building Materials Sales Department in Tianjiaan District were the supplier of building materials

for the project. On January 7, 2019, Hecaiquan Building Materials Sales Department claimed that RMB 369,327.00 for materials and interest was still outstanding, so it sued the contractor, Wujiang Company, Zhang Chunfeng, Ge Lei and Xi Guangping for payment. As at December 31, 2020, the first instance judgment ruled that Wujian Company had nothing to do with the case, and the other defendant Ge Lei has appealed.

(9) Dispute over construction contract on CAS project is under trial

Wujian Company undertook Huainan CAS Project and subcontracted the labor service of the project to Huainan Jumei Construction Labor Co., Ltd. ("Jumei"), which subcontracted the project to Ge Lei. On July 2, 2018, Ge Lei filed a lawsuit with the People's Court of Tianjiaan District, Huainan City, demanding Wujian Company to pay him RMB12,553,612.96 for the work of the Institute of Plasma Physics and interest (calculated from February 1, 2018 on the basis of RMB12,553,612.96 at the rate of 2% per month until the date of payment determined by the judgment). Due to the unsuitability of the subject of the lawsuit, Ge Lei has withdrawn the lawsuit.

Later, Ge Lei re-submitted the lawsuit and included Wujian Company, Huainan Jumei Labor Service Co., Ltd, Zhang Chunfeng, Zhang Linlin and Huainan New Energy Research Center as co-defendants. After the trial of the court of first instance the People's Court of Tianjiaan District, Huainan City, Wujian Company received a judgment of first instance on November 1, 2019, ruling that Zhang Linlin paid the plaintiff principal and interest totaling RMB 4,906,764.16 and the contractor was liable to the extent of RMB 3,095,955.25. The contractor appealed to the Intermediate People's Court of Huainan City, Anhui Province against the judgment of the first instance, but it applied for withdrawal of the appeal during the second instance, and the Intermediate People's Court of Huainan City, Anhui Province made a civil ruling (2020) W 04 MZ No. 164 on April 2, 2020, ruling that the contractor was allowed to withdraw the appeal. As of December 31, 2020, the judgment of the first instance became effective on the date of service of this ruling.

(10) Dispute over subrogation rights of the insurer of Hanzheng Street drainage main pipe (Minzhu 1 Street - Shandong 3 Road) project is under second trial

Wujian Company undertook the Hanzheng Street drainage main pipe (Minzhu 1 Street - Shandong 3 Road) Project in 2018. In June 2019, Wuhan Branch of PICC P&C sued Wujian Company, claiming that Wujian Company had dug up the cable TV fiber optic cable owned by Wuhan Branch of Hubei Radio and Television Information Network Co., Ltd. during the construction of the project, causing property damage. Wuhan Branch of Hubei Radio and Television Information Network Co., Ltd purchased property insurance for the above cable from the plaintiff, and the plaintiff obtained subrogation right after paying for it in accordance with the insurance contract, and now sued for compensation for the costs and losses to be made by Wujian Company in accordance with the insurance contract, totaling RMB 91,098.00. The case was decided in the first instance that Wujian Company should pay the plaintiff RMB91,098.00 in compensation, and Wujian Company appealed to Wuhan Intermediate Court, and as of December 31, 2020, the case was in the second instance.

(11) Dispute over lease contract on Jinyin Lake Wanda Plaza project is under trial

On September 16, 2020, East Lake Eco-Tourism Scenic Area Xingyu Construction Equipment Leasing Station ("Xingyu Leasing Station") filed a lawsuit with the People's Court of East Lake Hi-tech Development Zone, demanding Wuhan Yinquan Construction Labor Co., Ltd. ("Yinquan") and Wujian Company to pay rent and interest totaling RMB2,048,682.45 to it. The case was heard on December 16, 2020, and Yinquan and Xingyu Leasing Station agreed to mediate, and as of December 31, 2020, Yinquan and Xingyu Leasing Station were privately negotiating a mediation plan.

(12) Dispute over construction contract on exterior wall roughing and coating project of Fuyang Jinhua First County Phase III (second prosecution) is under trial

In August 2020, Anhui Yingke Building Materials Co., Ltd. ("Yingke ") filed a lawsuit with the People's Court of Yingzhou District, Fuyang City again on the grounds of new evidence, requesting Wujian Company to pay it RMB2,387,199.38 for the construction of the external wall roughing and coating of the Phase III of Fuyang Jinhua First County Project. As of December 31, 2020, the case was under trial.

