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***Notice to Hong Kong investors:*** *The Issuer confirms that the Bonds (as defined below) are intended for purchase by professional investors (as defined in Chapter 37 of the Listing Rules) only and have been 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.*



**Chongqing Wansheng Economic and Technological Development Zone  
Development & Investment Group Co., Ltd.**

**(重慶市萬盛經濟技術開發區開發投資集團有限公司)**

**(the “Issuer”)**

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

**And Supported by An Irrevocable Standby Letter of Credit Issued by  
Industrial and Commercial Bank of China Limited, Chongqing Branch  
U.S.\$89,000,000 1.93 per cent. Credit Enhanced Bonds due 2024  
(the “Bonds”) (Stock code: 40794)**

**PUBLICATION OF THE OFFERING CIRCULAR**

This announcement is made by the Issuer pursuant to Rule 37.39A of the Listing Rules.

Reference is made to the notice of listing of U.S.\$89,000,000 1.93 per cent. credit enhanced bonds due 2024 on the SEHK dated 30 July 2021 published by the Issuer. The offering circular dated 27 July 2021 referred to therein is appended to this announcement.

Hong Kong, 2 August 2021

*As at the date of this announcement, the directors of Chongqing Wansheng Economic and Technological Development Zone Development & Investment Group Co., Ltd. (重慶市萬盛經濟技術開發區開發投資集團有限公司) are Mr. Zhang Guoxun, Mr. Luo Zongmin, Mr. Tan Qiyuan, Mr. Lu Jianhua, Mr. Tian Renlu, Mr. Chen Xinguo, Ms. Xing Min, Mr. Wang Qiming, Mr. Zhang Qin, Mr. Kuang Yanping, Mr. Tan Zhengquan and Mr. Ruan Fei.*

## IMPORTANT NOTICE

### NOT FOR DISTRIBUTION IN OR INTO THE UNITED STATES

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

**THE SECURITIES 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.**

**Singapore Securities and Futures Act 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 as 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).

**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 PERSON OR 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.**

#### **Confirmation of Your Representation:**

You have accessed the attached document on the basis that you have confirmed to the Issuer and the Managers (each as defined in the Offering Circular) that (1) you and any customers you represent are not located in the United States, (2) the e-mail address that you gave us and to which this e-mail has been delivered is not located in the United States, and (3) you consent to delivery of the attached document by electronic transmission and any amendments or supplements thereto 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.

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**Restrictions:** Nothing in this electronic transmission constitutes, and may not be used in connection with, an offer or an invitation by or on behalf of any of the Issuer or the Managers, the Trustee or the Agents to subscribe for or purchase any of the Securities in any place where offers or solicitations are not permitted by law, and access has been limited so that it shall not constitute in the United States or elsewhere directed selling efforts (within the meaning of Regulation S under the Securities Act). If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Managers or any affiliate of the Managers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Managers or such affiliate on behalf of the Issuer in such jurisdiction.

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**Chongqing Wansheng Economic and Technological Development Zone  
Development & Investment Group Co., Ltd.**

**(重慶市萬盛經濟技術開發區開發投資集團有限公司)**

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

**U.S.\$89,000,000 1.93 PER CENT. CREDIT ENHANCED BONDS DUE 2024**

**supported by an irrevocable Standby Letter of Credit issued by  
Industrial and Commercial Bank of China Limited, Chongqing Branch**

**ISSUE PRICE: 100.0 PER CENT.**

The U.S.\$89,000,000 in aggregate principal amount of 1.93 per cent. Bonds due 2024 (the “**Bonds**”) will be issued by Chongqing Wansheng Economic and Technological Development Zone Development & Investment Group Co., Ltd. (重慶市萬盛經濟技術開發區開發投資集團有限公司) (the “**Issuer**”), a company incorporated in the PRC (as defined herein) with limited liability. Payment of principal and interest in respect of the Bonds will be supported by an irrevocable standby letter of credit (the “**Standby Letter of Credit**”) denominated in U.S. dollars and issued by Industrial and Commercial Bank of China Limited, Chongqing Branch (the “**LC Bank**”). See “*Appendix – Form of Irrevocable Standby Letter of Credit*” for the form of the Standby Letter of Credit.

The Bonds will bear interest on their outstanding principal amount from and including 30 July 2021 (the “**Issue Date**”) at the rate of 1.93 per cent. per annum. Interest on the Bonds is payable semi-annually in arrear in equal instalments on 30 January and 30 July in each year, commencing on 30 January 2022. Payments on the Bonds will be made without deduction or withholding for or on account of 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 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, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations. The PRC Government (as defined herein) (including the Chongqing Municipal Government) (each as defined herein) is not an obligor and shall under no circumstances have any obligation arising out of or in connection with the Bonds in lieu of the Issuer. See “*Risk Factors – Risks relating to the Bonds and the Standby Letter of Credit – the PRC Government is not contractually obliged to repay any amount under the Bonds or the Trust Deed if the Issuer fails to meet its obligations under the Bonds.*”

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 (“**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 NDRC on 11 March 2021 evidencing such registration. The Issuer undertakes (i) to file or cause to be filed with the NDRC the requisite information and documents within 10 Registration Business Days (as defined in the terms and conditions of the Bonds (the “**Conditions**”)) after the Issue Date and (ii) to comply with all applicable PRC laws and regulations in connection with the Bonds. The Issuer further undertakes that it will (i) within 15 Registration Business Days, submit or cause to be submitted an application for the registration of the Bonds with the State Administration of Foreign Exchange of the PRC (“**SAFE**”) or its local competent branch pursuant to the Administrative Measures for Foreign Debt Registration (外債登記管理辦法), effective as of 13 May 2013 and its operating guidelines other applicable rules issued by SAFE from time to time (the “**Foreign Debt Registration**”) and (ii) use its best endeavours to complete the Foreign Debt Registration and obtain evidence thereof from SAFE on or before the Registration Deadline (as defined in the Terms and Conditions).

Unless previously redeemed, or purchased and cancelled, the Issuer will redeem each Bond at its principal amount on 30 July 2024 (the “**Maturity Date**”). At any time, on giving not less than 30 nor more than 60 days’ written notice (which shall be irrevocable) to the holders of the Bonds (the “**Bondholders**”), the Trustee and the Principal Paying Agent, 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 27 July 2021, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it. At any time 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 their principal amount together with accrued interest to (but excluding) such Put Settlement Date. If a Pre-funding Failure Notice (as defined in the Conditions) is given to the Bondholders in accordance with the Conditions, the Bonds shall be redeemed at their principal amount on the Interest Payment Date (as defined in the Conditions) falling immediately after the date the Pre-funding Failure Notice is given to the Bondholders (the “**Mandatory Redemption Date**”) together with interest accrued to (but excluding) such Mandatory Redemption Date. See “*Terms and Conditions of the Bonds – Redemption and Purchase*”.

The Bonds will be issued in denominations of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof. For a more detailed description of the Bonds, see “*Terms and Conditions of the Bonds*” beginning on page 55.

Investing in the Bonds involves risks. See “*Risk Factors*” beginning on page 17.

The Bonds and the Standby Letter of Credit have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. For a description of these and certain further restrictions on offers and sales of the Bonds, the Standby Letter of Credit and the distribution of this Offering Circular, see “*Subscription and Sale*” on page 123.

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

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

**The Hong Kong Stock Exchange 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 Hong Kong Stock Exchange 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 Hong Kong Stock Exchange 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 will initially be evidenced by interests in a global certificate (the “**Global Certificate**”) in registered form which will be registered in the name of a nominee of, and shall be deposited on or about the Issue Date with, a common depository for Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking S.A. (“**Clearstream**”). Beneficial interests in the Global Certificate will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream. Except as described herein, certificates for Bonds will not be issued in exchange for interests in the Global Certificate.

*Sole Global Coordinator*

**ICBC International**

*Joint Lead Managers and Joint Bookrunners*

**ICBC International**

**Hua Xia Bank Co., Limited  
Hong Kong Branch**

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

**Shanghai Pudong  
Development Bank Hong  
Kong Branch**

Offering Circular dated 27 July 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 OF ANY DATE SUBSEQUENT TO THE DATE HEREOF.**

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 the classification of the Bonds as 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).

Hong Kong Exchanges and Clearing Limited and the Hong Kong Stock Exchange 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. 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 its subsidiaries (together, 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.

The Issuer confirms that (i) this Offering Circular contains all information with respect to the Issuer and the Group, the Standby Letter of Credit and the Bonds which is material in the context of the issue and offering of the Bonds; (ii) the statements contained in this Offering Circular relating to the Issuer, the Group, the Standby Letter of Credit 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 material circumstances and are based on reasonable assumptions; (iv) there are no other facts in relation to the Issuer, the Group, the Standby Letter of Credit and 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; (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, statements and data with respect to the LC Bank 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 ICBC International Securities Limited, Hua Xia Bank Co., Limited Hong Kong Branch, Industrial Bank Co., Ltd. Hong Kong Branch and Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch (collectively, the “**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 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, Hong Kong, the PRC, 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, the LC Bank, the Bonds or the Standby Letter of Credit 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 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, the Group or the LC Bank 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 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.

None of the Managers, the Trustee, the Agents or any of their respective affiliates, directors, officers, employees, agents, representatives or advisers has independently 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 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 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 LC Bank, the 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 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 Group and the merits and risks involved in investing in the Bonds. See “*Risk Factors*”.

To the fullest extent permitted by law, none of the 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 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 or the giving of the Standby Letter of Credit. Each of the 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 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, the Group or the LC Bank during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or potential investor in the Bonds of any information coming to the attention of the Managers, the Trustee, the Agents or their respective affiliates, directors, officers, employees, agents, representatives or advisers.

**IN CONNECTION WITH THIS OFFERING, ANY OF THE MANAGERS AND/OR THEIR RESPECTIVE AFFILIATE(S) OR ANY PERSON(S) ACTING ON ITS OR THEIR BEHALF MAY, SUBJECT TO ALL APPLICABLE LAWS, OVER-ALLOT BONDS OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE(S) OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT ANY OF THE MANAGERS AND/OR ITS OR THEIR AFFILIATE(S) (OR PERSON(S) ACTING ON ITS OR THEIR 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.**

Each of the Managers and/or its 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.

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 considered 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 Managers, the Trustee, any Agent or their respective affiliates, directors, officers, employees, agents, representatives and advisers, and none of the Issuer, the 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 2018, 2019 and 2020. The consolidated financial statements of the Issuer as at and for the years ended 31 December 2019 and 2020 (the "**Issuer's Historical Financial Statements**") are included elsewhere in this Offering Circular.

The Issuer's Historical Financial Statements were prepared and presented in accordance with the Accounting Standards for Business Enterprises in the PRC ("**PRC GAAP**"). The Issuer's consolidated financial statements as at and for the years ended 31 December 2019 and 2020 have been audited by Asia-Pacific (Group) Certified Public Accountants (special general partnership) (亞太(集團)會計師事務所(特殊普通合夥)) ("**Asia Pacific**"), the Issuer's independent auditor.

PRC GAAP differs in certain respects from International Financial Reporting Standards ("**IFRS**"). See "*Summary of Certain Material Differences Between PRC GAAP and IFRS*".



## CERTAIN DEFINITIONS, CONVENTIONS AND CURRENCY PRESENTATION

In this Offering Circular, references to the “Company” and the “Issuer” are to Chongqing Wansheng Economic and Technological Development Zone Development & Investment Group Co., Ltd. (重慶市萬盛經濟技術開發區開發投資集團有限公司) and all references to the “Group” are to the Company and its subsidiaries as a whole.

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 (excluding Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan), all references to the “United States” and “U.S.” are to the United States of America, all references to “PRC Government” are to the People’s Government of the PRC, all references to “Chongqing Municipal Government” are to the Chongqing Municipal People’s Government, all references to “Management Committee” are to the Chongqing Wansheng Economic and Technological Development Zone Management Committee, 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.

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 the Federal Reserve Bank of New York). Further information regarding exchange rates 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 or vice versa at any particular rate or at all.

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.

## FORWARD-LOOKING STATEMENTS

The Issuer has made certain forward-looking statements in this Offering Circular. All statements other than statements of historical facts contained in this Offering Circular constitute “forward-looking statements”. 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 titled “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 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, the Group or any 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;
- 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 competition landscape in the industries where the Group operates;
- any changes in the laws, rules and regulations of the PRC Government and Chongqing Municipal Government and the rules, regulations and policies of the relevant governmental authorities relating to the Group’s business;
- general political and economic conditions, including those related to the PRC;
- changes or volatility in interest rates, foreign exchange rates, equity prices 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;
- changes in the global economic conditions; and
- other factors, including those discussed in “*Risk Factors*”.

The Issuer does not undertake any obligation to update or revise publicly any of the opinions or forward-looking statements expressed in this Offering Circular as a result of any new information, future events or otherwise.

## TABLE OF CONTENTS

	<b>Page</b>
<b>SUMMARY</b> .....	1
<b>THE OFFERING</b> .....	4
<b>A SUMMARY OF PAYMENT ARRANGEMENTS ON EACH SCHEDULED DUE DATE UNDER THE BONDS</b> .....	12
<b>SUMMARY CONSOLIDATED FINANCIAL INFORMATION AND OTHER DATA</b> .....	14
<b>RISK FACTORS</b> .....	17
<b>EXCHANGE RATES</b> .....	54
<b>TERMS AND CONDITIONS OF THE BONDS</b> .....	55
<b>SUMMARY OF PROVISIONS RELATING TO THE BONDS IN GLOBAL FORM</b> ..	78
<b>USE OF PROCEEDS</b> .....	80
<b>CAPITALISATION AND INDEBTEDNESS</b> .....	81
<b>DESCRIPTION OF THE LC BANK</b> .....	82
<b>DESCRIPTION OF THE GROUP</b> .....	90
<b>DIRECTORS AND SENIOR MANAGEMENT OF THE ISSUER</b> .....	112
<b>PRC REGULATIONS</b> .....	116
<b>TAXATION</b> .....	120
<b>SUBSCRIPTION AND SALE</b> .....	123
<b>SUMMARY OF CERTAIN MATERIAL DIFFERENCES BETWEEN PRC GAAP AND IFRS</b> .....	127
<b>GENERAL INFORMATION</b> .....	129
<b>INDEX TO THE FINANCIAL STATEMENTS</b> .....	F-1
<b>APPENDIX – FORM OF IRREVOCABLE STANDBY LETTER OF CREDIT</b> .....	A-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 Company was established by the Chongqing Wansheng Finance Bureau (重慶市萬盛區財政局) (the “**Finance Bureau**”) in 2007. The Group is one of the predominant state-owned investment groups in Chongqing, with a focus on infrastructure construction, commercial trading and tourism in the Development Zone. The Group is currently the sole operator, developer and manager of the Development Zone. Currently, the Group comprises 34 subsidiaries in China, with approximately 1,056 employees. As at the date of this Offering Circular, the Management Committee is the Company’s sole shareholder.

For the years ended 31 December 2018, 2019 and 2020, the Group’s operating revenue was RMB3,080.6 million, RMB3,641.7 million and RMB3,602.9 million, respectively. For the same periods, the Group recorded a net profit of RMB396.7 million, RMB399.6 million and RMB319.4 million, respectively. As at 31 December 2020, the Group had net assets of RMB23,534.8 million and total assets of RMB51,681.0 million.

The Group has four primary business segments: infrastructure construction, commercial trading, tourism and other businesses:

- **Infrastructure Construction.** The Group has undertaken various key infrastructure development projects within the Development Zone, including the construction of resettlement housing, sports centres, industrial parks, a coal and electrochemical base, shantytown reconstruction and hotels. The Group has been involved in a number of major infrastructure construction projects, including the Wansheng Cultural and Sports Centre Project (萬盛文化體育中心建設項目), the Wansheng West District Urban Comprehensive Development Project (萬盛西區城市綜合開發工程項目) and the Chongqing (Wansheng) Coal and Electrochemical Base Infrastructure Construction Project (重慶(萬盛)煤電化基地基礎設施建設項目). In addition, the Group has undertaken most of the resettlement housing construction for households relocated due to the urban development of the Development Zone. The Group expects its infrastructure construction business to benefit from the urbanisation of the Development Zone. As a major land developer in the Development Zone, the Group collaborates with the Management Committee to develop and sell land use rights. As at 31 December 2020, the Group had three infrastructure and resettlement housing projects under development with an aggregate contract amount of approximately RMB3,392.0 million. For the years ended 31 December 2018, 2019 and 2020, the Group’s revenue generated from its infrastructure construction business was RMB1,096.4 million, RMB1,218.5 million and RMB1,239.8 million, respectively, representing approximately 35.6 per cent., 33.5 per cent. and 34.6 per cent., respectively, of the Group’s total revenue for the same periods.

- Commercial Trading.** The Group’s commercial trading business mainly consists of two business lines: coal trading and the sale of resettlement housing. The Group operates its commercial trading business through its wholly-owned subsidiaries, Chongqing Shengrong Holdings Co., Ltd. (重慶盛榮控股有限公司) (“**Shengrong**”) and Chongqing Wansheng Industrial Park Development & Construction Co., Ltd. (重慶市工業園區開發建設有限公司) (“**Industrial Park Construction**”). The Group is one of the major coal suppliers in the Development Zone as measured by the sale volume of approximately 3.2 million tonnes in the year ended 31 December 2020. The Group also engages in the sale of ancillary facilities of resettlement housing projects. Through Chongqing Shengji Land Assets Operation Co., Ltd. (重慶盛基土地資產運營有限責任公司) (“**Shengji**”), the Group both builds housing for resettlement and also acquires such housing from other developers. Approximately 20.0 per cent. of these housing units are sold to former owners of land expropriated for project construction in the Development Zone. For the years ended 31 December 2018, 2019 and 2020, approximately RMB1,807.8 million, RMB1,796.0 million and RMB1,965.8 million, respectively, of the Group’s revenue was generated by its commercial trading business, representing approximately 58.7 per cent., 49.3 per cent. and 54.6 per cent., respectively, of the Group’s total revenue for the same periods.
- Tourism.** The Group’s tourism business includes the operation, development and management of tourism resources in the Chongqing Black Valley Scenic Area (重慶黑山谷風景區), which is one of the most visited sightseeing destinations in Chongqing. Operating mainly through Chongqing Black Valley Tourism Investment Co., Ltd. (重慶黑山谷旅遊投資有限公司) (“**Chongqing Black Valley**”), the Group engages in the scenic area management, hotel management and sales of souvenirs. The Group is currently the largest tourism service provider in the Development Zone. For the years ended 31 December 2018, 2019 and 2020, the Group’s revenue generated from its tourism business was RMB134.1 million, RMB137.9 million and RMB107.1 million, respectively, representing approximately 4.4 per cent., 3.8 per cent. and 3.0 per cent., of the Group’s total revenue for the same periods.
- Other Businesses.** The Group’s other businesses include land transfer, property leasing, water trading and treatment, installation of water equipment, selling sports event tickets and developing sports projects. For the years ended 31 December 2018, 2019 and 2020, approximately RMB39.5 million, RMB480.4 million and RMB269.3 million, respectively, of the Group’s revenue was generated by its other businesses, representing approximately 1.3 per cent., 13.2 per cent. and 7.5 per cent., respectively, of the Group’s total revenue.

## COMPETITIVE STRENGTHS

- The Group is well-positioned to benefit from its strategic location which provides convenient access to transportation systems and abundant tourism resources;
- The Group benefits from strong support from the Chongqing Municipal Government;
- The Group has access to diverse sources of funding; and
- The Group is led by an experienced management and operations team.

## **BUSINESS STRATEGIES**

- Continue to develop and enhance management of the Development Zone;
- Continue to build an environment friendly enterprise;
- Continue to expand its business operations under its diversified business model;
- Explore new business opportunities and sources of revenue; and
- Continue to enhance financial management and risk control system.

## **RECENT DEVELOPMENTS**

Since 31 December 2020, the Group had successfully issued the following debt instruments within the PRC:

- On 11 January 2021, the Group issued corporate bonds due 2024 with a total principal amount of RMB500,000,000 and an interest rate of 7.5 per cent. per annum.
- On 22 January 2021, the Group issued ultra short-term bonds due 2021 with a total principal amount of RMB320,000,000 and an interest rate of 6.0 per cent. per annum.
- On 16 April 2021, the Group issued corporate green bonds due 2024 with a total principal amount of RMB800,000,000 and an interest rate of 7.48 per cent. per annum.
- On 22 April 2021, the Group issued principal protected notes due 2024 with a total principal amount of RMB1,000,000,000 and an interest rate of 7.5 per cent. per annum.
- On 30 April 2021, the Group issued corporate green bonds due 2023 with a total principal amount of RMB200,000,000 and an interest rate of 7.3 per cent. per annum.
- On 6 July 2021, the Group issued pension bonds due 2024 with a total principal amount of RMB900,000,000 and an interest rate of 7.0 per cent. per annum.
- On 13 July 2021, the Group issued corporate green bonds due 2024 with a total principal amount of RMB800,000,000 and an interest rate of 7.3 per cent. per annum.



## 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.*

<b>Issuer</b> .....	Chongqing Wansheng Economic and Technological Development Zone Development & Investment Group Co., Ltd. (重慶市萬盛經濟技術開發區開發投資集團有限公司)
<b>Issuer Legal Entity Identifier Code</b> .....	549300DJXWW42J34BY91
<b>LC Bank</b> .....	Industrial and Commercial Bank of China Limited, Chongqing Branch
<b>The Bonds</b> .....	U.S.\$89,000,000 in aggregate principal amount of 1.93 per cent. credit enhanced Bonds due 2024.
<b>Issue Price</b> .....	100.0 per cent.
<b>Form and Denomination</b> ....	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.
<b>Issue Date</b> .....	30 July 2021.
<b>Interest</b> .....	The Bonds will bear interest on their outstanding principal amount from and including 30 July 2021 at the rate of 1.93 per cent. per annum, payable semi-annually in arrear in equal instalments of U.S.\$9.65 per Calculation Amount on 30 January and 30 July in each year, commencing on 30 January 2022.
<b>Maturity Date</b> .....	30 July 2024.

**Standby Letter of Credit** . . . . The Bonds will have the benefit of the Standby Letter of Credit issued in favour of the Trustee, on behalf of itself and the holders of the Bonds, by the LC Bank. The Standby Letter of Credit shall be drawable by the Trustee as beneficiary under the Standby Letter of Credit on behalf of itself and the holders of the Bonds upon the presentation of a demand by authenticated SWIFT sent by the Trustee or a delegate of the Trustee to the LC Bank in accordance with the Standby Letter of Credit (a “**Demand**”) stating that (i) the Issuer has failed to comply with Condition 2(c) in relation to pre-funding the amount that is required to be pre-funded under these Conditions and/or has failed to provide the Required Confirmations in accordance with Condition 2(c); or (ii) an Event of Default (as defined in Condition 9 (Events of Default)) has occurred and the Trustee has given notice to the Issuer that the Bonds are immediately due and payable in accordance with Condition 9 (*Events of Default*).

Only one drawing is permitted under the Standby Letter of Credit. Such drawing on the Standby Letter of Credit will be payable to or to the order of the Trustee at the time and to the account specified in the Demand presented to the LC Bank. Payment received by the Trustee in respect of a Demand will be deposited into the LC Proceeds Account.

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

The LC Bank’s liability under the Standby Letter of Credit shall be expressed and payable in United States dollars and shall not exceed U.S.\$90,858,850, representing only (i) the aggregate principal amount of the Bonds plus interest payable for one Interest Period (as defined below) and (ii) U.S.\$1,000,000 for any fees, costs, expenses and other amounts payable by the Issuer under or in connection with the Bonds, the Trust Deed and/or the Agency Agreement. The Standby Letter of Credit takes effect from the Issue Date and shall remain valid and in full force until 5:00 p.m. (Beijing time) on 30 August 2024.

*See “Terms and Conditions of the Bonds – Status, Standby Letter of Credit and Pre-funding” and “Appendix-Form of Irrevocable Standby Letter of Credit”.*

**Pre-funding** ..... In order to provide for the payment of any amount in respect of the Bonds and any amount payable under the Agency Agreement, the Trust Deed and/or any other transaction document relating to the Bonds (the “**Relevant Amount**”) as the same shall become due, the Issuer shall, in accordance with the Agency Agreement, by no later than the Business Day (the “Pre-funding Date”) falling ten Business Days prior to the due date for such payment under these Conditions:

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

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

- (i) as soon as practicable, and in any event not later than 5:00 p.m. (Hong Kong time) on the Business Day immediately following the Pre-funding Date, notify the LC Bank and the LC Proceeds Account Bank by facsimile of the occurrence of the Pre-funding Failure; and

(ii) by no later than 5:00 p.m. (Hong Kong time) on the second Business Day following the Pre-funding Date (x) give notice (the “Pre-funding Failure Notice”) to the Bondholders of (aa) the Pre-funding Failure and (bb) the redemption of the Bonds in accordance with Condition 6(d) to occur as a result of the Pre-funding Failure and (y) issue a Demand to the LC Bank for the Mandatory Redemption Amount in respect of all of the Bonds then outstanding, together with interest accrued to but excluding the Mandatory Redemption Date and all fees and expenses of the Trustee then outstanding, provided that, in accordance with the terms of the Standby Letter of Credit, the Trustee need not physically present the Standby Letter of Credit to the LC Bank and shall be entitled to draw on the Standby Letter of Credit by way of a Demand by authenticated SWIFT sent on its behalf.

“**Business Day**” means a day (other than a Saturday or a Sunday or a public holiday) on which banks and foreign exchange markets are open for business in Beijing, New York, London and Hong Kong.

<b>Status of the Bonds</b> . . . . .	The Bonds will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank pari passu and without any preference among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by applicable law and regulations, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.
<b>Use of Proceeds</b> . . . . .	The net proceeds of the issue of the Bonds will be used for repaying offshore medium and long-term debt instruments. See “ <i>Use of Proceeds</i> ”.
<b>Events of Default</b> . . . . .	The Bonds will contain certain events of default as further described in Condition 9 ( <i>Events of Default</i> ).
<b>Taxation</b> . . . . .	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 or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the PRC or any political subdivision or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

Where such withholding or deduction is made by or within the PRC up to and including the aggregate rate applicable on 27 July 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 by or within the PRC in excess of the Applicable Rate, the Issuer shall pay such additional amounts (“**Additional Tax Amounts**”) as will result in receipt by the Bondholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no Additional Tax Amounts shall be payable in the circumstances set out in Condition 8 (*Taxation*).

**Final Redemption** . . . . . Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on the Maturity Date.

**Redemption for Relevant Events** . . . . . Following the occurrence of a Change of Control or a No Registration 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 their principal amount, together with any interest accrued to but excluding the relevant Put Settlement Date, as further described in Condition 6(c) (*Redemption for Relevant Events*).

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

- (i) (a) the Chongqing Wansheng Economic and Technological Development Zone Management Committee, (b) the Chongqing Municipal Government, and (c) the central government of the PRC and/or (d) any other person directly or indirectly Controlled by the Chongqing Wansheng Economic and Technological Development Zone Management Committee the Chongqing Municipal Government and/or the central government of the PRC, 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 the Issuer’s assets to one or more persons other than (a) the Chongqing Wansheng Economic and Technological Development Zone Management Committee, (b) the Chongqing Municipal Government and (c) any other Person Controlled by the Chongqing Wansheng Economic and Technological Development Zone Management Committee and/or the Chongqing Municipal Government;

“Control” means (i) the ownership or control of at least 50.1 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, 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 to the Bondholders 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*) (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 not including) 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 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 27 July 2021; and



(ii) 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*).

**Mandatory Redemption upon Pre-Funding Failure** . . . . . The Bonds shall be redeemed at their principal amount on the Interest Payment Date immediately falling after the date the Pre-funding Failure Notice is given to the Bondholders in accordance with Condition 2(c) (the “**Mandatory Redemption Date**”), together with interest accrued to, but excluding, the Mandatory Redemption Date.

**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 making and completing the NDRC Post-issue Filing and the Foreign Debt Registration and any reports or notices in respect thereof) and so that the same shall be consolidated and form a single series with the outstanding Bonds, provided that a further or supplemental or replacement standby letter of credit is issued by the LC Bank (or an amendment is made to the Standby Letter of Credit) on terms that are substantially similar to the Standby Letter of Credit (including that the stated amount of such further or supplemental standby letter of credit is at least equal to the principal of and an amount equal to one interest payment due on such further securities) and such supplemental documents are executed and further opinions are obtained as the Trustee may require, as further set out in the Trust Deed. See “*Terms and Conditions of the Bonds – Further Issues*”.

**Trustee** . . . . . The Bank of New York Mellon, London Branch.

**Registrar and Transfer Agent** . . . . . The Bank of New York Mellon SA/NV, Dublin Branch

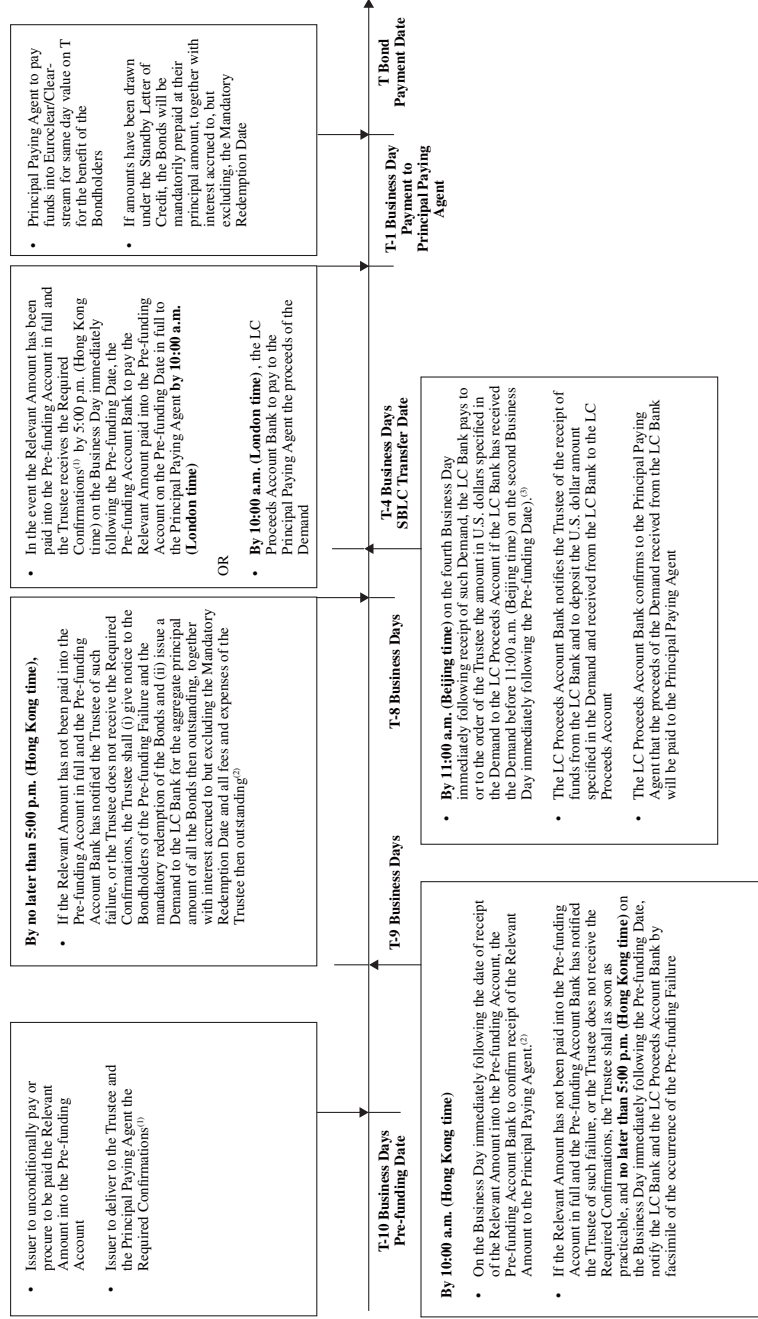
**Principal Paying Agent** . . . . . The Bank of New York Mellon, London Branch.

**LC Proceeds Account Bank and Pre-funding Account Bank** . . . . . The Bank of New York Mellon, London Branch

<b>Clearing Systems</b> . . . . .	The Bonds will initially be evidenced by beneficial interests in the Global Certificate, which will be registered in the name of a nominee of, and deposited on the Issue Date with, a common depository 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.
<b>Clearance and Settlement</b> . . .	The Bonds have been accepted for clearance through Euroclear and Clearstream with a Common Code number 235229072 and an International Securities Identification Number XS2352290725.
<b>Notices and Payment</b> . . . . .	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, for communication by it to entitled accountholders, in substitution for notification as required by the Conditions.
<b>Governing Law</b> . . . . .	English law.
<b>Listing</b> . . . . .	Application will be made to the Hong Kong Stock Exchange 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 2 August 2021. A confirmation of the eligibility for the listing of the Bonds has been received from the Hong Kong Stock Exchange.

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

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



Notes:

- (1) The Required Confirmations consist of: (a) a Payment and Solvency Certificate signed by any Authorised Signatory, and (b) a copy of the irrevocable payment instruction from the Issuer to the Pre-funding Account Bank requesting the Pre-funding Account Bank to pay the Relevant Amount which was paid into the Pre-funding Account on the Pre-funding Date in full to the Principal Paying Agent by no later than 10:00 a.m. (London time) on the Business Day immediately preceding the due date for such payment.
- (2) The Trustee need not physically present the Demand under the Standby Letter of Credit to the LC Bank and shall be entitled to draw on the Standby Letter of Credit by way of a Demand by authenticated SWIFT sent on its behalf.
- (3) If such Demand is received after 11:00 a.m. (Beijing time) on the second Business Day following the Pre-funding Date, the payment is to be made on the fifth Business Day following receipt of such Demand.

## SUMMARY CONSOLIDATED FINANCIAL INFORMATION AND OTHER DATA

The following tables present the Issuer's summary consolidated financial information and other data. The summary audited consolidated financial information as at and for the years ended 31 December 2018, 2019 and 2020 has been derived and should be read in conjunction with the Issuer's Historical Financial Statements, including the notes thereto and the auditor's reports included elsewhere in this Offering Circular. The Issuer's Historical Financial Statements have been audited by Asia Pacific. None of the Managers, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents, any person who controls any of them or their advisers makes any representation or warranty, express or implied, regarding the accuracy of such consolidated financial information or their 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. The Issuer's Historical Financial Statements have been prepared and presented in accordance with the 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 the material differences, see "Summary of Certain Material Differences between PRC GAAP and IFRS".

## SUMMARY CONSOLIDATED INCOME STATEMENT DATA

	Year ended 31 December		
	2018	2019	2020
	(Audited)	(Audited)	(Audited)
		<i>(RMB in millions)</i>	
<b>Total operating revenue</b> .....	<b>3,080.6</b>	<b>3,641.7</b>	<b>3,602.9</b>
Including: Operating revenue .....	3,080.6	3,641.7	3,602.9
<b>Total operating costs</b> .....	<b>2,943.9</b>	<b>3,217.3</b>	<b>3,184.3</b>
Including: Operating costs .....	2,579.2	2,908.4	2,881.9
Taxes and surcharges .....	23.8	19.4	20.3
Selling expenses .....	150.9	137.9	184.8
Administrative expenses ...	111.6	83.3	84.6
Financial expenses .....	78.3	68.3	12.7
Asset impairment loss .....	17.5	(4.3)	(124.6)
Investment income (or less: losses) .	(11.9)	(7.7)	(9.6)
Including: Investment incomes in associated enterprises and joint ventures .....	(11.9)	(9.7)	3.5
<b>Operating profit (or less: losses)</b> .....	<b>504.2</b>	<b>502.7</b>	<b>402.4</b>
Add: Non-operating revenue .....	24.4	2.1	4.8
Less: Non-operating expenditures ....	3.4	4.2	1.8
<b>Total profits (or less: total loss)</b> .....	<b>525.2</b>	<b>500.6</b>	<b>405.4</b>
Less: Income tax expenses .....	128.4	101.0	86.0
<b>Net profit (or less: net loss)</b> .....	<b>396.7</b>	<b>399.6</b>	<b>319.4</b>
Net profit attributable to shareholders of parent company .....	381.0	399.3	307.9
Minority equity .....	15.8	0.2	11.5
<b>Total comprehensive earnings</b> .....	<b>396.7</b>	<b>399.6</b>	<b>319.4</b>
Total comprehensive earnings attributable to owners of parent company .....	381.0	399.3	307.9
Total comprehensive earnings attributable to minority shareholders	15.8	0.2	11.5

## SUMMARY CONSOLIDATED BALANCE SHEET DATA

	As at 31 December		
	2018	2019	2020
	(Audited)	(Audited)	(Audited)
	<i>(RMB in millions)</i>		
<b>Current assets</b>			
Monetary funds .....	1,074.8	770.1	877.8
Bills receivable .....	7.1	6.1	9.9
Accounts receivable .....	648.4	513.9	854.5
Advances payment .....	907.5	1,779.8	1,181.9
Other receivables .....	2,481.0	3,652.3	3,847.7
Inventories .....	28,651.2	29,147.1	30,097.0
Other current assets .....	41.0	76.0	64.2
<b>Total current assets</b> .....	<b>33,811.0</b>	<b>35,945.3</b>	<b>36,933.0</b>
<b>Non-current assets</b>			
Available-for-sale financial assets ....	638.4	926.5	907.9
Long-term receivables .....	1,413.0	3,615.5	3,444.8
Long-term equity investment .....	73.4	54.2	74.4
Investment property .....	488.7	1,290.1	1,204.7
Fixed assets .....	1,095.9	1,065.0	1,110.7
Project under construction .....	4,322.0	5,352.1	6,402.7
Productive biological assets .....	0.2	0.1	83.0
Intangible assets .....	12.6	15.0	14.6
Business reputation .....	3.9	3.9	3.9
Long-term deferred expenses .....	17.8	11.7	11.8
Deferred income tax asset .....	14.3	15.3	47.0
Other non-current assets .....	1,443.1	1,442.4	1,442.4
<b>Total non-current assets</b> .....	<b>9,523.4</b>	<b>13,791.8</b>	<b>14,748.0</b>
<b>Total assets</b> .....	<b>43,334.4</b>	<b>49,737.1</b>	<b>51,681.0</b>
<b>Current liabilities</b>			
Short-term loan .....	62.0	2,178.9	1,496.6
Notes payable .....	–	4.9	99.9
Accounts payable .....	699.5	930.2	1,240.1
Advance receipt .....	2,119.8	1,765.1	1,771.7
Employee remunerations payable .....	3.9	4.4	5.3
Taxes payable .....	372.1	555.3	654.1
Other payable .....	1,246.4	2,646.0	2,902.3
Non-current liabilities maturing within one year .....	1,975.8	1,962.6	2,867.2
Other current liabilities .....	–	500.0	300.0
<b>Total current liabilities</b> .....	<b>6,479.6</b>	<b>10,547.5</b>	<b>11,337.2</b>



	As at 31 December		
	2018	2019	2020
	(Audited)	(Audited)	(Audited)
	<i>(RMB in millions)</i>		
<b>Non-current liabilities</b> .....			
Long-term loan .....	2,570.4	2,555.2	3,628.1
Bonds payable .....	7,552.5	10,021.4	9,772.8
Long-term accounts payable .....	3,074.5	3,047.4	3,311.5
Deferred revenue .....	6.6	6.6	96.6
<b>Total non-current liabilities</b> .....	<b>13,204.0</b>	<b>15,630.6</b>	<b>16,809.0</b>
<b>Total liabilities</b> .....	<b>19,683.5</b>	<b>26,178.1</b>	<b>28,146.2</b>
<b>Equity</b>			
Paid-in capital (capital stock) .....	2,000.0	2,000.0	2,000.0
Capital reserves .....	16,241.9	16,522.0	16,472.3
Specific reserves .....	0.7	0.7	0.9
Surplus reserves .....	182.0	196.4	210.9
Undistributed profits .....	2,307.2	2,533.8	2,673.7
<b>Total owner's equities attributable to the parent company</b> .....	<b>20,731.7</b>	<b>21,252.9</b>	<b>21,357.8</b>
Minority equity .....	2,919.1	2,306.2	2,177.0
<b>Total owner's equities</b> .....	<b>23,650.9</b>	<b>23,559.0</b>	<b>23,534.8</b>
<b>Total liabilities and owner's equities</b> ..	<b>43,334.4</b>	<b>49,737.1</b>	<b>51,681.0</b>

## 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 the 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, results of operations, financial condition 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 it 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. 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.*

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

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

### **RISKS RELATING TO THE GROUP'S BUSINESS**

***The Group's business, financial condition, results of operations and prospects are heavily dependent on the level of economic development in the Development Zone, Chongqing and the PRC***

The Group's business and assets are highly concentrated in the Chongqing Wansheng Economic and Technological Development Zone (the "**Development Zone**"). The Management Committee, the equivalent of a district government of the Chongqing Municipal Government, is the sole shareholder of the Company. Therefore, the Group's business, financial condition, results of operations and prospects have been and will continue to be heavily dependent on the level of economic development of the Development Zone, Chongqing and the PRC.

While the PRC's economy has experienced rapid growth in the past 40 years, there has been a slowdown in the growth of the PRC's gross domestic product ("**GDP**") since the second half of 2013 and this has raised market concerns that the historic rapid growth of the economy of PRC may not be sustainable. According to the National Statistics Bureau of China, the growth rate of China's GDP for the year 2020 increased to 2.3 per cent. on a year-on-year basis compared to a growth rate of 5.8 per cent. for the year 2019. Similarly, Chongqing has experienced a prolonged period of rapid economic growth in recent years. Chongqing's GDP increased from RMB2,360.6 billion in 2019 to RMB2,500.3 billion in 2020, representing an annual increase of 3.9 per cent.

There can be no assurance that the level of economic development in Chongqing will continue to be maintained at historical growth rates, if at all, and it is unclear how the economic development of Chongqing will be affected by a perceivable slowdown in the growth of the PRC economy. Any continuing slowdown in the economic development in Chongqing may affect the Management

Committee's development plan for the Development Zone, decrease the demand for the Group's businesses and adversely affect the Group's business, financial condition, results of operations and prospects.

***The Chongqing Municipal Government can exert significant influence on the Group***

The Group is wholly-owned by the Management Committee and, accordingly, the Chongqing Municipal Government can exert significant influence on the Group's major business decision and strategies, including the scope of its operations, appointment of directors and senior management, investment decisions and dividend policy. There is no assurance that the Management Committee would always make decisions in the Group's best interests or with the aim of maximising the Group's profits. For example, the Management Committee may influence the Group's business and strategy in a manner beneficial to Chongqing as a whole, which may not necessarily be in the Group's best interests. Chongqing Municipal Government could also change its policies, plans, preferences, views, expectations, projections, forecasts and opinions, as a result of changes in the PRC's economic, political and social environment, its projections of population and employment growth. Any such change may have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

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

To strengthen the management of financing platforms of China's local governments and manage the risks relating to China's local government debt, the State Council of the PRC issued the Notice on Strengthening Management of Financing Platform of Local Government (國務院關於加強地方政府融資平臺管理有關問題的通知) ("Circular 19") in June 2010 and the General Office of the NDRC issued the Notice on Further Regulating Issuance of Bonds by Financing Platform Companies Established by Local Governments (國家發展改革委辦公廳關於進一步規範地方政府投融資平臺公司發行債券行為有關問題的通知) ("Circular 2881") in November 2010. According to Circular 19, all levels of local governments shall clear up the debts of their respective financing platforms. According to Circular 2881, the level of indebtedness of local governments will impact a financing platform's issuance of enterprise bonds. Such requirements may have a significant impact on the Issuer and the Group's access to financing and operations.

As at the date of this Offering Circular, the Group's infrastructure construction businesses are generally conducted under the agent construction model; and the Group owns a certain amount of land reserve, 0.8 million sq. m. of which has been mortgaged to third party creditors. The Group has not been informed by any government authorities that any of the Group's activities are not in compliance with the requirements of relevant regulations. As the PRC Government may issue more stringent policies that could affect the business of local government financing platforms in the PRC in the future, there is no assurance that the Group will be able to continue to carry on its business activities under the current business model in the future, which in turn may have a material and adverse impact on the Group's business, financial condition, results of operations and prospects.

***PRC regulations on the administration of local government debt will have a material impact on the Group's business model and financing model***

The PRC government has in recent years issued multiple regulations intended to restrict the ability of local governments to use state-owned enterprises to incur debt that should be directly incurred by government bodies. These regulations include: the Opinion on Enhancing the Administration of Fiscal Debts of Local Governments (Guo Fa [2014] No. 43) (關於加強地方政府性債務管理的意見(國發 [2014] 43號)) ("Circular 43") released by the State Council in September 2014, the Circular on Further Regulating the Debt Financing Behaviours of Local Government (Cai Yu [2017] No. 50) (關於進一步規範地方政府舉債融資行為的通知(財預[2017]50號)) ("Circular 50") jointly issued by the Ministry of Finance (the "MOF"), the NDRC, the Ministry of Justice of

the PRC, the PBOC, the China Banking Regulatory Commission (reorganised into the China Banking and Insurance Regulatory Commission) and the China Securities Regulatory Commission in April 2017, the Circular on Firmly Curbing Local Governments' Illegal Financing Activities in the Name of Government Procurement of Services (Cai Yu [2017] No. 87) (關於堅決制止地方政府購買服務名義違法違規融資的通知(財預[2017]87號)) (“**Circular 87**”) issued by the MOF in May 2017, the Notice of the Ministry of Finance on the Financing Activities Conducted by Financial Institutions for Local Governments and State-Owned Enterprises (Cai Jin [2018] No. 23) (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(財金[2018]23號)) (“**Circular 23**”) in March 2018, 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 (Fa Gai Wai Zi [2018] No. 706) (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(發改外資[2018]706號)) (“**Circular 706**”) jointly issued by the NDRC and the MOF in May 2018, the Guiding Opinion on Strengthening the Asset and Liability Constraints of State-Owned Enterprises (中共中央辦公廳、國務院辦公廳關於加強國有企業資產負債約束的指導意見) jointly issued by the General Office of the Central Committee of the Communist Party of China and the State Council in September 2018 (the “**Joint Opinion**”) and the Circular on Filing Requirements with respect to Application for Foreign Debt Issuance by Local State-Owned Enterprises (Fa Gai Ban Wai Zi [2019] No. 666) (國家發展改革委辦公廳關於對地方國有企業發行外債申請備案登記有關要求的通知(發改辦外資[2019]666號)) issued by the General Office of NDRC in June 2019 (“**Circular 666**”) (Circular 43, Circular 50, Circular 87, Circular 23, Circular 706, the Joint Opinion and Circular 666, together, the “**Debt Control Circulars**”).

Circular 50 reaffirmed the Circular 43 policy that local governments are not permitted to use any means other than bonds for debt financing and are prohibited from requesting or ordering enterprises to issue debt on their behalf. Circular 87 required that local governments and their departments shall not take advantage of or make up a contract for the government procurement of services in such a manner that conceals an underlying objective of raising funds for any construction project. Circular 23 and Circular 706 established policies for foreign debt issuance including exclusions on public assets being listed as enterprise assets and restrictions on making disclosure in offering circulars that imply government endorsement of the issuance or an association with the government's credit. The Joint Opinion, consistent with Circular 43 and Circular 50, bans local governments from engaging in “disguised” borrowing by using state-owned enterprises to issue corporate debt on their behalf. The Group believes that the PRC government will continue to implement the Debt Control Circulars to control local government debts. Accordingly, the Group should rely on the cash flow generated from its operations and external borrowings for financing its operating activities and to satisfy its cash needs for servicing its outstanding indebtedness. Pursuant to the terms of the Bonds and as required by the Debt Control Circulars, neither the Management Committee, the Chongqing Municipal Government nor any other PRC governmental entity has any obligation to repay any amount under the Bonds and will not provide a guarantee of any kind for the Bonds. The Bonds are solely to be repaid by the Company, and the obligations of the Company under the Bonds or the Trust Deed shall solely be fulfilled by the Company as independent legal persons. The liability of the Management Committee and the Chongqing Municipal Government is limited to their equity contribution in the Company. If the Company does not fulfil its obligations under the Bonds and the Trust Deed, the Bondholders will only have recourse against the Company, and not the Management Committee, the Chongqing Municipal Government or any other PRC governmental entity.

The PRC government may continue to release new policies or amend existing regulations to control the increase in local governmental debts in the PRC. There is no assurance that the Group's financing and business model and also its indebtedness will not be materially affected by future changes in the regulatory regime concerning the local state-owned enterprises in response to such regulations.

***The Group may cease to enjoy government subsidies and grants as well as certain tax exemptions, the loss of which, or a reduction in which, could substantially reduce the Group's profits***

The Group had net operating cash from the Management Committee in various forms, such as capital injections, government subsidies, land allocation, and grants for construction projects as well as tax exemption benefits. The Group heavily relies on such financial support to fund its operations and generate profit. For the year ended 31 December 2020, the Management Committee allocated RMB14.8 billion of land to the Group. For the years ended 31 December 2018, 2019 and 2020, the government subsidies and grants received by the Group amounted to RMB350.0 million, RMB90.0 million and RMB117.3 million, respectively, which accounted for 11.4 per cent., 2.5 per cent. and 3.3 per cent. of the total revenue of the Group in the corresponding periods, respectively.

A substantial amount of the Group's profit is derived from non-operating activities, which mainly consist of government grants. Government grants include grants which are to be applied towards operational costs and grants which are to be applied towards capital investments on an amortised basis over a period of time depending on the nature of the asset. The form and amount of such grants vary according to current government policies with respect to the Development Zone. The amounts of and conditions attached to such grants are determined at the sole discretion of relevant government authorities. The Group may not be eligible to continue to receive such government grants and the amount of any such grants may be reduced in the future. Even if the Group continues to be eligible, the conditions attached to such grants may not be as favourable as they have historically been. If the Group is unable to receive future government grants and is not able to arrange for alternative funding on similar terms, the Group's financial condition and results of operations may be adversely affected.

The Chongqing Municipal Government also provides preferential tax treatment to the Group in the form of tax exemptions. In 2012, the Management Committee issued the Notice on Adopting a Favourable Tax Policy on Chongqing Wansheng Economic and Technological Development Zone Development & Investment Group Co., Ltd. and its Subsidiaries (關於重慶市萬盛經濟技術開發區開發投資集團有限公司及其所屬子公司有關稅收優惠政策的通知(萬盛經開辦發[2012]40號)). According to this Notice, the Group's revenue from projects bought back by the Management Committee is exempted from business tax, urban construction tax, education surcharge and land appreciation tax. In addition, the Group's proceeds from financing activities are exempted from stamp duty.

The government's continued financial support to the Group and provision of subsidies and grants depends on the future fiscal revenue and fiscal policies of the local government. There can be no assurance that the Group will continue to receive the same government subsidies and grants, or enjoy the same preferential tax treatment, since the relevant government policies may change over time. Any loss or reduction in government funding and grants or other form of government support could have a material and adverse effect on the Group's business, financial condition, results of operations and prospects.

***The Group's business operations are capital intensive***

The Group's business operations require substantial capital resources. For the years ended 31 December 2018, 2019 and 2020, the Group made capital expenditures of RMB986.6 million, RMB2,369.3 million and RMB1,026.6 million, respectively. The Group has historically satisfied its capital requirement with the cash flow generated from its operating activities, bank loans and other borrowings, issues of bonds in the PRC and funding from the Management Committee. The Group will continue to require substantial capital resources to support its business operations and expansion.



The ability of the Group to generate sufficient operating cash flow is affected by a number of factors, such as the Group's ability to manage and implement its business activities, the local government's payment schedule, due performance of the Group's contractors, changes in the general market conditions and regulatory environment and the competition in certain sectors in which the Group operates. Any adverse changes in any of these factors, which may be out of the Group's control, may create capital shortfall. In particular, any delays in the payment by the government and the government funding and cost overruns inherent may also cause such shortfall. There is no assurance that the Group's operations will be able to generate sufficient cash to satisfy its cash need at all times, if at all. For the years ended 31 December 2018, 2019 and 2020, the Group had net operating cash inflow of RMB219.2 million, RMB436.7 million and RMB2,106.3 million, respectively.

As at 31 December 2020, the Group's total indebtedness (comprising short-term borrowings, long-term borrowings, notes, bonds payable and non-current liabilities due within one year) was approximately RMB28.1 billion. The Group's ability to access and raise sufficient capital through different sources depends upon a number of factors, such as the PRC's economic condition, relationships with key commercial banks, prevailing conditions in capital markets, regulatory requirements and the Group's financial condition. Some of these factors are beyond the Group's control and there is no guarantee that the Group will be able to procure sufficient funds in a timely manner or to obtain external financing on commercially acceptable terms. In these cases, it may not be able to fund the capital expenditure necessary to implement its business plans and strategies, which may in turn have a material and adverse impact on its business, financial condition, results of operations and prospects. In addition, significant indebtedness may in turn increase the pressure on the Group's liquidity and cause additional operational risks.

In addition, a portion of the capital demand of the Group is satisfied through funding provided by the Management Committee. In determining whether funds will be allocated, the Management Committee generally considers such factors as the number of completed and ongoing infrastructure construction projects, the scale and payment arrangements of the projects, the financial budget of the government for that year and the capital conditions of the Group. However, there can be no assurance that the Management Committee will allocate to the Group sufficient funding for the construction of the projects, if at all.

***The Group's business and prospects to a large extent depend upon the budget and spending of the Management Committee on infrastructure construction and fixed asset investment***

The Group is wholly-owned by the Management Committee and is designated by the Management Committee to carry out investment and construction in the Development Zone. As many of the Group's businesses are public interest projects or services, the Group's major customers are government agencies and state-owned enterprises. The Group's businesses are to a large extent funded by the Management Committee, and the Group's business and prospects have therefore historically been materially affected by the budget and spending of the Management Committee on infrastructure construction in the Development Zone.

There are a number of factors affecting the Management Committee's budget and spending on infrastructure construction. The key factors include government policies and priority relating to the development of different industries and Chongqing Municipal Government's fiscal and monetary policies. Such budget and spending are also affected by the government income and the general economic conditions in the PRC and Chongqing Municipality. There is no assurance that the fixed asset investments in Chongqing will continue to increase. Any slowdown in the overall economic conditions of Chongqing may materially and adversely affect the size of the budget and amount of spending of Management Committee on infrastructure, which in turn would affect the Group's business, financial condition, results of operations and prospects.



***Delays or defaults in payments by customers to the Group may affect the Group's working capital and cash flow***

Delays in payments from customers may increase the Group's working capital needs. Defaults in making payments to the Group on infrastructure construction projects for which it has already incurred significant costs and expenditures could materially and adversely affect the Group's operational results and reduce its financial resources. Pursuant to its contracts, the Group may file a claim for compensation for incurred losses, but settlement of disputes generally takes time and financial and other resources, and the outcome of any such dispute is often uncertain. There can be no assurance that customers will make payments to the Group in a timely manner, or at all, or that the Group will be able to efficiently manage the level of bad debts arising from any late payments or customer defaults. Any delay in payments from customers could have a material adverse effect on the Group's business, financial condition and results of operation.

***The PRC Government does not guarantee the Group's obligations***

Although the Group is ultimately controlled by the Chongqing Municipal Government, and the Chongqing Municipal Government has in the past provided support to the Group in its financing activities, medium-term notes, bank loans and private equity investments, the Group's borrowings and other obligations, including payments to be made under the Bonds, are not guaranteed by the PRC Government. There is no assurance that the Management Committee or any other government authority will provide any financial or other support to the Group in the event that it experiences liquidity problems. Also see "*Risk Factors – Risks Relating to the Bonds and the Standby Letter of Credit – the PRC Government is not contractually obliged to repay any amount under the Bonds or the Trust Deed if the Issuer fails to meet its obligations under the Bonds.*"

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

The Group relies on bank loans and proceeds from domestic bond issuances to satisfy a portion of its capital requirements and the Group has had a significant amount of outstanding indebtedness. As at 31 December 2020, the Group's total indebtedness (comprising short-term and long-term borrowings, notes, bonds payables and non-current liabilities due within one year) was approximately RMB28.1 billion representing 54.4 per cent. of the Group's total assets, of which approximately RMB2.9 billion would be due within 12 months. Substantial indebtedness could impact on the Group's businesses in a number of ways, including:

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

Certain financing contracts entered into by members of the Group contain operational and financial restrictions that prohibit the Company from incurring additional indebtedness without the lender's prior consent. Members of the Group may enter into similar financing contracts from time to time. Such restrictions may negatively affect the Group's ability to respond to changes in market conditions, pursue the business opportunities the Group believes to be desirable, to obtain future financing, fund capital expenditures, or withstand a continuing or future downturn in its business.

Any of these factors could materially and adversely affect the Group's ability to satisfy its obligations under outstanding financial obligation, such as the Bonds after issuance.

If the Company or any of its relevant subsidiaries is unable to comply with the restrictions (including restrictions on future investments) and covenants in its current or future debt obligations and other financing agreements, a default under the terms of such agreements may occur. In the event of a default under such agreements, the creditors may be entitled to terminate their commitments granted to the Company or its subsidiaries, accelerate the debt and declare all amounts borrowed due and payable or terminate the agreements, depending on the provisions of the relevant agreements. Some financing agreements of the Group may contain cross-acceleration or cross-default provisions, which give creditors under these financing agreements to require the Group to immediately repay their loans or declare on the borrower as a result of the acceleration or default of other financing agreements by any other member of the Group. If any of these events occur, there can be no assurance that the Group will be able to obtain the lenders' waiver in a timely manner or that the assets and cash flow of the Company or its subsidiaries would be sufficient to repay in full all of their respective debts as they become due, or that the Company or its subsidiaries would be able to find alternative financing. Even if the Company and its subsidiaries could obtain alternative financing, there can be no assurance that it would be on terms that are favourable or acceptable to the Company or, as the case may be, its subsidiaries.

As at 31 December 2020, assets of the Group with a total book value of RMB2 billion were provided as security to secure the loan facilities of the Company and its subsidiaries, representing 4.0 per cent. of the Group's total assets. Third-party security rights may limit the Group's use of the underlying collateral assets and adversely affect its operation efficiency. If the Company and its subsidiaries are unable to service and repay their debts under such loan facilities on a timely basis, the assets provided as security for such bank loans may be subject to foreclosure, which may adversely affect the Group's business, financial condition, results of operations and prospects.

***The Group is subject to credit risks associated with the Company's guarantees for other state-owned enterprises***

The Group has provided guarantees for bank loans borrowed by other state-owned enterprises. As at 31 December 2020, the amount of the Company's guarantees for the liabilities and obligations of other authorities, enterprises and entities was approximately RMB3.4 billion, representing 6.5 per cent. of the Group's total assets. The Group is subject to the credit risks of the borrowers on these guarantees because any non-performance by any of the borrowers, over which the Group has no control, could result in the related guarantee being enforced against the Group.

If the Group is unable to procure performance or obtain repayment from other state-owned enterprises in respect of any enforced guarantees, the Group's business, financial condition and results of operations could be materially and adversely affected.

***The Group faces risks associated with contracting with public bodies***

As an entity wholly-owned by the Management Committee designated to carry out investment and construction in the Development Zone, the Group collaborates with various governmental authorities and their controlled entities in conducting its businesses, particularly its infrastructure construction businesses. Although the Company believes that the Group currently maintains close working relationships with those governmental authorities and entities relevant to its businesses, there is no assurance that such close working relationships will be maintained in the future. Local governments and their controlled entities may (i) have economic or business interests or considerations that are inconsistent with the Group's, (ii) take actions contrary to the Group's requests, policies or objectives, (iii) be unable or unwilling to fulfil their contractual obligations in a timely manner, if at all, (iv) change existing policies and project plans without prior notice or consent from the Group for reasons such as government budgeting, (v) encounter financial difficulties, or (vi) have disputes with the Group as to the contractual terms or other matters. In

addition, the Group mainly contracts with the Management Committee to develop a large number of infrastructure projects in the Development Zone. Those projects are capital intensive and involve many risks arising from budget overrun.

The ability of the Management Committee to meet its payment obligations largely depends on its fiscal revenue and the policies and regulations promulgated by superior governments or authorities. Failure by such government bodies or authorities to fulfil their obligations or any adverse change to their policies or business plans may require the Group to adjust its development plans which could thus adversely affect its operating results. Furthermore, there is no assurance that the Group will be able to successfully resolve any material disagreement with the Chongqing Municipal Government or any of the contracting counterparties controlled by the Chongqing Municipal Government in a timely manner, or at all. Disputes with public bodies may last for considerably longer periods of time than for those with private sector counterparties, and payments from the public bodies may be delayed as a result. Any of these may materially and adversely affect the business relationships between the Group and the Chongqing Municipal Government, which may in turn materially and adversely affect the Group's business, financial condition, results of operations and prospects.

***Significant other receivables may affect the Group's liquidity and restrict the Group's business activities***

As at 31 December 2018, 2019 and 2020, the Group's other receivables amounted to RMB2,481.0 million, RMB3,652.3 million and RMB3,847.7 million, respectively, representing 5.7 per cent., 7.3 per cent. and 7.5 per cent. of the Group's total assets, respectively. The Group's other receivables mainly comprise the funding costs of investment projects to be paid by the Management Committee.

There are inherent risks associated with the government and the Group's other customers' ability to make timely payments which may impair the Group's accounts receivable. Any failure by the Management Committee or the Group's other customers to make timely payments could materially and adversely affect the value of the Group's accounts receivable, other receivable and its liquidity and in turn affect its business, financial condition or results of operations.

***The Group's business operations are subject to extensive regulation***

Certain business activities of the Group, such as infrastructure construction and coal trading, are extensively regulated in the PRC. The operation of these business activities requires a number of approvals, licences and permits from different governmental authorities. For example, the Group needs to have the construction enterprise qualification certificate (建築業企業資質證書) and real estate development enterprise qualification certificate (房地產開發企業資質證書) in order to engage in real estate development activities. For each real estate development project, the Group is required to obtain a project approval and an environmental assessment approval at the outset of the project. As the projects progress, it needs to receive a construction land planning permit (建設用地規劃許可證), a land use right certificate (土地使用權證書), an environment impact evaluation approval (環境影響評價批覆), a construction project planning permit (建設工程規劃許可證) and a construction permit (建築工程施工許可證) at different stages of development. It takes time to obtain all of these approvals and certificates. Governmental authorities in the PRC have broad discretion in implementing and enforcing applicable laws and regulations and in determining the grant of approvals, licences, permits and certificates necessary for conducting businesses. As at the date of this Offering Circular, the Group is in the process of obtaining certain construction approvals, licences, permits or certificates for certain of its construction projects. There is no assurance that the Group will be able to obtain or renew such permits, licences, certificates and other approvals or qualifications in a timely manner or at all, as a result of which the Group may be subject to sanctions or penalties by the PRC government, which may in turn have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

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

***The Group may not be able to renew certain licences, certificates and permits for its operation***

Under PRC law, the Group is required to obtain certain licences, certificates and permits from relevant PRC governmental authorities. The Group believes that, and as confirmed by our PRC legal advisors, the Group has obtained all material licences, certificates and permits necessary for the conduct of its business as currently conducted. In addition, eligibility criteria for these licences, certificates and permits may change from time to time and additional licences, certificates and permits may be required and higher compliance standards may have to be observed. If there are new laws or regulations, or changes in the interpretation of any existing laws or regulations, the Group's compliance costs may increase and it may be more expensive for the Group to continue the operation of any part of our business, which could have a material adverse effect on our financial condition and results of operations.

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

The Group has substantial indebtedness outstanding. Much of the Group's indebtedness bears floating interest rates published by the People's Bank of China ("PBOC"). Any material fluctuation in the benchmark lending rate may have a material impact on the Group's interest expenses and payables under its bank loans and other borrowings and in turn affect its results of operations. The PRC Government from time to time adjusted interest rates as implementation of the PRC Government's economic and monetary policies. Any material fluctuation in the benchmark lending interest rate could have a material impact on the Group's interest payables under its bank loans and in turn affect its results of operations. The Group's future loan facilities will also carry interest rates based on the PBOC benchmark lending rate and subject to market conditions. There is no assurance, as a result of any increase in the PBOC benchmark rate or otherwise, the Group will be able to service its existing bank borrowings as they become due or obtain sufficient additional bank borrowings going forward on commercially acceptable terms, or at all, which could have a material adverse effect on the Group's business, financial condition and results of operations.

***The Group may not successfully implement its growth strategy***

The Group has historically been focused on infrastructure construction in the Development Zone. Over the years, it has diversified its businesses into commercial trading, tourism, water treatment and sports activity management. The Group continues to develop these new businesses while maintaining sustainable growth of its core businesses. Whether the Group could successfully implement this strategy depends on the Group's ability to identify attractive projects, obtain required approvals from relevant regulatory authorities in the PRC, obtain sufficient capital on acceptable terms in a timely manner and maintain close working relationships with various governmental authorities and agencies. The success of negotiations with respect to any particular project cannot be assured. The Group may also require additional funds and/or resources from time to time to pursue our future business strategies. There can be no assurance that the Group will be able to successfully implement this strategy, manage or integrate newly-acquired operations with its existing operations. Failure to implement the Group's growth strategy could have a material adverse impact on its business, financial condition and results of operations.

***The PRC Government may adopt measures aimed at slowing down growth in the real estate sector***

Since 2005, the PRC Government has from time to time introduced various measures to curtail property speculation in response to concerns over, among other things, the increases in property investments and property prices and the overheating of the property market. For example, according to the Notice 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 and the Notice 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, 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 land developed by the Group. There can be no assurance that the PRC Government will not adopt additional and more stringent measures to further dampen the growth of the property sector, which could slow down property development in China. This may have a material adverse effect on the Group's business, financial condition and results of operations.

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

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

***The insurance coverage of the group may not adequately protect it against all operational risks***

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

- production interruptions caused by operational errors, electricity outages, raw material shortages, equipment failure and other production risks;
- operating limitations imposed by environmental or other regulatory requirements;
- defective quality of the real estate properties it develops;
- work-related personal injuries;
- on-site construction accidents;



- credit risks relating to the performance of customers or other contractual third parties;
- disruption in the global capital markets and the economy in general;
- loss on investments;
- environmental or industrial accidents; and
- catastrophic events such as fires, earthquakes, explosions, floods or other natural disasters.

To manage operating risks, the Group maintains insurance policies that provide different types of risk coverage, which the Group believes to be consistent with the relevant law and industry and business practice in the PRC. 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 incurred in the Group's operations due to the above-mentioned operational risks. There are also certain types of losses (such as wars, acts of terrorism or acts of God, business interruption, property risks and third party (public) liability) that generally are not insured because they are uninsurable. To the extent that the Company or any of its subsidiaries suffers loss or damage that is not covered by insurance or that exceeds the limit of its insurance coverage, the Group's results of operations and cash flow may be materially and adversely affected.

***The Group is subject to various environmental, safety and health regulations in the PRC***

The Group is required to comply with extensive environmental, safety and health regulations in the PRC. Failure to comply with such regulations may result in fines or suspension or revocation of the Group's licences or permits to conduct its business. Given the volume and complexity of these regulations, compliance may be difficult or involve significant financial and other resources to establish efficient compliance and monitoring systems. There is no assurance that the Group will be able to comply with all applicable requirements or obtain these approvals and permits on a timely basis, if at all. As at 31 December 2020, the Group had not received any notice regarding non-compliance with the applicable safety regulations or requirements from any government authority. In addition, PRC laws and regulations are constantly evolving. There can be no assurance that the PRC Government will not impose additional or stricter laws or regulations, which may increase compliance costs of the Group.

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

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

***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 affects its reputation. Such misconduct could include:

- hiding unauthorised or unsuccessful activities, resulting in unknown and unmanaged risks or losses;
- intentionally concealing material facts, or failing to perform necessary due diligence procedures designed to identify potential risks, which are material to the Group in deciding whether to make investments or dispose of assets;
- improperly using or disclosing confidential information;
- recommending products, services or transactions that are not suitable for the Group's customers;
- misappropriation of funds;
- conducting transactions that exceed authorised limits;
- engaging in misrepresentation or fraudulent, deceptive or otherwise improper activities when marketing or selling products;
- engaging in unauthorised or excessive transactions to the detriment of the Group's customers;
- bribing or accepting bribes;
- conducting any inside dealing; or
- otherwise not complying with applicable laws or the Group's internal policies and procedures.

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

***The Group may not be able to fully detect money laundering and other illegal or improper activities in its business operations***

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



The Company does not adopt policies or procedures aimed at detecting and preventing the use of its business platforms to facilitate money laundering activities and terrorist acts. In the event that the Group fails to detect money laundering or other illegal or improper activities or fails to fully comply with applicable laws and regulations, the relevant government agencies may freeze its assets or impose fines or other penalties on it. Any of these may materially and adversely affect its business reputation, financial condition and results of operations.

***Members of the Group engage in related party transactions among themselves and with joint ventures from time to time which may create potential conflicts of interest***

Members of the Group have engaged in and will continue to engage in a variety of transactions among themselves and with joint ventures, including the purchase of coal, the provision of services, the extension of loans and the provision of guarantees. The Group cannot assure you that those transactions would be deemed as at arm's length or that our related parties will not take actions that favour their interests over the Group's. The Group cannot assure you that corporate opportunities and resources will not be allocated within the companies under our control based on considerations other than those that are in the best interests of our operation.

In addition, the Group cannot assure you that its management of related parties will be as effective as that of itself due to the large number, diversified locations and different sizes of its subsidiaries. As a result, the internal control and management of various related party transactions can be challenging and demanding for the Group. Failure to adequately control and manage the Group's related party transactions could have an adverse effect on its business financial condition or results of operations.

***The Group is exposed to litigation risks***

The Group may from time to time be involved in disputes with governmental entities, residents of land designated for re-development, contractors, suppliers, employees and other third party service providers during the course of its daily operations. Claims may be brought against members of the Group for a number of reasons, such as defective or incomplete work, personal injuries, property damages, breach of warranty or delay in completion and delivery projects. In addition, the Group may bring claims against project contractors for additional costs incurred as a result of the contractors' underperformance or non-performance, project defects or default by the contractors. If the disputes or claims are not resolved or settled through negotiation or mediation, the Group may be involved in lengthy and costly litigation or arbitration proceedings, which may distract the Group's financial and managerial resources. In the event that the Group prevails in those legal proceedings, there is no assurance that the judgment or awards will be effectively enforced. If a judgment or award is rendered against the Group, the amounts payable by the Group may not be fully covered by the Group's insurance, and the amounts could differ from the provisions made by the Group based on its estimates. Any material charges associated with claims brought against the Group and material write downs associated with the Group's claims could have a material adverse impact on its financial condition, results of operations and cash flow.

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

The Company has a number of subsidiaries and associated companies operating in four major business segments covering a wide range of industries: (i) infrastructure construction; (ii) commercial trading (iii) tourism and (iv) other businesses. As such, the Group is exposed to business, market and regulatory risks relating to different industries and markets. Furthermore, the Group may from time to time expand its businesses to new industries and markets in which it has limited operating experience. Such expansion may require the Group to devote substantial resources to become familiar with, and monitor changes in, different operating environments so that it can succeed in such new businesses.

