Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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

This announcement is for information purposes only, and does not constitute an invitation or solicitation of an offer to acquire, purchase or subscribe for securities or an invitation to enter into an agreement to do any such things, nor is it calculated to invite any offer to acquire, purchase or subscribe for any securities.

*This announcement does not constitute an offer to sell or the solicitation of an offer to buy any securities in the United States or any other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. The securities referred to herein will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold in the United States except pursuant to an exemption from or in a transaction not subject to, the registration requirements of the Securities Act. Any public offering of securities to be made in the United States will be made by means of a prospectus. Such prospectus will contain detailed information about the Company making the offer, its management and financial statements. The Company does not intend to make any public offering of securities in the United States.*

Notice to Hong Kong investors: The Issuer and the Guarantor (as defined below) confirm that the Notes (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 Hong Kong Stock Exchange (as defined below) on that basis. Accordingly, the Issuer and the Guarantor confirm that the Notes are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.

PUBLICATION OF OFFERING CIRCULAR AND PRICING SUPPLEMENT ON THE STOCK EXCHANGE OF HONG KONG LIMITED

Eastern Creation II Investment Holdings Ltd.

(a BVI business company incorporated with limited liability in the British Virgin Islands and a wholly-owned subsidiary of Beijing Infrastructure Investment (Hong Kong) Limited (京投(香港)有限公司))

(the "**Issuer**")

U.S.$400,000,000 1.35 per cent. Guaranteed Notes due 2024 (the "Notes")
(Stock code: 40884)

under its U.S.$6,000,000,000 Guaranteed Medium Term Note Programme (the "Programme")

unconditionally and irrevocably guaranteed by

Beijing Infrastructure Investment Co., Ltd.

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

(the "**Guarantor**")

This announcement is issued pursuant to Rule 37.39A of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**").

Please refer to the offering circular dated 27 September 2021 (the "**Offering Circular**") in relation to the Programme and the pricing supplement dated 12 October 2021 (the "**Pricing Supplement**") in relation to the Notes, each appended hereto (the Offering Circular and the Pricing Supplement together, the "**Listing Documents**", and each a "**Listing Document**"). As disclosed in the Listing Documents, the Notes are intended for purchase by professional investors (as defined in Chapter 37 of the Listing Rules) only and will be listed on the Hong Kong Stock Exchange on that basis.

None of the Listing Documents constitutes a prospectus, notice, circular, brochure or advertisement offering to sell any securities to the public in any jurisdiction, nor is any Listing Document an invitation to the public to make offers to subscribe for or purchase any securities, nor is any Listing Document circulated to invite offers by the public to subscribe for or purchase any securities.

Hong Kong, 21 October 2021

As at the date of this announcement, the sole director of the Issuer is ZOU Shunhua.

As at the date of this announcement, the directors of the Guarantor are ZHANG Yanyou, HAO Weiya, DING Shukui, ZHANG Yu, YANG Xiaoming, WANG Weidong, SHI Wei, FENG Hua and WANG Jianxin.

CONTENTS

Appendix I — Offering Circular dated 27 September 2021

Appendix II — Pricing Supplement dated 12 October 2021

Appendix I — Offering Circular dated 27 September 2021

IMPORTANT NOTICE

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE ADDRESSEES OUTSIDE OF THE UNITED STATES.

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached Offering Circular. You are advised to read this disclaimer carefully before accessing, reading or making any other use of the attached Offering Circular. In accessing the attached Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from the company as a result of such access. In order to be eligible to view the attached Offering Circular or make an investment decision with respect to the securities, investors must be outside the United States.

Confirmation of Your Representation: The attached Offering Circular is being sent to you at your request and by accepting the e-mail and accessing the attached Offering Circular, you shall be deemed to represent to Eastern Creation II Investment Holdings Ltd. (the "**Issuer**"), Beijing Infrastructure Investment (Hong Kong) Limited ("**BII Hong Kong**"), Beijing Infrastructure Investment Co., Ltd. (the "**Company**"), each of Bank of China Limited, CLSA Limited, Goldman Sachs (Asia) L.L.C., Haitong International Securities Company Limited, The Hongkong and Shanghai Banking Corporation Limited and Standard Chartered Bank (together, "**Arrangers**") and each of ABCI Capital Limited, BNP Paribas, CCB International Capital Limited, China Everbright Bank Co., Ltd., Hong Kong Branch, CMB Wing Lung Bank Limited, DBS Bank Ltd., Deutsche Bank AG, Hong Kong Branch, ICBC International Securities Limited, Industrial and Commercial Bank of China (Asia) Limited, Oversea-Chinese Banking Corporation Limited, Silk Road International Capital Limited and Société Générale (together with the Arrangers, the "**Dealers**") that (1) you and any customers you represent are outside the United States and that the e-mail address that you gave us and to which this e-mail has been delivered is not located in the United States, its territories or possessions, and (2) you consent to delivery of the attached Offering Circular and any amendments or supplements thereto by electronic transmission.

The attached Offering Circular has been made available to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and, consequently, none of the Issuer, BII Hong Kong, the Company, the Arrangers, the Dealers, the Trustee or the Agents (each as defined in the attached Offering Circular) or any of their respective affiliates, directors, officers, employees, representatives, agents and each person who controls the Issuer, BII Hong Kong, the Company, the Arrangers, the Dealers, the Trustee, the Agents or any of their respective affiliates accepts any liability or responsibility whatsoever in respect of any discrepancies between the document distributed to you in electronic format and the hard copy version available to you upon request from the Issuer, BII Hong Kong, the Company, the Arrangers and the Dealers.

Restrictions: The attached Offering Circular is being furnished in connection with an offering in offshore transactions to persons outside the United States in compliance with Regulation S under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") solely for the purpose of enabling a prospective investor to consider the purchase of the securities described herein.

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 HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER 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, OR IN CERTAIN CIRCUMSTANCES, TO U.S. PERSONS, 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. THE OFFERING IS MADE SOLELY OUTSIDE THE UNITED STATES IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S UNDER THE SECURITIES ACT.

You are reminded that you have accessed the attached Offering Circular on the basis that you are a person into whose possession the attached Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver this document, electronically or otherwise, to any other person. If you have gained access to this transmission contrary to the foregoing restrictions, you are not allowed to purchase any of the securities described in the attached Offering Circular.

Actions that You May Not Take: If you receive this document by e-mail, you should not reply by e-mail to this document, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the "**Reply**" function on your e-mail software, will be ignored or rejected.

YOU ARE NOT AUTHORISED TO AND YOU MAY NOT FORWARD OR DELIVER THE ATTACHED OFFERING CIRCULAR, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON OR REPRODUCE SUCH OFFERING CIRCULAR IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE ATTACHED 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.

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

Strictly Confidential

EASTERN CREATION II INVESTMENT HOLDINGS LTD.

(a BVI business company incorporated with limited liability in the British Virgin Islands and a wholly-owned subsidiary of Beijing Infrastructure Investment (Hong Kong) Limited (京投(香港)有限公司))

(as Issuer)

U.S.$6,000,000,000

Guaranteed Medium Term Note Programme

unconditionally and irrevocably guaranteed by

Beijing Infrastructure Investment (Hong Kong) Limited

(京 投 (香 港) 有 限 公 司)

(incorporated with limited liability in Hong Kong and a wholly-owned subsidiary of Beijing Infrastructure Investment Co., Ltd.)

and

with the benefit of a Keepwell and Liquidity Support Deed and a Deed of Equity Interest Purchase Undertaking

or

unconditionally and irrevocably guaranteed by

Beijing Infrastructure Investment Co., Ltd.

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

Under the U.S.$6,000,000,000 Guaranteed Medium Term Note Programme described in this Offering Circular (the "**Programme**"), Eastern Creation II Investment Holdings Ltd. (the "**Issuer**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue medium term notes (the "**Notes**") unconditionally and irrevocably guaranteed (each, a "**Guarantee**" and together, the "**Guarantees**") by its parent company, Beijing Infrastructure Investment (Hong Kong) Limited ("**BII Hong Kong**") or Beijing Infrastructure Investment Co., Ltd. (the "**Company**") (each a "**Guarantor**"). The giving and performance of the Guarantee by the Company will only be authorised by the Company upon an issuance of Notes to be guaranteed by the Company. The Issuer and BII Hong Kong are wholly-owned subsidiaries of the Company. The aggregate nominal amount of Notes outstanding will not at any time exceed U.S.$6,000,000,000 (or the equivalent in other currencies), subject to increase as further described in "*Summary of the Programme*".

Each Tranche of Notes (as defined in "*Summary of the Programme*") issued under the Programme will have the benefit of a deed of guarantee dated on or about the relevant Issue Date (as defined in Terms and Conditions of the Notes) (as amended, restated and/or supplemented from time to time, the "**Deed of Guarantee**") entered into between the Issuer, the relevant Guarantor and Citicorp International Limited (the "**Trustee**") substantially in the form attached to the Trust Deed (as defined in Terms and Conditions of the Notes).

The Issuer, BII Hong Kong and the Company entered into an amended and restated keepwell and liquidity support deed on 11 September 2017 with the Trustee (as amended, restated and/or supplemented from time to time, the "**Keepwell and Liquidity Support Deed**") as further described in "*Description of the Keepwell and Liquidity Support Deed*". The Keepwell and Liquidity Support Deed does not constitute a guarantee by the Company of the obligations of the Issuer under the Notes or of BII Hong Kong under the Guarantee, may not give rise to a debt claim in the event of any insolvency proceedings in relation to the Company, and will only be applicable to Notes that are guaranteed by BII Hong Kong and not by the Company.

The Company entered into an amended and restated deed of equity interest purchase undertaking on 11 September 2017 with the Trustee (as amended, restated and/or supplemented from time to time, the "**Deed of Equity Interest Purchase Undertaking**") as further described in "*Description of the Deed of Equity Interest Purchase Undertaking*". The Deed of Equity Interest Purchase Undertaking does not constitute a guarantee by the Company of the obligations of the Issuer under the Notes or of BII Hong Kong under the Guarantee and will only be applicable to Notes that are guaranteed by BII Hong Kong and not by the Company.

Application has been made to The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") for the listing of the Programme during the 12-month period after the date of this Offering Circular on the Hong Kong Stock Exchange under which Notes may be issued by way of debt issues to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) ("**Professional Investors**") only. This document is for distribution to Professional Investors only.

Notice to Hong Kong investors: Each of the Issuer and Guarantors confirms that the Notes are intended for purchase by Professional Investors only and will be listed on The Stock Exchange of Hong Kong Limited on that basis. Accordingly, each of the Issuer and the Guarantors confirms that the Notes 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 Offering Circular, other than to ensure that the prescribed form disclaimer and responsibility statements, and a statement limiting distribution of this Offering Circular to Professional Investors only have been reproduced in this Offering Circular. Listing of the Programme and the Notes on the Hong Kong Stock Exchange is not to be taken as an indication of the commercial merits or credit quality of the Programme, the Notes or the Issuer or BII Hong Kong or the Company or the Group 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 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.

Notice of the aggregate nominal amount of the Notes, interest (if any) payable in respect of the Notes, the issue price of the Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined in "*Summary of the Programme*") of the Notes will be set out in a pricing supplement (the "**Pricing Supplement**") which, with respect to Notes to be listed on the Hong Kong Stock Exchange, will be delivered to the Hong Kong Stock Exchange, on or before the date of issue of the Notes of such Tranche. The relevant Pricing Supplement in respect of the issue of any Notes will specify whether or not such Notes will be listed on the Hong Kong Stock Exchange or listed, traded or quoted on or by any other competent authority, exchange or quotation system.