(13) Dispute over construction contract on Fangchenggang HVAC project is under first instance

On November 10, 2011, Wujian Company won the tender for the construction of the HVAC project equipment and materials procurement and installation of the comprehensive building contracted by Fangchenggang City Construction Investment Co., Ltd. The project was completed and accepted on January 6, 2014, with a total settlement cost of RMB 20,309,489.70. The settlement amount confirmed by Wujian Company and Fangchenggang City Construction Investment Co., Ltd. does not include the modification of CGNPC mainframe program, the renovation and increase of air conditioning on the 5th floor and 15th-25th floors of CGNPC, and the increase of three parts of design changes of central air conditioning renovation, so the total project amount is RMB 872,480.84, which has not been paid by Fangchenggang City Construction Investment Co., Ltd. so far. Wujian Company then filed a lawsuit with the People's Court of Port District of Fangchenggang City to claim the payment of the project amount and interest totaling RMB 1,213,800 from Fangchenggang City Construction Investment Co., Ltd., which was under trial in the first instance as of December 31, 2020.

(14) Yueyang Evergrande Future City administrative litigation is under trial

Wujian Company won the main body and supporting construction works of the first phase (1-4#, 33 buildings, kindergarten and basement) and the second phase (13-20#, new complex building, street stores and basement) of Lot C of Yueyang Evergrande Future City invested and constructed by Yueyang Jinbi Real Estate Co., Ltd. In August 2018, Wujian Company subcontracted the installation project to Wuhan Jiangong Installation Engineering Co., Ltd. and Hu Xinrun, the migrant worker involved in the case, was an on-site installation worker employed by the latter to fulfill the obligations of the professional subcontracting contract. He got injured accidentally during the operations and then applied to Yueyang Human Resources and Social Security Bureau for recognition of work-related injuries, which then issued Decision on Recognition of Work-related Injuries. Wujian Company refused the decision and filed an administrative reconsideration with Human Resources and Social Security Department of Hunan Province, which rendered the decision of administrative reconsideration and rejected the

reconsideration application of Wujian Company. Wujian Company then filed an administrative lawsuit with the Railway Transportation Court of Changsha City, requesting the revocation of the Decision on Recognition of Work-related Injuries made by Yueyang Human Resources and Social Bureau and the Decision on Administrative Reconsideration made by Human Resources and Social Security Department of Hunan Province, which was under trial as of December 31, 2020.

(15) The suspected criminal case of Yu Liangpeng, the actual controller of Aobang Industry and Trade, and his spouse Wu Hongmei

Hubei Aobang Real Estate Development Co., Ltd. ("Aobang"), a subsidiary of the Company, has shareholders Wujian Fuqiang Company (51%), Hubei Aobang Industry and Trade Co., Ltd. ("Aobang Industry and Trade") (40%) and natural person Zhao Dehua (9%). As of December 31, 2020, Aobang received RMB20,000,000.00 investment amount from Aobang Industry and Trade, RMB700,000.00 of current account from Aobang Industry and Trade and RMB19,300,000.00 of current account from Wu Hongmei. Currently, Aobang's accumulated surplus reserve was RMB 8,070,031.07 and accumulated unallocated profits amounted to RMB 64,012,204.63.

Since Yu Liangpeng, the actual controller of Aobang Industry and Trade and his spouse Wu Hongmei were suspected of committing crimes, the Public Security Bureau of Yicheng City issued Notice of Assistance in Freezing Property YG (X) DCZ [2019] No.0731 to Aobang on July 31, 2019, freezing the deposit of RMB 27,381,120.20 in Aobang's account No. 82010000002968884 with Yicheng Longtou Subbranch of Agricultural and Commercial Bank; on September 2, 2019, the Notice on Property Recovery was issued to Aobang to recover and seize RMB 20,000,000.00 of Aobang's loan to Yu Liangpeng and Wu Hongmei. On November 26, 2020, Xiangyang Intermediate People's Court of Hubei Province issued Criminal Judgment (2020) E06 XZ No.192, which ruled that the equity interests in the names of defendants Yu Liangpeng, Wu Hongmei and the companies under their effective control, which had been frozen and seized in the case, and their yields, were confiscated and surrendered to the State Treasury. On January 20, 2021, the People's Court of Yicheng City, Hubei Province transferred the deposits of Aobang in the account 82010000002968884 of Longtou Branch of Yicheng City of Agricultural and Commercial Bank, totaling RMB 27,381,120.20, based on the above-mentioned ruling.