In 2018, the Group started its coal trading business, cooperating with one of the biggest coal retailers in China, Shaanxi Coal and Chemical Industry Group Co., Ltd. (陝西煤業化工集團有限公司) (“**Shaanxi Coal Group**”). For the years ended 31 December 2018, 2019 and 2020, the coal trading segment contributed 55.5 per cent., 47.9 per cent. and 54.1 per cent. of the Group’s total revenue, respectively. By expanding its coal trading business, the Group plans on selectively capturing opportunities and strengthening its position in the attractive power markets in Chongqing, but there can be no assurance that it will handle such expansion effectively or that the expansion will be successful.

In addition, successful operation of the Group’s subsidiaries and associated companies requires an effective management system. As the Group continues to grow its businesses, and expand into various industries, the Group’s operations may become more complex, which would increase the difficulty of implementing its management system.

The Company provides guarantees and other support to certain of its subsidiaries and associated companies in various lines of businesses. For instance, the Company provides shareholder loans to, or acts as a guarantor for the borrowings of, certain subsidiaries and associated companies. If a subsidiary or associated company defaults on any borrowings lent or guaranteed by the Company, the Company will not receive the repayment as planned or the relevant creditor may exercise its right under the guarantee to demand repayment from the Company. The occurrence of either of these types of events may result in a funding shortage of the Company and may materially and adversely affect the Company’s ability to provide financial support to its other subsidiaries and associated companies. If the Company’s financial or non-financial support ceases or diminishes for any reason, the operations of the relevant portfolio companies may be materially and adversely affected, which in turn may have a material and adverse impact on the Group’s business, financial condition and results of operations.

***The Group’s businesses may be affected by an outbreak, or threatened outbreak, of any severe contagious disease or other force majeure events***

The Group’s business is subject to general economic and social conditions in the PRC. Natural disasters, epidemics and other acts of God which are beyond the Group’s control may adversely affect the economy, infrastructure and livelihood of the people in the PRC. Some regions in the PRC are under the threat of flood, earthquake, sandstorm, snowstorm, fire, drought, or epidemics such as Middle East Respiratory Syndrome (MERS), Severe Acute Respiratory Syndrome (SARS), H5N1 avian flu, human swine flu (also known as Influenza A (H1N1)) or, most recently, the COVID-19 pandemic.

Since December 2019, the outbreak of COVID-19 has widely affected China and other countries and territories in the world. On 31 January 2020, the World Health Organisation (the “**WHO**”) declared the COVID-19 outbreak as a “Public Health Emergency of International Concern”. On 11 March 2020, the WHO declared COVID-19 as a pandemic. Fully effective vaccines have yet to be developed and there can be no assurance that an effective vaccine can be discovered or commercially manufactured to protect against a pandemic in time in light of the highly contagious nature of COVID-19.

Governments across the world have imposed travel restrictions and/or lockdown in an effort to curb the spread of highly infectious COVID-19. As the pandemic continues to spread worldwide, more countries may impose similar or more severe containment measures. 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. During the pandemic, several areas in China where the Group has operations have been under a lockdown and have imposed travel restrictions in an effort to curb the spread of COVID-19. Supply of the Group’s raw materials may be adversely affected since interruption of the Group’s supply chains and those of the Group’s suppliers. As a result,

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 with the Group may default on their contracts if the economic situation further deteriorates as a result of the epidemic. Given the uncertainty of the outbreak, the spread of COVID-19 may be prolonged and worsened, and the Group may be forced to scale back or even suspend its operations in the affected areas. In addition, the COVID-19 outbreak poses risks to the wellbeing of the Group's employees and the safety of the Group's workplace, which may materially and adversely affect the Group's business operation.

Governments and central banks around the globe have introduced or are planning fiscal and monetary stimulus measures including tax cuts, direct subsidies, rates cuts, bond repurchase programmes and suspension or relaxation of prudential bank capital requirements. These measures aim to contain the economic impact of the pandemic, stabilise the markets and provide liquidity easing to the markets. The PRC government has announced various support measures, including 30 response financial measures and a list of tax-related measures. The State Council has also exempted payment of registration fees for drugs and medical equipment and payment to the Civil Aviation Development Fund by civil aviation companies which are relevant to COVID-19 prevention, temporarily reduced or exempted social security contributions and postponed housing funds contributions from companies, as well as provided unemployment insurance refunds (up to 100 per cent.) to companies with no or few layoffs. There is no assurance that such measures may be introduced in time or will be sufficient or effective in delivering their policy objectives or be successful in containing the economic impact of the pandemic or stabilising the markets. Past occurrences of epidemics and pandemics, depending on their scale, have caused different degrees of damage to the national and local economies in China. Another public health crisis in China triggered by a recurrence of SARS or an outbreak of any other epidemics and pandemics, including, for example, the ongoing COVID-19, especially in the cities where the Group has operations, may result in disruptions to the Group's operation. In addition, the outbreak of communicable diseases, such as the COVID-19 outbreak on a global scale, may affect investment sentiment and result in sporadic volatility in global capital markets or adversely affect China and other economies. Such outbreak has resulted in restrictions on travel and public transportation and prolonged closures of workplaces, which may have a material adverse effect on the global economy. Any material change in the financial markets, the PRC economy or regional economies as a result of these events or developments may materially and adversely affect the Group's business, financial condition and results of operations.

***The Group publishes and may continue to publish periodical financial information in the PRC pursuant to applicable PRC regulatory rules***

According to applicable PRC bank and securities regulations, the Group must publish its quarterly, half year and annual financial information to satisfy its continuing disclosure obligations relating to its corporate bonds and short-term financing bonds. The quarterly and half year financial information published by the Group in the PRC is normally derived from the Group's management accounts and is not audited or reviewed by independent auditors. As such, this financial information published in the PRC should not be relied upon by potential purchasers to provide the same quality of information as audited information. The published financial information in the PRC may be adjusted or restated to address subsequent changes in accordance with relevant accounting standards, the Company's accounting policies and/or applicable laws and regulations affecting the Group's financial reporting or to reflect the subsequent comments given by the independent auditors during the course of their audit or review. Such adjustment or restatement may result in discrepancies between the financial information published in the PRC with respect to a particular period or date based on the Group's management accounts and its audited or reviewed financial statements. Potential investors should therefore not place any reliance on any such financial information.

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

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

***The Group's accounts were prepared in accordance with PRC GAAP which may be different from IFRS***

The Group's accounts were prepared in accordance with PRC GAAP and other relevant regulations issued thereafter. Although PRC GAAP are substantively in line with IFRS, PRC GAAP are, to a certain extent, different from IFRS. There is no guarantee that the PRC GAAP will fully converge with IFRS or there will be no additional differences between the two accounting standards in the future. Potential investors should consult their own professional advisers for an understanding of any differences that may exist between PRC GAAP and IFRS, and how those differences might affect the financial information included in this Offering Circular.

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

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

***The government policy projects in which the Group engages serve the public interest but may not achieve commercial returns***

The Company is a state-owned enterprise under the direct supervision of the Management Committee. As a state-owned enterprise, it is from time to time required to engage and participate in projects intended to serve the public interest and social welfare development. For example, the Group has engaged in several shanty town redevelopment projects in the Development Zone. Unlike ordinary commodity housing projects, redevelopment of shanty districts contributes to public interest considerations of the government and the Groups' related profits largely depend on the government's financial subsidies. The Group is involved in various government projects and may participate in additional public interest projects in the future. There can be no assurance that such participation will not have a material and adverse effect on the Group's business, financial condition and results of operations.

***The Group faces risks relating to resettlement housing development projects***

Resettlement housing development projects in the PRC are capital intensive and involve many uncertainties relating to governmental approvals and timely consents from residents to vacate condemned properties. The Group is required to obtain numerous government approvals in relation to resettlement housing development projects and to obtain consents from the residents to relocate. There can be no assurance that the Group will be able to obtain all such approvals and consents or that it will obtain such approvals and consents within the time period desired. See also “– *The relocation of residents and businesses on the sites where the Group’s projects are located may result in delays in its development and/or increases in its development costs*”. Additionally, there can be no assurance that favourable terms of the Group’s agreements with PRC Government entities will not be modified. Furthermore, the laws and practices relating to the enforcement of contracts against PRC Government entities involve uncertainties. There can be no assurance that the Group will be able to obtain sufficient capital, that its investments in projects will not be lost or that the Group will be able to complete resettlement housing projects in a cost effective manner or at all. Any failure to successfully complete and receive satisfactory commercial returns from resettlement housing development projects could materially and adversely affect the Group’s business, financial condition and results of operations.

***Any non-compliant Gross Floor Area (“GFA”) of the Group’s uncompleted and future property developments will be subject to governmental approval and additional payments***

Government authorities inspect property developments after completion and issue completion acceptance certificates provided developments are in compliance with the relevant laws and regulations. If the total constructed GFA of a property development exceeds the GFA originally authorised in a land grant contract or construction permit, or if the completed property contains built-up areas that do not conform with plans approved by construction permits, the Group may be required to pay additional amounts or take corrective actions with respect to such non-compliant GFA before a completion acceptance certificate can be issued.

As at 31 December 2020, the Group had obtained completion acceptance certificates for all of its completed properties. However, there can be no assurance that the government authorities will not determine that the total constructed GFA upon completion of the Group’s existing projects under development or any future property developments exceeds the authorised GFA. Any such non-compliance could lead to material additional payments or penalties, which could adversely affect the Group’s financial condition. The Group has not incurred any such material payments or penalties since its founding.

***The Group does not decide on the timing of the sale of land use rights of the land parcels it develops, and the selling price of such land use rights may be insufficient to cover the Group’s costs and/or generate any profit***

Substantially all of the Group’s land development business revenue is derived from the sale of land use rights. Every year, the Group submits an annual land sales plan to the Wansheng State Land and House Management Bureau (萬盛區國土房管局) (the “**Land Bureau**”) in which the Group proposes that certain of its land parcels be sold. After the annual land sales plan is approved, the Management Committee arranges for the designated land parcels to be sold through public auction, tender or listing for transfer. However, the exact timing of such sales in any particular year is determined by local governmental authorities. As a result, the Group’s results of operations may fluctuate significantly from period to period.

Furthermore, the final prices at which land use rights are sold are ultimately determined through a bidding process. There can be no assurance on the timing of the sale of land use rights (including whether or not they occur at all) or the final price at which land use rights will be sold. Although the Group does not anticipate a suspension of land sales under current government policies, if there is any failure or delay in selling land or if sale prices are insufficient to generate any profit on such sales, the Group’s business, financial condition and results of operations could be materially and adversely impacted.



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

Under applicable PRC laws and regulations, if the Group does not commence development for more than one year after the date specified in the relevant land use rights grant contract, or the Group commences development on an area which is less than one-third of the area granted, or the capital invested in the development is less than one-fourth of the total investment approved for the development, and the development is suspended for more than one year without governmental approval, the PRC Government may impose an idle land fee equal to 20 per cent. of the land premium or allocation fees. The PRC Government may revoke the land use rights certificate without compensation if the Group does not commence development for more than two years after the date specified in the relevant land use rights grant contract without causes as specifically provided under applicable laws and regulations. The State Council issued the Notice on Promoting the Saving and Intensification of Use of Land (國務院關於促進節約集約用地的通知) which states, among other things, that the Ministry of Land and Resources of the PRC (“MLR”) and other authorities are required to research and commence the drafting of implementation rules concerning the levy of land appreciation fees on idle land. Furthermore, MLR issued the Notice on Restricting the Administration of Construction Land and Promoting the Utilisation of Approved Land (國土資源部關於嚴格建設用地管理促進批而未用土地利用的通知) in August 2009 which reiterates its policy on idle land. Idle Land Disposal Measures (閒置土地處置辦法) became effective on 28 April 1999 and was amended on 1 July 2012, it stipulated the procedures for disposal of idle land. Any fines or penalties imposed, or any cancellation of land use rights with respect to idle lands may materially and adversely affect the Group’s business, financial condition and results of operations. As at the date of this Offering Circular, the Group did not possess any land that had not commenced development within the time stipulated in the relevant land use rights grant contracts. However, the Group may have idle land in the future and the imposition of fines and penalties in relation to any idle land could have a material and adverse effect on the Group’s business, financial condition and results of operations.

***The relocation of residents and businesses on the sites where the Group’s projects are located may result in delays in its development and/or increases in its development costs***

Some of the past projects developed by the Group involved relocation of residents and businesses, and the Group believes that similar situations may recur when it develops its future projects. If any 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 make a decision as to the proper relocation compensation and timetable. There can be no assurance that the relocation of residents or businesses will proceed smoothly or that the 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 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.

***Fluctuations in the price of construction materials could adversely affect the Group’s business and financial performance***

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.

***The Group is exposed to risks in relation to the inventories it maintains***

As at 31 December 2018, 2019 and 2020, the Group's inventories amounted to RMB28,651.2 million, RMB29,147.1 million and RMB30,097.0 million, respectively, representing 66.1 per cent., 58.6 per cent. and 58.2 per cent. of the Group's total assets, respectively. The Group's inventories mainly comprise inventory raw materials, low value consumables and development cost and development products. Nevertheless, in accordance with the Group's accounting policies, the Group had not made provision for inventory price changes in the past three years. As the PRC Government may issue more stringent policies with respect to development of real estate and marketability of the land, the value of inventories could be adversely affected, which, in turn, could materially and adversely affect the Group's business, financial condition, results of operations or prospects.

Due to a number of factors, including macroeconomic and microeconomic factors beyond the Company's control, it is difficult to accurately estimate market demand for the inventory materials and to manage its inventories accordingly. While the Group must maintain sufficient inventory to operate its business successfully and meet market demand, it also strives to avoid excess inventory to reduce inventory carrying costs. Changing demands of customers and inaccurate demand forecasts could expose the Group to inventory risk. The Group must maintain a reasonable inventory level of its inventory materials. If the Group does not maintain a sufficient inventory to fulfil orders, it may lose orders. Besides, excessive inventory levels could lead to additional inventory carrying cost. The Group cannot assure that the inventories can be managed effectively, which could materially and adversely affect the Group's business, financial condition and results of operations.

***General declines or disruptions in the travel industry may materially and adversely affect the Group's culture and tourism business and results of operations***

The Group's tourism business may be subject to cyclical fluctuations. The Group's tourism business typically experiences larger sales during festive and holiday seasons, including the Chinese New Year, Labour Day, the Mid-Autumn festival and the National Day. As a result of seasonal fluctuations, the results of operations of the Group's tourism business during one period may not be comparable with that of any other period of the year. In addition, there is no assurance that the Group has sufficient resources to capture business opportunities during peak seasons, or that the Group will be able to effectively respond to a decline in market demand during the slow season. Failure to do so may materially and adversely affect the Group's business, financial condition and results of operations.

***The Group's tourism business depends significantly on the Group's successful operation of its existing attractions and ancillary facilities, and the overall growth of the tourism industries in the PRC***

The Group's tourism business is one of the Group's major and promising businesses. The Group develops, constructs, operates and manages a number of scenic spots, such as theme parks, amusement parks, cultural attractions and pedestrian streets. The Group derives revenue from its tourism business primarily from ticket proceeds of these scenic spots, earnings from ancillary facilities in these scenic spots, such as hotels and restaurants, and rental income from leased properties in these scenic spots. The business prospects of the Group's tourism business are subject to the successful operation of the Group's existing attractions and any further expansions, as well as the overall growth of the culture and tourism industry in the PRC.



Any changes to its growth trend of the tourism industry in the PRC may adversely affect the Group's performance of its tourism business. In addition, given the importance of the tourism business to the Group's overall operation, any material adverse developments, such as changes in government policies or the general economic conditions in Chongqing or the PRC, could have a material adverse effect on the Group's business, financial condition and results of operations.

***The Group's tourism business is subject to changes in consumer behaviours and preferences***

In recent years, tourists have, to a great extent, changed their behaviour as it relates to travel planning. Instead of booking travel tickets, hotels and entrance tickets early in advance, as was traditionally done, tourists have begun to make such bookings shortly prior to their trips. Such trend makes it increasingly difficult for tourism companies to make seasonal plans, which could make the Group more vulnerable to changes in customer demand. Successful execution of the Group's strategy will depend, among other things, upon its ability to explore consumer preferences and changes in such preferences for travel products. In addition, the increasing popularity of Internet has broken the routine of culture and tourism industry. Tourists are able to compare the prices for various travel products, such as travel tickets, hotels, entrance tickets of scenic spots and even restaurants. This trend may also cause price competition among tourism companies, which may adversely affect tourism companies', including Group's business, financial condition and results of operations.

***The Group's tourism business is sensitive to adverse weather and environmental conditions***

Adverse weather conditions, such as extreme cold weather, snow, flooding and heavy or sustained rainfall and natural disasters such as earthquakes, landslides or mudslides, may prevent the Group from conducting its tourism business or otherwise affect its profitability, preventing the Group from operating its scenic spots, delaying its receipt of relevant payment and possibly causing the Group to incur increased operating expenses. Climatic conditions that are unusually severe or intense and occur at abnormal times or last longer than usual could therefore have a material adverse effect on the Group's tourism business. During periods of curtailed operation of its tourism business due to adverse weather conditions, the Group may continue to incur operating expenses, but its income from operating scenic spots may be delayed or reduced. In the PRC, these adverse weather conditions are more likely to take place during summer or winter, and as a result, the Group's culture and tourism business has a certain degree of seasonality.

***The Issuer's auditor has been sanctioned by the China Securities Regulatory Commission***

Asia Pacific, the Issuer's independent auditor, is a registered accounting firm in the PRC supervised by relevant PRC regulatory agencies, including the China Securities Regulatory Commission (the "CSRC"). During the period in which Asia Pacific audited the Issuer's consolidated financial statements included in this Offering Circular, Asia Pacific received warning letters from the CSRC for certain deficiencies in its audit work performed for companies other than the Issuer. These warning letters include the following: (i) in December 2020, Asia Pacific received a regulatory decision and a warning letter from the CSRC Beijing Securities Regulatory Bureau in relation to deficiencies in the audit of the financial statements of Beijing Huaxin Longyue Technology Co., Ltd. (北京華信龍悅科技股份有限公司) for the year ended 31 December 2019; (ii) in November 2020, the CSRC Hubei Securities Regulatory Bureau issued a warning letter to Asia Pacific in relation to the termination of undertaking for personal reason, incomplete risk assessment procedure and inadequate audit procedures when performing the audit of the financial statements of Infront Microelectronics Co., Ltd. (盈方微電子股份有限公司) for the year ended 31 December 2019; (iii) in November 2020, the CSRC Shandong Securities Regulatory Bureau issued a warning letter to Asia Pacific in relation to the incomplete working paper and inadequate quality control when performing the audit of the financial statements of Shandong Fuyu Chemical Co., Ltd. (山東富宇化工有限公司) for the year ended 31 December 2018; (iv) in October 2020, the CSRC Shandong Securities Regulatory Bureau issued a warning letter to Asia Pacific in relation to the inadequate implementation of quality control and inspection procedures, insufficient

verification of operating income and operating costs and lack of assessment on the sustainability of business when performing the audit of the financial statements of Shandong Golden Childhood Co., Ltd. (山東金色童年股份有限公司) for the year ended 31 December 2019; (v) in July 2020, Asia Pacific received a regulatory decision and a warning letter from the CSRC Guangdong Securities Regulatory Bureau in relation to insufficient implementation procedure and evaluation on relevance and reliability of information when performing the audit of the financial statements of Guangdong Shunzhe (Group) Co., Ltd. (廣東舜喆(集團)股份有限公司); (vi) in March 2020, Asia Pacific received a regulatory decision and a warning letter from the CSRC Shenzhen Securities Regulatory Bureau in relation to the issues of internal governance, quality control and independence of Asia Pacific and the deficiencies in the audit of the financial statements of Sichuan Jinding (Group) Co., Ltd. (四川金頂(集團)股份有限公司) for the year ended 31 December 2018; (vii) in January 2020, Asia Pacific received a regulatory decision and a warning letter from the CSRC Jilin Securities Regulatory Bureau in relation to the deficiencies in the audit of the financial statements of Jilin Chengcheng Group Co., Ltd. (吉林成城集團股份有限公司) for the year ended 31 December 2018; (viii) in January 2020, Asia Pacific received a regulatory decision and a warning letter from the CSRC Shenzhen Securities Regulatory Bureau in relation to the deficiencies in the audit of the financial statements of Shenzhen Beautiful Ecological Co., Ltd. (深圳美麗生態股份有限公司) for the year ended 31 December 2015; (ix) in January 2020, Asia Pacific received a regulatory decision and a warning letter from the CSRC Shenzhen Securities Regulatory Bureau in relation to the lack of participation of the signing CPA, inadequate implementation of quality control and important audit procedures, improper assessment of material risk and deficiencies in the audit of the financial statements of Zhejiang Shattler New Materials Co., Ltd. (浙江莎特勒新材料股份有限公司) for the year ended 31 December 2018; (x) in December 2019, Asia Pacific received a regulatory decision and a warning letter from the CSRC Sichuan Securities Regulatory Bureau in relation to the inadequate implementation of quality control and audit procedures and deficiencies in the audit of the financial statements of Zhengyuan Holdings Co., Ltd. (正源控股股份有限公司) for the year ended 31 December 2018; (xi) in December 2019, Asia Pacific received a regulatory decision and a warning letter from the CSRC Shenzhen Securities Regulatory Bureau in relation to the inadequate implementation of quality control and audit procedures and deficiencies in the audit of the financial statements of Shenzhen Hesidi Energy Technology Co., Ltd. (深圳海斯迪能源科技股份有限公司) for the year ended 31 December 2017 and 2018; (xii) in November 2019, Asia Pacific received a regulatory decision and a warning letter from the CSRC Hebei Securities Regulatory Bureau in relation to the lack of risk assessment, inadequate internal control and audit procedures and deficiencies in the audit of the financial statements of Infront Microelectronics Co., Ltd. (盈方微電子股份有限公司) for the year ended 31 December 2018; (xiii) in October 2019, Asia Pacific received a regulatory decision and a warning letter from the CSRC Hebei Securities Regulatory Bureau in relation to the deficiencies in the audit of the financial statements of Zhongjia Bochuang Information Technology Co., Ltd. (中嘉博創信息技術股份有限公司) for the year ended 31 December 2018; (xiv) in April 2019, Asia Pacific received a regulatory decision and a warning letter from the CSRC Zhejiang Securities Regulatory Bureau in relation to the deficiencies in the audit of the financial statements of Zhejiang Renzhi Co., Ltd. (浙江仁智股份有限公司) for the year ended 31 December 2017; (xv) in January 2019, Asia Pacific received a regulatory decision and a warning letter from the CSRC Jiangsu Securities Regulatory Bureau in relation to the deficiencies in the audit of the financial statements of Shandong Longli Biotechnology Co., Ltd. (徐州科融環境資源股份有限公司) for the year ended 31 December 2017; (xvi) in November 2018, Asia Pacific received a regulatory decision and a warning letter from the CSRC Shandong Securities Regulatory Bureau in relation to the deficiencies in the audit of the financial statements of Xuzhou Kerong Environmental Resources Co., Ltd. (山東龍力生物科技股份有限公司) for the year ended 31 December 2017.

The abovementioned administrative sanctions do not (i) disqualify Asia Pacific from participating in the offering of the Bonds, (ii) have any impact on Asia Pacific's unqualified audit opinions for the Issuer's consolidated financial statements as at and for the years ended 31 December 2019 and 2020 or (iii) have any impact on Asia Pacific's ability to provide services to the Issuer and the Group. There can be no assurance that Asia Pacific's involvement in such administrative actions or any negative news about Asia Pacific would not affect investor 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

*The Group's business, financial condition, results of operations and prospects could be adversely affected by slowdowns in the PRC economy*

The Group primarily engages in infrastructure construction in the Development Zone and substantially all of the Group's revenue is derived from the PRC. The Group relies, to a significant degree, on the development and economic of the PRC, particularly of Chongqing, to achieve revenue growth. The global crisis in financial services and credit markets in 2008 caused a slowdown in the growth of the global economy. In 2015, the PRC Government adopted intensive reforms with the primary aim of restructuring and rebalancing the PRC economy towards a more sustainable model by focusing more on domestic consumption and away from investment- and export-fuelled growth. According to the National Statistics Bureau of the PRC, the annual growth rate of China's GDP in 2019 slowed down to 6.1 per cent. on a year-on-year basis compared to 6.6 per cent. in 2018, and it further decreased to 2.3 per cent. in 2020 primarily due to the outbreak of COVID-19, representing the slowest growth in the past 30 years. In March 2016, Moody's and S&P changed China's credit rating outlook to "negative" from "stable", which highlighted the country's surging debt burden and questioned the government's ability to enact reforms. In May 2017, Moody's downgraded China's sovereign rating to "A1" from "Aa3" and in September 2017, S&P downgraded China's credit rating to "A+" from "AA-" while changing its outlook to "stable" from "negative". There can be no assurance the economy of the PRC will maintain sustainable growth.

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 and the performance of certain major developed economies in the world, such as the United States and the European Union. For example, in 2018, the United States government, under the administration of President Donald J. Trump, imposed several rounds of tariffs on various categories of imports from China, and China responded with similarly sized tariffs on U.S. products in retaliation. Since December 2018, both countries began negotiations to resolve the trade conflicts. On 15 January 2020, the U.S. and Chinese governments signed the U.S.-China Economic and Trade Agreement (the "**Phase I Agreement**"). However, it remains to be seen whether both governments will abide by the Phase I Agreement and successfully reduce trade tensions. If either government violates the Phase I Agreement, it is likely that enforcement actions will be taken and trade tensions will escalate. The adoption and expansion of trade restrictions, the occurrence of a trade war, or other governmental action related to tariffs or trade agreements or policies has the potential to adversely affect China's economy, which in turn could adversely impact the Group's business, financial condition and results of operations. In addition, in the United Kingdom, a remain-or-leave referendum on its membership within the European Union was held in June 2016, the result of which favoured the exit of the United Kingdom from the European Union ("**Brexit**"). On 31 January 2020, the United Kingdom officially exited the European Union following a UK-EU Withdrawal Agreement signed in October 2019. Given the lack of precedent, it is unclear how Brexit would affect the fiscal, monetary and regulatory landscape within the UK, the EU and globally. This event has resulted in a downgrade of the credit ratings of the United Kingdom and the uncertainty before, during and after the period of negotiation may also create a negative economic impact and increase volatility in global markets.

In recent years, as a result of recurring liquidity tightening in the banking system, alternative lending and borrowing outside of traditional banking practices, generally known as "shadow banking", has grown to become an integral and significant aspect of the PRC economy. Such alternative lending is loosely regulated and has led to an increase in the PRC's debt levels leading to concerns over rising bad debts and financial problems. As some of the funds obtained from shadow banking are being used for investments in speculative and risky products, should a widespread default on such investments occur, this could harm the growth prospects of the PRC economy. In 2014, there were reports of a number of shadow banking defaults in the PRC resulting in increased scrutiny and oversight by regulators who have proposed draft rules to control the industry. Even if the PRC Government increases regulation over such alternative lending and

borrowing, there can be no assurance that such regulations will be successful, or that they would not have an adverse impact on the overall loan markets and liquidity in the PRC, which will negatively impact the PRC economy. Although the PRC Government has taken several measures with the intention of increasing investor confidence in the PRC economy, there can be no assurance that such measures will be effective. There can be no assurance that the PRC Government will not implement any reforms which may conflict with such targeted growth. The Group's business, financial conditions and results of operations could be adversely affected by the PRC Government's inability to effect timely economic reforms.

Any slowdown in the PRC economy may increase the Group's exposure to material losses from its investments, decrease the opportunities for developing the Group's businesses, create a credit tightening environment, increase the Group's financing costs, or reduce government subsidies to the Group, any of which may result in a material adverse effect on the Group's business, results of operations and financial condition.

***The PRC property market is cyclical, and the Group's real estate development activities are susceptible to significant fluctuations***

The PRC property market is, and is expected to continue to be, cyclical as a result of changes in market supply and demand. Since the late 1990s, the number and price of residential property development projects have increased in major cities as a result of an increase in demand driven by domestic economic growth. In particular, prices of residential properties in major PRC cities such as Chongqing, Shanghai and Beijing have experienced rapid and significant growth. In recent years, however, risk of property oversupply is increasing in certain parts of the PRC, where property investment, trading and speculation have become overly active. In the event of actual or perceived oversupply, together with the effect of the PRC Government policies to curtail the overheating of the property market, property prices may fall significantly and property sales and results of operations of the Group could be adversely affected. The growth of the property market in the PRC has become relatively flat in the last twelve months. It is uncertain what effect lifting various government regulations on the property market will have, as property prices are ultimately driven by demand and supply. There can be no assurance that the problems of oversupply and falling property prices will not recur in the PRC property market. To the extent that supply in the overall property market significantly exceeds demand, the Group may be affected by significant market downturns, and its sales of real properties, financial condition and results of operations could be materially and adversely affected.

In addition, the results of operations of the Group's resettlement housing business may fluctuate from time to time. The number of properties that the Group can develop or complete during any particular period is subject to a number of factors including but not limited to availability of land, construction schedules, permit approvals and lengthy development periods before revenue and profit from developments are realised and recognised (in particular for projects that are developed in multiple phases over the course of several years). Therefore, the cyclical property market in the PRC affects the timing for the Group's sale of completed properties. This cyclicity, combined with the lead time required for the completion of projects and the sale of properties, means that the results of operations of the Group relating to real estate development activities may be susceptible to significant fluctuations from year to year.

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



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

The Group's operations and financial results 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 in the economic and technology development zones and infrastructure construction demand in the PRC depends heavily on economic growth. If the PRC's economic growth slows down or if the PRC economy experiences a recession, the growth in Chinese economic and technology development zones and infrastructure construction demand may also slow down, and the Group's business prospects may be materially and adversely affected. The Group's operations and financial results, as well as the Issuer's ability to satisfy its obligations under the Bonds, could also be materially and adversely affected by changes to or introduction of measures to control changes in the rate or method of taxation and the imposition of additional restrictions on currency conversion.

***The operations of the Group may be affected by inflation and deflation within the PRC.***

Economic growth in the PRC had historically been accompanied by periods of high inflation. Increasing inflation rates were due to many factors beyond the Group's control, such as rising food prices, rising production and labour costs, high lending levels, PRC and foreign government policies and regulations as well as movements in exchange rates and interest rates. It is impossible to accurately predict future inflationary trends. If inflation rates rise beyond the Group's expectations, the Group may be unable to increase the prices of its services and products in amounts that are sufficient to cover its increasing operating costs. Further inflationary pressures within the PRC may have a material adverse effect on the Group's business, financial condition or results of operations.

Recently, concerns have arisen over deflationary pressures in the PRC as a result of weak domestic demand and slow economy. The inflation rates within the PRC have been on a downward trend in recent years. A prolonged period of deflation may result in falling profits, closure of plants and shrinking employment and incomes by companies and individuals, any of which could adversely affect the Group's business, financial condition or results of operations.

***Uncertainty with respect to the PRC legal system could affect the Group***

As substantially all of the Group's businesses are conducted, and substantially all of the Group's assets are located, in the PRC, the Group's operations are governed principally by PRC laws and regulations. The PRC legal system is based on written statutes while prior court decisions can only be cited as reference. 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 sufficiently cover all aspects of economic activities in China. In particular, because many of these 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 involve 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) that may have a retroactive effect. As a result, the Group may not be aware of the Group's violation of these policies and rules until sometime after the violation. In addition, any litigation in China may be protracted and result in substantial costs and diversion of resources and management's attention and it may be difficult to obtain a swift and equitable enforcement of laws in the PRC, or the enforcement of judgments by a court of another jurisdiction. These uncertainties relating to the interpretation and implementation of PRC 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 Company and most of the Company's subsidiaries are incorporated in the PRC. A substantial portion of the Group's assets are located in the PRC. In addition, all of the Company's directors, supervisors and executive officers 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 most of the Group's directors, supervisors and 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, PRC has not entered into treaties or arrangements providing for the recognition of judgment made by courts of most other jurisdictions. On 14 July 2006, Hong Kong and the PRC entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgment in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements Between Parties Concerned (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**"), pursuant to which a party with a final court judgment rendered by a Hong Kong court requiring payment of money in a civil and commercial case according to a "choice of court" agreement in writing may apply for recognition and enforcement of the judgment in the PRC. Similarly, a party with a final court judgment rendered by a PRC court requiring payment of money in a civil and commercial case pursuant to a "choice of court" agreement in writing may apply for recognition and enforcement of such judgment in Hong Kong. A "choice of court" agreement in writing is defined as any agreement in writing entered into between parties after the effective date of the Arrangement in which a Hong Kong court or a PRC court is expressly designated as the court having sole jurisdiction for the dispute. Therefore, it is not possible to enforce a judgment rendered by a Hong Kong court in the PRC if the parties in dispute do not enter into a "choice of court" agreement in writing. In addition, on 18 January 2019, the Supreme People's Court of China (the "**SPC**") 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 (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**"). The New Arrangement extends the scope of judicial assistance, and the effective date shall be announced by SPC and the Hong Kong government after SPC issues the judicial interpretation and the Hong Kong legislature passes legislation implementing the New Arrangement. As a result, it may be difficult or impossible for investors to effect service of process against the Group's assets or directors in the PRC in order to seek recognition and enforcement for foreign judgments in the PRC. Furthermore, the PRC does not have treaties or agreements providing for the reciprocal recognition and enforcement of judgments awarded by courts of the United States, the United Kingdom, or most other European countries or Japan. Hence, the recognition and enforcement in the PRC of judgment of a court in any of these jurisdictions in relation to any matter not subject to a binding arbitration provision may be difficult or even impossible. For further details on the recognition of Hong Kong court judgments, see "*– Risks Relating to the Bonds and the Standby Letter of Credit – Additional procedures may be required to be taken to bring matters or disputes governed by English law to 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 matters or disputes governed by English law*".

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

Most of the Group's revenue is denominated in Renminbi, which is also the reporting currency. Renminbi is not a freely convertible currency. A portion of the Group's cash may be required to be converted into other currencies in order to meet the Group's foreign currency needs, including payments on the Bonds. However, the PRC Government may restrict future access to foreign currencies for current account transactions at its discretion. If this were to occur, the Issuer might

not be able to make payments to the holders of the Bonds in foreign currencies. On the other hand, foreign exchange transactions under capital account in the PRC continue to be not freely convertible and require the approval of the State Administration of Foreign Exchange (“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 Company’s operating subsidiaries in the PRC is subject to restrictions under the PRC law***

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

***The implementation of PRC employment regulations and inflation may increase labour costs in the PRC generally***

On 28 December 2012, the PRC government enacted the revised PRC Labour Contract Law (中華人民共和國勞動合同法), which became effective on 1 July 2013. 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, the employer is required to make compensation payment to a fixed-term contract employee when the term of their employment contract expires, unless the employee does not agree to renew the contract even though the conditions offered by the employer for renewal are the same as or better than those stipulated in the current employment contract. In general, the amount of compensation payment is equal to the monthly wage of the employee multiplied by the number of full years that the employee has worked for the employer. 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 being 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. Further, under the PRC Labour Contract Law, when an employer terminates its PRC employees’ employment, the employer may be required to compensate them for such amount which is determined based on their length of service with the employer, and the employer may not be able to efficiently terminate non-fixed-term employment contracts under the PRC Labour Contract Law 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 is likely to increase. In such circumstances, the profit margin may decrease and the 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 of the accuracy or comparability of facts and statistics contained in this Offering Circular with respect to the PRC, its economy or the relevant industry***

Facts and other statistics in this Offering Circular relating to the PRC, its economy or the relevant industry in which the Group operates have been directly or indirectly derived from official government publications and certain other public industry sources. 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 Group, the Managers, the Trustee, the Agents or any of its or their respective affiliates, employees, directors, agents, advisers or representatives. Therefore, none of the Issuer, the Group, the Managers, the Trustee, the Agents or any of its or their respective affiliates, employees, directors, agents, advisers or representatives makes any 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.

***Public information on the Group may be limited***

The Group is a state-owned company incorporated in the PRC and not listed on any stock exchange. There may be less publicly available information about the Group than is regularly made available by public companies in the PRC and certain other countries and territories.

## **RISKS RELATING TO THE BONDS AND THE STANDBY LETTER OF CREDIT**

***The PRC Government (including the Chongqing Municipal Government) is not contractually obliged to repay any amount under the Bonds or the Trust Deed if the Issuer fails to meet its obligations under the Bonds***

The PRC Government (including the Chongqing Municipal Government) is not an obligor and shall under no circumstances have any obligation arising out of or in connection with the Bonds or the Trust Deed in lieu of the Issuer. This position has been reinforced by the Circular 23, the Circular 706 and the Circular 666.

Any ownership or control by the PRC Government (including the Chongqing Municipal Government) does not necessarily correlate to, or provide any assurance as to, the Issuer's financial condition. The PRC Government (including the Chongqing Municipal Government) is not an obligor and shall under no circumstances have any obligation arising out of or in connection with the Bonds or the Trust Deed in lieu of the Issuer. Investments in the Bonds are relying on the credit risk of the Issuer, rather than the credit risk of the PRC Government (including the Chongqing Municipal Government). In the event the Issuer does not fulfil its obligations under the Bonds or the Trust Deed, investors will only be able to claim as an unsecured creditor against the Issuer and its assets, and not any other person including the PRC Government (including the

Chongqing Municipal Government), any other local or municipal government authorities. Therefore, investors should base their investment decision only on the financial condition of the Issuer and the Group and any perceived credit risk associated with an investment in the Bonds based only on the Group's own financial information reflected in its financial statements. As the Circular 23, the Circular 706 and the Circular 666 are relatively new and given the limited volume of published decisions related to these circulars, the interpretation and enforcement of these laws and regulations involve uncertainties and any adverse interpretation and enforcement of such laws and regulations in the future may materially and adversely affect the Group's business, financial condition, results of operations and prospects.

***The Bonds will be mandatorily redeemed upon a pre-funding failure***

The Conditions provide for a demand to be made under the Standby Letter of Credit in the event the Issuer fails to pre-fund principal and/or interest payments due on the Bonds or upon the occurrence of an Event of Default under the Bonds. Such demand will be made in respect of the full amount of the outstanding principal due and interest accrued on the Bonds (together with all fees, expenses and other amounts payable by the Issuer under or in connection with the Bonds, the Trust Deed and/or the Agency Agreement then outstanding), and thereafter the Bonds will be mandatorily redeemed in accordance with Condition 6(d) (Mandatory Redemption upon Pre-funding Failure). Bondholders will not be able to hold their Bonds to maturity should such mandatory redemption occur.

***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 applicable law, regulations and implementation rules issued by the People's Bank of China, SAFE and other competent authorities in the PRC from time to time, the Issuer shall complete foreign debt 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 Administrative Measures for Foreign Debt Registration (外債登記管理辦法) and the operational guidelines, if a domestic issuer issues bonds offshore, it shall register with the local branch of SAFE within fifteen business days after the closing date of such issuance. Registration is not complete until the local branch of SAFE provides evidence of the successful completion of the registration. Before such registration of the Bonds is complete, it is uncertain whether the Bonds are enforceable as a matter of PRC law and it may be difficult for the Trustee or 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. Pursuant to article 27(5) of the Administrative Measures for Foreign Debt Registration (外債登記管理辦法) issued by SAFE on 28 April 2013, which came into effect on 13 May 2013, a failure to comply with registration requirements may result in a warning and fine as set forth under article 48 of the Foreign Exchange Administrative Regulations (外匯管理條例) promulgated by the State Council in 2008. However, pursuant to article 40 of the Foreign Debt Administration Provisional Rules (外債管理暫行辦法) promulgated by the MOF, the NDRC and SAFE, a failure by a domestic entity to register a foreign debt contract will render the contract not legally binding and unenforceable. Pursuant to the Conditions, the Issuer has undertaken to use its best endeavours to complete the registration of the Bonds with SAFE within 90 Registration Business Days (as defined in the Conditions) of the Issue Date.

Furthermore, under the Conditions, an event of default occurs if 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. Under such circumstances, 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 (as defined in the Trust Deed) or if so directed by an Extraordinary Resolution (as defined in the Trust Deed) shall (provided that the Trustee shall have first been indemnified and/or secured and/or pre-funded to its satisfaction), give written notice to the Issuer that the Bonds are, and they shall immediately become, due and payable at their principal amount together (if applicable) with accrued interest. The Trustee is also then obligated under the Trust Deed to make a demand under the Standby Letter of Credit.

***Uncertainty related to the interpretation of the NDRC Circular may adversely affect the enforceability or performance of the Bonds***

According to the NDRC Circular, domestic enterprises and their overseas controlled entities shall procure the registration of any debt securities or medium-to long-term loans with a term not less than one year issued or incurred outside the PRC with the NDRC prior to the issue of the securities or drawings under the loans, and notify the particulars of the relevant issues or drawings within 10 PRC working days after closing. The Issuer has registered the issuance of the Bonds with the NDRC and obtained a certificate from the NDRC on 11 March 2021 evidencing such registration. The Issuer also undertakes to file or cause to be filed with the NDRC the requisite information and documents on the issuance of the Bonds with the NDRC within 10 Registration Business Days after the Issue Date.

The NDRC Circular is a relatively recent regulation and its interpretation may involve 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 and post-issue registration requirements. 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 in 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 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 and regulations. As a result, claims of secured lenders, whether senior or junior, with respect to assets securing their loans will be prior to those of 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 that 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, or the Bonds, 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 its present 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.\$20,000,000 or its equivalent. See "*Terms and Conditions of the Bonds – Events of Default – With respect to the Issuer – 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 matters or disputes governed by English law to 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 matters or disputes governed by English law***

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 matters or disputes governed by English law, Hong Kong courts may require certain additional procedures be taken.

In addition, under 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), judgements 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 the 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 under certain 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 judgement given by the 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. The Supreme People's Court of China (the "SPC") and the Hong Kong government did on 18 January 2019 sign the New Arrangement, which expands the scope of judicial assistance, however the effective date of the New Arrangement will be announced by SPC and the Hong Kong SAR only after the SPC issues a judicial interpretation and the Hong Kong government passes legislation implementing it.

Furthermore, 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 a 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 its 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. Although application will be made to the Hong Kong Stock Exchange for the Bonds to be admitted for listing on the Hong Kong Stock Exchange, no assurance can be given as to the liquidity of, or trading market for, the Bonds. The Managers are not obliged to make a market in the Bonds, and if the Managers do so, they may discontinue such market-making activity at any time at their 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 the fluctuation in the exchange rate of U.S. dollars and the investor's reporting currency. 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 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, the revenues, earnings, results of operations or otherwise in the financial condition of the LC Bank, 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 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 a result of the impact of the COVID-19 pandemic on the American economy. Such fluctuations 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 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 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 other jurisdictions with which the holders of the Bonds may be more familiar***

Because the Issuer is incorporated under the laws of the PRC, any insolvency proceeding relating to the Issuer would probably 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.

***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 and the Trust Deed 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.

***Modifications and waivers of the Conditions, the Trust Deed and the Standby Letter of Credit may be made by the Trustee or less than all of the holders of the Bonds***

The Conditions provide that the Trustee may, without the consent of the holders of the Bonds, agree to any modification of the Trust Deed, the Conditions, the Agency Agreement and/or the Standby Letter of Credit (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, the Agency Agreement or the Standby Letter of Credit 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.

The Trustee is not, however, responsible nor shall have any liability for the legality, effectiveness, validity, enforceability or admissibility in evidence of the Trust Deed, the Agency Agreement, the Standby Letter of Credit or the Bonds or any transaction documents relating to the Bonds, save in relation to its own gross negligence, wilful default or fraud.



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, the Agency Agreement or the Standby Letter of Credit 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 and interest payable by the Issuer to overseas Bondholders 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 last amended on 29 December 2018 and its implementation rules, any gains realised on the transfer of the Bonds by holders who are deemed under the EIT Law as non-resident enterprises may be subject to PRC enterprise income tax if such gains are regarded as income derived from sources within the PRC. Under the EIT Law, a “non-resident enterprise” means an enterprise established under the laws of a jurisdiction other than the PRC and whose actual administrative organisation is not in the PRC, which has established offices or premises in the PRC, or which has not established any offices or premises in the PRC but has obtained income derived from sources within the PRC. There remains uncertainty as to whether the gains realised on the transfer of the Bonds by non-resident enterprise Bondholders would be treated as income derived from sources within the PRC and be subject to PRC enterprise income tax. In addition, under the Individual Income Tax Law of the PRC (the “**IIT Law**”) as last amended on 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 the 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 “**Tax 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 entities or individuals provide services within the PRC. The Issuer will be obliged to withhold VAT of 6 per cent. and certain surcharges on payments of interest and certain other amounts on the Bonds paid by the Issuer to Bondholders that are non-resident enterprises or individuals. VAT is unlikely to be applicable to any transfer of Bonds between entities or individuals located outside the PRC and therefore unlikely to be applicable to gains realised upon such transfers of Bonds, but there is uncertainty as to the applicability of VAT if either the seller or buyer of Bonds is located inside the PRC. Circular 36 together with other laws and regulations pertaining to VAT are relatively new, and the interpretation and enforcement of such laws and regulations involve uncertainties.

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

***The Bonds will initially be 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 initially be 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 depositary 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 depositary 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 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 making and completing the NDRC Post-issue Filing and the Foreign Debt Registration and any reports or notices in respect thereof) 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 LC Bank's ability to perform its obligations under the Standby Letter of Credit is subject to the financial condition of Industrial and Commercial Bank of China Limited ("ICBC")***

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

- **Impaired loans and advances.** ICBC's results of operations have been and will continue to be negatively affected by its impaired loans. If ICBC is unable to effectively control and reduce the level of impaired loans and advances in its current loan portfolio and in new loans ICBC extends in the future, or ICBC's allowance for impairment losses on loans and advances is insufficient to cover actual loan losses, ICBC's financial condition could be materially and adversely affected.
- **Collateral and guarantees.** A substantial portion of ICBC's loans is secured by collateral. In addition, a substantial portion of its PRC loans and advances is backed by guarantees. If ICBC is unable to realise the collateral or guarantees securing its loans to cover the outstanding principal and interest balance of such loans due to various factors, ICBC's financial condition could be materially and adversely affected.

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

In addition, as neither ICBC nor the LC Bank has waived sovereign immunity for the purpose of the Standby Letter of Credit, it is possible that such immunity is asserted at the time of enforcement of the Standby Letter of Credit.

***The LC Bank may be affected by the Financial Institutions (Resolution) Ordinance (Cap. 628) of Hong Kong***

On 7 July 2017, the Financial Institutions (Resolution) Ordinance (Cap. 628) of Hong Kong (the "FIRO") came into operation. The FIRO provides for, among other things, the establishment of a resolution regime for authorised institutions and other within-scope financial institutions in Hong Kong which may be designated by the relevant resolution authorities, which may include members of ICBC (a "FIRO group entity"). The resolution regime seeks to provide the relevant resolution authorities with administrative powers to bring about timely and orderly resolution in order to stabilise and secure continuity for a failing authorised institution or within-scope financial institution in Hong Kong. In particular, in the context of a resolution of any FIRO group entity, the relevant resolution authority will have the ability to resolve other entities within ICBC as if they were themselves a within-scope financial institution for the purposes of FIRO and take certain actions and make certain directions in relation to such entities. resolution actions or reorganisation measures taken, or bail-in powers exercised, in respect of ICBC in any other relevant jurisdiction may be recognised, and given effect to, under Hong Kong law. Any such actions could potentially affect contractual and property rights relating to ICBC. The implementation of FIRO remains untested and certain detail relating to FIRO will be set out through secondary legislation and supporting rules. Therefore, ICBC is unable to assess the full impact of FIRO on the financial system generally, ICBC's counterparties, ICBC, any of its consolidated subsidiaries or other group entities, ICBC's operations and/or its financial position.

***The Standby Letter of Credit expires one month after the Maturity Date***

The Standby Letter of Credit will expire one month after the Maturity Date. In the event that the Trustee does issue a demand under the Standby Letter of Credit by this expiration date, Bondholders will not be able to benefit from the credit protection provided by the LC Bank.

## EXCHANGE RATES

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. PBOC also takes into account other factors, such as the general conditions existing in the international foreign exchange markets. On 11 December 2015, the China Foreign Exchange Trade System (“CFETS”), a sub-institutional organisation of the PBOC, published the CFETS Renminbi exchange rate index for the first time, which announces the central parity rate for Renminbi against U.S. dollar through a weighted averaging of the quotes from the market makers after removing the highest quote and the lowest quote. The PRC government may from time to time adopt further reforms of its exchange rate system, including making the Renminbi freely convertible in the future.

The following table sets forth information concerning exchange rates between Renminbi and U.S. dollar for the periods indicated. Exchange rates of Renminbi into U.S. dollar are based on the noon buying rate in The City of New York for cable transfers of Renminbi as certified for customs purposes by the Federal Reserve Bank of New York.

Period	Renminbi per U.S. Dollar Noon Buying Rate <sup>(1)</sup>			
	Period End	Average <sup>(2)</sup>	High	Low
		(RMB per U.S.\$1.00)		
2015 .....	6.4778	6.2827	6.4896	6.1870
2016 .....	6.9430	6.6400	6.9580	6.4480
2017 .....	6.5063	6.7350	6.9575	6.4773
2018 .....	6.8755	6.6090	6.9737	6.2649
2019 .....	6.9618	6.9014	7.1786	6.6822
2020 .....	6.5250	6.9042	7.1681	6.5208
2021 .....				
January .....	6.4282	6.4672	6.4822	6.4282
February .....	6.4730	6.4601	6.4869	6.4344
March .....	6.5518	6.5109	6.5716	6.4648
April .....	6.4749	6.5186	6.5649	6.4710
May .....	6.3674	6.4321	6.4749	6.3674
June .....	6.4566	6.4264	6.4903	6.3611
July (through 16 July) .....	6.4785	6.4736	6.4898	6.4600

*Notes:*

- (1) Exchange rates between Renminbi and U.S. dollar represent the noon buying rates as set forth in the H.10 statistical release of the Federal Reserve Board.
- (2) Annual averages have been calculated from month-end rates. Monthly averages have been calculated using the average of the daily rates during the relevant month.

## TERMS AND CONDITIONS OF THE BONDS

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

The U.S.\$89,000,000 in aggregate principal amount of 1.93 per cent. credit enhanced 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 Chongqing Wansheng Economic and Technological Development Zone Development & Investment Co., Ltd. (重慶市萬盛經濟技術開發區開發投資集團有限公司) (the “**Issuer**”) are constituted by a trust deed (as amended or supplemented from time to time, the “**Trust Deed**”) dated 30 July 2021 (the “**Issue Date**”) made between the Issuer and The Bank of New York Mellon, London Branch (in such capacity, the “**Trustee**”, which expression shall include all persons for the time being trustee or trustees under the Trust Deed) as trustee for itself and the holders (as defined below) of the Bonds. The Bonds have the benefit of an irrevocable standby letter of credit (the “**Standby Letter of Credit**”) dated 30 July 2021 issued by Industrial and Commercial Bank of China Limited, Chongqing Branch (the “**LC Bank**”).

The Bonds are the subject of an agency agreement dated the Issue Date (as amended or supplemented from time to time, the “**Agency Agreement**”) made between the Issuer, the Trustee, The Bank of New York Mellon, 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), The Bank of New York Mellon SA/NV, Dublin 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) and The Bank of New York Mellon, London Branch as the bank holding the Pre-funding Account (as defined below) and the LC Proceeds Account (as defined below) (in such capacities, the “**Pre-funding Account Bank**” and the “**LC Proceeds Account Bank**”, respectively, each of which expressions shall include any successor). References herein to “**Paying Agents**” means 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 Bondholders 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 and the Standby Letter of Credit applicable to them. Copies of the Trust Deed, the Agency Agreement and the Standby Letter of Credit are available for inspection by the holders (as defined below) 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) at the principal place of business for the time being of the Trustee, being at the Issue Date at One Canada Square, London E14 5AL, United Kingdom.

All capitalised terms that are not defined in these Conditions will have the meanings given to them in the Trust Deed.

### 1 FORM, AUTHORISED 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, duly completed) 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 and Clearstream Banking S.A. 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”.*

## **2 STATUS, STANDBY LETTER OF CREDIT AND PRE-FUNDING**

### **(a) Status**

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

### **(b) Standby Letter of Credit**

The Bonds will have the benefit of the Standby Letter of Credit which is issued in favour of the Trustee, on behalf of itself and the holders of the Bonds, by the LC Bank. The Standby Letter of Credit shall be drawable by the Trustee as beneficiary under the Standby Letter of Credit on behalf of itself and the holders of the Bonds upon the presentation of a demand by authenticated SWIFT (or otherwise as permitted under the Standby Letter of Credit) sent by the Trustee or a delegate of the Trustee to the LC Bank in accordance with the Standby Letter of Credit (a “**Demand**”) stating that (i) the Issuer has failed to comply with Condition 2(c) in relation to pre-funding the amount that is required to be pre-funded under these Conditions and/or failed to provide the Required Confirmations in accordance with Condition 2(c); or (ii) an Event of Default (as defined in Condition 9) has occurred and the Trustee has given notice to the Issuer that the Bonds are immediately due and payable in accordance with Condition 9.

Only one drawing is permitted under the Standby Letter of Credit. Such drawing on the Standby Letter of Credit will be payable to or to the order of the Trustee at the time and to the account specified in the Demand presented to the LC Bank. Payments received by the Trustee in respect of a Demand will be deposited into the LC Proceeds Account.

The payment made under the Standby Letter of Credit in respect of any amount payable under these Conditions shall, to the extent of the drawing paid to or to the order of the Trustee, satisfy the obligations of the Issuer in respect of such amount payable under these Conditions.

The LC Bank's liability under the Standby Letter of Credit shall be expressed and payable in United States dollars and shall not exceed U.S.\$90,858,850, representing only (i) the aggregate principal amount of the Bonds plus interest payable for one Interest Period (as defined below) and (ii) U.S.\$1,000,000 for any fees, costs, expenses and other amounts payable by the Issuer under or in connection with the Bonds, the Trust Deed and/or the Agency Agreement. The Standby Letter of Credit takes effect from the Issue Date and shall remain valid and in full force until 5:00 p.m. (Beijing time) on 30 August 2024 unless extended in accordance with its terms.

*The form of the Standby Letter of Credit is scheduled to the Offering Circular. See "Appendix – Form of Irrevocable Standby Letter of Credit".*

**(c) Pre-Funding**

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

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

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

- (1) as soon as practicable, and in any event not later than 5:00 p.m. (Hong Kong time) on the Business Day immediately following the Pre-funding Date, notify the LC Bank and the LC Proceeds Account Bank by facsimile of the occurrence of the Pre-funding Failure; and
- (2) by no later than 5:00 p.m. (Hong Kong time) on the second Business Day following the Pre-funding Date (X) give notice (the "**Pre-funding Failure Notice**") to the Bondholders of (aa) the Pre-funding Failure and (bb) the redemption of the Bonds in accordance with Condition 6(d) to occur as a result of the Pre-funding Failure and (Y) issue a Demand to the LC Bank for the aggregate principal amount of all of the Bonds then outstanding, together with interest accrued to but excluding the Mandatory Redemption Date (as defined in Condition 6(d)) and all fees and expenses of the Trustee then outstanding, *provided that*, subject to and in accordance with the terms of the Standby Letter of Credit, the Trustee need not physically present the Standby Letter of Credit to the LC Bank and shall be entitled to draw on the Standby Letter of Credit by way of a Demand by authenticated SWIFT sent on its behalf.

After receipt by the LC Bank of such Demand, the LC Bank shall by 11:00 a.m. (Beijing time) on the fourth Business Day immediately following receipt of such Demand (if a Demand is received before 11:00 a.m. (Beijing time)), or by 11:00 a.m. (Beijing time) on the fifth Business Day (if a Demand is received after 11:00 a.m. (Beijing time)) pay to or to the order of the Trustee the amount in U.S. dollars specified in the Demand to the LC Proceeds Account.

**(d) Definitions**

In these Conditions:

“**Authorised Signatory**” 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;

“**Business Day**” means a day (other than a Saturday or a Sunday or a public holiday) on which banks and foreign exchange markets are open for business in Beijing, New York, London and Hong Kong;

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

“**Payment and Solvency Certificate**” means a certificate in substantially the form set forth in the Agency Agreement stating the Relevant Amount in respect of the relevant due date in respect of the Bonds and confirming that (a) a payment for the Relevant Amount has been made by the Issuer to the Pre-funding Account in accordance with Condition 2(c) and (b) the Issuer is solvent; and

“**Pre-funding Account**” means a non-interest bearing U.S. dollar account established in the name of the Issuer with the Pre-funding Account Bank.

**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 at the specified office of the Registrar or any Transfer Agent, with the form of transfer on the back of the Certificate (or in the form obtainable from the Registrar or any Transfer Agent) 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. 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 a 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) 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 (and including) 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 (as defined in Condition 6(b)) 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); or (v) after a Pre-funding Failure Notice has been delivered by the Trustee pursuant to Condition 2(c).

**(f) Regulations**

All transfers of Bonds and entries on the Register will be made subject to the detailed regulations promulgated concerning transfers of Bonds (the “**Regulations**”), 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 Registrar, with the prior written approval of the Trustee. 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) 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 14 September 2015 and any implementation rules as issued by the NDRC from time to time (the “**NDRC Post-issue Filing**”). The Issuer undertakes that it will comply with all applicable PRC laws and regulations in relation to the Bonds.

**(b) Undertakings relating to the Foreign Debt Registration**

The Issuer undertakes that it will (i) within 15 Registration Business Days after the Issue Date, submit or cause to be submitted an application for the registration of the Bonds with SAFE pursuant to the Administrative Measures for Foreign Debt Registration (外債登記管理辦法) effective as of 13 May 2013 and its operating guidelines and other applicable rules issued by SAFE or from time to time (the “**Foreign Debt Registration**”) and (ii) use its best endeavours to complete the Foreign Debt Registration and obtain evidence thereof from SAFE on or before the Registration Deadline.

**(c) Notification of Completion of the NDRC Post-Issue Filing and the Foreign Debt Registration**

The Issuer shall, within seven Registration Business Days after the later of (x) making the NDRC Post-issue Filing and (y) receipt of evidence of the registration of the Bonds under the Foreign Debt Registration, provide the Trustee with (i) a certificate in English signed by an Authorised Signatory confirming the completion of the NDRC Post-issue Filing and the Foreign Debt Registration and (ii) copies of the relevant documents (if any) evidencing the NDRC Post-issue Filing and the Foreign Debt Registration, each certified in English as a true and complete copy of the original by an Authorised Signatory (the items specified in (i) and (ii) 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 Foreign Debt Registration. The Trustee shall have no obligation or duty to monitor or ensure or assist with the NDRC Post-issue Filing or the Foreign Debt Registration on or before the deadline referred to above or to verify the accuracy, validity and/or genuineness of any documents in relation to or in connection with the Registration Documents or to give notice to Bondholders confirming the completion of the NDRC Post-Issue Filing and the Foreign Debt Registration, 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.

**(d) Financial Information**

So long as any Bond remains outstanding (as defined in the Trust Deed), the Issuer will furnish the Trustee with (i) 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 the PRC (“**PRC GAAP**”) (audited by a nationally or internationally recognised firm of independent accountants); and (ii) a copy of the Unaudited Financial Reports within 90 days of the end of each Relevant Period prepared on a basis consistent with the Audited Financial Reports; and if such statements shall be in the Chinese language, together with an English translation of the same translated by (X) a nationally or internationally recognised firm of independent accountants or (Y) 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 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).

**(e) Compliance Certificate**

The Issuer shall send a Compliance Certificate (on which the Trustee may conclusively rely without liability to any Bondholder or any other person as to such compliance) to the Trustee (i) at the same time as the Audited Financial Reports are provided pursuant to Condition 4(d) and (ii) within 14 days of any written request by the Trustee.

**(f) Definitions**

In these Conditions:

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

“**Compliance Certificate**” means a certificate in English of the Issuer 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 (as defined in the Trust Deed) has occurred since the Certification Date of the last such certificate or (if none) the date of the Trust Deed or, if such an event has occurred, giving details of it; and
- (ii) the Issuer has complied with all of its obligations under the Trust Deed and the Bonds or, if non-compliance has occurred, giving details of it;

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

“**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;



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

“**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 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 or its competent local branches; and

“**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.

## 5 INTEREST

The Bonds bear interest on their outstanding principal amount from and including the Issue Date at the rate of 1.93 per cent. per annum, payable semi-annually in arrear in equal instalments of U.S.\$9.65 per Calculation Amount on 30 January and 30 July in each year (each an “**Interest Payment Date**”), commencing on 30 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 (i) 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 (ii) 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).

## 6 REDEMPTION AND PURCHASE

### (a) Final Redemption

Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on 30 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 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 27 July 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 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 their principal amount, together with any interest accrued 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 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 (subject to Condition 6(d)) 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 a Change of Control or a No Registration Event, respectively, the Issuer shall procure that notice regarding such Relevant Event shall be delivered to the Trustee in writing and to the Bondholders (in accordance with Condition 16) stating:

- (i) the applicable Put Settlement Date;
- (ii) the date of the Relevant Event and, briefly, the events causing it;
- (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 Bondholders, the Issuer or any other person for not doing so.

For the purposes of these Conditions:

- (A) a “**Change of Control**” occurs when:
  - (i) (a) the Chongqing Wansheng Economic and Technological Development Zone Management Committee, (b) the Chongqing Municipal Government, (c) the central government of the PRC and/or (d) any other Person Controlled by the Chongqing Wansheng Economic and Technological Development Zone Management Committee, the Chongqing Municipal Government and/or the central government of the PRC together cease to hold or own directly or indirectly 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 (a) the Chongqing Wansheng Economic and Technological Development Zone Management Committee, (b) the Chongqing Municipal Government, (c) the central government of the PRC and (d) any other Person Controlled by the Chongqing Wansheng Economic and Technological Development Zone Management Committee and/or the Chongqing Municipal Government and/or the central government of the PRC;
- (B) “**Control**” means (i) the ownership or control of at least 50.1 per cent. of the voting rights of the issued share capital of a Person or (ii) the right to appoint and/or remove all or the majority of the members of a Person’s board of directors or other governing body, in each case whether obtained directly or indirectly, and whether obtained by ownership of share capital, 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 Conditions are not satisfied on or before the Registration Deadline;
- (D) a “**Person**” includes any 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 Conditions**” means the receipt by the Trustee of the Registration Documents;
- (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;
- (G) “**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; and
- (H) “**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.

**(d) Mandatory Redemption upon Pre-funding Failure**

The Bonds shall be redeemed at their principal amount on the Interest Payment Date immediately falling after the date a Pre-funding Failure Notice is given to the Bondholders in accordance with Condition 2(c) (the “**Mandatory Redemption Date**”), together with interest accrued to, but excluding, the Mandatory Redemption Date.

If any Bondholder shall have exercised its right to require the Issuer to redeem its Bonds in accordance with Condition 6(c) and a Pre-funding Failure Notice is given to the Bondholders in accordance with Condition 2(c) as a result of the Pre-funding Failure relating to the amount payable pursuant to such redemption, the Bonds shall be

redeemed in whole, but not in part, at their principal amount in accordance with this Condition 6(d) on the Put Settlement Date, together with interest accrued to, but excluding, the Put Settlement Date, *provided that* if such Pre-funding Failure occurs and a Pre-funding Failure Notice has been given or is given to the Bondholders in respect of a scheduled payment of principal or interest payable under Condition 5 or Condition 6(a), the Bonds shall be redeemed in whole, but not in part, on the Mandatory Redemption Date at their principal amount, together with interest accrued to, but excluding, the Mandatory Redemption Date.

**(e) 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 Bondholders, the Issuer or any other person for not doing so.

**(f) 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 Bondholders and shall not be deemed to be outstanding for certain purposes, including without limitation for the purpose of calculating quora at meetings of the holders or for the purposes of Condition 9, Condition 12(a) and Condition 13.

**(g) 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.

- (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.
- (iv) 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.

*Notwithstanding the foregoing, so long as the Global Certificate is held on behalf of Euroclear Bank SA/NV, Clearstream Banking S.A. or an Alternative Clearing System (as defined in the Trust Deed), 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.*

- (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.
- (d) **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.
- (e) **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 any Agent and to appoint additional or other Agents, provided that the



Issuer shall at all times maintain (i) a Principal Paying Agent, (ii) a Registrar 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.

## 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 or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the PRC or any political subdivision or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

Where such withholding or deduction is made by or within the PRC up to and including the aggregate rate applicable on 27 July 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 by or within the PRC in excess of the Applicable Rate, the Issuer shall pay such additional amounts (“**Additional Tax Amounts**”) as will result in receipt by the Bondholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no Additional Tax Amounts shall be payable in respect of any Bond:

- (i) **Other connection:** held by a holder (or 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 relevant Bondholder 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 (as defined below) 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 (as defined in the Trust Deed) or if so directed by an Extraordinary Resolution shall (provided that the Trustee shall have first been indemnified and/or secured and/or pre-funded to its satisfaction), give written notice to the Issuer that the Bonds are, and they shall immediately become, due and payable at their principal amount together (if applicable) with accrued interest. An “**Event of Default**” occurs if:

### (a) *With respect to the Issuer*

- (i) **Non-Payment:** there has been a failure to pay (i) the principal of any of the Bonds when due, or (ii) any interest on any of the Bonds when due and, in the case of interest, such failure continues for a period of 14 days; or
- (ii) **Breach of Other Obligations:** the Issuer does not perform or comply with any one or more of its other obligations under the Bonds or the Trust Deed (other than as described in Condition 9(a)(i)) and such default (X) is incapable of remedy or, (Y) if capable of remedy, is not remedied within 30 days after the Trustee has given written notice thereof to the Issuer; *provided that* (A) any non-compliance with Condition 2(c) does not constitute an Event of Default under this Condition 9(a)(ii) unless and until an Event of Default has occurred under Condition 9(a)(i); or
- (iii) **Cross-Default:** (X) 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 (Y) any such indebtedness is not paid when due or, as the case may be, within any originally applicable grace period, or (Z) 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 indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this Condition 9(a)(iii) have occurred in aggregate equals or exceeds U.S.\$25,000,000 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(a)(iii) operates); or
- (iv) **Enforcement Proceedings:** a distress, attachment, execution or other legal process is levied, enforced or sued out on or against all or any material part of the property, assets or revenues of the Issuer or any of its Principal Subsidiaries and is not discharged or stayed for a period of 30 days; or
- (v) **Security Enforced:** any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or any of its Principal Subsidiaries on the whole or any material 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, managers or other similar person) and is not discharged or stayed for a period of 30 days; or

- (vi) **Insolvency:** the Issuer or any of its Principal Subsidiaries is (or is deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts as and when such debts fall due; stops, suspends or threatens to stop or suspend payment of all or any material part of its debts; proposes or makes any agreement for the deferral, rescheduling or other readjustment of all or any material part 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 material part of the debts of the Issuer or any of its Principal Subsidiaries; or
- (vii) **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, 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 (X) a voluntary reconstruction, amalgamation, reorganisation, merger or consolidation while solvent or on terms approved by an Extraordinary Resolution of the Bondholders, or (Y) 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 of the Issuer; or
- (viii) **Nationalisation:** all or any material part of the undertaking, assets and revenues of the Issuer or any of its Principal Subsidiaries is condemned, seized or otherwise appropriated by any person acting under the authority of any national, regional or local government; or
- (ix) **Standby Letter of Credit:** the Standby Letter of Credit is not (or is claimed by the LC Bank not to be) enforceable, valid or in full force and effect or the Standby Letter of Credit is modified, amended or terminated without approval by an Extraordinary Resolution of the Bondholders; or
- (x) **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 (X) 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, (Y) to ensure that those obligations are legally binding and enforceable and (Z) to make the Bonds, the Certificates, the Register and the Trust Deed admissible in evidence in the courts of Hong Kong is not taken, fulfilled or done; or
- (xi) **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
- (xii) **Analogous Events:** any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of Conditions 9(a)(iv) to 9(a)(viii) (both inclusive).

In this Condition 9(a),

**“Principal Subsidiary”** means any Subsidiary of the Issuer:

- (a) whose total revenues (consolidated in the case of a Subsidiary which has Subsidiaries), as shown by its latest audited income statement are at least five per cent. of the consolidated revenues as shown by the latest published audited consolidated statement of comprehensive income of the Issuer and its consolidated Subsidiaries; or
- (b) whose net profits (consolidated in the case of a Subsidiary which itself has Subsidiaries), as shown by its latest audited income statement, are at least five per cent. of the consolidated net profit as shown by the latest published audited consolidated income statement of the Issuer and its consolidated Subsidiaries, including, for the avoidance of doubt, the Issuer and its consolidated Subsidiaries’ share of profits of Subsidiaries not consolidated and of associated entities and after adjustments for minority interests; or
- (c) whose net assets (consolidated in the case of a Subsidiary which itself has Subsidiaries), as shown by its latest audited balance sheet, are at least five per cent. of the consolidated net assets of the Issuer and its Subsidiaries as shown by the latest published audited consolidated balance sheet of the Issuer and its Subsidiaries, including, for avoidance of doubt, the investment of the Issuer and its consolidated Subsidiaries in each Subsidiary whose accounts are not consolidated with the consolidated audited accounts of the Issuer and of associated companies and after adjustment for minority interests; or
- (d) to which is transferred the whole or substantially the whole of the assets of a Subsidiary which immediately prior to such transfer was a Principal Subsidiary, provided that (xx) the Principal Subsidiary which so transfers its assets shall forthwith upon such transfer cease to be a Principal Subsidiary and the Subsidiary to which the assets are so transferred shall become a Principal Subsidiary and (yy) on or after the date on which the first published audited accounts (consolidated, if appropriate) of the Issuer prepared as of a date later than such transfer are issued, whether such transferor Subsidiary or such transferee Subsidiary is or is not a Principal Subsidiary shall be determined on the basis of such accounts by virtue of the provisions of paragraphs (a), (b) or (c) above of this definition;

*provided that*, in relation to paragraphs (a), (b) and (c) above of this definition:

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

- (ii) if at any relevant time in relation to the Issuer or any Subsidiary which itself has Subsidiaries no consolidated accounts are prepared and audited, revenue, gross profit or net assets of the Issuer and/or any such Subsidiary shall be determined on the basis of pro forma consolidated accounts prepared for this purpose by the Issuer; (iii) if at any relevant time in relation to any Subsidiary, no accounts are audited, its revenue, gross profit or net assets (consolidated, if appropriate) shall be determined on the basis of pro forma accounts (consolidated, if appropriate) of the relevant Subsidiary prepared for this purpose by the Issuer for the purposes of preparing a certificate thereon to the Bondholders; and
- (iii) if the accounts of any subsidiary (not being a Subsidiary referred to in proviso (i) above of this definition) are not consolidated with those of the Issuer, then the determination of whether or not such subsidiary is a Principal Subsidiary shall be based on a pro forma consolidation of its accounts (consolidated, if appropriate) with the consolidated accounts (determined on the basis of the foregoing) of the Issuer.