Notes may be issued in bearer or registered form. The Notes of each Series issued in bearer form ("**Bearer Notes**") will be represented on issue by a temporary global note in bearer form (each a "**Temporary Global Note**") or a permanent global note in bearer form (each a "**Permanent Global Note**") (collectively, the "**Global Note**"). Bearer Notes that are issued in compliance with rules in substantially the same form as U.S. Treasury Regulations §1.163-5(c)(2)(i)(D) for purposes of Section 4701 of the U.S. Internal Revenue Code (the "**Code**") ("**TEFRA D**") must be initially represented by a Temporary Global Note and interests in a Temporary Global Note will be exchangeable, in whole or in part, for interests in a Permanent Global Note on or after the date 40 days after the later of the commencement of the offering and the relevant issue date (the "**Exchange Date**"), upon certification as to non-U.S. beneficial ownership. Notes in registered form will be represented by registered certificates (each a "**Certificate**"), one Certificate being issued in respect of each Noteholder's entire holding of Registered Notes of one Series. The Notes of each Series in registered form will initially be represented by a global certificate (each a "**Global Certificate**"). Global Notes and Global Certificates may be deposited on the relevant issue date with a common depositary on behalf of Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream**"), or with a sub-custodian for the Central Moneymarkets Unit Service (the "**CMU**") operated by the Hong Kong Monetary Authority. Until the expiration of 40 days after the later of the commencement of the offering of a Tranche of a registered Series and the issue date thereof, beneficial interests in a Global Note or Global Certificate may be held only through Euroclear or Clearstream or the CMU. The provisions governing the exchange of interests in Global Notes for other Global Notes and definitive Notes or Global Certificates for Certificates are described in "*Summary of Provisions Relating to the Notes while in Global Form*".

The Notes and the Guarantees have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state of the United States and may not be offered or sold or, in case of Bearer Notes, delivered, in the United States or, in certain circumstances, to or for the account or benefit of, U.S. persons (as such term is defined in Regulation S under the Securities Act ("**Regulation S**")) except pursuant to an exemption from the registration requirements of the Securities Act. There will be no public offer of securities in the United States. The Notes and the Guarantees are being offered outside the United States in reliance on Regulation S under the Securities Act. Bearer Notes are subject to U.S. tax law requirements. See "*Subscription and Sale*".

MiFID II product governance/target market —The Pricing Supplement in respect of any Notes may include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, "**MiFID II**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

UK MiFIR product governance/target market —The Pricing Supplement in respect of any Notes may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MIFIR Product Governance Rules.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

PRIIPs/IMPORTANT — EEA RETAIL INVESTORS— The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**") or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

UK PRIIPs/IMPORTANT — UK RETAIL INVESTORS — The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of domestic law by virtue of the EUWA (the "**UK Prospectus Regulation**"). Consequently, no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

The Notes may be issued on a continuing basis to one or more of the Dealers specified under "*Summary of the Programme*" and any additional Dealer appointed under the Programme from time to time by the Issuer and the relevant Guarantor (each a "Dealer" and together the "Dealers"), which appointment may be for a specific issue or on an ongoing basis. References in this Offering Circular to the "*relevant Dealer*" shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

With respect to each Tranche of the Notes where the NDRC Circular is applicable, registration will be completed, or application to registration will be made, by the Company in accordance with the Circular on Promoting the Reform of the Administrative System on the Issuance by Enterprises of Foreign Debt Filings and Registrations (NDRC Waizi [2015] No. 2044) (《国家发展改革委关于推进企业发行外债备案登记制管理改革的通知》) (发改外资[2015]2044号) ("**NDRC Circular**"), as set forth in the applicable Pricing Supplement. After issuance of each Tranche of the Notes where the NDRC Circular is applicable, the Company shall report the issuance information to the NDRC within the prescribed timeframe after the completion of each such issuance.

The Notes guaranteed by the Company directly to be issued under the Programme are expected to be rated "A+" by S&P Global Inc. ("**S&P**") and the Notes guaranteed by BII Hong Kong with the benefit of the Keepwell and Liquidity Support Deed and the Deed of Equity Interest Purchase Undertaking from Company to be issued under the Programme are expected to be rated "A" by S&P. The Notes guaranteed by the Company directly to be issued under the Programme are expected to be rated "A1" by Moody's Investors Service, Inc. ("**Moody's**") and the Notes guaranteed by BII Hong Kong with the benefit of the Keepwell and Liquidity Support Deed and the Deed of Equity Interest Purchase Undertaking from Company to be issued under the Programme are expected to be rated "A2" by Moody's. The Programme is expected to be assigned a rating of "A+" by Fitch Ratings Ltd. ("**Fitch**"). In addition, the Company has been assigned a long-term corporate credit rating of "A+" by S&P, a corporate family rating of "A1" by Moody's and a long-term foreign and local currency issuer default rating "A+" by Fitch. These ratings are only correct as at the date of this Offering Circular. Tranches of Notes to be issued under the Programme may be rated or unrated. Where a Tranche of Notes is to be rated, such rating will not necessarily be the same as the ratings assigned to the Programme. A rating does not constitute a recommendation to buy, sell or hold the Notes and may be subject to suspension, reduction, revision or withdrawal at any time by the assigning rating agency.

Investing in the Notes involves certain risks and may not be suitable for all investors. Investors should have sufficient knowledge and experience in financial and business matters to evaluate the information contained in this Offering Circular and in the applicable Pricing Supplement and the merits and risks of investing in a particular issue of Notes in the context of their financial position and particular circumstances. Investors also should have the financial capacity to bear the risks associated with an investment in Notes. Investors should not purchase Notes unless they understand and are able to bear risks associated with Notes. Prospective investors should have regard to the factors described under the section entitled "*Risk Factors*" in this Offering Circular. Investors of the Notes that are guaranteed by BII Hong Kong should be aware that neither the Keepwell Deed nor the Deed of Equity Interest Purchase Undertaking constitute a direct or indirect guarantee of such Notes by the Company, and that there are various other risks relating to such Notes, the Company and its subsidiaries, their business and their jurisdictions of operations which investors of such Notes should familiarise themselves with before making an investment in the relevant Tranche of such Notes. See "*Risks relating to the Notes and the Guarantee*" beginning on page 45 and "*Risks relating to the Keepwell and Liquidity Support Deed and the Deed of Equity Interest Purchase Undertaking*" beginning on page 58.

Arrangers and Dealers

(in alphabetical order)

Bank of China **CLSA** **Goldman Sachs (Asia) L.L.C.** **Haitong International** **HSBC** **Standard Chartered Bank**

Dealers

(in alphabetical order)

ABC International **BNP PARIBAS** **CCB International** **China Everbright Bank Hong Kong Branch** **CMB Wing Lung Bank Limited** **DBS Bank Ltd.**

Deutsche Bank **ICBC International** **ICBC (Asia)** **OCBC Bank** **Silk Road International** **Société Générale Corporate & Investment Banking**

27 September 2021

NOTICE TO INVESTORS

Each of the Issuer, BII Hong Kong and the Company, having made all reasonable enquiries, confirms that (i) this Offering Circular contains all information with respect to the Issuer, BII Hong Kong, the Company and their respective subsidiaries (together, the "**Group**") and to the Guarantees, the Keepwell and Liquidity Support Deed, the Deed of Equity Interest Purchase Undertaking and the Notes which is material in the context of the issue and offering of the Notes; (ii) the statements contained in this Offering Circular relating to the Issuer, BII Hong Kong, the Company and to the Group, are in every material respect true and accurate and not misleading; (iii) the opinions and intentions expressed in this Offering Circular with regard to the Issuer, BII Hong Kong, the Company and to the Group are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions; (iv) there are no other facts in relation to the Issuer, BII Hong Kong, the Company, the Group, the Guarantees, the Keepwell and Liquidity Support Deed, the Deed of Equity Interest Purchase Undertaking or the Notes the omission of which would, in the context of the issue and offering of the Notes, make any statement in this Offering Circular misleading in any material respect; and (v) all reasonable enquiries have been made by the Issuer, BII Hong Kong and the Company to ascertain such facts and to verify the accuracy of all such information and statements.

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, BII Hong Kong, the Company and the Group. The Issuer, BII Hong Kong and the Company accept full responsibility for the accuracy of the information contained in this Offering Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

Listing of the Programme or the Notes on the Hong Kong Stock Exchange is not to be taken as an indication of the merits of the Issuer, BII Hong Kong, the Company or the Notes. In making an investment decision, investors must rely on their own examination of the Issuer, BII Hong Kong, the Company and the terms of the offering, including the merits and risks involved. Please see "*Risk Factors*" for a discussion of certain factors to be considered in connection with an investment in the Notes. Each Tranche of Notes will be issued on the terms set out herein under "*Terms and Conditions of the Notes*" as amended and/or supplemented by a Pricing Supplement. This Offering Circular must be read and construed together with any amendments or supplements hereto and with any information incorporated by reference herein (see "*Information Incorporated by Reference and Financial Information*") and, in relation to any Tranche of Notes, must be read and construed together with the relevant Pricing Supplement. This Offering Circular shall be read and construed on the basis that such documents are incorporated in and form part of this Offering Circular.

The distribution of this Offering Circular and any Pricing Supplement and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer, BII Hong Kong, the Company, each of Bank of China Limited, CLSA Limited, Goldman Sachs (Asia) L.L.C., Haitong International Securities Company Limited, The Hongkong and Shanghai Banking Corporation Limited and Standard Chartered Bank (together, the "**Arrangers**") and each of ABCI Capital Limited, BNP Paribas, CCB International Capital Limited, China Everbright Bank Co., Ltd., Hong Kong Branch, CMB Wing Lung Bank Limited, DBS Bank Ltd., Deutsche Bank AG, Hong Kong Branch, ICBC International Securities Limited, Industrial and Commercial Bank of China (Asia) Limited, Oversea-Chinese Banking Corporation Limited, Silk Road International Capital Limited and Société Générale (together with the Arrangers, the "**Dealers**"), the Trustee and the Agents (as defined in the Terms and Conditions of the Notes) to inform themselves about and to observe any such restrictions. None of the Issuer, BII Hong Kong, the Company, the Arrangers, the Dealers, the Trustee or the Agents represents that this Offering Circular or any Pricing Supplement may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any

such distribution or offering. No action is being taken to permit a public offering of any of the Notes or the distribution of this Offering Circular or any Pricing Supplement in any jurisdiction where action would be required for such purposes. Accordingly, no Notes may be offered or sold, directly or indirectly, and none of this Offering Circular, any Pricing Supplement or any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations.

MiFID II product governance/target market — The Pricing Supplement in respect of any Notes may include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any distributor should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

UK MiFIR product governance/target market — The Pricing Supplement in respect of any Notes may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any distributor should take into consideration the target market assessment; however, a distributor subject to UK MiFIR Product Governance Rules is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MIFIR Product Governance Rules.

PRIIPs REGULATION/PROHIBITION OF SALES TO EEA RETAIL INVESTORS — The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently no key information document required by the PRIIPs Regulation for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

UK PRIIPs REGULATION/PROHIBITION OF SALES TO UK RETAIL INVESTORS — The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in the UK

Prospectus Regulation. Consequently, no key information document required by the UK PRIIPs Regulation for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

PRODUCT CLASSIFICATION PURSUANT TO SECTION 309B OF THE SECURITIES AND FUTURES ACT (CHAPTER 289 OF SINGAPORE)

The Pricing Supplement in respect of any Notes may include a legend entitled "*Singapore Securities and Futures Act Product Classification*" which will state the product classification of the Notes pursuant to section 309B(1) of the Securities and Futures Act (Chapter 289 of Singapore) (the "**SFA**").

The Issuer will make a determination in relation to each issue about the classification of the Notes being offered for purposes of section 309B(1)(a). Any such legend included on the relevant Pricing Supplement will constitute notice to "relevant persons" for purposes of section 309B(1)(c) of the SFA.

There are restrictions on the offer and sale of the Notes, and the circulation of documents relating thereto, in certain jurisdictions including the United States, the EEA, the United Kingdom, the PRC, Hong Kong, Singapore, Japan and the British Virgin Islands, and to persons connected therewith. For a description of certain further restrictions on offers, sales and resales of the Notes and distribution of this Offering Circular and any Pricing Supplement, see "*Subscription and Sale*".