As the Lansan Mansion project invested by Aobang has not yet been fully sold and was not yet eligible for profit distribution, Aobang submitted an execution objection letter and relevant evidence to the People's Court of Yicheng City, Hubei Province on January 25, 2021. As of December 31, 2020, the execution objection case was in the process of trial.

(16) Dispute over the contract on Yuanfa Investment Children's Expansion Park Project is under trial

On June 12, 2015, the Company (Party A) and Hubei Lancui Technology Development Co., Ltd (Party B) entered into the Enterprise Exhibition Park Franchise Contract with respect to the 10th China (Wuhan) International Garden Expo Exhibition Park - Children's Expansion Park Project, according to which, Party A authorized Party B to carry out the construction and operation of the project and Party B shall pay Party A the concession fee of RMB 96 million for the concession right for 20 years; later they signed a Supplementary Agreement to the Enterprise Exhibition Park Concession Contract, adding Mr. Xiaolin (Wuhan) Cultural Development Co., Ltd. (Party C) and stipulating that Party A agreed that Party B authorized Party C to carry out the

construction and operation of the project and the concession fee of RMB 96 million to be paid by Party B to Party A shall be paid directly by Party C to Party A, and Party B shall be jointly and severally liable for the payment.

Party B never completed the project due to financial problems and the contract was not fully executed. On July 4, 2019, Party B filed a lawsuit with Wuhan Intermediate People's Court for the contract dispute, requesting pre-litigation preservation measures against the Company, freezing of the Company's bank accounts or other properties of corresponding value, and provision of corresponding security. On July 16, 2019, Party B voluntarily filed a withdrawal of the application for pre-litigation property preservation with Wuhan Intermediate People's Court. Wuhan Intermediate People's Court issued (2019) E01 C B No.313, granting Party B to withdraw the application for pre-litigation property preservation.

The Company received the court summons on September 12, 2019. Upon the application of Lancui, Wuhan Intermediate People's Court issued (2020) E01 ZB No. 25 Notice of Assistance in Freezing Deposit on January 13, 2020, freezing the funds in the Company's account in an amount of RMB137,622,004.71. The Company filed a counterclaim and has now held three court hearings to cross-examine the evidence provided by both parties.

As the parties disputed the scope of investment and investment amount of the project, the Company applied to the court in December 2019 for a judicial appraisal of the project in order to ascertain the facts. After several communications and consultations with the judge, we initially clarified the scope of appraisal and appraisal method, namely, the judicial appraisal of the above-ground part of the project (referring to the buildings, structures, facilities, equipment and landscape packaging part built by Lancui) and the underground part (referring to the underground pipeline network, underground road network and greening part that we have completed construction) according to the contract. At the same time, we made it clear that the purpose of the appraisal was to ascertain the facts, and did not mean that we approved Lancui's reasons for its claim.

In November 2020, the Court determined two forensic appraisal institutions for the above-ground and underground portions through a lottery. In January 2021, we paid a total of RMB 1.46 million for the forensic appraisal.

On December 23, 2020, Lancui applied to Wuhan Intermediate People's Court to continue to freeze the Company's funds, and on January 5, 2021, Wuhan Intermediate People's Court issued civil ruling (2019) E01 MC No. 6574-3 to the Company, ruling to continue to freeze the Company's funds in an amount of RMB137,622,004.71.

As of now, the litigation of the case is in progress and its impact cannot be determined yet.

XI. Events after the balance sheet date

As at April 29, 2021, the Company had no events after the balance sheet date that needed to be disclosed.

XII. Other significant events

1. Segment information

Item	Building construction		Real estate development	
	This year	Previous year	This year	Previous year

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Item	Building construction		Real estate development	
	This year	Previous year	This year	Previous year
Operating income	13,899,011,016.46	404,246,965.49	10,531,103,763.03	8,452,616,024.96
Including: income from foreign transactions				
Income from inter-segment transactions				
Income from investment in associates and joint ventures	79,655,983.84		614,593,153.07	
Losses from assets impairment	-200,708,337.47		-23,832,471.36	
Credit Impairment loss (under new standards)			548,492.86	
Depreciation and amortization expenses	45,279,183.22		21,395,475.09	41,117,968.69
Total profit	622,909,684.74		1,761,025,494.17	1,265,072,679.42
Income tax expense	176,684,996.73		414,398,257.33	376,194,399.02
Net profits	446,224,688.01		1,346,627,236.84	888,878,280.40
Total assets	37,870,304,710.52	32,552,718,299.18	193,886,523,098.60	165,436,278,357.52
Total liabilities	30,717,910,755.54	26,446,570,563.18	160,265,166,523.12	136,618,433,104.09
Other significant non-cash items				
Including:				