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

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

- (i) **Cross-Default:** any other present or future Public External Indebtedness of the LC Bank or any LC Bank Subsidiary becomes due and payable prior to its stated maturity by reason of any default, event of default or the like (howsoever described) in respect of the terms thereof, or any such Public External Indebtedness is not paid when due or, as the case may be, within any originally applicable grace period, *provided that* the aggregate amount of the relevant Public External Indebtedness in respect of which one or more of the events mentioned above in this Condition 9(b)(i) have occurred equals or exceeds US\$25,000,000 or its equivalent (on the basis of the middle spot rate for the relevant currency against the US dollar as quoted by any leading bank on the day on which this Condition 9(b)(i) operates); or
- (ii) **Insolvency:** the LC Bank or any Material Subsidiary is insolvent or bankrupt or unable to pay its debts; stops or suspends payment of all or a material part of its debts; proposes or makes any agreement for the deferral, rescheduling or other readjustment of all or a material part of its debts; proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts; or a moratorium is agreed or declared in respect of or affecting all or a material part of the debts of the LC Bank or any Material Subsidiary; or
- (iii) **Winding-up:** an order is made or an effective resolution passed for the winding-up or dissolution or administration of the LC Bank or any Material Subsidiary, or the LC Bank ceases or threatens to cease to carry on all or a material part of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation while solvent (X) on terms approved by an Extraordinary Resolution of the Bondholders, or (Y) in the case of a Material Subsidiary, whereby the undertaking and assets of the Material Subsidiary are transferred to or otherwise vested in the LC Bank or an LC Bank Subsidiary; or

- (iv) **Illegality:** it is or will become unlawful for the LC Bank to perform or comply with any one or more of its obligations under the Standby Letter of Credit, and the LC Bank fails to obtain the necessary waiver or approval or complete such other necessary remedial action within 30 calendar days such that the LC Bank may lawfully perform such obligations; or
- (v) **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 Conditions 9(b)(ii) or 9(b)(iii).

In this Condition 9(b):

“**LC Bank Subsidiary**” means any entity whose financial statements at any time are required by law or in accordance with generally accepted accounting principles to be fully consolidated with those of the LC Bank;

“**Material Subsidiary**” means an LC Bank Subsidiary whose total assets or total revenue (consolidated in the case of an LC Bank Subsidiary which itself has subsidiaries) as at the date at which its latest audited financial statements were prepared or, as the case may be, for the financial period to which those audited financial statements relate, account for five per cent. or more of the consolidated assets or consolidated revenue of the LC Bank as at such date or for such period. If a Material Subsidiary transfers all of its assets and business to an LC Bank Subsidiary, the transferee shall become a Material Subsidiary and the transferor shall cease to be a Material Subsidiary on completion of such transfer; and

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

The Trustee shall not be obliged to take any steps to ascertain whether an Event of Default or Potential Event of Default has occurred or to monitor the occurrence of any Event of Default or Potential Event of Default, and shall not be liable to the Bondholders or any other person for not doing so.

## **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, the Agency Agreement or the Standby Letter of Credit. 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 (as defined in the Trust Deed) 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 (as defined in the Trust Deed), 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, (iv) to modify the provisions concerning the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution, or (v) to modify or release the Standby Letter of Credit (other than an amendment or supplement to, or a replacement of, the Standby Letter of Credit in connection with a further issue of securities pursuant to Condition 15 or modification pursuant to Condition 12(b)), 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 (as defined in the Trust Deed). 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 aggregate principal amount of the Bonds for the time being outstanding (as defined in the Trust Deed) 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 and/or the Standby Letter of Credit 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 Bondholders 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 and/or the Bonds and, where appropriate, to draw down on and enforce the Standby Letter of Credit, but it need not take any such 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 (as defined in the Trust Deed), and (b) other than in the case of the making of a drawing under the Standby Letter of Credit, it shall have been indemnified and/or secured and/or pre-funded to its satisfaction. No Bondholder may proceed directly against the Issuer or the LC Bank unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

**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, the LC Bank and/or any entity related to the Issuer or the LC Bank 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 or a Relevant Event has occurred, and shall not be liable to the Bondholders or any other person for not doing so.

Whenever the Trustee is required or entitled by the terms of the Trust Deed, the Agency Agreement, the Standby Letter of Credit or these Conditions to exercise any discretion or power, take or refrain from any action, make any decision or give any direction other than in the case of the making of a drawing under the Standby Letter of Credit, 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 may from time to time 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 making and completing the NDRC Post-issue Filing and the Foreign Debt Registration and any reports or notices in respect thereof) and so that the same shall be consolidated and form a single series with the outstanding Bonds, *provided that* a further or supplemental or replacement standby letter of credit is issued by the LC Bank (or an amendment is made to the Standby Letter of Credit) on terms that are substantially similar to the Standby Letter of Credit (including that the stated amount of such further or supplemental standby letter of credit is at least equal to the principal of and an amount equal to one interest payment due on such further securities) and such supplemental documents are executed and further opinions are obtained as the Trustee may require, as further set out in the Trust Deed. References to the Standby Letter of Credit shall thereafter include such further or supplemental or replacement or amended standby letter of credit.

## **16 NOTICES**

All notices to the holders shall be 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 Bank SA/NV and/or Clearstream Banking S.A. 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 Bank SA/NV and/or Clearstream Banking S.A. and/or the Alternative Clearing System, as applicable, for communication by it to entitled accountholders, in substitution for notification as required by the Conditions.*

## **17 CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

No person shall have any right to enforce any term or condition of the Bonds and the Trust Deed under the Contracts (Rights of Third Parties) Act 1999.

## **18 GOVERNING LAW AND JURISDICTION**

### **(a) Governing Law**

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

### **(b) Jurisdiction**

The courts of Hong Kong are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Bonds, the Trust Deed, the Agency Agreement and the Standby Letter of Credit and accordingly any legal action or proceedings arising out of or in connection with any Bonds, the Trust Deed, the Agency Agreement and the Standby Letter of Credit (“**Proceedings**”) may be brought in such courts. The Issuer has, in the Trust Deed, irrevocably submitted to the exclusive 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 The Law Debenture Corporation (H.K.) Limited at Suite 1301, Ruttonjee House, Ruttonjee Centre, 11 Duddell Street, Central, 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, failing which the Trustee shall be entitled to appoint such an agent by written notice to the Issuer. 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 in respect of which the Global Certificate is issued, some of which modify the effect of the terms and conditions of the Bonds (the “Conditions” or the “Terms and Conditions”) set out in this Offering Circular. Terms defined in the Conditions have the same meaning in the paragraphs below. The following is a summary of those provisions:*

The Bonds will initially be evidenced by a Global Certificate 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 principal, interest and premium (if any) on the Bonds to the registered holder of the Bonds on such date or dates as the same may become payable in accordance with the Conditions.

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

### **PAYMENT**

So long as the Bonds are evidenced by the Global Certificate and such Global Certificate is held on behalf of Euroclear or Clearstream or any Alternative Clearing System, each payment in respect of the Global Certificate will be made to 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 before the due date for such payments, where “Clearing System Business Day” means a weekday (Monday to Friday, inclusive) except 25 December and 1 January.

### **TRUSTEE’S POWERS**

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

### **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 Bondholders shall be validly given by the delivery of the relevant notice to Euroclear or Clearstream or such Alternative Clearing System, as applicable, for communication by it to entitled accountholders in substitution for notification as required by the Conditions.

## **BONDHOLDER'S REDEMPTION OPTION**

The Bondholder's redemption option in Condition 6(c) may be exercised by the holder of the Global Certificate giving notice to any Paying Agent of the principal amount of Bonds in respect of which the option is exercised within the time limits specified in the Conditions.

## **TRANSFERS**

Transfers of interests in the Bonds evidenced by the Global Certificate will be effected in accordance with the rules 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 evidenced by the Global Certificate which is required by the Conditions to be cancelled will be effected by a reduction in the principal amount of the Bonds in the Register.

## **MEETINGS**

For the purposes of any meeting of Bondholders, the holder of the Bonds evidenced by the Global Certificate shall (unless the Global Certificate represents only one Bond) 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 of the Bonds.



## **USE OF PROCEEDS**

The Issuer estimates that the net proceeds from the offering of the Bonds, after deducting commissions to be charged by the Managers and other estimated expenses payable in connection with the offering of the Bonds, will be approximately U.S.\$87.6 million. The net proceeds will be used for repaying offshore medium and long-term debt instruments due within one year.

## CAPITALISATION AND INDEBTEDNESS

The following table sets forth the consolidated total indebtedness (both current and non-current portions), total equity and total capitalisation of the Group 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 underwriting fees and commissions and other estimated expenses payable in connection with this offering. The summary consolidated financial information below should be read in conjunction with the Group's consolidated financial statements and the notes to those statements included elsewhere in this Offering Circular.

	As at 31 December 2020			
	Actual		As adjusted	
	(RMB in millions)	(U.S.\$ in millions)	(RMB in millions)	(U.S.\$ in millions)
<b>Short-term indebtedness</b>				
Non-current liabilities maturing within one year .....	2,867.2	439.4	2,867.2	439.4
Short-term loan .....	1,496.6	229.4	1,496.6	229.4
Notes payable .....	99.9	15.3	99.9	15.3
<b>Total short-term indebtedness</b> ..	4,463.7	684.1	4,463.7	684.1
<b>Long-term indebtedness</b>				
Long-term loan .....	3,628.1	556.0	3,628.1	556.0
Bonds payable .....	9,772.8	1,497.8	9,772.8	1,497.8
Long-term accounts payable ...	3,311.5	507.5	3,311.5	507.5
Deferred revenue .....	96.6	14.8	96.6	14.8
Bonds to be issued <sup>(1)</sup> .....	–	–	580.7	89.0
<b>Total long-term indebtedness</b> ...	16,809.0	2,576.1	17,389.7	2,665.1
<b>Total indebtedness</b> <sup>(2)</sup> .....	21,272.7	3,260.2	21,853.4	3,349.2
<b>Total owner's equities</b> .....	23,534.8	3,606.9	23,534.8	3,606.9
<b>Total capitalisation</b> <sup>(3)</sup> .....	44,807.5	6,867.1	45,388.2	6,956.1

*Notes:*

- (1) This amount represents the aggregate principal amount of the Bonds to be issued, before deducting the underwriting fees and commissions, offering discounts and other expenses payable by the Issuer in connection with the issuance of the Bonds.
- (2) Total indebtedness equals the sum of short-term indebtedness and long-term indebtedness.
- (3) Total capitalisation equals the sum of total indebtedness and total equity.

The Group has, since 31 December 2020, in the ordinary course of business, incurred additional borrowings to finance its business operations. Please see “*Description of the Group – Recent Developments*”. These additional borrowings are not reflected in the table above.

Except as otherwise disclosed above, there has been no material change in the consolidated capitalisation and indebtedness of the Group since 31 December 2020.

## DESCRIPTION OF THE LC BANK

*The information included below is for information purposes only and is based on, or derived or extracted from, among other sources, publicly available information. The Issuer has taken reasonable care in the compilation and reproduction of the information. None of the Issuer, the Managers, the Trustee or the Agents has independently verified such information. No representation or warranty, express or implied, is made or given by the Issuer, the Managers, the Trustee or the Agents as to the accuracy, completeness or sufficiency of such information. Accordingly, such information should not be unduly relied upon.*

*The Bonds have the benefit of the Standby Letter of Credit which will be issued by Industrial and Commercial Bank of China Limited, Chongqing Branch as the LC Bank. Under PRC laws, the LC Bank is not a separate and independent legal person but has capacity to carry on its activities within its scope of authorisation given by Industrial and Commercial Bank of China Limited (“ICBC”), and if the assets of the LC Bank are not sufficient to meet the obligations of the LC Bank under the Standby Letter of Credit, ICBC would have an obligation to satisfy the balance of the obligations under the Standby Letter of Credit.*

### OVERVIEW

Originally founded on 1 January 1984 as a state-owned specialised bank, ICBC became a state-owned commercial bank in 1994 based on the authorisation of the State Council and the People’s Bank of China. It was subsequently converted into a joint stock commercial bank on 28 October 2005 under the Company Law of the People’s Republic of China. ICBC’s registration number is 100000000003965 and is headquartered in Beijing with operations in China and overseas regions. The shares of ICBC are traded on the Hong Kong Stock Exchange (stock code: 1398) and the Shanghai Stock Exchange (stock code: 601398). ICBC’s registered office as well as its principal place of business in the PRC are located at No. 55 Fuxingmennei Avenue, Xicheng District, Beijing 100140, PRC. ICBC’s principal place of business in Hong Kong is located at 33/F, ICBC Tower, 3 Garden Road, Central, Hong Kong. ICBC has been assigned ratings of “A” by Standard & Poor’s Rating Services, a division of The McGraw-Hill Companies, Inc., “A1” by Moody’s Investor Service, Inc. and “A” by Fitch Ratings Ltd.

ICBC ranks first place in the PRC banking industry in terms of each of total assets, market share of loans and market share of deposits for the past three years. In 2020, ICBC ranked first among the “Top 1000 World Banks” by The Banker, ranked first place among the “Global 2000” by Forbes, ranked by Global Finance as “Best Bank in China” and ranked first place in the sub-list of commercial banks in terms of operating income of the “Global 500” by Fortune for the eighth year in a row.

ICBC has developed into the largest listed bank in the world, possessing a wide customer base, a diversified business structure, strong innovation capabilities and market competitiveness. ICBC has established presence in six continents, with a global network covering 49 countries and regions and 426 overseas institutions as at the end of 2020. In addition, through ICBC’s equity participation in Standard Bank Group Limited, ICBC indirectly covers 20 countries in Africa.

ICBC provides comprehensive financial products and services to approximately 8.5 million corporate customers and 664 million personal customers via its distribution channels domestically, internationally and as well as through its E-banking network comprising a range of internet and telephone banking services and self-service banking centres, forming a diversified and internationalised operating structure focusing on commercial banking business and maintaining a leading position in the domestic market in the commercial banking sector. As one of the leading commercial banks in terms of global presence and asset size, ICBC implemented the “Belt and Road Initiative”. ICBC has carried out a number of projects and maintained 124 institutions in 21 countries and regions along the “Belt and Road” as at the end of 2020.

ICBC provides clients with a wide range of financial products and services and has formed a cross market, internationalised and integrated business model with a focus on commercial banking. ICBC has maintained a leading position in the PRC market in most of the core and emerging businesses of commercial banks.

ICBC believes that “Industrial and Commercial Bank of China” is one of the most recognised financial service brand names in the PRC with great international influence. ICBC has won numerous awards over the years, including:

- the first place among the “Global 2000” for the eighth consecutive year in 2020 by Forbes;
- the first place among the “Top 1000 World Banks” for the eighth consecutive year in 2020 by The Banker;
- the first place in the sub-list of commercial banks of the Global 500 for the eighth consecutive year in 2020 by Fortune;
- the first place among the Top 500 Banking Brands for the fourth consecutive year in 2019 by Brand Finance;
- the first place among the “Corporate Brand Value List” for the fourth consecutive year in 2019 by China Council for Brand Development;
- Effectiveness Award for Supporting China’s Winning the “Three Critical Battles” Effectiveness Award for Practicing the Belt and Road Initiative Best Contribution Award for Precision Poverty Alleviation in 2019 by China Banking Association;
- “The Hong Kong Corporate Governance Excellence Awards” in 2019 by The Chamber of Hong Kong Listed Companies;
- “Best Bank in China”, “Best Corporate Bank in China” and “Star of Precious Metals in China” in 2019 by Global Finance;
- “Best Mega Retail Bank in China”, “Best Mega Custodian Bank in China” and “Best Mega Private Bank in China” in 2019 by The Asian Banker; and “Best Asset Managers in China” and “Best Bond Advisor in Domestic China” in 2019 by The Asset.

ICBC strives to duly implement the organic unification of economic and social responsibilities, gaining wide social recognition for supporting economic and social development, protecting environment and resources, and participating in community services. In recent years, ICBC has won awards from various institutions including “Best Social Responsibility Financial Institution Award” and “Best Social Contribution Award” by China Banking Association and “Best Chinese State-owned Listed Companies on Corporate Social Responsibilities Award” by Southern Weekly.

## **BUSINESS**

The ICBC Group’s principal businesses include but not limited to corporate banking, personal banking and treasury operations.

### **Corporate Banking**

The ICBC Group provides a series of corporate banking products and services to state-owned enterprises, privately-owned enterprises, foreign-invested enterprises, government authorities and other entities. The ICBC Group’s corporate banking products and services include corporate deposits and loans, small and medium enterprise business, institutional banking business together with the intermediary businesses including settlement and cash management, international settlement and trade finance, investment banking, asset custody service, pension services and precious metal business.

### ***Corporate Deposits and Loans***

The ICBC Group's corporate loans include short term loans and medium to long term loans. ICBC provides short term loans due within one year to corporate customers, which mainly include working capital loans (including trade finance loans), bills discounting, factoring and forfeiting loans. The term of the ICBC Group's mid-to-long term loans generally ranges from one year to ten years, mainly including project loans, property loans, and syndicated loans. The ICBC Group's corporate loans include working capital loans, project loans and property loans distributed by product line. The ICBC Group also provides corporate clients with multiple interest-bearing demand and time deposit services in RMB and major foreign currencies.

### ***Small and Medium Enterprise Business***

The ICBC Group served small and medium enterprise customers in an all-round manner by building an independent system of small enterprise credit policies, processes and products and giving priority to credit resource allocation in this regard. The ICBC Group provides loans and various financing products and services to these customers, including products such as small business revolving loans, online revolving loans, standard plant mortgage loans, commercial housing mortgage loans and property building loans to small enterprises, and services such as financing services to supply chains surrounding core enterprises, and financial solutions to small and micro enterprises in specialised markets and industrial clusters.

### ***Institutional Banking***

The ICBC Group's institutional banking services include RMB financing, payment and settlement agency, foreign exchange clearing, international settlement, trade finance, domestic foreign-currency payment and underwriting of financial bonds.

### ***Settlement and Cash Management***

The ICBC Group provides its clients with domestic clearing and settlement services, and provides large companies and their subsidiaries with comprehensive services such as centralised cash management and transfer. The ICBC Group expanded its cash management services into the comprehensive area of financial asset management and developed a service system underpinned by account transaction management, liquidity management, supply chain finance, investment and wealth management, in order to meet cash management requirements of fast developing industries including chain-store operations, culture, logistics, tourism and equipment manufacturing.

### ***International Settlement and Trade Finance***

The ICBC Group provides international trade finance and international settlement services to import and export enterprises, integrating financing, settlement, wealth management and trading to enhance its services. The ICBC Group also provides global supply chain products and integrated products denominated in RMB and foreign currencies.

### ***Investment Banking***

The ICBC Group's investment banking business mainly includes regular financial advisory service, enterprise credit service, investment and financing advisory service, syndicated loan arrangement and management service, corporate assets and debt restructuring service, corporate acquisition and merger service, asset securitisation or quasi-asset securitisation service, service of credit capital transfer and trading, underwriting of corporate debt financing instruments such as commercial paper, medium-term notes and financial bonds, direct investment advisory service, financial advisory service for corporate issuance of equities and bonds and service for equity investment funds.

### *Asset Custody Services*

The ICBC Group provides an array of custody services to securities investment funds, enterprise annuity, National Council for Social Security Fund, insurance companies, commercial banks, qualified foreign institutional investors (QFII), qualified domestic institutional investors (QDII) and other bank clients, including assets custody, investment clearing, accounting, transaction monitoring, collective payment and information disclosure services.

### *Pension Services*

The ICBC Group provides pension management and trusteeship services to personal accounts of basic pension funds and other pension funds. The ICBC Group built a diversified pension service system targeting at enterprise annuities, occupational annuities, basic pensions, social insurance funds, comprehensive pension funds of enterprises and public institutions and personal pension funds, and optimised its integrated enterprise annuity scheme “Ruyi Pension Management” and serial pension related wealth management products “Ruyi Benefit Plan” and issued Taikang Golden Banking Co-brand Card for Special Medical Services.

### *Precious Metal Business*

The ICBC Group operates four product lines of precious metal business: physical bullion, trading, precious metals linked financing and wealth management. In 2014, the ICBC Group provided precious metal trading brokerage, agency and clearing services to PRC and foreign customers and physical gold warehousing and agency custodian services in the China (Shanghai) Pilot Free Trade Zone for foreign customers through the Shanghai Gold Exchange’s International Board in the China (Shanghai) Pilot Free Trade Zone. The ICBC Group was recognised as the “Best Precious Metal Trading Bank in China” by Euromoney, “China’s Excellent Precious Metal Trading Bank” by Financial Times and “Excellent Financial Institution Member” by the Shanghai Gold Exchange.

### **Personal Banking**

The ICBC Group’s personal banking products and services include saving deposits, personal loans, personal wealth management, private banking and bank cards business:

#### *Savings Deposits*

The ICBC Group provides demand deposits and term deposits in RMB and foreign currencies. Customers can access their accounts through banking outlets, automated teller machines, cash deposit machines, as well as through facilities such as telephone banking, internet banking and mobile banking.

#### *Personal Loans*

The ICBC Group offers a range of products loans to personal customers, including personal housing loans, personal consumption loans, cultural consumption loans, personal business loans, overseas study loans and credit card overdrafts. The ICBC Group also markets personal business loans targeting at key commodity trading markets and offers financing services to small- and medium-sized merchants.

#### *Personal Wealth Management*

The ICBC Group offers a series of personal wealth management products and services, including financial advisory services, investment management products, bank assurance services as well as entrusted agency services, through its Elite Club wealth management centres. The ICBC Group has differentiated product issue mechanisms specific to different regions and different types of customers and is expanding its personal wealth management services in commodity trading markets and developed regions.



### ***Private Banking***

The ICBC Group's private banking services include asset management, alternative investment, fully entrusted business, consulting, financial management, cross-border financing, wealth inheritance and other value-added services. Private banking centres were established in all domestic branches in China and areas with high concentrations of high net worth customers. The ICBC Group further expanded its overseas private banking business through its regional private banking centres, namely, Hong Kong, Europe, Singapore and the Middle East, with a focus on its private banking centre in Hong Kong.

### ***Bank Cards Business***

#### ***Credit Card***

The ICBC Group is the largest commercial bank in the PRC in terms of the number of credit cards issued, the consumption volume via credit cards and the amount of overdraft. The ICBC Group offers a variety of credit cards, including transportation card, public servant card, PetroChina card, Mutual Fund Card and commercial flight card. The ICBC Group is focused on its expansion into the premium card market such as the platinum credit card and black credit card. It launched an SMS credit card instalment payment scheme to meet customers' demand for convenient financing and also developed credit card instalment payment schemes for the purchase of cars, household electrical appliances, general merchandise, education, travel and culture.

#### ***Debit Card***

The ICBC Group has issued RMB debit cards and dual currency debit cards, such as RMB-USD debit cards, to its customers. The ICBC Group is also focused on the issuance of co-brand debit cards and other innovative products such as the Pacific co-brand debit card with bank assurance function, Cool Pass debit card and China Travel debit card.

### **Treasury Operations**

ICBC treasury operations include money market activities, trading book business, banking book investments, franchise treasury business, and wealth management business:

#### ***Money Market Activities***

The ICBC Group closely monitors market developments and prudently selects counterparties to mitigate credit risk. It adopts prudent liquidity management policies and continually monitors the financial markets in order to seize suitable fund raising opportunities. The ICBC Group also constantly evaluates the structure, terms and scale of its money market activities to reduce borrowing costs and improve yields.

#### ***Trading Book Business***

The ICBC Group's trading accounts are used to recognise and settle its proprietary trades, including trading of bonds and bills which are issued by the Chinese government, the People's Bank of China and foreign governments as well as derivatives, foreign exchange and foreign/local currency-dominated bonds transactions.

#### ***Banking Book Investment***

The ICBC Group's banking accounts are used to calculate its investments which are made for holding purpose. Currently, the ICBC Group's investment portfolio includes RMB-denominated bonds which are issued by the Chinese government, the People's Bank of China, policy banks and other financial institutions in China. The ICBC Group also holds short-term commercial paper

issued by domestic enterprises. In overseas markets, the ICBC Group invest in foreign currency bonds issued by foreign governments, financial institutions, corporate and international organisations.

### ***Franchise Treasury Business***

The ICBC Group offers a wide range of treasury operation services to enterprises and individual clients. It provides spot foreign exchange settlement and sale, forward foreign exchange trading, RMB and foreign exchange swap and RMB interest rate swap services. In addition, the ICBC Group acts as the agent of its clients in treasury operations including its 24-hour foreign exchange purchase and sale service, precious metal purchase and sale under account service, forward currency contracts, interest rate swap, currency swap, options and other financial derivatives trading services.

### ***Wealth Management Business***

The ICBC Group offers wealth management products and services to individual customers, private banking customers, companies and institutions. Its corporate customers such as public welfare funds, pension customers and insurance companies. It markets exclusive wealth management products to important customers and key regions, targeting the Yangtze River Delta and the Pearl River Delta. The exclusive wealth management product “Merchant Friend Wealth” was promoted among commodity market customers. Franchise overseas wealth management products with sound yields were introduced to further enrich transaction arbitrage and overseas investment products. The ICBC Group promotes its wealth management products through internet banking, E-shop platform, mobile banking and other electronic sales methods to enhance the convenience for the purchase of wealth management products. The ICBC Group also cooperates with securities companies by advancing the development of an agent sales channel called “Bank-Security Link” to expand its scope of customer services.

### **Financial Market Business**

ICBC’s financial market business operations include money market, investment business, financing business, franchise treasure business, asset securitisation business and precious metals business.

### ***Money Market Activities***

ICBC’s money market activities include: (i) short-term borrowing and lending with other banks and financial institutions; and (ii) bond repurchase and purchase.

### ***Investment***

ICBC makes investments in RMB-denominated bonds issued by the PRC government, the PBOC, policy banks and a few other local financial institutions, short-term commercial paper issued by domestic enterprises, and foreign currency bonds issued by foreign governments, financial institutions, and corporations. ICBC also trades bonds and bills that are issued by the PRC government, the PBOC and foreign governments as well as derivatives, foreign exchange and foreign/local currency dominated bonds.

### ***Financing***

ICBC engages in active liability management. ICBC has diversified the sources of funding from different channels and with different tenors through a variety of liability management instruments to support the growth of its business.

### ***Franchise Treasury Business***

ICBC offers a wide range of treasury operations services to enterprises and individual customers on an agency basis. ICBC provides spot and forward foreign exchange trading services, swap transaction services for RMB and foreign currencies and interest rate swap for RMB. In addition, ICBC acts as an agent for foreign exchange trading on behalf of its clients 24 hours a day, and ICBC trades foreign currencies, precious metal, forward foreign currency contracts, interest rate swaps, currency swaps, options and other financial derivatives on behalf of its customers.

### ***Asset Securitisation Business***

Asset securitisation is the process of converting assets with low liquidity into liquid securitisation products through risk isolation, conversion and packaging of cash flows and credit enhancement. The assets with low liquidity that can be converted are generally assets with stable cash flows such as residential mortgage loans, commercial property mortgage loans, project loans and other cash generating assets.

### ***Precious Metal Business***

ICBC operates four product lines in its precious metals business: physical bullion, trading, precious metals linked financing and wealth management. Due to fluctuations of the precious metals market, ICBC diversified its products to promote its precious metals business. In 2019, ICBC ranked the first place among all Shanghai Gold Exchange members in agent trading volume and clearing volume. ICBC was recognised as the “Star of Precious Metals in China” by Global Finance and Asiamoney.

### **FinTech**

ICBC sought for a strategic transformation toward a smart bank, by incorporating ICBC Information and Technology Co., Ltd. and FinTech Research Institute and putting in place a new FinTech framework which consisted of “one department, three centres, one subsidiary, and one research institute”. ICBC continued to advance the ecosystem (ECOS) project across the board, and strengthened FinTech innovation and support in the new situation of regular COVID-19 containment to empower the implementation of the Bank’s major development strategies.

### **Internet-based Finance**

ICBC, to make breakthrough in internet-based government affairs and industrial development and to achieve the strategic objective of building the “No.1 Personal Bank”, worked hard on the public services, industrial and consumption fronts of internet. ICBC deepened cooperation with government agencies comprehensively, speeded up acquiring corporate customers and concentrated efforts to improve services to individual customers. It added intelligent content into traditional financial services and accelerated the development of an open, cooperative and win-win financial service ecosphere.

## Board of Directors

The board of directors of ICBC as at the date of this Offering Circular consisted of:

<u>Name</u>	<u>Position</u>
Chen Siqing .....	Chairman, Executive Director
Liao Lin .....	Vice-chairman, Executive Director, President
Lu Yongzhen .....	Non-executive Director
Zheng Fuqing .....	Non-executive Director
Feng Weidong .....	Non-executive Director
Cao liqun .....	Non-executive Director
Anthony Francis Neoh .....	Independent non-executive Director
Yang Siu Shun .....	Independent non-executive Director
Shen Si .....	Independent non-executive Director
Nout Welink .....	Independent non-executive Director
Fred Zulu Hu .....	Independent non-executive Director

The business address of all ICBC's directors is No. 55 Fuxingmennei Avenue, Xicheng District, Beijing 100140, PRC.

There are no potential conflicts of interest between any duties of ICBC's directors to ICBC, and their private interests and/or other duties.

## Board of Directors Committees

The board of directors delegates certain responsibilities to various committees. The board of directors has established a strategy committee, a corporate social responsibility and consumer protection committee, an audit committee, a risk management committee, a nomination committee, compensation committee, related party transactions control committee, and US risk committee. These committees are constituted by certain directors and report to the board of directors.

## General Information

ICBC's registered office is located at No. 55 Fuxingmennei Avenue, Xicheng District, Beijing 100140, PRC. ICBC's website address is [www.icbc-ltd.com](http://www.icbc-ltd.com). Information contained on the ICBC's website is subject to change from time to time. Save for the representations given by the Issuer and the Company on pages (i), (ii) and (iii) of this Offering Circular, no representation is made by the Issuer, the Managers, the Trustee or the Agents and none of the Issuer, the Managers, the Trustee or the Agents takes any responsibility for any information contained on ICBC's website.

Copies of the latest annual and interim reports of ICBC, as well as its public filings, can be downloaded free of charge from the website of the Hong Kong Stock Exchange on the internet at [www.hkex.com.hk](http://www.hkex.com.hk).

## DESCRIPTION OF THE GROUP

### OVERVIEW

The Company was established by the Finance Bureau in 2007. The Group is one of the predominant state-owned investment groups in Chongqing, with a focus on infrastructure construction, commercial trading and tourism in the Development Zone. The Group is currently the sole operator, developer and Managers of the Development Zone. Currently, the Group comprises 34 subsidiaries in China, with approximately 1,056 employees. As at the date of this Offering Circular, the Management Committee is the Company's sole shareholder.

For the years ended 31 December 2018, 2019 and 2020, the Group's operating revenue was RMB3,080.6 million, RMB3,641.7 million and RMB3,602.9 million, respectively. For the same periods, the Group recorded a net profit of RMB396.7 million, RMB399.6 million and RMB319.4 million, respectively. As at 31 December 2020, the Group had net assets of RMB23,534.8 million and total assets of RMB51,681.0 million.

The Group has four primary business segments: infrastructure construction, commercial trading, tourism and other businesses:

- **Infrastructure Construction.** The Group has undertaken various key infrastructure development projects within the Development Zone, including the construction of resettlement housing, sports centres, industrial parks, a coal and electrochemical base, shantytown reconstruction and hotels. The Group has been involved in a number of major infrastructure construction projects, including the Wansheng Cultural and Sports Centre Project, the Wansheng West District Urban Comprehensive Development Project and the Chongqing (Wansheng) Coal and Electrochemical Base Infrastructure Construction Project. In addition, the Group has undertaken most of the resettlement housing construction for households relocated due to the urban development of the Development Zone. The Group expects its infrastructure construction business to benefit from the urbanisation of the Development Zone. As a major land developer in the Development Zone, the Group collaborates with the Management Committee to develop and sell land use rights. As at 31 December 2020, the Group had three infrastructure and resettlement housing projects under development with an aggregate contract amount of approximately RMB3,392.0 million. For the years ended 31 December 2018, 2019 and 2020, the Group's revenue generated from its infrastructure construction business was RMB1,096.4 million, RMB1,218.5 million and RMB1,239.8 million, respectively, representing approximately 35.6 per cent., 33.5 per cent. and 34.6 per cent., respectively, of the Group's total revenue for the same periods.
- **Commercial Trading.** The Group's commercial trading business mainly consists of two business lines: coal trading and the sale of resettlement housing. The Group operates its commercial trading business through its wholly-owned subsidiaries, Shengrong and Industrial Park Construction. The Group is one of the major coal suppliers in the Development Zone as measured by the sale volume of approximately 3.2 million tonnes in the year ended 31 December 2020. The Group also engages in the sale of ancillary facilities of resettlement housing projects. Through Shengji, the Group both builds housing for resettlement and also acquires such housing from other developers. Approximately 20.0 per cent. of these housing units are sold to former owners of land expropriated for project construction in the Development Zone. For the years ended 31 December 2018, 2019 and 2020, approximately RMB1,807.8 million, RMB1,796.0 million and RMB1,965.8 million, respectively, of the Group's revenue was generated by its commercial trading business, representing approximately 58.7 per cent., 49.3 per cent. and 54.6 per cent., respectively, of the Group's total revenue for the same periods.

- **Tourism.** The Group's tourism business includes the operation, development and management of tourism resources in the Chongqing Black Valley Scenic Area, which is one of the most visited sightseeing destinations in Chongqing. Operating mainly through Chongqing Black Valley, the Group engages in the scenic area management, hotel management and sales of souvenirs. The Group is currently the largest tourism service provider in the Development Zone. For the years ended 31 December 2018, 2019 and 2020, the Group's revenue generated from its tourism business was RMB134.1 million, RMB137.9 million and RMB107.1 million, respectively, representing approximately 4.4 per cent., 3.8 per cent. and 3.0 per cent., of the Group's total revenue for the same periods.
- **Other Businesses.** The Group's other businesses include land transfer, property leasing, water trading and treatment, installation of water equipment, selling sports event tickets and developing sports projects. For the years ended 31 December 2018, 2019 and 2020, approximately RMB39.5 million, RMB480.4 million and RMB269.3 million, respectively, of the Group's revenue was generated by its other businesses, representing approximately 1.3 per cent., 13.2 per cent. and 7.5 per cent., respectively, of the Group's total revenue.

The following table sets forth a breakdown of the Group's revenue from each business segment of the Group for the periods indicated:

	For the year ended 31 December					
	2018		2019		2020	
	Amount	% of total revenue	Amount	% of total revenue	Amount	% of total revenue
	(RMB in millions, except percentages)					
Infrastructure						
Construction . . . . .	1,096.4	35.6	1,218.5	33.5	1,239.8	34.6
Commercial Trading ..	1,807.8	58.7	1,796.0	49.4	1,965.8	54.9
Tourism . . . . .	134.1	4.4	137.9	3.8	107.1	3.0
Others . . . . .	39.5	1.3	480.4	13.2	269.3	7.5
<b>Total Revenue</b> . . . . .	<b>3,077.7</b>	<b>100</b>	<b>3,632.8</b>	<b>100</b>	<b>3,581.9</b>	<b>100</b>

## HISTORY AND DEVELOPMENT OF THE GROUP

The following sets forth key milestones in the business and corporate development of the Group:

Year	Events
2007 . . . . .	The 16th Executive Meeting of the Wansheng District Government of Chongqing (重慶市萬盛區第十六屆人民政府常務會議決定) approved the establishment of the Chongqing Wansheng Construction Investment Co., Ltd. (重慶市萬盛建設投資有限公司) on 12 October 2007 with a registered capital of RMB100.0 million provided by the Finance Bureau).
2009 . . . . .	On 12 December 2009, as the sole shareholder of the Company, the Finance Bureau approved the increase of the registered capital to RMB140.9 million.



Year	Events
2012 .....	<p>The Chongqing Commission for Public Sector Reform issued the Notice Regarding the Administrative Staffing Quotas of the Chongqing Wansheng Economic and Technology Development Zone Management Committee (重慶市機構編制委員會關於重慶市萬盛經濟技術開發區管理委員會機構編製方案的通知(渝編[2011]35號)) and changed the Finance Bureau into Chongqing Wansheng Economic and Technology Development Management Committee Finance Bureau (重慶市萬盛經濟技術開發區管委會財務局).</p> <p>On 16 January 2012, the Finance Bureau issued the Approval on the Renaming of the Chongqing Wansheng Construction Investment Co., Ltd. (關於同意建投公司更名的批覆(萬盛財企發[2012]2號)) and changed Chongqing Wansheng Construction Investment Co., Ltd. into Chongqing Wansheng Economic and Technology Development Zone Investment Group Co., Ltd. (重慶市萬盛經濟技術開發區投資集團有限公司).</p> <p>On 19 September 2012, pursuant to the Official Reply of the Chongqing Municipal Government on the Establishment of Chongqing Wansheng Economic and Technology Development Zone Investment Group Co., Ltd. (重慶市人民政府關於成立重慶市萬盛經濟技術開發區投資集團有限公司的批覆(重慶市人民政府渝府[2012]18號文)), the Management Committee changed Chongqing Wansheng Economic and Technology Development Zone Investment Group Co., Ltd. into Chongqing Wansheng Economic and Technology Development Zone Development and Investment Group Co., Ltd. (重慶市萬盛經濟技術開發區開發投資集團有限公司). It is announced that the registered capital was to be increased to RMB2,000.0 million.</p> <p>On 26 December 2012, the Management Committee injected assets into the Group with a total value of RMB1,223.1 million in the form of land use rights pursuant to the Reply from the Chongqing Wansheng Economic and Technology Development Zone Management Committee on Agreeing to Transfer Part of State-owned Assets (重慶市萬盛經濟技術開發區管委會關於同意劃轉部分國有資產的批覆) issued by the Management Committee.</p>
2013 .....	<p>On 3 July 2013, the Management Committee injected currency into the Company with a total value of RMB636.0 million in the form of cash. This increased the paid-in capital of the Company to RMB2,000 million.</p>
2014 .....	<p>On 8 April 2014, the Group issued domestic medium-term notes in an aggregate principal amount of RMB0.8 billion.</p>

<u>Year</u>	<u>Events</u>
2017 .....	In December 2017, the Management Committee transferred equity into the Company, including 61.5 per cent. of the shares of a water treatment company and 100 per cent. of the shares of an airport construction company. As a result, in the total assets of the Company increased to 41.0 billion.
2018 .....	On 27 March 2018, the Group issued domestic medium-term notes in an aggregate principal amount of RMB0.5 billion.  On 12 September 2018, the Group issued 4.4 per cent. credit enhanced bonds due 2021 supported by an irrevocable Standby Letter of Credit issued by Industrial and Commercial Bank of China Limited, Chongqing Branch, in an aggregate principal amount of U.S.\$89,000,000.
2019 .....	On 23 October 2019, the Group issued domestic medium-term notes in an aggregate principal amount of RMB1.0 billion.
2020 .....	On 31 July 2020, the Group issued domestic medium-term notes in an aggregate principal amount of RMB1 billion.

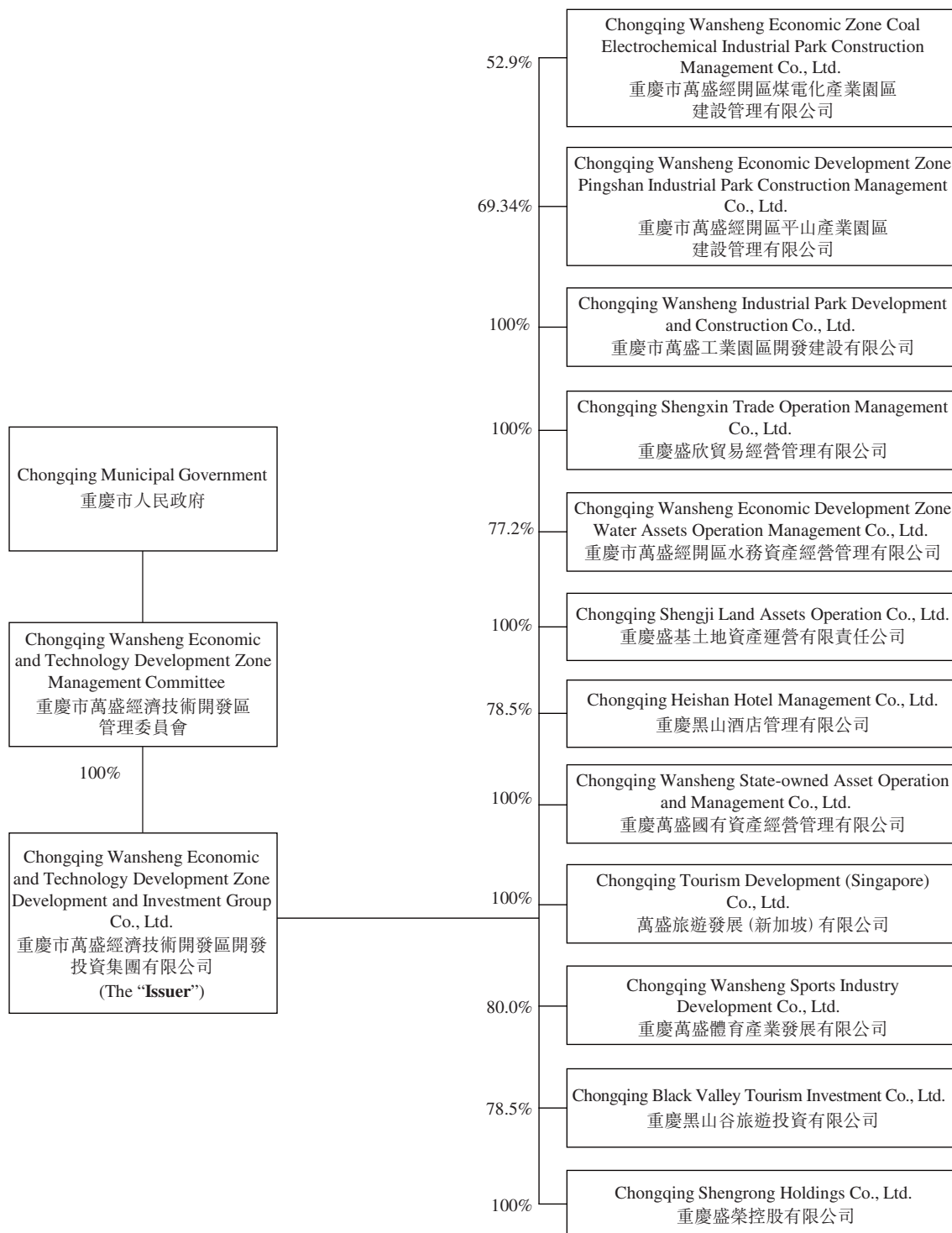
## **KEY AWARDS**

The following table sets forth the major honours that the Group has received:

<u>Year</u>	<u>Award</u>	<u>Awarded By</u>
2014 .....	Chongqing Morally-Excellent Company (重慶精神文明單位)	Chongqing Spirit & Culture Association (重慶市精神文明協會)
2015 .....	Tax Payer of 2014 (2014年度納稅增收貢獻獎)	Management Committee
2016 .....	AA Level Enterprise with Harmonious Employment Relationship (重慶市萬盛經濟技術開發區和諧勞動關係AA級企業)	Human Resource and Social Security Bureau, Labour Union, Bureau of Economy Information and Federation of Industry and Commerce of the Development Zone (重慶市萬盛經濟技術開發區人力社保局、總工會、經濟資訊局、工商業聯合會)
2017 .....	Tax Payer of 2016 (2016年度納稅大戶)	Management Committee

## CORPORATE STRUCTURE

The following table sets forth the Group's structure indicating major subsidiaries as at the date of this Offering Circular:



## THE DEVELOPMENT ZONE

With the approval from the Chongqing Municipal Government, the Development Zone was established in 2007. The Development Zone has played an important role in Chongqing's industrial transformation during the 13th Five-Year-Plan (2016-2020) and is expected to continue to play such role during the 14th Five-Year Plan (2021-2025). It is regarded as a demonstration of the transformation of resource-exhausted cities.

The Development Zone is located in south Chongqing and borders Guizhou Province. The Development Zone has access to many important transportation links including two expressways (Nanwan Expressway and Qiwan Expressway), one railway line (Sanwan Railway), three provisional roads (No. S303, No. S312 and No. S204) and two channels (Baitasi Channel and Wansheng Channel). The Development Zone is geographically close to major cities including Chongqing, Zunyi and Luzhou.

As at the date of this Offering Circular, the total land in use in the Development Zone was 566.0 sq. km, of which 60.4 sq. km was used for construction. The land used for city construction totalled 44.5 sq. km, and the rest of the construction land was used for transportation, water treatment and other purposes. 126.6 sq. km of the land in the Development Zone was used for agriculture, and 30.7 sq. km of the Development Zone is forest. The Group expects that investment agreements of nine projects in the Development Zone will be signed by the end of 2021, with a total estimated amount of investment of approximately RMB542.0 million.

## COMPETITIVE STRENGTHS

The Group believes the following competitive strengths allow it to compete effectively in the markets in which it operates:

***The Group is well-positioned to benefit from its strategic location which provides convenient access to transportation systems and abundant tourism resources***

The Group benefits continually and significantly from the strategic location and rapid economic development of Chongqing and the Development Zone. Chongqing is the only provincial level municipality in Central Western China and has a well-developed basic transportation infrastructure, including airport, highway, waterway and railway networks. In particular, the railway network in Chongqing is connected to four international railway lines and five core domestic railway lines, with a total length of approximately 1,945.0 km within Chongqing. Chongqing is a large market supported by developed manufacturing capabilities in various industries such as electronic information, automobile, equipment manufacturing, chemicals, materials manufacturing, consumer goods manufacturing and energy industry. Chongqing's GDP increased from RMB2,360.6 billion in 2019 to RMB2,500.3 billion in 2020, representing an annual increase of 3.9 per cent.

The Group also benefits from its location in the Development Zone due to its importance in Chongqing. The Development Zone is the biggest development zone in south China in terms of its size. The Development Zone has an area of approximately 565.6 sq. km and has become one of the fastest developing areas within Chongqing. During the 13th Five Year Plan, the Development Zone's economy developed rapidly.

One of the Chongqing Municipal Government's priorities in urbanising and modernising the Development Zone is to continue the improvement of its infrastructure and transportation systems. According to the Thirteenth Five-Year Plan for Modern Integrated Transportation System (十三五現代綜合交通運輸體系發展規劃), Chongqing has been positioned as a comprehensive national transportation hub connecting five neighbouring provinces, including Sichuan Province, Guizhou Province, Hunan Province, Hubei Province and Shaanxi Province. The Development Zone currently has railways with a total operating length of 21.7 km. Once the Yugu High-speed

Railway is completed, several nationwide high-speed railways will interconnect in the Development Zone. Chongqing port is the largest water transportation hub in the upper reaches of the Yangtze River. Furthermore, Chongqing is connected to the Maritime Silk Road via railway and the Yangtze River, which opens up trade channels to South and Southeast Asia. These railways, combined with the Jiangbei Airport and Chongqing port, provide a comprehensive transportation network covering land, water and air transportation for the Development Zone and its neighbouring provinces.

The Development Zone's key positioning as a transportation hub provides convenient access for tourists who wish to visit regional tourist sites, such as the Black Valley Scenic Area in the Development Zone, Jiuzhai Valley in Sichuan Province, Huashan in Shaanxi Province, Huanghelou in Hubei Province and Zhangjiajie in Hunan Province. The Group currently manages and operates hotels, restaurants and other ancillary facilities and services in the Development Zone. The Group manages and operates the class 5A Black Valley Scenic Area in the Development Zone, which is a National Geo-park and National Scenic Area. It also owns the Xiangshui Village Longevity Hotel (響水村養生酒店) and the Black Valley Vacation Hotel (黑山谷度假酒店). The Group operates the largest state-owned tourism business in the Development Zone in terms of assets. According to the National Statistics Bureau of China, the number of domestic tourists visiting the Development Zone have increased in recent years. As tourism and consumer spending power increase, the Group will be able to leverage on its proximity to these tourist sites to maintain its leading position in the tourism business in the Development Zone and expand its hospitality business.

#### ***The Group benefits from strong support from the Chongqing Municipal Government***

The Group receives strong support from the Chongqing Municipal Government and the Management Committee, which enables the Group to invest in capital intensive and large-scale projects. This support includes:

- *Operational Support.* The Chongqing Municipal Government has granted permits to the Group for the operation of its tourism, infrastructure construction, commercial trading businesses and other businesses. The Group obtained the rights to collect the current admission fees for the Black Valley Scenic Area based on the Notice Regarding the Adjustment of the Black Valley Scenic Area Admission Tickets (重慶市物價局關於調整黑山谷景區門票價格的通知(渝價[2010]168號) issued by the Chongqing Municipal Administration for Commodity Prices in 2010. The Group enjoys favourable tax treatment based on the Notice Regarding the favourable tax treatment on Chongqing Wansheng Economic and Technology Development Zone Development & Investment Group Co., Ltd. and its Subsidiaries. (關於重慶市萬盛經濟技術開發區開發投資集團有限公司及其所屬子公司有關稅收優惠政策的通知(萬盛經開發[2013]82號)) and the Notice of Relevant Issues on Chongqing Wansheng Economic and Technology Development Zone Development & Investment Group Co., Ltd. (關於支持重慶市萬盛經濟技術開發區投資集團有限公司發展相關事項的通知 [2013]82號).
- *Land Allocation.* As at 31 December 2020, the Management Committee had allocated the land use rights for an aggregate of approximately 11.1 million sq. m. of land to the Group by way of land injection and land allocation. This provides the Group with a sufficient supply of land for its infrastructure construction projects, resettlement housing projects and land transfer projects.
- *Equity Allocation.* Since its incorporation, the Group has benefited from equity transfers from the Management Committee. The Management Committee approved the transfer of 61.5 per cent. of the shares of Chongqing Wansheng Development Zone Water Treatment Development and Construction Group Co., Ltd. (重慶市萬盛經開區水務開發建設集團有限公司) and 100 per cent. of the shares of Chongqing Jiangnan Airport Co., Ltd. (重慶江南機場有限公司) to the Group pursuant to the Notice of Changing the Contributors of Chongqing Wansheng Development Zone Water Treatment Development and Construction Group Co.,

Ltd. and the Chongqing Jiangnan Airport Co., Ltd. (關於變更重慶市萬盛經開區水務開發建設集團有限公司重慶江南機場有限公司出資人相關事宜的通知, 萬盛經開國資發[2017]9號) and 82.0 per cent of Chongqing Yuqianbiancheng Tourism Development Co., Ltd. (重慶市渝黔邊城旅遊開發有限公司) to one of the Group's subsidiaries, namely Chongqing Sanhu Tourism Development Co., Ltd. (重慶三湖旅遊開發有限公司), pursuant to the Notice on Issuing the Implementation Plan for Optimising and Consolidating the State-owned Enterprises within the Development Zone (關於印發萬盛經開區區屬國有企業優化整合實施方案的通知).

- *Capital Injection.* The initial registered capital of the Company was RMB100.0 million. In 2009, 2012 and 2013, the Management Committee injected additional capital of RMB40.9 million, RMB1,223.1 million and RMB636.0 million, respectively, to the Group. Since the Company's establishment, the Management Committee has injected a total of approximately RMB2.0 billion into the Group.
- *Land Sales Revenue.* The Group is able to receive the full proceeds of land sales revenue after deducting miscellaneous expenses incurred during the sale. Although proceeds from sales of land parcels in the Development Zone belong to the Management Committee, the Management Committee, pursuant to the Notice on Supporting the Company to Expand Certain Businesses (重慶市萬盛經濟技術開發區管委會辦公室關於印發支持重慶市萬盛經濟技術開發區投資集團有限公司發展相關事項的通知) issued by the Management Committee on 22 February 2012, transferred such proceeds to the Group.
- *Fiscal Subsidies from the Government.* The Chongqing Municipal Government provides the Group with tax refunds, financing subsidies and project subsidies to support the Group. For the years ended 31 December 2018, 2019 and 2020, the Group received a total RMB350.0 million, RMB90.0 million and RMB117.0 million in subsidies from the Management Committee, respectively, representing 11.4 per cent, 2.5 per cent and 3.3 percent of the Group's total revenue, respectively.

The Group believes the strong support from the Chongqing Municipal Government will provide it with additional opportunities to participate in the development of the region. In addition, as the ultimate controlling shareholder of the Group, the Management Committee closely participates in and affects the decision-making of key investments and the appointment of directors, supervisors and senior management of the Group. The Group and the Management Committee normally conduct detailed discussions and follow requisite appraisal procedures to ensure that informed and viable investment decisions are made. Major transactions require approval from Chongqing Municipal Government and the Wansheng State-owned Assets Supervision and Administration Commission of the State Council (重慶市萬盛經濟技術開發區國有資產管理局). As the Management Committee will continue to be the shareholder of the Group, the Group believes that the role of the Chongqing Municipal Government and its participation in the Group's operations distinguish the Group from other companies in the industries where it operates and that Chongqing Municipal Government will provide effective support in implementing the Group's business plans.

#### ***The Group has access to diverse sources of funding***

The Group has access to various funding channels, including bank loans and bond offerings, in the PRC and overseas markets. With well-established operations in various business segments, the Company has a proven track record of creditworthiness, demonstrated by its "AA" rating, with stable outlook, from China Lianhe Credit Rating Co., Ltd. (聯合資信評估有限公司), a Chinese rating agency, which has allowed the Group to secure favourable financing terms in its domestic financing. The Group primarily finances its operations using a combination of the following:

*Bank Loans.* The Group maintains long-term stable relationship with over 20 major PRC financial institutions, including Agricultural Bank of China, Bank of China, Shanghai Pudong Development Bank and Industrial and Commercial Bank of China. The Group's borrowings primarily comprise



long-term interest-bearing borrowings. As at 31 December 2020, the Group had approximately RMB6.5 billion of bank borrowings, comprised primarily of long-term interest-bearing borrowings.

*Debt Instruments.* As at 31 December 2020, the Group has successfully raised capital by issuing approximately RMB9.8 billion in long-term and short-term notes in the PRC capital markets. The term of such debt instruments varies from two to ten years.

The Group believes that its ability to obtain financing gives it a comparative advantage over competitors with access to only limited funding sources. As such, the Group believes that it has a robust liquidity position with access to diversified funding sources. The Group actively manages its cash flow and capital commitments to ensure that it has sufficient funds to meet its existing and future cash flow requirements. The Group's strong financing capability has enabled it to capitalise on various business opportunities and construct new facilities and equipment for its infrastructure construction, commercial trading and tourism business segments, which are generally highly capital-intensive.

***The Group is led by an experienced management and operations team***

The Group's management is directly appointed by the Chongqing Municipal Government and has an established track record. The management team is subject to stringent performance evaluation criteria from the Wansheng National Development and Reform Commission (重慶市發展和改革委員會) (the "Wansheng NDRC"), including achieving government objectives. Evaluation criteria includes the general overall operations of the Development Zone and the financial health and overall stability of the Group. In 2019, the Group passed the Wansheng NDRC's annual performance evaluation test with a score of 90.57 out of 100. The score for 2020 will be announced in August 2021.

The Group's management team has extensive experience in the various businesses of the Group, in particular with respect to infrastructure construction, commercial trading and tourism. Most of the members of the Group's management team have approximately 10 to 30 years of management experience in either the Group or other large corporations. Many members of the Group's management team also serve, or have served, in various positions in the PRC Government. The management team possesses extensive management skills, specialised knowledge and industry expertise. The vision, experience and entrepreneurial spirit of the Group's management team have contributed to its strong financial and operational performance and its ability to develop various large-scale projects in a disciplined and efficient manner. The Group believes that its management team's extensive experience in a broad range of industries and strong execution capabilities will continue to be instrumental in executing its business strategies, capturing market opportunities and contributing to the sustainable growth of the Group.

**BUSINESS STRATEGIES**

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

***Continue to develop and enhance management of the Development Zone***

The Group plans to continue to meet the standards and targets set by the PRC Government for the planning, design, development, construction management and operations of the Development Zone. The Group aims to improve the overall infrastructure of the Development Zone through continued investments in transportation infrastructure, water, electricity, gas and sports facilities. In the management of the Development Zone, the Group will continue to strengthen the entire value chain from development of the Development Zone to conducting business operations that connect resources to the inland region market. The Group plans to develop the Development Zone into an industrialised town characterised by technology, efficient transportation networks, integrated trade finance and an optimal community for work and living. The Group plans to

continue to implement strict quality control to monitor project quality throughout the development process. The Group believes that high-quality urban planning and industry developments will significantly enhance the value of land in the Development Zone.

#### *Continue to build an environment friendly enterprise*

Promoting environment protection and sustainable economic development is a key element of the Group's overall growth strategy. As a state-owned enterprise, the Group focuses on building an environmentally friendly and socially responsible company. Recognising that the Group's business entails inherent environmental risks, the Group will continue to emphasise the importance of environmental protection in all of the Group's operations. The Group will consider environmental protection, energy conservation and clean operations in its business operations and promote these policies within all of its business segments. The Group intends to enhance its health, safety and environmental protection measures throughout its supply chain and operations in order to reduce damage to the environment. The Group will also enhance accountability in environmental safety assessment, promote key energy saving and environmental protection projects and enhance environmental protection management of its projects, so as to become an environment-friendly enterprise and achieve sustainable development.

#### *Continue to expand its business operations under its diversified business model*

The Group has established diverse business segments, including infrastructure construction, commercial trading and tourism. The Group plans to continue diversifying its business operations in the Development Zone by leveraging the national strategy which positions the Development Zone as a key national transportation hub. The Group believes that it will benefit from the strategic location of the Development Zone, and it expects to be able to seek more business opportunities arising from increased infrastructure and economic development as well as related commercial activities.

#### *Infrastructure Construction*

The Group will continue to carry out the development of key infrastructure projects based on the Management Committee's blueprint for urban planning, construction and development. Examples of the key projects which the Group is currently focusing on include the following:

- Wansheng Development Zone South-eastern Area Water Supply Construction Project (萬盛經開區東南片區給水工程項目)

This project aims to enhance urban living standard by operating water supply pipes and sewer pipes. The total investment amount in this project is approximately RMB1,180.0 million. As at 31 December 2020, approximately RMB1.5 billion has been invested. The development of this project commenced in 2016 and was expected to be completed in 2023.

- Wansheng Jiangnan Airport Construction Project (重慶江南機場項目)

This project was approved by the Chongqing National Development and Reform Commission (重慶市發展與改革委員會) on 13 December 2016. The estimated construction period is nine years, from 2018 to 2027. The project includes a 2,200.0 metres long runway and 24 aprons. This airport aims to serve business activities, governmental activities and emergencies. Once completed, this airport will help the Development Zone to promote its tourism business.

- High-tech Industrial Park first phase (高新技術產業園一期工程)

The project owner is Chongqing Wansheng Economic and Technological Development Zone Pingshan Industrial Park Construction & Management Co., Ltd. (重慶市萬盛經開區平山產業園區建設管理有限公司) (the “**Pingshan Industrial Construction**”). The main construction work includes a project of demolition, excavation and filling of land of 1,220 acres, construction of standard factory buildings of 200.0 sq. km, construction of a connection road of 400 metres in length and 27 metres in width, construction of a main road of 6,200 metres in length and 24 metres in width, construction of a branch road of 3,800 metres in length and 16 metres in width, construction of a branch road of 2,200 metres in length and 16 metres in width, river remediation of 3,280 metres in length, construction of three 10KV opening and closing power facilities, construction of sewage interception pipe network of 4,250 metres, and construction of garbage stations, fire stations and other auxiliary facilities with a green area of 360.0 sq. km.

- Wansheng Sanhu Tourism and Leisure Resort (萬盛三湖旅遊休閒度假區)

The project owner is the Company itself. The main construction content includes operation facilities and supporting projects of Qingshan Lake Scenic Area (青山湖景區), Banliao Lake Scenic Area (板遼湖景區) and Bailong Lake Jungle Fungus Valley Scenic Area (白龍湖叢林菌谷景區). Specifically, the land area includes 1,008.8 sq. km of Qingshan Lake Scenic Area, 265.5 sq. km of Banliao Lake Scenic Area, and 84.1 sq. km of Bailong Lake Jungle Fungus Valley Scenic Area. A total of 25 tourist and leisure resorts will be built. The total construction area of project management and supporting buildings is 103.3 sq. km, mainly including scenic management housing, visitor centre, education centre, flying dragon tower, edible fungus museum, trading market and catering service facilities. The total land area for supporting infrastructure is 1,222.5 sq. km, including supporting open-air ecological parking lot and scenic roads.

The Group intends to leverage its close working relationships with the Management Committee with a view to undertaking major infrastructure construction, primary land development and shantytown reconstruction projects, which can further enhance its leading position in urban planning and construction in the Development Zone.

#### *Commercial Trading*

According to the Management Committee’s 2018 First Half Year’s Economy Analysis Meeting (the “**Meeting**”) that was held on 25 July 2018, the coal and electrochemical industry has been designated as one of the Development Zone’s key industries. The Group plans to promote the prudent development of its coal trading business according to national policies.

The Group plans to continue adjusting its coal sources structure and sales structure, adopting market-oriented sales and pricing policies, increasing the purchase of coals and expanding its sales channels. The Group expects to adopt flexible sales strategies and pricing mechanisms, and actively explore new markets. The Group intends to leverage its stable supply of coal to selectively capture opportunities and strengthen its position in the attractive power markets in Chongqing and southwest China.

#### *Tourism*

At the Meeting, tourism was designated as one of the Development Zone’s key industries. The Group plans to continue leveraging the tourism resources in the Development Zone and aims to develop a comprehensive tourism business segment. The Group intends to further integrate and consolidate the operation and management of the tourism resources in the Development Zone, including the Black Valley Scenic Area and Dragon Scale Stone Forest Scenic Area (龍鱗石海景區).

The Group also intends to develop a comprehensive travel platform to consolidate certain of its tourism resources in the Development Zone. For example, it is currently planning the development of the Black Valley National Tourist Resort (黑山谷國家級旅遊度假區). The resort is expected to consist of a highspeed railway station, hubs of tourist dispatch and hotels, business and residential properties and culture, sports and entertainment facilities. The resort covers an area of approximately 28.0 sq. km, with a total investment of approximately RMB18.5 billion. The Group also intends to invest in or develop other hotels mainly located in scenic areas and actively consolidate the hospitality resources currently operated by other state-owned companies as well as private enterprises in the Development Zone as part of its development of a travel platform.

#### ***Explore new business opportunities and sources of revenue***

Due to its comprehensive experience and expertise, the Group believes that it is well positioned to expand its businesses to include various industries and businesses in the Development Zone. The Group has a unique relationship with the Chongqing Municipal Government and it has sophisticated expertise that was accumulated over the 10 years of operations experience as the sole operator, developer and manager of the Development Zone. The Group intends to leverage these advantages and capitalise on its location in Chongqing to participate in the development of Chongqing's economy. The Group plans to further grow its business and improve profitability by enhancing its business structure, developing innovative business methods and exploring new growth opportunities.

The Group continues to explore business opportunities arising in other business areas. For example, the Group set up a company focusing on developing sports projects. Chongqing Wansheng Sports Industry Development Co., Ltd (萬盛體育產業發展有限公司), established on 6 June 2016 with registered capital of RMB15.0 million, works on the management of sports events, sports centres, production of sports equipment and clothing, sports industry consultation and research. On 8 December 2016, the Group set up another company that focuses on developing sports projects. Chongqing Wansheng Sports Industry Research Institute Co., Ltd. (重慶萬盛體育產業研究院有限公司), with registered capital of RMB5.0 million, mainly focuses on the organising of sports events and making plans for sports industry development.

#### ***Continue to enhance financial management and risk control system***

The Group believes that a prudent financial management system can reduce operational and financial risks and help achieve long-term sustainable growth. The Group will continue to implement and enhance its financial management system with well-defined policies and procedures. For instance, the Group will continue to strengthen its stringent financial reporting and control system which emphasises centralised management and administration, consistent control policies and compliance with legal and regulatory requirements. The Group will also continue to work on establishing a standardised capital management mechanism to monitor capital, capital efficiency and capital risk prevention. The Group aims to effectively enhance the results and efficiency of its overall financial management through implementing a prudent investment policy to balance assets and liabilities and to balance investment returns and risk management.

### **RECENT DEVELOPMENTS**

Since 31 December 2020, the Group had successfully issued the following debt instruments within the PRC:

- On 11 January 2021, the Group issued corporate bonds due 2024 with a total principal amount of RMB500,000,000 and an interest rate of 7.5 per cent. per annum.
- On 22 January 2021, the Group issued ultra short-term bonds due 2021 with a total principal amount of RMB320,000,000 and an interest rate of 6.0 per cent. per annum.

- On 16 April 2021, the Group issued corporate green bonds due 2024 with a total principal amount of RMB800,000,000 and an interest rate of 7.48 per cent. per annum.
- On 22 April 2021, the Group issued principal protected notes due 2024 with a total principal amount of RMB1,000,000,000 and an interest rate of 7.5 per cent. per annum.
- On 30 April 2021, the Group issued corporate green bonds due 2023 with a total principal amount of RMB200,000,000 and an interest rate of 7.3 per cent. per annum.
- On 6 July 2021, the Group issued pension bonds due 2024 with a total principal amount of RMB900,000,000 and an interest rate of 7.0 per cent. per annum.
- On 13 July 2021, the Group issued corporate green bonds due 2024 with a total principal amount of RMB800,000,000 and an interest rate of 7.3 per cent. per annum.

## **DESCRIPTION OF THE GROUP'S BUSINESS**

The Group is a leading state-owned enterprise in Chongqing that focuses on the development, operation and management of the Development Zone. The Group was established by the Chongqing Municipal Government to perform government functions related to the development, operation and management of the Development Zone. The Group has four principal business segments: (i) infrastructure construction, (ii) commercial trading, (iii) tourism, and (iv) other businesses.

### **Infrastructure Construction**

#### *Overview*

The Group is the primary infrastructure construction management platform of the Management Committee and has undertaken most of the infrastructure construction projects in the Development Zone using an agent construction model. Representative Projects include power plants, roads, a coal and electrochemical base and sports centres. Two of the Group's subsidiaries, Chongqing Black Valley and Pingshan Industrial Construction primarily carry out the Group's infrastructure construction operations related to the tourism business and the Industrial Park respectively.

The Group's infrastructure construction business undertakes infrastructure construction projects such as Wansheng Cultural and Sports Centre Project, Wansheng West District Urban Comprehensive Development Project and Chongqing (Wansheng) Coal and Electrochemical Base Infrastructure Construction Project. Over the years, the Group has undertaken and completed various major infrastructure development projects. In addition to infrastructure construction, the Group also undertakes resettlement housing construction in accordance with the Management Committee's general plans.

For the years ended 31 December 2018, 2019 and 2020, approximately RMB1,096.4 million, RMB1,218.5 million and RMB1,239.8 million, respectively, of the Group's revenue was generated by its infrastructure construction business, representing approximately 35.6 per cent., 33.5 per cent. and 34.6 per cent., respectively, of the Group's total revenue.

#### *Business model*

Under the agent construction model, the Group is typically entrusted by the Management Committee to undertake various infrastructure construction projects in the Development Zone pursuant to the entrusted construction agreements entered into by the Group and the Management Committee. Under the entrusted construction agreements, the Management Committee had agreed to pay to the Group remunerations calculated based on the completion progress of the relevant

infrastructure construction projects undertaken by the Group. Such remunerations are normally calculated at a range from 20 per cent. to 35 per cent. of the total project costs incurred by the Group. As at 31 December 2020, the relevant mark-ups were typically in the range of approximately 20 to 35 per cent.

#### ***Resettlement housing construction projects***

The Group undertakes resettlement housing construction in accordance with the Management Committee's general plans. The Group undertakes resettlement housing projects itself. The Group obtains the land for such projects through land allocation by the Management Committee. The Group then engages qualified contractors to provide construction services. The resettlement housing projects have to pass a quality inspection upon completion before they can enter the market. The Management Committee does not repurchase the resettlement housing projects upon completion.

#### ***Land development***

The Group is authorised by the Management Committee to conduct land transfer in the Development Zone on behalf of the Management Committee. As at 31 December 2020, the Group had acquired approximately 2.1 million sq. m. of land in the Development Zone.

The Group acquires approval of land transfer from the Chongqing State-asset Management Bureau (重慶市國有資本管理局) before submitting the application for public transfer of the land to the Land Bureau. Once permitted, a Notice of State-owned Construction Land Transfer (國有建設用地轉讓通知書) will be issued by the Land Bureau. The Group then transfers the land to third parties through a land bidding process according to the Management Committee's plans for each parcel of developed land. The land transfer fee will be recorded as the revenue generated from land development projects. As authorised by the Management Committee, the Group receives the proceeds from the sale of land use rights, after deducting relevant fees.

#### ***Project Financing and Fiscal Subsidies***

The Group finances its projects primarily with government fiscal subsidies, bank loans and debt issuances, and to a lesser extent with the Group's own resources. For example, the total investment for the Youth Industrial Park Infrastructure Construction Project (青年工業園區基礎設施建設項目) is RMB1,350.0 million, among which the Company issued bonds in the amount of RMB945.0 million. The total investment for Donglin Shantytown Reconstruction Project (東林片區城市棚戶區改造項目) is RMB1,634.7 million, among which the Company financed RMB1,144.0 million from other resources.

The Group has received strong support from the Chongqing Municipal Government in the form of, among others, subsidies, capital injections and asset allocations, tax exemptions and exchange of government debt. The total government subsidy for the years ended 31 December in 2018, 2019 and 2020 was RMB350.0 million, RMB90.0 million and RMB117.0 million respectively, representing 11.4 per cent, 2.5 per cent and 3.3 per cent of the total revenue of the Group.



## Completed Projects

As at 31 December 2020, the Group had completed ten infrastructure and resettlement housing construction projects.

The following sets forth a brief introduction of the Group's representative completed construction projects:

Project/Location	Start Time	Completion Time	Total Invested Amount (RMB in millions)	Invested Amount (RMB in millions)
Black Mountain Octagonal Anju House (黑山八角安居房) . . . . .	2013	2014	727.0	727.0
Low-rent housing construction project (廉租房建設項目) . . . . .	2009	2012	593.0	593.0
Industrial and mining shantytown reconstruction project (Phase I & II) (工礦棚戶區改造項目(一期和二期)) . . . . .	2008	2010	1,780.0	1,780.0
Affordable housing construction project in Houheba area of Qingnian Town (青年鎮後河壩片區經濟適用房建設項目) . . . . .	2012	2015	898.7	898.7
Affordable housing construction project in Xinqiao area of Conglin Town (叢林鎮新橋片區經濟適用房建設項目) . . . . .	2012	2015	300.5	300.5
Affordable housing construction project in Bangshang area of Wandong Town (萬東鎮榜上片區經濟適用房建設項目) . . . . .	2012	2015	693.4	693.4
南桐鎮中心片區經濟適用房建設項目(南桐鎮中心片區經濟適用房建設項目) . . . . .	2012	2015	728.4	728.4
Urban Shanty Town Reconstruction Project in Xiaopojiao Area (小坡腳片區城市棚戶區改造項目) . . . . .	2013	2016	1,089.8	1,089.8
Urban Shanty Town Reconstruction Project in Donglin Area (東林片區城市棚戶區改造項目) . . . . .	2013	2016	1,634.7	1,634.7
<b>Total . . . . .</b>			<b>8,445.5</b>	<b>8,445.5</b>

*Coal and Electrochemical Park Infrastructure Construction Project (煤電化園區招商引資基礎建設工程)*

This project aims to improve the basic construction and maintenance of the industrial park. With a site area of approximately 11.0 sq. km, this industrial park attracted multiple chemical and medical companies, including Chongqing Chuandong Chemical (Group) Co., Ltd (重慶川東化工(集團)有限公司) and Shenhua Group Corporation Ltd. (神華集團有限公司). The total investment amount in this project was approximately RMB320.0 million. The proportion of internal and external funding in the investment was approximately 30.0 per cent. and 70.0 per cent., respectively.