No person has been or is authorised to give any information or to make any representation concerning the Group, the Notes, the Guarantees, the Keepwell and Liquidity Support Deed or the Deed of Equity Interest Purchase Undertaking other than as contained in this Offering Circular or any other document entered into in relation to the Programme and the sale of Notes and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Issuer, BII Hong Kong, the Company, any Arranger, any Dealer, the Trustee, any Agent (or any of their respective affiliates, directors, officers, employees, representatives, advisers, agents and each person who controls any of them). Neither the delivery of this Offering Circular or any Pricing Supplement nor any offering, sale or delivery made in connection with the issue of the Notes 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, BII Hong Kong, the Company, the Group or any of them since the date hereof, or if later, the date upon which this Offering Circular has been most recently amended or supplemented, or create any implication that the information contained herein is correct as at any date subsequent to the date hereof or, as the case may be, the date upon which this Offering Circular has been most recently amended or supplemented, or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Neither this Offering Circular nor any Pricing Supplement constitutes an offer of, or an invitation by or on behalf of the Issuer, BII Hong Kong, the Company, the Arrangers, the Dealers, the Trustee, the Agents (or any of their respective affiliates, directors, officers, employees, representatives, advisers, agents and each person who controls any of them) to subscribe for or purchase any Notes and may not be used for the purpose of an offer to, or a solicitation by, anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or is unlawful.

This Offering Circular is highly confidential and has been prepared by the Issuer, BII Hong Kong and the Company solely for use in connection with the Programme and the proposed offering of the Notes under the Programme as described herein. None of the Issuer, BII Hong Kong and the Company has authorised its use for any other purpose. This Offering Circular may not be copied or reproduced in whole or in part. It may be distributed only to and its contents may be disclosed only to the prospective investors to whom it is provided. By accepting delivery of this Offering Circular each investor agrees to these restrictions.

No representation or warranty, express or implied, is made or given by the Arrangers, the Dealers, the Trustee or the Agents (or any of their respective affiliates, directors, officers, employees, representatives, advisers, agents and each person who controls any of them) as to the accuracy, completeness or sufficiency of the information contained or incorporated in this Offering Circular or any other information provided by the Issuer, BII Hong Kong or the Company in connection with the Programme, and nothing contained or incorporated in this Offering Circular is, or shall be relied upon as, a promise, representation or warranty by the Arrangers, the Dealers, the Trustee or the Agents (or any of their respective affiliates, directors, officers, employees, representatives, advisers, agents and each person who controls any of them). None of the Arrangers, the Dealers, the Trustee and the Agents (or any of their respective affiliates, directors, officers, employees, representatives, advisers, agents and each person who controls any of them) has independently verified any of the information contained in this Offering Circular and can give assurance that such information is accurate, truthful or complete.

To the fullest extent permitted by law, each of the Arrangers, the Dealers, the Trustee, the Agents (or any of their respective affiliates, directors, officers, employees, representatives, advisers, agents and each person who controls any of them) does not accept any responsibility for the contents of this Offering Circular or for any other statement, made or purported to be made by it or on its behalf in connection with the Issuer, BII Hong Kong, the Company, the giving of the Guarantees or keepwell and liquidity support or the issue and offering of the Notes. Each of the Arrangers, the Dealers, the Trustee, the Agents (or any of their respective affiliates, directors, officers, employees, representatives, advisers, agents and each person who controls any of them) 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 Arrangers, the Dealers, the Trustee, the Agents (or any of their respective affiliates, directors, officers, employees, representatives, advisers, agents and each person who controls any of them) undertakes to review the financial condition or affairs of the Company during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or potential investors in the Notes of any information coming to the attention of any Arranger, any Dealer, the Trustee, any Agent (or any of their respective affiliates, directors, officers, employees, representatives, advisers, agents and each person who controls any of them).

This Offering Circular, the Pricing Supplement and any other information supplied in connection with the Programme or any Notes (i) are not intended to provide the basis of any credit or other evaluation and (ii) should not be considered as a recommendation by any of the Issuer, BII Hong Kong, the Company, the Arrangers, the Dealers, the Trustee or the Agents (or any of their respective affiliates, directors, officers, employees, representatives, advisers, agents and each person who controls any of them) that any recipient of this Offering Circular should purchase any Notes. Each potential purchaser of the Notes should determine for itself the relevance of the information contained in this Offering Circular and its purchase of the Notes should be based upon such investigations with its own tax, legal and business advisers as it deems necessary.

THE NOTES AND THE GUARANTEES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND THE NOTES MAY INCLUDE BEARER NOTES THAT ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS. SUBJECT TO CERTAIN EXCEPTIONS, THE NOTES MAY NOT BE OFFERED OR SOLD OR, IN THE CASE OF BEARER NOTES, DELIVERED, WITHIN THE UNITED STATES OR, IN CERTAIN CIRCUMSTANCES, TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S OR THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED, AND REGULATIONS THEREUNDER IN CASE OF BEARER NOTES).

In connection with the issue of any Tranche of Notes, one or more of the Dealers (if any) named as stabilisation manager(s) in the applicable Pricing Supplement or persons acting on their behalf (the "**Stabilisation Manager(s)** ") may over-allot Notes or effect transactions with a view to supporting the market price of Notes of the relevant Tranche at a level higher than that which might otherwise prevail for a limited period after the Issue Date. However, there is no obligation on such Stabilisation Manager(s) to do this. Such stabilisation, if commenced, may be discontinued at any time, and must be brought to an end after a limited period. Such stabilisation shall be in compliance with all applicable laws, regulations and rules.

This Offering Circular does not describe all of the risks and investment considerations (including those relating to each investor's particular circumstances) of an investment in Notes of a particular issue. Each potential purchaser of Notes should refer to and consider carefully the relevant Pricing Supplement for each particular issue of Notes, which may describe additional risks and investment considerations associated with such Notes. The risks and investment considerations identified in this Offering Circular and the applicable Pricing Supplement are provided as general information only. Investors should consult their own financial and legal advisers as to the risks and investment considerations arising from an investment in an issue of Notes and should possess the appropriate resources to analyse such investment and the suitability of such investment in their particular circumstances. Each person receiving this Offering Circular acknowledges that such person has not relied on the Arrangers, the Dealers, the Trustee, the Agents (or any of their respective affiliates, directors, officers, employees, representatives, advisers, agents and each person who controls any of them) in connection with its investigation of the accuracy of such information or its investment decision.

Industry and Market Data

Market data and certain industry forecasts and statistics in this Offering Circular have been obtained from both public and private sources, including market research, publicly available information and industry publications. Although this information is believed to be reliable, it has not been independently verified by the Issuer, BII Hong Kong, the Company, the Arrangers, the Dealers, the Trustee, the Agents or their respective directors, officers, affiliates, employees, representatives, agents and advisers, and none of the Issuer, BII Hong Kong, the Company, the Arrangers, the Dealers, the Trustee, the Agents and their respective directors, officers, affiliates, employees, representatives, agents and advisers makes any representation as to the accuracy or completeness of that information. Such information may not be consistent with other information compiled within or outside the PRC. In addition, third-party information providers may have obtained information from market participants and such information may not have been independently verified.

Presentation of Financial Information

The audited consolidated financial statements of the Company as at and for the year ended 31 December 2020 (the "**Company's 2020 Consolidated Financial Statements**") and the audited consolidated financial statements of the Company as at and for the year ended 31 December 2019 (the "**Company's 2019 Consolidated Financial Statements**") which are included elsewhere in this Offering Circular, have been audited by Baker Tilly China Certified Public Accountants ("**Baker Tilly**"), the Company's independent auditors. Such financial statements of the Company were prepared and presented in accordance with the Accounting Standards for Business Enterprises in China ("**PRC GAAP**").

Certain financial information of the Company as at and for the year ended 31 December 2018 was reclassified in the Company's 2019 Consolidated Financial Statements, as a result of Circular on Revising and Issuing the Financial Statement Form of General Enterprise in 2019 (CK [2019] No. 6) and the Circular on Revising and Issuing the Consolidated Financial Statement Form (2019 Version) (CK [2019] No. 16) (together, the "**MOF 2019 Circulars**") published by the Ministry of Finance ("**MOF**") in 2019, which amended the standard form of general enterprise financial statements.

In addition, Metro Land has adopted Enterprise Accounting Standards No. 22 — Recognition and Measurement of Financial Instruments (CK [2017] No. 7), Enterprise Accounting Standards No. 23 — Transfer of Financial Assets (CK [2017] No. 8), Enterprise Accounting Standards No. 24 — Hedging Accounting (CK [2017] No. 9) and Enterprise Accounting Standards No. 37 — Reporting of Financial Instruments (CK [2017] No. 14), each with effect from 1 January 2019, and the Company has adopted Enterprise Accounting Standards No. 12 — Debt Restructuring (CK [2019] No. 9) with effect from 17 June 2019, in each case without adjusting or restating comparable numbers as at and for the year ended 31 December 2018. Furthermore, the Company has restated certain financial information as at and for the year ended 31 December 2018 in the Company's 2019 Consolidated Financial Statements due to adjustments as a result of previous year's accounting error of certain subsidiaries. For more details on these adjustments and reclassifications made by the Company, please see "*Beijing Infrastructure Investment Co., Ltd. Notes To The Financial Statements For The Year Ended 31 December 2019 — Note V*".

In addition, a subsidiary of the Company, Metro Land Corporation Ltd. (京投發展股份有限公司) ("**Metro Land**") has adopted Enterprise Accounting Standards No. 14 — Revenue (CK [2017] No. 22) with effect from 1 January 2020, without adjusting or restating comparable numbers as at and for the year ended 31 December 2019. Furthermore, the Company has restated certain financial information as at and for the year ended 31 December 2019 in the Company's 2020 Consolidated Financial Statements due to business combinations involving enterprises under common control occurred in the current period. For more details on these adjustments and reclassifications made by the Company, please see "*Beijing Infrastructure Investment Co., Ltd. Notes To The Financial Statements For The Year Ended 31 December 2020 — Note V*". Accordingly, certain financial information of the Company prior to 2020, including those included in the audited consolidated financial statements of the Company's 2019 Consolidated Financial Statements, may not be directly comparable to that for the year ended 31 December 2020.

Certain financial information of BII Hong Kong as at and for the year ended 31 December 2018 was reclassified in BII Hong Kong's consolidated financial statements as at and for the year ended 31 December 2019, in accordance with the new accounting standards and requirements set out in the MOF 2019 Circulars. As a result, the presentation of certain accounting items in BII Hong Kong's consolidated financial statements prior to 2019, including those as at and for the year ended 31 December 2018 may not be comparable to that for the year ended 31 December 2019. As such, the audited consolidated financial statements of BII Hong Kong as at and for the year ended 31 December 2018 are not included in and do not form part of this Offering Circular.

Neither the Company nor BII Hong Kong has prepared any of its financial statements or consolidated financial statements (as the case may be) in accordance with International Financial Reporting Standards ("**IFRS**"). As advised by Baker Tilly, there are no material differences between PRC GAAP and IFRS with respect to the determination of the Company's and BII Hong Kong's respective financial position.

Exchange Rate Information

The consolidated financial statements of each of the Company and BII Hong Kong are presented in Renminbi. For convenience only and unless otherwise noted, all translations from Renminbi into U.S. dollars in this Offering Circular were made at the rate of RMB6.5250 to U.S.$1.00, based on the noon buying rate as set forth in the H.10 statistical release of the Federal Reserve Bank of New York on 31 December 2020. No representation is made that the Renminbi amounts referred to in this Offering Circular could have been or could be converted into U.S. dollars at any particular rate or at all, and *vice versa*.

Rounding

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

Certain Definitions and Conventions

In this Offering Circular, unless otherwise specified or the context otherwise requires, references to "**China**" or the "**PRC**" are to the People's Republic of China and, for the purpose of this Offering Circular only, excluding Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan; references to "**Hong Kong**" are to the Hong Kong Special Administrative Region of the People's Republic of China; references to "**U.S.** " are to the United States of America and references to "**EU**" are to the European Union.

In this Offering Circular, unless otherwise specified or the context otherwise requires, references to "**Renminbi**" or "**RMB**" are to the lawful currency of the PRC; references to "**HK$**" are to the lawful currency of Hong Kong; references to "**U.S. dollars**" or "**U.S.$** " are to the lawful currency of the United States of America and references to "**sterling**" or "**£**" are to the lawful currency of the United Kingdom.