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Item	Building construction		Real estate development	
	This year	Previous year	This year	Previous year
non-cash items other than depreciation and amortization costs				
Increase in long-term equity investments in associates and joint ventures accounted under the equity method				
Operating cost	12,458,613,760.15	329,553,475.93	7,519,642,081.43	5,749,611,961.43

Continued:

Item	Others		Offset	
	This year	Previous period	This year	Previous period
Operating income	4,948,490,440.14	1,731,709,208.88	-2,725,006,740.22	-648,413,735.60
Including: income from foreign transactions				
Income from inter-segment transactions				
Income from investment in associates and joint ventures	42,881,796.25	81,252,087.29	3,690,865.00	

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Item	Others		Offset	
	This year	Previous period	This year	Previous period
Losses from assets impairment	-2,287,513.93	6,714,307.88		
Credit Impairment loss (under new standards)				
Depreciation and amortization expenses	9,997,832.44	449,519,142.99		
Total profit	194,353,439.32	181,237,991.41	-77,675,585.50	-19,480,644.86
Income tax expense	11,369,690.66	52,124,767.88	-164,316,773.99	
Net profits	182,983,748.66	129,113,223.53	86,641,188.49	-19,480,644.86
Total assets	127,806,350,188.31	105,456,803,761.49	-62,217,914,135.97	-42,446,107,012.73
Total liabilities	67,640,730,963.71	62,536,848,182.26	-39,534,821,615.73	-36,429,465,592.58
Other significant non-cash items				
Including: non-cash items other than depreciation and amortization costs				
Increase in long-term equity investments in associates and joint ventures				

Item	Others		Offset	
	This year	Previous period	This year	Previous period
accounted under the equity method				
Operating cost	3,750,984,453.91	1,277,052,207.41	-2,525,461,067.74	-620,748,086.18

Continued:

Item	Total	
	This year	Previous year
Operating income	26,653,598,479.41	9,940,158,463.73
Including: income from foreign transactions		
Income from inter-segment transactions		
Income from investment in associates and joint ventures	740,821,798.16	81,252,087.29
Losses from assets impairment	-226,828,322.76	7,592,608.47
Credit Impairment loss (under new standards)	548,492.86	
Depreciation and amortization expenses	76,672,490.75	490,637,111.68
Total profit	2,500,613,032.73	1,426,830,025.97
Income tax expense	438,136,170.73	428,319,166.90
Net profits	2,062,476,862.00	998,510,859.07
Total assets	297,345,263,861.46	260,999,693,405.46
Total liabilities	219,088,986,626.64	189,172,386,256.95
Other significant non-cash items		
Including: non-cash items other than depreciation and amortization costs		
Increase in long-term equity investments in associates and joint ventures accounted under the equity method		
Operating cost	21,203,779,227.75	6,735,469,558.59

2. Other major events affecting decision-making of investors

None.

XI. Notes to the main items of the parent company's financial statements

1. Other receivables

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Item	12/31/2020	1/1/2020
Interest receivable	1,808,400.00	222,953.42
Dividends receivable		
Other receivables	39,303,212,179.91	37,921,742,497.70
Total	39,305,020,579.91	37,921,965,451.12

(1) Interests receivable

①Type:

Item	12/31/2020	1/1/2020
Time deposit		
Entrusted loan		
Bond investment	1,808,400.00	222,953.42
Total	1,808,400.00	222,953.42

(2) Changes in dividends receivable

None.

(3) Other receivables

①① Other receivables classified by risk

Category	Ending balance			
	Book balance		Provision for bad debts	
	Amount	Ratio (%)	Amount	Ratio (%)
Other receivables that are individually significant and subject to individual provision for bad debts				
Other receivables with provision for bad debts accrued by portfolio with credit risk features	39,303,240,398.71	100.00	28,218.80	0.00
Including: Portfolio 1-aging analysis method	141,093.99	0.00	28,218.80	20.00
Portfolio 2-balance percentage method				
Portfolio 3-Other combination methods	39,303,099,304.72	100.00		
Other receivables that are individually insignificant but subject to individual provision for bad debts				
Total	39,303,240,398.71	100.00	28,218.80	

Continued:

Category	Beginning balance			
	Book balance		Provision for bad debts	
	Amount	Ratio (%)	Amount	Ratio (%)
Other receivables that are individually significant and subject to individual provision for bad debts				
Other receivables with provision for bad debts accrued by portfolio with credit risk features	37,921,785,545.60	100.00	43,047.90	0.00
Including: Portfolio 1-aging analysis method				
Portfolio 2-balance percentage method	8,609,579.07	0.02	43,047.90	0.50
Portfolio 3-Other combination methods	37,913,175,966.53	99.98		
Other receivables that are individually insignificant but subject to individual provision for bad debts				
Total	37,921,785,545.60	100.00	43,047.90	-

A. Other receivables subject to provision for bad debts made at aging analysis method in portfolio:

Aging	12/31/2020			
	Amount	Proportion %	Provision for bad debts	Provision ratio %
Within 1 year				
1-2 years				
2-3 years				
3-4 years	141,093.99	100.00	28,218.80	20.00
4-5 years				
Over 5 years				
Total	141,093.99	100.00	28,218.80	20.00

B. Other receivables with the provision for bad debts made under other methods in portfolios:

Portfolio name	Ending balance			Book value
	Amount	Proportion	Provision	

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

		of provision (%)	for bad debts	
Receivables from the related parties	25,442,427,188.73			25,442,427,188.73
Receivables from government or state-owned enterprises	13,815,057,070.91			13,815,057,070.91
Guarantees, deposits and other receivables	45,615,045.08			45,615,045.08
Total	39,303,099,304.72			39,303,099,304.72

Continued:

Portfolio name	Beginning balance			Book value
	Amount	Proportion of provision (%)	Provision for bad debts	
Receivables from the related parties	23,298,177,997.44			23,298,177,997.44
Receivables from government or state-owned enterprises	14,577,743,624.49			14,577,743,624.49
Guarantees, deposits and other receivables	37,254,344.60			37,254,344.60
Total	37,913,175,966.53			37,913,175,966.53

②Category of other receivables by nature

Nature of payment	12/31/2020	1/1/2020
Advances to public construction projects	13,801,294,826.68	11,049,194,185.75
Advances to scaffolding projects		3,508,192,211.77
Security, deposits	37,146,560.00	37,254,344.59
Petty cash	150,000.00	100,000.00
Current accounts with related parties	25,442,427,188.73	20,915,362,921.00
Current accounts not among related parties	8,609,579.07	2,401,430,095.00
Prepayments	13,612,045.46	10,251,588.72
Others	198.77	198.77
Total	39,303,240,398.71	37,921,785,545.60

③ Information of top 5 entities in terms of the ending balance of other receivables:

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements
For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Entity name	Whether related party	Nature of payment	Ending balance	Aging	Proportion in the total ending balance of other receivables (%)	Balance of provision for bad debts at the end of the period
Wuhan Real Estate Group Co., Ltd.	Yes	Other current accounts among related parties	9,134,597,670.43	Within 1 year / 2-5 years	23.24	
Wuhan City Development Investment Co., Ltd.	Yes	Other current accounts among related parties	2,523,500,000.00	Within 1 year	6.42	
Metro Real Estate United Real Estate Co., Ltd.	Yes	Other current accounts among related parties	2,516,078,396.03	Within 1 year; 1-2 years; 3-4 years	6.40	
Wuhan Xiangyue Real Estate Development Co., Ltd.	Yes	Other current accounts among related parties	2,320,474,400.00	Within 1 year; 1-2 years; 3-4 years	5.90	
Wuhan Tongjian City Development Co., Ltd.	Yes	Other current accounts among related parties	1,904,246,148.69	1-4 years	4.85	
Wuhan Changyue Real Estate Development Co., Ltd.	Yes	Other current accounts among related parties	1,601,460,000.00	Within 1 year / 3-4 years	4.07	
2049 Investment Group Co., Ltd.	Yes	Other current accounts among related parties	1,263,300,000.00	Within 1 year	3.21	
Wuhan Yunsheng Zhihe Real	Yes	Other current	800,000,000.00	Within 1 year	2.04	

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Entity name	Whether related party	Nature of payment	Ending balance	Aging	Proportion in the total ending balance of other receivables (%)	Balance of provision for bad debts at the end of the period
Estate Co., Ltd.		accounts among related parties				
Wuhan City Guaranteed Housing Investment and Construction Co., Ltd.	Yes	Other current accounts among related parties	762,639,534.12	Within 1 year / 1-5 years	1.94	
Wuhan Central Business District Urban Construction Development Co., Ltd.	Yes	Other current accounts among related parties	500,000,000.00	Within 1 year	1.27	
Total			23,326,296,149.27		59.35	