*Pingshan Park Infrastructure Construction Project (平山園區招商引資基礎建設工程)*

The construction of this project commenced in March 2013 and was completed in March 2015. The total investment in this project was approximately RMB230.0 million. The project has attracted industry-based companies, including Fuyao Glass Industry Group Co., Ltd. (福耀玻璃), Xian Gaoke (Group) Corporation (西安高科(集團)公司) and Coslight Group (珠海光宇). The proportion of internal and external funding in the investment is approximately 30.0 per cent. and 70.0 per cent., respectively.

***Projects under construction***

As at 31 December 2020, the Group was undertaking nine projects, covering resettlement housing and other infrastructure projects, with a total estimated investment of RMB7,739.0 million.

The following sets forth a brief introduction of the Group's representative infrastructure construction and resettlement housing projects under construction as at 31 December 2020.

Project	Estimated Total Investment	Completed Investment	Investment Plan			
			2021	2022	2023	2024
	(RMB in millions)	(RMB in millions)	(RMB in millions)			
Yongyang New City Urban Road Construction Project (黑山谷景區工程) . . . . .	1,120.0	1,070.0	50.0	50.0	50.0	50.0
Longlinshi Seascape Project (龍鱗石海景區工程) . . . . .	310.0	296.0	20.0	20.0	20.0	20.0
Water supply project in the southeast of Wansheng Economic Development Zone (萬盛經開區東南片區給水 工程項目) . . . . .	1,180.0	1,488.0	-	-	-	-
Qingshan Lake Ecological Treatment Project (青山湖生態治理工程) . . . . .	297.0	66.0	132.0	-	-	-
High-tech Industrial Park Phase I Project (高新技術產業園 一期工程) . . . . .	1,660.0	1,030.0	330.0	300.0	-	-
Jinglun Hotel (Qingfeng Yashui) (京倫酒店(清風雅水)) . . . . .	57.0	182.0	-	-	-	-
Airport Project (機場項目) . . .	933.0	361.0	-	190.0	190.0	192.0
Water supply project along the coal-electricity chemical park and Shilin area (煤電化園區沿線及石林片區 供水工程) . . . . .	581.0	145.0	200.0	236.0	-	-
Wansheng Three Lakes Tourism and Leisure Resort (萬盛三湖旅遊休閒度假區) .	1,601.0	611.0	200.0	378.0	-	-
<b>Total</b> . . . . .	<b>7,739.0</b>	<b>5,249.0</b>	<b>400.0</b>	<b>1,174.0</b>	<b>260.0</b>	<b>262.0</b>

***Significant Primary Land Development Projects***

As at 31 December 2020, the Group had completed eight major primary land development projects in which the Group developed its own land for infrastructure constructions according to the Management Committee's plan for each such parcel of land. These land development projects, with an aggregate site area of approximately 315,332.8 sq. m., generated a total of approximately RMB6.6 million, RMB342.5 million and RMB139.1 million revenue for the Group for the years ended 31 December 2018, 2019 and 2020, respectively.

The following sets forth details of the Group's major primary land development projects:

Project/Location	Development Period	Total Invested Amount	Invested Amount
		(RMB in millions)	(RMB in millions)
No. 4 Land Lot (4號地塊) . . . . .	2017	6.9	6.9
Heishan Town Land Lot (黑山鎮地塊) . . . . .	2017	19.3	19.3
Industrial Park Land Lot (工業園區地塊) . . . . .	2018	6.6	6.6
Heitang Zishe WS-1-007 Land Lot (黑塘子社WS-1-007地塊) . . . . .	2019	177.6	177.6
Heishan Town ww-1326A-08/02 (黑山鎮ww-1326A-08/02地塊) . . . . .	2019	20.8	20.8
Heishan Town ww-1326A-08/02 (黑山鎮ww-1326A-08/02地塊) . . . . .	2019	4.7	4.7
No. 11 Land Lot (11號地塊) . . . . .	2020	16.6	16.6
Yuzi Gang Land Lot (魚子崗地塊) . . . . .	2020	37.8	37.8

### Commercial Trading Business

The Group's commercial trading business mainly consists of two business lines: coal trading and the sale of resettlement housing. The Group engages in its coal trading business through its wholly-owned subsidiary Shengrong. The Group is one of the major coal suppliers in the Development Zone in terms of sale volume. For the year ended 31 December 2020, the Group's sale volume of coal was approximately 3.2 million tonnes. In addition, the Group also engages in the sale of ancillary facilities of resettlement housing projects through its wholly-owned subsidiary Shengji. Shengji not only builds resettlement housing but acquires such resettlement housing from other developers. Approximately 20.0 per cent. of these housing units are sold to former owners of land expropriated for project construction in the Development Zone. The Group's revenue generated by commercial trading business segment is increasing steadily, representing 54.9 per cent of the total revenue of the Group for the year ended 31 December 2020 as compared to a 49.4 per cent. of the total revenue of the Group in 2019.

The commercial trading business of the Group only includes the marketing and sale of coal and resettlement housing. The following table sets forth the breakdown of the goods of the commercial trading:

	Year ended 31 December 2020	
	Amount	%
	(RMB in millions)	
Coal . . . . .	1,948.4	99.1%
Resettlement Housing. . . . .	17.4	0.9%
<b>Total</b> . . . . .	<b>1,965.8</b>	<b>100.0%</b>

### Sales and Marketing

The supplier of coal to the Group is one of the major coal producers in China, Shaanxi Coal Group. The Group purchases coal products from Shaanxi Coal Group and resells the coal to energy companies located within Chongqing. The substantial majority of the Group's customers are located in the Development Zone. In the year ended 31 December 2020, the Group sold 3.2 million tonnes of coal. The majority of the Group's sales in the year ended 31 December 2020 were to electric power stations.

## **Tourism**

### *Overview*

The Group's tourism business is operated and managed through its subsidiary, Chongqing Black Valley Tourism Investment Co., Ltd., with a registered capital of RMB168.2 million. For the years ended 31 December 2018, 2019 and 2020, revenue from the Group's tourism business was RMB134.1 million, RMB137.9 million and RMB107.1 million, respectively, representing 4.4 per cent., 3.8 per cent. and 3.0 per cent. of the total revenue of the Group.

The Group's tourism business includes the management of scenic areas and the operation of hotels and related facilities. Chongqing Black Valley is responsible for the operation, development and management of tourist resources and assets in the Black Valley Scenic Area and provides travel and related services. Black Valley Scenic Area and Dragon Scale Stone Forest Scenic Area (together, the "**Scenic Areas**") are located in south-eastern Chongqing and were designated as national class 5-A tourist attraction on 11 October 2012 and National Geo-parks in October 2012.

### *Business Model*

The Scenic Areas have experienced an overall increase in tourists since it received its national class 5-A designation in 2012. Over 1.6 million, 1.7 million and 1.3 million tourists visited the Scenic Areas for the years ended on 31 December 2018, 2019 and 2020 respectively. Although the operation of the Scenic Areas for the first six months of 2020 was greatly affected by the Covid-19 pandemic, as the pandemic situation had improved, the number of tourists had rebounded significantly in the third quarter of 2020. The revenue from the admission ticket for the years ended 31 December 2018, 2019 and 2020 was RMB134.1 million, RMB137.9 million and RMB107.1 million, respectively, representing 4.4 per cent., 3.8 per cent. and 3.0 per cent. of the Group's total revenue.

The Group generates revenue from the admission fees paid by visitors to Black Valley Scenic Area and the Dragon Scale Stone Forest Scenic Area. Admission ticket prices are subject to the pricing guidelines set forth by the Chongqing Administration for Commodity Prices. In 2010, pursuant to the Notice on the Adjustment of the Ticket of the Black Valley Scenic Area (重慶市物價局關於調整黑山谷景區門票價格的通知), the ticket prices were increased. As at 31 December 2020, a full price admission ticket during the high season and low season is RMB100 and RMB60, respectively, with various discounts applicable to students, senior citizens, military, media, disabled individuals, tour groups or for other promotions.

In addition to revenue generated from admission fees paid by visitors to Black Valley Scenic Area, the Group's tourism business generates revenue through the operation of hotels, restaurants and other related facilities. In addition to the hospitality facilities inside Black Valley Scenic Area, the Group also operates the Xiangshui Village Longevity Hotel (響水村養生酒店) and the Black Valley Vacation Hotel (黑山谷度假酒店), which include hospitality operations and other related services.

The Black Valley Vacation Hotel is located in the south-eastern part of Chongqing Heishan Town. The hotel has 62 rooms, six independent houses, three conference rooms, one Chinese restaurant and banquet hall. The Black Valley Vacation Hotel is located in the south-eastern part of Chongqing. The hotel has 55 rooms, one conference room that can host 150 people, one smaller conference room that can host 60 people, one banquet hall that can seat 144 people, a western style restaurant that can seat 60 people. The Group believes that these facilities can fully meet the various needs of its hotel guests from business to leisure to other special functions.

The Group believes that the Development Zone's key location as a transportation hub as well as current and planned expansions such as the Sannan Railway and the Chongqing Jiangnan Airport, will drive tourism and the demand for hospitality services in the region. Currently, the hotel mainly targets at tourist groups, industry and commercial groups on business travel. The average occupancy rates of the hotels in its low season and hot season were approximately 45.0 per cent. and 85.0 per cent. respectively.

### **Other Businesses**

The Group's other businesses primarily include land transfer, property leasing, water trading and treatment, installation of equipment, selling sports tickets and managing sport events.

For the years ended 31 December 2018, 2019 and 2020, approximately RMB39.5 million, RMB480.4 million and RMB269.3 million, respectively, of the Group's revenue was generated by its other businesses, representing approximately 1.3 per cent., 13.2 per cent. and 7.5 per cent., respectively, of the Group's total revenue.

### **COMPETITION**

The Group has advantages as a state-owned business. The Group is a primary financing, investment, and asset management platform of the Chongqing Municipal Government and enjoys operational and financing advantages in its infrastructure construction, commercial trading and tourism businesses. The Group faces competition mainly with respect to its infrastructure construction and tourism businesses. The Group primarily competes against local, regional and national tourism service operators which have established a presence in Chongqing. The principal competitive factors generally include, among others, pricing strategies adopted by competitors, availability of capital and financing resources, and the planning, design, quality of the projects.

For the Group's commercial trading segment, it competes on the basis of quality and price, reliable and timely delivery, and customer service. The Group faces competition from major domestic coal distributors and their affiliates, including, among others, China National Coal Group Corporation, Datong Coal Mining Group Company and Yankuang Group Company.

### **PROPERTIES**

The Group holds certain building ownership rights and land use rights for its operations. The land is mainly used for infrastructure construction and tourism businesses. The land use rights of the land and property the Group occupies were historically allocated by the Management Committee as a state-owned enterprise in accordance with the relevant PRC laws and regulations. The Group obtains new land use rights from the state through land injection in accordance with applicable regulations.

### **INTERNAL CONTROLS**

The Group has extensive guidelines related to risk management and corporate management. The Group strives to standardise its investment activities and enhance its capital usage efficiency. The Group estimates the amount of capital needed according to its development needs, and it drafts an annual capital usage plan based on such estimates to more efficiently raise and invest capital. The Group has also established a healthy and comprehensive financial auditing mechanism that audits the capital usage and supervises the financial situation of the Group. In addition, the Group engages professional third parties to audit its annual reports and project cost reports.

The Company closely monitors, participates in and influences decisions relating to key investments and appointment of directors, supervisors and senior management of the Group. The Group and the Management Committee normally conduct detailed discussions and follow requisite appraisal procedures to ensure that informed and viable investment decisions are made. Major



equity interest transfer transactions are required to be conducted through public bidding and auction sales based on terms and conditions approved by the Management Committee. As the Management Committee will continue to be the sole shareholder of the Group, the Group believes that the role of the Management Committee and its participation in the Group's operations distinguish the Group from other companies in the industry where it operates and will provide effective assurance for achieving its missions.

## **GOVERNMENT REGULATIONS**

The operations of the Group are subject to various laws and regulations in the jurisdiction in which it operates. The Group's properties are subject to routine inspections by government officials with regard to various safety and environmental issues. The Group believes that it is in compliance in all material respects with government regulations currently in effect in the jurisdictions in which it operates. The compliance with government regulations in relation to its operations which could materially adversely affect its properties or operations, nor is it aware of any pending government legislation that might have a material adverse effect on its properties or operations.

## **EMPLOYEES**

As at 31 December 2020, the Company had 41 employees and the Group had approximately 1,056 employees.

In accordance with the applicable regulations of local governments with jurisdiction over the Group, the Company makes contributions to the pension plans, medical insurance, unemployment insurance, maternity insurance and personal injury insurance for all of its employees. The amount of contribution is based on the specified percentages of employees' aggregate salaries as required by relevant PRC authorities. The Group also makes contributions to an employee housing fund according to applicable PRC regulations. In addition to statutory contributions, the Group provides holiday bonuses and employee training subsidies to employees.

The Group has taken various measures to enhance its employees' skill and expertise. The Group provides training specific to employees at different levels and functions. The Group also provide diversified care to its employees in four aspects, namely, affordable housing, caring for employee families, cultural and sports activities and aid for employees in need.

The Group enters into an employment contract with each of its employees in accordance with applicable law. Such contracts include provisions on wages, vacation, employee benefits, training programmes, health and safety, confidentiality obligations and grounds for termination.

## **HEALTH AND SAFETY**

The Group regards occupational health and safety as one of its important corporate and social responsibilities. The Group's business operations involve significant risks and hazards that could result in damage or destruction of property, death and personal injury, business interruption and possible legal liabilities.

Pursuant to the Work Safety Law of the PRC (中華人民共和國安全生產法), the Regulations on Work Safety Accident Reporting and Investigation (安全生產事故報告和調查處理條例) and the Measures of Work Safety Permits (安全生產許可條例) and Administrative Measures for the Accrual and Utilisation of Work Safety Funds of Enterprises (企業安全生產費用提取和使用管理辦法), the Group has implemented the Measures on Work Safety Management, Emergency Handling Plan for Industrial Accidents, Guidelines on Construction Safety and Quality Standardisation, Fire Accidents Management Plan and Emergency Procedures for Fire Fighting. These and other policies establish and implement operating procedures for work safety, accident handling, accident rescue and safety training.

The Group has also established a work safety committee (安全生產領導小組) and an emergency accident response group (應急救援指揮領導小組). The Group's project management department exercises supervision responsibilities over the work safety protocols in accordance with their prescribed duties.

The Group's ability to comply with local laws is an important consideration before it decides to commence projects. The Group's Audit and Supervision Department oversees compliance with local occupational health, safety and environmental protection requirements. Regular review by its safety, health and environmental protection department are instrumental in monitoring compliance with relevant regulations.

## **INSURANCE**

The Group centralise the management of commercial property insurance, review and assess its risk exposure and risk portfolio on an ongoing basis, and make necessary and appropriate adjustments to its insurance policies in accordance with its needs and the practices of the insurance industry in China, and in order to provide coverage for various types of risks. In addition, The Group contributes to statutory social insurance programs and housing provident funds in accordance with law, and maintain supplementary pension insurance, supplementary medical insurance and personal accident insurance policies.

## **LEGAL PROCEEDINGS AND REGULATORY COMPLIANCE**

As at 31 December 2020, the Group had not involved in any material litigation or arbitration and had no material litigation or claim against it which was pending, imminent or ongoing.

## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT OF THE ISSUER

### DIRECTORS

The following table sets forth certain information with respect to the Company's directors as at the date of this Offering Circular:

Name	Age	Position
Mr. Zhang Guoxun (張果訓) . . . . .	53	Chairman
Mr. Chen Xinguo(陳新國) . . . . .	56	Director and Deputy Manager
Mr. Luo Zongmin (羅宗敏) . . . . .	58	Director and Deputy Manager
Mr. Tan Qiyuan (譚祈元) . . . . .	55	Director and Deputy Manager
Mr. Lu Jianhua (盧建華) . . . . .	55	Director and Deputy Manager
Mr. Tian Renlu (田仁祿) . . . . .	54	Director and Deputy Manager
Mr. Wang Qiming (王啟明) . . . . .	56	Director and Deputy Manager
Ms. Xing Min (幸敏) . . . . .	58	Director and Deputy Manager
Mr. Tan Zhengquan (覃政權) . . . . .	57	Director
Mr. Zhang Qin (張勤) . . . . .	53	Director
Mr. Kuang Yanping (曠豔平) . . . . .	60	Director
Mr. Ruan Fei (阮飛) . . . . .	41	Staff Director

**Mr. Zhang Guoxun** (張果訓), aged 53, is the Chairman of the Company. He has previously served as the Director of the Finance Department of Conglin Town in Nantongkuang District, Deputy Executive of Conglin Town, Deputy Executive of the Youth Town, Deputy Director of the Development Zone Tourism Bureau, Deputy Secretary of the Party Committee of Heishan Town of the Development Zone, Chief Executive of the Heishan Town, Director of the Development Zone Bureau of Commerce. Mr. Zhang holds an undergraduate degree.

**Mr. Chen Xinguo** (陳新國), aged 56, is a Director and Deputy Manager of the Company. He has previously served as the Deputy General Manager of the Chongqing Wansheng Development Zone Development and Investment Group Co., Ltd., Director of the Industrial Park Construction, Director and Party Secretary of the Chongqing Wansheng Development Zone Bureau of Economy and Information, Director and Deputy Party Secretary of the Chongqing Qijiang District Bureau of Statistics, Deputy Party Secretary and Party Secretary and Director of the Chongqing Guanba Town.

**Mr. Luo Zongmin** (羅宗敏), aged 58, is a Director and Deputy Manager of the Company. He has previously served as the Deputy Secretary and Secretary to the Party Committee of Nantong Town, Chief Executive of Nantong Town, Deputy Director of the Economic and Trade Commission of the Development Zone, Director of the Development Zone State Land and Resources Administration, Deputy Director of Qijiang District State Land Resources and Housing Administration, Deputy Secretary to Party Committee of Qijiang District State Land Resources and Housing Administration, Director of the Land Reserve Centre of the Administration Committee, Secretary to the Party Committee of the Land Reserve Centre of the Administration Committee, Director and Secretary of the Party Committee of the Development Zone State Land and Housing Administration. Mr. Luo holds a college diploma.

**Mr. Tan Qiyuan** (譚祈元), aged 55, is a Director and Deputy Manager of the Company. He has previously served as the Section Chief of the Development Zone Education Commission Education Section, Deputy Executive and Chief Executive of Wandong Town and the Deputy Secretary of the Party Committee in Wandong Town, Director of the Office of Wansheng Development Zone, Secretary to Party Committee of the Office of the Development Zone, Director of the Development Zone Human Resources and Social Security Bureau. Mr. Tan holds a postgraduate degree.

**Mr. Lu Jianhua** (盧建華), aged 55, is the Director and Deputy Manager of the Company. He has previously served as the Secretary to the Youth League Committee of the Nantongkuang District, Deputy Executive of Wandong Town, Director of the Development Zone Agricultural Committee, and Director of the Bureau of Urban Utilities and Landscaping of Qijiang District. Mr. Lu holds an undergraduate degree.

**Mr. Tian Renlu** (田仁祿), aged 54, is a Director and Deputy Manager of the Company. He has previously served as an assistant to the Chief Executive of the Youth Town in the Development Zone, Deputy Executive of the Youth Town, Director of Letters and Calls Office of the Development Zone, Secretary to the Construction Committee of Qijiang District, Director of the Bureau of Urban Utilities and Landscaping of the Development Zone.

**Mr. Wang Qiming** (王啟明), aged 56, is a Director and Deputy Manager of the Company. He has previously served as the Director of the Department of Justice in the Development Zone, Director and Party Secretary of the Office of Public Complaints and Proposals Administration, Deputy Director, Director and Party Secretary of the Wansheng Grain Administration, Deputy Director, Director and Party Secretary of the Wansheng Bureau of Culture and Sports and Deputy Chief of Section of the Wansheng Bureau of Education.

**Ms. Xing Min** (幸敏), aged 58, is a Director and Deputy Manager of the Company. She has previously served as the Deputy Secretary and Secretary of the Youth League Committee of the Yu Tianbao Mines of Nantong Bureau of Mining Affairs, Director of the Party Committee Office and Director of the Party and Politics Office, Deputy Director and Director of the District Committee Office, Director of the Development Zone Audit Bureau, Director of the Party Committee of the Development Zone Audit Bureau, Director of the Development Zone Finance Bureau, Secretary of the Finance Bureau. Ms. Xing holds a bachelor's degree.

**Mr. Qin Zhengquan** (覃政權), aged 57, is a Director of the Company. He has previously served as the Deputy Director of the Wansheng Development Zone Education Committee, Deputy Secretary of the Party Committee of the Wansheng Development Zone Education Committee, Deputy Director of the Wansheng Development Zone Committee Education and Work Committee, Director of the Wansheng Development Zone Education Committee, Wansheng Development Zone Bureau of Education and Secretary of the Education and Work Committee.

**Mr. Zhang Qin** (張勤), aged 53, is a Director of the Company. He has previously served as the Deputy Director of the Office of Wansheng Development Zone Bureau of Labour, Deputy Executive and Chief Executive of Nantong Town, Deputy Secretary and Secretary of the Party Committee of Nantong Town, Director of the Wansheng Development Zone Environment Protection Bureau, Secretary of the Party Committee of the Wansheng Development Zone Environment Protection Bureau, Secretary of the Qijiang District Rural Work Committee, Deputy Director of the Agricultural Committee, Director of the Administration of Agriculture, Forestry and Water Resources of Wansheng. Mr. Zhang hold a graduate research degree.

**Mr. Kuang Yanping** (曠豔平), aged 60, is a Director of the Company. He has previously served as the Deputy Director of the Finance Bureau of both Wansheng Development Zone and Qijiang District. He has also served as the Deputy Director of the Wansheng Development Zone Development and Reform Bureau. Mr. Kuang holds an undergraduate degree.

**Mr. Ruan Fei** (阮飛), aged 41, is a Staff Director of the Company. He has previously served as the Section Chief of the Wansheng Development Zone Government Office Secretary Section, Deputy Director of the Wansheng Development Zone Administration of Work Safety, and the Deputy Director of the Administrative Office of Wansheng Development Zone.

## SUPERVISORS

The following table sets forth certain information with respect to the Company's supervisors as at the date of this Offering Circular:

Name	Age	Position
Mr. You Bangling (尤邦令) . . . . .	55	Chairman of the Supervisory Board
Mr. Du Huaqiao (杜華僑) . . . . .	52	Supervisor
Mr. Hu Dazhang (胡大章) . . . . .	51	Supervisor
Mr. Liu Yi (劉毅) . . . . .	48	Supervisor
Ms. Chen Xiaolan (陳曉蘭) . . . . .	51	Staff Supervisor

**Mr. You Bangling** (尤邦令), aged 55, is the Chairman of the Supervisory Board of the Company. He has previously served as the Secretary and Deputy Secretary of the Party Committee of Conglin Township, Wansheng District, Deputy Secretary, Township Head, and Party Secretary of Jingxing Township, Wansheng District, Secretary of the Party Committee of Nantong Town, Wansheng District, Director of Wansheng District Urban and Rural Construction Committee and Qijiang District Environmental Protection Bureau and party secretary of the Construction Bureau. Mr. You holds a graduate degree.

**Mr. Du Huaqiao** (杜華僑), aged 52, is a Supervisor of the Company. He has previously served as Deputy Secretary of the Party Committee and Secretary of the Disciplinary Committee of Wandong Town, Wansheng District, Chongqing, and Deputy Secretary of the Disciplinary Committee of Qijiang District, Chongqing. Mr. Du holds a bachelor's degree.

**Mr. Hu Dazhang** (胡大章), aged 51, is a Supervisor of the Company. He has previously served as Director of the Party and Government Office of Nantong Town, Wansheng District, Chongqing City, Chief of Organisation Section of Chongqing Wansheng District Committee Organisation Department, Deputy Divisional Organiser of Chongqing Municipal Committee Organisation Department to Wansheng District Committee and Chongqing Wansheng Economic Development Zone Deputy Director of the Organisation Department of the Party Working Committee. Mr. Hu holds a college degree.

**Mr. Liu Yi** (劉毅), aged 48, is a Supervisor of the Company. He has previously served as Director of the Office of the Family Planning Commission of Wansheng District, Chongqing City, Member of the Party Committee and Secretary of the Disciplinary Committee of Nantong Town, Wansheng District, Chongqing and Deputy Director of the Organisation Department of the Party Working Committee of Chongqing Wansheng Economic Development Zone. Mr. Liu holds a bachelor's degree.

**Ms. Chen Xiaolan** (陳曉蘭), aged 51, is a Staff Supervisor of the Company. She has previously served Deputy Director of the Office of the People's Procuratorate of Wansheng District, Chongqing City, Deputy Director and Director of the Office of the Personnel Bureau of Chongqing Wansheng District, Deputy Director of the Human Resources and Social Security Bureau of Chongqing Wansheng District, Deputy Director of the Human Resources and Social Security Bureau of Chongqing Qijiang District, Deputy Director and Party Committee Member of the Organisation Department of Wansheng Economic and Technological Development Zone, Deputy Director and Party Committee Member of the Human Resources and Social Security Bureau of Wansheng Economic and Technological Development Zone. Ms. Chen holds a graduate degree.

## SENIOR MANAGEMENT

The table below sets forth certain information regarding the Company's senior management members:

<u>Name</u>	<u>Age</u>	<u>Position</u>
Mr. Chen Xinguo(陳新國) .....	56	Deputy General Manager (acting on behalf of General Manager)
Mr. Luo Zongmin (羅宗敏) .....	58	Deputy Manager
Mr. Tan Qiyuan (譚祈元) .....	55	Deputy Manager
Mr. Lu Jianhua (盧建華) .....	55	Deputy Manager
Mr. Tian Renlu (田仁祿) .....	54	Deputy Manager
Ms. Xing Min (幸敏) .....	58	Deputy Manager

See “ – Directors” for the description of Mr. Chen Xinguo, Mr. Luo Zongmin, Mr. Tan Qiyuan, Mr. Lu Jianhua, Mr. Tian Renlu, and Ms. Xing Min.



## PRC REGULATIONS

*This section summarises the principal PRC laws and regulations which are relevant to the issue of the Bonds and the provision by the LC Bank of the Standby Letter of Credit. As this is a summary, it does not contain a detailed analysis of the PRC laws and regulations which are relevant to the Bonds and the LC Bank.*

### **The PRC Legal System**

The PRC legal system is based on the PRC Constitution and is made up of written laws, regulations, directives and local laws and laws resulting from international treaties entered into by the PRC Government. In general, court judgments do not constitute binding precedents. However, they are used for the purposes of judicial reference and guidance.

The National People's Congress of the PRC (the "NPC") and the Standing Committee of the NPC are empowered by the PRC Constitution to exercise the legislative power of the State. The NPC has the power to amend the PRC Constitution and enact and amend basic laws governing State agencies and civil, criminal and other matters. The Standing Committee of the NPC is empowered to enact and amend all laws except for the laws that are required to be enacted and amended by the NPC.

The State Council is the highest organ of the state administration and has the power to enact administrative rules and regulations. The ministries and commissions under the State Council are also vested with the power to issue orders, directives and regulations within the jurisdiction of their respective departments. All administrative rules, regulations, directives and orders promulgated by the State Council and its ministries and commissions must be consistent with the PRC Constitution and the national laws enacted by the NPC and the Standing Committee of the NPC. In the event that a conflict arises, the Standing Committee of the NPC has the power to annul administrative rules, regulations, directives and orders. The People's Congresses or their standing committees of the comparatively larger cities may, in light of the specific local conditions and actual needs, formulate local regulations, provided that they do not contradict the PRC Constitution, the national laws, the administrative regulations and the local regulations of their respective provinces or autonomous regions, and they shall submit the regulations to the standing committees of the People's Congresses of the provinces or autonomous regions for approval before implementation.

At the regional level, the provincial and municipal congresses and their respective standing committees may enact local rules and regulations and the people's governments may promulgate administrative rules and directives applicable to their own administrative areas. These local rules and regulations must be consistent with the PRC Constitution, the national laws and the administrative rules and regulations promulgated by the State Council.

The State Council, provincial and municipal governments may also enact or issue rules, regulations or directives in new areas of the law for experimental purposes or in order to enforce the law. After gaining sufficient experience with experimental measures, the State Council may submit legislative proposals to be considered by the NPC or the Standing Committee of the NPC for enactment at the national level.

The PRC Constitution vests the power to interpret laws in the Standing Committee of the NPC. The Supreme People's Court, in addition to its power to give general interpretation on the application of laws in judicial proceedings, also has the power to interpret specific cases. The State Council and its ministries and commissions are also vested with the power to interpret rules and regulations that they have promulgated. At the regional level, the power to interpret regional rules and regulations is vested in the regional legislative and administrative bodies which promulgated such laws.

## **The PRC Judicial System**

Under the PRC Constitution and the Law of Organisation of the People's Courts, the judicial system is made up of the Supreme People's Court, the local courts, military courts and other special courts.

The local courts are comprised of the basic courts, the intermediate courts and the higher courts. The basic courts are organised into civil, criminal, economic, administrative and other divisions. The intermediate courts are organised into divisions similar to those of the basic courts, and are further organised into other special divisions, such as the intellectual property division. The higher level courts supervise the judicial work of the basic and intermediate courts. The people's procuratorates also have the right to exercise legal supervision over the civil proceedings of courts of the same level and lower levels. The Supreme People's Court is the highest judicial body in the PRC. It supervises the administration of justice by all other courts.

The courts employ a two-tier appellate system. A party may appeal against a judgment or order of a local court to the court at the next higher level. Second judgments or orders given at the next higher level and the first judgments or orders given by the Supreme People's Court are final. If, however, the Supreme People's Court or a court at a higher level finds an error in a judgment which has been given by any court at a lower level, or the president of a court finds an error in a judgment which has been given in the court over which he presides, the case may then be retried in accordance with the judicial supervision procedures.

The Civil Procedure Law of the PRC, which was adopted on 9 April 1991 and amended on 28 October 2007, 31 August 2012 and 27 June 2017, sets forth the criteria for instituting a civil action, the jurisdiction of the courts, the procedures to be followed for conducting a civil action and the procedures for enforcement of a civil judgment or order. All parties to a civil action conducted within the PRC must comply with the Civil Procedure Law. Generally, a civil case is initially heard by a local court of the municipality or province in which the defendant resides. The parties to a contract may, by express agreement, select a jurisdiction where civil actions may be brought, provided that the jurisdiction is either the plaintiff's or the defendant's place of residence, the place of execution or implementation of the contract or the place of the object of the contract. However, such selection cannot violate the stipulations of grade jurisdiction and exclusive jurisdiction in any case.

A foreign individual or enterprise generally has the same litigation rights and obligations as a citizen or legal person of the PRC. If a foreign country's judicial system limits the litigation rights of PRC citizens and enterprises, the PRC courts may apply the same limitations to the citizens and enterprises of that foreign country within the PRC. If any party to a civil action refuses to comply with a judgment or order made by a court or an award granted by an arbitration panel in the PRC, the aggrieved party may apply to the competent court to request for enforcement of the judgment, order or award. The time limit imposed on the right to apply for such enforcement is three years. If a person fails to satisfy a judgment made by the court within the timeframe stipulated in the judgement, the court will, upon application by either party, mandatorily enforce the judgment.

Where a party applies for enforcement of an effective judgment or ruling of a court, if the party against whom enforcement is sought or the property thereof is not within the territory of the PRC, the applicant may apply directly to the foreign court having jurisdiction for recognition and enforcement, or apply to a PRC court for such court to request recognition and enforcement by the foreign court in accordance with the provisions of an international treaty concluded or acceded to by the PRC or under the principle of reciprocity. Where a valid and effective judgment or ruling of a foreign court requires recognition and enforcement by a court of the PRC, a party may apply directly to the intermediate court of the PRC having jurisdiction for recognition and enforcement, or apply to the foreign court for the foreign court to request recognition and enforcement by the PRC court in accordance with the provisions of an international treaty concluded or acceded to by the PRC or under the principle of reciprocity. After examining an application or request for

recognition and enforcement of a valid and effective judgment or ruling of a foreign court in accordance with an international treaty concluded or acceded to by the PRC or under the principle of reciprocity, a PRC court shall issue a ruling to recognise the legal force of the judgment or ruling and issue an order for enforcement as needed to enforce the judgment or ruling according to the relevant provisions of the Civil Procedure Law of the PRC if the PRC court deems that the judgment or ruling does not violate the basic principles of the laws of the PRC and the sovereignty, security and public interest of the PRC. If the judgment or ruling violates the basic principles of the laws of the PRC or the sovereignty, security or public interest of the PRC, the PRC court shall not grant recognition and enforcement.

## **NDRC REGISTRATION AND REPORT IN RELATION TO FOREIGN DEBTS MANAGEMENT**

On 14 September 2015, the NDRC issued the Notice on Promoting the Reform of the Filing and Registration System for the Issuance of Foreign Debts by Corporates (Fa Gai Wai Zi [2015]No.2044) (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) (the “**NDRC Circular 2044**”), which became effective on the same day. In order to encourage the use of low-cost capital in the international capital markets in promoting investment and steady growth and to facilitate cross-border financing, the NDRC Circular 2044 abolished the case-by-case quota review and approval system for the issuance of foreign debts by PRC enterprises and set forth the following measures to promote the administrative reform of the issuance of foreign debts by PRC enterprises or overseas enterprises and branches controlled by PRC enterprises:

- steadily promote the administrative reform of the filing and registration system for the issuance of foreign debts by enterprises;
- increase the size of foreign debts issued by enterprises, and support the transformation and upgrading of key sectors and industries;
- simplify the filing and registration of the issuance of foreign debts by enterprises; and
- strengthen supervision during and after the process to prevent risks.

For the purposes of the NDRC Circular 2044, “foreign debts” means RMB-denominated or foreign currency-denominated debt instruments with a maturity of over one year which are issued offshore by PRC enterprises and their controlled offshore enterprises or branches and for which the principal and interest are repaid as agreed, including offshore bonds and long-term and medium-term international commercial loans, etc. According to this definition, offshore bonds issued by both PRC enterprises and their controlled offshore enterprises or branches shall be regulated by the NDRC Circular 2044.

Pursuant to the NDRC Circular 2044, an enterprise shall: (i) apply to the NDRC for the filing and registration procedures prior to the issuance of the bonds; and (ii) shall report the information on the issuance of the bonds to NDRC within 10 working days after the completion of each issuance.

The materials to be submitted by an enterprise shall include an application report and an issuance plan, setting out details such as the currency, size, interest rate, term, use of proceeds and remittance details. The NDRC shall decide whether to accept an application within five working days of receipt and shall issue an Enterprise Foreign Debt Pre-issuance Registration Certificate within seven working days of accepting the application.

To issue foreign debts, an enterprise shall meet these basic conditions:

- have a good credit history with no default in its issued bonds or other debts;
- have sound corporate governance and risk prevention and control mechanisms for foreign debts; and
- have a good credit standing and relatively strong capability to repay its debts.

Pursuant to the NDRC Circular 2044, the NDRC shall control the overall size of foreign debts that can be raised by PRC enterprises and their controlled overseas branches or enterprises. Based on trends in the international capital markets, the needs of the PRC economic and social development and the capacity to absorb foreign debts, the NDRC shall reasonably determine the overall size of foreign debts and guide the funds towards key industries, key sectors, and key projects encouraged by the State, and effectively support the development of the real economy. When the limit of the overall size of foreign debts has been exceeded, the NDRC shall make a public announcement and shall no longer accept applications for filing and registration. According to the NDRC Circular 2044, the proceeds raised may be used onshore or offshore according to the actual needs of the enterprises, but priority shall be given to supporting investment in major construction projects and key sectors, such as “One Belt and One Road”, the coordinated development of Beijing, Tianjin, and Hebei province, the Yangtze River Economic Belt, international cooperation on production capacity, and the manufacturing of equipment. As the NDRC Circular 2044 was published relatively recently, certain detailed aspects of its interpretation and application remain subject to further clarification. The Company undertakes that it will comply with the requirements of the NDRC Circular 2044 in respect of the Bonds.

## 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 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 and VAT

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

Such income tax shall be withheld by the Issuer acting as the obligatory withholder, and the Issuer shall withhold the tax amount from each payment. 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-resident enterprise or individual Bondholders.

Under the EIT Law and its implementation rules, any gains realised on the transfer of the Bonds by holders who are deemed under the EIT Law as non-resident enterprises may be subject to PRC enterprise income tax if such gains are regarded as income derived from sources within the PRC. Under the EIT Law, a “non-resident enterprise” means an enterprise established under the laws of a jurisdiction other than the PRC and whose actual administrative organisation is not in the PRC, which has established offices or premises in the PRC, or which has not established any offices or premises in the PRC but has obtained income derived from sources within the PRC. There remains uncertainty as to whether gains realised on the transfer of 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 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 Tax 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.

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 foreign entities or individuals do not have a business establishment in the PRC, the purchaser of 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 processing services, financial services of direct charges, insurance services and the transfer of financial instruments, and the VAT rate is 6 per cent. Accordingly, the interest and other interest-like earnings received by a non-PRC 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 certain other amounts on the Bonds paid by the Issuer to Bondholders that are non-resident enterprises or individuals. 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 PRC 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. However, despite the withholding of PRC tax by the Issuer, the Issuer has agreed to pay additional amounts to holders of the Bonds so that holders of the Bonds would receive the full amount of the scheduled payment, as further set out in “*Terms and Conditions*”.

If the LC Bank makes any payments in respect of interest on the Bonds under the Standby Letter of Credit, the LC Bank may be obliged to withhold PRC enterprise income tax at the rate of up to 10 per cent. on such payments to non-PRC resident enterprise Bondholders as such payments will be regarded as being derived from sources within the PRC, and VAT and surcharges at a rate around 6.72% may also be applicable. However, despite the withholding of PRC tax by the LC Bank, the LC Bank has agreed to pay additional amounts to holders of the Bonds so that holders of the Bonds would receive the full amount of the scheduled payment, as further set out in the Standby Letter of Credit.

### **Stamp Duty**

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

### **Profits Tax**

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

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

- (i) interest on the Bonds is derived from Hong Kong and is received by or accrues to a corporation carrying on a trade, profession or business in Hong Kong;
- (ii) interest on the Bonds is derived from Hong Kong and is received by or accrues to a person, other than a corporation, carrying on a trade, profession or business in Hong Kong and is in respect of the funds of that trade, profession or business;
- (iii) interest on the Bonds is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance (Cap. 112) of Hong Kong (the “**IRO**”)) and arises through or from the carrying on by the financial institution of its business in Hong Kong; or
- (iv) interest on the Bonds is received by or accrues to a corporation, other than a financial institution, and arises through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO).

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

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

### **Stamp Duty**

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

## SUBSCRIPTION AND SALE

The Issuer has entered into a subscription agreement with the Managers dated 27 July 2021 (the “**Subscription Agreement**”), pursuant to which and subject to certain conditions contained therein, the Issuer has agreed to sell to the Managers, and the Managers have agreed to, severally but not jointly, subscribe and pay for, or to procure subscribers to subscribe and pay for, the aggregate principal amount of the Bonds indicated in the following table.

	<b>Principal amount of the Bonds to be subscribed</b>
	<b>U.S.\$</b>
ICBC International Securities Limited .....	74,000,000
Hua Xia Bank Co., Limited Hong Kong Branch .....	5,000,000
Industrial Bank Co., Ltd. Hong Kong Branch .....	5,000,000
Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch .....	5,000,000
<b>Total</b> .....	<b>89,000,000</b>

The Subscription Agreement provides that the 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 Managers are subject to certain conditions precedent, and entitles the Managers to terminate it in certain circumstances prior to payment being made to the Issuer.

The Managers and certain of their respective subsidiaries or affiliates have performed certain investment banking and advisory services for, and entered into certain commercial banking transactions with, the Issuer and/or its subsidiaries, from time to time, for which they have received customary fees and expenses. The Managers and their respective subsidiaries or affiliates may, from time to time, engage in transactions with and perform services for the Issuer and/or its subsidiaries in the ordinary course of business.

In connection with the offering of the Bonds, the Managers and/or their respective affiliate(s) may act as an investor for their own account and may take up Bonds in the offering and in that capacity may retain, purchase or sell for their 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 Managers and/or their respective affiliates acting in such capacity. Such persons do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so. The Managers or their respective affiliates may purchase the Bonds for their own account or for the accounts of their customers and enter into transactions, including credit derivative, such as asset swaps, repackaging and credit default swaps relating to the Bonds and/or other securities of the Issuer 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).

In connection with the issue of the Bonds, the Managers and/or their respective affiliate(s) or any person acting on their behalf 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 Managers and/or their respective affiliate(s) 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 Managers or their respective affiliate(s) or any person acting on their 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 Managers.

If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Managers or any affiliate of the Managers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the 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 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 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 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 and the Standby Letter of Credit have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States except pursuant to an exception from, or in a transaction not subject to, the registration requirements of the Securities Act.

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

- (a) it and its affiliates has not offered or sold, and will not offer or sell, any Bonds constituting part of its allotment within the United States except in accordance with Rule 903 of Regulation S; and
- (b) neither it nor any of its affiliates (nor any person acting on behalf of any Manager or any of its affiliates) has engaged or will engage in any directed selling efforts (as defined in Regulation S) with respect to the Bonds.

## **UNITED KINGDOM**

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

- (a) it has only communicated or caused to be communicated, and will only communicate or cause to be communicated any 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 any Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

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

## **HONG KONG**

Each of the Managers has represented, warranted and undertaken 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 (a) to Professional Investors as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “SFO”) and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the “C(WUMP)O”) or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and
- (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 in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Bonds which are or are intended to be disposed of only to persons outside Hong Kong or only to Professional Investors as defined in the SFO and any rules made thereunder.

## **PRC**

Each of the 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.

## **SINGAPORE**

Each of the Managers has acknowledged that this Offering Circular has not been and will not be registered as a prospectus with the Monetary Authority of Singapore under SFA. Accordingly, each of the 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 any person in Singapore other than (i) to an institutional investor under Section 274 of the SFA, (ii) to a relevant person 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 (as defined in section 2(1) of the SFA) or securities-based derivatives contracts (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 as defined in Section 275(2) of the SFA, 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 Derivative Contracts) Regulations 2018 of Singapore.

## **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**”). Accordingly, each of the Managers has represented, warranted 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 MATERIAL 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 material differences exist between PRC GAAP and IFRS which might be relevant to the Issuer's financial information. The following is a general summary of certain material 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 advisors 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.

## GENERAL INFORMATION

- 1. Clearing Systems:** The Bonds have been accepted for clearance through Euroclear and Clearstream under Common Code number 235229072 and the International Securities Identification Number for the Bonds is XS2352290725. The Legal Entity Identifier code of the Issuer is 549300DJXWW42J34BY91.
- 2. Authorisations:** The issue of the Bonds and entry into the transaction documents relating thereto were authorised by a resolution of the board of directors of the Issuer dated 25 December 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 the filing of the requisite information and documents with the NDRC within 10 Registration Business Days after the Issue Date and the registration of the Bonds with the SAFE within 15 business days after entering into a foreign debt agreement or within fifteen business days after the closing date of such issuance according to Administrative Approval Service Guidelines (境內機構外債、對外或有負債、外債轉貸款審批、登記及履約核行政審批服務南) published by SAFE on 10 November 2020 and became effective on the same date as required under the Interim Provision on the Management of Foreign Debt and the Administrative Measures for Foreign Debt Registration (外債登記管理辦法).
- 3. No Material Adverse Change:** There has been no material adverse change, or any development or event involving a prospective change, in the condition (financial or otherwise), prospects (financial or otherwise), results of operations or general affairs of the Issuer or the Group since 31 December 2020.
- 4. Litigation:** None of the Issuer or any member of 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, the Agency Agreement and the Standby Letter of Credit relating to the Bonds will be available for inspection from the Issue Date at the principal place of business of the Trustee currently at One Canada Square, London E14 5AL, United Kingdom during normal business hours (being 9.00 a.m. to 3.00 p.m. Monday to Friday, public holidays excepted), so long as any Bond is outstanding.
- 6. Financial Statements:** The Issuer's consolidated financial statements as at and for the years ended 31 December 2019 and 2020 have been audited by Asia Pacific. Asia Pacific has given and not withdrawn its consent to the inclusion of its reports to the Issuer included in this Offering Circular in the form and context in which they appear.
- 7. LC Bank Financial Statements:** Copies of the latest annual and interim reports of ICBC, as well as its public filings, can be downloaded free of charge from the website of the Hong Kong Stock Exchange on the Internet at [www.hkex.com.hk](http://www.hkex.com.hk). No representation, express or implied, is made by the Managers, the Trustee or the Agents, and none of them takes any responsibility, for the accuracy, completeness or sufficiency of any information available on such website.
- 8. Listing of Bonds:** Application will be made to the Hong Kong Stock Exchange 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 2 August 2021.

## INDEX TO FINANCIAL STATEMENTS

<b>Audited consolidated financial statements of the Issuer as at and for the years ended 31 December 2018, 2019 and 2020</b>	<b>Page</b>
Auditors' Report .....	F-4
Consolidated Balance Sheet.....	F-9
Consolidated Profit Statement .....	F-13
Consolidated Cash Flows Statements .....	F-15
Consolidated Statement of Changes in Owners' Equity .....	F-17
Notes to the Financial Statements.....	F-23



**Chongqing Wansheng Economic and  
Technological Development Zone  
Development & Investment Group Co., Ltd.**

**Audit Report**

**Asia Pacific (Group) Certified Public Accountants  
(Special General Partnership)**





## Contents

Audit Report	1-5
Consolidated Balance Sheet	6-7
Balance Sheet of the Parent Company	8-9
Consolidated Profit Statement	10
Profit Statement of the Parent Company	11
Consolidated Cash Flow Statement	12
Cash Flow Statement of the Parent Company	13
Consolidated Statement of Changes in Owner's Equities	14-16
Statement of Changes in Owner's Equities of the Parent Company	17-19
Notes to Financial Statement	20-141



Asia Pacific (Group) Certified Public Accountants (Special General  
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## **Audit Report**

**Y K S Z (2021) No. 01110628**

**To all shareholders in Chongqing Wansheng Economic and Technological Development Zone  
Development & Investment Group Co., Ltd.:**

### **I. Audit Opinions**

We audited the consolidated and the parent company's financial statements (hereinafter referred to as the financial statements) of Chongqing Wansheng Economic and Technological Development Zone Development & Investment Group Co., Ltd. (hereinafter referred to as Wansheng Development Investment Company), including the consolidation and the parent company's balance sheets on December 31, 2020, December 31, 2019 and December 31, 2018, the consolidation and the parent company's profit statements, the consolidation and the parents' cash flow statements, the consolidation and the parent company's statement of changes in owner's equities and the relevant notes to financial statements in 2020, 2019 and 2018 .

From our point of view, all the important parts of financial statements of your company are prepared in accordance with the provisions of the accounting standards for business enterprises and fairly reflect your company's consolidation and parent company's financial condition on December 31,2020, December 31, 2019 and December 31, 2018 as well as the consolidation and



parent company's operation achievement and cash flow in 2020, 2019 and 2018 of Wansheng Development Investment Company.

## **II. Basis for Forming Audit Opinions**

We have executed the audit in accordance with provisions in the auditing standards of Chinese Certified Public Accountants. The "Responsibilities of Certified Public Accountant for the Financial Statement Audit" section in this audit report further explicates our responsibilities under these standards. According to codes of professional ethics on Chinese Certified Public Accountants, we are independent from Wansheng Development Investment Company and we implement other responsibilities on codes of professional ethics. We believe that, the audit evidences we've obtained are sufficient and appropriate to provide a basis for issuing audit opinions.

## **III. Responsibilities of Management and Governance for Financial Statements**

The management authority is responsible for preparing financial statements in accordance with provisions of accounting standards for business enterprises to realize a fair reflection of financial conditions, and also for designing, implementing as well as maintaining necessary internal control to avoid material misstatement in the financial statements caused by fraudulent practices or errors.

During the preparation of financial statements, the management layer is responsible for assessing continuous operation capacity of Wansheng Development Investment Company, disclosing relevant matters of continuing operation and applying the continuing operation hypothesis, unless the management is planning to clear Wansheng Development Investment Company and terminate operation or has no other realistic choice.

The governance was responsible for supervising the process of Wansheng Development Investment Company's process of financial report.

#### **IV. Responsibilities of Certified Public Accountant for the Financial Statement Audit**

Our goal is to acquire a reasonable guarantee to determine if there is any material misstatement in financial statements caused by fraudulent practices or errors, with an audit report (including audit opinions) issued thereby. Although regarded as a high-level guarantee, such reasonable guarantee still can't ensure that the audit conducted in accordance with auditing standards can always find every material misstatement (if any). Misstatements may be caused by fraudulent practices or errors, and if the reasonably expected misstatements may (individually or jointly) interfere with economic decisions made by the financial statement users according to such statements, these misstatements are generally deemed as material.

During the audit conducted in line with auditing standards, we have adopted professional judgment and kept professional skepticism all the time. Meanwhile, we have also completed the following tasks:

1. Identify and assess the risks of material misstatements in financial statements caused by fraudulent practices or errors; design and implement auditing procedures to deal with these risks; also, obtain sufficient and appropriate audit evidences to provide a basis for issuing audit opinions. Since fraudulent practice may involve collusion, counterfeit, deliberate omission, misrepresentation or overriding of internal control, the risk of failure to find material misstatements caused by fraudulent practices is higher than that caused by errors.

2. Know about the internal control related to the audit, thus to design proper audit procedures (this doesn't mean to issue opinions on the effectiveness of such internal control).

3. Evaluate the appropriateness of accounting policies adopted by the management authority, as well as the reasonableness of accounting estimations and related disclosures.

4. Draw a conclusion on the appropriateness of "continuous operation" assumption adopted by the management authority. At the same time, according to the obtained audit evidences, a

conclusion can be possibly drawn to the material uncertainty of matters or conditions that may lead to a major concern for the continuous operation ability of Wansheng Development Investment Company. If such material uncertainty exists as concluded, according to the auditing standards, we shall, in this audit report, draw the report users' attention to related disclosures in the financial statements. if such disclosures are inadequate, we shall modify our opinionOur conclusion is based on the information obtained as of the audit report date. However, future matters or conditions may cause failure of continuous operation of Wansheng Development Investment Company.

5. Make evaluations about the overall presentations, structures and contents (including the disclosures) of financial statement, and about whether such statements fairly reflect relevant transactions and matters.

6. Obtain sufficient and appropriate audit evidence for the financial information in the entity or business activities of Wansheng Development Investment Company to make an audit opinion on the financial statements. We are responsible for guiding, supervising and implementing the group audit, and fully responsible for audit opinions.

We have communicated with the governance about the planned audit scope, scheduling and material audit findings, including the noteworthy deficiency of internal control identified during auditing.

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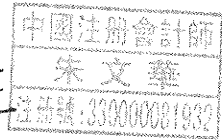
Asia Pacific (Group) Certified Public Accountants  
(Special General Partnership)

China · Beijing

Chinese Certified Public Accountant  
(Project partner)



Chinese Certified Public Accountant:



June 10, 2021

## Consolidated Balance Sheet

Prepared by: Chongqing Wansheng Economic and Technological  
Development Zone Development & Investment Group Co., Ltd.

Unit: RMB Yuan

Item	Notes	31-Dec-20	31-Dec-19	31-Dec-18
<b>Current assets:</b>				
Monetary capital	VI.(I)	877,819,397.48	770,133,704.19	1,074,757,725.68
Settlement provisions*				
Lendings to Banks and Other Financial Institutions*				
Financial asset which is calculated based on fair value and whose changes are counted into current profit and loss				
Derivative financial assets				
Bills receivable	VI.(II)	9,898,810.23	6,122,000.00	7,126,626.40
Accounts receivable	VI.(III)	854,518,580.30	513,856,186.94	648,392,099.42
Advance payment	VI.(IV)	1,181,864,629.29	1,779,844,814.16	907,475,126.85
Premium receivable*				
Reinsurance accounts receivable*				
Reinsurance contract reserves receivable*				
Other receivables	VI.(V)	3,847,722,469.25	3,652,261,107.96	2,481,001,953.02
Wherein: Interest receivable				
Dividend receivable				
Recoursable financial assets acquired				
Inventories	VI.(VI)	30,096,981,218.77	29,147,060,090.32	28,651,210,113.54
Held-for-sale assets				
Non-current assets maturing within one year				
Other current assets	VI.(VII)	64,189,396.47	76,013,386.51	41,035,661.02
<b>Total current assets</b>		<b>36,932,994,501.79</b>	<b>35,945,291,290.08</b>	<b>33,810,999,305.93</b>
<b>Non-current assets:</b>				
Granting of loans and advance payments				
Available-for-sale financial assets	VI.(VIII)	907,910,882.50	926,509,958.14	638,407,783.14
Held-to-maturity investment				
Long-term receivables	VI.(IX)	3,444,843,476.44	3,615,478,143.11	1,413,005,262.55
Long-term equity investment	VI.(X)	74,447,675.05	54,194,706.92	73,432,587.81
Investment property	VI.(XI)	1,204,746,743.22	1,290,116,722.47	488,671,290.52
Fixed assets	VI.(XII)	1,110,730,981.11	1,065,015,326.57	1,095,904,320.72
Project under construction	VI.(XIII)	6,402,748,505.08	5,352,120,983.20	4,322,043,696.20
Productive biological assets		82,956,914.71	134,373.72	155,233.01
Oil and gas assets				
Intangible assets	VI.(XIV)	14,555,850.09	14,960,245.79	12,636,936.56
Development expenditures				
Business reputation	VI.(XV)	3,949,181.16	3,949,181.16	3,949,181.16
Long-term deferred expenses	VI.(XVI)	11,770,764.67	11,695,427.67	17,790,609.09
Deferred income tax asset	VI.(XVII)	46,992,314.57	15,270,449.89	14,259,834.72
Other non-current assets	VI.(XVIII)	1,442,372,203.86	1,442,372,203.86	1,443,140,175.91
<b>Total non-current assets</b>		<b>14,748,025,492.46</b>	<b>13,791,817,722.50</b>	<b>9,523,396,911.39</b>
<b>Total assets</b>		<b>51,681,019,994.25</b>	<b>49,737,109,012.58</b>	<b>43,334,396,217.32</b>

Notes to financial statements attached are components of the financial statement.

The legal representative:

Principal of accounting work:

Principal of accounting mechanism:

Note: Items marked with "\*" are line items dedicated to financial enterprises.

## Consolidated Balance Sheet (Continued)

Prepared by: Chongqing Wansheng Economic and Technological  
Development Zone Development & Investment Group Co., Ltd.

Unit: RMB Yuan

Item	Notes	31-Dec-20	31-Dec-19	31-Dec-18
<b>Current liabilities:</b>				
Short-term borrowings	VI.(XIX)	1,496,590,081.02	2,178,860,000.00	62,000,000.00
Loans from Central Bank				
Borrowings from Banks and Other Financial Institutions				
Financial liability which is calculated based on fair value and whose changes are counted into current profit and loss				
Derivative financial liabilities				
Notes payable	VI.(XX)	99,908,353.95	4,916,123.00	-
Accounts payable	VI.(XXI)	1,240,132,160.17	930,237,702.16	699,509,754.43
Advance received	VI.(XXII)	1,771,655,633.56	1,765,125,091.99	2,119,825,489.54
Financial assets sold for repurchase*				
Deposits from customers and interbank*				
Insurance contract reserves*				
Acting trading securities*				
Employee remunerations payable	VI.(XXIII)	5,298,230.09	4,404,776.61	3,859,646.99
Taxes payable	VI.(XXIV)	654,130,242.12	555,314,485.51	372,125,135.36
Other payable	VI.(XXV)	2,902,301,271.50	2,646,015,383.88	1,246,432,231.81
Wherein: Interest payable		423,033,317.36	376,646,319.40	263,482,053.48
Dividend payable		15,859,097.55	6,015,594.62	6,015,594.62
Handling fees payable and commissions*				
Dividend payable for reinsurance*				
Held-for-sale liabilities				
Non-current liabilities maturing within one year	VI.(XXVI)	2,867,151,953.08	1,962,601,192.30	1,975,815,493.83
Other current liabilities	VI.(XXVII)	300,000,000.00	500,000,000.00	-
<b>Total current liabilities</b>		<b>11,337,167,925.49</b>	<b>10,547,474,755.45</b>	<b>6,479,567,751.96</b>
<b>Non-current liabilities:</b>				
Reserve fund for insurance contracts*				
Long-term borrowings	VI.(XXVIII)	3,628,114,085.09	2,555,216,485.09	2,570,393,300.00
Bonds payable	VI.(XXIX)	9,772,843,179.01	10,021,395,882.05	7,552,480,906.14
Wherein: Preferred shares				
Perpetual capital securities				
Long-term payables	VI.(XXX)	3,311,508,198.40	3,047,399,463.80	3,074,503,712.29
Long-term employee remunerations payable				
Estimated liabilities				
Deferred revenue	VI.(XXXI)	96,578,316.81	6,578,316.81	6,578,316.81
Deferred income tax liabilities				
Other non-current liabilities				
<b>Total non-current liabilities</b>		<b>16,809,043,779.31</b>	<b>15,630,590,147.75</b>	<b>13,203,956,235.24</b>
<b>Total liabilities</b>		<b>28,146,211,704.80</b>	<b>26,178,064,903.20</b>	<b>19,683,523,987.20</b>
<b>Owner's equities:</b>				
Paid-in capital (capital stock)	VI.(XXXII)	2,000,000,000.00	2,000,000,000.00	2,000,000,000.00
Other equity instruments				
Wherein: Preferred shares				
Perpetual capital securities				
Capital reserves	VI.(XXXIII)	16,472,348,238.06	16,522,010,893.44	16,241,910,893.44
Minus: Treasury share				
Other comprehensive earnings				
Specific reserves		861,027.10	698,915.81	652,791.56
Surplus reserves		210,916,841.07	196,404,374.09	181,979,309.30
General risk reserve*				
Undistributed profits	VI.(XXXIV)	2,673,650,868.33	2,533,760,772.29	2,307,202,142.21
<b>Total owner's equities attributable to the parent company</b>		<b>21,357,776,974.56</b>	<b>21,252,874,955.63</b>	<b>20,731,745,136.51</b>
Minority equity		2,177,051,314.89	2,306,169,153.75	2,919,127,093.61
<b>Total owner's equities</b>		<b>23,534,808,289.45</b>	<b>23,559,044,109.38</b>	<b>23,650,872,230.12</b>
<b>Total liabilities and owner's equities</b>		<b>51,681,019,994.25</b>	<b>49,737,109,012.58</b>	<b>43,334,396,217.32</b>

Notes to financial statements attached are components of the financial statement.

The legal representative:

Principal of accounting work:

Principal of accounting mechanism:

Note: Items marked with "\*" are line items dedicated to financial enterprises.



## Balance Sheet of the Parent Company

Prepared by: Chongqing Wansheng Economic and Technological Development  
Zone Development & Investment Group Co., Ltd.

Unit: RMB Yuan

Item	Notes	31-Dec-20	31-Dec-19	31-Dec-18
<b>Current assets:</b>				
Monetary capital		100,075,994.92	345,677,040.42	237,908,783.32
Financial asset which is calculated based on fair value and whose changes are counted into current profit and loss				
Derivative financial assets				
Bills receivable				
Accounts receivable	XIV.(I)	48,046,859.00		250,000,000.00
Advance payment		85,303,427.53	85,299,059.69	150,300,020.44
Other receivables	XIV.(II)	6,154,486,019.31	5,338,319,677.24	4,654,051,203.32
Wherein: Interest receivable				
Dividend receivable				
Inventories		22,834,094,771.98	23,368,845,508.12	23,234,173,318.65
Held-for-sale assets				
Non-current assets maturing within one year				
Other current assets		1,203,712.42	6,399,228.21	
<b>Total current assets</b>		<b>29,223,210,785.16</b>	<b>29,144,540,513.68</b>	<b>28,526,433,325.73</b>
<b>Non-current assets:</b>				
Available-for-sale financial assets		482,846,093.57	385,667,780.57	147,165,605.57
Held-to-maturity investment				
Long-term receivables		2,234,956,047.22	2,449,140,713.89	695,822,833.33
Long-term equity investment	XIV.(III)	4,960,232,994.16	3,927,953,637.27	1,657,171,188.87
Investment property				
Fixed assets		19,321,786.52	20,203,660.88	20,098,091.45
Project under construction		249,398,491.05	249,398,492.61	248,999,612.05
Productive biological assets				
Oil and gas assets				
Intangible assets		419,226.79	557,786.83	561,480.18
Development expenditures				
Business reputation				
Long-term deferred expenses			46,388.00	46,388.00
Deferred income tax asset		13,958,286.23	3,547,715.14	7,672,984.06
Other non-current assets		566,959,700.00	566,959,700.00	566,959,700.00
<b>Total non-current assets</b>		<b>8,528,092,625.54</b>	<b>7,603,475,875.19</b>	<b>3,344,497,883.51</b>
<b>Total assets</b>		<b>37,751,303,410.70</b>	<b>36,748,016,388.87</b>	<b>31,870,931,209.24</b>

Notes to financial statements attached are components of the financial statement.

The legal representative:

Principal of accounting work:

Principal of accounting mechanism:

Balance Sheet of the Parent Company (Continued)

Prepared by: Chongqing Wansheng Economic and Technological  
Development Zone Development & Investment Group Co., Ltd.

Unit: RMB Yuan

Item	Notes	31-Dec-20	31-Dec-19	31-Dec-18
<b>Current liabilities:</b>				
Short-term loan		320,070,000.00		
Financial liability which is calculated based on fair value and whose changes are counted into current profit and loss				
Derivative financial liabilities				
Notes payable				
Accounts payable		91,063,907.80	92,467,709.36	92,557,998.43
Advance receipt		668,999,568.28	1,571,910,620.39	2,115,806,911.63
Employee remunerations payable			8,168.00	
Taxes payable		356,228,337.99	314,398,605.33	206,548,317.30
Other payable		4,954,455,437.99	4,582,554,771.79	2,397,685,167.06
Wherein: Interest payable		419,777,317.36	372,798,319.40	259,042,053.48
Dividend payable				
Held-for-sale liabilities				
Non-current liabilities maturing within one year		1,478,547,000.00	1,005,700,000.00	984,000,000.00
Other current liabilities		300,000,000.00	500,000,000.00	
<b>Total current liabilities</b>		<b>8,169,364,272.06</b>	<b>8,067,039,274.87</b>	<b>5,796,780,394.42</b>
<b>Non-current liabilities:</b>				
Long-term loan		2,028,728,185.09	1,044,653,185.09	1,148,000,000.00
Bonds payable		9,344,548,598.42	9,332,326,986.55	6,696,823,441.24
Wherein: Preferred shares				
Perpetual capital securities				
Long-term accounts payable		648,708,970.64	722,255,627.69	631,502,222.80
Long-term employee remunerations payable				
Estimated liabilities				
Deferred revenue				
Deferred income tax liabilities				
Other non-current liabilities				
<b>Total non-current liabilities</b>		<b>12,021,985,754.15</b>	<b>11,099,235,799.33</b>	<b>8,478,325,664.04</b>
<b>Total liabilities</b>		<b>20,191,350,026.21</b>	<b>19,166,275,074.20</b>	<b>14,275,106,058.46</b>
<b>Owner's equities(or Shareholders' equities):</b>				
Paid-in capital (capital stock)		2,000,000,000.00	2,000,000,000.00	2,000,000,000.00
Other equity instruments				
Wherein: Preferred shares				
Perpetual capital securities				
Capital reserves		14,145,359,382.51	14,159,261,982.51	14,159,261,982.51
Minus: Treasury share				
Other comprehensive earnings				
Specific reserves				
Surplus reserves		210,916,841.07	196,404,374.09	181,979,309.30
Undistributed profits		1,203,677,160.91	1,226,074,958.07	1,254,583,858.97
<b>Total owner's equities(or Shareholders' equities)</b>		<b>17,559,953,384.49</b>	<b>17,581,741,314.67</b>	<b>17,595,825,150.78</b>
<b>Total liabilities and owner's equities(or Shareholders' equities)</b>		<b>37,751,303,410.70</b>	<b>36,748,016,388.87</b>	<b>31,870,931,209.24</b>

Notes to financial statements attached are components of the financial statement.

The legal representative:

Principal of accounting work:

Principal of accounting mechanism:

## Consolidated Profit Statement

Prepared by Chongqing Wansheng Economic and Technological Development  
Zone Development & Investment Group Co., Ltd.

Unit: RMB Yuan

Item	Notes	Jan-Dec-2020	Jan-Dec-2019	Jan-Dec-2018
<b>I. Total operation revenue</b>	VI(XXXV)	3,602,851,874.04	3,641,666,657.15	3,080,619,630.66
Wherein, Operation revenue		3,602,851,874.04	3,641,666,657.15	3,080,619,630.66
Interest revenue*				
Earned premiums*				
Handling fee and commission revenues*				
<b>II. Total operation costs</b>		3,184,269,361.52	3,217,290,700.96	2,943,881,430.91
Wherein, Operation cost	VI(XXXV)	2,881,894,631.44	2,908,391,544.85	2,579,204,842.57
Interest expense*				
Handling fee and commission expenditures*				
Surrender value*				
Net payments for insurance claims*				
Net withdrawals for insurance contract reserves*				
Policy dividend expenditures*				
Reinsurance expenses*				
Taxes and surcharges		20,337,824.39	19,351,808.78	23,836,754.75
Selling expenses		184,796,437.93	137,922,029.70	150,946,838.21
Administrative expenses		84,581,936.86	83,337,994.52	111,578,285.56
Research and development expense				
Financial expenses	VI(XXXVI)	12,658,530.88	68,287,323.11	78,314,709.82
Wherein, Interest expense		24,785,146.53	76,909,844.87	86,429,469.25
Interest revenue		12,431,671.26	9,024,052.65	8,344,179.69
Plus: Other revenue	VI(XXXVII)	117,332,094.71	90,019,785.38	350,047,393.67
Investment income (loss is filled with "-")	VI(XXXVIII)	-9,633,348.47	-7,692,285.73	-11,882,022.02
Wherein, Investment incomes in associated enterprises and joint ventures		3,503,671.93	-9,726,156.40	-11,944,675.58
Exchange income (loss is filled with "-")*				
Income from Changes in Fair Value (loss is filled with "-")				
Asset impairment loss(loss is filled with "-")	VI(XXXIX)	-124,584,958.58	-4,295,098.77	17,533,955.56
Income on Disposal of Assets (loss is filled with "-")	VI(XL)	708,587.17	243,282.61	11,747,582.90
<b>III. Operating profit (loss is filled with "-")</b>		<b>402,404,887.35</b>	<b>502,651,039.68</b>	<b>504,185,109.86</b>
Plus: Non-operating revenue	VI(XLI)	4,775,447.86	2,076,989.49	24,402,166.97
Minus: Non-operating expenditures	VI(XLII)	1,789,430.38	4,163,839.68	3,435,758.92
<b>IV. Total profits (total loss is filled with "-")</b>		<b>405,390,904.83</b>	<b>500,564,189.49</b>	<b>525,151,517.91</b>
Minus: Income tax expenses	VI(XLIII)	86,024,723.02	101,003,950.48	128,409,207.40
<b>V. Net profit (net loss is filled with "-")</b>		<b>319,366,181.81</b>	<b>399,560,239.01</b>	<b>396,742,310.51</b>
<b>(I) Classifying according to persistence of operation</b>				
1. Net profits from continuous operation (net loss is filled with "-")	VI(XLIV)	319,366,181.81	399,560,239.01	396,742,310.51
2. Net profits from operation termination (net loss is filled with "-")				
<b>(II) Classifying according to the attribution of the ownership</b>				
1. Net profits attributable to the shareholders of the parent company(net loss is filled with "-")		307,916,008.11	399,318,178.87	380,987,358.45
2. Minority equity(net loss is filled with "-")		11,450,173.70	242,060.14	15,754,952.06
<b>VI. Net after-tax of other comprehensive earnings</b>		-	-	-
Net after-tax of other comprehensive earnings attributable to the parent company owner		-	-	-
<b>(I) Other comprehensive earnings that cannot be reclassified into profits and losses later</b>		-	-	-
1. Remeasurement and redesign of changes in the net liabilities or net assets of the benefit plan				
2. Shares enjoyed in other comprehensive earnings that cannot be reclassified into the profits and losses by the invested organization under the equity method				
<b>(II) Other comprehensive earnings that will be reclassified into profits and losses later</b>		-	-	-
1. Shares enjoyed in other comprehensive earnings that will be reclassified into the profits and losses by the invested organization under the equity method				
2. Profits and losses from fair value changes of available-for-sale financial assets				
3. Held-to-maturity investment is reclassified as profits and losses of available-for-sale financial assets				
4. The Cash flow hedge reserve (The effective part of the cash flow hedging profits and losses)				
5. Conversion difference in foreign currency financial statements				
6. Others				
Net after-tax of other comprehensive earnings belong to the minority shareholders				
<b>VII. Total comprehensive earnings</b>		<b>319,366,181.81</b>	<b>399,560,239.01</b>	<b>396,742,310.51</b>
Total comprehensive earnings attributable to the owners of parent company		307,916,008.11	399,318,178.87	380,987,358.45
Total comprehensive earnings attributable to the minority shareholders		11,450,173.70	242,060.14	15,754,952.06
<b>VIII. Earnings per share:</b>				
(I) Basic earnings per share (RMB/share)				
(II) Diluted earnings per share (RMB/share)				

If there is business combination under common control in current period, the net profit achieved by the combined party before the combination is: \_\_\_\_\_ Yuan. The net profit achieved by the combined party in previous period is: \_\_\_\_\_ Yuan.

Notes to financial statements attached are components of the financial statement

The legal representative:

Principal of accounting work:

Principal of accounting mechanism:

## Profit Statement of the Parent Company

Prepared by: Chongqing Wansheng Economic and Technological Development Zone Development & Investment Group Co., Ltd.