"**PRC Government**" in this Offering Circular means the central government of the PRC, including all political subdivisions (including provincial, municipal and other regional or local governmental entities) and instrumentalities thereof, or where the context requires, any of them.

INFORMATION INCORPORATED BY REFERENCE AND FINANCIAL INFORMATION

This Offering Circular should be read and construed in conjunction with:

(i) each relevant Pricing Supplement; and

(ii) all amendments and supplements from time to time to this Offering Circular;

which shall be deemed to be incorporated in, and to form part of, this Offering Circular and which shall be deemed to modify or supersede the contents of this Offering Circular.

Any statement contained in this Offering Circular or in a document incorporated by reference into this Offering Circular will be deemed to be modified or superseded for purposes of this Offering Circular to the extent that a statement contained in any such subsequent document modifies or supersedes that statement. Any statement that is modified or superseded in this manner will no longer be a part of this Offering Circular, except as modified or superseded.

Copies of all such documents which are so deemed to be incorporated in, and to form part of, this Offering Circular will be available (upon prior written request) free of charge, during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted), for inspection at the principal office of the Trustee set out at the end of this Offering Circular.

SUPPLEMENTAL OFFERING CIRCULAR

Each of the Issuer, BII Hong Kong and the Company has given an undertaking to the Dealers that unless the Issuer has notified the Permanent Dealers in writing that it does not intend to issue Notes under the Programme for the time being, each of the Issuer and the Guarantors shall prepare and publish an amendment or supplement to the Offering Circular if at any time during the duration of the Programme a significant new factor, material mistake or material inaccuracy arises or is noted relating to the information included in the Offering Circular which is capable of affecting an assessment by investors of the assets and liabilities, financial position, profits and losses, and prospects of the Issuer and/or BII Hong Kong and/or the Company and/or of the rights attaching to the Notes and/or the Guarantees.

FORWARD-LOOKING STATEMENTS

The Issuer, BII Hong Kong and the Company have made forward-looking statements in this Offering Circular regarding, among other things, the Group's financial condition, future expansion plans and business strategies. These forward-looking statements are based on the Group's current expectations about future events. Although the Issuer, BII Hong Kong and the Company believe that these expectations and projections are reasonable, such forward-looking statements are inherently subject to risks, uncertainties and assumptions, including, among other things:

- the Group's business and operating strategies;
- the Group's capital expenditure and development plans;
- the amount and nature of, and potential for, future development of the Group's business;
- various business opportunities that the Group may pursue;
- the regulatory environment of the urban infrastructure industry in general;
- changes in political, economic, legal and social conditions in the PRC, including the specific policies of the PRC central and local governments affecting the regions where the Group operates;
- the prospective financial condition and performance regarding the Group's businesses;
- availability and costs of bank loans and other forms of financing;
- changes in competitive conditions and the Group's ability to compete under these conditions;
- the Group's ability to obtain additional capital on acceptable terms;
- reduction or discontinuance of the government subsidies and other government grants or the mismatch in terms of timing of the availability of the government fiscal support and the Group's cash flow requirement;
- Beijing Government's spending on transportation and other infrastructure;
- fluctuations in the PRC and general risks incidental to the ownership and management of properties; and
- other risks identified in the section entitled "*Risk Factors*" in this Offering Circular.

The words "anticipate", "believe", "estimate", "expect", "intend", "plan" and similar expressions are intended to identify a number of these forward-looking statements. The Issuer, BII Hong Kong, the Company and each other member of the Group undertake no obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this Offering Circular might not occur and the actual results of the Issuer, BII Hong Kong, the Company or the Group could differ materially from those anticipated in these forward-looking statements.

These forward-looking statements speak only as at the date of this Offering Circular. The Issuer, BII Hong Kong and the Company expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Group's expectations with regard thereto or any change of events, conditions or circumstances, on which any such statement was based.

CONTENTS

	Page
SUMMARY	1
OFFER STRUCTURE	5
SUMMARY OF THE PROGRAMME	8
SELECTED FINANCIAL INFORMATION OF THE COMPANY	16
SELECTED FINANCIAL INFORMATION OF BII HONG KONG	20
RISK FACTORS	24
CAPITALISATION AND INDEBTEDNESS	63
USE OF PROCEEDS	65
FORM OF PRICING SUPPLEMENT	66
TERMS AND CONDITIONS OF THE NOTES	80
SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM	117
DESCRIPTION OF THE KEEPWELL AND LIQUIDITY SUPPORT DEED	123
DESCRIPTION OF THE DEED OF EQUITY INTEREST PURCHASE UNDERTAKING	126
DESCRIPTION OF THE ISSUER	130
DESCRIPTION OF BII HONG KONG	131
DESCRIPTION OF THE GROUP	132
DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT	174
TAXATION	179
PRC REGULATIONS	183
SUBSCRIPTION AND SALE	186
GENERAL INFORMATION	192
INDEX TO FINANCIAL STATEMENTS	F-1

SUMMARY

The summary below is only intended to provide a very 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. Terms defined elsewhere in this Offering Circular shall have the same meanings when used in this summary. Prospective investors should therefore read this entire Offering Circular, including the section entitled "Risk Factors" and the financial statements and related notes thereto, before making an investment decision.

BII Hong Kong

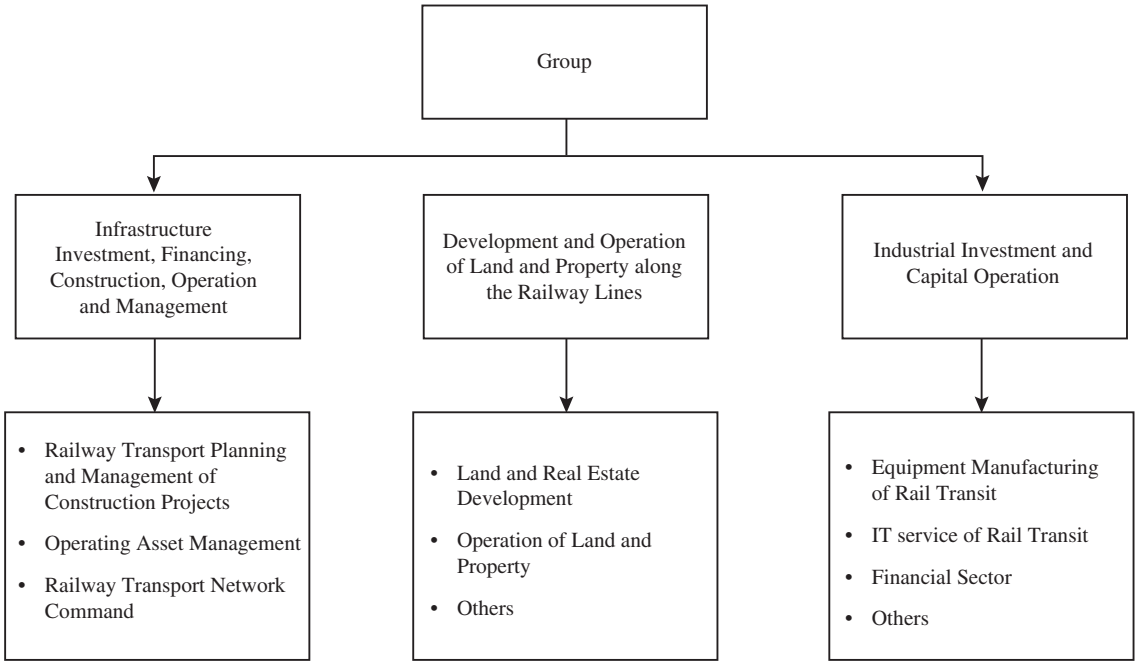
BII Hong Kong is a limited liability company incorporated under the Companies Ordinance (Cap. 32) (re-enacted as the Companies Ordinance (Cap. 622) with effect from 3 March 2014) of Hong Kong (CR No. 609313). It was incorporated in Hong Kong on 23 May 1997. Its registered office is located at 2nd Floor, 625 King's Road, North Point, Hong Kong. BII Hong Kong is a wholly-owned subsidiary of the Company. In 2004, the Company acquired 100% of the equity interest of BII Hong Kong.

BII Hong Kong is the Group's primary financing and investment platform overseas. As at 31 December 2020, BII Hong Kong primarily held (i) an approximately 55.20% equity interest in BII Railway Transportation Technology Holdings Company Limited (the "**Hong Kong Listco**"); (ii) an approximately 30.04% equity interest in Cornerstone International Financial Leasing Co., Ltd. ("**Cornerstone International Financial Leasing**"); and (iii) an 100% equity interest in Jie Heng Investment Co., Ltd. ("**Jie Heng Investment**").

The Group

Beijing Infrastructure Investment Co., Ltd. is a wholly state-owned company funded by the State-owned Assets Supervision and Administration Commission of the People's Government of Beijing Municipality ("**Beijing SASAC**"). Businesses of the Group include investment, financing, construction, operation and management of infrastructure, development and operation of land and property along the railway lines, industrial investment and capital operation and other relevant services. The Group is the sole investment and financing entity authorised and appointed by the People's Government of Beijing Municipality for the mass transit rail network that serves the urban and suburban districts in Beijing ("**Beijing Subway**"), and is responsible for the investment and financing, preliminary planning, capital operation and land and property developments for the Beijing Subway. Having established the first rail transit system in China, the Group has a dominant position in the Beijing trail transit business sector and is one of the enterprises that operates the largest number of rail transit lines in the national urban rail transit system. As at 31 December 2020, the Beijing Subway had 24 inter-connecting railway lines in operation, with a 727-kilometre network of tracks and 428 stations (including 64 interchange stations). The 24 railway lines, namely, Line 1, Line 2, Line 4, Line 5, Line 6, Line 7, Line 8, Line 9, Line 10, Line 13, Line 14, Line 15, Line 16 North Section (Phase II), the Batong Line, the Airport Line, the Yizhuang Line, the Daxing Line, the Fangshan Line, the Changping Line, Line S1, the Western Suburb Line, the Yanshan-Fangshan Line, the Yizhuang Line T1 and the Daxing Airport Express (together, the "**Railway Lines**"). As at 31 December 2020, 15 railway lines were under construction.

The Group mainly conducts three lines of business: (i) infrastructure investment, financing, construction, operation and management; (ii) development and operation of land and property along the railway lines; and (iii) industrial investment and capital operation of rail transit. The diagram below illustrates the businesses that the Group operates:



Infrastructure investment, financing, construction, operation and management: The urban infrastructure investment, financing, construction, operation and management segment is the Group's core business. For the years ended 31 December 2018, 2019 and 2020, the Group's urban infrastructure investment, financing, construction, operation and management business generated revenue of RMB7,399.69 million, RMB7,274.86 million and RMB4,471.84 million, respectively, accounting for 39.13%, 47.30% and 32.72%, respectively, of the Group's revenue for the same periods. The decrease from 2019 to 2020 was primarily due to a decrease in revenue from ticket sales as a result of the impact of COVID-19. This business segment is divided into three sub-segments:

- urban rail transit infrastructure investment and financing: the Group is the sole investment and financing entity for the Beijing Subway, and is one of the largest operators of urban rail systems in China in terms of the number of railway lines operated.

- urban rail transit infrastructure construction: the Group conducts construction planning and construction work for the Beijing Subway and railways in the Beijing-Tianjin-Hebei Area, facilitating the urban development of the metropolitan region. In 2020, the Group had 15 railway lines under construction.

- urban rail transit operation and management: the Group owns and manages its mass transit railway assets through its project companies. As at 31 December 2020, Beijing Subway Operation Co., Ltd. ("**Beijing Subway Operation**") operated 16 lines out of the 24 Railway Lines in operation of the Beijing Subway. In addition, the Group established the Command Centre to perform its function as the Beijing Subway command centre, managing all the Railway Lines.