2. Long-term equity investments

(1) Classification of long-term equity investments

Item	12/31/2020		
	Book balance	Provisions for impairment	Book value
Investment in subsidiaries	20,228,329,334.78		20,228,329,334.78
Investment in joint ventures	85,456,541.16		85,456,541.16
Investment in associates	176,217,010.64		176,217,010.64
Total	20,490,002,886.58	-	20,490,002,886.58

Continued:

Item	1/1/2020		
	Book balance	Provisions for impairment	Book value
Investment in subsidiaries	1,667,171,417.74	10,000,000.00	1,657,171,417.74
Investment in joint ventures	36,936,632.56		36,936,632.56
Investment in associates	81,855,122.99		81,855,122.99
Total	1,785,963,173.29	10,000,000.00	1,775,963,173.29

(2) Investment in subsidiaries

Investee	Beginning balance	Increase in the current year	Decrease in the current year	Ending balance
Wuhan Real Estate Checheng Development and Investment Co., Ltd.	70,024,720.00		21,000,000.00	49,024,720.00
Wuhan Jiankai General Engineering Contracting Co., Ltd.	76,743,176.00			76,743,176.00
Wuhan Chengkai Xinxing Building Materials Co., Ltd.	33,200,000.00			33,200,000.00
Wuhan City Guaranteed Housing Investment and Construction Co., Ltd.	200,000,000.00	10,000,000.00		210,000,000.00

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Investee	Beginning balance	Increase in the current year	Decrease in the current year	Ending balance
Wuhan Real Estate Holdings Co., Ltd.	805,968,295.79			805,968,295.79
Wuhan Real Estate Group Oriental Property Management Co., Ltd.	9,494,000.00			9,494,000.00
Wuhan Convention Center Management Company	10,000,000.00		10,000,000.00	
Wuhan Chengxing United Technology Development Co., Ltd.	10,200,000.00			10,200,000.00
Wuhan Quintai Asset Management Co., Ltd.	10,000,000.00	168,219.20		10,168,219.20
Wuhan Cultural and Creative Development Company	70,000,000.00			70,000,000.00
Wuhan City Development Investment Co., Ltd.	160,000,000.00	40,000,000.00		200,000,000.00
Wuhan Real Estate Group Municipal Construction Management Co., Ltd.	20,000,000.00	50,000,000.00		70,000,000.00
Wuhan Chengfa Investment Fund Management Co., Ltd.	1,375,000.00			1,375,000.00
Wuhan Human Defense Engineering Special Equipment Co., Ltd.	186,975,972.15			186,975,972.15
Wuhan Yingbinguan	3,190,253.80			3,190,253.80

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Investee	Beginning balance	Increase in the current year	Decrease in the current year	Ending balance
Property Company				
Wuhan Hongcheng Engineering Consulting Management Co., Ltd.		1,200,000.00		1,200,000.00
Wuhan Education Real Estate Development Co., Ltd.		1,959,912.00		1,959,912.00
Wuhan Renda Printing Factory		1,486,757.59		1,486,757.59
Wuhan 2049 Group Co., Ltd.	699,432,688.97	50,000,000.00		749,432,688.97
Wuhan Urban Estate Investment & Development Group Co., Ltd.	3,119,189,460.87			3,119,189,460.87
Wuhan Construction Engineering (Group) Co. Ltd.	590,838,687.92			590,838,687.92
Wuhan Landscape Construction Development (Group) Co., Ltd.	4,133,605,420.64			4,133,605,420.64
Wuhan Engineering Consulting Department	51,563,213.71			51,563,213.71
Wuhan Central Business District Investment Holding Group Co., Ltd.	9,842,713,556.14			9,842,713,556.14
Total	20,104,514,445.99	154,814,888.79	31,000,000.00	20,228,329,334.78