Unit: RMB Yuan

Item	Notes	Jan-Dec-2020	Jan-Dec-2019	Jan-Dec-2018
<b>I. Operation revenue</b>	XIV.(IV)	751,831,815.99	841,017,514.42	547,504,243.01
Minus: Operation cost	XIV.(IV)	520,758,400.63	583,536,369.08	405,232,553.77
Taxes and surcharges		1,336,328.66	733,911.65	203,268.06
Selling expenses				
Administrative expenses		13,624,042.59	14,584,046.79	19,794,430.10
Research and development expense				
Financial expenses		22,339.41	66,209,772.07	84,781,549.81
Wherein, Interest expense			66,035,353.16	84,757,192.99
Interest revenue				
Plus: Other revenue		18,877,165.71		323,258,121.75
Investment income (loss is filled with "-")				6,971,289.00
Wherein, Investment incomes in associated enterprises and joint ventures				
Income from Changes in Fair Value (loss is filled with "-")				
Asset impairment loss(loss is filled with "-")		-41,642,284.32	16,561,075.68	11,077,203.76
Income on Disposal of Assets (loss is filled with "-")		169,812.27		
<b>II. Operating profits (loss is filled with "-")</b>		<b>193,495,398.36</b>	<b>192,454,490.51</b>	<b>378,799,055.78</b>
Plus: Non-operating revenue		213,321.79		9,696.00
Minus: Non-operating expenditures		209,160.40	133,626.66	291,718.90
<b>III. Total profits (total loss is filled with "-")</b>		<b>193,499,559.75</b>	<b>192,320,863.85</b>	<b>378,517,032.88</b>
Minus: Income tax expenses		48,384,889.93	48,070,215.96	76,314,727.78
<b>IV. Net profits (net loss is filled with "-")</b>		<b>145,114,669.82</b>	<b>144,250,647.89</b>	<b>302,202,305.10</b>
(I) Net profits from continuous operation (net loss is filled with "-")				
(II) Net profits from operation termination (net loss is filled with "-")				
<b>V. Net after-tax of other comprehensive earnings</b>		-	-	-
<b>(I) Other comprehensive earnings that cannot be reclassified into profits and losses later</b>		-	-	-
1. Remeasurement and redesign of changes in the net liabilities or net assets of the benefit plan				
2. Shares enjoyed in other comprehensive earnings that cannot be reclassified into the profits and losses by the invested organization under the equity method				
<b>(II) Other comprehensive earnings that will be reclassified into profits and losses later</b>		-	-	-
1. Shares enjoyed in other comprehensive earnings that will be reclassified into the profits and losses by the invested organization under the equity method				
2. Profits and losses from fair value changes of available-for-sale financial assets				
3. Held-to-maturity investment is reclassified as profits and losses of available-for-sale financial assets				
4. The effective part of the cash flow hedging profits and losses				
5. Conversion difference in foreign currency financial statements				
6. Others				
<b>VI. Total comprehensive earnings</b>		<b>145,114,669.82</b>	<b>144,250,647.89</b>	<b>302,202,305.10</b>

Notes to financial statements attached are components of the financial statement.

The legal representative:

Principal of accounting work:

Principal of accounting mechanism:

## Consolidated Cash Flow Statement

Prepared by: Chongqing Wansheng Economic and Technological Development Zone Development & Investment Group Co., Ltd

Unit: RMB Yuan

Item	Notes	Jan-Dec-2020	Jan-Dec-2019	Jan-Dec-2018
<b>I. Cash flow generated from operation activities:</b>				
Cash from selling goods and providing labor services		2,567,142,185.48	2,713,629,187.95	2,905,609,964.23
Net increase amount of deposits from clients and interbank*				
Net increase amount of loans from Central Bank*				
Net increase amount of borrowing funds from other financial institutions*				
Cash obtained from receiving of original insurance contract premiums*				
Net cash received from reinsurance business*				
Net increase amount of deposits from the insured and investments*				
Cash collected from interests, handling fee and commissions*				
Net increase amount of borrowing funds*				
Net increase amount of repurchase of business funds*				
Net cash received from securities trading brokerage*				
Refunds of taxes		32,532,286.19	2,892,282.96	22,412,753.56
Other cash received related to operation activities		1,797,144,343.40	563,673,496.63	1,244,307,053.26
<b>Subtotal of cash inflows from operation activities</b>		<b>4,396,818,815.07</b>	<b>3,280,194,967.54</b>	<b>4,172,329,771.05</b>
Cash paid for goods and labor services		1,776,666,717.87	2,231,351,458.07	2,047,756,934.03
Net increase amount of client loans and cash advance*				
Net increase amount of deposits from the Central Bank and interbank*				
Cash paid from compensations of original insurance contract*				
Net increase in lending funds*				
Cash paid by interests, handling fee and commissions*				
Cash paid from policy dividends*				
Cash paid to and on behalf of employees		92,439,547.44	89,039,823.55	100,505,428.56
Cash paid for taxes		209,739,078.06	138,257,418.25	221,042,054.12
Other cashes paid related to operation activities		211,636,896.15	384,796,829.43	1,583,793,869.56
<b>Subtotal of cash outflows from operation activities</b>		<b>2,290,482,239.52</b>	<b>2,843,445,529.30</b>	<b>3,953,098,286.27</b>
<b>Net amount of cash flow generated from operation activities</b>	VI.(XLV)	<b>2,106,336,575.55</b>	<b>436,749,438.24</b>	<b>219,231,484.78</b>
<b>II. Cash flow generated from investment activities:</b>				
Cash received from disposal of investments		136,897,762.27	3,397,255.80	300,776,586.95
Cash received from returns on investment incomes		9,617,376.87	2,092,627.21	714.71
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		84,730.00	5,274,555.58	82,423,963.31
Net cash received from disposal of subsidiaries and other business units		7,254,319.74		-2,662,529.41
Other cashes received related to investment activities		11,535.69	7,000,000.00	
<b>Subtotal of cash inflows from investment activities</b>		<b>153,865,724.57</b>	<b>17,764,218.59</b>	<b>380,538,735.56</b>
Cash paid to purchase fixed assets, intangible assets and other long-term assets		1,026,625,119.25	2,369,305,556.15	986,603,978.68
Cash paid to investments		385,014,000.00	361,002,175.00	443,420,000.00
Net increase amount of pledge loans*				
Net cash obtained from subsidiaries and other business units			39,985,407.94	-89,430,382.00
Other cashes paid related to investment activities		40,000,000.00	2,333,073,133.83	1,395,199,800.00
<b>Subtotal of cash outflows from investment activities</b>		<b>1,451,639,119.25</b>	<b>5,103,366,272.92</b>	<b>2,735,793,396.68</b>
<b>Net amount of cash flow generated from investment activities</b>		<b>-1,297,773,394.68</b>	<b>-5,085,602,054.33</b>	<b>-2,355,254,661.12</b>
<b>III. Cash flow generated from financing activities:</b>				
Cash from absorption of investments				
Wherein: Cash received by subsidiaries from investments by minority shareholders				
Cash received from loans		6,487,557,500.00	8,105,208,185.09	3,916,867,574.74
Other cashes received related to financing activities		1,406,223,178.31	864,950,804.94	712,404,320.32
<b>Subtotal of cash inflows from financing activities</b>		<b>7,893,780,678.31</b>	<b>8,970,158,990.03</b>	<b>4,629,271,895.06</b>
Cash repayments of amounts borrowed		5,890,663,357.05	2,896,645,486.74	2,839,862,000.00
Cash paid for distribution of dividends and profits or payment of interests		1,429,454,742.24	1,059,952,439.91	707,753,963.27
Wherein: dividends, profits paid to minority shareholders by subsidiaries		6,593,573.54	-	
Other cashes paid related to financing activities		1,595,943,406.60	681,205,845.50	497,335,598.95
<b>Subtotal of cash outflows from financing activities</b>		<b>8,916,061,505.89</b>	<b>4,637,803,772.15</b>	<b>4,044,951,562.22</b>
<b>Net amount of cash flow generated from financing activities</b>		<b>-1,022,280,827.58</b>	<b>-4,332,355,217.88</b>	<b>584,320,332.84</b>
<b>IV. Effect of fluctuation in exchange rate on cash and cash equivalents</b>				
			<b>-146,623.28</b>	<b>18,508.57</b>
<b>V. Net increase amount of cash and cash equivalents</b>				
		<b>-213,717,646.71</b>	<b>-316,644,021.49</b>	<b>-1,551,684,334.93</b>
Plus: The beginning balance of cash and cash equivalents		750,394,804.19	1,067,038,825.68	2,618,723,160.61
<b>VI. Balance of cash and cash equivalents at the end of the period</b>	VI.(XLV)	<b>536,677,157.48</b>	<b>750,394,804.19</b>	<b>1,067,038,825.68</b>

Notes to financial statements attached are components of the financial statement.

The legal representative:

Principal of accounting work:

Principal of accounting mechanism:

## Cash Flow Statement of the Parent Company

Prepared by: Chongqing Wansheng Economic and Technological Development Zone Development & Investment Group Co., Ltd.

Unit: RMB Yuan

Item	Notes	Jan-Dec-2020	Jan-Dec-2019	Jan-Dec-2018
<b>I. Cash flow generated from operation activities:</b>				
Cash from selling goods and providing labor services		234,052,666.59	700,546,100.00	1,095,980,000.00
Refunds of taxes		18,877,165.71		
Other cash received related to operation activities		169,038,098.43	544,644,204.23	745,985,665.76
<b>Subtotal of cash inflows from operation activities</b>		<b>421,967,930.73</b>	<b>1,245,190,304.23</b>	<b>1,841,965,665.76</b>
Cash paid for goods and labor services		4,482,563.50	192,808,373.24	325,449,558.13
Cash paid to and on behalf of employees		6,252,556.98	7,895,034.49	11,666,507.17
Cash paid for taxes		115,992,208.05	33,443,449.68	116,100,129.42
Other cash paid related to operation activities		664,105,578.84	1,756,306,145.68	2,464,689,162.63
<b>Subtotal of cash outflows from operation activities</b>		<b>790,832,907.37</b>	<b>1,990,453,003.09</b>	<b>2,918,105,357.35</b>
<b>Net amount of cash flow generated from operation activities</b>		<b>-368,864,976.64</b>	<b>-745,262,698.86</b>	<b>-1,077,039,691.59</b>
<b>II. Cash flow generated from investment activities:</b>				
Cash received from disposal of investments		135,501,687.00		300,000,000.00
Cash received from returns on investment incomes				6,971,289.00
Net cash received from disposal of fixed assets, intangible assets and other long-term assets				
Net cash received from disposal of subsidiaries and other business units				
Other cash related to investment activities				
<b>Subtotal of cash inflows from investment activities</b>		<b>135,501,687.00</b>	-	<b>306,971,289.00</b>
Cash paid to purchase fixed assets, intangible assets and other long-term assets			94,465,768.98	33,272,120.83
Cash paid to investments		236,680,000.00	1,364,382,175.00	315,000,000.00
Net cash obtained from subsidiaries and other business units				
Other cash paid related to investment activities		40,000,000.00		690,000,000.00
<b>Subtotal of cash outflows from investment activities</b>		<b>276,680,000.00</b>	<b>1,458,847,943.98</b>	<b>1,038,272,120.83</b>
<b>Net amount of cash flow generated from investment activities</b>		<b>-141,178,313.00</b>	<b>-1,458,847,943.98</b>	<b>-731,300,831.83</b>
<b>III. Cash flow generated from financing activities:</b>				
Cash from absorption of investments				
Cash received from loans		4,744,327,500.00	5,468,088,185.09	3,657,867,574.74
Other cash received related to financing activities		20,000,000.00		
<b>Subtotal of cash inflows from financing activities</b>		<b>4,764,327,500.00</b>	<b>5,468,088,185.09</b>	<b>3,657,867,574.74</b>
Cash repayments of amounts borrowed		3,139,096,657.05	2,226,934,390.11	1,501,000,000.00
Cash paid for distribution of dividends and profits or payment of interest		1,202,336,348.98	857,233,401.55	617,160,329.77
Other cash paid related to financing activities		198,452,249.83	71,894,867.32	43,594,216.63
<b>Subtotal of cash outflows from financing activities</b>		<b>4,539,885,255.86</b>	<b>3,156,062,658.98</b>	<b>2,161,754,546.40</b>
<b>Net amount of cash flow generated from financing activities</b>		<b>224,442,244.14</b>	<b>2,312,025,526.11</b>	<b>1,496,113,028.34</b>
<b>IV. Effect of fluctuation in exchange rate on cash and cash equivalents</b>			<b>-146,626.17</b>	
<b>V. Net increase amount of cash and cash equivalents</b>		<b>-285,601,045.50</b>	<b>107,768,257.10</b>	<b>-312,227,495.08</b>
Plus: The beginning balance of cash and cash equivalents		345,677,040.42	237,908,783.32	550,136,278.40
<b>VI. Balance of cash and cash equivalents at the end of the period</b>		<b>60,075,994.92</b>	<b>345,677,040.42</b>	<b>237,908,783.32</b>

Notes to financial statements attached are components of the financial statement

The legal representative:

Principal of accounting work:

Principal of accounting mechanism:

**Consolidated Statement of Changes in Owner's Equities**

Prepared by: Changqing Wansheng Economic and Technological Development Zone Development & Investment Group Co., Ltd.

Unit: RMB Yuan

Item	Owner's equities belonging to the parent company										Total owner's equities		
	Paid-in capital (or capital stock)	Preferred shares	Perpetual capital securities	Others	Capital reserves	Minus Treasury share	Other comprehensive earnings	Specific reserves	Surplus reserves	General risk reserve		Undistributed profits	Minority equity
<b>I. Closing balance of last year</b>	2,000,000,000.00	-	-	-	16,522,010,893.44	-	-	698,915.81	196,404,374.09	-	2,533,760,772.29	2,306,169,153.75	23,559,044,109.38
Plus: Changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-
Correction of errors in prior period	-	-	-	-	-	-	-	-	-	-	-	-	-
Enterprise consolidation under unitary control	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>II. The beginning balance of the current year</b>	2,000,000,000.00	-	-	-	16,522,010,893.44	-	-	698,915.81	196,404,374.09	-	2,533,760,772.29	2,306,169,153.75	23,559,044,109.38
<b>III. Increase/decrease amount during this period (decrease is filled with "-")</b>	-	-	-	-	-49,662,655.38	-	-	162,111.29	14,512,466.98	-	-139,890,096.04	-129,137,838.86	-24,235,819.93
<b>(I) Total comprehensive earnings</b>	-	-	-	-	-	-	-	-	-	-	307,916,008.11	11,450,171.70	319,366,181.81
<b>(II) Owners' investment and reduction of capital</b>	-	-	-	-	-49,662,655.38	-	-	-	-	-	-	-124,150,935.79	-173,813,591.17
1. Common stock invested by the owner	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Capital invested by other equity instrument holders	-	-	-	-	-49,662,655.38	-	-	-	-	-	-	-124,150,935.79	-173,747,924.43
3. Amount of stock payment credited into owner's equities	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>(III) Profit distribution</b>	-	-	-	-	-65,666.74	-	-	-	-	-	-	-	-65,666.74
1. Withdrawal surplus reserves	-	-	-	-	-	-	-	-	14,512,466.98	-	-168,025,912.07	-16,437,076.77	-169,950,524.86
2. Withdrawal general risk reserve*	-	-	-	-	-	-	-	-	14,512,466.98	-	-14,512,466.98	-	-
3. Distribution of owners (or shareholders)	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>(IV) Internal carry forward of owner's equities</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Transferred and increased capital of capital reserve (or capital stock)	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Transferred and increased capital of surplus reserve (or capital stock)	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Surplus reserves offsetting loss	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Change in Defined Benefit Plan carryover Returned	-	-	-	-	-	-	-	-	-	-	-	-	-
Earning	-	-	-	-	-	-	-	-	-	-	-	-	-
5. Retained income carried over from other	-	-	-	-	-	-	-	-	-	-	-	-	-
6. Others	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>(V) Specific reserves</b>	-	-	-	-	-	-	-	162,111.29	-	-	-	-	162,111.29
1. Withdrawal in this period	-	-	-	-	-	-	-	162,111.29	-	-	-	-	162,111.29
2. Use in this period	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>(VI) Others</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>IV. Closing balance in this period</b>	2,000,000,000.00	-	-	-	16,472,348,238.06	-	-	861,027.10	210,916,841.07	-	2,673,650,868.33	2,177,031,314.89	23,534,808,299.45

The legal representative:

Principal of accounting work:

Principal of accounting mechanism:

Note: Items marked with "\*" are the items dedicated to financial enterprises.



Consolidated Statement of Changes in Owner's Equities

Prepared by: Changqing Wansheng Economic and Technological Development Zone Development & Investment Group Co., Ltd.

Unit: RMB Yuan

Item	Jan-Dec-2019						Total owner's equities				
	Owner's equities belonging to the parent company										
	Paid-in capital (or capital stock)	Preferred shares	Other equity instruments	Capital reserves	Minus: Treasury share	Other comprehensive earnings	Surplus reserves	General risk reserve	Undistributed profits	Minority equity	Total owner's equities
I. Closing balance of last year	2,000,000,000.00	-	-	16,241,910,893.44	-	652,791.56	181,979,309.30	-	2,307,202,142.21	2,919,127,093.61	23,650,872,230.12
Plus: Changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-
Correction of errors in prior period	-	-	-	-	-	-	-	-	-	-	-
Enterprise consolidation under unitary control	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-
II. The beginning balance of the current year	2,000,000,000.00	-	-	16,241,910,893.44	-	652,791.56	181,979,309.30	-	2,307,202,142.21	2,919,127,093.61	23,650,872,230.12
III. Increased/decreased amount during this period (decrease is filled with "-")	-	-	-	280,100,000.00	-	46,124.25	14,425,064.79	-	226,558,630.08	-612,957,039.86	-91,828,120.74
(I) Total comprehensive earnings	-	-	-	-	-	-	-	-	390,318,178.87	242,060.14	390,560,239.01
(II) Owners' investment and reduction of capital	-	-	-	280,100,000.00	-	-	-	-	-	-613,200,000.00	-333,100,000.00
1. Common stock issued by the owner	-	-	-	100,000.00	-	-	-	-	-	-	-
2. Capital invested by other equity instrument holders	-	-	-	-	-	-	-	-	-	-	-
3. Amount of stock payment converted into owner's equities	-	-	-	-	-	-	-	-	-	-	-
4. Others	-	-	-	280,000,000.00	-	-	-	-	-	-	-
(III) Profit distribution	-	-	-	-	-	-	-	-	-	-	-
1. Withdrawal surplus reserves	-	-	-	-	-	-	14,425,064.79	-	-172,759,518.79	-	280,000,000.00
2. Withdrawal general risk reserves*	-	-	-	-	-	-	14,425,064.79	-	-14,425,064.79	-	-158,334,484.00
3. Distribution of owners' (or shareholders)	-	-	-	-	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-	-	-158,334,484.00	-	-158,334,484.00
(IV) Internal carry forward of owner's equities	-	-	-	-	-	-	-	-	-	-	-
1. Transferred and increased capital of capital reserve (or capital stock)	-	-	-	-	-	-	-	-	-	-	-
2. Transferred and increased capital of surplus reserve (or capital stock)	-	-	-	-	-	-	-	-	-	-	-
3. Surplus reserves offsetting loss	-	-	-	-	-	-	-	-	-	-	-
4. Change in Defined Benefit Plan carryover Retained Earning	-	-	-	-	-	-	-	-	-	-	-
5. Retained income carried over from other	-	-	-	-	-	-	-	-	-	-	-
6. Others	-	-	-	-	-	-	-	-	-	-	-
(V) Specific reserves	-	-	-	-	-	-	-	-	-	-	-
1. Withdrawal in this period	-	-	-	-	-	-	46,124.25	-	-	-	46,124.25
2. Use in this period	-	-	-	-	-	-	46,124.25	-	-	-	46,124.25
(VI) Others	-	-	-	-	-	-	-	-	-	-	-
IV. Closing balance in this period	2,000,000,000.00	-	-	16,522,010,893.44	-	698,915.81	196,404,374.09	-	2,533,760,772.29	2,306,169,153.75	23,559,044,109.38

Notes: Items marked with "\*" are line items dedicated to financial enterprises.

The legal representative:

Principal of accounting work:

Principal of accounting mechanism:

**Consolidated Statement of Changes in Owner's Equities**

Prepared by Chongqing Wansheng Economic and Technological Development Zone Development & Investment Group Co., Ltd

Item	Owner's equities belonging to the parent company										Total owner's equities	
	Paid-in capital (or capital stock)	Other equity instruments		Capital reserves	Minority share	Other comprehensive earnings	Specific reserves	Surplus reserves	General risk reserve	Undistributed profits		Minority equity
		Preferred shares	Perpetual capital securities									
<b>I. Closing balance of last year</b>	<b>2,000,000,000.00</b>	-	-	<b>16,241,910,893.44</b>	-	-	<b>511,511.12</b>	<b>151,759,078.79</b>	-	<b>1,995,662,120.04</b>	<b>2,947,997,055.54</b>	<b>23,337,840,658.93</b>
Plus: Changes in accounting policies												
Correction of errors in prior period												
Enterprise consolidation under statutory control												
Others												
<b>II. The beginning balance of the current year</b>	<b>2,000,000,000.00</b>	-	-	<b>16,241,910,893.44</b>	-	-	<b>511,511.12</b>	<b>151,759,078.79</b>	-	<b>1,995,662,120.04</b>	<b>2,947,997,055.54</b>	<b>23,337,840,658.93</b>
<b>III. Increase/decrease amount during this period (decrease is filled with "-")</b>												
<b>(A) Total comprehensive earnings</b>												
(I) Owner's investment and reduction of capital												
1. Common stock invested by the owner												
2. Capital invested by other equity instrument holders												
3. Amount of stock payment counted into owner's equities												
4. Others												
(II) Profit distribution												
1. Withdrawal surplus reserves												
2. Withdrawal general risk reserves*												
3. Distribution of owners (or shareholders)												
4. Others												
(III) Profit distribution												
1. Withdrawal surplus reserves												
2. Withdrawal general risk reserves*												
3. Distribution of owners (or shareholders)												
4. Others												
(IV) Internal carry forward of owner's equities												
1. Transferred and increased capital of capital reserves (or capital stock)												
2. Transferred and increased capital of surplus reserve (or capital stock)												
3. Surplus reserves offsetting loss												
4. Change in Defined Benefit Plan carryover Retained Earning												
5. Retained income earned over from other												
6. Others												
(V) Specific reserves												
1. Withdrawal in this period												
2. Use in this period												
(VI) Others												
<b>IV. Closing balance in this period</b>	<b>2,000,000,000.00</b>	-	-	<b>16,241,910,893.44</b>	-	-	<b>652,791.56</b>	<b>181,979,309.30</b>	-	<b>2,307,202,142.21</b>	<b>2,919,127,093.61</b>	<b>23,650,872,260.12</b>

The legal representative:

Principal of accounting work:

Principal of accounting mechanism:

Note: Items marked with "\*" are line items dedicated to financial enterprises.

Notes to financial statements attached are components of the financial statement.

## Statement of Changes in Owner's Equities of the Parent Company

Prepared by: Chongqing Wansheng Economic and Technological Development Zone Development & Investment Group Co., Ltd.

Unit: RMB Yuan

Item	Jan-Dec-2020										
	Fair-in capital (or capital stock)	Preferred shares	Perpetual capital securities	Others	Capital reserves	Minus: Treasury share	Other comprehensive earnings	Specific reserves	Surplus reserves	Undistributed profits	Total owner's equities
<b>I. Closing balance of last year</b>	2,000,000,000.00	-	-	-	14,159,261,982.51	-	-	-	196,404,374.09	1,226,074,958.07	17,581,741,314.67
Plus: Changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-
Correction of errors in prior period	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-
<b>II. The beginning balance of the current year</b>	2,000,000,000.00	-	-	-	14,159,261,982.51	-	-	-	196,404,374.09	1,226,074,958.07	17,581,741,314.67
<b>III. Increase/decrease amount during this period (decrease is filled with "-")</b>	-	-	-	-	-13,902,600.00	-	-	-	14,512,466.98	-22,397,797.16	-21,787,930.18
<b>(I) Total comprehensive earnings</b>	-	-	-	-	-13,902,600.00	-	-	-	14,512,466.98	-22,397,797.16	-145,114,669.82
(II) Owners' investment and reduction of capital	-	-	-	-	-13,902,600.00	-	-	-	-	-	-145,114,669.82
1. Common stock invested by the shareholders	-	-	-	-	-13,902,600.00	-	-	-	-	-	-13,902,600.00
2. Capital invested by other equity instrument holders	-	-	-	-	-	-	-	-	-	-	-
3. Amount of stock payment counted into owner's equities	-	-	-	-	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-	-	-	-	-
(III) Profit distribution	-	-	-	-	-	-	-	-	-	-	-
1. Withdrawal surplus reserves	-	-	-	-	-	-	-	-	14,512,466.98	-167,512,466.98	-153,000,000.00
2. Distribution of owners (or shareholders)	-	-	-	-	-	-	-	-	14,512,466.98	-14,512,466.98	-
3. Others	-	-	-	-	-	-	-	-	-	-153,000,000.00	-153,000,000.00
(IV) Internal carry forward of owner's equities	-	-	-	-	-	-	-	-	-	-	-
1. Transferred and increased capital of capital reserve (or capital stock)	-	-	-	-	-	-	-	-	-	-	-
2. Transferred and increased capital of surplus reserve (or capital stock)	-	-	-	-	-	-	-	-	-	-	-
3. Surplus reserves offsetting loss	-	-	-	-	-	-	-	-	-	-	-
4. Change in Defined Benefit Plan carryover Retained Earnings	-	-	-	-	-	-	-	-	-	-	-
5. Retained income carried over from other	-	-	-	-	-	-	-	-	-	-	-
6. Others	-	-	-	-	-	-	-	-	-	-	-
(V) Specific reserves	-	-	-	-	-	-	-	-	-	-	-
1. Withdrawal in this period	-	-	-	-	-	-	-	-	-	-	-
2. Use in this period	-	-	-	-	-	-	-	-	-	-	-
(VI) Others	-	-	-	-	-	-	-	-	-	-	-
<b>IV. Closing balance in this period</b>	2,000,000,000.00	-	-	-	14,145,359,382.51	-	-	-	210,916,841.07	1,203,677,160.91	17,559,953,384.49

Notes to financial statements attached are components of the financial statement.

The legal representative:

Principal of accounting work:

Principal of accounting mechanism:

**Statement of Changes in Owner's Equities of the Parent Company**

Prepared by: Chongqing Wansheng Economic and Technological Development Zone Development & Investment Group Co., Ltd.

Unit: RMB Yuan

Item	Jan-Dec-2019							Total owner's equities		
	Paid-in capital (or capital stock)	Other equity instruments		Capital reserves	Minus: Treasury share	Other comprehensive earnings	Specific reserves		Surplus reserves	Undistributed profits
		Preferred shares	Perpetual capital securities	Others						
<b>I. Closing balance of last year</b>	2,000,000.00	-	-	-	14,159,261.982.51	-	-	181,979,309.30	1,254,583,858.97	17,595,825,150.78
Plus: Changes in accounting policies										
Correction of errors in prior period										
Others										
<b>II. The beginning balance of the current year</b>	2,000,000.00				14,159,261.982.51			181,979,309.30	1,254,583,858.97	17,595,825,150.78
<b>III. Increase/decrease amount during this period (decrease is filled with "-")</b>								14,425,064.79	-28,508,900.90	-14,083,836.11
(I) Total comprehensive earnings									141,250,647.89	144,250,647.89
(II) Owners' investment and reduction of capital										
1. Common stock invested by the shareholders										
2. Capital invested by other equity instrument holders										
3. Amount of stock payment committed into owner's equities										
4. Others										
(III) Profit distribution										
1. Withdrawal surplus reserves								14,425,064.79	-172,759,548.79	-158,334,484.00
2. Distribution of owners (or shareholders)								14,425,064.79	-14,425,064.79	
3. Others									-158,334,484.00	-158,334,484.00
(IV) Internal entry forward of owner's equities										
1. Transferred and increased capital of capital reserve (or capital stock)										
2. Transferred and increased capital of surplus reserve (or capital stock)										
3. Surplus reserves offsetting loss										
4. Change in Defined Benefit Plan carryover Retained Earnings										
5. Retained income carried over from other										
6. Others										
(V) Specific reserves										
1. Withdrawal in this period										
2. Use in this period										
(VI) Others										
<b>IV. Closing balance in this period</b>	2,000,000.00				14,159,261.982.51			196,404,374.09	1,226,074,958.07	17,581,741,314.67

Notes to financial statements attached are components of the financial statement

The legal representative:

Principal of accounting work:

Principal of accounting mechanism:

**Statement of Changes in Owner's Equities of the Parent Company**

Prepared by: Changqing Wansheng Economic and Technological Development Zone Development & Investment Group Co., Ltd.

Unit: RMB Yuan

Item	Jan-Dec-2018						Total owner's equities				
	Paid-in capital (or capital stock)	Other equity instruments			Capital reserves	Minus: Treasury share		Other comprehensive earnings	Specific reserves	Surplus reserves	Undistributed profits
	Preferred shares	Perpetual capital securities	Others								
<b>I. Closing balance of last year</b>	2,000,000,000.00	-	-	14,159,261,982.51	-	-	-	-	151,759,078.79	1,022,601,784.38	17,333,622,845.68
Plus: Changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-
Correction of errors in prior period	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-
<b>II. The beginning balance of the current year</b>	2,000,000,000.00	-	-	14,159,261,982.51	-	-	-	-	151,759,078.79	1,022,601,784.38	17,333,622,845.68
<b>III. Increase/decrease amount during this period (decrease is filled with "-")</b>											
(I) Total comprehensive earnings	-	-	-	-	-	-	-	-	30,220,230.51	231,982,074.59	262,202,305.10
(II) Owner's investment and reduction of capital	-	-	-	-	-	-	-	-	-	-	-
1. Common stock invested by the shareholders	-	-	-	-	-	-	-	-	-	-	-
2. Capital invested by other equity instrument holders	-	-	-	-	-	-	-	-	-	-	-
3. Amount of stock payment counted into owner's equities	-	-	-	-	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-	-	-	-	-
(III) Profit distribution	-	-	-	-	-	-	-	-	-	-	-
1. Withdrawal surplus reserves	-	-	-	-	-	-	-	-	30,220,230.51	-70,220,230.51	-40,000,000.00
2. Distribution of owners (or shareholders)	-	-	-	-	-	-	-	-	30,220,230.51	-30,220,230.51	-
3. Others	-	-	-	-	-	-	-	-	-40,000,000.00	-40,000,000.00	-40,000,000.00
(IV) Internal carry forward of owner's equities	-	-	-	-	-	-	-	-	-	-	-
1. Transferred and increased capital of capital reserve (or capital stock)	-	-	-	-	-	-	-	-	-	-	-
2. Transferred and increased capital of surplus reserve (or capital stock)	-	-	-	-	-	-	-	-	-	-	-
3. Surplus reserves offsetting loss	-	-	-	-	-	-	-	-	-	-	-
4. Change in Defined Benefit Plan carryover Retained Earnings	-	-	-	-	-	-	-	-	-	-	-
5. Retained income carried over from other	-	-	-	-	-	-	-	-	-	-	-
6. Others	-	-	-	-	-	-	-	-	-	-	-
(V) Specific reserves	-	-	-	-	-	-	-	-	-	-	-
1. Withdrawal in this period	-	-	-	-	-	-	-	-	-	-	-
2. Use in this period	-	-	-	-	-	-	-	-	-	-	-
(VI) Others	-	-	-	-	-	-	-	-	-	-	-
<b>IV. Closing balance in this period</b>	2,000,000,000.00	-	-	14,159,261,982.51	-	-	-	-	181,979,309.30	1,254,583,858.97	17,595,825,150.78

Notes to financial statements attached are components of the financial statement.

The legal representative:

Principal of accounting work:

Principal of accounting mechanism:

# **Chongqing Wansheng Economic and Technological Development Zone Development & Investment Group Co., Ltd.**

## **Note to the 2018-2020 Annual financial statement**

(amount unit: RMB)

### **I. Company Profile**

#### **1. Development history**

##### (1) Establishment

Chongqing Wansheng Economic and Technological Development Zone Development Investment Group Co. Ltd. (hereinafter referred to Company or the Company) (its predecessor is Chongqing Wansheng Construction and Investment Co., Ltd.) is a state-owned company invested by Chongqing Wansheng District Finance Bureau. The company obtained Y.M.C.Y.H.Z. ZI (2007) YW No. 274912 Notice about Prior Approval of Enterprise (word size) Name issued by Chongqing Administration for Industry & Commerce on September 14, 2007. Registered capital of the Company is RMB 100 million, wherein: RMB 2.1 million monetary contribution, RMB 97.9 million for land use right, 367.93 mu with land use right, RMB 99.5864 million for appraised value. Chongqing Hengji Land and Real Estate Asset Appraisal Co., Ltd. made the appraisal and released C.H.J.D.P. ZI (2007) No. 6115 Land Value Appraisal Report. Investor confirmed value is RMB 99.5864 million, wherein RMB 97.9 million for registered capital and RMB 1.6864 million for capital reserve of the company. Chongqing Hengji Accounting Co., Ltd. verified and released CHSY (2007) No. 098 Capital Verification Report.

##### (2) Changes

In December 2009, Chongqing Wansheng District Bureau of Finance increased the company's registered capital by RMB 40.85 million in the form of currency according to the shareholders' resolution and regulations in amendments to articles of association, and the registered capital after changing is RMB 140.85 million. Chongqing Wanxing Accounting Co., Ltd. verified and released YWSY (2009) No. 62 Capital Verification Report.

In January 2012, the company's name was changed to Chongqing Wansheng Economic & Technological Development Zone Investment Group Co., Ltd.

In September 2012, according to Chongqing Municipal People's Government YF (2012)

No.18 Document and the company's shareholders' resolution and regulations in amendments to articles of association, the company's name was changed to Chongqing Wansheng Economic and Technological Development Zone Development & Investment Group Co., Ltd., and the company's shareholder was changed to Chongqing Wansheng Economic & Technological Development Zone Management Committee. Meanwhile, the company increased the registered capital by RMB 1.85915 billion, and paid-in capital RMB 1.22312 billion. The newly-increased registered capital was paid in two times by Chongqing Wansheng Economic & Technological Development Zone Management Committee, and the registered capital after change is RMB 2 billion and RMB 1.36397 billion paid-in capital. Contribution in this capital increase was made based on land use right and appraised value is RMB 1.2231243 billion. Chongqing Xinkaiyuan Asset Appraisal and Real Estate Land Appraisal Co., Ltd. released (Y) XTP (2012) (G) Z No.006 Appraisal Report, and Chongqing Xinkaiyuan Accounting Co., Ltd. released CXYZ (2012) No. 0681 Capital Verification Report.

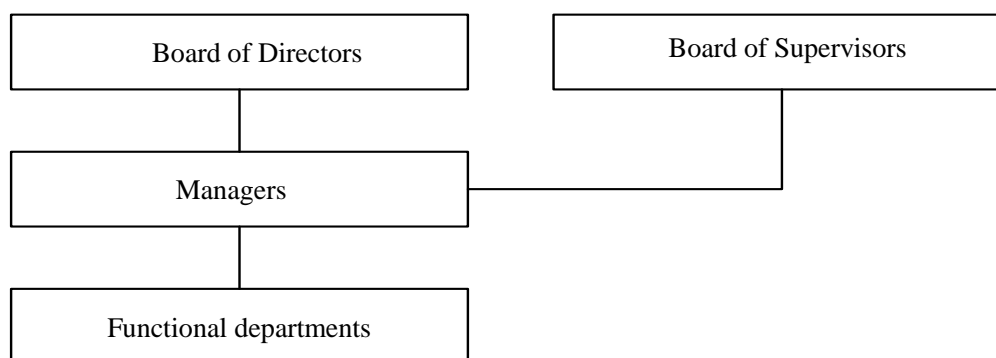
According to Chongqing Municipal People's Government YF (2012) No.18 Document and the company's shareholders' resolution and regulations in the amendments to articles of association, Chongqing Wansheng Economic & Technological Development Zone Management Committee, on July 10, 2013, made a second contribution RMB 636.03 million, and paid-in capital added in this capital increase was RMB 636.03 million. Chongqing Xinkaiyuan Accounting Co., Ltd. verified and released CXYZ (2013) No. 0721 Capital Verification Report. After this capital increase, the registered capital (paid-in capital) invested by Chongqing Wansheng Economic & Technological Development Zone Management Committee was RMB 2 billion.

## **2. Business nature and scope**

General business items: tourism development; investment to infrastructure construction for city development, tourism and industry; investment to urbanization; research, appraisal and demonstration of early feasibility of infrastructure projects; investment to and management of public utilities; land development renovation and operation management; operation of state-owned assets in multiple forms within the authorized scope; foreign financing business (carry out operation activities after being approved by relevant departments for projects which shall be approved according to laws).

## **3. Basic organization structure of the company**





**4. The Company's Financial Statement was approved for submission by the company's Board of Directors on June 10, 2021.**

## **II. Scope of Consolidated Financial Statements**

There is no change in the number of subsidiaries included in the scope of consolidated financial statements in 2020 compared with the previous period, as described in "VIII. Rights and interests in other main bodies" in the Notes for details.

## **III. Financial Statement Compiling Basis**

### **(I) Compiling basis**

The company, based on continuous operation, compiled the financial statements according to actual transactions and matters and in accordance with Accounting Standards for Business Enterprises - Basic Standards issued by Ministry of Finance in 2014 and successively issued and revised 42 specific accounting standards, and the application guidance of accounting standards for business enterprises, interpretation to accounting standards for business enterprises and other relevant regulations issued thereafter (hereinafter referred to as "accounting standards for business enterprises").

### **(II) Continuous operation**

The company is capable of operating continuously for at least 12 months since the end of this report period, and there is no major event influencing its capability of continuous operation.

## **IV. Main Accounting Policies, Accounting Estimation and Errors in Prior Period**

### **(I) Statement about complying with accounting standards for business enterprises**

The financial statement compiled by the company complies with the requirements in accounting standards for business enterprises, which truthfully and completely reflects the company's financial conditions, operation achievements, cash flow and other relevant information in the report period.

### **(II) Accounting period**

It is an accounting year from January 1 to December 31 of the Gregorian calendar. The report period is from January 1, 2018 to December 31, 2020..

### **(III) Business cycle**

The company takes 12 months as one business period, and takes this as the division standard for asset and liability fluidity.

### **(IV) Recording currency**

The company uses RMB as recording currency, and uses RMB in compiling financial statements. The company and its subsidiaries select recording currency based on valuation and settlement currency of main business incomes and expenses. Some subsidiaries of the company use currencies other than the company's recording currency for recording, and the company has converted these financial statements in other currencies of these subsidiaries while compiling financial statements.

### **(V) Accounting treatment method for enterprise consolidation under unitary control and non-unitary control**

#### **1. Enterprise consolidation under unitary control**

Enterprises involved in consolidation are all under final control of one party or multiple parties before and after consolidation, and such control is not temporary, being enterprise consolidation under unitary control. Consolidation date is the date when the consolidating party actually obtains control right on the consolidated party.

The assets and liabilities obtained by the consolidating party from enterprise consolidation shall be calculated based on the book value of the consolidated party on the consolidation date. If the accounting policies applied by the consolidated party are inconsistent with those of the company, the consolidating party shall adjust according to the company's accounting policies on the consolidation date, and confirm in line with the adjusted book value based on the above.

If the difference between book value of net asset obtained in consolidation and book value of the paid consolidation price (or total amount of nominal value of issued shares) is not enough to offset capital stock premium in capital reserve adjustment, it is required to adjust retained earnings.

Relevant direct expenses resulted from enterprise consolidation include audit fee, appraisal fee, legal service fee and others paid for consolidation, which shall be counted into current profit

and loss during occurrence.

If premium income of equity securities is not enough to offset the handling fee, commission and others resulted from issuing equity securities during enterprise consolidation, it is required to offset retained earnings.

## **2. Enterprise consolidation under non-unitary control**

If all the parties involved in consolidation are not under final control of one party or multiple parties, it shall be deemed as enterprise consolidation under non-unitary control.

The purchaser calculates the assets paid for enterprise consolidation price and occurring or undertaken liabilities on the purchase date based on fair value. The difference between fair value and book value shall be counted into current profit and loss.

The purchaser shall allocate consolidation cost on the purchase date, and confirm all fair values of recognized assets, liabilities or contingent liabilities obtained from the purchased party.

The purchaser recognizes goodwill for the difference between the cost of the combination and the share of the fair value of the purchaser's identifiable net assets acquired in the combination; the difference between the cost of the combination and the share of the fair value of the purchaser's identifiable net assets acquired in the combination, after review, is recognized in profit or loss for the period.

In addition to the intangible asset assets of the acquiree obtained in a enterprise consolidation (not limited to the assets previously confirmed by purchased party), the economic benefits brought by it are likely to flow into the company and the fair value can be reliably measured, Individually recognized and measured at fair value; intangible assets whose fair value can be reliably measured are separately recognized as intangible assets and measured at fair value value; the acquired liabilities of purchased party other than contingent liabilities are likely to result in the performance of related obligations If the economic benefits flow out of the company and the fair value can be reliably measured, they shall be separately recognized and measured at fair value value; the acquired contingent contingent liabilities of purchased party whose fair value can be reliably measured, shall be separately recognized as liabilities and measured at fair value value.

Upon initial recognition of the assets of the acquiree acquired in a merger, intangible assets owned by the acquiree but not recognized in its financial statements should be fully identified and

reasonably judged, and should be recognized as intangible assets if they meet one of the following conditions: ①they are derived from contractual or other legal rights; ②they can be separated or carved out from the acquiree and, either separately or together with related contracts, assets and liabilities, can be used for sale, transfer, license grant, lease or exchange.

The deductible temporary difference obtained by the purchaser from the purchased party from enterprise consolidation, which does not comply with the confirmation conditions of deferred income tax assets, shall not be confirmed. If any new or further information obtained within 12 months after the purchase date, it indicates that relevant information of the purchase date has been existing. If the purchased party is expected to realize the economic benefits of the deductible temporary difference on the purchase date, it is necessary to confirm relevant deferred income tax asset and reduce business reputation, and if the business reputation is not enough to offset, the difference shall be confirmed as current profit and loss;

For a enterprise consolidation not under unitary control, the purchaser audit, legal services, evaluation and consulting and other intermediary expenses and other related management expenses incurred by the purchaser for the business combination shall be included in the current profit and loss and losses when they are incurred; the purchaser shall issue equity securities or securities as consideration for the merger. The transaction costs of debt securities shall be included in the initial confirmation amount of equity securities or debt securities.

If purchaser realizes a enterprise consolidation not under unitary control step by step through multiple transactions, separate individual financial statement and consolidated financial financial statement for relevant accounting treatments: (1) In individual financial statement, the equity of the acquiree held before the purchase date should be used The sum of the book value of the investment and the new investment cost on the purchase date is used as the initial investment cost of the investment; if the equity of the purchaser party held before the purchase date involves other comprehensive earnings, it shall be related to the investment when disposing of the investment Other comprehensive earnings (for example, the part that changes in the fair fair value of available-for-sale financial assets are counted into capital reserve, the same below) is transferred to the current investment income. (2) In the consolidated financial statements, the equity interest in the acquiree held prior to the date of purchase shall be remeasured at the fair value of such equity interest at the date of purchase, and the difference between the fair value and its carrying

amount shall be recognized as investment income for the current period; if the equity interest in the acquiree held prior to the date of purchase involves other comprehensive income, the other comprehensive income related to it shall be transferred to investment income for the current period to which it belongs at the date of purchase.

#### **(VI) Confirmation standards for cash and cash equivalents**

In the case of compiling cash flow statement, the cash on hand and deposit available for payment at any time are confirmed as cash. Investments meeting the four conditions of short term (within three months from the purchase date), strong fluidity, being easy to be converted to known cash and small value change risk are confirmed as cash equivalents.

#### **(VII) Conversion in foreign currency operation and foreign currency statement**

##### **1. Conversion in foreign currency operation**

The spot exchange rate applied in foreign currency operations on the transaction date is used as exchange rate to convert the amount of foreign currency into RMB for accounting.

Balance of foreign currency monetary item is converted based on the spot exchange rate on the balance sheet date. The exchange difference caused hereof shall be counted into current profit and loss, except that the exchange difference resulted from special foreign currency borrowings related to acquisition and construction of assets meeting capitalization conditions is treated by the principle of borrowings cost capitalization. Foreign currency non-monetary item, calculated based on historic cost, is converted at the spot exchange rate on the transaction date, without changing the amount of the recording currency. Foreign currency non-monetary item, calculated based on fair value, is converted at the spot exchange rate on the fair value confirmation date, and the exchange difference caused hereof is counted into current profit and loss or capital reserve.

##### **2. Conversion in foreign currency statement**

The assets and liabilities items in the balance sheet are converted at the spot exchange rate on the balance sheet date; owner's equities items except for the "undistributed profits" item, other items are converted at the spot exchange rate at the time of occurrence. Revenues and expenses in profit statement are converted at the spot exchange rate on the transaction occurrence date. Conversion difference in foreign currency financial statement resulted from the above conversion shall be separately listed in owner's equities in the balance sheet.

When disposing of overseas operations, the foreign currency financial statement conversion

difference related to the overseas operations listed under the owner's equities items in the balance sheet shall be transferred from the owner's equities items to the current profit and loss of the disposal; if the overseas operations are partially disposed of, they shall be treated as dispositions. Proportionally calculate the foreign currency financial statement difference of the disposal part, and transfer it to the current profit and loss.

**(VIII) Bad debt reserve of receivables**

If there is objective evidence proving impairment of receivables at the end of the period, it is required to reduce the book value to recoverable amount, confirm the reduced amount as asset impairment loss, and count into current profit and loss. Recoverable amount is confirmed by discounting the future cash flow (excluding credit loss not occurred based on the original actual interest rate, and it is required to consider value of relevant pledged object (deducting expected handling expense, etc.). The original actual interest rate refers to the actual interest rate calculated and confirmed during initial confirmation of the receivables. The difference between expected future cash flow of short-term receivables and current value is extremely small, and the expected future cash flow will not be discounted while confirming relevant impairment loss.

Receivables of significant single amount and singly withdrawn bad debt reserve.

<p>Judgment basis or amount standard for significant single amount</p>	<p>Receivables of significant single amount (including receivables and other receivables) shall separately proceed with impairment test at the end of the period. If there is any objective evidence proving impairment occurred, impairment loss and bad debt reserve shall be confirmed based on the difference between current value of future cash flow and book value.</p> <p>Significant single amount refers to: the balance is greater than or equal to 5.0 million yuan.</p>
<p>Withdrawing method of significant single amount and singly withdrawn bad debt reserve</p>	<p>Confirm impairment loss based on the difference between current value of its future cash flow and book value, and withdraw bad debt reserve.</p>

### Receivables of bad debt reserve based on combination

For receivables of significant single amount, those with no impairment after separate test are divided into multiple combinations based on credit risk characteristics. Proportions of bad debt reserves of each combination shall be confirmed in this period according to actual loss rate of receivable combinations with the same or similar with previous years and with similar credit risk characteristics and conditions at present, and bad debt reserves to be withdrawn in this period shall be calculated based on the above.

Basis for combination confirmation	
Combination 1	Receivables of external payments
Combination 2	Receivables of company, government and relevant departments of affiliated party, guarantee deposit, cash deposit and advance payments of internal employees
Withdrawing method for bad debt reserve based on combination	
Combination 1	Aging analysis method
Combination 2	Separate analysis on confirmed amount of recoverable bad debts

### Combinations withdrawing bad debt reserve with aging analysis method:

Account age	Withdrawal proportion of receivables (%)	Withdrawal proportion of other receivables (%)
Within 1 year (including 1 year)	0.00	0.00
1-2 years	5.00	5.00
2-3 years	20.00	20.00
3-4 years	50.00	50.00
4-5 years	80.00	80.00
More than 5 years	100.00	100.00

### 1、Receivables of insignificant single amount, but with singly withdrawn bad debt reserve:

Reason for singly withdrawn bad debt reserve	The account age is relatively longer and there exists objective evidence proving impairment.
Withdrawing method of bad debt reserve	Confirm impairment loss based on the difference between current value of expected future cash flow and book value, and withdraw bad debt reserve.

## (IX) Inventories

### 1. Inventory classification

Inventory is classified into: raw materials, inventory goods, low value consumables, land to be developed, development cost, and development products.

### 2. Valuation method for inventory delivery

Confirm price with specific recognition method during inventory delivery.

### 3. Confirmation basis of net realizable value of inventory and withdrawing method for



### **falling price provision of inventory**

Withdraw or adjust falling price provision of inventory based on inventory cost or net realizable value, whichever is lower, after overall check to inventory at the end of the period.

In the normal production and operation process, the estimated selling price of the inventory minus the estimated selling expenses and relevant tax shall be used to determine the inventory of the goods directly used for sale, such as finished goods, inventory goods and materials for sale. net realizable value; material inventory that needs to be processed, in the normal production and operation process, the estimated selling price of the finished product produced minus the estimated cost, estimated sales expense, and related taxes at the time of completion , To determine the net realizable value; the net realizable value value of the inventory held for the execution of the sales contract or labor service contract is calculated on the basis of the contract price. If the quantity of the inventory held is more than the quantity ordered by the sales contract, the excess of the inventory The net realizable value is calculated based on the general sales price.

At the end of the period, provision inventory depreciation is made based on a single inventory item; but for inventory with a large quantity and low unit price, provision for inventory depreciation is made based on the inventory category; it is related to product series produced and sold in the same region, has the same or similar end-use For inventories that are difficult to measure separately from other items, the inventory reserve shall be accrued in a consolidated manner.

If influencing factors of previous written-down inventory value have disappeared, recover the written-down amount, reverse within the originally withdrawn amount of falling price provisions of inventory, and count the reversed amount into current profit and loss.

#### **4. Stocktaking system for inventory**

Permanent stocktaking system is applied.

#### **5. Amortization method for low value consumables**

- (1) 50-50 write-off method for low value consumables
- (2) 50-50 amortization method for packaging materials
- (3) Calculating method for development land

Expenses exclusively for land development projects constitutes land development cost;

For projects developed together with real estate, where expense undertaking objects can be clarified, distribute and count into commercial house cost based on actual area.

(4) Calculating method for public supporting facilities expense

Public supporting facilities that cannot be transferred for compensation: the standard distribution is determined according to the benefit ratio and counted into commercial housing;

Public supporting facilities that can be transferred for compensation: take each supporting facility project as the cost accounting object, and collect the costs incurred.

**(X) Long-term equity investment**

**1. Confirmation of investment cost**

(1) Long-term equity investment resulted from enterprise consolidation

Enterprise consolidation under the consolidation date: If the company pays cash, transfers non-cash assets or assumes debts and issues equity securities as consideration for the combination, the share of the ownership interest of the consolidated party in the book value of the consolidated financial statements of the ultimate controlling party is used as the initial investment cost of the long-term equity investment at the date of combination. The difference between the initial investment cost of long-term equity investment and the payment of the combined consideration shall be adjusted for the equity premium in the capital reserve; if the equity premium in the capital stock reserve is insufficient to offset, the retained earnings shall be adjusted. If the consolidating party issues equity securities for consolidation price, it is necessary to take the shares of book value of owner's equities of the consolidated party in the consolidated financial statement of the final controlling party on the consolidation date as the initial investment cost of long-term equity investment. It is necessary to take the total nominal value of issued shares as capital stock, and adjust capital reserve for difference between the initial investment cost of long-term equity investment and the total nominal value of issued shares;

Enterprise consolidation under the non-unitary control: the company takes the consolidation cost confirmed on the purchase date as the initial investment cost of long-term equity investment. Consolidation cost is the fair value of the assets paid by the purchaser to obtain the control right on the purchased party on the purchase date, occurring or undertaken liabilities and issued equity securities. The purchaser's transaction expenses of equity securities or debt securities issued as consolidation price shall be counted into the initially confirmed amount of equity securities or debt

securities. For enterprise consolidation under non-unitary control realized in steps through multiple transactions, the sum of book value of equity investment of the purchased party held before the purchase date and the investment cost newly added on the purchase date is taken as the initial investment cost of this investment. The company counts the part as agreed in the consolidation agreement or with consideration as enterprise consolidation transfer price into enterprise consolidation cost based on the fair value on the purchase date.

The intermediary expenses including audit, legal services and appraisal consulting and other relevant administration fees of the consolidating party or purchaser resulted from enterprise consolidation shall be counted into current profit and loss during occurrence.

## (2) Long-term equity investment obtained in other forms

The long-term equity investment obtained in the form of cash payment is taken as initial investment cost based on the actually paid purchase price. Initial investment costs include expenses, taxes and other necessary expenses directly related to obtaining long-term equity investment.

Long-term equity investment obtained from issuing equity securities is taken as initial investment cost based on fair value of issued equity securities.

On the premise that the non-monetary asset exchange has commercial substance and the fair value of the exchanged assets or the exchanged assets can be reliably measured, the long-term equity investment exchanged in the non-monetary asset exchange shall be determined on the basis of the fair value of the exchanged assets. initial investment cost, unless there is unambiguous evidence that the fair value of the assets exchanged in is more reliable; for non-monetary asset exchange that do not meet the above premises, the book value of the exchanged assets and relevant taxes and tax shall be used as the initial exchange for long-term equity investment initial investment cost of investment.

For long-term equity investment obtained from debt reconstruction, the initial investment cost is confirmed based on fair value.

## **2. Subsequent measurement and confirmation of profit and loss**

### (1) Subsequent measurement

Long-term equity investment into subsidiaries applies cost method for accounting.

Long-term equity investment of invested organization under joint control or with major influence applies equity method for accounting. The difference between the initial investment cost and the share of the fair value of the identifiable net assets of the investee at the time of investment is not adjusted to the initial investment cost of long-term equity investments; the difference between the initial investment cost and the share of the fair value of the identifiable net assets of the investee at the time of investment is recognized in profit or loss for the current period.

For changes of owner's equities other than net profit and loss of the invested organization, the company calculates the part to be entitled and undertake based on the shareholding ratio, adjust book value of long-term equity investment, and increase or decrease capital reserve (other capital reserves) on the premise that the shareholding ratio is not changed.

## (2) Confirmation of profit and loss

For the cost method, the company confirms investment income based on the holding cash dividends or profits declared to issue by the invested organization, except for actually paid price during investment or cash dividend or profits contained in consideration, declared but not released.

Under the equity method, consider on the basis of the book net profit of invested organization: the accounting policy and accounting period adopted by the investee and the company are inconsistent, and the financial statement of the investee should be adjusted according to the company's accounting policy and accounting period; The impact of depreciation or amortization based on the fair value of the fixed asset of invested organization when the investment is obtained, and the amount of relevant asset impairment reserves, etc., on the net profit invested organization; for the company, associated enterprise After the unrealized internal transactions that occur between them are offset and other matters are appropriately adjusted, it is confirmed that they should enjoy or should bear the net profit or net loss of invested organization.

When recognizing a share of losses incurred by the invested organization, the following order of treatment is followed: First, the book value of the long-term equity investment is reduced. Secondly, if the book value of the long-term equity investment is not enough to offset, continue to confirm investment loss with the book value of other long-term equities substantially constituting net investment of the invested organization, and offset the book value of long-term receivables and

others. Finally, if the enterprise shall still undertake extra obligations according to investment contract or agreement, confirm the estimated liabilities based on the obligations anticipated to undertake, and count into current investment loss. For the profits realized by the invested organization in later periods, after deducting the unconfirmed loss sharing amount, the company shall deal with in the sequence adverse to the above sequence, write down the book balance of confirmed estimated liabilities, recover book value of long-term equities substantially constituting net investment of the invested organization and long-term equity investment, and confirm investment income at the same time.

If the invested organization can provide consolidated financial statement during the period of holding investment, it is necessary to calculated based on net profits and other equity changes in consolidated financial statement.

### **3. Basis to confirm major influence on invested organization and joint venture**

Major influence refers to the situation where one party has the right to make decisions about finance and operation of one enterprise, but cannot control or jointly control with other parties formulation of these policies. If investing enterprise can impose major influence on the invested organization, the invested organization is its associated enterprise. Joint venture refers to that the company only has the right for joint venture arrangement for net asset in such arrangement.

### **4. Impairment test method and withdrawing method for provision for impairment**

For long-term equity investment with impairment signs except for the business reputation resulted from enterprise consolidation, if the calculation result of recoverable amount proves that the recoverable amount of the long-term equity investment is lower than its book value, the difference is confirmed as impairment loss.

Impairment loss of long-term equity investment will not be reversed once it is confirmed.

### **5. Handling of long-term equity investment**

If the investor loses joint control or significant influence on the invested organization due to handling with partial equity investment or others, the residual equity after handling shall be calculated according to Accounting Standards for Business Enterprises No. 22 -- Recognition and Measurement of Financial Instruments, and the difference of the fair value on the date of losing joint control or significant influence and book value shall be counted into current profit and loss. Other comprehensive earnings of the original equity investment confirmed based on calculation

with equity method shall proceed with accounting treatment on the same basis with the case of directly handling relevant assets or liabilities with the invested organization when the calculation based on equity method is terminated.

If the investor loses control of invested organization due to the disposal of part of the equity investment, etc., when preparing individual financial statement, if the residual equity after disposal can exercise joint control or exert significant influence on invested organization, it shall be replaced by equity. The remaining equity shall be calculated using the equity method when the residual equity deemed to be acquired; if the residual equity after disposal cannot exercise joint control or exert significant influence on invested organization, it shall be changed to the "accounting standards for business enterprises No. 22" —— financial instruments Recognition and Measurement" shall be accounted for, and the difference between the fair value and book value on the day when control is lost counted into current profit and loss.

In the case of handling with long-term equity investment, the difference between its book value and actually obtained price shall be counted into the current profit and loss. For long-term equity investment calculated with equity method, use the same basis as the invested organization directly handling with relevant assets and liabilities to handle with the investment, and proceed with accounting treatment for the part originally counted into other comprehensive earnings at the corresponding proportion.

If the disposal of the equity investment in subsidiaries until the loss of control is a package transaction, each transaction shall be accounted for as a transaction that disposes of subsidiaries and loses control; however, each transaction before the loss of control. The difference between the price and the share of the subsidiaries net assets corresponding to the disposal of the investment shall be recognized as other comprehensive income in the consolidated financial statement, and shall be transferred to the current profit and loss of the loss of control when the control is lost.

If the disposal of the equity investment in the subsidiary until the loss of control is not a package transaction, in the individual financial statement, the disposal of the equity shall be carried forward; at the same time, the residual equity shall be recognized as long-term equity at its book value value Investment or other related financial assets. If residual equity after handling can impose joint control or significant influence on the original subsidiary, it shall proceed with accounting treatment according to relevant regulations about converting cost method to equity

method. In consolidated financial statement, residual equity shall be re-calculated based on the fair value of the date of losing control right. The difference calculated by deducting the net asset of the original subsidiaries continuously calculated based on the original shareholding ratio since the purchase date from the sum of consideration obtained from equity handling and fair value of residual equity shall be counted into the investment income of the period of losing control right. Other comprehensive earnings related to equity investment of the original subsidiaries shall be converted to the current investment income at the time when the control right is lost. Enterprises shall disclose fair value of the residual equity after handling on the date of losing control right and amount of relevant profits or losses resulted from re-calculating fair value in the Note.

### **(XI) Investment property**

Investment property refers to real estate purchased to gain rent or capital appreciation or both of the above, including rented land use right, land use right which is held and to be transferred after appreciation and rented building (including buildings for renting after completing self-construction or development and buildings for rent under construction or development).

The company applies the cost model to calculate existing investment property. For investment property calculated based on the cost model -- building for rent, the same depreciation policy as for the company's fixed asset is used, and the same amortization policy as for intangible asset for land use right.

If any impairment sign existing, if the recoverable amount is lower than its book value, confirm the corresponding impairment loss.

Impairment loss on investment property shall not be reversed once after being confirmed.

### **(XII) Fixed assets**

#### **1. Confirmation conditions for fixed asset**

Fixed asset refers to tangible asset held by producing products, providing labor services, renting or operating management, with service life exceeding one accounting year. Fixed assets are classified as: housing and building, office equipment, transportation tool and temporary facilities. Fixed asset are recognized when the following conditions are met at the same time: fixed asset when the following conditions are met at the same time:

- (1) Economic benefits related to the fixed asset may flow into enterprises;
- (2) Cost of the fixed asset can be reliably calculated.



## **2. Initial calculation of fixed asset**

Fixed asset shall be initially calculated based on the actual cost.

Cost of purchased fixed asset shall be confirmed based on purchase price, relevant taxes, and transportation expense, handling expense, installation expense and professional service expense spent to enable fixed asset to reach the preset using condition and attributable to the asset.

If the price of purchasing fixed asset exceeds deferred payment under normal credit conditions and is of financing nature, the cost of fixed asset is based on the current value of purchase price.

The cost of fixed asset of self-construction is composed of required expenses for the construction asset reaching the preset using conditions.

Entry value of fixed asset for debt payment obtained from debt reconstruction from debtor shall be confirmed based on the fair value of the fixed asset, and the difference between the book value of debt reconstruction and fair value of the fixed asset for debt payment shall be counted into the current profit and loss;

On the premise that the non-monetary asset exchange assets has commercial substance and the fair value of the exchanged assets or exchanged assets can be reliably measured, the fixed asset exchanged in are determined on the basis of the fair value of the exchanged assets, unless there is unambiguous evidence shows that the fair value of the assets exchanged in is more reliable; for non-monetary asset exchange that do not meet the above premises, the book value of the assets exchanged and the relevant taxes and tax are used as the cost of the exchanged fixed asset, and no profit or loss is recognized.

The book value of fixed fixed asset obtained by absorption and merger of enterprises under the unitary control shall be determined according to their entry value in consolidated party; the book value of fixed assets obtained by consolidating party of enterprises not under the unitary control control shall be determined by their fair entry value.

## **3. Subsequent expenditure of fixed asset**

Subsequent expenditures related to fixed asset are included in the cost of fixed assets when the relevant economic benefits are likely to flow into the company and their costs can be reliably measured; the book value of the replaced part is terminated; other subsequent expenditures are calculated at the time of occurrence counted into current profit and loss.

#### 4. Depreciation methods for various fixed assets

Fixed asset depreciation is withdrawn in classifications with straight-line method, and the depreciation rate is confirmed based on category of fixed asset, predicted service life and anticipated net residual rate. If each component of fixed asset has different service lives or provides economic benefits to the company in different ways, it is required to select different depreciation rates or depreciation methods for separate withdrawal.

For fixed asset leased in the form of financing lease, if it can be reasonably determined that the ownership of the leased asset will be obtained at the rental term the lease term, depreciation shall be accrued within the useful life leased asset; if it cannot be reasonably determined that the ownership of the leased asset can be obtained at the rental term the lease term, depreciation is accrued in the shorter period of the rental term and the remaining useful life leased asset.

Depreciation time limits and depreciation rates for various fixed assets are as follows

Category of fixed asset	Expected service life	Net residual rate (%)	Annual depreciation rate (%)
Housing and building	40 years	5.00	2.38
Office equipment	3-5 years	5.00	19.00-31.67
Transportation equipment	8-10 years	5.00	9.50-11.88

#### 5. Impairment test method and withdrawing method of provision for impairment of fixed asset

The company makes judgment about whether there exist signs of potential impairment of fixed asset at the end of each period.

If there exists any impairment sign for fixed asset, recoverable amount shall be estimated. The recoverable amount shall be confirmed based on the net amount calculated by deducting disposal expense from fair value of fixed asset or current value of expected future cash flow of fixed asset, whichever is lower.

If recoverable amount of fixed asset is lower than their book value, the book value shall be written down to the recoverable value, and the write-down amount is confirmed as impairment loss of fixed asset and counted into current profit and loss. Meanwhile corresponding provision for impairment of fixed asset shall be withdrawn.

After confirming fixed asset impairment loss, depreciation of impaired fixed asset shall be correspondingly adjusted in the future to keep the fixed asset within the residual service life, and

systematically allocate book value of fixed asset after adjustment (deducting expected net residual value).

Impairment loss of fixed asset will not be reversed in the following accounting periods once after being confirmed.

If there exists any sign proving that one fixed asset might be impaired, enterprises shall estimate its recoverable amount based on single fixed asset. If it is difficult for enterprises to estimate recoverable amount of single fixed asset, the recoverable amount of the asset unit based on the one to which the fixed asset belongs.

#### **6. Disposal of fixed asset**

The amount obtained by deducting book value and relevant taxes from the disposal revenue resulted from selling, transferring, scrapping or damaging fixed asset shall be counted into current profit and loss.

#### **7. Affirmation basis and valuation method for fixed assets under financing lease**

If one of the following conditions is specified in the lease agreement between the company and the lessee, it is confirmed as assets rented in for financing lease:

- (1) Ownership of leased assets belongs to the company after the rental term expires;
- (2) The company has the right of choice for asset purchase, and the purchase price is much lower than fair value of the asset in the case of executing the right of choice;
- (3) The rental term occupies most of the service life of the leased asset;
- (4) There exists no larger difference between current value of the minimum lease payment on the lease starting date and fair value of the asset.

At the lease starting date, take the fair value of leased asset or current value of the minimum lease payment (whichever is lower) as entry value of the leased asset, the minimum lease payment as entry value of long-term payables and the difference as unconfirmed financing charge.

#### **(XIII) Project under construction**

##### **1. Category of project under construction**

Project under construction shall be calculated in classification based on setup projects.

##### **2. Standards and time points of carrying project under construction forward fixed asset**

The project under construction is entry value of fixed assets based on all expenditures spent to enable the construction asset to reach the preset using condition. If project under construction of constructed fixed asset have reached the preset using conditions, but have not dealt with final settlement of completion, they shall be counted into fixed asset since the date of reaching the preset using conditions as estimated value based on project budget, construction cost or actual cost of the project, and depreciation of the fixed asset shall be withdrawn based on the company's fixed asset depreciation policies. The original estimated value shall be adjusted based on the actual cost after the final settlement of completion, without adjusting originally withdrawn depreciation amount.

### **3. Impairment test method and withdrawing method of provision for impairment of project under construction**

The company makes judgment about whether there exist signs of potential impairment of the project under construction at the end of each period.

If there exists any impairment sign for the project under construction, recoverable amount shall be estimated. If there exists any sign proving that one project under construction might be impaired, enterprises shall estimate its recoverable amount based on single project under construction. If it is difficult for enterprises to estimate recoverable amount of single project under construction, the recoverable amount of the asset unit based on the one to which the project under construction belongs.

The recoverable amount shall be confirmed based on the net amount calculated by deducting disposal expense from fair value of project under construction or current value of expected future cash flow of project under construction, whichever is lower.

If recoverable amount of project under construction is lower than their book value, the book value shall be written down to the recoverable value, and the write-down amount is confirmed as impairment loss of project under construction and counted into current profit and loss. Meanwhile corresponding provision for impairment of project under construction shall be withdrawn.

Impairment loss of project under construction will not be reversed in the following accounting periods once after being confirmed.

#### **(XIV) borrowings cost**

## **1. Confirmation principles for borrowings cost capitalization**

borrowings cost includes borrowings interest, amortization and auxiliary expenses of depreciation or premium, exchange difference resulted from foreign currency borrowings, etc.

If borrowings cost incurred by the company can be directly attributable to the purchase, construction or production of assets that meet the capitalization conditions, they shall be capitalized and counted into the relevant assets; other borrowings cost shall be recognized as expenses based on the amount incurred when they are incurred and counted into current profit and loss.

Assets meeting capitalization conditions refer to the fixed asset, investment property, inventory and other assets which can reach the preset using or selling conditions after quite a long time of acquisition and construction or production.

borrowings cost shall be capitalized after meeting all the following conditions:

- (1) Asset expenditure has occurred, which includes the expenditures generated in the forms of paying cash, transferring non-cash assets or undertaking interest-bearing debts for acquisition and construction or production of assets meeting capitalization conditions;
- (2) borrowings cost has occurred;
- (3) Acquisition and construction or production activities required for assets to reach the preset using or selling conditions have been started.

## **2. borrowings cost capitalization period**

The capitalization period is from the time point of starting capitalization of borrowings cost to the time point of stopping capitalization, excluding the borrowings cost capitalization suspension period.

Capitalization of borrowings cost is stopped when the assets obtained from acquisition and construction or production meeting capitalization conditions reach the preset using or selling conditions.

When some items of the assets obtained from acquisition and construction or production meeting capitalization conditions are separately completed and can be separately used, capitalization of borrowings cost of this asset part shall be stopped.

If each part of the assets obtained from acquisition and construction or production is separately completed, but can be used or sold to others only after overall completion, borrowings cost capitalization of this asset shall be stopped at overall completion.

### **3. Capitalization suspension period**

If an abnormal interruption occurs during the acquisition, construction or production of an asset that meets the conditions for capitalization, and the interruption lasts for more than 3 months, the borrowings cost shall be suspended; if the interruption is the acquisition, construction or production that meets the conditions for capitalization. If the assets reach the intended usable state or the necessary procedures for the saleable state, the borrowings cost continue to be capitalized. If the borrowings cost occurred during interruption is confirmed as current profit and loss, capitalization of borrowings cost shall be continued after restarting asset acquisition and construction or production activities.

### **4. Calculation method of borrowings cost capitalization amount**

For special borrowings borrowed in to acquire and construct or product assets meeting capitalization conditions, capitalization amount of borrowings cost shall be confirmed by deducting interest revenue obtained from bank deposit of unused borrowings capital or the amount of investment income obtained from temporary investment from the actual borrowings cost of the special borrowings during that period.

For general borrowings used in acquisition and construction or production of assets meeting capitalization conditions, interest amount of general borrowings to be capitalized by multiplying the weighted average of the asset expenditure part of accumulated asset expenditure exceeding the special borrowings by capitalization rate of the used general borrowings. Capitalization rate shall be confirmed by calculating the weighted average of general borrowings.

If there exist depreciation or premium of borrowings, confirm depreciation or premium amount to be allocated based on the effective interest method in each accounting period, and adjust interest amounts in each period.

## **(XV) Intangible assets**

### **1. Valuation method for intangible asset**

(1) Initial calculation shall be conducted based on cost in the case of obtaining intangible asset

Cost to purchase intangible asset includes purchase price, relevant taxes and other expenditures directly used to enable the asset to realize the preset purposes. If the price of purchasing intangible asset exceeds deferred payment under normal credit conditions and is of financing nature, the cost of intangible asset is based on the current value of purchase price.

Entry value of intangible asset for debt payment obtained from debt reconstruction from debtor shall be confirmed based on the fair value of the intangible asset, and the difference between the book value of debt reconstruction and fair value of the intangible asset for debt payment shall be counted into the current profit and loss;

On the premise that the non-monetary asset exchange has commercial substance and the fair value of the exchanged assets or the exchanged assets can be reliably measured, the intangible asset assets exchanged in the non-monetary asset exchange shall be determined on the basis of the fair value of the exchanged assets. , Unless there is unambiguous evidence that the fair value of the exchanged assets is more reliable; non-monetary asset exchange that do not meet the above premises, the book value of the exchanged assets and the relevant taxes and fees payable as the cost of the exchanged intangible asset are not recognized profit and loss.