Development and Operation of Land and Property along the Railway Lines: The Group carries out primary land development, real estate development and other operations, principally through its land development department and Metro Land Corporation Ltd. ("**Metro Land**"), a subsidiary of the Company. Leveraging its advantage in the mass transit railway business, the Group has established a

"rail + land + property" business model to create synergies among various business segments of the Group and maximise its investment return. For the years ended 31 December 2018, 2019 and 2020, this business segment generated revenue of RMB8,265.52 million, RMB4,595.20 million and RMB6,023.08 million, respectively, accounting for 43.72%, 29.88% and 44.08%, respectively, of the Group's revenue for the same periods.

Industrial investment and capital operation: The Group makes strategic industrial investment and capital operation in both public and private companies with businesses that complement the Group's business and facilitate its core operations. The Group focuses its investments on selected industries such as the railway transit sector, the financial sector and urban information infrastructure construction sector. The Group is engaged in the equipment manfacturing business with a focus on the design, manufacture and maintenance of urban rail transit vehicles. At the same time the Group develops intercity, monorail, speical vehicles and other technologies to accelerate the industrialisation of medium and low speed maglev transportation systems. It is committed to becoming an leading innovator in the high-end equipment manufacture industry in Beijing. For its investment and capital operation, the Group's strategies primarily focus on diversifying the Group's businesses, achieving stable and profitable growth and optimising its investment portfolio. For the years ended 31 December 2018, 2019 and 2020, this busines segment generated revenue of RMB3,242.50 million, RMB3,510.33 million and RMB3,170.03 million, respectively, accounting for 17.15%, 22.82% and 23.20%, respectively, of the Group's revenue for the same periods.

For the years ended 31 December 2018, 2019 and 2020, the Group's revenue was RMB18,907.71 million, RMB15,380.39 million and RMB13,664.95 million, respectively, and its net profit was RMB2,602.7 million, RMB3,042.0 million and RMB3,156.1 million, respectively. As at 31 December 2020, the Group had net assets of RMB251.4 billion and total assets of RMB707.4 billion, continuing to rank the first among the state-owned enterprises under the Beijing SASAC in terms of the amount of net assets and total assets.

Competitive Strengths

- Well positioned to capitalise on the strong demand for public transport;
- Enjoyed favourable policies promulgated by the Beijing Government;
- Leading rail transit business located in Beijing with nationwide influence;
- Creation of an integrated industrial chain of rail transit and the deepening of the development of resources along railways;
- Strong financial profile with access to diversified financing channels and innovative project financing management models; and
- Experienced management team with sound and effective internal management.

Strategies

- Enhance the Group's urban infrastructure investment, financing, construction, operation and management business focusing on mass transit railway industry centred on Beijing and spanning across Beijing, Tianjin and Hebei province;
- Further expand the Group's development and operation of land and property business along the railway lines; and
- Continue to focus on the Group's investment on industries related to railway transport.

Recent Development

On 31 August 2021, the Company published the Company's June 2021 Financial Information. The Company's June 2021 Financial Information was published onshore. It is not included in and does not form a part of this Offering Circular. None of the Company's June 2021 Financial Information has been audited or reviewed by the Group's independent accountants, or any other independent accountants and may be subject to adjustments if audited and reviewed. Consequently, none of the Arrangers, the Dealers, the Trustee, any Agent (or any of their respective affiliates, directors, officers, employees, representatives, advisers, agents and each person who controls any of them) makes any representation or warranty, express or implied, regarding the accuracy of such financial statements or their sufficiency for an assessment of, and potential investors must exercise caution when using such information to evaluate the Company's financial condition, results of operations and results. The Company's June 2021 Financial Information should not be taken as an indication of the expected financial condition, results of operations and results of the Company for the full financial year ending 31 December 2021.

For the six months ended 30 June 2021, the Group's total operating income increased as compared to its total operating income for the corresponding period last year. The Group's total operating costs for the six months ended 30 June 2021 increased in line with its total operating income as compared to its total operating costs for the corresponding period last year. For the six months ended 30 June 2021, although the Group's non-operating income decreased significantly compared to the six months ended 30 June 2020, each of operating profit, total profit and net profit of the Group for the six months ended 30 June 2021 increased as compared to its operating profit, total profit and net profit for the corresponding period last year.

As at 30 June 2021, the Group's total assets increased as compared to 31 December 2020 due to the increased number of railway projects under construction. As at 30 June 2021, the Group's total liabilities increased as compared to 31 December 2020 due to the increase of short-term borrowing and long-term borrowing as a result of the increased amount offshore financing and increase of deferred income as a result of the collection of ABO (as defined below) funds. Each of the Group's cash and bank balances and short-term borrowings increased materially as compared to 31 December 2020.

For the six months ended 30 June 2021, the Group incurred net cash inflow from its operating and financing activities and net cash outflow from its investing activities.

OFFER STRUCTURE

The following is a description of the structure of the offering of the Notes, which should be read in conjunction with the sections entitled "Risk Factors", "Terms and Conditions of the Notes", "Description of the Keepwell and Liquidity Support Deed" and "Description of the Deed of Equity Interest Purchase Undertaking".

The Notes and the Guarantee

The Notes will be issued by the Issuer. Subject to the Terms and Conditions of the Notes, the Notes and the Receipts and Coupons relating to them will constitute direct, unsubordinated, unconditional and (subject to Condition 4(a) of the Terms and Conditions of the Notes) 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 Notes and the Receipts and Coupons relating to them will, save for such exceptions as may be provided by applicable law and subject to Condition 4(a) of the Terms and Conditions of the Notes, at all times rank at least equally with all other present and future unsecured and unsubordinated obligations of the Issuer.

On the Issue Date, the Notes will have the benefit of a Guarantee provided by either BII Hong Kong or the Company. Pursuant to the Guarantee, BII Hong Kong or the Company, as the case may be, will unconditionally and irrevocably guarantee the due payment of all sums expressed to be payable by the Issuer under the relevant Notes and the Receipts and Coupons relating to them and the Trust Deed (as defined in "*Terms and Conditions of the Notes*"). The payment obligations of the relevant Guarantor under the relevant Guarantee shall, save for such exceptions as may be provided by applicable law and subject to Condition 4(a) of the Terms and Conditions of the Notes, at all times rank at least equally with all other present and future unsecured and unsubordinated obligations of such Guarantor. In the event that BII Hong Kong guarantees the Notes, the obligations of the Company under "*The Keepwell and Liquidity Support Deed*" and "*The Deed of Equity Interest Purchase Undertaking*" described below will apply.

The Issuer was incorporated in the British Virgin Islands and is a direct wholly-owned subsidiary of BII Hong Kong. BII Hong Kong was incorporated in Hong Kong and is a direct wholly-owned subsidiary of the Company.

The Keepwell and Liquidity Support Deed

The Issuer, BII Hong Kong, the Company and the Trustee have executed the Keepwell and Liquidity Support Deed (as further described in the section entitled "*Description of the Keepwell and Liquidity Support Deed*"), which will only be applicable to the Notes that are guaranteed by BII Hong Kong. Defined terms used in this section shall have the meanings given to them in the Keepwell and Liquidity Support Deed.

Maintenance of Consolidated Net Worth and Liquidity

Pursuant to the Keepwell and Liquidity Support Deed, the Company has undertaken:

- to cause each of the Issuer and BII Hong Kong to have a Consolidated Net Worth of at least U.S.$1.00 at all times;

- to cause each of the Issuer and BII Hong Kong to have sufficient liquidity (by procuring BII Hong Kong to sell the Relevant Shares or otherwise) to ensure timely payment by each of the Issuer and BII Hong Kong of any amounts payable under or in respect of the Notes and Coupons, each Deed of Guarantee, the Trust Deed and the Agency Agreement (as defined in the Terms and Conditions of the Notes);

- to cause each of the Issuer and BII Hong Kong to remain solvent and a going concern at all times under the laws of their respective jurisdictions of incorporation or applicable accounting standards; and

- in the event the Issuer or BII Hong Kong at any time determines that it will have insufficient liquidity to meet its payment obligations as they fall due and promptly notifies the Company of the shortfall, the Company will make available to the Issuer or BII Hong Kong, before the due date of the relevant payment obligations, funds sufficient to enable the Issuer or BII Hong Kong (as the case may be) to meet such payment obligations in full as they fall due. The Issuer or BII Hong Kong shall use any funds made available to it by the Company in accordance with the Keepwell and Liquidity Support Deed solely for the payment when due of such payment obligations under the Notes and Coupons, each Deed of Guarantee, the Trust Deed and the Agency Agreement (as the case may be).

Relevant Indebtedness

Pursuant to the Keepwell and Liquidity Support Deed, the Company will undertake that the Company will not and the Company shall ensure that none of its Subsidiaries (other than a Listed Subsidiary and Subsidiaries of a Listed Subsidiary) will, create or, have outstanding, any mortgage, charge, lien, pledge or other security interest, upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness or to secure any guarantee or indemnity in respect of any Relevant Indebtedness, without at the same time or prior thereto according to the Notes and the Coupons the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or such other security as (i) the Trustee shall in its absolute discretion deem not materially less beneficial to the interest of the Noteholders or (ii) shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

Irrevocable Cross-Border Standby Facility and Liquidity Support

Pursuant to the Keepwell and Liquidity Support Deed, upon the receipt of a Trigger Notice, the Company shall, subject to it having obtained all Regulatory Approvals (which the Company shall use all reasonable endeavours to obtain), grant a Standby Facility and procure remittance of the Remittance Amount to the Issuer or BII Hong Kong in accordance with the Keepwell and Liquidity Support Deed, so as to (a) enable the Issuer or BII Hong Kong, as the case may be, to meet their payment obligations as they fall due under the Keepwell and Liquidity Support Deed, the Trust Deed, the Agency Agreement, each Deed of Guarantee, and the Notes and Coupons (including any interest accrued but unpaid on the Notes) if the Triggering Event is a Liquidity Notice Failure Event or an Event of Default or (b) ensure the remedy of the Shortfall Event if the Triggering Event is a Shortfall Event.

The Company has also given certain other undertakings as further described in "*Description of the Keepwell and Liquidity Support Deed*".

The Keepwell and Liquidity Support Deed is not a guarantee by, or any legally binding obligation of, the Company of the payment of any obligation, responsibility, indebtedness or liability, of any kind or character whatsoever, of the Issuer or BII Hong Kong under the laws of any jurisdiction, including the PRC. The performance by the Company of its obligations under the Keepwell and Liquidity Support Deed may be subject to the receipt of Regulatory Approvals and the Company will undertake to use all reasonable endeavours to obtain the same. See "*Risk Factors — The Keepwell and Liquidity Support Deed is not a guarantee of the payment obligations under the Notes guaranteed by BII Hong Kong*".

The Deed of Equity Interest Purchase Undertaking

The Company and the Trustee have executed the Deed of Equity Interest Purchase Undertaking (as further described in the section entitled "*Description of the Deed of Equity Interest Purchase Undertaking*") which will only be applicable to the Notes that are guaranteed by BII Hong Kong. Defined terms used in this section shall have the meanings given to them in the Deed of Equity Interest Purchase Undertaking.

While the Keepwell and Liquidity Support Deed contains a general obligation requiring the Company to ensure that the Issuer and BII Hong Kong have sufficient liquidity to meet any payment obligations under the Notes, the Deed of Equity Interest Purchase Undertaking provides a specified means by which the Company could assist the Issuer and BII Hong Kong in meeting their respective obligations under the Notes issued pursuant to the Programme, the Guarantee and the Trust Deed upon the occurrence of an Event of Default.