(3) Investment in associates and joint ventures

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Investee	Beginning balance	Increase/decrease in this period				Adjustments to other comprehensive income	Changes in other equity
		Additional investment	Reduced investment	Profit and loss on investments recognized under the equity method			
I. Joint ventures	36,936,632.56			48,519,908.60			
Wuhan Metro Real Estate United Real Estate Co., Ltd.	36,936,632.56			48,519,908.60			
II. Associates	81,855,122.99	100,000,000.00		-5,638,112.35			
Wuhan Urban-Rural Integration Demonstration Zone Investment and Development Co., Ltd.	24,842,523.50			6,869,183.85			
Hubei Green Edge New Material Technology Co., Ltd.	47,161,127.03			-4,273,028.64			
Huajian New Era (Wuhan) Engineering Design Co., Ltd.	9,851,472.46			1,974,612.02			
Wuhan Zhongjian Wudi Development and Construction Co., Ltd.		100,000,000.00		-10,208,879.58			
Total	118,791,755.55	100,000,000.00		42,881,796.25			
Continued:							
Investee	Increase/decrease in this period			Ending balance	Balance of		

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

	Cash dividends or profits declared and distributed	Provision for impairment	Others		provision for impairment as at the end of the period
I. Joint ventures					
Wuhan Metro Real Estate United Real Estate Co., Ltd.				85,456,541.16	85,456,541.16
II. Associates				176,217,010.64	176,217,010.64
Wuhan Urban-Rural Integration Demonstration Zone Investment and Development Co., Ltd.				31,711,707.35	31,711,707.35
Hubei Green Edge New Material Technology Co., Ltd.				42,888,098.39	42,888,098.39
Huajian New Era (Wuhan) Engineering Design Co., Ltd.				11,826,084.48	11,826,084.48
Wuhan Zhongjian Wudi Development and Construction Co., Ltd.				89,791,120.42	89,791,120.42
Total				261,673,551.80	261,673,551.80

4. Operating income and operating costs

(1) Presentation of operating income and cost is as set out below:

Item	Amount in this year		Amount in previous year	
	Income	Costs	Income	Costs
1.				
Sub-total of primary business				
Including: Housing sales income				
Income from project settlement				
Income from concrete sales				
Income from property management				
Design and consulting income				
Project management fees and working expenses				
Others				
2.				
Sub-total of other business	379,396,098.72	217,705,950.36	529,000,491.58	405,175,937.96
Including: Housing	86,296,832.13	46,962,280.45	99,541,235.72	70,989,515.71

Item	Amount in this year		Amount in previous year	
	Income	Costs	Income	Costs
rental income				
Income from management fee	14,603,073.76	6,611,673.56	7,077,924.52	1,078,086.40
Guarantee deposit	12,919,357.96		817,924.53	
Grants				
Interest income on borrowings	265,576,834.87	164,131,996.35	421,563,406.81	333,108,335.85
Total	379,396,098.72	217,705,950.36	529,000,491.58	405,175,937.96

5. Investment income

Source for investment income	Current year	Previous year
Long-term equity investment income calculated under the equity method:	42,881,796.25	-649,144.33
Investment income from disposal of long-term equity investments	10,721,645.99	
Investment income obtained during the period of financial assets held for trading (under new standards)	--	--
Investment income obtained from disposal of trading financial assets (under new standards)	--	--
Investment income from financial assets measured at fair value through current profit and loss incurred during the holding period		
Investment income from disposal of financial assets measured at fair value through current profit and loss		
Investment income during holding the held-to-maturity investments (under old standards)		
Investment income from disposal of the held-to-maturity investments (under old standards)		
Investment income obtained from available-for-sale financial assets	268,995,285.72	230,654,687.78

WuHan Urban Construction Group Co., Ltd.
Notes to the Financial Statements
For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Source for investment income	Current year	Previous year
Investment income acquired from disposal of the available-for-sale financial assets		
Interest income during the holding period of claim investments (under new standards)	--	--
Interest income during the holding period of other claim investments (under new standards)	--	--
Gain on disposal of claim investments (under new standards)	--	--
Gain on disposal of other claim investments (under new standards)	--	--
Gains from equities re-measured at the fair value upon obtainment of control right		
Gains from the remaining equities re-measured at the fair value after the loss of control right		
Dividend income obtained during the holding of other equity instruments (subject to new standards)	--	--
Others	1,656,000.00	1,492,924.53
Total	324,254,727.96	231,498,467.98

Note 1: Others were mainly dividends allocated by Hongcheng Supervision and Jiankai General Contracting.