Intangible assets obtained by absorption and merger of enterprises under unitary control shall determine their entry value according to the book value value of the consolidated party; intangible assets obtained by consolidating party of enterprises not under unitary control shall determine their entry value at their fair value value.

Materials consumed in developing the intangible asset, labor cost, registration fee, amortization of other patents and chartered rights used in development and interest expense meeting capitalization conditions, and other direct expenses spent to enable the intangible asset to realize the preset purposes.

## (2) Subsequent measurement

Analyze and determine service life at the time point of obtaining intangible asset.

Intangible asset with a limited service life are amortized on a straight-line method basis within the period of economic benefits brought to the enterprise; if the period of intangible asset bringing economic benefits to the enterprise cannot be foreseen, they shall be regarded as intangible asset with an indefinite service life and shall not be amortized. pin.



## **2. Conditions of estimation about service life of intangible asset with limited service life**

Land use right shall be amortized on average based on service life. If it is difficult to reasonably allocate price of purchased land and buildings between land use right and buildings, all of them shall be treated as fixed asset.

It is required to reexamine service life and amortization method of intangible assets with limited service life at the end of each period.

There shall exist no difference of service life and amortization method of intangible assets with previous estimation at the end of the period after reexamination.

## **3. Judgment basis for intangible asset with uncertain service life**

Service life of intangible asset with uncertain service life shall be reexamined at the end of each period.

Service life of the intangible asset is still uncertain after reexamination.

## **4. Withdrawal of provision for impairment of intangible asset**

Intangible assets with certain service life shall proceed with impairment test at the end of the period if any remarkable impairment sign.

Intangible assets with uncertain service life shall proceed with impairment test at the end of each period.

Conduct impairment test to intangible asset to estimate its recoverable amount. If there exists any sign proving that one intangible asset might be impaired, enterprises shall estimate its recoverable amount based on single intangible asset. If it is difficult for enterprises to estimate recoverable amount of single intangible asset, the recoverable amount of the asset unit based on the one to which the intangible asset belongs.

The recoverable amount shall be confirmed based on the net amount calculated by deducting disposal expense from fair value of intangible asset or current value of expected future cash flow of intangible asset, whichever is lower.

If recoverable amount of intangible asset is lower than their book value, the book value shall be written down to the recoverable value, and the write-down amount is confirmed as impairment loss of intangible asset and counted into current profit and loss. Meanwhile corresponding

provision for impairment of intangible asset shall be withdrawn.

After confirming intangible asset impairment loss, depreciation of impaired intangible asset shall be correspondingly adjusted in the future to keep the intangible asset within the residual service life, and systematically allocate book value of intangible asset after adjustment (deducting expected net residual value).

Impairment loss of intangible asset will not be reversed in the following accounting periods once after being confirmed.

#### **5. Research stage of dividing internal research and development programs and specific standards in development stage**

Expenditure for internal research and development programs is divided into expenditure in research stage and expenditure in development stage.

Research stage: a stage of original and planned investigation and research activities to acquire and understand new scientific or technical knowledge, etc.

Development stage: a stage of applying research achievements or other knowledge in a certain plan or design to produce materials, devices, products and other activities with new or substantial improvement before commercial production or use.

#### **6. Expenditure in development stage meeting specific standards for capitalization**

Expenditure in development stage of internal research and development programs which meets all the following conditions is confirmed as intangible asset:

- (1) It is technically feasible to complete the intangible asset to be used or sold;
- (2) There is intention to complete and use or sell the intangible asset;
- (3) The forms of intangible asset producing economic benefits include proving that there exists market for products produced by the intangible asset or for the intangible asset itself, and proving its serviceability if the intangible asset is used inside;
- (4) With support of adequate technical and financial resources and other resources to complete development of the intangible asset, and with ability to use or sell the intangible asset;
- (5) Expenditure in development stage of the intangible asset can be reliably calculated.

Expenditure in development stage shall be counted into current profit and loss at occurrence if it does not meet the above conditions. Expenditure in research stage shall be counted into current profit and loss at occurrence.

**(XVI) Business reputation**

For business reputation generated from enterprise consolidation under non-unitary control, its initial cost is the difference between the consolidation cost (higher) and fair value of recognized net assets of the purchased party obtained in consolidation.

Business reputation shall be transferred out during disposal of relevant asset units or asset unit combination and counted into current profit and loss.

Business reputation shall not be amortized and shall be proceeded with impairment tests at least once at the end of each year.

Regarding the impairment test of business reputation, the book value of the goodwill formed by the enterprise consolidation shall be allocated to the relevant asset unit according to a reasonable method from the date of purchase; if it is difficult to allocate to the relevant asset unit, it shall be allocated to the relevant asset unit combination. In the case of amortizing book value of business reputation to relevant asset units or asset unit combination, amortization shall be conducted based on the proportion of fair value of each asset unit or asset unit combination in the total amount of fair value of relevant asset units and asset unit combinations. If it is difficult to reliably calculate fair value, amortization shall be conducted based on the proportion of book value of each asset unit or asset unit combination in the total amount of book value of relevant asset units or asset unit combination.

In the case of conducting impairment tests to relevant asset units or asset unit combination containing business reputation, if there exist impairment signs for asset units or asset unit combination related to business reputation, it is required to firstly conduct impairment test to asset units or asset unit combinations not containing business reputation, calculate recoverable amount, and compared with relevant book values to confirm corresponding impairment loss. Then conduct impairment test to asset units or asset unit combinations containing business reputation, compare book values of these relevant asset units or asset unit combinations (including amortized book value of business reputation) with their recoverable amounts. If the recoverable amount of relevant asset units or asset unit combinations is lower than book value, confirm impairment loss of the

business reputation.

Impairment loss of business reputation shall be counted into current profit and loss during occurrence and shall not be reversed in the following accounting periods.

**(XVII) Long-term deferred expenses**

All expenses which have occurred but shall be undertaken in this period and following periods with amortization time limit lasting for more than 1 year, including expenditure for improvement of fixed asset leased for operation, shall be amortized in periods as long-term deferred expense based on the expected benefiting term. If the long-term deferred expense cannot benefit the following accounting periods, the residual value which has not been amortized shall be completely transferred to current profit and loss.

**(XVIII) Estimated liabilities**

In the case of involving litigation, debt guarantee, loss contract and reconstruction, if it may be necessary to deliver assets or provide labor for such matters in the future and the amount can be reliably calculated, it shall be confirmed as estimated liabilities.

Estimated liabilities shall be initially calculated based on the best estimate number to be spent to fulfill relevant current obligations, and comprehensive considerations shall be given to risks related to contingencies, uncertainty, time value of money and other factors. If the time value of money has a significant impact, the best estimate is determined by discounting the relevant future cash outflow; the increase in the book value of the estimated liabilities due to the discounted reduction over time is recognized as interest expense.

Book value of estimated liabilities shall be reexamined and properly adjusted on the balance sheet date to reflect the best estimate number at present.

**(XIX) Employee remuneration**

Except for the compensation for dissolving the labor relationship with employees, payable employee remuneration shall be confirmed as liabilities during accounting period of employees providing services.

In the case of participating in the employee social security system set by government institutes, including basic endowment insurance, medical insurance, housing provident fund and other social security systems as regulated (meanwhile having established supplementary pension

insurance system), the corresponding expenditures shall be counted into relevant asset costs or current profit and loss during the accounting period of employees providing services.

In the case of dissolving the labor relationship with employees before labor contract expires or proposing compensation suggestions to encourage employees to willingly accept layoff, if the group has formulated official plan for dissolving labor relationship or proposed suggestions about being willing to accept layout, which are about to be implemented, and the group cannot unilaterally withdraw the plan to dissolve labor relationship or layoff suggestions, it is required to confirm the estimated liabilities resulted from compensation for dissolving the labor relationship with employees and count into current profit and loss.

### **(XX) Revenue**

The company's revenue mainly includes revenue from land reclamation, revenue from construction contract and revenue from other products and labor services. Confirmation principles are as follows:

#### **1. Revenue from land reclamation shall be confirmed after meeting all the following conditions at the same time**

- (1) Main risks and compensations of land use right are transferred to the buyer;
- (2) Enterprises do not retain the right of continuous management generally associated to land use right, nor impose control on it;
- (3) Relevant economic benefits can flow into enterprises;
- (4) Relevant revenues and costs can be reliably calculated.

#### **2. Revenue from construction contract shall be confirmed after meeting all the following conditions at the same time**

- (1) Total contract revenue can be reliably calculated;
- (2) Economic benefits related to contract can flow into enterprises;
- (3) Actually occurred contract cost can be clearly distinguished and reliably calculated;
- (4) Contract completion schedule and cost required for contract completion can be reliably confirmed.

Results of cost-plus contract can be reliably estimated, which refers to meeting all the following conditions at the same time:

- (1) Economic benefits related to contract can flow into enterprises;
- (2) Actually occurred contract cost can be clearly distinguished and reliably calculated;

### **3. Other revenue**

(1) Selling goods, while satisfying the transfer of the main risks and rewards of the ownership of the goods to the purchaser; neither retaining the right to continue management usually associated with ownership, nor implementing effective control over the sold goods; The amount of revenue can be reliably measured; the relevant economic benefits are likely to flow into the enterprise; the relevant incurred or will incurred costs can be reliably measured when the conditions for the realization of revenue can be confirmed.

(2) For labor services, the results of transactions of providing labor services can be reliably calculated, and revenue is confirmed with the percentage-of-completion method.

(3) For alienating asset use right, revenue shall be confirmed when relevant economic benefits may flow into enterprises and revenue amount can be reliably calculated.

### **(XXI) Government Subsidy**

Government subsidy is classified into government subsidy related to asset and government subsidy related to revenue.

#### **1. Judgment basis and accounting treatment method for government subsidy related to assets**

The government subsidy obtained by the company and used for generating long-term asset through acquisition and construction or other forms belongs to government subsidy related to assets.

Government subsidy related to asset shall be confirmed as deferred revenue, allocated on average within service life of relevant assets and counted into current profit and loss.

#### **2. Judgment basis and accounting treatment method for government subsidy related to earnings**

Government subsidy other than the government subsidy related to asset is government

subsidy related to revenue. Government subsidy related to revenue shall be treated respectively in the following conditions:

- (1) Relevant expenses or losses for compensation for the company in the following periods shall be confirmed as deferred revenue and counted into current profit and loss during the period of confirming relevant expenses.
- (2) Relevant expenses or losses occurred for compensation for the company shall be directly counted into current profit and loss.

For government subsidy that contain both asset-related parts and income-related parts, the different parts are accounted for separately; those that are difficult to distinguish are classified as income-related government subsidy as a whole.

Government subsidy related to the company's daily activities shall be counted into other revenues based on nature of business transactions. Government subsidy irrelevant to the company's daily activities shall be counted into non-operating income and expense.

### 3. Accounting treatment of subsidized borrowings as preferential policy

- (1) If the Ministry of Finance allocates interest subsidy capital to borrowings banks which provides policy preferential interest rate to the company, the actually collected borrowings amount is taken as entry value of the borrowings, and relevant borrowings costs shall be calculated based on borrowings principal and the policy preferential interest rate.
- (2) If the Ministry of Finance allocates interest subsidy capital directly to the company, the company will offset relevant borrowings costs with corresponding interest subsidy.

Government subsidy shall be confirmed and calculated based on the actually accounted amount at the time point of actually receiving payments. Only when there exists unambiguous evidence proving that the subsidy is allocated based on the fixed quota standard and unambiguous evidence proving that it can meet relevant conditions stipulated in financial support policies and is expected to receive such financial support fund, it can be confirmed and calculated as amount receivable.

If the confirmed government subsidy shall be returned, the company shall conduct accounting treatment to the period of requiring return, namely to adjust book value of asset in the case of offsetting book value of relevant asset during initial confirmation.



Government subsidy shall be confirmed and calculated based on the actually accounted amount at the time point of actually receiving payments. Only when there exists unambiguous evidence proving that the subsidy is allocated based on the fixed quota standard and unambiguous evidence proving that it can meet relevant conditions stipulated in financial support policies and is expected to receive such financial support fund, it can be confirmed and calculated as amount receivable.

**(XXII) Deferred income tax asset and deferred income tax liabilities**

For difference between book value of some assets and liabilities and tax assessment basis and temporary difference resulted from difference between book value of the items which have not be confirmed as asset and liabilities, but can be confirmed in the aspect of tax assessment basis according to tax laws, balance sheet liabilities method shall be used to confirm deferred income tax asset and deferred income tax liabilities.

Generally, all temporary differences shall be confirmed as relevant deferred income tax. For deductible temporary difference, relevant deferred income tax asset shall be confirmed with taxable income amount which may be obtained to offset deductible temporary difference. Besides, for temporary difference related to initial confirmation of business reputation, or related to initial confirmation of assets or liabilities resulted from transactions which are not enterprise consolidation and do not influence accounting profit and taxable income amount (or deductible loss), relevant deferred income tax asset or liabilities shall not be confirmed.

For deductible loss and tax deduction which can be carried forward to subsequent years, corresponding deferred income tax asset shall be confirmed, with the future taxable income amount which may be obtained to offset deductible loss and tax deduction as limit.

Confirm deferred income tax liabilities resulted from temporary difference of payable taxes related to investment of subsidiaries, associated enterprises and joint ventures, unless the company can control the time of temporary difference restitution and the temporary difference may not be reversed within the foreseeable future. For deductible temporary difference related to investment of subsidiaries, associated enterprises and joint ventures, deferred income tax asset shall be confirmed only when the temporary difference may be reversed within the foreseeable future and it is possible to obtain taxable income to deduct temporary difference. Deferred income tax asset and deferred income tax liabilities shall be calculated on the balance sheet based on the expected

recoverable relevant assets or applicable tax rate during the period of clearing off relevant liabilities according to tax laws on the balance sheet date.

Except that current income tax and deferred income tax which are directly counted into other comprehensive earnings or related to transactions and matters of shareholders' equities are counted into other comprehensive earnings or shareholders' equities, and that book value of business reputation is adjusted for deferred income tax resulted from enterprise consolidation, all the other current income taxes and deferred income tax expenses or benefits are counted into current profit and loss.

Book value of deferred income tax asset shall be reexamined on the balance sheet date. If it is impossible to obtain enough taxable income to deduct benefits of deferred tax assets in the future, book value of deferred tax asset shall be written down. If it is possible to obtain enough taxable income, write-down amount shall be reversed.

In the case of having legal right of net settlement and intending to settle or obtain assets and pay off debts with net amount, the group's deferred income tax asset and deferred income tax liabilities shall be presented with the net amount after offsetting.

In the case of having legal rights to settle current income assets and current income liabilities with net amount, deferred income tax assets and deferred income tax liabilities being related to income taxes collected by one tax collection and administration department against the same taxpayer or related to different taxpayers, but involved tax payers intending to settle the current income tax assets and liabilities with net amount or obtaining assets while paying off debts, the group's deferred income tax asset and deferred income tax liabilities shall be presented with the net amount after offsetting.

### **(XXIII) Lease**

#### **1. Accounting treatment for operation lease**

(1) Lease expense paid for leased asset shall be allocated with straight-line method within the entire rental term including the rent-free period and counted into current expense. The paid initial direct expenses related to lease shall be counted into current expense.

When undertaking expenses related to lease, the asset lesser shall deduct this expense from the total rent amount, allocate the rent expense after deduction within the rental term, and count

into current expense.

(2) Lease expense obtained by capital lease shall be allocated with straight-line method within the entire rental term including the rent-free period and confirmed as lease revenue. The initial direct expenses paid related to lease transaction shall counted into current expenses; if the amount is large, it shall be capitalized and included in the current revenue in rental term based on the same basis as the recognition of lease income counted into the entire lease period.

In the case of undertaking expenses related to lease which shall be undertaken by the lessee, deduct this expense from total rent revenue and allocate rent expenses after deduction within the rental term.

## **2. Accounting treatment of financing lease**

(1) Finance leased assets: at the lease starting date of the company, take the fair value of leased asset or current value of the minimum lease payment (whichever is lower) as entry value of the leased asset, the minimum lease payment as entry value of long-term payables and the difference as unconfirmed financing charge.

Utilize effective interest method to amortize unconfirmed financing expense within the asset rental term and count into financial expense. Initial direct expense of the company shall be counted into leased asset value.

(2) Finance lease out assets: the company shall confirm the difference between the sum of unguaranteed residual value of receivable financing lease payment and its current value as unrealized financing income on the lease starting date, and confirm as rent revenue within each period of receiving rent in the future. Count initial direct expense related to lease of the company into the initial calculation of receivable financing lease, and reduce income amount confirmed in the rental term.

## **(XXIV) Operation termination**

Operation termination refers to components which meet one of the following conditions and can be separately distinguished, and such components have been disposed or classified as available-for-sale category:

1、 Such component represents one independent main business or one independent main business region;

2、 Such component is one part of a relevant plan proposed to dispose one independent main business or one independent main business region;

3、 Such component is a subsidiary obtained specially for resale.

Refer to Note IV (XIII) for accounting treatment to available-for-sale assets.

#### **(XXV) Affiliated party**

If one party controls or jointly controls the other party or imposes significant influence on the other party, and two or more parties are controlled by one party or jointly controlled, these parties are affiliated parties. Affiliated party can be individual or enterprise. Enterprises only under the country and not related to other affiliated parties are not affiliated party.

Affiliated parties of the company include but are not limited to:

1. Parent company
2. Subsidiaries
3. Other enterprises under control of one parent company;
4. Investors imposing joint control;
5. Investors imposing significant influence;
6. Joint ventures, including subsidiaries of joint ventures;
7. Associated enterprises, including subsidiaries of associated enterprises;
8. Main investor individuals and their close family members;
9. Critical management personnel of the company and its parent company and their close family members;
10. Other enterprises under control or joint control of main investor individuals or critical management personnel of the company or their close family members.

#### **(XXVI) Changes of main accounting policies and accounting estimation**

##### **1. Changes of accounting policies**

No accounting policy change in 2020

The changes of accounting policies in 2019 are as follows:

(1) On April 30, 2019, the Ministry of Finance (MOF) issued the Notice on Revising and Printing the Format of General Corporate Financial Statements for 2019 (Finance and Accounting [2019] No. 6) (hereinafter referred to as "Finance and Accounting [2019] No. 6"). This Circular revises the format of general financial statements for enterprises, requiring non-financial enterprises that implement the Accounting Standards for Business Enterprises to prepare financial statements in accordance with the Accounting Standards for Business Enterprises and the requirements of Finance and Accounting [2019] No. 6. The revised standards will be implemented as of the interim financial statements for the fiscal year 2019.

(2) On May 9, 2019, the Ministry of Finance issued the "Notice on Printing and Revising the 'Accounting Standards for Business Enterprises No. 7 - Exchange of Non-monetary Assets'".(Finance and Accounting [2019] No. 8) (hereinafter referred to as "Finance and Accounting [2019] No. 8"). This notice amends 'Accounting Standards for Business Enterprises No. 7 Exchange of Non-monetary Assets'.The revised guidelines will take effect on June 10, 2019. The exchange of non-monetary assets between January 1, 2019, solstice, the implementation date of this criterion, shall be adjusted in accordance with this criterion. Exchanges of non-monetary assets prior to January 1, 2019 do not require retroactive adjustment in accordance with the provisions of the Code.

(3) On May 16, 2019, the Ministry of Finance issued the "Notice on Printing and Revising the 'Accounting Standards for Business Enterprises No. 12 - Debt Restructuring '". (Finance and Accounting [2019] No. 9) (hereinafter referred to as "Finance and Accounting [2019] No. 9"). This notice amends the 'Accounting Standards for Business Enterprises No. 12 -- Debt Restructuring'. The revised guidelines will take effect on June 17, 2019. On January 1, 2019, the solstice of the implementation date of the debt restructuring, shall be adjusted in accordance with the criteria. No retroactive adjustment is required for debt restructured prior to January 1, 2019, in accordance with the provisions of the Code.

The changes of accounting policies in 2018 are as follows:

Company in accordance with the Ministry of Finance issued in 2018 issued by the Ministry of Finance on the Notice of the Ministry of Finance on Revising and Issuing the Format of General Corporate Financial Statements for 2018 (Finance and Accounting No.15 [2018]) revision of the company's financial report format,delete the original items of "Interest Receivable" and

"Dividend Receivable" from the balance sheet and merge them into "Other Receivables"; Delete the original items of "Interest Payable" and "Dividends Payable" and merge them into "Other Payables"; The original item of "special payables" is deleted and merged into the item of "long-term payables" to reflect the ending book value of all kinds of long-term payables except long-term borrowings and bonds payable on the balance sheet date. Since the Company has not yet implemented the new financial standards and the new revenue standards, it shall prepare the financial statements as required in Annex 1 of the notice and adjust the presentation and presentation of the comparative statements accordingly. The accounting policy change only has an impact on the listing of financial statements, and has no significant impact on the company's financial position, operating results and cash flow.

## 2. Changes of accounting estimation

There is no change of accounting estimate in 2020.

There is no change of accounting estimate in 2019.

There is no change of accounting estimate in 2018.

## V. Tax

### (I) Main tax types and tax rates for the company

The main taxes and their tax rates applicable in 2020 are listed below

Tax type	Tax assessment basis	Tax rate
Value-added tax	Calculate the output tax on the basis of the sales of goods and taxable labor revenue to the tax law. After deducting the input tax that is allowed to be deducted in the current period, the difference is the value-added tax payable	3%. 5%. 6%. 9%. 13%
Urban maintenance and construction tax	Actual value-added tax	7%
Education surcharge	Actual value-added tax	3%
Local education surcharge	Actual value-added tax	2%
Enterprise income tax	Taxable income amount	15%. 25%

The main taxes and their tax rates applicable in 2019 are listed below

Tax type	Tax assessment basis	Tax rate
Value-added tax	Calculate the output tax on the basis of the sales of goods and taxable labor revenue to the tax law. After deducting the input tax that is allowed to be deducted in the current period, the difference is the value-added tax payable	Before April 1, 2019 3%, 5%, 6%, 10%, 16% After April 1, 2019 3%, 5%, 6%, 9%, 13%

Tax type	Tax assessment basis	Tax rate
Urban maintenance and construction tax	Actual value-added tax	7%
Education surcharge	Actual value-added tax	3%
Local education surcharge	Actual value-added tax	2%
Enterprise income tax	Taxable income amount	15% , 25%

The main taxes and their tax rates applicable in 2018 are listed below

Tax type	Tax assessment basis	Tax rate
Value-added tax	Calculate the output tax on the basis of the sales of goods and taxable labor revenue to the tax law. After deducting the input tax that is allowed to be deducted in the current period, the difference is the value-added tax payable	Before May 1, 2018 为 3%、5%、6%、11%、17%、 After May 1, 2018 为 3%、5%、6%、10%、16%
Urban maintenance and construction tax	Actual value-added tax	7%
Education surcharge	Actual value-added tax	3%
Local education surcharge	Actual value-added tax	2%
Enterprise income tax	Taxable income amount	25%

## VI. Notes To Main Items in Consolidated Financial Statement

(The following amounts are in RMB unless otherwise specified).

### (I) Monetary capital

Item	31-December-2020	31-December-2019	31-December-2018
Cash on hand	45,749.24	93,601.08	82,345.99
Bank deposit	836,619,276.47	755,675,999.36	1,070,935,453.98
Other monetary capitals	41,154,371.77	14,364,103.75	3,739,925.71
In total	877,819,397.48	770,133,704.19	1,074,757,725.68
Of which: Total amount deposited abroad		4,085.94	355,417.22

Wherein, details of limited monetary capitals are as follows:

Item	31-December-2020	31-December-2019	31-December-2018
Fixed deposit receipt for	300,000,000.00	9,200,000.00	2,100,000.00
Time deposit certificates over three months	40,000,000.00		
Guarantee deposit	1,142,240.00	10,538,900.00	5,618,900.00
In total	341,142,240.00	19,738,900.00	7,718,900.00

### (II) Bills receivable

#### 1. List by category

Item	31-December-2020	31-December-2019	31-December-2018
Bank acceptance note	9,898,810.23	6,122,000.00	7,126,626.40
Commercial Acceptance Notes			

Item	31-December-2020	31-December-2019	31-December-2018
In total	9,898,810.23	6,122,000.00	7,126,626.40

**2. At the end of the period of the period the company has pledged notes receivable**

None.

**3. At the end of the period of the period, the company has endorsed or discounted balance sheet that are not yet due on the balance sheet date**

Item	Derecognition amount on December 31, 2020	Amount not derecognized as of December 31, 2020
Bank acceptance note	167,157,791.95	84,860,081.02
Commercial Acceptance Notes		
In total	167,157,791.95	84,860,081.02

Continued Table I

Item	Derecognition amount on December 31, 2019	Amount not derecognized as of December 31, 2019
Bank's Acceptance Bill	207,555,375.87	
Commercial Acceptance Bill		
In total	207,555,375.87	

Continued Table II

Item	Derecognition amount on December 31, 2018	Amount not derecognized as of December 31, 2018
Bank's Acceptance Bill	239,916,862.95	
Commercial Acceptance Bill		
In total	239,916,862.95	

**(III) Accounts receivable**

**(1) Classified disclosure**

Category	31-December-2020				Book value
	Book balance		Bad debt reserve		
	Amount	Proportion (%)	Amount	Proportion (%)	
Receivables of significant single amount and singly withdrawn bad debt reserve					
Withdraw receivables of bad debt reserve based on credit risk characteristic combinations	856,878,626.55	99.90	2,360,046.25	0.28	854,518,580.30
Combination 1: External accounts receivable	607,375,577.46	70.88	2,360,046.25	0.39	605,015,531.21
Combination 2: Receivable payments against affiliated company, government and relevant departments	249,503,049.09	29.12			249,503,049.09
Receivables of insignificant single amount, but with singly withdrawn bad debt reserve	892,284.46	0.10	892,284.46	100.00	
In total	857,770,911.01	100.00	3,252,330.71	0.38	854,518,580.30



Continued Table I

Category	31-December-2019				
	Book balance		Bad debt reserve		Book value
	Amount	Proportion (%)	Amount	Proportion (%)	
Receivables of significant single amount and singly withdrawn bad debt reserve					
Withdraw receivables of bad debt reserve based on credit risk characteristic combinations	514,763,409.15	99.83	907,222.21	0.18	513,856,186.94
Combination 1: External accounts receivable	261,640,655.08	50.83	907,222.21	0.35	260,733,432.87
Combination 2: Receivable payments against affiliated company, government and relevant departments	253,122,754.07	49.17			253,122,754.07
Receivables of insignificant single amount, but with singly withdrawn bad debt reserve	892,284.46	0.17	892,284.46	100.00	
In total	515,655,693.61	100.00	1,799,506.67	0.35	513,856,186.94

Continued Table II

Category	31-December-2018				
	Book balance		Bad debt reserve		Book value
	Amount	Proportion (%)	Amount	Proportion (%)	
Receivables of significant single amount and singly withdrawn bad debt reserve					
Withdraw receivables of bad debt reserve based on credit risk characteristic combinations	648,617,526.67	99.86	225,427.25	0.03	648,392,099.42
Combination 1: Receivables of external payments	264,438,533.00	40.71	225,427.25	0.09	264,213,105.75
Combination 2: Receivable payments against affiliated company, government and relevant departments	384,178,993.67	59.15			384,178,993.67
Receivables of insignificant single amount, but with singly withdrawn bad debt reserve	892,284.46	0.14	892,284.46	100.00	
In total	649,509,811.13	100.00	1,117,711.71	0.17	648,392,099.42

Explanation to receivable type:

- (1) Receivables of significant non-single amount and singly withdrawn bad debt reserve at the end of the period
- (2) Withdraw receivables of bad debt reserve with aging analysis method in the combination

Account age	31-December-2020		
	Accounts receivable	Bad debt reserve	Withdrawal proportion (%)
Within 1 year (including 1 year)	578,107,373.28		0.00

Account age	31-December-2020		
	Accounts receivable	Bad debt reserve	Withdrawal proportion (%)
1-2 years	25,185,494.84	1,259,274.74	5.00
2-3 years	3,411,402.08	682,280.42	20.00
3-4 years	504,832.36	252,416.19	50.00
4-5 years	2,000.00	1,600.00	80.00
More than 5 years	164,474.90	164,474.90	100.00
In total	607,375,577.46	2,360,046.25	—

Continued Table I

Account age	31-December-2019		
	Accounts receivable	Bad debt reserve	Withdrawal proportion (%)
Within 1 year (including 1 year)	249,366,049.73		0.00
1-2 years	11,510,760.29	575,538.02	5.00
2-3 years	522,832.36	104,566.47	20.00
3-4 years	2,000.00	1,000.00	50.00
4-5 years	64,474.90	51,579.92	80.00
More than 5 years	174,537.80	174,537.80	100.00
In total	261,640,655.08	907,222.21	—

Continued Table II

Account age	31-December-2018		
	Receivables	Bad debt reserve	Withdrawal proportion (%)
Within 1 year (including 1 year)	263,562,196.94		0.00
1-2 years	632,587.21	31,629.37	5.00
2-3 years	4,736.15	947.23	20.00
3-4 years	64,474.90	32,237.45	50.00
4-5 years	69,623.00	55,698.40	80.00
More than 5 years	104,914.80	104,914.80	100.00
In total	264,438,533.00	225,427.25	—

**1. The amount of receivables recovered through reconstruction and other forms in this period, and accumulated withdrawn bad debt reserve before reconstruction**

None.

**2. Conditions about receivables actually verified in this report period**

None.

**3. There is no debt owed by shareholder organizations holding more than 5% (including 5%) shares in the company in receivables at the end of the period**

**4. Top five debt amounts in the receivables at the end of the period**

**31-December-2020**

Unit name	Relationship with the company	Closing balance	Account age	Proportion in total amount of receivables (%)
Chongqing Wansheng Economic Development Zone Jianping Infrastructure Project Management Co., Ltd.	Third party	182,353,253.10	Within 1 year	21.26
Chongqing Datang International Shizhu Power Generation Co., Ltd.	Third party	90,053,158.90	Within 1 year	10.50
Chongqing China Machinery Longqiao Thermal Power Co., Ltd.	Third party	84,514,681.53	Within 1 year	9.85
Chongqing Wansheng Economic & Technological Development Zone Bureau of Finance	Third party	93,933,518.51	Within 1 year, 1-2 years	10.95
State Power Investment Corporation Chongqing Hechuan Power Generation Co., Ltd.	Third party	62,504,374.28	Within 1 year	7.29
In total	—	513,358,986.32	—	59.85

**31-December-2019**

Unit name	Relationship with the company	Closing balance	Account age	Proportion in total amount of receivables (%)
Chongqing Wansheng Economic and Technological Development Zone Finance Bureau	Third party	95,708,404.06	Within 1 year, 1-2 years ,more than 5years	18.56
Chongqing Wansheng Economic and Technological Development Zone Black Valley Tourist Resort Management Committee	Third party	63,198,900.00	Within 1 year	12.26
Chongqing Zhongji Longqiao Power Co. Ltd.	Third party	61,185,988.85	Within 1 year	11.87
Chongqing Huaфон Chemical Co.,Ltd.	Third party	55,855,698.76	Within 1 year	10.83
Chongqing Wansheng Economic and Technological Development Zone Tourism Development Committee	Third party	48,527,541.00	1-2 years, 2-3 years	9.41
In total	—	324,476,532.67	—	62.93

**31-December-2018**

Unit name	Relationship with the company	Closing balance	Account age	Proportion in total amount of receivables (%)
Chongqing Wansheng economic and Technological Development Zone Finance Bureau	Third party	295,170,000.00	Within 1 year、More than 5 years	45.45
Shaanxi Ximei Products Co., Ltd	Third party	112,692,114.50	Within 1 year	17.35
Chongqing Wansheng Economic Development Zone Tourism Development Commission	Third party	48,550,141.00	Within 1 year、1-2 years	7.47

Unit name	Relationship with the company	Closing balance	Account age	Proportion in total amount of receivables (%)
State Power Investment Group Chongqing Hechuan Power Generation Co., Ltd	Third party	42,568,484.32	Within 1 year	6.55
Chongqing Huafeng Chemical Co., Ltd	Third party	26,954,557.51	Within 1 year	4.15
In total	—	525,935,297.33	—	80.97

## 5. Conditions about receivables against affiliated parties

None.

### (IV) Prepayments

#### 1. Prepayments are presented based on account age as follows

Account age	31-December-2020		31-December-2019	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	216,208,243.23	18.29	1,041,165,474.77	58.50
1-2 years	258,207,222.52	21.85	65,990,904.16	3.71
2-3 years	52,327,638.23	4.43	664,124,262.68	37.31
More than 3 years	655,121,525.31	55.43	8,564,172.55	0.48
In total	1,181,864,629.29	100.00	1,779,844,814.16	100.00

#### Continued Table I

Account age	31-December-2019		31-December-2018	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	1,041,165,474.77	58.50	81,298,089.42	8.96
1-2 years	65,990,904.16	3.71	667,565,863.88	73.56
2-3 years	664,124,262.68	37.31	1,019,326.31	0.11
More than 3 years	8,564,172.55	0.48	157,591,847.24	17.37
In total	1,779,844,814.16	100.00	907,475,126.85	100.00

#### 2. Conditions of top five prepayments in terms of closing balance collected based on prepayment objects:

##### 31-December-2020

Name of main debtors	Relationship with the company	Closing balance	Account age	Reasons for not settling
Chongqing Wansheng Economic Development Zone Urban Development & Investment Group Co., Ltd.	Third party	379,150,000.00	2-3 years, more than 3 years	Contract under fulfillment
Chongqing Wansheng District Shunda Highway Development Co., Ltd.	Third party	307,413,000.00	More than 3 years	Contract under fulfillment
Chongqing Wansheng District Changzhou Construction Engineering Co., Ltd.	Third party	179,560,000.00	Within 1 year, 1-2 years	Contract under fulfillment
Chongqing Wansheng Economic & Technological Development Zone Planning and Natural Resources Bureau	Third party	85,000,000.00	1-2 years	Contract under fulfillment
Chongqing Wansheng Economic & Technological Development Zone Bureau of Finance	Third party	60,000,000.00	Within 1 year	Contract under fulfillment
In total	—	1,011,123,000.00	—	—

**31-December-2019**

Name of main debtors	Relationship with the company	Closing balance	Account age	Reasons for not settling
Chongqing Wansheng Economic Development Zone Puyi Infrastructure Construction Co., Ltd.	Third party	700,000,000.00	Within 1 year	Contract under fulfillment
Chongqing Wansheng Economic and Technological Development Zone Development Investment Group Co., Ltd.	Third party	379,150,000.00	Within 1 year 1-2 years	Contract under fulfillment
Chongqing Wansheng District Shunda Highway Development Co., Ltd.	Third party	307,413,000.00	Within 1 year, 1-2 years, 2-3 years	Contract under fulfillment
Chongqing Wansheng District Changzhou Construction Engineering Co.,Ltd.	Third party	100,000,000.00	Within 1 year	Contract under fulfillment
Chongqing Wansheng Economic & Technological Development Zone Housing Authority	Third party	85,000,000.00	Within 1 year	Contract under fulfillment
In total	—	1,571,563,000.00	—	—

**31-December-2018**

Name of main debtors	Relationship with the company	Closing balance	Account age	Reasons for not settling
Wansheng Economic Development Zone urban development and Construction Group Co., Ltd	Third party	334,150,000.00	Within 1 year	Contract under fulfillment
Chongqing Wansheng Shunda Highway Development Co., Ltd	Third party	307,413,000.00	Within 1 year 1-2 years	Contract under fulfillment
Chongqing Wansheng economic and Technological Development Zone Finance Bureau	Third party	150,000,000.00	More than 5 years	Contract under fulfillment
Chongqing Yipin Construction Group Co., Ltd	Third party	6,000,000.00	Within 1 year	Contract under fulfillment
Chongqing Tuoliang construction site service company	Third party	4,400,000.00	Within 1 year	Contract under fulfillment
In total	—	801,963,000.00	—	—

**(V) Other receivables**

**1. Summary table condition**

Item	31-December-2020	31-December-2019	31-December-2018
Interest receivable			
Dividend receivable			
Other receivables	3,847,722,469.25	3,652,261,107.96	2,481,001,953.02
In total	3,847,722,469.25	3,652,261,107.96	2,481,001,953.02

**2. Other receivables**

**(1) Other receivables are disclosed based on category**

Category	31-December-2020				Book value
	Book balance		Bad debt reserve		
	Amount	Proportion (%)	Amount	Proportion (%)	

Notes to 2018-2020 Financial Statement of Chongqing Wansheng Economic and Technological Development Zone  
Development & Investment Group Co., Ltd

Category	31-December-2020				
	Book balance		Bad debt reserve		Book value
	Amount	Proportion (%)	Amount	Proportion (%)	
Other receivables of significant single amount and singly withdrawn bad debt reserve	36,867,282.66	0.93	36,867,282.66	100.00	
Other withdraw receivables of bad debt reserve based on credit risk characteristic combinations	3,934,860,323.61	99.05	87,137,854.36	2.21	3,847,722,469.25
Combination 1: External accounts receivable	340,483,515.47	8.65	87,137,854.36	25.59	253,345,661.11
Combination 2: Receivables of company, government and relevant departments of affiliated party, guarantee deposit, cash deposit and advance payments of internal employees	3,594,376,808.14	91.35			3,594,376,808.14
Other receivables of insignificant single amount, but with singly withdrawn bad debt reserve	700,790.43	0.02	700,790.43	100.00	
In total	3,972,428,396.70	100.00	124,705,927.45	3.14	3,847,722,469.25

Continued Table I

Category	31-December-2019				
	Book balance		Bad debt reserve		Book value
	Amount	Proportion (%)	Amount	Proportion (%)	
Other receivables of significant single amount and singly withdrawn bad debt reserve					
Other withdraw receivables of bad debt reserve based on credit risk characteristic combinations	3,711,155,031.87	99.98	58,893,923.91	1.59	3,652,261,107.96
Combination 1: External accounts receivable	194,452,081.42	5.24	58,893,923.91	30.29	135,558,157.51
Combination 2: Receivables of company, government and relevant departments of affiliated party, guarantee deposit, cash deposit and advance payments of internal employees	3,516,702,950.45	94.76			3,516,702,950.45
Other receivables of insignificant single amount, but with singly withdrawn bad debt reserve	679,869.00	0.02	679,869.00	100.00	
In total	3,711,834,900.87	100.00	59,573,792.91	1.60	3,652,261,107.96

Continued Table II

Category	31-December-2018				
	Book balance		Bad debt reserve		Book value
	Amount	Proportion (%)	Amount	Proportion (%)	
Other receivables of significant single amount and singly withdrawn bad debt reserve					
Other withdraw receivables of bad debt reserve based on credit risk characteristic combinations	2,536,293,153.94	99.97	55,291,200.92	2.18	2,481,001,953.02
Combination 1: Receivables of external payments	632,182,956.38	24.92	55,291,200.92	8.75	576,891,755.46
Combination 2: Receivables of company, government and relevant departments of affiliated party, guarantee deposit, cash deposit and advance payments of internal employees	1,904,110,197.56	75.05			1,904,110,197.56
Other receivables of insignificant single amount, but with singly withdrawn bad debt reserve	801,233.94	0.03	801,233.94	100.00	
In total	2,537,094,387.88	100.00	56,092,434.86	2.21	2,481,001,953.02

Other withdraw receivables of bad debt reserve with aging analysis method in the combination

Account age	31-December-2020		
	Other receivables	Bad debt reserve	Withdrawal proportion (%)
Within 1 year (including 1 year)	172,565,140.91		0.00
1-2 years	7,168,946.51	358,447.33	5.00
2-3 years	39,398,152.11	7,879,630.42	20.00
3-4 years	84,887,457.07	42,443,728.54	50.00
4-5 years	38,854.00	31,083.20	80.00
More than 5 years	36,424,964.87	36,424,964.87	100.00
In total	340,483,515.47	87,137,854.36	—

Continued Table I

Account age	31-December-2019		
	Other receivables	Bad debt reserve	Withdrawal proportion (%)
Within 1 year (including 1 year)	8,827,532.47		0.00
1-2 years	49,206,093.25	2,459,804.67	5.00
2-3 years	99,954,636.83	19,990,927.37	20.00
3-4 years	38,854.00	19,427.00	50.00
4-5 years	6,000.00	4,800.00	80.00
More than 5 years	36,418,964.87	36,418,964.87	100.00
In total	194,452,081.42	58,893,923.91	—

Continued Table II

Account age	31-December-2018		
	Other receivables	Bad debt reserve	Withdrawal proportion (%)
Within 1 year (including 1 year)	127,239,962.61		0.00
1-2 years	468,518,028.90	23,425,901.45	5.00
2-3 years			20.00
3-4 years	6,000.00	3,000.00	50.00
4-5 years	22,783,327.00	18,226,661.60	80.00
More than 5 years	13,635,637.87	13,635,637.87	100.00
In total	632,182,956.38	55,291,200.92	—

**(2) Conditions about other receivables actually verified in this report period**

None.

**(3) Conditions about classification of other receivables based on payment nature**

Payment nature	31-December-2020	31-December-2019	31-December-2018
Receivable advance payments of affiliated company, government, relevant departments and internal employees	3,631,244,090.80	3,517,223,705.82	1,890,879,456.42
Receivable intercourse funds against other organizations	341,184,305.90	194,611,195.05	646,214,931.46
In total	3,972,428,396.70	3,711,834,900.87	2,537,094,387.88

**(3) Top five debt amounts in the other receivables at the end of the period**

31-December-2020

Unit name	Relationship with the company	Closing balance	Account age	Proportion in the total amount of closing balance of other receivables (%)
Chongqing Wansheng Economic & Technological Development Zone Bureau of Finance	Third party	1,317,897,499.94	Within 1 year, 1-2 years, 2-3 years, 3-4 years, 4-5 years, more than 5 years	33.18
Chongqing Jiasheng Industrial Development Co., Ltd.	Third party	296,621,524.84	3-4 years	7.47
Chongqing Wansheng Mining Subsidence Comprehensive Management Co., Ltd.	Third party	430,000,000.00	Within 1 year, 1-2 years	10.82
Chongqing Wansheng Industrial Development Co., Ltd.	Third party	876,664,695.44	1-2 years, 2-3 years, 5 years or more	22.07
Chongqing Wansheng Economic Development Zone Jianping Infrastructure Project Management Co., Ltd.	Third party	150,000,000.00	2-3 years, 3-4 years, 4-5 years, 5 years or more	3.78



Notes to 2018-2020 Financial Statement of Chongqing Wansheng Economic and Technological Development Zone  
Development & Investment Group Co., Ltd

Unit name	Relationship with the company	Closing balance	Account age	Proportion in the total amount of closing balance of other receivables (%)
In total	—	3,071,183,720.22	—	77.32

31-December-2019

Unit name	Relationship with the company	Closing balance	Account age	Proportion in the total amount of closing balance of other receivables (%)
Chongqing Wansheng Economic & Technological Development Zone Bureau of Finance	Third party	932,587,259.21	Within 1 year, 1-2 years, 2-3 years, 3-4 years, 4-5 years, more than 5 years	25.12
Chongqing Wansheng Comprehensive Coal Mining Subsidence Area Co., Ltd.	Third party	368,121,524.84	2-3 years	9.92
Chongqing Wansheng Industrial Development Co., Ltd.	Third party	360,000,000.00	Within 1 year	9.70
Wansheng Economic Development Zone Land and Housing Authority	Third party	210,736,953.99	1-2 years, more than 5 years	5.68
Chongqing Wansheng Economic and Technological Development Zone Bureau of State Land, Resources and Housing	Third party	141,162,770.00	2-3 years, 3-4 years, 4-5 years, more than 5 years	3.80
In total	—	2,012,608,508.04	—	54.22

31-December-2018

Unit name	Relationship with the company	Closing balance	Account age	Proportion in the total amount of closing balance of other receivables (%)
Chongqing Wansheng economic and Technological Development Zone Finance Bureau	Third party	682,718,418.81	Within 1 year, 1-2 years	26.91
Chongqing Jiasheng Industrial Development Co., Ltd	Third party	368,121,524.84	1-2 years	14.51
Chongqing Wansheng Industrial Development Co., Ltd	Third party	210,736,953.99	Within 1 year, 1-2 years	8.31
Land and Housing Administration Bureau of Wansheng Economic Development Zone	Third party	141,162,770.00	1-2 years, 2-3 years, 3-4 years, 4-5 years	5.56
Jinqiao Town Financial Office	Third party	51,740,771.05	1-2 years	2.04
In total	—	1,454,480,438.69	—	57.33

**(5) Conditions about receivables against affiliated parties**

Unit name	Relationship with the company	Amount at the end of December 31, 2020	Account age	Proportion in the total amount of closing balance of other receivables (%)
Chongqing Yuqian Border Town Tourism Development Co., Ltd.	Equity participation	5,240,134.00	3-4 years	0.13
In total	—	5,240,134.00	—	0.13

**(6) Other receivables involving government subsidy**

None.

**(VI) Inventories**

**1. Inventory classification**

Item	31-December-2020		
	Book balance	Falling price provision	Book value
Inventory goods	609,665,003.18		609,665,003.18
Low value consumables	303,129.04		303,129.04
Development cost	29,487,013,086.55		29,487,013,086.55
In total	30,096,981,218.77	—	30,096,981,218.77

Continued Table I

Item	31-December-2019		
	Book balance	Falling price provision	Book value
Inventory goods	834,851,395.55		834,851,395.55
Low value consumables	274,947.58		274,947.58
Development cost	28,311,933,747.19		28,311,933,747.19
In total	29,147,060,090.32	—	29,147,060,090.32

Continued Table II

Item	31-December-2018		
	Book balance	Falling price provision	Book value
Inventory goods	751,397,809.55		751,397,809.55
Low value consumables	5,032,953.30		5,032,953.30
Development cost	27,894,779,350.69		27,894,779,350.69
In total	28,651,210,113.54		28,651,210,113.54

**2. Falling price provision for inventory**

Net realizable value of the company's inventory at the end of the period is not lower than its book value, no falling price provision of inventory withdrawn

**(VII) Other current assets**

Item	31-December-2020	31-December-2019	31-December-2018
Payable value added tax	100,524.01	15,719,754.33	18,773,275.19
Input tax amount to be deducted	19,731,856.95	38,018,441.05	6,537,658.51
Input tax amount to be certified	44,313,832.27	19,554,816.55	15,646,930.98

Notes to 2018-2020 Financial Statement of Chongqing Wansheng Economic and Technological Development Zone  
Development & Investment Group Co., Ltd

Item	31-December-2020	31-December-2019	31-December-2018
Prepaid income tax	43,183.24	2,720,374.58	77,796.34
In total	64,189,396.47	76,013,386.51	41,035,661.02

**(VIII) Available-for-sale financial assets****1. Conditions about available-for-sale financial assets**

Item	31-December-2020			31-December-2019		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Available-for-sale debt instrument:	699,548,313.00		699,548,313.00	630,370,000.00		630,370,000.00
Financial product	699,548,313.00		699,548,313.00	630,370,000.00		630,370,000.00
Available-for-sale equity instrument:	266,362,569.50	58,000,000.00	208,362,569.50	296,139,958.14		296,139,958.14
Calculated based on fair value						
Calculated based on cost	266,362,569.50	58,000,000.00	208,362,569.50	296,139,958.14		296,139,958.14
Others						
In total	965,910,882.50	58,000,000.00	907,910,882.50	926,509,958.14		926,509,958.14

**Continued Table I**

Item	31-December-2019			31-December-2018		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Available-for-sale debt instrument:	630,370,000.00		630,370,000.00	345,770,000.00		345,770,000.00
Financial product	630,370,000.00		630,370,000.00	345,770,000.00		345,770,000.00
Available-for-sale equity instrument:	296,139,958.14		296,139,958.14	292,637,783.14		292,637,783.14
Calculated based on fair value						
Calculated based on cost	296,139,958.14		296,139,958.14	292,637,783.14		292,637,783.14
Others						
In total	926,509,958.14		926,509,958.14	638,407,783.14		638,407,783.14

**2. Available-for-sale equity instruments calculated based on cost**

31-December-2020

Invested organization	Book balance			Provision for impairment	Shareholding ratio in invested organization (%)	Cash dividend in this period
	1-January-2020	Increased amount in this period	Reduced amount in this period			
Chongqing Sun Magnesium Co., Ltd.	10,944,030.57			10,944,030.57	15.98	
Chongqing CREC International Financing Lease Co., Ltd.	25,300,000.00			25,300,000.00	10.00	
Chongqing Wanxin Science and Technology Co., Ltd.	7,019,400.00		4,000,000.00	3,019,400.00	25.12	
Chongqing Wansheng Shuangchuang Equity Investment Fund Partnership (limited partnership)	100,000,000.00			100,000,000.00	10.00	
Chongqing Energy Yunan Power Services Co., Ltd.	7,804,350.00			7,804,350.00	10.00	
Chongqing Jiawen Trading Co., Ltd.	600,000.00			600,000.00	10.00	
Chongqing Yunming Technology Co., Ltd.	1,950,000.00			1,950,000.00	13.00	
Chongqing Nantianmen Sports Tourism Co., Ltd.	3,000,000.00			3,000,000.00	30.00	
Chongqing Kewei Supply Chain Management Co., Ltd.	13,083,000.00		13,083,000.00		49.00	
Chongqing Wansheng Supply Chain Management Co., Ltd.	20,000,000.00			20,000,000.00	20.00	
Chongqing Yashi Supply Chain Management Co., Ltd.	20,000,000.00			20,000,000.00	20.00	
Chongqing Longda Supply Chain Management Co., Ltd.	18,000,000.00			18,000,000.00	30.00	
Chongqing Wansheng District Limin Water and Power Co., Ltd.	35,694,388.64		35,694,388.64		100.00	
Chongqing Xinxinan Kiwi Development Co., Ltd.	6,200,000.00			6,200,000.00	80.00	
Chongqing Xintian Tourism Development Co., Ltd.	26,444,788.93			26,444,788.93	64.00	
Chongqing Wansheng Badminton Culture Development Co., Ltd.	100,000.00			100,000.00	100.00	
Chongqing Huisu Intelligent Communication Co., Ltd.		6,000,000.00		6,000,000.00	23.10	

Invested organization	Book balance			Provision for impairment	Shareholding ratio in invested organization (%)	Cash dividend in this period
	1-January-2020	Increased amount in this period	Reduced amount in this period			
Chongqing Yuqian Border Town Tourism Development Co., Ltd.		15,000,000.00		15,000,000.00	82.00	
Chongqing Qinzhou Guyi Tourism Development Co., Ltd.		2,000,000.00		2,000,000.00	66.67	
In total	296,139,958.14	23,000,000.00	52,777,388.64	266,362,569.50	—	58,000,000.00

Continued Table I

Invested organization	Book balance			Provision for impairment	Shareholding ratio in invested organization (%)	Cash dividend in this period
	1-January-2019	Increased amount in this period	Reduced amount in this period			
Chongqing Wanshuiyuan Urban and Rural Infrastructure Construction Co., Ltd.	500,000.00		500,000.00		5.00	
Chongqing Sun Magnesium Co., Ltd.	10,944,030.57			10,944,030.57	15.98	
Chongqing CREC International Financing Lease Co., Ltd.	25,300,000.00			25,300,000.00	10.00	
Chongqing Wanxin Science and Technology Co., Ltd.	7,019,400.00			7,019,400.00	9.00	
Chongqing Wansheng Shuangchuang Equity Investment Fund Partnership (limited partnership)	100,000,000.00			100,000,000.00	10.00	
Chongqing Energy Yunan Power Services Co., Ltd.	3,902,175.00	3,902,175.00		7,804,350.00	10.00	
Chongqing Wansheng Hotel Co., Ltd.	600,000.00			600,000.00	10.00	
Chongqing Yunming Technology Co., Ltd.	1,950,000.00			1,950,000.00	13.00	
Chongqing Nantianmen Sports Tourism Co., Ltd.	3,000,000.00			3,000,000.00	30.00	
Chongqing Kewei Supply Chain Management Co., Ltd.	13,083,000.00			13,083,000.00	49.00	
Chongqing Wansheng Supply Chain Management Co., Ltd.	20,000,000.00			20,000,000.00	20.00	
Chongqing Yashi Supply Chain Management Co., Ltd.	20,000,000.00			20,000,000.00	20.00	
Chongqing Longda Supply Chain Management Co., Ltd.	18,000,000.00			18,000,000.00	30.00	

Invested organization	Book balance			Provision for impairment	Shareholding ratio in invested organization (%)	Cash dividend in this period
	1-January-2019	Increased amount in this period	Reduced amount in this period			
Chongqing Wansheng District Limin Water Conservancy and Electric Power Co., Ltd.	35,694,388.64			35,694,388.64	100.00	
Chongqing New Southwest Kiwifruit Development Co., Ltd	6,200,000.00			6,200,000.00	80.00	
Chongqing Xintian Tourism Development Co., Ltd.	26,444,788.93			26,444,788.93	64.00	
Chongqing Wansheng Badminton Cultural Development Co., Ltd		100,000.00		100,000.00	100.00	
In total	292,637,783.14	4,002,175.00	500,000.00	296,139,958.14	—	

Continued Table II

Invested organization	Book balance			Provision for impairment	Shareholding ratio in invested organization (%)	Cash dividend in this period
	1-January-2018	Increased amount in this period	Reduced amount in this period			
Chongqing wanshuiyuan urban and Rural Infrastructure Construction Co., Ltd	500,000.00			500,000.00	5.00	
Chongqing shengmg Magnesium Industry Co., Ltd	10,944,030.57			10,944,030.57	15.98	
Chongqing China Railway International Finance Leasing Co., Ltd	25,300,000.00			25,300,000.00	10.00	
Chongqing Wanxin Technology Co., Ltd	7,019,400.00			7,019,400.00	9.00	
Chongqing Wansheng shuangchuang equity investment fund partnership (limited partnership)	100,000,000.00			100,000,000.00	10.00	
Chongqing nengtou Yunan Power Sales Co., Ltd	3,902,175.00			3,902,175.00	10.00	
Chongqing Wansheng Hotel Co., Ltd	600,000.00			600,000.00	10.00	
Chongqing Yunning Technology Co., Ltd		1,950,000.00		1,950,000.00	13.00	
Chongqing Nantianmen Sports Tourism Co., Ltd		3,000,000.00		3,000,000.00	30.00	
Chongqing Kewei Supply Chain Management Co., Ltd		13,083,000.00		13,083,000.00	49.00	
Chongqing Wansheng Supply Chain Management Co., Ltd		20,000,000.00		20,000,000.00	20.00	

Invested organization	Book balance			Provision for impairment	Shareholding ratio in invested organization (%)	Cash dividend in this period
	1-January-2018	Increased amount in this period	Reduced amount in this period			
Chongqing Yashi Supply Chain Management Co., Ltd		20,000,000.00		20,000,000.00	20.00	
Chongqing Longda Supply Chain Management Co., Ltd		18,000,000.00		18,000,000.00	30.00	
Chongqing Wansheng Limin water conservancy and Power Co., Ltd		35,694,388.64		35,694,388.64	100.00	
Chongqing xinxinan kiwifruit Development Co., Ltd		6,200,000.00		6,200,000.00	80.00	
Chongqing Xintian Tourism Development Co., Ltd		26,444,788.93		26,444,788.93	64.00	
In total	148,265,605.57	144,372,177.57		292,637,783.14	—	

### 3. Conditions about changes of impairment of available-for-sale financial assets within the report period

#### 31-December-2020

Available-for-sale financial assets	Available-for-sale equity instrument:	Available-for-sale debt instrument:	In total
The balance of impairment accrued at the beginning of the period			
Accrual for the period	58,000,000.00		58,000,000.00
Of which: transfer from other comprehensive earnings			
Reduced amount in this period			
Of which: after the fair value rebounded and reversed			
The balance of impairment accrued at the end of the period	58,000,000.00	—	58,000,000.00



**(IX) Long-term receivables**

**1. Long-term accounts receivable**

Item	31-December-2020			Discount rate range
	Book balance	Bad debt reserve	Book value	
Long-term accounts receivable	3,444,843,476.44		3,444,843,476.444	
In total	3,444,843,476.44		3,444,843,476.444	/

Continued Table I

Item	31-December-2019			Discount rate range
	Book balance	Bad debt reserve	Book value	
Long-term accounts receivable	3,615,478,143.11		3,615,478,143.11	
In total	3,615,478,143.11		3,615,478,143.11	/

Continued Table II

Item	31-December-2018			Discount rate interval
	Book balance	Bad debt reserves	Book alue	
Long-term Payables	1,413,005,262.55		1,413,005,262.55	
In total	1,413,005,262.55		1,413,005,262.55	/

**(X) Long-term equity investment**

**1. Long-term equity investment is classified as follows**

Item	31-December-2020		31-December-2019	
	Book balance	Provision for impairment	Book balance	Provision for impairment
Long-term equity investment into subsidiaries				
Long-term equity investment calculated with equity method	74,447,675.05		54,194,706.92	
Other long-term equity investments calculated with cost method				
In total	74,447,675.05		54,194,706.92	

Continued Table I

Item	31-December-2019		31-December-2018	
	Book balance	Allowance for devaluation	Book balance	Allowance for devaluation
A long-term equity investment in a subsidiary company				
Long-term equity investment accounted for by the equity method	54,194,706.92		73,432,587.81	
Other long-term equity investments calculated at cost				
In total	54,194,706.92		73,432,587.81	

**2. Long-term equity investment calculated with equity method and cost method**

Invested organization	1-January-2020	Changes in the current period						Closing balance of provision for impairment
		Additional investment	Negative investment	Profit and loss on investment confirmed with equity method	Other comprehensive income adjustment	Transfer out to available for sale financial assets	Included in the scope of consolidation at the end of the period	
<b>I. Joint venture</b>								
Chongqing Body Building Ai Home Services Co., Ltd.	400,499.21	400,499.21						
Chongqing Kangyu Sports Goods Co., Ltd.	100,323.09		154.30				100,477.39	
Chongqing Sanhu Tourism Development Co., Ltd.	5,386,162.55			321,811.79			5,707,974.34	
Subtotal	5,886,984.85	400,499.21	321,966.09				5,808,451.73	
<b>II. Associated enterprise</b>								
Chongqing Wansheng Extreme Young Tourism Management Co., Ltd.	26,315,913.04			3,531,245.55			29,847,158.59	
Chongqing Wansheng Liangjiang Power Services Co., Ltd.								
Chongqing Zhongjin Guotai Tourism Development Co., Ltd.	1,450,204.59	1,396,075.27		-54,129.32				

Invested organization	1-January-2020	Changes in the current period						Closing balance of provision for impairment
		Additional investment	Negative investment	Profit and loss on investment confirmed with equity method	Other comprehensive income adjustment	Transfer out to available for sale financial assets	Included in the scope of consolidation at the end of the period	
Chongqing Jiangnan Airport Management Co., Ltd.								
Chongqing Aero-Starloop Science and Technology Co., Ltd.	20,541,604.44			-288,378.32			20,253,226.12	
Chongqing Purida Enterprise Management Co., Ltd.								
Chongqing Shenglian Shanshui New City Construction Development Co., Ltd.		18,600,000.00		-61,161.39			18,538,838.61	
Subtotal	48,307,722.07	18,600,000.00	1,396,075.27	3,127,576.52			68,639,223.32	
In total	54,194,706.92	18,600,000.00	1,796,574.48	3,449,542.61			74,447,675.05	

Continued Table I

Invested organization	1-January-2019	Changes in the current period						Closing balance of provision for impairment
		Additional investment	Negative investment	Profit and loss on investment confirmed with equity method	Other comprehensive income adjustment	Transfer out to available for sale financial assets	Included in the scope of consolidation at the end of the period	
I. Joint venture								

Invested organization	1-January-2019	Changes in the current period						Included in the scope of consolidation at the end of the period	31-December-2019	Closing balance of provision for impairment
		Additional investment	Negative investment	Profit and loss on investment confirmed with equity method	Other comprehensive income adjustment	Transfer out to available for sale financial assets				
Chongqing Body Building At Home Services Co., Ltd.	400,039.80			459.41				400,499.21		
Chongqing Kangyu Sports Goods Co., Ltd.	100,169.34			153.75				100,323.09		
Chongqing Heishan Tourism Comprehensive Development Co., Ltd.	5,276,727.96			109,434.59				5,386,162.55		
Subtotal	5,776,937.10			110,047.75				5,886,984.85		
II. Associated enterprise										
Chongqing Wansheng Extreme Young Tourism Management Co., Ltd.	34,748,407.83			-8,432,494.79				26,315,913.04		
Chongqing Wansheng Liangjiang Power Services Co., Ltd.										
Chongqing Zhongjun Guotai Tourism Development Co., Ltd.	1,562,931.52			-112,726.93				1,450,204.59		
Chongqing Jiangnan Airport Management Co., Ltd.	8,614,488.69						8,614,488.69			

Invested organization	1-January-2019	Changes in the current period						31-December-2019	Closing balance of provision for impairment
		Additional investment	Negative investment	Profit and loss on investment confirmed with equity method	Other comprehensive income adjustment	Transfer out to available for sale financial assets	Included in the scope of consolidation at the end of the period		
Chongqing Aero-Starloop Science and Technology Co., Ltd.	19,332,586.87	2,500,000.00	-1,290,982.43				20,541,604.44		
Chongqing Puruida Enterprise Management Co., Ltd.	3,397,235.80		3,397,235.80						
Subtotal	67,655,650.71	2,500,000.00	3,397,235.80	-9,836,204.15			48,307,722.07		
In total	73,432,587.81	2,500,000.00	3,397,235.80	-9,726,156.40			54,194,706.92		

Continued Table II

Invested organization	1-January-2018	Changes in the current period					31-December-2018	Closing balance of provision for impairment
		Additional investment	Negative investment	Profit and loss on investment confirmed with equity method	Other comprehensive income adjustment	Transfer out to available for sale financial assets		
I. Joint venture								
Chongqing Jiayoupao Fitness Service Co., Ltd	400,039.80						400,039.80	
Chongqing Kangyu sporting goods Co., Ltd	100,169.34						100,169.34	
Chongqing Heishan Tourism Comprehensive Development Co., Ltd		6,000,000.00		-723,272.04			5,276,727.96	
Subtotal	500,209.14	6,000,000.00		-723,272.04			5,776,937.10	

Invested organization	1-January-2018	Changes in the current period					31-December-2018	Closing balance of provision for impairment
		Additional investment	Negative investment	Profit and loss on investment confirmed with equity method	Other comprehensive income adjustment	Transfer out to available for sale financial assets		
II. Associated enterprise								
Chongqing Wansheng Youth Travel Management Co., Ltd	33,364,952.51	8,000,000.00		-6,616,544.68		34,748,407.83		
Chongqing Wansheng Liangjiang power sales company	714,172.10		714,172.10			-		
Chongqing Zhongjin Guotai Tourism Development Co., Ltd	1,936,887.41			-373,955.89		1,562,931.52		
Chongqing Jiangnan Airport Management Co., Ltd	8,575,214.33			39,274.36		8,614,488.69		
Chongqing xinghuan Aviation Technology Co., Ltd	15,000,000.00	7,000,000.00		-2,667,413.13		19,332,586.87		
Chongqing prida Enterprise Management Co., Ltd		5,000,000.00		-1,602,764.20		3,397,235.80		
Subtotal	59,591,226.35	20,000,000.00	714,172.10	-11,221,403.54		67,655,650.71		
3、Other long term equity investment								
Chongqing Nantianmen Sports Tourism Co., Ltd	3,000,000.00					3,000,000.00		
Chongqing Kewei Supply Chain Management Co., Ltd	13,083,000.00					13,083,000.00		

Invested organization	1-January-2018	Changes in the current period				31-December-2018	Closing balance of provision for impairment
		Additional investment	Negative investment	Profit and loss on investment confirmed with equity method	Other comprehensive income adjustment		
Chongqing Wansheng Supply Chain Management Co., Ltd	20,000,000.00					20,000,000.00	
Chongqing Yashi Supply Chain Management Co., Ltd	20,000,000.00					20,000,000.00	
Chongqing Longda Supply Chain Management Co., Ltd	18,000,000.00					18,000,000.00	
Subtotal	74,083,000.00					74,083,000.00	
In total	134,174,435.49	26,000,000.00	714,172.10	-11,944,675.58		74,083,000.00	73,432,587.81

**(XI) Investment property**

**1. Investment property applying cost calculation model**

Item	Housing and building	Land use right	Project under construction	In total
<b>I. Original book value</b>				
1. Balance at 1 January 2020	1,349,815,049.21			1,349,815,049.21
2. Increased amount in this period	41,201,833.59			41,201,833.59
(1) Purchased	8,705,018.10			8,705,018.10
(2) Transferred in from inventory\fixed asset\project under construction	32,496,815.49			32,496,815.49
(3) Enterprise consolidation increase				
(4) Shareholder's investment				
3. Reduced amount in this period	103,805,393.82			103,805,393.82
(1) Disposal				
(2) Other transfer-out	103,805,393.82			103,805,393.82
4. Balance at December 31, 2020	1,287,211,488.98			1,287,211,488.98
<b>II. Accumulated depreciation and accumulated amortization</b>				
1. Balance at 1 January 2020	59,698,326.74			59,698,326.74
2. Increased amount in this period	30,389,894.32			30,389,894.32
(1) Withdrawal or amortization	30,389,894.32			30,389,894.32
3. Reduced amount in this period	7,623,475.30			7,623,475.30
(1) Disposal				
(2) Other transfer-out	7,623,475.30			7,623,475.30
4. Balance at December 31, 2020	82,464,745.76			82,464,745.76
<b>III. Provision for impairment</b>				
1. Balance at 1 January 2020				
2. Increased amount in this period				
(1) Withdrawal				
3. Reduced amount in this period				
(1) Disposal				
(2) Other transfer-out				
4. Balance at December 31, 2020				
<b>IV. Book value</b>				
1. Balance at December 31, 2020	1,204,746,743.22			1,204,746,743.22
2. Balance at 1 January 2020	1,290,116,722.47			1,290,116,722.47

Continued Table I

Item	Housing and building	Land use right	Project under construction	In total
<b>I. Original book value</b>				
1. Balance at 1 January 2019	513,011,486.19			513,011,486.19



Notes to 2018-2020 Financial Statement of Chongqing Wansheng Economic and Technological Development Zone  
Development & Investment Group Co., Ltd

Item	Housing and building	Land use right	Project under construction	In total
2. Increased amount in this period	836,803,563.02			836,803,563.02
(1) Purchased				
(2) Transferred in from inventory\fixed asset\project under construction	836,803,563.02			836,803,563.02
(3) Enterprise consolidation increase				
(4) Shareholder's investment				
3. Reduced amount in this period				
(1) Disposal				
(2) Other transfer-out				
4. Balance at December 31, 2019	1,349,815,049.21			1,349,815,049.21
II. Accumulated depreciation and accumulated amortization				
1. Balance at 1 January 2019	24,340,195.67			24,340,195.67
2. Increased amount in this period	35,358,131.07			35,358,131.07
(1) Withdrawal or amortization	35,358,131.07			35,358,131.07
3. Reduced amount in this period				
(1) Disposal				
(2) Other transfer-out				
4. Balance on December 31, 2019	59,698,326.74			59,698,326.74
III. Provision for impairment				
1. Balance at 1 January 2019				
2. Increased amount in this period				
(1) Withdrawal				
3. Reduced amount in this period				
(1) Disposal				
(2) Other transfer-out				
4. Balance on December 31, 2019				
IV. Book value				
1. Balance at December 31, 2019	1,290,116,722.47			1,290,116,722.47
2. Balance at 1 January 2019	488,671,290.52			488,671,290.52

Continued Table II

Item	Housing and building	Land use right	Project under construction	In total
I. Original book value				
1. Balance at 1 January 2018	404,920,793.01			404,920,793.01
2. Increased amount in this period	108,090,693.18			108,090,693.18
(1) Purchased				
(2) Transferred in from inventory\fixed asset\project under construction	108,090,693.18			108,090,693.18
(3) Enterprise consolidation increase				
(4) Shareholder's investment				
3. Reduced amount in this period				
(1) Disposal				
(2) Other transfer-out				
4. Balance at December 31, 2018	513,011,486.19			513,011,486.19

Item	Housing and building	Land use right	Project under construction	In total
<b>II. Accumulated depreciation and accumulated amortization</b>				
1. Balance at 1 January 2018	5,294,599.01			5,294,599.01
2. Increased amount in this period	19,045,596.66			19,045,596.66
(1) Withdrawal or amortization	19,045,596.66			19,045,596.66
3. Reduced amount in this period				
(1) Disposal				
(2) Other transfer-out				
4. Balance at December 31, 2018	24,340,195.67			24,340,195.67
<b>III. Provision for impairment</b>				
1. Balance at 1 January 2018				
2. Increased amount in this period				
(1) Withdrawal				
3. Reduced amount in this period				
(1) Disposal				
(2) Other transfer-out				
4. Balance at December 31, 2018				
<b>IV. Book value</b>				
1. Balance at December 31, 2018	488,671,290.52			488,671,290.52
2. Balance at 1 January 2018	399,626,194.00			399,626,194.00

## 2. Conditions about investment property with no ownership certificate

### 31-December-2020

Item	Book value	Reasons for failing to obtain ownership certificate
Smart Terminal industrial park Project	403,023,369.74	In process

### 31-December-2019

Item	Book value	Reasons for failure to complete the certificate of title
Intelligent Terminal Industrial Park Project	403,023,369.74	In process
High-tech industrial park standard workshop	261,503,945.56	In process

## (XII) Fixed assets

### 1. Summary table condition

#### (1) List by category

Item	31-December-2020	31-December-2019	31-December-2018
Fixed assets	1,110,730,981.11	1,065,015,326.57	1,095,904,320.72
Disposal of fixed assets			
In total	1,110,730,981.11	1,065,015,326.57	1,095,904,320.72

### 2. Fixed assets

#### (1) condition fixed asset

Notes to 2018-2020 Financial Statement of Chongqing Wansheng Economic and Technological Development Zone  
Development & Investment Group Co., Ltd

Item	Housing and building	Transportation tool	Office equipment	In total
I. Original book value:				
1. Balance at 1 January 2020	1,118,753,252.68	33,596,779.48	183,186,131.54	1,335,536,163.70
2. Increased amount in this period	85,755,919.37	694,385.47	19,916,525.42	106,366,830.26
(1) Purchase	42,438,474.98	172,013.27	941,467.42	43,551,955.67
(2) Transfer-in from project under construction	43,317,444.39		18,975,058.00	62,292,502.39
(3) Enterprise consolidation increase		522,372.20		522,372.20
3. Reduced amount in this period	14,349,720.88	1,860,744.11	580,000.00	16,790,464.99
(1) Disposal or scrapping	27,750.00	1,531,551.17	271,160.00	1,830,461.17
(2) Transfer-in investment property	14,321,970.88			14,321,970.88
(3) Other reduction		329,192.94	308,840.00	638,032.94
4. Balance at December 31, 2020	1,190,159,451.17	32,430,420.84	202,522,656.96	1,425,112,528.97
II. Accumulated depreciation				
1. Balance at 1 January 2020	193,328,681.93	20,967,497.83	56,224,657.37	270,520,837.13
2. Increased amount in this period	38,846,709.09	2,937,797.59	4,935,138.31	46,719,644.99
(1) Withdrawal	38,846,709.09	2,603,182.67	4,935,138.31	46,385,030.07
(2) Consolidation increase		334,614.92		334,614.92
3. Reduced amount in this period	1,048,133.13	1,388,147.60	422,653.53	2,858,934.26
(1) Disposal or scrapping	27,750.00	1,345,536.22	256,061.55	1,629,347.77
(2) Transfer-in investment property	1,020,383.13			1,020,383.13
(3) Other reduction		42,611.38	166,591.98	209,203.36
4. Balance at December 31, 2020	231,127,257.89	22,517,147.82	60,737,142.15	314,381,547.86
III. Provision for impairment				
1. Balance at 1 January 2020				
2. Increased amount in this period				
(1) Withdrawal				
3. Reduced amount in this period				
(1) Disposal or scrapping				
4. Balance at December 31, 2020				
IV. Book value				
1. Balance at December 31, 2020	959,032,193.28	9,913,273.02	141,785,514.81	1,110,730,981.11
2. Balance at 1 January 2020	925,424,570.75	12,629,281.65	126,961,474.17	1,065,015,326.57

Continued Table I

Item	Housing and building	Transportation tool	Office equipment	In total
I. Original book value:				
1. Balance at 1 January 2019	1,110,221,557.88	35,371,775.76	182,513,516.28	1,328,106,849.92

Notes to 2018-2020 Financial Statement of Chongqing Wansheng Economic and Technological Development Zone  
Development & Investment Group Co., Ltd

Item	Housing and building	Transportation tool	Office equipment	In total
2. Increased amount in this period	111,424,791.90	329,192.94	1,434,854.87	113,188,839.71
(1) Purchase	111,237,405.90	329,192.94	1,411,077.81	112,977,676.65
(2) Transfer-in from project under construction	187,386.00			187,386.00
(3) Enterprise consolidation increase			23,777.06	23,777.06
3. Reduced amount in this period	102,893,097.10	2,104,189.22	762,239.61	105,759,525.93
(1) Disposal or scrapping	654,597.42	2,104,189.22	762,239.61	3,521,026.25
(2) Transfer-in investment property	102,238,499.68			102,238,499.68
(3) Other reduction				
4. Balance at December 31, 2019	1,118,753,252.68	33,596,779.48	183,186,131.54	1,335,536,163.70
<b>II. Accumulated depreciation</b>				
1. Balance at 1 January 2019	160,971,828.05	19,734,300.42	51,496,400.73	232,202,529.20
2. Increased amount in this period	33,973,373.97	3,101,186.59	5,760,640.99	42,835,201.55
(1) Withdrawal	33,973,373.97	3,101,186.59	5,748,775.05	42,823,335.61
(2) Consolidation increase			11,865.94	11,865.94
3. Reduced amount in this period	1,616,520.09	1,867,989.18	1,032,384.35	4,516,893.62
(1) Disposal or scrapping	7,773.35	1,867,989.18	1,032,384.35	2,908,146.88
(2) Transfer-in investment property	1,608,746.74			1,608,746.74
4. Balance at December 31, 2019	193,328,681.93	20,967,497.83	56,224,657.37	270,520,837.13
<b>III. Provision for impairment</b>				
1. Balance at 1 January 2019				
2. Increased amount in this period				
(1) Withdrawal				
3. Reduced amount in this period				
(1) Disposal or scrapping				
4. Balance at December 31, 2019				
<b>IV. Book value</b>				
1. Balance at December 31, 2019	925,424,570.75	12,629,281.65	126,961,474.17	1,065,015,326.57
2. Balance at 1 January 2019	949,249,729.83	15,637,475.34	131,017,115.55	1,095,904,320.72

Continued Table II

Item	Housing and building	Transportation tool	Office equipment	In total
<b>I. Original book value:</b>				
1. Balance at 1 January 2018	1,118,496,062.37	29,174,639.95	181,290,064.02	1,328,960,766.34
2. Increased amount in this period	69,394,481.11	10,108,836.51	2,318,108.26	81,821,425.88
(1) Purchase	20,811,983.07	10,108,836.51	2,166,691.05	33,087,510.63
(2) Transfer-in from project under construction	48,582,498.04			48,582,498.04

Item	Housing and building	Transportation tool	Office equipment	In total
(3) Enterprise consolidation increase			151,417.21	151,417.21
3. Reduced amount in this period	77,668,985.60	3,911,700.70	1,094,656.00	82,675,342.30
(1) Disposal or scrapping	67,347,391.60	3,380,100.00	978,887.00	71,706,378.60
(2) Transfer-in investment property	10,321,594.00			10,321,594.00
(3) Other reduction		531,600.70	115,769.00	647,369.70
4. Balance at December 31, 2018	1,110,221,557.88	35,371,775.76	182,513,516.28	1,328,106,849.92
<b>II. Accumulated depreciation</b>				
1. Balance at 1 January 2018	123,253,452.77	18,520,530.63	41,580,464.62	183,354,448.02
2. Increased amount in this period	37,840,547.17	4,529,540.27	10,847,212.85	53,217,300.29
(1) Withdrawal	37,840,547.17	4,529,540.27	10,826,804.80	53,196,892.24
(2) Consolidation increase			20,408.05	20,408.05
3. Reduced amount in this period	122,171.89	3,315,770.48	931,276.74	4,369,219.11
(1) Disposal or scrapping	122,171.89	3,315,770.48	931,276.74	4,369,219.11
(2) Transfer-in investment property				
4. Balance at December 31, 2018	160,971,828.05	19,734,300.42	51,496,400.73	232,202,529.20
<b>III. Provision for impairment</b>				
1. Balance at 1 January 2018				
2. Increased amount in this period				
(1) Withdrawal				
3. Reduced amount in this period				
(1) Disposal or scrapping				
4. Balance at December 31, 2018				
<b>IV. Book value</b>				
1. Balance at December 31, 2018	949,249,729.83	15,637,475.34	131,017,115.55	1,095,904,320.72
2. Balance at 1 January 2018	995,242,609.60	10,654,109.32	139,709,599.40	1,145,606,318.32

## (2) Temporarily idle fixed asset

During the reporting period, the company had no temporarily idle fixed asset.