Under the Deed of Equity Interest Purchase Undertaking, the Company will undertake to the Trustee that upon receipt of a written notice from the Trustee following the occurrence of an Event of Default under any one or more series of the Notes, the Company will, subject to obtaining all Regulatory Approvals, purchase for cash consideration following each occurrence (either by itself or through a Subsidiary of the Company as designated by it) the Equity Interest held by the Relevant Transferor(s). The purchase price for any proposed acquisition will be determined by the Company, in accordance with any applicable PRC laws and regulations effective at the time of determination, **provided that** the relevant purchase price shall be sufficient to enable the Issuer and BII Hong Kong to (i) discharge in full their respective obligations under the relevant series of Notes and Coupons, the relevant Deed of Guarantee, the Trust Deed and Agency Agreement, (ii) pay for an amount equivalent to the interest payable at the stated rate of interest on the relevant series of Notes for a six-month period and (iii) pay for all costs, fees and expenses (including, without limitation, legal fees and expenses) and other amounts payable to the Trustee and/or the Agents under or in connection with the relevant series of Notes, Coupons (if applicable), the Trust Deed, the Agency Agreement, the Keepwell and Liquidity Support Deed and/or the Deed of Equity Interest Purchase Undertaking as at the date of the relevant Purchase Notice plus provisions for fees and expenses which may be incurred after the date of such Purchase Notice.

Please see "*Risk Factors — Performance by the Company of its undertaking under the Deed of Equity Interest Purchase Undertaking is subject to approvals of the PRC Governmental authorities*", "*Risk Factors — Performance by the Company of its undertaking under the Deed of Equity Interest Purchase Undertaking may be subject to consent from third party creditors and shareholders, and may also be restricted if any of the equity interests is secured in favour of third party creditors*" and "*Risk Factors — Each of the Issuer and BII Hong Kong has limited assets, which affects its ability to make payments under the Notes and/or the relevant Guarantee and, in the case of Notes guaranteed by BII Hong Kong, to enable the Company to purchase adequate equity interest from it pursuant to the Deed of Equity Interest Purchase Undertaking*".

SUMMARY OF THE PROGRAMME

The following summary is qualified in its entirety by the remainder of this Offering Circular. This summary must be read as an introduction to this Offering Circular and any decision to invest in the Notes should be based on a consideration of the Offering Circular as a whole, including any information incorporated by reference. Phrases used in this summary and not otherwise defined shall have the meanings given to them in the section entitled "Terms and Conditions of the Notes".

Issuer	Eastern Creation II Investment Holdings Ltd. (Legal entity identifier (LEI): 549300POZZMBXFYP2H73)
Guarantor	Beijing Infrastructure Investment (Hong Kong) Limited or Beijing Infrastructure Investment Co., Ltd.
Keepwell and Liquidity Provider and Equity Interest Purchase Undertaking Provider	Beijing Infrastructure Investment Co., Ltd. (in respect of Notes guaranteed by BII Hong Kong only).
Description	Guaranteed Medium Term Note Programme.
Size	Up to U.S.$6,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time. The Issuer and the Guarantors may increase the aggregate nominal amount of the Programme in accordance with the terms of the Dealer Agreement.
Risk Factors	Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the abilities of the Issuer, BII Hong Kong and the Company to fulfil their respective obligations in respect of the Notes, the Guarantees, the Keepwell and Liquidity Support Deed and the Deed of Equity Interest Purchase Undertaking are discussed under "*Risk Factors*".
Arrangers and Dealers	Bank of China Limited, CLSA Limited, Goldman Sachs (Asia) L.L.C., Haitong International Securities Company Limited, The Hongkong and Shanghai Banking Corporation Limited and Standard Chartered Bank.
Dealers	ABCI Capital Limited, BNP Paribas, CCB International Capital Limited, China Everbright Bank Co., Ltd., Hong Kong Branch, CMB Wing Lung Bank Limited, DBS Bank Ltd., Deutsche Bank AG, Hong Kong Branch, ICBC International Securities Limited, Industrial and Commercial Bank of China (Asia) Limited, Oversea-Chinese Banking Corporation Limited, Silk Road International Capital Limited and Société Générale. The Issuer, BII Hong Kong and the Company may from time to time terminate the appointment of any Dealer under the Programme or appoint Dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Offering Circular to "**Dealers**" are to all persons appointed as a dealer in respect of one or more Tranches or the Programme.

Certain Restrictions	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Subscription and Sale*"). Further restrictions may apply in connection with any particular Series or Tranches of Notes.
Trustee	Citicorp International Limited.
Issuing and Paying Agent, Paying Agent, Registrar, Transfer Agent and Calculation Agent	Citibank, N.A., London Branch.
CMU Lodging and Paying Agent	Citicorp International Limited.
Method of Issue	The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a "**Series**") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest and/or the issue price), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a "**Tranche**") on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with the relevant terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be completed in the Pricing Supplement.
Issue Price	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount. Partly Paid Notes may be issued, the issue price of which will be payable in two or more instalments.
Form of Notes	Notes may be issued in bearer or registered form as described in "*Terms and Conditions of the Notes*". Registered Notes will not be exchangeable for Bearer Notes and *vice versa*. Each Tranche of Bearer Notes will initially be in the form of either a Temporary Global Note or a Permanent Global Note, in each case as specified in the relevant Pricing Supplement. Each Tranche of Registered Notes will initially be represented by a Global Certificate.
Clearing Systems	Clearstream, Euroclear, the CMU and, in relation to any Tranche, such other clearing system as may be agreed between the Issuer, the relevant Guarantor, the Issuing and Paying Agent, the Trustee and the relevant Dealer(s).

Initial Delivery of Notes	On or before the issue date for each Tranche, the Global Note or Global Certificate representing the Notes may be deposited with a common depositary for Euroclear and Clearstream or deposited with a sub-custodian for the CMU. Global Notes or Global Certificates may also be deposited with any other clearing system or may be delivered outside any clearing system **provided that** the method of such delivery has been agreed in advance by the Issuer, the relevant Guarantor, the Trustee, the Issuing and Paying Agent and the relevant Dealer(s). Registered Notes that are to be credited to one or more clearing systems on issue will be registered in the name of, or in the name of nominees or a common nominee for, such clearing systems.
Currencies	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency agreed between the Issuer, the relevant Guarantor and the relevant Dealer(s).
Maturities	Subject to compliance with all relevant laws, regulations and directives, any maturity as may be agreed between the Issuer, the relevant Guarantor and the relevant Dealer(s).
Specified Denomination	Definitive Notes will be in such denominations as may be specified in the relevant Pricing Supplement, subject to compliance with all relevant laws, regulations and directives. Unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the Financial Services and Markets Act 2000 ("**FSMA**") will have a minimum denomination of £100,000 (or its equivalent in other currencies).
Interest	Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate or other variable rate or be index-linked and the method of calculating interest may vary between the issue date and the maturity date of the relevant Series.
Fixed Rate Notes	Fixed interest will be payable in arrear on such date or dates as may be agreed between the Issuer, the relevant Guarantor and the relevant Dealer(s) and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer, the relevant Guarantor and the relevant Dealer(s).

Floating Rate Notes	Floating Rate Notes will bear interest determined separately for each Series as follows: • on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or • by reference to LIBOR, EURIBOR, HIBOR or CNH HIBOR (or such other benchmark as may be specified in the relevant Pricing Supplement) as adjusted for any applicable margin; or • on such other basis as may be agreed between the Issuer, the relevant Guarantor and the relevant Dealer(s). Interest periods will be specified in the relevant Pricing Supplement.
Zero Coupon Notes.	Zero Coupon Notes (as defined in "*Terms and Conditions of the Notes*") may be issued at their nominal amount or at a discount to it and will not bear interest.
Dual Currency Notes	Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes (as defined in "*Terms and Conditions of the Notes*") will be made in such currencies, and based on such rates of exchange, as the Issuer, the relevant Guarantor and the relevant Dealer(s) may agree and as may be specified in the relevant Pricing Supplement.
Index Linked Notes	Payments of principal in respect of Index Linked Redemption Notes (as defined in "*Terms and Conditions of the Notes*") or of interest in respect of Index Linked Interest Notes (as defined in "*Terms and Conditions of the Notes*") will be calculated by reference to such index and/or formula or to changes in prices of securities or commodities or to such other factors as the Issuer, the relevant Guarantor and the relevant Dealer(s) may agree and as may be specified in the relevant Pricing Supplement.
Interest Periods and Interest Rates	The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Floating Rate Notes and Index Linked Interest Notes may also have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Pricing Supplement.

Redemption	The relevant Pricing Supplement will specify the basis for calculating the redemption amounts payable (detailed in a formula, index or otherwise). Unless permitted by then-current laws and regulations, Notes (including Notes denominated in sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of FSMA must have a minimum redemption amount of £100,000 (or its equivalent in other currencies).
Optional Redemption	Notes may be redeemed before their stated maturity at the option of the Issuer (either in whole or in part) and/or the Noteholders to the extent (if at all) specified in the relevant Pricing Supplement as further described in Condition 6(e) and Condition 6(f), respectively, of the Terms and Conditions of the Notes.
Redemption for Change of Control	The terms of the Notes allow for the election in the Pricing Supplement for the early redemption of the Notes at the option of the holders thereof upon the occurrence of a Change of Control as further described in Condition 6(d) of the Terms and Conditions of the Notes.
Redemption for Taxation Reasons	Notes will be redeemable at the Issuer's option prior to maturity for taxation reasons as further described in Condition 6(c) of the Terms and Conditions of the Notes.
Redemption for Non-Registration	In the case of Notes guaranteed by the Company, Notes will be redeemable at the option of the holders thereof upon the occurrence of a Non-Registration Event as further described in Condition 6(g) of the Terms and Conditions of the Notes.
Status of Notes	The Notes and the Receipts and Coupons relating to them will constitute direct, unsubordinated, unconditional and (subject to Condition 4(a) of the Terms and Conditions of the Notes) unsecured obligations of the Issuer and will rank at all times *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes and the Receipts and the Coupons relating to them shall, save for such exceptions as may be provided by applicable law and subject to Condition 4(a) of the Terms and Conditions of the Notes, at all times rank at least equally with all other present and future unsecured and unsubordinated obligations of the Issuer.
Status of the Guarantees	The payment obligations of the relevant Guarantor under the relevant Guarantee shall, save for such exceptions as may be provided by applicable law and subject to Condition 4(a) of the Terms and Conditions of the Notes, at all times rank at least equally with all other present and future unsecured and unsubordinated obligations of such Guarantor.

Negative Pledge	The Notes will contain a negative pledge provision as further described in Condition 4(a) of the Terms and Conditions of the Notes.
Cross-Default	The Terms and Conditions of the Notes will contain a cross-default provision as described in Condition 10(c) of the Terms and Conditions of the Notes.
Withholding Tax	All payments of principal and interest by or on behalf of the Issuer or the relevant Guarantor in respect of the Notes, the Receipts and Coupons or under the relevant Guarantee will be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the British Virgin Islands, Hong Kong, or the PRC or any political subdivision or authority therein or thereof having power to tax, unless such withholding or deduction is required by law. The Issuer or (as the case may be) the relevant Guarantor will, subject to certain customary exceptions, pay such additional amounts as will result in the receipt by the Noteholders of such amounts as would have been received by them had no such withholding or deduction been required. See Condition 8 of the Terms and Conditions of the Notes.
Ratings	The Notes guaranteed by the Company directly to be issued under the Programme are expected to be rated "A+" by S&P Global Inc. ("S&P") and the Notes guaranteed by BII Hong Kong with the benefit of the Keepwell and Liquidity Support Deed and the Deed of Equity Interest Purchase Undertaking from Company to be issued under the Programme are expected to be rated "A" by S&P. The Notes guaranteed by the Company directly to be issued under the Programme are expected to be rated "A1" by Moody's and the notes guaranteed by BII Hong Kong with the benefit of the Keepwell and Liquidity Support Deed and the Deed of Equity Interest Purchase Undertaking from Company to be issued under the Programme are expected to be rated "A2" by Moody's. The Programme is expected to be assigned a rating of "A+" by Fitch. Tranches of Notes will be rated or unrated. Where a Tranche of Notes is to be rated, such rating will be specified in the relevant Pricing Supplement. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction, revision or withdrawal at any time by the assigning rating agency.
Governing Law and Jurisdiction	English law with the submission to the exclusive jurisdiction of Hong Kong courts.