6. Supplementary information to the parent company's statement of cash flows

Item	Current year	Previous year
1. Net profit adjusted to cash flows from operating activities	—	—
Net profits	148,308,802.07	1,070,420.17
Plus: provision for assets impairment	-14,829.10	-11,489,550.01
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of productive biological assets	32,961,792.63	38,837,443.84
Amortization of intangible assets	4,151,983.33	1,351,816.60
Amortization of long-term deferred expenses		
Losses from disposal of fixed assets, intangible assets and other long-term assets ("-" for gains)		
Losses on write-off of fixed assets ("-" for	48,577.47	70,028.03

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Item	Current year	Previous year
gains)		
Losses from changes in fair value ("-" for gains)		
Financial expenses ("-" for gains)	263,984,451.22	271,798,680.31
Investments losses ("-" for gains)	-324,254,727.96	-231,498,467.98
Decreases in deferred income tax assets ("-" for increases)	66,608,241.61	117,008,123.76
Increase in deferred income tax liabilities ("-" for decreases)		
Decreases in inventories ("-" for increases)	-578,348.95	-12,562,637.87
Decreases in operating receivables ("-" for increases)	-65,134,384.22	
Increases in operating payables ("-" for decreases)	-133,787,950.22	1,962,125,800.17
Others		
Net cash flows from operating activities	-7,706,392.12	117,786,485.75
2. Significant investing and financing activities not involving cash inflows and outflows	—	—
Transfer of debts into capital		
Convertible corporate bonds due within 1 year		
Fixed assets leased from financing		
3. Net change in cash and cash equivalents	—	—
Ending balance of cash	7,732,335,750.28	5,881,961,410.21
Less: beginning balance of cash	5,881,961,410.21	3,628,277,730.24
Plus: ending balance of cash equivalents		
Less: beginning balance of cash equivalents		
Net increase of cash and cash equivalents	1,850,374,340.07	2,253,683,679.97
2. Cash and cash equivalents		
Item	Ending balance	Beginning balance
Cash	7,732,335,750.28	5,881,961,410.21
Including: cash on hand		
Unrestricted bank deposits	7,729,513,784.08	5,879,768,170.72
Other unrestricted monetary funds	2,821,966.20	2,193,239.49

WuHan Urban Construction Group Co., Ltd.

Notes to the Financial Statements

For the Year Ended December 31, 2020 (Monetary amounts are expressed in RMB unless otherwise stated)

Item	Ending balance	Beginning balance
Available-for-payment deposits in the central bank		
Deposits with banks and other financial institutions		
Loans to or from banks and other financial institutions		
Cash equivalents		
Including: bond investments maturing within three months		
Ending balance of cash and cash equivalents	7,732,335,750.28	5,881,961,410.21
Including: cash and cash equivalents with restricted use right by parent company or subsidiaries of the Group		

XII. Approval of financial statements

The financial report of the Company was reported on April 29, 2021 upon the approval of the board of directors of the Company.

WuHan Urban Construction Group Co., Ltd.
April 29, 2021



ISSUER

Wuhan Urban Construction Group Co. Ltd.
(武漢城市建設集團有限公司)
No.9 Chang Qing Road
Jiangnan District
Wuhan, Hubei, China

TRUSTEE

Citicorp International Limited
20th Floor, Citi Tower
One Bay East
83 Hoi Bun Road
Kwun Tong, Kowloon
Hong Kong

REGISTRAR AND TRANSFER AGENT

Citibank, N.A., London Branch
c/o Citibank, N.A., Dublin Branch
1 North Wall Quay
Dublin 1
Ireland

PRINCIPAL PAYING AGENT

Citibank, N.A., London Branch
c/o Citibank, N.A., Dublin Branch
1 North Wall Quay
Dublin 1
Ireland

LEGAL ADVISERS

To the Issuer as to English law

Linklaters
11th Floor, Alexandra House
Chater Road
Hong Kong

To the Issuer as to PRC law

Dentons
7/F, Building D, Parkview Green FangCaoDi
o.9, Dongdaqiao Road Chaoyang District
00020, Beijing, China

*To the Joint Lead Managers
as to English law*

Freshfields Bruckhaus Deringer
55/F, One Island East
Taikoo Place, Quarry Bay
Hong Kong

*To the Joint Lead Managers
as to PRC law*

Jingtian & Gongcheng
34/F, Tower 3
China Central Place
77 Jianguo Road
Beijing 100025, China

*To the Trustee
as to English law*

Freshfields Bruckhaus Deringer
55/F, One Island East
Taikoo Place, Quarry Bay
Hong Kong

AUDITOR OF THE ISSUER

**Zhongxingcai Guanhua Certified
Public Accountants LLP**
Room 1612, Shanhe Enterprise Building
50 Xudong Street, Wuchang District
Wuhan City, Hubei Province
China