## (XIII) Project under construction

### 1. Summary table condition

#### (1) Classification

Item	31-December-2020	31-December-2019	31-December-2018
Project under construction	6,402,748,505.08	5,352,120,983.20	4,322,043,696.20
Project materials			
In total	6,402,748,505.08	5,352,120,983.20	4,322,043,696.20

## 2. Project under construction

### (1) Conditions about project under construction

Item	31-December-2020		
	Book balance	Provision for impairment	Book value
Project of Black Valley Scenic Spot	999,733,517.21		999,733,517.21
Project of Longlin Shihai Scenic Spot	265,933,636.03		265,933,636.03
Other projects	187,458,194.29		187,458,194.29
Project of water supply in the southeast of Wansheng Economic Development Zone	1,487,831,296.58		1,487,831,296.58
Project of parking lot opening and operation	104,349.22		104,349.22
Project of land reclamation in Yizitai	7,189,477.78		7,189,477.78
Jinglun Hotel (cool wind and fresh water)	182,195,223.11		182,195,223.11
Phase I of high-tech industrial park project	1,029,724,438.42		1,029,724,438.42
Jiangnan Airport Project	360,618,175.39		360,618,175.39
Edible fungus industrialization project			
Wansheng Olympic Park	2,128,219.00		2,128,219.00
Glass curtain wall	1,260,264.42		1,260,264.42
Project of Conglin Town construction	67,751,378.64		67,751,378.64
Project of Wansheng Sanhu Tourism and Leisure Resort	610,622,808.76		610,622,808.76
Heishan 1089 RV Campground	6,570,357.37		6,570,357.37
Project of Heishan 1098 race track	2,463,600.39		2,463,600.39
Cool Wind Dreamland Fishing Village			
Old street upgrade and reconstruction	153,074,679.51		153,074,679.51
Disaster Relief Material Reserve	2,067,846.00		2,067,846.00
Service places for the public	99,556,288.32		99,556,288.32
Low-rent housing in Conglin Town	16,002,723.00		16,002,723.00
Roller skating base	4,067,665.00		4,067,665.00
Sewage Treatment Plant in Coal Power Chemical Park	46,150,806.73		46,150,806.73
Xiaozi River Water Environment Comprehensive Treatment Project	37,606,463.52		37,606,463.52
Comprehensive management of the water environment of the Three Rivers	67,924,599.16		67,924,599.16
Qingxi river first-level sewer interception pipe project	11,163,217.84		11,163,217.84
Wansheng Industrial Park Project	19,590,671.82		19,590,671.82
Yuzi New District	3,709,142.48		3,709,142.48
Heishan Valley Heliport Project	3,724,199.17		3,724,199.17
Some urban and rural infrastructure projects in Wansheng Economic Development Zone	32,008,467.99		32,008,467.99
Remediation Economic Development Zone sewage discharge point of Xiaozi River in Wansheng Economic Development Zone (Sanyuan bridge-Hongyan Coal Mine Section)	17,808,453.52		17,808,453.52
Guanba Town Rainwater and Wastewater Pipeline Network Reconstruction Project	9,156,002.62		9,156,002.62
Second and third level drainage pipe network project in Wansheng urban	19,751,069.26		19,751,069.26

Notes to 2018-2020 Financial Statement of Chongqing Wansheng Economic and Technological Development Zone  
Development & Investment Group Co., Ltd

Item	31-December-2020		
	Book balance	Provision for impairment	Book value
built-up area			
Songshouwan Reservoir	95,720,134.90		95,720,134.90
Rural Centralized Water Supply Project Economic Development Zone Wansheng Economic Development Zone	153,344,682.94		153,344,682.94
Water supply project along the coal-electricity chemical park and Shilin area	144,681,181.17		144,681,181.17
Qingshan Lake Ecological Treatment Project	65,679,228.81		65,679,228.81
Guangjin Real Estate Decoration Project	12,863,445.16		12,863,445.16
Shilin Area Elderly Care Center Project	2,621,144.06		2,621,144.06
Wansheng Economic Development Economic Development Zone Domestic Waste Landfill Leachate Treatment Upgrading and Upgrading Project (Phase I)	4,262,822.35		4,262,822.35
Nantong Mining Company's old district sewage pipe network maintenance and renovation project	32,370,071.92		32,370,071.92
Fuyao Glass Industrial Plant Project	112,809,523.81		112,809,523.81
ICT training base construction project	23,449,037.41		23,449,037.41
In total	6,402,748,505.08		6,402,748,505.08

Continued Table I

Item	31-December-2019		
	Book balance	Provision for impairment	Book value
Project of Black Valley Scenic Spot	829,097,618.98		829,097,618.98
Project of Longlin Shihai Scenic Spot	250,458,703.29		250,458,703.29
Other projects	143,188,681.88		143,188,681.88
Project of water supply in the southeast of Wansheng Economic Development Zone	1,331,380,155.73		1,331,380,155.73
Project of parking lot opening and operation	104,349.22		104,349.22
Project of land reclamation in Yizitai	7,189,477.78		7,189,477.78
Jinglun Hotel (cool wind and fresh water)	122,297,843.96		122,297,843.96
Phase I of high-tech industrial park project	928,092,385.65		928,092,385.65
Jiangnan Airport Project	358,831,172.32		358,831,172.32
Edible fungus industrialization project	61,581,988.54		61,581,988.54
Wansheng Olympic Park	2,149,111.00		2,149,111.00
Glass curtain wall	1,260,264.42		1,260,264.42
Project of Conglin Town construction	63,499,138.21		63,499,138.21
Project of Wansheng Sanhu Tourism and Leisure Resort	559,522,964.62		559,522,964.62
Heishan 1089 RV Campground	5,424,756.45		5,424,756.45
Project of Heishan 1098 race track	2,463,600.39		2,463,600.39
Cool Wind Dreamland Fishing Village	20,266,862.52		20,266,862.52
Old street upgrade and reconstruction	39,737,478.97		39,737,478.97
Disaster Relief Material Reserve	2,067,847.56		2,067,847.56

Notes to 2018-2020 Financial Statement of Chongqing Wansheng Economic and Technological Development Zone  
Development & Investment Group Co., Ltd

Item	31-December-2019		
	Book balance	Provision for impairment	Book value
Service places for the public			
Low-rent housing in Conglin Town	15,000,000.00		15,000,000.00
Roller skating base	4,067,665.00		4,067,665.00
Sewage Treatment Plant in Coal Power Chemical Park	38,799,868.64		38,799,868.64
Xiaozi River Water Environment Comprehensive Treatment Project	30,508,521.63		30,508,521.63
Comprehensive management of the water environment of the Three Rivers	53,109,435.92		53,109,435.92
Qingxi river first-level sewer interception pipe project	7,575,644.24		7,575,644.24
Wansheng Industrial Park Project	18,550,070.70		18,550,070.70
Yuzi New District	3,644,391.31		3,644,391.31
Heishan Valley Heliport Project	6,725,958.97		6,725,958.97
Some urban and rural infrastructure projects in Wansheng Economic Development Zone	19,102,377.99		19,102,377.99
Remediation Economic Development Zone sewage discharge point of Xiaozi River in Wansheng Economic Development Zone (Sanyuan bridge-Hongyan Coal Mine Section)	9,484,866.70		9,484,866.70
Guanba Town Rainwater and Wastewater Pipeline Network Reconstruction Project	7,121,002.62		7,121,002.62
Second and third level drainage pipe network project in Wansheng urban built-up area	12,137,476.12		12,137,476.12
Songshouwan Reservoir	77,858,305.68		77,858,305.68
Rural Centralized Water Supply Project Economic Development Zone Wansheng Economic Development Zone	51,955,110.75		51,955,110.75
Water supply project along the coal-electricity chemical park and Shilin area	137,057,488.86		137,057,488.86
Qingshan Lake Ecological Treatment Project	130,808,396.58		130,808,396.58
In total	5,352,120,983.20		5,352,120,983.20

Continued Table II

Item	31-December-2018		
	Book balance	Impairment preparation	Net book value
Project of Black Valley Scenic Spot	633,781,451.74		633,781,451.74
Project of Longlin Shihai Scenic Spot	222,017,663.81		222,017,663.81
Other projects	114,572,988.62		114,572,988.62
Project of water supply in the southeast of Wansheng Economic Development Zone	1,250,064,321.48		1,250,064,321.48
Project of parking lot opening and operation	104,349.22		104,349.22
Project of land reclamation in Yizitai	7,189,477.78		7,189,477.78
Jinglun Hotel (cool wind and fresh water)	57,666,737.13		57,666,737.13
Phase I of high-tech industrial park project	845,155,000.78		845,155,000.78



Item	31-December-2018		
	Book balance	Impairment preparation	Net book value
Jiangnan Airport Project	179,492,886.53		179,492,886.53
Edible fungus industrialization project	54,708,129.44		54,708,129.44
Wansheng Olympic Park	952,300.00		952,300.00
Glass curtain wall	1,260,264.42		1,260,264.42
Project of Conglin Town construction	61,162,040.17		61,162,040.17
Project of Wansheng Sanhu Tourism and Leisure Resort	619,610,329.71		619,610,329.71
Heishan 1089 RV Campground	4,744,260.01		4,744,260.01
Montenegro 1098 Circuit Project	2,061,900.39		2,061,900.39
Cool Wind Dreamland Fishing Village	17,894,578.79		17,894,578.79
Old street upgrade and reconstruction	37,761,679.51		37,761,679.51
Disaster relief material reserve	1,668,967.00		1,668,967.00
Service for the people	2,505,011.35		2,505,011.35
Conglin Town Low-rent Housing	15,000,000.00		15,000,000.00
Roller skating base	3,306,044.00		3,306,044.00
Coal-electricity park sewage treatment plant	30,745,861.89		30,745,861.89
Xiaozi River Water Environment Comprehensive Treatment Project	26,371,898.17		26,371,898.17
Comprehensive management of Sanhe water environment	37,675,989.60		37,675,989.60
Qingxi River first intercept sewage pipe project	5,002,185.24		5,002,185.24
Wansheng Industrial Park Project	80,641,178.29		80,641,178.29
Yuzi New District	2,046,580.91		2,046,580.91
Chongqing Wansheng Economic Development Zone Wandong District Elderly Care Center Project	155,601.25		155,601.25
Black Valley Heliport Project	6,724,018.97		6,724,018.97
In total	4,322,043,696.20		4,322,043,696.20

**(2) Provision for impairment of project under construction withdrawn in this period**

None.

**(XIV) Intangible assets**

**1. Condition intangible asset**

Item	Land use right	Patent right	Software	Road use right	In total
I. Original book value					
1. Balance at 1 January 2020	15,027,110.00	19,339.62	1,604,388.00		16,650,837.62
2. Increased amount in this period			165,000.00		165,000.00
(1) Purchase			6,000.00		6,000.00
(2) Internal R&D			159,000.00		159,000.00
(3) Enterprise consolidation increase					
3. Reduced amount in this period			89,060.38		89,060.38
(1) Purchase			5,660.38		5,660.38
(2) Other reduction			83,400.00		83,400.00

Notes to 2018-2020 Financial Statement of Chongqing Wansheng Economic and Technological Development Zone  
Development & Investment Group Co., Ltd

Item	Land use right	Patent right	Software	Road use right	In total
4. Balance at December 31, 2020	15,027,110.00	19,339.62	1,680,327.62		16,726,777.24
II. Accumulated amortization					
1. Balance at 1 January 2020	901,669.18		788,922.65		1,690,591.83
2. Increased amount in this period	300,542.20		212,644.92		513,187.12
(1) Withdrawal	300,542.20		212,644.92		513,187.12
3. Reduced amount in this period			32,851.80		32,851.80
(1) Purchase					
(2) Other reduction			32,851.80		32,851.80
4. Balance at December 31, 2020	1,202,211.38		968,715.77		2,170,927.15
III. Provision for impairment					
1. Balance at 1 January 2020					
2. Increased amount in this period					
(1) Withdrawal					
3. Reduced amount in this period					
(1) Purchase					
4. Balance at December 31, 2020					
IV. Book value					
1. Balance at December 31, 2020	13,824,898.62	19,339.62	711,611.85		14,555,850.09
2. Balance at 1 January 2020	14,125,440.82	19,339.62	815,465.35		14,960,245.79

Continued Table I

Item	Land use right	Patent right	Software	Road use right	In total
I. Original book value					
1. Balance at 1 January 2019	12,437,110.00	19,339.62	1,364,088.00		13,820,537.62
2. Increased amount in this period	2,590,000.00		240,300.00		2,830,300.00
(1) Purchase			240,300.00		240,300.00
(2) Internal R&D					
(3) Enterprise consolidation increase	2,590,000.00				2,590,000.00
3. Reduced amount in this period					
(1) Purchase					
4. Balance at December 31, 2019	15,027,110.00	19,339.62	1,604,388.00		16,650,837.62
II. Accumulated amortization					
1. Balance at 1 January 2019	601,126.98		582,474.08		1,183,601.06
2. Increased amount in this period	300,542.20		206,448.57		506,990.77
(1) Withdrawal	300,542.20		206,448.57		506,990.77
3. Reduced amount in this period					

Notes to 2018-2020 Financial Statement of Chongqing Wansheng Economic and Technological Development Zone  
Development & Investment Group Co., Ltd

Item	Land use right	Patent right	Software	Road use right	In total
(1) Purchase					
4. Balance at December 31, 2019	901,669.18		788,922.65		1,690,591.83
III. Provision for impairment					
1. Balance at 1 January 2019					
2. Increased amount in this period					
(1) Withdrawal					
3. Reduced amount in this period					
(1) Purchase					
4. Balance at December 31, 2019					
IV. Book value					
1. Balance at December 31, 2019	14,125,440.82	19,339.62	815,465.35		14,960,245.79
2. Balance at 1 January 2019	11,835,983.02	19,339.62	781,613.92		12,636,936.56

Continued Table II

Item	Land use right	Patent right	Software	Road use right	In total
I. Original book value					
1. Balance at 1 January 2018	19,194,360.00		829,288.00		20,023,648.00
2. Increased amount in this period		19,339.62	534,800.00		554,139.62
(1) Purchase		19,339.62	534,800.00		554,139.62
(2) Internal R&D					
(3) Enterprise consolidation increase					
3. Reduced amount in this period	6,757,250.00				6,757,250.00
(1) Purchase	6,757,250.00				6,757,250.00
4. Balance at December 31, 2018	12,437,110.00	19,339.62	1,364,088.00		13,820,537.62
II. Accumulated amortization					
1. Balance at 1 January 2018	352,384.78		414,961.07		767,345.85
2. Increased amount in this period	248,742.20		167,513.01		416,255.21
(1) Withdrawal	248,742.20		167,513.01		416,255.21
3. Reduced amount in this period					
(1) Purchase					
4. Balance at December 31, 2018	601,126.98		582,474.08		1,183,601.06
III. Provision for impairment					
1. Balance at 1 January 2018					
2. Increased amount in this period					
(1) Withdrawal					
3. Reduced amount in this period					

Item	Land use right	Patent right	Software	Road use right	In total
(1) Purchase					
4. Balance at December 31, 2018					
IV. Book value					
1. Balance at December 31, 2018	11,835,983.02	19,339.62	781,613.92		12,636,936.56
2. Balance at 1 January 2018	18,841,975.22		414,326.93		19,256,302.15

## (XV) Business reputation

### 1. Original book value of business reputation

Name of invested organization	1-January-2020	Increased amount in this period	Reduced amount in this period	31-December-2020
		Resulted from enterprise consolidation	Disposal	
Chongqing Wansheng Tourism (Group) Co., Ltd.	3,949,181.16			3,949,181.16
In total	3,949,181.16			3,949,181.16

#### Continued Table I

Name of invested organization	1-January-2019	Increased amount in this period	Reduced amount in this period	31-December-2019
		Resulted from enterprise consolidation	Disposal	
Chongqing Wansheng Tourism (Group) Co., Ltd.	3,949,181.16			3,949,181.16
In total	3,949,181.16			3,949,181.16

#### Continued Table II

Name of invested organization	1-January-2018	Increased amount in this period	Reduced amount in this period	31-December-2018
		Resulted from enterprise consolidation	Disposal	
Chongqing Wansheng Tourism (Group) Co., Ltd.	3,949,181.16			3,949,181.16
In total	3,949,181.16			3,949,181.16

### 2. Provision for impairment of business reputation

None.

## (XVI) Long-term deferred expenses

Item	1-January-2020	Increased amount in this period	Amortization amount in this period	Other decreased amounts	31-December-2020
Renovation cost	3,566,562.17	2,087,741.98	1,883,234.62		3,771,069.53
Lease cost	8,128,865.50	376,230.02	533,467.73		7,971,627.79

Notes to 2018-2020 Financial Statement of Chongqing Wansheng Economic and Technological Development Zone  
Development & Investment Group Co., Ltd

Item	1-January-2020	Increased amount in this period	Amortization amount in this period	Other decreased amounts	31-December-2020
Competition cost		60,491.00	32,423.65		28,067.35
In total	11,695,427.67	2,524,463.00	2,449,126.00		11,770,764.67

Continued Table I

Item	1-January-2019	Increased amount in this period	Amortization amount in this period	Other decreased amounts	31-December-2019
Renovation cost	4,824,432.87	1,297,510.77	2,555,381.47		3,566,562.17
Lease cost	8,111,368.56	266,209.19	248,712.25		8,128,865.50
Competition cost	4,854,807.66		4,854,807.66		
In total	17,790,609.09	1,563,719.96	7,658,901.38		11,695,427.67

Continued Table II

Item	1-January-2018	Increased amount in this period	Amortization amount in this period	Other decreased amounts	31-December-2018
Renovation cost	6,143,816.20	1,193,230.33	2,512,613.66		4,824,432.87
Lease cost	8,374,319.36	22,500.00	285,450.80		8,111,368.56
Competition fee	4,318,000.00	1,976,141.00	1,439,333.34		4,854,807.66
In total	18,836,135.56	3,191,871.33	4,237,397.80		17,790,609.09

**(XVII) Deferred income tax asset**

**1. Deferred income tax asset involving no offset**

Item	31-December-2020		31-December-2019	
	Deductible temporary difference	Deferred income tax asset	Deductible temporary difference	Deferred income tax asset
Provision for asset impairment	185,956,758.16	46,411,131.22	61,373,297.65	15,270,449.89
Unrealized profit in internal transaction				
Deductible loss	2,324,733.40	581,183.35		
In total	188,281,491.56	46,992,314.57	61,373,297.65	15,270,449.89

Continued Table I

Item	31-December-2019		31-December-2018	
	Deductible temporary difference	Deferred income tax asset	Deductible temporary difference	Deferred income tax asset
Provision for asset impairment	61,373,297.65	15,270,449.89	57,039,338.88	14,259,834.72
Unrealized profit in internal transaction				
Deductible loss				
In total	61,373,297.65	15,270,449.89	57,039,338.88	14,259,834.72

**(XVIII) Other non-current assets**

Item	31-December-2020	31-December-2019	31-December-2018
House	4,947,855.00	4,947,855.00	4,947,855.00

Item	31-December-2020	31-December-2019	31-December-2018
Highway/land	508,433,351.20	508,433,351.20	508,433,351.20
Wood value	895,912,300.00	895,912,300.00	895,912,300.00
Garbage treatment plant	33,078,697.66	33,078,697.66	33,846,669.71
In total	1,442,372,203.86	1,442,372,203.86	1,443,140,175.91

### (XIX) Short-term borrowings

#### 1. Classification of short-term borrowings

Category	31-December-2020	31-December-2019	31-December-2018
credit borrowings	484,860,081.02	1,280,000,000.00	
Pledge borrowings	511,730,000.00	398,860,000.00	
Mortgage borrowings		200,000,000.00	5,000,000.00
Guaranteed borrowings	500,000,000.00	300,000,000.00	57,000,000.00
In total	1,496,590,081.02	2,178,860,000.00	62,000,000.00

#### 2. Conditions about overdue unpaid short-term borrowings

None.

### (XX) Notes payable

#### 1. List of bills payable

Species	31-December-2020	31-December-2019	31-December-2018
Trade acceptance draft			
Bank acceptance draft	99,908,353.95	4,916,123.00	
In total	99,908,353.95	4,916,123.00	

At the end of the period, there were no outstanding notes payable due.

### (XXI) Accounts payable

#### (1) Payable

Item	31-December-2020	31-December-2019	31-December-2018
Within 1 year	652,267,045.72	513,049,623.46	313,519,158.36
1-2 years	196,694,926.44	46,007,314.49	31,425,487.71
2-3 years	27,827,306.36	18,383,711.35	4,540,410.97
More than 3 years	363,342,881.65	352,797,052.86	350,024,697.39
In total	1,240,132,160.17	930,237,702.16	699,509,754.43

#### (2) List of the top five payable

31-December-2020

Unit name	Closing balance	Proportion in the total amount of closing balance of other receivables (%)
Chongqing Wansheng Economic & Technological Development Zone Planning and Natural Resources Bureau	341,835,714.14	27.56
Shaanxi Shaanxi Coal Chenghe Mining Co., Ltd.	457,059,898.72	36.86
Chongqing Wansheng Fuyao Glass Co., Ltd.	115,000,000.00	9.27

Notes to 2018-2020 Financial Statement of Chongqing Wansheng Economic and Technological Development Zone  
Development & Investment Group Co., Ltd

Unit name	Closing balance	Proportion in the total amount of closing balance of other receivables (%)
Chongqing Construction Engineering Second Construction Co., Ltd.	87,280,695.06	7.04
Jiangxi Zhongxin Construction Engineering Group Co., Ltd.	69,823,369.74	5.63
In total	1,070,999,677.66	86.36

31-December-2019

Unit name	Closing balance	Proportion in total closing balance of account payable (%)
Chongqing Wansheng Economic & Technological Development Zone Housing Authority	341,835,714.14	36.75
Shaanxi Shaanxi Coal Chenghe Mining Co., Ltd.	274,873,022.33	29.55
Chongqing Construction Group Second Construction Co., Ltd.	82,276,700.00	8.84
Jiangxi Zhongxin Construction Engineering Group Co., Ltd.	69,823,369.74	7.51
Chongqing Jingsheng Construction Engineering Co., Ltd.	32,091,715.31	3.45
In total	800,900,521.52	86.10

31-December-2018

Unit name	Closing balance	Proportion in total closing balance of account payable (%)
Land and Housing Administration Bureau of Chongqing Wansheng economic and Technological Development Zone	341,835,714.14	48.87
Shaanxi coal Chenghe mining Co., Ltd	250,401,166.51	35.80
Chongqing Guoneng Investment Development Co., Ltd	7,726,709.48	1.10
Guoji Construction Group Co., Ltd	7,699,570.00	1.10
Chongqing Construction Engineering Second Construction Co., Ltd	4,852,111.00	0.69
In total	612,515,271.13	87.56

**(XXII) Advances received**

**1. Advanced receipts presented based on account age**

Item	31-December-2020	31-December-2019	31-December-2018
Within 1 year	1,139,361,950.98	1,189,893,263.77	1,185,566,263.00
1-2 years	506,313,303.41	445,785,946.98	853,500,245.14
2-3 years	2,322,186.93	53,151,872.84	
More than 3 years	123,658,192.24	76,294,008.40	80,758,981.40
In total	1,771,655,633.56	1,765,125,091.99	2,119,825,489.54

**2. Large-amount display of Advances received aged more than one year**

31-December-2020

Unit name	Closing balance	Reasons for not carrying forward	Proportion in the total amount of closing balance of other receivables (%)
Chongqing Wansheng Economic Development Zone Jianping	1,060,868,689.57	Project not completed	59.88

Notes to 2018-2020 Financial Statement of Chongqing Wansheng Economic and Technological Development Zone  
Development & Investment Group Co., Ltd

Unit name	Closing balance	Reasons for not carrying forward	Proportion in the total amount of closing balance of other receivables (%)
Infrastructure Project Management Co., Ltd.			
Chongqing Wansheng Economic Development Zone Urban Development & Investment Group Co., Ltd.	404,800,000.00	Project not completed	22.85
Chongqing Wansheng Economic & Technological Development Zone Planning and Natural Resources Bureau	67,048,060.00	No change of property right	3.78
Qingnian Town People's Government	60,000,000.00	Unsettlement	3.39
Chongqing Wansheng Economic & Technological Development Zone Bureau of Finance	10,000,000.00	Unsettled items	0.56
In total	1,602,716,749.57	—	90.46

31-December-2019

Unit name	Closing balance	Reason for not carrying forward	Proportion in total closing balance of account prepaid (%)
Chongqing Wansheng Economic & Technological Development Zone Bureau of Finance	1,398,532,285.06	The project has not been settled	79.23
Chongqing Wansheng Economic and Technological Development Zone Development Investment Group Co., Ltd.	200,000,000.00	Project not completed	11.33
Chongqing Wansheng Economic and Technological Development Zone Bureau of State Land, Resources and Housing	67,048,060.00	Land property rights have not been changed	3.80
Chongqing Energy Investment Real Estate Co., Ltd.	10,000,000.00	Project not completed	0.57
Wancheng (Shanghai) Travel Agency Co., Ltd.	9,871,299.20	not been settled	0.56
In total	1,685,451,644.26	—	95.49

31-December-2018

Unit name	Closing balance	Reason for not carrying forward	Proportion in total closing balance of account prepaid (%)
Chongqing Wansheng economic and Technological Development Zone Finance Bureau	1,939,563,079.30	The project has not been settled	91.50
Land and Housing Administration Bureau of Chongqing Wansheng economic and Technological Development Zone	67,048,060.00	not been settled	3.16
Animation theme Industrial Park	15,000,000.00	not been settled	0.71
Chongqing Wansheng District Environmental Protection Bureau	12,000,000.00	Property rights not changed	0.57
Chongqing Neng Investment Co., Ltd	10,000,000.00	No change of land property right	0.47
In total	2,043,611,139.30	—	96.41

**(XXIII) Employee remunerations payable**

**1. Presentation of payable employee remuneration**



Notes to 2018-2020 Financial Statement of Chongqing Wansheng Economic and Technological Development Zone  
Development & Investment Group Co., Ltd

Item	1-January-2020	Increased amount in this period	Reduced amount in this period	31-December-2020
I. Short-term remuneration	4,376,815.02	92,104,094.03	91,335,691.19	5,145,217.86
II. Welfare after retirement - set drawing plan	27,961.59	1,874,367.38	1,749,316.74	153,012.23
III. Dismissal welfare		9,000.00	9,000.00	
IV. Other welfares due within one year				
In total	4,404,776.61	93,987,461.41	93,094,007.93	5,298,230.09

Continued Table I

Item	1-January-2019	Increased amount in this period	Reduced amount in this period	31-December-2019
I. Short-term remuneration	3,841,587.44	85,584,520.42	85,049,292.84	4,376,815.02
II. Welfare after retirement - set drawing plan	18,059.55	7,740,270.23	7,730,368.19	27,961.59
III. Dismissal welfare				
IV. Other welfares due within one year				
In total	3,859,646.99	93,324,790.65	92,779,661.03	4,404,776.61

Continued Table II

Item	1-January-2018	Increased amount in this period	Reduced amount in this period	31-December-2018
I. Short-term remuneration	1,616,282.72	103,285,468.31	101,060,163.59	3,841,587.44
II. Welfare after retirement - set drawing plan	32,370.14	9,380,667.93	9,394,978.52	18,059.55
III. Dismissal welfare		20,000.00	20,000.00	
IV. Other welfares due within one year				
In total	1,648,652.86	112,686,136.24	110,475,142.11	3,859,646.99

## 2. Presentation of short-term remuneration

Item	1-January-2020	Increased amount in this period	Reduced amount in this period	31-December-2020
I. Salary, bonus, allowance and subsidy	4,249,034.89	71,788,635.32	71,103,797.09	4,933,873.12
II. Employee welfare expense		5,010,887.97	5,010,887.97	
III. Social insurance premium	14,642.08	4,860,586.43	4,822,114.95	53,113.56
Of which: medical insurance premium	14,642.08	4,720,564.37	4,694,067.03	41,139.42
Industrial injury insurance premium		111,921.16	102,757.11	9,164.05
Birth insurance premium		28,100.90	25,290.81	2,810.09
IV. Housing provident fund	8,712.00	6,527,307.03	6,452,771.03	83,248.00
V. Labor union expenditure and employee education fund	104,426.05	3,916,677.28	3,946,120.15	74,983.18
VI. Short-term compensated absences				
VII. Short-term profit sharing plan				
In total	4,376,815.02	92,104,094.03	91,335,691.19	5,145,217.86

Continued Table I

Item	1-January-2019	Increased amount in this period	Reduced amount in this period	31-December-2019
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Notes to 2018-2020 Financial Statement of Chongqing Wansheng Economic and Technological Development Zone  
Development & Investment Group Co., Ltd

Item	1-January-2019	Increased amount in this period	Reduced amount in this period	31-December-2019
I. Salary, bonus, allowance and subsidy	3,792,530.91	67,192,048.31	66,735,544.33	4,249,034.89
II. Employee welfare expense		4,354,565.95	4,354,565.95	
III. Social insurance premium	10,094.84	5,066,374.02	5,061,826.78	14,642.08
Wherein, medical insurance premium	9,261.33	4,640,154.51	4,634,773.76	14,642.08
Industrial injury insurance premium	833.51	426,219.51	427,053.02	
Birth insurance premium				
IV. Housing provident fund		5,806,458.54	5,797,746.54	8,712.00
V. Labor union expenditure and employee education fund	38,961.69	3,165,073.60	3,099,609.24	104,426.05
VI. Short-term compensated absences				
VII. Short-term profit sharing plan				
In total	3,841,587.44	85,584,520.42	85,049,292.84	4,376,815.02

Continued Table II

Item	1-January-2018	Increased amount in this period	Reduced amount in this period	31-December-2018
I. Salary, bonus, allowance and subsidy	1,464,828.25	82,888,737.33	80,561,034.67	3,792,530.91
II. Employee welfare expense		4,192,307.17	4,192,307.17	
III. Social insurance premium	21,265.87	5,441,792.02	5,452,963.05	10,094.84
Wherein, medical insurance premium	18,340.86	4,939,770.41	4,948,849.94	9,261.33
Industrial injury insurance premium	1,495.38	482,957.59	483,619.46	833.51
Birth insurance premium	1,429.63	19,064.02	20,493.65	
IV. Housing provident fund		6,073,039.20	6,073,039.20	
V. Labor union expenditure and employee education fund	130,188.60	4,689,592.59	4,780,819.50	38,961.69
VI. Short-term compensated absences				
VII. Short-term profit sharing plan				
In total	1,616,282.72	103,285,468.31	101,060,163.59	3,841,587.44

**3. Presentation of preset drawing plans**

Item	1-January-2020	Increased amount in this period	Reduced amount in this period	31-December-2020
1. Basic endowment insurance	26,931.20	1,476,054.14	1,386,173.82	116,811.52
2. Unemployment insurance expense	1,030.39	70,705.24	67,406.92	4,328.71
3. Enterprise annuity payment		327,608.00	295,736.00	31,872.00
In total	27,961.59	1,874,367.38	1,749,316.74	153,012.23

Continued Table I

Item	1-January-2019	Increased amount in this period	Reduced amount in this period	31-December-2020
1. Basic endowment insurance	17,596.47	7,499,192.23	7,489,857.50	26,931.20
2. Unemployment insurance expense	463.08	237,328.00	236,760.69	1,030.39

Item	1-January-2019	Increased amount in this period	Reduced amount in this period	31-December-2020
3.Enterprise annuity payment		3,750.00	3,750.00	-
In total	18,059.55	7,740,270.23	7,730,368.19	27,961.59

Continued Table II

Item	1-January-2018	Increased amount in this period	Reduced amount in this period	31-December-2020
1.Basic endowment insurance	30,530.12	9,125,531.24	9,138,464.89	17,596.47
2.Unemployment insurance expense	1,840.02	252,543.57	253,920.51	463.08
3.Enterprise annuity payment		2,593.12	2,593.12	
In total	32,370.14	9,380,667.93	9,394,978.52	18,059.55

**(XXIV) Taxes payable**

Tax type	31-December-2020	31-December-2019	31-December-2018
Value-added tax	243,868,729.98	211,073,552.23	175,584,796.93
Business tax			78,724.35
Urban construction tax	2,758,199.45	934,871.81	396,346.00
Enterprise income tax	398,450,153.47	296,204,843.34	194,507,935.52
Individual income tax	863,918.36	366,606.94	946,426.54
Real estate tax	74,242.14	74,242.14	179,726.22
Stamp duty	174,072.30	683,792.65	151,319.40
Education surcharge	1,362,961.07	399,035.95	165,079.71
Local education surcharge	605,726.49	266,849.81	112,680.69
Land appreciation tax	5,059,954.92	25,521,240.99	
Deed tax		18,877,165.71	
Land use tax	910,183.94	910,183.94	
Others	2,100.00	2,100.00	2,100.00
In total	654,130,242.12	555,314,485.51	372,125,135.36

Note: Other tax are the construction costs of advertising and cultural undertakings.

**(XXV) Other payable**

**1. Summary table condition**

**(1) List by category**

Item	31-December-2020	31-December-2019	31-December-2018
Interest payable	423,033,317.36	376,646,319.40	263,482,053.48
Dividend receivable	15,859,097.55	6,015,594.62	6,015,594.62
Other payable	2,463,408,856.59	2,263,353,469.86	976,934,583.71
In total	2,902,301,271.50	2,646,015,383.88	1,246,432,231.81

**2. Interest payable**

**(1) List by category**

Item	31-December-2020	31-December-2019	31-December-2018
Enterprise bond interest	423,033,317.36	376,646,319.40	263,482,053.48
In total	423,033,317.36	376,646,319.40	263,482,053.48

### 3. Dividend receivable

#### (1) List by category

Item	31-December-2020	31-December-2019	31-December-2018
Common stock dividend	15,859,097.55	6,015,594.62	6,015,594.62
In total	15,859,097.55	6,015,594.62	6,015,594.62

### 4. Other payable

#### (1) 1. Present other payables based on nature of payment

Item	31-December-2020	31-December-2019	31-December-2018
Capital intercourse payment	2,325,379,727.04	2,123,229,396.18	837,472,323.06
Guarantee deposit	25,301,000.56	27,766,243.17	26,989,044.10
Labor union expenditure	279,127.15	454,691.79	738,452.74
Special coal reserve	110,000,000.00	110,000,000.00	110,000,000.00
Individual part of social insurance	2,449,001.84	1,903,138.72	1,734,763.81
In total	2,463,408,856.59	2,263,353,469.86	976,934,583.71

#### (2) The closing balance of other payables is shown in large amounts

31-December-2020

Unit name	Relationship with affiliated parties	Closing balance	Proportion in the total amount of closing balance of other payables (%)
Chongqing Wansheng Economic Development Zone Urban Development & Construction Group Co., Ltd.	Third party	1,196,687,693.72	48.58
Chongqing Wansheng Economic & Technological Development Zone Bureau of Finance	Third party	771,616,910.96	31.32
Chongqing Wansheng District Limin Water and Power Co., Ltd.	Third party	242,965,502.00	9.86
In total	—	2,211,270,106.68	89.76

31-December-2019

Unit name	Relationship with affiliated parties	Closing balance	Proportion in the total amount of closing balance of other payables (%)
Chongqing Wansheng Economic Development Zone Urban Development & Construction Group Co., Ltd.	Third party	825,389,224.39	36.47
Chongqing Wansheng Economic Development Zone Finance Bureau	Third party	800,440,338.17	35.37
Shilin Town People's Government	Third party	105,259,100.00	4.65
Chongqing Wansheng Comprehensive Coal Mining Subsidence Area Co., Ltd.	Third party	102,623,461.00	4.53
Chongqing Wansheng District Changzhou Construction Engineering Co., Ltd.	Third party	67,240,000.00	2.97
In total	—	1,900,952,123.56	83.99

31-December-2018

Unit name	Relationship with affiliated parties	Closing balance	Proportion in the total amount of closing balance of other payables (%)
Chongqing Wansheng Economic Development Zone urban development and Construction Group Co., Ltd	Third party	448,740,110.63	45.93
Chongqing Wansheng Economic Development Zone Finance Bureau	Third party	210,295,285.56	21.53
Chongqing Wansheng coal mining subsidence area comprehensive treatment Co., Ltd	Third party	102,123,461.00	10.45
Land and Resources Bureau of Chongqing Wansheng Economic Development Zone	Third party	55,612,000.00	5.69
Chongqing Wansheng Industrial Development Co., Ltd	Third party	34,578,858.55	3.54
In total	—	851,349,715.74	87.14

**(XXVI) Non-current liabilities maturing within one year**

**1. Non-current liabilities maturing within one year**

Item	31-December-2020	31-December-2019	31-December-2018
Interest bearing liabilities due within one year	2,867,151,953.08	1,962,601,192.30	1,975,815,493.83
In total	2,867,151,953.08	1,962,601,192.30	1,975,815,493.83

**(XXVII) Other current liabilities**

**(1) Other current liabilities**

Item	31-December-2020	31-December-2019	31-December-2018
Short-term bonds payable	300,000,000.00	500,000,000.00	
Tax to be sold out			
In total	300,000,000.00	500,000,000.00	

**(2) Changes in short-term bonds increase/decrease changes**

Name of bond	Nominal value	Issuing date	Maturity of bond	Issuance amount	Issued in this period	Withdraw interest based on nominal value	31-December-2020
20 Wansheng Jingkai SCP002	100	2020-4-17	270 days	300 million yuan	300 million yuan		300,000,000.00
In total	—	—	—	—	—		300,000,000.00

Continued Table I

Name of bond	Nominal value	Issuing date	Maturity of bond	Issuance amount	Issued in this period	Withdraw interest based on nominal value	31-December-2019
19Wansheng Jingkai SCP001	100	2019-5-24	270days	300 million	300 million	9,250,000.00	300,000,000.00
20Wansheng Jingkai SCP002	100	2019-9-26	270days	200 million	200 million	3,287,222.22	200,000,000.00
In total	—	—	—	—	—	12,537,222.22	500,000,000.00

**(XXVIII) Long-term borrowings**

## 1. Classification of long-term borrowings

Category	31-December-2020	31-December-2019	31-December-2018
Fiduciary borrowings	615,353,185.09	775,853,185.09	1,011,000,000.00
Mortgage borrowings	832,400,000.00	132,000,000.00	185,000,000.00
Guaranteed borrowings	1,339,625,000.00	570,560,000.00	190,000,000.00
Pledge borrowings	840,735,900.00	1,076,803,300.00	1,184,393,300.00
In total	3,628,114,085.09	2,555,216,485.09	2,570,393,300.00

## 2. Overdue borrowings

The company has no overdue borrowings.

## 3. Long-term borrowings resulted from overdue borrowings extension

Long-term borrowings resulted from overdue borrowings extension

### (XXIX) Bonds payable

#### 1. Bonds payable

Item	31-December-2020	31-December-2019	31-December-2018
13 Wansheng Jingkai Bond			252,463,147.49
14 Wansheng Jingkai Bond 01		155,633,789.98	315,012,412.60
14 Wansheng Jingkai Bond 02		135,123,918.76	274,432,785.80
14 Wansheng Jingkai MTN001			798,836,406.59
15 Wansheng Jingkai PPN001		102,679,352.92	102,069,213.06
15 Wansheng Water Supply Project NPB	428,294,580.59	619,207,065.56	713,973,815.37
15 Wansheng Jingkai PPN002		397,514,236.64	396,188,208.03
17 Wansheng Jingkai MTN001	496,323,823.64	494,880,823.02	493,532,740.53
17 Yu Wansheng Jinakai ZR001		596,117,343.84	594,744,307.76
17 Yu Wansheng Jinakai ZR002		397,152,807.61	396,222,379.79
Privately raised company bond		69,861,829.94	139,683,649.53
18 Yu Wansheng Jingkai ZR001	198,802,668.56	198,342,659.98	197,913,707.55
18 Wansheng Jingkai MTN001	496,864,479.10	495,356,690.99	493,952,399.17
18 Wansheng Jingkai ZR002	297,981,470.23	297,259,985.34	296,589,522.66
ICBC Overseas Debt		601,469,234.53	600,357,801.88
18 Wansheng Jingkai Bond 01	396,979,834.25	496,221,181.18	495,516,833.33
18 Wansheng Jingkai Bond 02	794,187,225.75	992,533,059.13	990,991,575.00
19 Yu Wansheng Jinakai ZR001	496,198,926.48	494,968,085.00	
19 Wansheng 01	1,492,658,756.30	1,491,367,422.00	
19 Wansheng Jingkai MTN001	993,195,272.24	991,821,718.13	
19 Wansheng Jingkai PPN001	995,423,736.51	993,884,677.50	
20 Wansheng Jingkai MTN001	498,366,879.97		
20 Wansheng Jingkai MTN002	498,208,629.80		
20 Yu Wansheng Investment ZR001	296,568,595.07		
20 Yu Wansheng Investment ZR002	395,403,274.41		
20 Wansheng 01	997,385,026.11		
In total	9,772,843,179.01	10,021,395,882.05	7,552,480,906.14

**2. Increase/decrease changes of bonds payable (excluding other financial instruments classified as preference stock, perpetual capital securities of financial liabilities)**

Name of bond	Nominal value	Issuing date	Maturity of bond	Issuance amount	1-January-2020	Issued in this period	Withdraw interest based on nominal value	Interest adjustment	Repayment in this period	Bonds payable due within one year	31-December-2020
14 Wansheng Jingkai Bond 01	100.00	2014-4-8	7 years	800 million yuan	155,633,789.98			4,366,210.02		160,000,000.00	
14 Wansheng Jingkai Bond 02	100.00	2014-8-25	7 years	700 million yuan	135,123,918.76			4,876,081.24		140,000,000.00	
15 Wansheng Jingkai PPN001	100.00	2015-9-21	3+2 years	600 million yuan	102,679,352.92			-2,679,352.92	100,000,000.00		
15 Wansheng Water Supply Project NPB	100.00	2015-11-24	10 years	800 million yuan	619,207,065.56			1,087,515.03	96,000,000.00	96,000,000.00	428,294,580.59
15 Wansheng Jingkai PPN002	100.00	2015-9-21	5 years	400 million yuan	397,514,236.64			2,485,763.36	400,000,000.00		
17 Wansheng Jingkai MTN001	100.00	2017-6-13	5 years	500 million yuan	494,880,823.02			1,443,000.62			496,323,823.64
17 Yu Wansheng Jinakai ZR001	100.00	2017-6-21	3+2 years	600 million yuan	596,117,343.84			3,882,656.16	600,000,000.00		
17 Yu Wansheng Jinakai ZR002	100.00	2017-10-27	3+2 years	400 million yuan	397,152,807.61			2,847,192.39	400,000,000.00		
Privately raised company bond	100.00	2017-1-19	5 years	300 million yuan	69,861,829.94			138,170.06		70,000,000.00	
18 Yu Wansheng Jingkai ZR001	100.00	2018-3-29	3+2 years	200 million yuan	198,342,659.98			460,008.58			198,802,668.56
18 Wansheng Jingkai MTN001	100.00	2018-4-19	3+2 years	500 million yuan	495,356,690.99			1,507,788.11			496,864,479.10
18 Wansheng Jingkai ZR002	100.00	2018-9-19	3+2 years	300 million yuan	297,259,985.34			721,484.89			297,981,470.23
ICBC Overseas Debt	100.00	2018-9-12	3 years	609 million yuan	601,469,234.53			8,002,765.47		609,472,000.00	
18 Wansheng Jingkai Bond 01	100.00	2018-3-27	7 years	500 million yuan	496,221,181.18			758,653.07		100,000,000.00	396,979,834.25

Name of bond	Nominal value	Issuing date	Maturity of bond	Issuance amount	1-January-2020	Issued in this period	Withdraw interest based on nominal value	Interest adjustment	Repayment in this period	Bonds payable due within one year	31-December-2020
18 Wansheng Jingkai Bond 02	100.00	2018-5-3	7 years	1 billion yuan	992,533,059.13			1,654,166.62		200,000,000.00	794,187,225.75
19 Yu Wansheng Jinakai ZR001	100.00	2019-3-4	3+2 years	500 million yuan	494,968,085.00			1,230,841.48			496,198,926.48
19 Wansheng 01	100.00	2019-10-23	5 years	1.5 billion yuan	1,491,367,422.00			1,291,334.30			1,492,658,756.30
19 Wansheng Jingkai MTN001	100.00	2019-8-30	3+2 years	1 billion yuan	991,821,718.13			1,373,554.11			993,195,272.24
19 Wansheng Jingkai PPN001	100.00	2019-1-18	3+2 years	1 billion yuan	993,884,677.50			1,539,059.01			995,423,736.51
20 Wansheng Jingkai MTN001	100	2020-3-24	3+2 years	500 million yuan		500 million yuan		526,879.97			498,366,879.97
20 Wansheng Jingkai MTN002	100	2020-6-17	3+2 years	500 million yuan		500 million yuan		368,629.80			498,208,629.80
20 Yu Wansheng Investment ZR001	100	2020-3-27	3+2 years	300 million yuan		300 million yuan		1,068,595.07			296,568,595.07
20 Yu Wansheng Investment ZR002	100	2020-3-30	3 years	400 million yuan		400 million yuan		1,403,274.41			395,403,274.41
20 Wansheng 01	100	2020-7-30	3 years	1 billion yuan		1 billion yuan		385,026.11			997,385,026.11
In total	—	—	—	—	10,021,395,882.05	2.7 billion yuan		40,739,296.96	1,596,000,000.00	1,375,472,000.00	9,772,843,179.01

Continued Table I

Name of bond	Nominal value	Issuing date	Maturity of bond	Issuance amount	1-January-2019	Issued in this period	Withdraw interest based on nominal value	Interest adjustment	Repayment in this period	Bonds payable due within one year	31-December-2019
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Name of bond	Nominal value	Issuing date	Maturity of bond	Issuance amount	1-January-2019	Issued in this period	Withdraw interest based on nominal value	Interest adjustment	Repayment in this period	Bonds payable due within one year	31-December-2019
13 Wansheng Jingkai Bond	100.00	2013-4-17	7 years	1.3 billion yuan	252,463,147.49			7,536,852.51	260,000,000.00		
14 Wansheng Jingkai Bond 01	100.00	2014-4-8	7 years	800 million yuan	315,012,412.60			621,377.38		160,000,000.00	155,633,789.98
14 Wansheng Jingkai Bond 02	100.00	2014-8-25	7 years	700 million yuan	274,432,785.80			691,132.96		140,000,000.00	135,123,918.76
14 Wansheng Jingkai MTN001	100.00	2014-9-25	5 years	800 million yuan	798,836,406.59			1,163,593.41	800,000,000.00		-
15 Wansheng Jingkai PPN001	100.00	2015-9-21	3+2 years	600 million yuan	102,069,213.06			610,139.86			102,679,352.92
15 Wansheng Water Supply Project NPB	100.00	2015-11-24	10years	800 million yuan	713,973,815.37			1,233,250.19		96,000,000.00	619,207,065.56
15 Wansheng Jingkai PPN002	100.00	2015-9-21	5 years	400 million yuan	396,188,208.03			1,326,028.61			397,514,236.64
17 Wansheng Jingkai MTN001	100.00	2017-6-13	5 years	500 million yuan	493,532,740.53			1,348,082.48			494,880,823.02
17 Yu Wansheng Jinakai ZR001	100.00	2017-6-21	3+2 years	600Million yuan	594,744,307.76			1,373,036.08			596,117,343.84
17 Yu Wansheng Jinakai ZR002	100.00	2017-10-27	3+2 years	400 million yuan	396,222,379.79			930,427.82			397,152,807.61
Privately raised company bond	100.00	2017-1-19	5 years	300 million yuan	139,683,649.53			178,180.41		70,000,000.00	69,861,829.94
18 Yu Wansheng Jinakai ZR001	100.00	2018-3-29	3+2 years	200 million yuan	197,913,707.55			428,952.43			198,342,659.98
18 Yu Wansheng Jinakai MTN001	100.00	2018-4-19	3+2 years	500 million yuan	493,952,399.17			1,404,291.82			495,356,690.99
18 Yu Wansheng Jinakai ZR002	100.00	2018-9-19	3+2 years	300 million yuan	296,589,522.66			670,462.68			297,259,985.34
ICBC Overseas Debt	100.00	2018-9-12	3 years	609 million yuan	600,357,801.88			1,111,432.65			601,469,234.53
18 Wansheng jing Debt 01	100.00	2018-3-27	7 years	500 million yuan	495,516,833.33			704,347.85			496,221,181.18

Name of bond	Nominal value	Issuing date	Maturity of bond	Issuance amount	1-January-2019	Issued in this period	Withdraw interest based on nominal value	Interest adjustment	Repayment in this period	Bonds payable due within one year	31-December-2019
18 Wansheng Jing Debt 02	100.00	2018-5-3	7 years	1 Billion yuan	990,991,575.00			1,541,484.13			992,533,059.13
19 Yu Wansheng Jingkai ZR001	100.00	2019-3-4	3+2 years	500 million yuan		500 million yuan		247,422.00			494,968,085.00
19 Wansheng 01	100.00	2019-10-23	5years	1.5Billion yuan		1.5 Billion yuan		968,085.00			1,491,367,422.00
19 Wansheng Jingkai MTN001	100.00	2019-8-30	3+2 years	1 Billion yuan		1 Billion yuan		461,718.14			991,821,718.13
19 Wansheng Jingkai PPN001	100.00	2019-1-18	3+2 years	1 Billion yuan		1 Billion yuan		1,384,677.50			993,884,677.50
In total					7,552,480,906.14			25,934,975.91	1,006,000,000.00	466,000,000.00	10,021,395,882.05

Continued Table II

Name of bond	Nominal value	Issuing date	Maturity of bond	Issuance amount	1-January-2018	Issued in this period	Withdraw interest based on nominal value	Interest adjustment	Repayment in this period	Bonds payable due within one year	31-December-2018
13 Wansheng Jingkai Bond	100.00	2013-4-17	7 years	1.3 billion	511,363,964.31			1,099,183.18		260,000,000.00	252,463,147.49
14 Wansheng Jingkai Bond 01	100.00	2014-4-8	7 years	800 million	473,285,463.00			1,016,946.42		160,000,000.00	315,012,412.60
14 Wansheng Jingkai Bond 02	100.00	2014-8-25	7 years	700 million	414,124,780.13			1,018,008.84		140,000,000.00	274,432,785.80
14 Wansheng Jingkai MTN001	100.00	2014-9-25	5 years	800 million	796,003,737.84			2,832,668.75			798,836,406.59
15 Wansheng Jingkai PPN001	100.00	2015-9-21	3+2 years	600 million	597,921,101.66			2,544,606.25	500,000,000.00		102,069,213.06
14 black brigade 01, 02	100.00	2015-7-9	3 years	300 million	199,050,683.41			949,316.59	200,000,000.00		
15 Wansheng Water Supply Project NPB	100.00	2015-11-24	10 years	800 million	792,760,645.93			1,213,169.44		80,000,000.00	713,973,815.37
15 Wansheng Jingkai PPN002	100.00	2015-9-21	5 years	400 million	396,549,751.41			1,241,961.76			396,188,208.03

Name of bond	Nominal value	Issuing date	Maturity of bond	Issuance amount	1-January-2018	Issued in this period	Withdraw interest based on nominal value	Interest adjustment	Repayment in this period	Bonds payable due within one year	31-December-2018
Singapore QDs bond	100.00	2016-7-29	2 years	585.59 million	454,729,836.36			8,432,163.64		585,590,000.00	
17 Wansheng Jingskai MTN001	100.00	2017-6-13	5 years	500 million	492,273,332.64			1,259,407.91			493,532,740.53
17 Yu Wansheng Jinakai ZR001	100.00	2017-6-21	3+2 years	600 million	593,462,186.29			1,282,121.46			594,744,307.76
17 Yu Wansheng Jinakai ZR002	100.00	2017-10-27	3+2 years	400 million	395,350,754.59			871,625.20			396,222,379.79
Privately raised company bond	100.00	2017-1-19	5 years	300 million	209,453,252.00			230,397.53		70,000,000.00	139,683,649.53
18 Yu Wansheng Jinakai ZR001	100.00	2018-3-29	3+2 years	200 million		200 million		313,707.55			197,913,707.55
18 Yu Wansheng Jinakai MTN001	100.00	2018-4-19	3+2 years	500 million		500 million		952,399.17			493,952,399.17
18 Yu Wansheng Jinakai ZR002	100.00	2018-9-19	3+2 years	300 million		300 million		189,522.66			296,589,522.66
ICBC Overseas Debt	100.00	2018-9-12	3 years	609 million		609 million		990,227.14			600,357,801.88
18 Wansheng jing Debt 01	100.00	2018-3-27	7 years	500 million yuan		500 million yuan		144,600.93			495,516,833.33
18 Wansheng jing Debt 02	100.00	2018-5-3	7 years	1 Billion yuan		1 Billion yuan		516,833.33			990,991,575.00
In total					6,326,329,489.57			27,098,867.75	700,000,000.00	1,295,590,000.00	7,552,480,906.14

**(XXX) Long-term payables**

**1. Summary table condition**

**(1) List by category**

Item	31-December-2020	31-December-2019	31-December-2018
Long-term payables	2,782,228,971.52	2,596,725,677.92	2,635,134,406.41
Special accounts payable	529,279,226.88	450,673,785.88	439,369,305.88
In total	3,311,508,198.40	3,047,399,463.80	3,074,503,712.29

**2. Long-term payables**

**(1) Present long-term payables based on nature of payment**

Item	31-December-2020	31-December-2019	31-December-2018
Intercourse funds	681,240,000.00	607,240,000.00	1,226,240,000.00
Financing lease	2,100,988,971.52	1,989,485,677.92	1,408,894,406.41
In total	2,782,228,971.52	2,596,725,677.92	2,635,134,406.41

**(2) Other descriptions**

On December 31, 2020, the balance of unrecognized financing expenses of the company was RMB 322,010,816.69 yuan.

On December 31, 2019, the balance of unrecognized financing expenses of the company is RMB 294,005,566.42 yuan..

On December 31, 2018, the balance of unrecognized financing expenses of the company was RMB 186,406,805.50 yuan..

**3. Special accounts payable**

**(1) Detail list of special payables**

Item	1-January-2020	Increased amount in this period	Reduced amount in this period	31-December-2020
Chongqing Wansheng Economic & Technological Development Zone Bureau of Finance	140,261,971.26		800,000.00	139,461,971.26
Yuzigang project	4,302,126.58	11,554,141.00	7,500.00	15,848,767.58
Cultural and sports center	120,910,000.00			120,910,000.00
New development project	11,199,075.00			11,199,075.00
National bond capital	4,587,000.00			4,587,000.00
Special fund for rescue and relief works	2,889,700.00			2,889,700.00
Construction fund of the west planning exhibition gallery	3,290,000.00			3,290,000.00
Infrastructure construction cost in Bajiao Town	9,842,675.00			9,842,675.00
Reconstruction expense for sewage treatment facilities in scenic spot	4,170,000.00			4,170,000.00
Water supply project in the southeast area	49,138,346.54			49,138,346.54

Notes to 2018-2020 Financial Statement of Chongqing Wansheng Economic and Technological Development Zone  
Development & Investment Group Co., Ltd

Item	1-January-2020	Increased amount in this period	Reduced amount in this period	31-December-2020
Central construction investment fund for tourism infrastructure	14,000,000.00			14,000,000.00
Urban Council -- municipal facilities maintenance fee	1,800,000.00			1,800,000.00
Special subsidy fund for civil aviation development of the municipal communications bureau	3,700,000.00			3,700,000.00
Project of SYP Glass	2,030,000.00			2,030,000.00
Infrastructure in Pingshan Phase II	100,000.00			100,000.00
WitPark	480,000.00			480,000.00
Songshouwan Reservoir	3,627,468.00			3,627,468.00
Yangjiagou sub-main channel	15,000,000.00			15,000,000.00
Sewage pipe network of Qingxi River	3,763,000.00			3,763,000.00
Bond for ecological environment construction of Qingshan Lake	10,000,000.00			10,000,000.00
Water and soil conservation project in civil works in small watershed of Qingshan Lake	7,223,938.00			7,223,938.00
Special fund for Tongzigou Water Plant in Nantong Town	1,560,200.00			1,560,200.00
Wet land protection project	4,000,000.00			4,000,000.00
Heishan Water Plant	21,250,000.00			21,250,000.00
Yangheping Reservoir		2,037,800.00		2,037,800.00
Comprehensive Treatment Project of Coal Mining Subsidence Area-Liangfeng Reservoir	5,973,929.00			5,973,929.00
Conglin Town Tourism Infrastructure Supporting Project No. 157	2,850,000.00			2,850,000.00
Qingxihe first-level sewage interception trunk pipe project	930,292.00			930,292.00
Second and third level drainage pipe network (Phase I) project of Wansheng Urban Built-up Area	1,100,000.00			1,100,000.00
Others	694,064.50		340,000.00	354,064.50
Sewage treatment project in coal power chemical park		8,600,000.00		8,600,000.00
North-south trunk road project on the west side of coal power plant		15,820,000.00		15,820,000.00
Energy Road Section B Project		21,040,000.00		21,040,000.00
General Industrial Solid Waste Comprehensive Utilization Project		18,740,000.00		18,740,000.00
Wansheng Economic Development Economic Development Zone Domestic Waste Landfill		1,961,000.00		1,961,000.00

Notes to 2018-2020 Financial Statement of Chongqing Wansheng Economic and Technological Development Zone  
Development & Investment Group Co., Ltd

Item	1-January-2020	Increased amount in this period	Reduced amount in this period	31-December-2020
Leachate Treatment Upgrading and Upgrading Project (Phase I)				
In total	450,673,785.88	79,752,941.00	1,147,500.00	529,279,226.88

Continued Table I

Item	1-January-2019	Increased amount in this period	Reduced amount in this period	31-December-2019
Chongqing Wansheng Economic & Technological Development Zone Bureau of Finance	129,454,909.26	10,807,062.00		140,261,971.26
Yuzigang project	2,477,309.58	2,081,817.00	4,332,600.00	226,526.58
Cultural and sports center	120,910,000.00			120,910,000.00
New development project	11,199,075.00			11,199,075.00
National bond capital	4,587,000.00			4,587,000.00
Special fund for rescue and relief works	1,868,967.00	1,020,733.00		2,889,700.00
Construction fund of the west planning exhibition gallery	3,290,000.00			3,290,000.00
Infrastructure construction cost in Bajiao Town	9,842,675.00			9,842,675.00
Reconstruction expense for sewage treatment facilities in scenic spot	2,570,000.00	1,600,000.00		4,170,000.00
Water supply project in the southeast area	49,138,346.54			49,138,346.54
Central construction investment fund for tourism infrastructure	14,000,000.00			14,000,000.00
Urban Council -- municipal facilities maintenance fee	1,800,000.00			1,800,000.00
Special subsidy fund for civil aviation development of the municipal communications bureau	3,700,000.00			3,700,000.00
Project of SYP Glass	2,030,000.00			2,030,000.00
Infrastructure in Pingshan Phase II	100,000.00			100,000.00
WitPark	480,000.00			480,000.00
Songshouwan Reservoir	3,500,000.00	127,468.00		3,627,468.00
Yangjiagou sub-main channel	15,000,000.00			15,000,000.00
Sewage pipe network of Qingxi River	3,763,000.00			3,763,000.00
Bond for ecological environment construction of Qingshan Lake	10,000,000.00			10,000,000.00
Water and soil conservation project in civil works in small watershed of Qingshan Lake	7,223,938.00			7,223,938.00
Special fund for Tongzigou Water Plant in Nantong Town	1,560,200.00			1,560,200.00

Notes to 2018-2020 Financial Statement of Chongqing Wansheng Economic and Technological Development Zone  
Development & Investment Group Co., Ltd

Item	1-January-2019	Increased amount in this period	Reduced amount in this period	31-December-2019
Wet land protection project	4,000,000.00			4,000,000.00
Heishan Water Plant	21,250,000.00			21,250,000.00
Yangheping Reservoir	4,075,600.00			4,075,600.00
Comprehensive treatment project for coal mining subsidence area - Liangfeng Reservoir	5,973,929.00			5,973,929.00
Conglin Town Tourism Infrastructure Support Project 157	2,850,000.00			2,850,000.00
Qingxi River first-class sewage interception project	930,292.00			930,292.00
Wansheng City Built-up Area 2nd and 3rd Drainage Pipe Network (Phase I) Project	1,100,000.00			1,100,000.00
Other	694,064.50			694,064.50
In total	439,369,305.88	15,637,080.00	4,332,600.00	450,673,785.88

Continued Table II

Item	1-January-2018	Increased amount in this period	Reduced amount in this period	31-December-2018
Chongqing Wansheng economic and Technological Development Zone Finance Bureau	117,454,909.26	12,000,000.00		129,454,909.26
Yuzigang project	2,690,309.58		213,000.00	2,477,309.58
Cultural and Sports Center	120,910,000.00			120,910,000.00
New District Development Project	11,199,075.00			11,199,075.00
National Debt Fund	4,587,000.00			4,587,000.00
Special fund for rescue and disaster relief	200,000.00	1,668,967.00		1,868,967.00
Western planning exhibition hall construction funds	3,290,000.00			3,290,000.00
Infrastructure cost of Bajiao town	9,842,675.00			9,842,675.00
Renovation cost of sewage treatment facilities in scenic spots	2,570,000.00			2,570,000.00
Water supply project in Southeast Area	49,138,346.54			49,138,346.54
Central infrastructure investment fund for tourism infrastructure	14,000,000.00			14,000,000.00
Urban Council - maintenance of municipal facilities	1,800,000.00			1,800,000.00
Special subsidy fund for civil aviation development of Municipal Transportation Bureau	3,000,000.00	700,000.00		3,700,000.00
Yaopi glass project	2,030,000.00			2,030,000.00

Notes to 2018-2020 Financial Statement of Chongqing Wansheng Economic and Technological Development Zone  
Development & Investment Group Co., Ltd

Item	1-January-2018	Increased amount in this period	Reduced amount in this period	31-December-2018
Pingshan phase II infrastructure	100,000.00			100,000.00
Wisdom Garden	480,000.00			480,000.00
Songtaowan reservoir	3,500,000.00			3,500,000.00
Tangjiagou branch canal	15,000,000.00			15,000,000.00
Qingxi River sewage pipe network	3,763,000.00			3,763,000.00
Ecological environment construction of Qingshan Lake	10,000,000.00			10,000,000.00
Soil and water conservation project of civil engineering in Qingshanhu small watershed	7,223,938.00			7,223,938.00
Special fund for tongzigou Waterworks in Nantong town	1,560,200.00			1,560,200.00
Wetland protection project	4,000,000.00			4,000,000.00
Heishan Waterworks	21,250,000.00			21,250,000.00
Yangheping reservoir	2,037,800.00	2,037,800.00		4,075,600.00
Comprehensive treatment project of coal mining subsidence area Liangfeng reservoir		5,973,929.00		5,973,929.00
Tourism infrastructure supporting projects of Conglin town (157)		2,850,000.00		2,850,000.00
Primary sewage interceptor project of Qingxi River		930,292.00		930,292.00
Wansheng urban built up area secondary and tertiary drainage pipe network (phase I) project		1,100,000.00		1,100,000.00
other	596,653.50	97,481.00	70.00	694,064.50
In total	412,223,906.88	27,358,469.00	213,070.00	439,369,305.88

**(XXXI) Deferred revenue**

Item	1-January-2020	Increased amount in this period	Reduced amount in this period	31-December-2020	Forming reasons
Government Subsidy	6,578,316.81	90,000,000.00		96,578,316.81	Government subsidy
In total	6,578,316.81	90,000,000.00		96,578,316.81	—

Continued Table I

Item	1-January-2019	Increased amount in this period	Reduced amount in this period	31-December-2019	Forming reasons
Government subsidy	6,578,316.81			6,578,316.81	Government subsidy
In total	6,578,316.81			6,578,316.81	



Continued Table II

Item	1-January-2018	Increased amount in this period	Reduced amount in this period	31-December-2018	Forming reasons
Government subsidy	4,035,272.05	2,575,733.60	32,688.84	6,578,316.81	Government subsidy
In total	4,035,272.05	2,575,733.60	32,688.84	6,578,316.81	---

**(XXXII) Paid-in capital**

**1. Changes in paid-in capital**

Shareholder name	1-January-2020	increase/decrease changes this period (+, -)			31-December-2020
		Capital increase	Capitalization of profits	Capital reserve transfer to capital	
Chongqing Wansheng Economic & Technological Development Zone Management Committee	2,000,000,000.00				2,000,000,000.00
In total	2,000,000,000.00				2,000,000,000.00

Continued Table I

Shareholder name	1-January-2019	Changes in the current period (+, -)			31-December-2019
		Capital increase	Profit transfer capital	Public accumulation fund transfer capital	
Chongqing Wansheng Economic & Technological Development Zone Management Committee	2,000,000,000.00				2,000,000,000.00
In total	2,000,000,000.00				2,000,000,000.00

Continued Table II

Shareholder name	1-January-2018	Changes in the current period (+, -)			31-December-2018
		Capital increase	Profit transfer capital	Public accumulation fund transfer capital	
Chongqing Wansheng Economic & Technological Development Zone Management Committee	2,000,000,000.00				2,000,000,000.00
In total	2,000,000,000.00				2,000,000,000.00

**(XXXIII) Capital reserves**

**1. Details of increase/decrease changes capital reserve**

Item	1-January-2020	Increased amount in this period	Reduced amount in this period	31-December-2020
Capital premium	1,690,700.00			1,690,700.00
Allocated equity	807,576,377.80		35,694,388.64	771,881,989.16
Grant transfer-in	4,070,000.00			4,070,000.00
Classified as land	11,655,272,925.00		13,902,600.00	11,641,370,325.00

Item	1-January-2020	Increased amount in this period	Reduced amount in this period	31-December-2020
Classified as property	607,954,897.75			607,954,897.75
Other capital reserves	3,445,445,992.89		65,666.74	3,445,380,326.15
In total	16,522,010,893.44		49,662,655.38	16,472,348,238.06

**Note 1:** The equity of Limin Water Conservancy and Electricity Co., Ltd. in Wansheng District, Chongqing City has been allocated, reducing the capital reserve 35,694,388.64.