Listing and Admission to Trading	Application has been made to the Hong Kong Stock Exchange for the listing of the Programme under which Notes may be issued by way of debt issues to Professional Investors only during the 12-month period after the date of this Offering Circular on the Hong Kong Stock Exchange. Separate application will be made for the listing of Notes issued under the Programme on the Hong Kong Stock Exchange. However, unlisted Notes and Notes to be listed, traded or quoted on or by any other competent authority, stock exchange or quotation system may be issued pursuant to the Programme. The relevant Pricing Supplement in respect of the issue of any Notes will specify whether or not such Notes will be listed on the Hong Kong Stock Exchange or listed, traded or quoted on or by any other competent authority, exchange or quotation system. Notes listed on the Hong Kong Stock Exchange will be traded on the Hong Kong Stock Exchange in a board lot size of at least HK$500,000 (or its equivalent in other currencies).
Selling Restrictions.	There are restrictions on the offer, sale and transfer of the Notes in the United States, the European Economic Area, the United Kingdom, Japan, Hong Kong, the PRC, Singapore and the British Virgin Islands and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see "*Subscription and Sale*". Bearer Notes will be issued in compliance with rules in substantially the same form as U.S. Treasury Regulations §1.163-5(c)(2)(i)(D) for purposes of Section 4701 of the U.S. Internal Revenue Code (the "**Code**") ("**TEFRA D**") unless (i) the relevant Pricing Supplement states that the Bearer Notes are issued in compliance with rules in substantially the same form as U.S. Treasury Regulation §1.163-5(c)(2)(i)(C) for purposes of Section 4701 of the Code ("**TEFRA C**") or (ii) the Bearer Notes are issued other than in compliance with TEFRA D or TEFRA C. In the case of Bearer Notes, only Notes with a term of 365 days or less (taking into account any unilateral extensions and rollovers) will be issued other than in compliance with TEFRA D or TEFRA C and will be referred to in the relevant Pricing Supplement as a transaction to which the United States Tax Equity and Fiscal Responsibility Act of 1982 ("**TEFRA**") is not applicable. Bearer Notes with a term of more than 365 days (taking into account any unilateral extensions and rollovers) that are held through the CMU must be issued in compliance with TEFRA C, unless at the time of issuance the CMU and CMU Lodging and Paying Agent have procedures in place so as to enable the Issuer to comply with the certification requirements under TEFRA D.

Keepwell and Liquidity Support Deed	The Issuer, BII Hong Kong, the Company and the Trustee have entered into the Keepwell and Liquidity Support Deed, which will only be applicable to the Notes that are guaranteed by BII Hong Kong, as further described in "*Description of the Keepwell and Liquidity Support Deed*".
Deed of Equity Interest Purchase Undertaking.	The Company and the Trustee have entered into the Deed of Equity Interest Purchase Undertaking, which will only be applicable to the Notes that are guaranteed by BII Hong Kong, as further described in "*Description of the Deed of Equity Interest Purchase Undertaking*".

SELECTED FINANCIAL INFORMATION OF THE COMPANY

The summary consolidated financial information of the Company as at 31 December 2019 and 2020 and for the year ended 31 December 2019 and 2020, as set forth below, has been derived from the Company's 2020 Consolidated Financial Statements, which has been audited by Baker Tilly, its current independent auditor as reported in the Company's audited report dated 26 March 2021, and which are included elsewhere in this Offering Circular. The Company's 2020 Consolidated Financial Statements have been prepared and presented in accordance with PRC GAAP. The summary consolidated financial statements as set forth below should be read in conjunction with the relevant consolidated financial statements of the Company and the notes thereto included elsewhere in this Offering Circular.

Certain financial information of the Company as at and for the year ended 31 December 2018 was reclassified in the Company's 2019 Consolidated Financial Statements, as a result of the MOF 2019 Circulars published by MOF in 2019, which amended the standard form of general enterprise financial statements. In addition, as subsidiary of the Company, Metro Land has adopted Enterprise Accounting Standards No. 22 — Recognition and Measurement of Financial Instruments (CK [2017] No. 7), Enterprise Accounting Standards No. 23 — Transfer of Financial Assets (CK [2017] No. 8), Enterprise Accounting Standards No. 24 — Hedging Accounting (CK [2017] No. 9) and Enterprise Accounting Standards No. 37 — Reporting of Financial Instruments (CK [2017] No. 14), each with effect from 1 January 2019, and the Company has adopted Enterprise Accounting Standards No. 12 — Debt Restructuring (CK [2019] No. 9) with effect from 17 June 2019, in each case without adjusting or restating comparable numbers as at and for the year ended 31 December 2018. Furthermore, the Company has restated certain financial information as at and for the year ended 31 December 2018 in the Company's 2019 Consolidated Financial Statements due to adjustments as a result of previous year's accounting error of certain subsidiaries. For more details on these adjustments and reclassifications made by the Company, please see "Beijing Infrastructure Investment Co., Ltd. Notes To The Financial Statements For The Year Ended 31 December 2020 — Note V".

In addition, Metro land has adopted Enterprise Accounting Standards No. 14 — Revenue (CK [2017] No. 22) with effect from 1 January 2020, without adjusting or restating comparable numbers as at and for the year ended 31 December 2019. For more details on these adjustments and reclassifications made by the Company, please see "Beijing Infrastructure Investment Co., Ltd. Notes To The Financial Statements For The Year Ended 31 December 2020 — Note V". Accordingly, certain financial information of the Company prior to 2020, including those included in the audited consolidated financial statements of the Company's 2019 Consolidated Financial Statements, may not be directly comparable to that for the year ended 31 December 2020.

Historical results of the Company are not necessarily indicative of results that may be achieved for any future period.

The Company has not prepared its consolidated financial statement as at and for the year ended 31 December 2019 and 2020 in accordance with IFRS. As advised by Baker Tilly, there are no material differences between PRC GAAP and IFRS with respect to the determination of the Company's financial position.

Selected Financial information

Consolidated income statement

	For the year ended 31 December		
	2018	**2019**	**2020**
	(RMB in millions) *(audited)* *(restated)*		
Total operating income	18,907.7	15,380.4	13,665.0
Total operating costs	21,628.8	21,038.7	23,653.7
Including: Operating costs	18,080.6	16,676.4	18,413.5
Business taxes and levies	1,064.8	300.3	585.3
Selling expenses	195.1	308.5	396.1
Administrative expenses	1,712.1	1,943.3	2,005.2
Research and development expenses	94.8	224.2	294.3
Financial expenses	481.5	1,586.0	1,959.3
Impairment losses of assets	(77.5)	(801.7)	(694.6)
Impairment losses of credits	(0.2)	(25.2)	(22.1)
Add: Other income	4,785.5	6,587.7	10,462.8
Investment income	1,231.3	3,430.4	3,361.8
Gains from changes in fair values	(7.9)	79.4	736.1
Gains on disposal of non-current assets	64.1	1.4	0.5
Operating profit	3,274.2	3,613.7	3,855.7
Add: Non-operating income	13.2	45.4	101.6
Less: Non-operating expenses	5.6	63.0	26.2
Total profit	3,281.8	3,596.2	3,931.0
Less: Income tax expenses	679.1	554.1	775.0
Net profit	2,602.7	3,042.0	3,156.1
Net profit attributable to owners of the parent	2,206.0	2,888.9	2,744.7
Net profit attributable to minority interests	396.7	153.2	411.4
Net other comprehensive income	(563.3)	392.8	561.5
Total comprehensive income	2,061.0	3,623.2	4,132.6
Total comprehensive income attributable to owners of the Company	1,642.7	3,281.7	3,306.2
Total comprehensive income attributable to minority interests	418.2	341.5	826.4

Consolidated balance sheet

	As at 31 December 2018[1]	As at 1 January 2019	As at 31 December 2019	As at 1 January 2020	As at 31 December 2020
			(RMB in millions)		
			(audited)		
		(restated)		*(restated)*	
Current Assets					
Cash and bank balances	23,781.2	23,781.2	14,881.7	15,476.5	20,196.2
Tradable Financial assets	65.7	877.2	262.9	262.9	185.0
Financial assets measured at FVTPL	—	—	—	—	7,038.4
Derivative financial assets	32.6	32.6	119.1	119.1	—
Notes receivable and accounts receivable	2,136.4	2,137.1	2,330.5	1763.6	2,066.4
Prepayments	1,153.1	1,153.1	749.7	786.8	893.1
Other receivables	10,416.3	10,415.1	9,186.4	9,098.7	15,683.9
Inventories	43,056.2	43,056.2	58,739.2	58,789.6	54,822.6
Contract assets	104.1	104.1	348.0	716.1	649.6
Non-current assets due within one year	4,684.7	4,937.3	4,880.9	4,880.9	5,526.8
Other current assets	18,969.9	17,900.3	22,148.0	21,749.3	14,146.7
Total Current Asset	104,400.1	104,394.0	113,646.5	113,643.7	121,208.8
Non-current Assets					
Available-for-sale financial assets	37,477.5	37,477.2	44,505.1	44,382.1	50,874.9
Debt Investment	NA	196.7	313.6	313.6	276.6
Held-to-maturity investments	107.3	107.3	109.5	109.5	—
Long-term receivables	6,664.3	6,664.3	6,220.9	6,220.9	5,586.4
Long-term equity investments	17,260.1	17,260.1	19,957.9	20,285.9	27,689.4
Other equity instrument investment	NA	0.3	2.3	2.3	0.3
Investment properties	674.4	674.4	968.1	1,101.2	3,923.0
Fixed assets	146,904.5	146,904.5	147,289.5	147,818.4	148,000.2
Construction in progress	237,935.9	237,935.9	277,020.4	277,185.5	303,616.6
Right of use Assets	—	—	16.8	16.8	19.3
Intangible assets	1,376.1	1,376.1	1,707.3	13,584.6	14,146.0
Development expenditure	74.8	74.8	160.7	160.7	388.7
Goodwill	426.1	426.1	929.7	929.7	928.8
Long-term prepaid expenses	49.8	49.8	77.2	79.4	78.2
Deferred tax assets	796.3	797.4	1,119.0	1,119.0	1,863.3
Other non-current assets	4,241.5	4,041.6	7,120.3	8,087.8	28,824.7
Total Non-current Assets	453,988.5	453,986.4	507,518.2	521,397.5	586,216.5
Total Assets	558,388.6	558,380.5	621,164.7	635,041.2	707,425.3
Current Liabilities					
Short-term borrowings	4,085.6	4,085.6	1,498.6	1.498.6	1,753.2
Notes payable and accounts payable	6,602.9	6,622.1	8,756.3	11,275.0	19,419.4
Receipts in advance	2,869.9	2,814.5	5,142.7	1,475.7	1965.4
Contract liability	57.9	57.9	23.3	3,435.7	6,988.1
Employee benefits payable	537.3	536.1	580.7	626.7	702.4
Taxes and levies payable	2,046.7	3,542.7	1,675.5	1,711.7	2,334.0
Other payable	6,517.5	6,517.5	8,700.6	8,667.9	8,348.8
Non-current liabilities due within one year	32,086.0	32,086.0	22,229.9	22,229.9	14,296.1
Other current liabilities	6,003.8	6,003.8	6,002.7	6,261.2	622.8
Total Current Liabilities	60,807.6	62,266.2	54,610.5	57,182.2	56,430.1

	As at 31 December 2018[1]	As at 1 January 2019	As at 31 December 2019	As at 1 January 2020	As at 31 December 2020
			(RMB in millions)		
			(audited)		
		(restated)		*(restated)*	
Non-current Liabilities					
Long-term borrowings	193,146.5	193,146.5	219,327.4	224,888.8	253,591.6
Bonds payable	36,051.6	36,051.6	42,430.1	42,430.1	55,864.9
Lease liabilities	—	—	10.3	10.3	12.5
Long-term payables	31,821.6	31,821.6	48,411.0	48,411.6	63,125.5
Provisions	39.8	39.8	41.8	41.8	41.3
Deferred income	25,993.2	25,993.2	21,496.6	21,667.2	24,990.6
Deferred tax liabilities	632.4	632.4	774.1	774.1	1,115.7
Other non-current liabilities	980.3	980.3	904.8	1,001.8	836.8
Total Non-current Liabilities	288,665.3	288,665.3	333,396.2	339,225.9	399,579.0
Total Liabilities	349,472.9	350,931.5	388,006.7	396,408.2	456,009.2
Owners' equity					
Paid-in capital (share capital)	145,290.5	145,290.5	164,206.6	164,206.6	173,159.5
State-owned capital	145,290.5	145,290.5	164,206.6	164,206.6	173,159.5
Other equity instruments	11,000.0	11,000.0	16,000.0	16,000.0	23,500.0
Capital reserves	15,329.5	15,329.5	15,261.8	15,563.0	15,727.1
Other comprehensive income	(342.4)	(342.4)	50.2	50.4	611.9
Surplus reserves	1,242.2	1,242.2	1,629.1	1,629.1	1,860.1
Including: Statutory surplus reserves	1,242.2	1,242.2	1,629.1	1,629.1	1,860.1
Unappropriated profits	10,540.8	9,070.4	10,177.6	10,482.9	12,237.1
Total Owners' Equity Attributable to the Company	183,060.6	181,590.2	207,325.2	207,932.0	227,095.6
Minority interests	25,855.1	25,858.8	25,832.8	30,700.9	24,320.5
Total Owners' Equity	208,915.7	207,449.0	233,158.0	238,633.0	251,416.1
Total Liabilities and Owners' Equity	558,388.6	558,380.5	621,164.7	635,041.2	707,425.3

Certain line items are shown as "NA" as they are not applicable before the issuance of the MOF 2019 Circulars.