**Note 2:** According to Chongqing Wansheng Economic and Technological Development Zone Management Committee (Wansheng Economic Development Zone [2020] No. 110) "Notice of Chongqing Wansheng Economic Economic Development Zone Management Committee on Recovering Part of the Land Assets of Kaitou Group Company", Chongqing Wansheng Economic & Technological Development Zone Management Committee recovered the land assets of 108 Fangdi Zheng D2012 Zi No. 10016, 108 Fang Di Zheng D2012 Zi No. 10076 and 108 Fang Di Zheng D2012 Zi No. 10075, and the company reduced the capital reserve 13,902,600.00 .

**Note 3:** The purchase of minority shareholders' equity of Chongqing Wansheng Global Tourism Research Institute Co., Ltd. at a premium reduces the capital reserve 65,666.74.

Continued Table I

Item	1-January-2019	Increased amount in this year	Reduced amount in this year	31-December-2019
Capital premium	1,690,700.00			1,690,700.00
Allocated equity	807,476,377.80	100,000.00		807,576,377.80
Grant transfer-in	4,070,000.00			4,070,000.00
Classified as land	11,655,272,925.00			11,655,272,925.00
Classified as property	607,954,897.75			607,954,897.75
Other capital reserves	3,165,445,992.89	280,000,000.00		3,445,445,992.89
In total	16,241,910,893.44	280,100,000.00		16,522,010,893.44

**Note 1:** Chongqing Wansheng Economic and Technological Development Zone State-owned Assets Administration Bureau transfers 100,000.00 capital contribution to Chongqing Wansheng Badminton Cultural Development Co., Ltd. to increase the capital reserve.

**Note 2:**Notes 2: According to *Notice of Chongqing Municipal Finance Bureau on Appropriating the Funds for the Second Batch of Treasury Bills in 2016* by Chongqing Municipal Finance Bureau (Chongqing Treasury Bills [2016] No. 80), Chongqing Municipal Finance Bureau appropriated 45,000,000.00 Yuan funds to convert bills. The capital reserve of the company is increased by 45,000,000.00 Yuan.

Note 3:Notes 2: According to *Notice of Chongqing Municipal Finance Bureau on Appropriating the Funds for the First Batch of Treasury Bills in 2016* by Chongqing Municipal Finance Bureau (Chongqing Treasury Bills [2016] No. 33), Chongqing Municipal Finance Bureau appropriated 15,000,000.00 Yuan funds to convert bills. The capital reserve of the company is increased by 15,000,000.00 Yuan.

**Note 4:**Notes 2: According to *Notice of Chongqing Municipal Finance Bureau on Appropriating the*

*Funds for the First Batch of Treasury Bills in 2017* by Chongqing Municipal Finance Bureau (Chongqing Treasury Bills [2017] No. 60), Chongqing Municipal Finance Bureau appropriated 15,000,000.00 Yuan funds to convert bills. The capital reserve of the company is increased by 15,000,000.00 Yuan.

**Note 5:**Notes 2: According to *Notice of Chongqing Municipal Finance Bureau on Appropriating the Funds for the Second Batch of Treasury Bills in 2017* by Chongqing Municipal Finance Bureau (Chongqing Treasury Bills [2017] No. 79), Chongqing Municipal Finance Bureau appropriated 45,000,000.00 Yuan funds to convert bills. The capital reserve of the company is increased by 45,000,000.00 Yuan.

**Note 6:**Notes 2: According to *Notice of Chongqing Municipal Finance Bureau on Appropriating the Funds for the Fourth Batch of Treasury Bills in 2017* by Chongqing Municipal Finance Bureau (Chongqing Treasury Bills [2017] No. 129), Chongqing Municipal Finance Bureau appropriated 160,000,000.00 Yuan funds to convert bills. The capital reserve of the company is increased by 160,000,000.00 Yuan.

Continued Table II

Item	1-January-2018	Increased amount in this year	Reduced amount in this year	31-December-2018
Capital premium	1,690,700.00			1,690,700.00
Allocated equity	807,476,377.80			807,476,377.80
Grant transfer-in	4,070,000.00			4,070,000.00
Classified as land	11,655,272,925.00			11,655,272,925.00
Classified as property	607,954,897.75			607,954,897.75
Other capital reserves	3,165,445,992.89			3,165,445,992.89
In total	16,241,910,893.44			16,241,910,893.44

**(XXXIV) Undistributed profits**

Item	31-December-2020	31-December-2019
Undistributed profits at the end of the last period before adjustment	2,533,760,772.29	2,307,202,142.21
Total amount of undistributed profits at the beginning of the adjustment period (increase +, decrease -)		
Undistributed profits at the beginning of the period after adjustment	2,533,760,772.29	2,307,202,142.21
Add: Net profit belonging to owner of the parent company in this period	307,916,008.11	399,318,178.87
Minus: Withdrawal legal surplus reserve	14,512,466.98	14,425,064.79
Withdrawal discretionary surplus reserve		
Withdrawal general risk reserves		
Common stock dividend	153,000,000.00	158,334,484.00
Common stock dividend transferred to capital stock		
Add: other	-513,445.09	
Undistributed profits at the end of the period	2,673,650,868.33	2,533,760,772.29

**Note 1:** undistributed profits decreased by RMB 504,988.43, which is the difference caused by the company's loss of control of its subsidiary Chongqing Yuqian Border Town tourism development Co., Ltd. during this period, and the company did not include the company in the scope of consolidation during the current period.

**Note 2:** undistributed profits decreased by RMB 8,456.66, which is the difference caused by the company's loss of control of its subsidiary Chongqing Qinzhou Guyi tourism development Co., Ltd. during this period, and the company did not include the company in consolidation scope of consolidation in this period.

Continued Table I

Item	31-December-2019	31-December-2018
Undistributed profits at the end of the last period before adjustment	2,307,202,142.21	1,995,662,120.04
Total amount of undistributed profits at the beginning of the adjustment period (increase +, decrease -)		
Undistributed profits at the beginning of the period after adjustment	2,307,202,142.21	1,995,662,120.04
Plus: net profit belonging to owner of the parent company in this period	399,318,178.87	380,987,358.45
Minus: withdrawal legal surplus reserve	14,425,064.79	30,220,230.51
Withdrawal discretionary surplus reserve		
Withdrawal general risk reserves		
Common stock dividend	158,334,484.00	40,000,000.00
Common stock dividend transferred to capital stock		
Plus: Others (note 1)		772,894.23
Undistributed profits at the end of the period	2,533,760,772.29	2,307,202,142.21

**Note 1:** The other undistributed profit is RMB 772,894.23, which is the difference caused by the loss of the Company's control right over its subsidiary Chongqing Xintian Tourism Development Co., Ltd in the current period and the Company no longer includes the Company into the scope of merger.

### (XXXV) Operation revenues and costs

#### 1. Operation revenues and costs

Item	Jan-Dec-2020		Jan-Dec-2019	
	Operation revenue	Operation cost	Operation revenue	Operation cost
Main business	3,581,933,812.37	2,874,053,266.05	3,632,834,087.82	2,906,690,968.24
Other businesses	20,918,061.67	7,841,365.39	8,832,569.33	1,700,576.61
In total	3,602,851,874.04	2,881,894,631.44	3,641,666,657.15	2,908,391,544.85

Continued Table I

Item	Jan-Dec-2019		Jan-Dec-2018	
	Operation revenue	Operation cost	Operation revenue	Operation cost
Main business	3,632,834,087.82	2,906,690,968.24	3,077,740,436.62	2,579,185,725.13
Other businesses	8,832,569.33	1,700,576.61	2,879,194.04	19,117.44
In total	3,641,666,657.15	2,908,391,544.85	3,080,619,630.66	2,579,204,842.57

### (XXXVI) Wherein, Interest expense

Item	Jan-Dec-2020	Jan-Dec-2019	Jan-Dec-2018
Interest expense	24,785,146.53	76,909,844.87	86,429,469.25
Minus: Interest income	12,431,671.26	9,024,052.65	8,344,179.69
Net interest expense	12,353,475.27	67,885,792.22	78,085,289.56
Exchange gains and losses		146,626.17	

Notes to 2018-2020 Financial Statement of Chongqing Wansheng Economic and Technological Development Zone  
Development & Investment Group Co., Ltd

Item	Jan-Dec-2020	Jan-Dec-2019	Jan-Dec-2018
Handling fee expense	305,055.61	254,904.72	229,420.26
In total	12,658,530.88	68,287,323.11	78,314,709.82

**(XXXVII) Other revenue**

Item	Jan-Dec-2020	Revenue related
Tax return	28,226,494.71	28,226,494.71
Project cost subsidy	89,020,000.00	89,020,000.00
Work funding subsidy	85,600.00	85,600.00
In total	117,332,094.71	117,332,094.71

Continued Table I

Item	Jan-Dec-2019	Revenue related
Tax return	1,947,921.00	1,947,921.00
Special subsidies for infrastructure	79,378,868.38	79,378,868.38
Project cost subsidy	6,748,182.00	6,748,182.00
Work funding subsidy	1,944,214.00	1,944,214.00
In total	90,019,185.38	90,019,185.38

Continued Table II

Item	Jan-Dec-2018	Related to revenue
Tax return	21,986,227.92	21,986,227.92
Special subsidies for infrastructure	73,258,121.75	73,258,121.75
Financing subsidy	250,000,000.00	250,000,000.00
Project cost subsidy	1,140,744.00	1,140,744.00
Subsidies for work funds	3,662,300.00	3,662,300.00
In total	350,047,393.67	350,047,393.67

**(XXXVIII) Investment income**

Item	Jan-Dec-2020	Jan-Dec-2019	Jan-Dec-2018
Long-term equity investment income calculated with equity method	3,503,671.93	-9,726,156.40	-11,944,675.58
Investment income generated from disposing long-term equity investment	-54,020.40	2,078,359.36	61,938.85
Other investment incomes	-13,083,000.00	-44,488.69	714.71
In total	-9,633,348.47	-7,692,285.73	-11,882,022.02

**(XXXIX) Asset impairment loss**

Item	Jan-Dec-2020	Jan-Dec-2019	Jan-Dec-2018
I. Bad debt loss	-66,584,958.58	-4,295,098.77	17,533,955.56
II. Available-for-sale asset impairment loss	-58,000,000.00		
In total	-124,584,958.58	-4,295,098.77	17,533,955.56

**(XL) Asset disposal income**

Item	Jan-Dec-2020	Jan-Dec-2019	Jan-Dec-2018
Subtotal disposal gains or losses of non-current asset (except for financial instruments, long-term equity investment and investment property) classified as			

Item	Jan-Dec-2020	Jan-Dec-2019	Jan-Dec-2018
available-for-sale during selling or confirmed in disposing groups			
Subtotal of disposal gains or losses generated from fixed assets, project under construction, productive biological assets and intangible asset not classified as available-for-sale during disposal	708,587.17	243,282.61	11,747,582.90
Of which: Fixed asset	708,587.17	243,282.61	11,747,582.90
Disposal of project under construction			
Disposal of productive biological assets			
Disposal of intangible asset			
Gains or losses from non-current asset debt reconstruction			
Gains or losses from non-monetary asset exchange			
In total	708,587.17	243,282.61	11,747,582.90

### (XLI) Non-operating revenue

#### 1. Conditions about sub-projects of non-operating revenue

Item	Jan-Dec-2020	Amount counted into non-recurring profits and losses in the current period
Gains from debt reconstruction of current assets		
Government subsidy irrelevant to daily enterprise activities	2,517,613.11	2,517,613.11
Donation acceptance		
Revenue from compensation for default	393,350.19	393,350.19
Vehicle scrap revenue	32,760.00	32,760.00
Absorbing consolidated revenue	878,640.09	878,640.09
Other gains	953,084.47	953,084.47
In total	4,775,447.86	4,775,447.86

#### Continued Table I

Item	Jan-Dec-2019	Amount counted into non-recurring profits and losses in the current period
Gains from debt reconstruction of current assets		
Government subsidy irrelevant to daily enterprise activities	1,368,384.56	1,368,384.56
Donation acceptance		
Revenue from compensation for default	480,016.31	480,016.31
Other gains	228,588.62	228,588.62
In total	2,076,989.49	2,076,989.49

#### Continued Table II

Item	Jan-Dec-2018	Amount counted into non-recurring profits and losses in the current period
Gains from debt reconstruction of current assets		
Government subsidy irrelevant to daily enterprise activities	4,252,287.76	4,252,287.76
Donation acceptance		
Revenue from compensation for default	238,549.00	238,549.00
Other gains	19,911,330.21	19,911,330.21
In total	24,402,166.97	24,402,166.97

**(XLII) Non-operating expenditures**

Item	Jan-Dec-2020	Amount counted into non-recurring profits and losses in the current period
Donation to others	500,000.00	500,000.00
Compensation, default penalty and fines expenditure	4,973.03	4,973.03
Scrap loss	3,125.15	3,125.15
Other expenditures	1,281,332.20	1,281,332.20
In total	1,789,430.38	1,789,430.38

Continued Table I

Item	Jan-Dec-2019	Amount counted into non-recurring profits and losses in the current period
Donation to others	175,121.30	175,121.30
Compensation, default penalty and fines expenditure	3,623,980.30	3,623,980.30
Other expenditures	364,738.08	364,738.08
In total	4,163,839.68	4,163,839.68

Continued Table II

Item	Jan-Dec-2018	Amount counted into non-recurring profits and losses in the current period
Donation to others	42,000.00	42,000.00
Compensation, default penalty and fines expenditure	2,006,595.29	2,006,595.29
Other expenditures	1,387,163.63	1,387,163.63
In total	3,435,758.92	3,435,758.92

**(XLIII) Income tax expenses**

Item	Jan-Dec-2020	Jan-Dec-2019	Jan-Dec-2018
Current income tax calculated according to tax laws and relevant regulations	117,746,587.70	102,014,565.65	124,030,736.26
Adjustment of deferred income tax	-31,721,864.68	-1,010,615.17	4,378,471.14
In total	86,024,723.02	101,003,950.48	128,409,207.40

**(XLIV) Net profit of continuous operation and profit of operation termination**

Item	Jan-Dec-2020		Jan-Dec-2019	
	Amount	Profits and losses belonging to owner of the parent company	Amount	Profits and losses belonging to owner of the parent company
Net profit of continuous operation	319,366,181.81	307,916,008.11	399,560,239.01	399,318,178.87
Net profit of operation termination				
In total	319,366,181.81	307,916,008.11	399,560,239.01	399,318,178.87

Continued Table I

Item	Jan-Dec-2019		Jan-Dec-2018	
	Amount	Profits and losses belonging to owner of the parent company	Amount	Profits and losses belonging to owner of the parent company
Net profit of continuous operation	399,560,239.01	399,318,178.87	396,742,310.51	380,987,358.45
Net profit of operation termination				
In total	399,560,239.01	399,318,178.87	396,742,310.51	380,987,358.45

**(XLV) Supplementary Information cash flow statement**

**1. Supplementary Information cash flow statement**

Supplementary information	Jan-Dec-2020	Jan-Dec-2019	Jan-Dec-2018
1. Adjust net profits to cash flow of operation activities			
Net profits	319,366,181.81	399,560,239.01	396,742,310.51
Add: Provision for asset impairment	124,584,958.58	4,295,098.77	-17,533,955.56
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of productive biological assets	77,109,539.31	78,193,332.62	72,242,488.90
Amortization of intangible assets	513,187.12	506,990.77	416,255.21
Amortization of long-term deferred expenses	2,449,126.00	7,658,901.38	4,237,397.80
Losses on fixed asset, intangible asset and other long-term assets (returns are listed with "-")	-708,587.17	-243,282.61	-11,747,582.90
Loss from scrapping fixed asset (returns are listed with "-")			
Income from fair value change (loss is filled with "-")			
financial expense (returns are listed with "-")	24,785,146.53	76,909,844.87	86,429,469.25
Wherein, Investment incomes in associated enterprises and joint ventures	9,633,348.47	7,692,285.73	11,882,022.02
Deferred income tax asset (increase and fill with "-")	-31,721,864.68	-1,010,615.17	1,972,104.14
Deferred income tax liabilities (decrease is listed with "-")			
Decrease in inventory (increase is listed with "-")	31,996,327.55	200,731,014.37	-81,345,419.16
Decrease in operating receivables (increase is filled with "-")	61,856,430.22	-1,497,241,368.37	-813,259,679.80
Increase in business payable items (decrease is listed with "-")	1,486,472,781.81	1,159,696,996.87	569,196,074.37
Others			
Net amount of cash flow generated from operation activities	2,106,336,575.55	436,749,438.24	219,231,484.78
2. Major investment and financing activities not involving cash deposit and withdrawal:			
The amount of the endorsed transfer of the bank acceptance draft received from the sale of goods and the provision of labor services			
Liabilities converted to capital			
Convertible company bonds due within one year			



Supplementary information	Jan-Dec-2020	Jan-Dec-2019	Jan-Dec-2018
Fixed assets under financing lease			
3. Conditions about net changes of cash and cash equivalents:			
Closing balance of cash	536,677,157.48	750,394,804.19	1,067,038,825.68
Minus: cash balance at the end of the previous year	750,394,804.19	1,067,038,825.68	2,618,723,160.61
Add: Closing balance of cash equivalents			
Minus: Closing balance of cash equivalents			
Net increase amount of cash and cash equivalents	-213,717,646.71	-316,644,021.49	-1,551,684,334.93

## 2. Composition of cash and cash equivalents

Item	Jan-Dec-2020	Jan-Dec-2019	Jan-Dec-2018
I. Cash	536,677,157.48	750,394,804.19	1,067,038,825.68
Of which: cash on hand	45,749.24	93,601.08	82,345.99
Bank deposit available for payment at any time	536,619,276.47	750,057,099.36	1,065,316,553.98
Other monetary capitals available for payment at any time	12,131.77	244,103.75	1,639,925.71
Deposits available for payment in Central Bank			
Deposits in other banks			
borrowings trade funds			
II. Cash equivalents			
Of which: bond investment due within three months			
III. Balance of cash and cash equivalents at the end of the year	536,677,157.48	750,394,804.19	1,067,038,825.68

## (XLVI) Assets with restricted ownership or use rights

Item	Book value at the end of December 31,2020	Reason for restriction
Monetary capital	341,142,240.00	borrowings mortgage
Inventories	1,374,507,527.26	borrowings mortgage
Investment property	259,570,520.35	borrowings mortgage
Intangible assets	11,587,240.82	borrowings mortgage
Project under construction	99,556,288.32	borrowings mortgage
In total	2,086,363,816.75	—

## Continued Table I

Item	Book value at the end of December 31,2019	Restricted reason
Monetary capital	19,738,900.00	borrowings mortgage
Inventory	978,434,932.32	borrowings mortgage
Fixed assets	33,483,306.59	borrowings mortgage
Investment real estate	374,704,393.73	borrowings mortgage
In total	1,406,361,532.64	—

Continued Table II

Item	Book value at the end of December 31,2018	Restricted reason
Monetary capital	7,718,900.00	borrowings mortgage
Inventory	976,462,900.00	borrowings mortgage
In total	984,181,800.00	—

**(XLVII) Foreign currency monetary item**

**1. Foreign currency monetary item**

Item	31-December-2020	Converted exchange rate	Converted RMB balance at at the end of the period
Monetary capital	493,831.42	/	3,222,200.63
Of which: USD	493,831.42	6.5249	3,222,200.63

Continued Table I

Item	31-December-2019	Converted exchange rate	Converted RMB balance at at the end of the period
Monetary capital	223,455.31	—	1,565,585.91
Wherein, USD	222,793.82	7.0117	1,562,163.43
Singapore Dollar	661.49	5.1695	3,422.48

Continued Table II

Item	31-December-2018	Converted exchange rate	Converted RMB balance at at the end of the period
Monetary capital	51,999.04	—	355,417.22
Wherein, USD	50,857.85	6.8755	349,673.15
Singapore Dollar	1,141.19	5.0334	5,744.07

**VII. Changes of the Consolidation Scope****1. Enterprise consolidation not unitary control that occurred in the current period**

There is no new subsidiary incorporated into the scope of merger in 2020.

A new subsidiary will be added in 2019.

Name of the purchased party	Time of equity acquisition	Cost of equity acquisition	Equity acquisition ratio (%)	Method of equity acquisition	Purchase day	Basis for determining the purchase date	Income of the acquiree from the purchase date to the end of the period	Net profit of the buyer from the date of purchase to the end of the period
Chongqing Jiangnan Airport Management Co., Ltd	January 1, 2019	40,364,304.82	100.00	Purchase	January 1, 2019	Can actually control the company	0.00	-298,750.93

A new subsidiary will be added in 2018.

Name of the purchased party	Time of equity acquisition	Cost of equity acquisition	Equity acquisition ratio (%)	Method of equity acquisition	Purchase day	Basis for determining the purchase date	Income of the acquiree from the purchase date to the end of the period	Net profit of the buyer from the date of purchase to the end of the period
Shaanxi coal Chongqing storage and Transportation Co., Ltd	January 1, 2018	1,300,000.00	13.00	Purchase	January 1, 2018	Can actually control the company	1,709,144,904.71	20,927,892.96

**2. Changes in consolidation scope of consolidation due to other reasons**

No change in 2020.

On January 1, 2019, the company transferred 100% of its subsidiary Chongqing Shengji Land Assets Operation Co., Ltd. to its subsidiary Chongqing Wansheng state owned Assets Management Co., Ltd., which is no longer accounted as a subsidiary of the company.

New subsidiaries in 2018.

Corporate name	Principal place of business	Registration	Business nature	Shareholding ratio	Acquisition method
Chongqing Wansheng Industrial Development Equity Investment Fund Co., Ltd.	Chongqing	Chongqing	Equity investment	100.00	Establishment
Chongqing Shengrong Holdings Co., Ltd.	Chongqing	Chongqing	Equity investment	100.00	Establishment

### VIII. Equities in Other Subjects

#### (I) Equities in subsidiaries

##### 1. Constitution of the enterprise group

###### (1) Subsidiaries of the company

Names of subsidiaries	Main place of business	Registration place	Business nature	Shareholding ratio (%)		Acquisition mode
				Direct	Indirect	
Chongqing Black Valley Tourism Investment Co., Ltd.	Chongqing	Chongqing	tourism development; investment in urban, tourism and industrial investment to infrastructure construction; investment in urbanization construction;	78.52		Allocation
Chongqing Wansheng State-owned Assets Management Co., Ltd.	Chongqing	Chongqing	Apply the state-owned assets for investment, transfer and lease	100.00		Allocation
Chongqing Bingjin Tourism Co., Ltd.	Chongqing	Chongqing	Tourism management	83.14	16.86	Establishment
Chongqing Wansheng Economic Development Zone Water Assets Operation Management Co., Ltd.	Chongqing	Chongqing	Domestic drinking water and sewage treatment and operation	77.22		Establishment
Wansheng Tourism Development (Singapore) Co., Ltd.	Singapore	Singapore	Tourism promotion	100.00		Establishment
Chongqing Wansheng Sports Industry Development Co., Ltd.	Chongqing	Chongqing	Sporting project development, sports event organization, operation and promotion	80.00		Establishment
Chongqing Wansheng Economic Development Zone Water Development & Construction Group Co., Ltd.	Chongqing	Chongqing	Development, construction, operation and management of the tourist attraction and tourism industry projects;	77.22		Allocation
Chongqing Shengrong Holdings Co., Ltd.	Chongqing	Chongqing	Equity investment	100.00		Establishment
Chongqing Wansheng Industrial Development Equity Investment Fund Co., Ltd.	Chongqing	Chongqing	Equity investment	100.00		Establishment

Names of subsidiaries	Main place of business	Registration place	Business nature	Shareholding ratio (%)	Acquisition mode
Chongqing Wansheng Industrial Park Development and Construction Co., Ltd.	Chongqing	Chongqing	Land development and renovation as well as operation and management within the park	100.00	Establishment
Chongqing Jiangnan Airport Co., Ltd.	Chongqing	Chongqing	Air travel	100.00	Allocation
Chongqing Wansheng Economic Development Zone Coal Electrochemical Industrial Park Construction Management Co., Ltd.	Chongqing	Chongqing	Engaged in park investment to infrastructure construction and management; preliminary feasibility study, evaluation, and consultation of capital construction projects; park public utility investment and management	52.91	Establishment
Chongqing Jiangnan Airport Management Co., Ltd.	Chongqing	Chongqing	Airport management	70.00	Purchase

**(II) Equities in the joint ventures or associated enterprises**

None.

## IX. Affiliated Party and the Affiliated Transaction

### (1) Final controlling party of the company

Unit name	Relationship with the company	Economic nature	Registration place	Shareholding ratio of the company	To this company Voting right ratio of the company
Chongqing Wansheng Economic & Technological Development Zone Management Committee	Final controlling party	Administrative unit	No.2 Xintian Road, Wansheng Economic & Technological Development Zone, Chongqing	100.00%	100.00%

### (2) The condition of subsidiaries of the enterprise

For the details of condition of subsidiaries of the enterprise, see Note 8 (I).

### (3) Condition of the joint ventures and associated enterprises of the company

For details of the company's joint ventures and associated enterprise, please Note 8 (II)

### (4) Condition of other affiliated parties

Names of other affiliated parties	Relationship between other affiliated parties and the enterprise
Chongqing Wanshuiyuan Urban and Rural Infrastructure Construction Co., Ltd.	Equity participation
Chongqing Sun Magnesium Co., Ltd.	Equity participation
Chongqing CREC International Financing Lease Co., Ltd.	Equity participation
Chongqing Wanxin Science and Technology Co., Ltd.	Equity participation
Chongqing Wansheng Shuangchuang Equity Investment Fund Partnership	Equity participation
Chongqing Energy Yunan Power Services Co., Ltd.	Equity participation
Chongqing Jiawen Trading Co., Ltd.	Equity participation
Chongqing Yuqian Border Town Tourism Development Co., Ltd.	Equity participation
Chongqing Qinzhou Guyi Tourism Development Co., Ltd.	Equity participation

### (5) Condition of the affiliated transactions

None.

## X. Commitments and Contingencies

### (I) Important commitments

None.

### (II) Contingencies

#### 1. External guarantee

Serial number	Guaranteed unit	Guarantee method	borrowings bank	Guarantee amount (Ten thousand yuan)	Effective date of guarantee	Warranty expiration date
1	Chongqing Wansheng Economic Development Zone Urban Development & Construction Group Co., Ltd.	Credit guarantee	Harbin Bank Co., Ltd. Chongqing Branch	30,000.00	July 28, 2016	July 27, 2021
2	Chongqing Wansheng Mining Subsidence Comprehensive Management Co., Ltd.	Credit guarantee	China Agricultural Development Bank Chongqing Qijiang Sub-branch	78,000.00	December 24, 2016	October 23, 2036
3	Chongqing Wansheng Mining Subsidence Comprehensive Management Co., Ltd.	Credit guarantee	China Agricultural Development Bank Chongqing Qijiang Sub-branch	82,585.00	June 24, 2019	December 24, 2036
4	Chongqing Wansheng Economic and Technological Development Zone Development & Investment Group Co., Ltd.	Credit guarantee	China Agricultural Development Bank Chongqing Qijiang Sub-branch	40,000.00	June 28, 2019	June 27, 2034
5	Chongqing Wansheng Economic Development Zone Urban Development & Construction Group	Credit guarantee	Chongqing Rural Commercial Financial Leasing Co.,	25,000.00	June 11, 2020	June 10, 2025

Notes to 2018-2020 Financial Statement of Chongqing Wansheng Economic and Technological Development Zone  
Development & Investment Group Co., Ltd

Serial number	Guaranteed unit	Guarantee method	borrowings bank	Guarantee amount (Ten thousand yuan)	Effective date of guarantee	Warranty expiration date
	Co., Ltd.		Ltd.			
6	Chongqing Wansheng Economic Development Zone Urban Development & Construction Group Co., Ltd.	Credit guarantee	China Zheshang Bank Co., Ltd. Chongqing Branch	10,000.00	July 28, 2020	July 27, 2021
7	Chongqing Wansheng Economic Development Zone Urban Development & Construction Group Co., Ltd.	Credit guarantee	China Everbright Bank Co., Ltd. Chongqing Branch	5,000.00	July 15, 2020	July 15, 2021
8	Chongqing Wansheng Economic Development Zone Urban Development & Construction Group Co., Ltd.	Credit guarantee	China CITIC Bank Co., Ltd. Chongqing Branch	5,000.00	June 29, 2020	June 28, 2021
9	Chongqing Wansheng Economic and Technological Development Zone Development & Investment Group Co., Ltd.	Credit guarantee	China Everbright Bank Co., Ltd. Chongqing Branch	5,000.00	July 31, 2020	July 31, 2021
10	Chongqing Wansheng Economic Development Zone Urban Development & Construction Group Co., Ltd.	Credit guarantee	Hua Xia Bank Co., Ltd. Chongqing Branch	7,000.00	October 19, 2020	October 18, 2023
11	Chongqing Wansheng Economic Development Zone Urban Development & Construction Group Co., Ltd.	Credit guarantee	Hankou Bank Co., Ltd. Chongqing Branch	50,000.00	June 28, 2017	June 28, 2022



## XI. Matters after the Balance Sheet Date

None.

## XII. Other Important Matters

### 1. Correction of errors in prior period

None.

## XIII. Notes To Main Items in Parent Company's Financial Statement

### (I) Accounts receivable

#### 1. Accounts receivable

##### (1) Disclosure receivable by classification

Category	31-December-2020				Book value
	Book balance		Bad debt reserve		
	Amount	Proportion (%)	Amount	Proportion (%)	
Receivables of significant single amount and singly withdrawn bad debt reserve					
Withdraw receivables of bad debt reserve based on credit risk characteristic combinations	48,046,859.00	100.00			48,046,859.00
Combination 1: External accounts receivable	48,046,859.00	100.00			48,046,859.00
Combination 2: Receivable payments against affiliated company, government and relevant departments					
Receivables of insignificant single amount, but with singly withdrawn bad debt reserve					
In total	48,046,859.00	100.00			48,046,859.00

Continued Table I

Category	31-December-2019				Book value
	Book balance		Bad debt reserve		
	Amount	Proportion (%)	Amount	Proportion (%)	

Other receivables of significant single amount and singly withdrawn bad debt reserve					
Other withdraw receivables of bad debt reserve based on credit risk characteristic combinations					
Combination 1: Receivables of external payments					
Combination 2: Receivables of company, government and relevant departments of affiliated party, guarantee deposit, cash deposit and advance payments of internal employees					
Other receivables of insignificant single amount, but with singly withdrawn bad debt reserve					
In total					

Continued Table II

Category	31-December-2020				Book value
	Book balance		Bad debt reserve		
	Amount	Proportion (%)	Amount	Proportion (%)	
Other receivables of significant single amount and singly withdrawn bad debt reserve					
Other withdraw receivables of bad debt reserve based on credit risk characteristic combinations	250,000,000.00	100.00			250,000,000.00
Combination 1: Receivables of external payments					
Combination 2: Receivables of company, government and relevant departments of affiliated party, guarantee deposit, cash deposit and advance payments of internal employees	250,000,000.00	100.00			250,000,000.00

Other receivables of insignificant single amount, but with singly withdrawn bad debt reserve				
In total	250,000,000.00	100.00		250,000,000.00

## (II) Other receivables

### 1. Summary table condition

Item	31-December-2020	31-December-2019	31-December-2018
Interest receivable			
Dividend receivable			
Other receivables	6,154,486,019.31	5,338,319,677.24	4,654,051,203.32
In total	6,154,486,019.31	5,338,319,677.24	4,654,051,203.32

### 2. Other receivables

#### (1) Classification disclosure of other receivables

Category	31-December-2020				
	Book balance		Bad debt reserve		Book value
	Amount	Proportion (%)	Amount	Proportion (%)	
Other receivables of significant single amount and singly withdrawn bad debt reserve	36,867,282.66	0.59	36,867,282.66	100.00	
Other withdraw receivables of bad debt reserve based on credit risk characteristic combinations	6,173,451,881.53	99.41	18,965,862.22	0.31	6,154,486,019.31
Combination 1: External accounts receivable	52,275,871.11	0.85	18,965,862.22	36.28	33,310,008.89
Combination 2: Receivables of company, government and relevant departments of affiliated party, guarantee deposit, cash deposit and advance payments of internal employees	6,121,176,010.42	99.15			6,121,176,010.42
Other receivables of insignificant single amount, but with singly withdrawn bad debt reserve					
In total	6,210,319,164.19	100.00	55,833,144.88	0.90	6,154,486,019.31

Continued Table I

Category	31-December-2019				
	Book balance		Bad debt reserve		Book value
	Amount	Proportion (%)	Amount	Proportion (%)	
Other receivables of significant single amount and singly withdrawn bad debt reserve					
Other withdraw receivables of bad debt reserve based on credit risk characteristic combinations	5,352,510,537.80	100.00	14,190,860.56	0.27	5,338,319,677.24
Combination 1: External accounts receivable	39,125,871.11	0.73	14,190,860.56	36.27	24,935,010.55
Combination 2: Receivables of company, government and relevant departments of affiliated party, guarantee deposit, cash deposit and advance payments of internal employees	5,313,384,666.69	99.27			5,313,384,666.69
Other receivables of insignificant single amount, but with singly withdrawn bad debt reserve					
In total	5,352,510,537.80	100.00	14,190,860.56	0.27	5,338,319,677.24

Continued Table II

Category	31-December-2018				
	Book balance		Bad debt reserve		Book value
	Amount	Proportion (%)	Amount	Proportion (%)	
Other receivables of significant single amount and singly withdrawn bad debt reserve					
Other withdraw receivables of bad debt reserve based on credit risk characteristic combinations	4,684,743,139.56	100.00	30,691,936.24	0.66	4,654,051,203.32

Combination 1: Receivables of external payments	469,460,118.85	10.02	30,691,936.24	6.54	438,768,182.61
Combination 2: Receivables of company, government and relevant departments of affiliated party, guarantee deposit, cash deposit and advance payments of internal employees	4,215,283,020.71	89.98			4,215,283,020.71
Other receivables of insignificant single amount, but with singly withdrawn bad debt reserve					
In total	4,684,743,139.56	100.00	30,691,936.24	0.66	4,654,051,203.32

Other withdraw receivables of bad debt reserve with aging analysis method in the combination

Account age	31-December-2020		
	Other receivables	Bad debt reserve	Withdrawal proportion (%)
Within 1 year (including 1 year)	13,350,000.00		
1-2 years			5.00
2-3 years	21,700,011.11	4,340,002.22	20.00
3-4 years	5,200,000.00	2,600,000.00	50.00
4-5 years			80.00
More than 5 years	12,025,860.00	12,025,860.00	100.00
In total	52,275,871.11	18,965,862.22	—

Continued Table I

Account age	31-December-2019		
	Other receivables	Bad debt reserve	Withdrawal proportion (%)
Within 1 year (including 1 year)			-
1-2 years	21,700,011.11	1,085,000.56	5.00
2-3 years	5,400,000.00	1,080,000.00	20.00
3-4 years			50.00
4-5 years			80.00
More than 5 years	12,025,860.00	12,025,860.00	100.00
In total	39,125,871.11	14,190,860.56	—

Continued Table II

Account age	31-December-2018		
	Other receivables	Bad debt reserve	Withdrawal proportion (%)
Within 1 year (including 1 year)	84,112,734.01		-
1-2 years	373,321,524.84	18,666,076.24	5.00
2-3 years			20.00
3-4 years			50.00
4-5 years			80.00
More than 5 years	12,025,860.00	12,025,860.00	100.00
In total	469,460,118.85	30,691,936.24	-

**1. Conditions about classification of other receivables based on payment nature**

The nature of payment	31-December-2020	31-December-2019	31-December-2018
Receivable advance payments of affiliated company, government, relevant departments and internal employees	6,158,043,293.08	5,313,384,666.69	4,215,283,020.71
Receivable intercourse funds against other organizations	52,275,871.11	39,125,871.11	469,460,118.85
In total	6,210,319,164.19	5,352,510,537.80	4,684,743,139.56

**2. Conditions about other receivables according to top five closing balances collected by the debtor**

31-December-2020

Unit name	Relationship with the company	Other receivables Closing balance	Account age	Proportion in total amount of other receivables (%)
Chongqing Wansheng Economic Development Zone Pingshan Industrial Park Construction Management Co., Ltd.	Subsidiaries	1,811,250,860.97	Within 1 year, 1-2 years, 2-3 years	29.17
Chongqing Wansheng State-owned Assets Operation Management Co., Ltd.	Subsidiaries	658,368,346.77	Within 1 year, 1-2 years, 2-3 years	10.60
Chongqing Shengji Land Assets Operation Co., Ltd.	Sun Company	442,203,347.18	Within 1 year, 1-2 years, 2-3 years, 3-4 years, 4-5 years, more than 5 years	7.12
Chongqing Wansheng Mining Subsidence Comprehensive	Third party	430,000,000.00	Within 1 year, 1-2 years, 2-3 years, 3-4	6.92

Notes to 2018-2020 Financial Statement of Chongqing Wansheng Economic and Technological Development Zone Development & Investment Group Co., Ltd

Unit name	Relationship with the company	Other receivables Closing balance	Account age	Proportion in total amount of other receivables (%)
Management Co., Ltd.			years	
Chongqing Wansheng Economic & Technological Development Zone Bureau of Finance	Third party	408,505,734.18	Within 1 year, 1-2 years	6.58
In total	—	3,750,328,289.10	—	60.39

31-December-2019

Unit name	Relationship with the company	Other receivables Closing balance	Account age	Proportion in total amount of other receivables (%)
Chongqing Wansheng Economic Development Zone Pingshan Industrial Park Construction Management Co., Ltd.	Subsidiaries	1,139,618,180.55	Within 1 year, 1-2 years, 2-3 years, 3-4 years	21.29
Chongqing Wansheng Economic Development Zone Water Development & Construction Group Co., Ltd.	Subsidiaries	526,457,563.64	Within 1 year, 1-2 years	9.84
Chongqing Wansheng Industrial Park Development and Construction Co., Ltd.	Subsidiaries	506,191,782.29	Within 1 year, 1-2 years	9.46
Chongqing Wansheng Economic Development Zone Water Assets Operation Management Co., Ltd.	Subsidiaries	382,871,570.47	Within 1 year, 1-2 years	7.15
Chongqing Wansheng State-Owned Assets Management Co., Ltd.	Subsidiaries	370,738,610.77	Within 1 year, 1-2 years	6.93
In total	—	2,925,877,707.72	—	54.67

31-December-2018

Unit name	Relationship with the company	Other receivables Closing balance	Account age	Proportion in total amount of other receivables (%)
Chongqing Wansheng Economic Development Zone Pingshan Industrial	Subsidiaries	887,789,173.95	Within 1 year, 1-2 years, 2-3 years	18.95

Unit name	Relationship with the company	Other receivables Closing balance	Account age	Proportion in total amount of other receivables (%)
Park Construction Management Co., Ltd				
Chongqing Wansheng Industrial Park Development and Construction Co., Ltd	Subsidiaries	430,396,401.25	Within 1 year, 1-2 years	9.19
Chongqing Wansheng economic and Technological Development Zone Finance Bureau	Third party	418,685,210.18	Within 1 year, 1-2 years	8.94
Chongqing Jiasheng Industrial Development Co., Ltd	Third party	368,121,524.84	1-2 years	7.86
Chongqing Wansheng Economic Development Zone Water Development and Construction Group Co., Ltd.	Subsidiaries	363,433,333.33	Within 1 year	7.76
In total	---	2,468,425,643.55	---	52.70

### (III) Long-term equity investment

Item	31-December-2020		
	Book balance	Provision for impairment	Book value
Investment in subsidiaries	4,960,232,994.16		4,960,232,994.16
Investment in the associated enterprises and joint ventures			
In total	4,960,232,994.16		4,960,232,994.16

Continued Table I

Item	31-December-2019		
	Book balance	Provision for impairment	Book value
Investment in subsidiaries	3,927,953,637.27		3,927,953,637.27
Investment in the associated enterprises and joint ventures			
In total	3,927,953,637.27		3,927,953,637.27

Continued Table II

Item	31-December-2018		
	Book balance	Provision for impairment	Book value
Investment in subsidiaries	1,657,171,188.87		1,657,171,188.87



Item	31-December-2018		
	Book balance	Provision for impairment	Book value
Investment in the associated enterprises and joint ventures			
In total	1,657,171,188.87		1,657,171,188.87

### 1. Investment in subsidiaries

Invested organization	1-January-2020	Increased amount in this period	Reduced amount in this period	31-december-2020
Chongqing Wansheng Economic Development Zone Water Assets Operation Management Co., Ltd.	50,000,000.00			50,000,000.00
Chongqing Bingjin Tourism Co., Ltd.	35,018,300.00			35,018,300.00
Chongqing Wansheng Sports Industry Development Co., Ltd.	12,000,000.00			12,000,000.00
Chongqing Caviar Health Elderly Service Co., Ltd.	600,000,000.00			600,000,000.00
Chongqing Wansheng State-owned Assets Operation Management Co., Ltd.	621,043,297.81			621,043,297.81
Chongqing Black Valley Tourism Investment Co., Ltd.	168,215,848.63	629,238,856.89		797,454,705.52
Chongqing Wansheng Economic Development Zone Water Development & Construction Group Co., Ltd.	639,351,588.87			639,351,588.87
Chongqing Jiangnan Airport Co., Ltd.	220,015,848.63			220,015,848.63
Chongqing Wansheng Industrial Development Equity Investment Fund Co., Ltd.	5,028,753.33	600,000.00		5,628,753.33
Chongqing Shengrong Holdings Co., Ltd.	210,000,000.00			210,000,000.00
Chongqing Wansheng	1,250,800,000.00	402,440,500.00		1,653,240,500.00

Notes to 2018-2020 Financial Statement of Chongqing Wansheng Economic and Technological Development Zone  
Development & Investment Group Co., Ltd

Invested organization	1-January-2020	Increased amount in this period	Reduced amount in this period	31-december-2020
Industrial Park Development and Construction Co., Ltd.				
Chongqing Jiangnan Airport Management Co., Ltd.	116,480,000.00			116,480,000.00
In total	3,927,953,637.27	1,032,279,356.89		4,960,232,994.16

Continued Table I

Invested organization	1-January-2019	Increased amount in this period	Reduced amount in this period	31-december-2019
Chongqing Wansheng Economic Development Zone Water Assets Operation Management Co., Ltd.	50,000,000.00			50,000,000.00
Chongqing Hei Valley Tourism Co., Ltd.	50,000,000.00		50,000,000.00	
Wansheng Tourism Development (Singapore) Co., Ltd.	35,018,300.00			35,018,300.00
Chongqing Wansheng Sports Industry Development Co., Ltd.	12,000,000.00			12,000,000.00
Chongqing Yuzigang Tourism Development Co., Ltd.	30,000,000.00	570,000,000.00		600,000,000.00
Chongqing Wansheng State-Owned Assets Management Co., Ltd.	571,001,300.00	50,041,997.81		621,043,297.81
Chongqing Black Valley Tourism Investment Co., Ltd.	168,200,000.00	15,848.63		168,215,848.63
Chongqing Wansheng Economic Development Zone Water Development & Construction Group Co., Ltd.	201,951,588.87	437,400,000.00		639,351,588.87
Chongqing Jiangnan Airport Co., Ltd.	20,000,000.00	200,015,848.63		220,015,848.63
Chongqing Shengrong Holdings Co., Ltd.	5,000,000.00	28,753.33		5,028,753.33
Chongqing Shengrong Holdings Co., Ltd.	210,000,000.00			210,000,000.00
Chongqing Wansheng	304,000,000.00	946,800,000.00		1,250,800,000.00

Notes to 2018-2020 Financial Statement of Chongqing Wansheng Economic and Technological Development Zone  
Development & Investment Group Co., Ltd

Invested organization	1-January-2019	Increased amount in this period	Reduced amount in this period	31-december-2019
Industrial Park Development and Construction Co., Ltd.				
Chongqing Jiangnan Airport Management Co., Ltd.		116,480,000.00		116,480,000.00
In total	1,657,171,188.87	2,320,782,448.40	50,000,000.00	3,927,953,637.27

Continued Table II

Invested organization	1-January-2018	Increased amount in this period	Reduced amount in this period	31-december-2018
Chongqing Wansheng Economic Development Zone Pingshan Industrial Park Construction Management Co., Ltd	102,000,000.00		102,000,000.00	
Chongqing Wansheng Economic Development Zone Coal Electric Chemical Industrial Park Construction Management Co., Ltd	102,000,000.00		102,000,000.00	
Chongqing Shengxin Trade Management Co., Ltd	154,001,300.00		154,001,300.00	
Chongqing Wansheng Economic Development Zone Water Assets Management Co., Ltd	50,000,000.00			50,000,000.00
Chongqing Shengji Land Assets Operation Co., Ltd	50,000,000.00			50,000,000.00
Chongqing black Valley Tourism Co., Ltd	35,018,300.00			35,018,300.00
Chongqing Wansheng Sports Industry Development Co., Ltd	12,000,000.00			12,000,000.00
Chongqing yuzigang Tourism Development Co., Ltd	30,000,000.00			30,000,000.00
Chongqing Wansheng state owned Assets Management Co., Ltd	417,000,000.00	154,001,300.00		571,001,300.00
Chongqing black Valley Tourism Investment Co., Ltd	168,200,000.00			168,200,000.00
Chongqing Wansheng Economic Development Zone	201,951,588.87			201,951,588.87

Invested organization	1-January-2018	Increased amount in this period	Reduced amount in this period	31-december-2018
water development and Construction Group Co., Ltd				
Chongqing Jiangnan Airport Co., Ltd	20,000,000.00			20,000,000.00
Chongqing Wansheng Industrial Development equity investment fund Co., Ltd		5,000,000.00		5,000,000.00
Chongqing Shengrong Holding Co., Ltd		210,000,000.00		210,000,000.00
Chongqing Wansheng Industrial Park Development and Construction Co., Ltd		304,000,000.00		304,000,000.00
In total	1,342,171,188.87	673,001,300.00	358,001,300.00	1,657,171,188.87

#### (IV) Operation revenues and costs

##### 1. Operation revenues and costs

Item	Jan-Dec-2020		Jan-Dec-2019	
	Operation revenue	Operation cost	Operation revenue	Operation cost
Main business	751,831,815.99	520,758,400.63	837,626,429.52	583,536,369.08
Other businesses			3,391,084.90	
In total	751,831,815.99	520,758,400.63	841,017,514.42	583,536,369.08

##### Continued Table I

Item	Jan-Dec-2019		Jan-Dec-2018	
	Operation revenue	Operation revenue	Operation revenue	Operation revenue
Main business	837,626,429.52	583,536,369.08	545,490,228.94	405,232,553.77
Other businesses	3,391,084.90		2,014,014.07	
In total	841,017,514.42	583,536,369.08	547,504,243.01	405,232,553.77

#### XIV. Other Further Information

None.

Chongqing Wansheng Economic and Technological Development Zone Development & Investment Group Co., Ltd.

June 10, 2021

**APPENDIX – FORM OF IRREVOCABLE STANDBY LETTER OF CREDIT**

FM: INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED,  
CHONGQING BRANCH (SWIFT: ICBKCNBJCQG)  
NO. 61 TAICHANG ROAD, NAN'AN DISTRICT, CHONGQING, P.R. CHINA

DATE: 30 JULY 2021

TO BENEFICIARY: THE BANK OF NEW YORK MELLON, LONDON BRANCH (THE “**TRUSTEE**”, WHICH EXPRESSION SHALL INCLUDE ANY SUCCESSOR OR CO-TRUSTEE) (PRESENTLY OF ONE CANADA SQUARE, LONDON E14 5AL, UNITED KINGDOM) (“**YOU**” OR THE “**BENEFICIARY**”) IN ITS CAPACITY AS TRUSTEE FOR ITSELF AND ON BEHALF OF THE HOLDERS (THE “**BONDHOLDERS**”) OF THE USD89,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF 1.93 PER CENT. CREDIT ENHANCED BONDS DUE 2024 (THE “**BONDS**”), TO BE ISSUED BY CHONGQING WANSHENG ECONOMIC AND TECHNOLOGICAL DEVELOPMENT ZONE DEVELOPMENT & INVESTMENT GROUP CO., LTD. (THE “**BOND ISSUER**”, PRESENTLY OF 23-1 TO 26-1 BUILDING 8, NO. 111, SONGLIN ROAD, WANSHENG ECONOMIC AND TECHNOLOGICAL DEVELOPMENT ZONE, CHONGQING, P.R. CHINA) AND TO BE CONSTITUTED BY A TRUST DEED DATED 30 JULY 2021 (THE “**BOND ISSUE DATE**”) BETWEEN THE BOND ISSUER AND THE TRUSTEE, AS AMENDED OR SUPPLEMENTED FROM TIME TO TIME (THE “**TRUST DEED**”).

DEAR SIRs,

RE: OUR IRREVOCABLE STANDBY LETTER OF CREDIT NO. [NUMBER]

AT THE REQUEST OF OUR CUSTOMER, THE BOND ISSUER, WE, INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED, CHONGQING BRANCH (THE “**ISSUING BANK**,” “**OUR**,” “**US**” OR “**WE**”), HEREBY ISSUE OUR IRREVOCABLE STANDBY LETTER OF CREDIT NO. [NUMBER] IN YOUR FAVOUR, AND FOR THE ACCOUNT OF THE BOND ISSUER, IN RESPECT OF AND IN CONNECTION WITH THE TERMS AND CONDITIONS OF THE BONDS APPENDED TO THE TRUST DEED (THE “**CONDITIONS**”) AND THE TRUST DEED. THIS IRREVOCABLE STANDBY LETTER OF CREDIT IS MADE AVAILABLE BY US FOR PAYMENT AGAINST OUR RECEIPT OF A DEMAND SUBSTANTIALLY IN THE FORM SET OUT IN APPENDIX A-1 (A “**DEMAND**”) PRESENTED IN ACCORDANCE WITH THIS IRREVOCABLE STANDBY LETTER OF CREDIT STATING THAT (A) THE BOND ISSUER HAS FAILED TO COMPLY WITH CONDITION 2(C) (THE “**PRE-FUNDING CONDITION**”) IN RELATION TO PRE-FUNDING THE AMOUNT THAT IS REQUIRED TO BE PRE-FUNDED UNDER THE CONDITIONS AND/OR FAILED TO PROVIDE THE REQUIRED CONFIRMATIONS (AS DEFINED IN THE CONDITIONS) IN ACCORDANCE WITH THE PRE-FUNDING CONDITION OR (B) AN EVENT OF DEFAULT (AS DEFINED IN THE CONDITIONS) HAS OCCURRED AND THE TRUSTEE HAS GIVEN NOTICE TO THE BOND ISSUER IN ACCORDANCE WITH THE CONDITIONS THAT THE BONDS ARE IMMEDIATELY DUE AND PAYABLE IN ACCORDANCE WITH THE CONDITIONS.

SUBJECT TO THE TERMS OF THIS IRREVOCABLE STANDBY LETTER OF CREDIT, WE UNCONDITIONALLY AND IRREVOCABLY UNDERTAKE TO YOU THAT, ON AND AFTER THE BOND ISSUE DATE AND FOLLOWING RECEIPT BY US OF A DEMAND BY 11:00 A.M. (BEIJING TIME) PRESENTED BY YOU OR ON YOUR BEHALF BY THE BANK OF NEW YORK MELLON, HONG KONG BRANCH (SWIFT: IRVTHKHX), WHOSE ADDRESS AT THE BOND ISSUE DATE IS AT LEVEL 26, THREE PACIFIC PLACE, 1 QUEEN'S ROAD EAST, HONG KONG, ACTING AS YOUR DELEGATE IN ACCORDANCE WITH THIS IRREVOCABLE STANDBY LETTER OF CREDIT (THE “**DELEGATE**”) ON A BUSINESS DAY ON OR AFTER THE BOND ISSUE DATE AND ON OR BEFORE THE EXPIRY TIME (AS DEFINED BELOW), WE SHALL BY 11:00 A.M. (BEIJING TIME) ON THE FOURTH BUSINESS DAY FOLLOWING THE DAY OF PRESENTATION, (OR, IF SUCH DEMAND IS

RECEIVED AFTER 11:00 A.M. (BEIJING TIME) ON A BUSINESS DAY, THE FIFTH BUSINESS DAY FOLLOWING THE DAY OF PRESENTATION) PAY TO OR TO THE ORDER OF THE TRUSTEE THE AMOUNT IN US DOLLARS SPECIFIED IN THE DEMAND IN IMMEDIATELY AVAILABLE FUNDS TO THE ACCOUNT SPECIFIED IN THE DEMAND. “**BUSINESS DAY**” MEANS A DAY (OTHER THAN A SATURDAY OR A SUNDAY OR A PUBLIC HOLIDAY) ON WHICH BANKS AND FOREIGN EXCHANGE MARKETS ARE OPEN FOR BUSINESS SIMULTANEOUSLY IN BEIJING, NEW YORK, LONDON AND HONG KONG.

SUBJECT TO THE TERMS OF THIS IRREVOCABLE STANDBY LETTER OF CREDIT, OUR OBLIGATION TO PAY TO THE TRUSTEE IS UNCONDITIONAL AND ABSOLUTE AND ANY DEMAND BY THE TRUSTEE IN ACCORDANCE WITH THIS IRREVOCABLE STANDBY LETTER OF CREDIT SHALL BE HONOURED WITHOUT ANY FURTHER ENQUIRY AS TO THE TRUSTEE’S RIGHTS TO MAKE SUCH DEMAND.

OUR AGGREGATE LIABILITY UNDER THIS IRREVOCABLE STANDBY LETTER OF CREDIT SHALL BE EXPRESSED AND PAYABLE IN US DOLLARS AND SHALL NOT IN ANY CIRCUMSTANCES EXCEED USD90,858,850 (THE “**MAXIMUM LIMIT**”), AN AMOUNT REPRESENTING ONLY (I) THE AGGREGATE PRINCIPAL AMOUNT OF THE BONDS PLUS INTEREST PAYABLE FOR ONE INTEREST PERIOD IN ACCORDANCE WITH THE CONDITIONS AND (II) USD1,000,000 FOR ANY FEES, COSTS, EXPENSES AND OTHER AMOUNTS PAYABLE BY THE BOND ISSUER UNDER OR IN CONNECTION WITH THE BONDS, THE TRUST DEED AND/OR THE AGENCY AGREEMENT.

THIS IRREVOCABLE STANDBY LETTER OF CREDIT TAKES EFFECT FROM THE BOND ISSUE DATE AND SHALL REMAIN VALID AND IN FULL FORCE UNTIL 5:00 P.M. (BEIJING TIME) ON 30 AUGUST 2024 (THE “**EXPIRY TIME**”) AND SHALL EXPIRE AT THE PLACE OF THE ISSUING BANK.

PAYMENT WILL BE EFFECTED AFTER OUR RECEIPT OF A DEMAND PRESENTED IN ACCORDANCE WITH THIS IRREVOCABLE STANDBY LETTER OF CREDIT, WHICH IS PRESENTED ON OR AFTER THE BOND ISSUE DATE AND ON OR BEFORE THE EXPIRY TIME.

ANY DEMAND UNDER THIS IRREVOCABLE STANDBY LETTER OF CREDIT IS TO BE PRESENTED BY WAY OF AN AUTHENTICATED SWIFT PRESENTED BY THE TRUSTEE OR BY THE DELEGATE ON BEHALF OF THE TRUSTEE TO US (SWIFT: ICBKCNBJCQG ADDRESS: NO. 61 TAICHANG ROAD, NAN’AN DISTRICT, CHONGQING, P.R. CHINA) WITHOUT THE NEED TO PHYSICALLY PRESENT AN ORIGINAL OF THAT DEMAND AT OUR COUNTER; PROVIDED THAT IN THE EVENT THAT THE SWIFT SYSTEM IS NOT AVAILABLE FOR ANY REASON, THE TRUSTEE OR THE DELEGATE MAY INSTEAD PRESENT A DEMAND TO US VIA FACSIMILE TRANSMISSION AT 0086 23 4752 1058/4827 1897 ON OR AFTER THE BOND ISSUE DATE AND ON OR BEFORE THE EXPIRY TIME. NEITHER THE ORIGINAL OF THE DEMAND SO PRESENTED NOR OF ANY OTHER DOCUMENTATION SHALL BE REQUIRED TO BE PHYSICALLY PRESENTED. A FACSIMILE DEMAND FROM THE BENEFICIARY PURSUANT TO THIS IRREVOCABLE STANDBY LETTER OF CREDIT WILL BE ACCOMPANIED BY A COPY OF AN INCUMBENCY CERTIFICATE AUTHORISING THE SIGNATORY OF THE DEMAND AND WE WILL PERFORM A CALLBACK CONFIRMATION WITH THE TRUSTEE.

ONLY ONE DRAWING UNDER THIS IRREVOCABLE STANDBY LETTER OF CREDIT IS PERMITTED.

ALL CHARGES ARE FOR THE ACCOUNT OF THE BOND ISSUER AND, FOR THE AVOIDANCE OF DOUBT, ARE NOT FOR THE ACCOUNT OF THE TRUSTEE.

NOTWITHSTANDING THE MAXIMUM LIMIT, ALL PAYMENTS UNDER THIS IRREVOCABLE STANDBY LETTER OF CREDIT SHALL BE MADE IN U.S. DOLLARS AND FOR VALUE ON THE DATE SPECIFIED IN THE DEMAND IN IMMEDIATELY AVAILABLE FUNDS WITHOUT ANY DEDUCTION OR WITHHOLDING FOR OR ON ACCOUNT OF TAX, SET-OFF, COUNTER-CLAIM OR OTHERWISE. IN THE EVENT THAT ANY DEDUCTION OR WITHHOLDING IS REQUIRED BY LAW, THE ISSUING BANK SHALL PAY SUCH ADDITIONAL AMOUNTS AS WILL RESULT IN RECEIPT BY THE TRUSTEE OF SUCH AMOUNTS AS WOULD HAVE BEEN RECEIVED BY IT HAD NO SUCH DEDUCTION OR WITHHOLDING BEEN REQUIRED BY LAW.

THE TRUSTEE'S RIGHTS UNDER THIS IRREVOCABLE STANDBY LETTER OF CREDIT MAY BE TRANSFERRED OR RE-TRANSFERRED IN WHOLE TO ANY ADDITIONAL OR REPLACEMENT TRUSTEE IN RESPECT OF THE BONDS SUBJECT ONLY TO US HAVING RECEIVED AT LEAST 15 DAYS' NOTICE FROM THE TRUSTEE OR THE DELEGATE ON BEHALF OF THE TRUSTEE BY AUTHENTICATED SWIFT, OR IN THE EVENT THAT THE SWIFT SYSTEM IS NOT AVAILABLE FOR ANY REASON VIA FACSIMILE TRANSMISSION TO US. THE NOTIFICATION OF TRANSFER OR RE-TRANSFER SHALL SPECIFY THE TRANSFEREE OR RE-TRANSFEREE AND THE EFFECTIVE DATE OF SUCH TRANSFER OR RE-TRANSFER.

WE MAY NOT TRANSFER, ASSIGN OR NOVATE ANY OF OUR OBLIGATIONS UNDER THIS IRREVOCABLE STANDBY LETTER OF CREDIT.

NOTWITHSTANDING THE FOREGOING PROVISIONS OF THIS IRREVOCABLE STANDBY LETTER OF CREDIT AND ARTICLE 36 OF UCP600 (AS DEFINED BELOW), IN THE UNEXPECTED EVENT THAT WE ARE CLOSED FOR ANY REASON, INCLUDING WITHOUT LIMITATION THE COVID-19 PANDEMIC, WHEN THE TRUSTEE WISHES TO PRESENT A DEMAND HEREUNDER ON THE DAY AND AT THE TIME A DEMAND IS PERMITTED TO BE PRESENTED IN ACCORDANCE WITH THIS IRREVOCABLE STANDBY LETTER OF CREDIT, WE AGREE THAT THE TRUSTEE CAN PRESENT THE DEMAND IN ACCORDANCE WITH THE TERMS HEREIN FROM THE DATE WE PROVIDE WRITTEN NOTIFICATION TO YOU OF THE RESUMPTION OF OUR BUSINESS; PROVIDED THAT IF WE ARE CLOSED BECAUSE OF SUCH UNEXPECTED EVENT AT THE EXPIRY TIME, THEN THE AVAILABILITY OF THIS LETTER OF CREDIT SHALL AUTOMATICALLY EXTEND TO THE DATE THAT IS THREE BUSINESS DAYS AFTER THE DATE WE PROVIDE WRITTEN NOTICE TO YOU OF THE RESUMPTION OF OUR BUSINESS AND UPON SUCH EXTENSION YOU MAY PRESENT YOUR DEMAND HEREUNDER.

ANY SETTLEMENT OR DISCHARGE BETWEEN US AS ISSUING BANK AND THE TRUSTEE SHALL BE CONDITIONAL UPON NO PAYMENT TO THE TRUSTEE BY THE BOND ISSUER OR ANY OTHER PERSON ON THE BOND ISSUER'S BEHALF BEING AVOIDED (BY VIRTUE OF ANY LAWS RELATING TO BANKRUPTCY, INSOLVENCY, RECEIVERSHIP, LIQUIDATION OR SIMILAR LAWS OF GENERAL APPLICATION FOR THE TIME BEING IN FORCE) AND, IN THE EVENT OF ANY SUCH PAYMENT BEING SO AVOIDED, THE TRUSTEE SHALL BE ENTITLED TO RECOVER FROM US SUBSEQUENTLY THE AMOUNT BY WHICH SUCH PAYMENT IS SO AVOIDED AS IF SUCH SETTLEMENT OR DISCHARGE HAD NOT OCCURRED.

EXCEPT TO THE EXTENT THAT IT IS INCONSISTENT WITH THE EXPRESS TERMS OF THIS IRREVOCABLE STANDBY LETTER OF CREDIT, THIS IRREVOCABLE STANDBY LETTER OF CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS (2007 REVISION), INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 600 ("UCP600").

THIS IRREVOCABLE STANDBY LETTER OF CREDIT, AND ANY NON-CONTRACTUAL OBLIGATIONS ARISING OUT OF OR IN CONNECTION WITH IT, SHALL BE GOVERNED BY ENGLISH LAW. NO PERSON SHALL HAVE ANY RIGHT TO ENFORCE ANY TERM OF THIS IRREVOCABLE STANDBY LETTER OF CREDIT UNDER THE CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999. WE AGREE (1) THAT THE COURTS OF HONG KONG HAVE EXCLUSIVE JURISDICTION TO SETTLE ANY DISPUTE (A “**DISPUTE**”) ARISING OUT OF OR IN CONNECTION WITH THIS IRREVOCABLE STANDBY LETTER OF CREDIT (INCLUDING ANY NON-CONTRACTUAL OBLIGATIONS ARISING OUT OF OR IN CONNECTION WITH THIS IRREVOCABLE STANDBY LETTER OF CREDIT), AND (2) THAT THE COURTS OF HONG KONG ARE THE MOST APPROPRIATE AND CONVENIENT COURTS TO SETTLE ANY DISPUTE AND, ACCORDINGLY, THAT WE WILL NOT ARGUE THAT ANY OTHER COURTS ARE MORE APPROPRIATE OR CONVENIENT. WE HAVE IRREVOCABLY APPOINTED ICBC INTERNATIONAL HOLDINGS LIMITED AT 37/F, ICBC TOWER, 3 GARDEN ROAD, CENTRAL, HONG KONG AS OUR PROCESS AGENT IN HONG KONG TO RECEIVE SERVICE OF PROCESS IN ANY LEGAL ACTION OR PROCEEDINGS ARISING OUT OF OR IN CONNECTION WITH THIS IRREVOCABLE STANDBY LETTER OF CREDIT IN HONG KONG. IF FOR ANY REASON WE CEASE TO HAVE SUCH A PROCESS AGENT IN HONG KONG, WE WILL PROMPTLY APPOINT A SUBSTITUTE PROCESS AGENT AND NOTIFY THE BENEFICIARY OF SUCH APPOINTMENT WITHIN 30 DAYS OF SUCH CESSATION. NOTHING HEREIN SHALL AFFECT THE RIGHT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW.

BREACHES OF LOCAL AND INTERNATIONAL ANTI-MONEY LAUNDERING OR ECONOMIC SANCTIONS LAWS AND REGULATIONS ADMINISTERED BY, INCLUDING BUT NOT LIMITED TO, CHINA, THE UNITED NATIONS AND THE UNITED STATES, ARE NOT ACCEPTABLE. OUR BANK MAY REJECT ANY TRANSACTION IN VIOLATION OF ANY OF THESE LAWS AND REGULATIONS WITHOUT ANY LIABILITY ON OUR PART.



## APPENDIX A-1 – FORM OF DEMAND

TO: INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED, CHONGQING  
BRANCH (SWIFT: ICBKCNBJCQG).  
NO. 61 TAICHANG ROAD, NAN'AN DISTRICT, CHONGQING, P.R.CHINA

[DATE]

DEAR SIRs

RE: DEMAND UNDER THE IRREVOCABLE STANDBY LETTER OF CREDIT NO. [NUMBER] IN RESPECT OF THE USD89,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF 1.93 PER CENT. CREDIT ENHANCED BONDS DUE 2024 (THE “**BONDS**”) ISSUED BY CHONGQING WANSHENG ECONOMIC AND TECHNOLOGICAL DEVELOPMENT ZONE DEVELOPMENT & INVESTMENT GROUP CO., LTD (THE “**BOND ISSUER**”)

THE UNDERSIGNED IS A DULY AUTHORISED REPRESENTATIVE OF THE BANK OF NEW YORK MELLON, LONDON BRANCH AS TRUSTEE OR THE BANK OF NEW YORK MELLON, HONG KONG BRANCH WHICH IS HEREBY MAKING A DEMAND AS DELEGATE OF THE TRUSTEE UNDER YOUR IRREVOCABLE STANDBY LETTER OF CREDIT NO. [NUMBER] (THE “**IRREVOCABLE STANDBY LETTER OF CREDIT**”). CAPITALISED TERMS USED HEREIN BUT NOT DEFINED SHALL HAVE THE MEANINGS GIVEN TO THEM IN THE IRREVOCABLE STANDBY LETTER OF CREDIT.

1 THIS DEMAND IS MADE IN CONNECTION WITH THE FOLLOWING:

- THE BOND ISSUER HAS FAILED TO COMPLY WITH CONDITION 2(C) (THE “**PRE-FUNDING CONDITION**”) IN RELATION TO THE PRE-FUNDING FOR AN AMOUNT THAT IS REQUIRED TO BE PRE-FUNDED UNDER THE CONDITIONS AND/OR FAILED TO PROVIDE THE REQUIRED CONFIRMATIONS (AS DEFINED IN THE CONDITIONS) IN ACCORDANCE WITH THE PRE-FUNDING CONDITION.
- AN EVENT OF DEFAULT (AS DEFINED IN THE CONDITIONS) HAS OCCURRED AND THE TRUSTEE HAS GIVEN NOTICE TO THE BOND ISSUER THAT THE BONDS ARE IMMEDIATELY DUE AND PAYABLE IN ACCORDANCE WITH THE CONDITIONS.

2 WE HEREBY DEMAND YOU TO PAY: USD[AMOUNT] REPRESENTING (A) USD[AMOUNT] OF PRINCIPAL DUE IN RESPECT OF THE OUTSTANDING BONDS, (B) USD[AMOUNT] ACCRUED AND UNPAID INTEREST UP TO [DATE] AS A RESULT OF THE BONDS HAVING BECOME IMMEDIATELY DUE AND PAYABLE IN ACCORDANCE WITH THE CONDITIONS DUE TO [A PRE- FUNDING FAILURE/AN EVENT OF DEFAULT] AND (C) USD[AMOUNT] OF THE FEES, COSTS, EXPENSES AND OTHER AMOUNTS PAYABLE BY THE BOND ISSUER UNDER OR IN CONNECTION WITH THE BONDS, THE TRUST DEED AND/OR THE AGENCY AGREEMENT WHICH IS DUE AND HAS NOT BEEN PAID FOR A PERIOD OF SEVEN DAYS FROM THE DATE OF THE TRUSTEE DELIVERING ITS DEMAND THEREFOR TO THE BOND ISSUER.

3 WE HEREBY REQUEST YOU TO PAY THE ABOVE AMOUNT AFTER YOU RECEIVE THIS DEMAND IN ACCORDANCE WITH THE IRREVOCABLE STANDBY LETTER OF CREDIT.

4 THE PROCEEDS OF THE DRAWING UNDER THIS DEMAND ARE TO BE CREDITED TO THE FOLLOWING ACCOUNT:

[INSERT ACCOUNT DETAILS]

[THE BANK OF NEW YORK MELLON, HONG KONG BRANCH AS DELEGATE / THE BANK OF NEW YORK MELLON, LONDON BRANCH AS TRUSTEE]

[BY:

NAME:

TITLE:]

**ISSUER**

**Chongqing Wansheng Economic and Technological Development Zone Development & Investment Group Co., Ltd.**

(重慶市萬盛經濟技術開發區開發投資集團有限公司)  
23-1 to 26-1 Building 8, No.111 Songlin Road  
Wansheng Economic and Technological Development Zone  
Chongqing 400800  
PRC

**TRUSTEE**

**The Bank of New York Mellon, London Branch**

One Canada Square  
London E14 5AL  
United Kingdom

**PRINCIPAL PAYING AGENT**

**The Bank of New York Mellon, London Branch**

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London E14 5AL  
United Kingdom

**REGISTRAR AND TRANSFER AGENT**

**The Bank of New York Mellon SA/NV,  
Dublin Branch**

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Sir John Rogerson's Quay  
Grand Canal Dock  
Dublin 2  
Ireland

**LC PROCEEDS ACCOUNT BANK AND PRE-FUNDING ACCOUNT BANK**

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