SELECTED FINANCIAL INFORMATION OF BII HONG KONG

The summary consolidated financial information of BII Hong Kong as at and for the years ended 31 December 2020, as set forth below, has been derived from BII Hong Kong's 2020 Consolidated Financial Statements, which has been audited by Baker Tilly, its current independent auditor as reported in BII Hong Kong's audited report dated 26 March 2021, and which are included elsewhere in this Offering Circular. BII Hong Kong's 2020 Consolidated Financial Statements have been prepared and presented in accordance with PRC GAAP. The summary consolidated financial statements as set forth below should be read in conjunction with the relevant consolidated financial statements of BII Hong Kong and the notes thereto included elsewhere in this Offering Circular.

The summary consolidated financial information of BII Hong Kong as at and for the years ended 31 December 2019, as set forth below, has been derived from BII Hong Kong's 2019 Consolidated Financial Statements, which has been audited by Baker Tilly, its current independent auditor as reported in BII Hong Kong's audited report dated 27 March 2020, and which are included elsewhere in this Offering Circular. BII Hong Kong's 2019 Consolidated Financial Statements have been prepared and presented in accordance with PRC GAAP. The summary consolidated financial statements as set forth below should be read in conjunction with the relevant consolidated financial statements of BII Hong Kong and the notes thereto included elsewhere in this Offering Circular.

Certain financial information of BII Hong Kong as at and for the year ended 31 December 2018 was reclassified in BII Hong Kong's consolidated financial statements as at and for the year ended 31 December 2019, in accordance with the new accounting standards and requirements set out in the MOF 2019 Circulars. As a result, the presentation of certain accounting items in BII Hong Kong's consolidated financial statements prior to 2019, including those as at and for the year ended 31 December 2018 may not be comparable to that for the year ended 31 December 2019. As such, the audited consolidated financial statements of BII Hong Kong as at and for the year ended 31 December 2018 are not included in and do not form part of this Offering Circular.

Historical results of BII Hong Kong are not necessarily indicative of results that may be achieved for any future period.

BII Hong Kong has not prepared its consolidated financial statements as at and for the year ended 31 December 2019 and 2020 in accordance with IFRS. As advised by Baker Tilly, there are no material differences between PRC GAAP and IFRS with respect to the determination of BII Hong Kong's financial position.

Selected Financial Information

Consolidated Income Statement

	For the year ended 31 December		
	2018	**2019**	**2020**
	(RMB in millions) *(audited)*		
Total operating income	786.2	1,053.7	1,377.5
Total operating costs	851.0	1,322.8	1,169.2
Including: Operating costs	585.2	671.7	823.2
Business taxes and levies	3.2	6.7	7.7
Selling expenses	9.9	64.4	71.0
Administrative expenses	78.6	123.8	143.0
Research and development expenses	30.3	104.2	120.2
Financial expenses	143.8	352.0	4.2
Impairment losses of assets	(7.8)	(301.4)	(381.0)
Impairment losses of credits	(0.2)	(19.9)	16.1
Add: Other income	4.7	23.7	23.7
Investment income	228.2	258.3	198.5
Including: Income from investments in associates and joint ventures	62.0	77.4	(2.9)
Gains from changes in fair values	(7.9)	78.7	(23.0)
Gains on disposal of non-current assets (Losses are indicated by "-")	0.4	(0.1)	—
Operating profit	152.5	(229.7)	10.5
Add: Non-operating income	1.6	4.4	1.7
Less: Non-operating expenses	0.1	9.4	1.2
Total profit	154.0	(234.7)	11.0
Less: Income tax expenses	23.9	7.8	70.2
Net profit	130.1	(242.6)	(59.1)
Net profit attributable to owners of the parent	72.1	(293.1)	(139.9)
Net profit attributable to minority interests	58.0	50.5	80.7
Net other comprehensive income	(263.8)	365.7	222.9
Total comprehensive income	(108.1)	122.4	159.2
Total comprehensive income attributable to owners of the Company	(191.7)	72.6	83.0
Total comprehensive income attributable to minority interests	83.6	49.8	76.1

Consolidated balance sheet

	As at 31 December		
	2018	**2019**	**2020**
	(RMB in millions) *(audited)*		
Current Assets			
Cash and bank balances	5,161.5	3,647.1	1,130.9
Tradable financial assets	65.7	152.0	185.0
Derivative financial assets	32.6	119.1	—
Notes receivable and accounts receivable	235.0	421.9	526.2
Prepayments	21.3	42.1	27.7
Other receivables	7,712.7	4,317.3	4,015.0
Inventories	69.2	450.1	345.7
Contract assets	118.7	380.5	437.9
Non-current assets due within one year	—	—	—
Other current assets	—	17.9	3.2
Total Current Assets	13,416.6	9,548.0	6,671.6
Non-current Assets			
Available-for-sale financial assets	4,347.9	3,950.4	3,383.8
Held-to-maturity investments	—	—	—
Long-term receivables	—	—	—
Long-term equity investments	1,372.2	1,417.3	1,497.1
Other equity instrument investment	—	2.0	—
Fixed assets	83.0	126.1	130.9
Construction in progress	11.0	12.0	7.8
Right of use Assets	—	16.8	19.3
Intangible assets	88.9	204.9	199.5
Goodwill	—	503.6	502.7
Long-term prepaid expenses	0.2	1.3	3.1
Deferred tax assets	16.4	31.4	35.6
Other non-current assets	167.6	—	—
Total Non-current Assets	6,087.0	6,265.8	5,762.1
Total Assets	19,503.7	15,813.8	12,433.7
Current Liabilities			
Short-term borrowings	987.6	53.6	60.1
Notes payable and accounts payable	284.3	609.2	617.6
Receipts in advance	—	—	—
Contract liabilities	57.9	28.3	50.3
Employee benefits payable	19.0	48.0	70.7
Taxes and levies payable	42.5	35.7	44.4
Other payable	165.5	133.6	33.6
Non-current liabilities due within one year	8,817.8	7,326.5	3,160.4
Other current liabilities	—	—	7.2
Total Current Liabilities	10,374.5	8,235.0	4,044.3

	As at 31 December		
	2018	2019	2020
	(RMB in millions) *(audited)*		
Non-current Liabilities			
Long-term borrowings	—	—	—
Lease liabilities	—	10.3	12.5
Long-term payables	—	178.7	15.4
Estimated liabilities	—	2.0	1.6
Deferred Income	—	4.2	4.6
Bonds payable	8,219.8	6,306.6	7,142.3
Deferred tax liabilities	15.8	47.0	44.6
Other non-current liabilities	—	—	—
Total Non-current Liabilities	8,235.5	6,548.9	7,221.1
Total Liabilities	18,610.1	14,783.9	11,265.4
Owners' equity			
Paid-in capital (share capital) (RMB in yuan)	106.4	106.4	106.4
Including: State-owned capital (RMB in yuan)	106.4	106.4	106.4
Capital reserves	486.7	476.1	476.3
Other comprehensive income	(503.8)	(138.2)	84.8
Surplus reserves	8.8	8.8	8.8
Including: Statutory surplus reserves	8.8	8.8	8.8
Unappropriated profits	24.7	(268.4)	(408.2)
Retained earnings	—	—	—
Total Owners' Equity Attributable to the Company	16.4	78.4	161.7
Minority interests	877.2	951.5	1,006.6
Total Owners' Equity	893.6	1,030.0	1,168.3
Total Liabilities and Owners' Equity	19,503.7	15,813.8	12,433.7

An investment in the Notes 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 Notes. The following describes some of the significant risks that could affect the Issuer, BII Hong Kong, the Company, the Group and the value of the Notes. Some risks may be unknown to the Issuer, BII Hong Kong, the Company and the Group and other risks, currently believed to be immaterial, could in fact be material. Any of these could materially and adversely affect the business, financial condition, results of operations and prospects of the Issuer, BII Hong Kong, the Company and the Group. The market price of the Notes could decline due to any of these risks, and investors may lose part or all of their investment. This Offering Circular also contains forward-looking statements that involve risks and uncertainties. The actual results of the Issuer, BII Hong Kong, the Company or 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 Company and the Group may be affected materially by requirements and restrictions that arise under PRC laws, regulations and government policies in nearly all aspects of its business in the PRC.

The risks described below are not the only risks that may affect the Group or the Notes. Additional risks and uncertainties of which the Group is not aware or that the Group currently believes are immaterial may also adversely affect the Group's businesses, financial condition and results of operations. If any of the possible events described below occur, the Group's businesses, financial condition and results of operations could be materially and adversely affected. In such case, the Group may not be able to satisfy its obligations under the Notes, and investors could lose all or part of their investment.

Risks relating to the Group's urban infrastructure investment, construction and operation business

The Group requires significant capital for its business and is exposed to the impact of changes in interest rates in respect of its borrowings. If the Group is unable to obtain additional capital on acceptable terms when needed, its growth prospects and future profitability may be adversely affected

The Group's urban infrastructure investment, construction and operation business is capital intensive. The Group requires significant capital resources to fund its new projects, to maintain, renew and replace its operating assets and infrastructure and to maintain and improve its operation efficiency. A significant amount of capital resources is also required for further growth in the scale of the Group's operations. And its expansion into new business areas and geographic markets may call for additional capital expenditure, further increasing its funding requirements.

In addition to government fiscal funds, the Group historically financed its working capital requirements and capital expenditure through a combination of internal cash flow from its operations and external financing through various channels, such as bank and other borrowings, equity financing and debt issuances. The Group's ability to obtain external financing in the future and the cost of such financing are subject to a variety of uncertainties, including:

- the condition of financial markets;
- potential changes in monetary policies that may impact on bank interest rates and lending policy;
- the Group's ability to obtain the PRC Government approvals required to access domestic or international financing; and
- the performance of the Group's operations.

If the Group is unable to obtain financing on a timely basis and at a reasonable cost, it may not be able to undertake new projects or implement them as planned. This would restrict the Group's ability to grow and, over time, may reduce the quality and reliability of the service the Group provides and adversely affect the Group's business, results of operations and financial condition.

The Group's results of operations and financial condition are, to some extent, subject to the continuous receipt of fiscal funds provided by the government and other favourable business policies promulgated by the Beijing Government

The Group has benefited from favourable business policies promulgated by the Beijing Government, including the fiscal funds granted by the Beijing Government in relation to the construction, replacement and upgrade of the Railway Lines and to compensate the Group's losses in operating the Beijing Subway. For the years ended 31 December 2018, 2019 and 2020, the amount of fiscal funds received by the Group from the Beijing Government amounted to RMB29.50 billion, RMB29.50 billion and RMB29.50 billion, respectively. A reduction or discontinuance of such government funds which is not offset by a revised fare scheme for the Beijing Subway may materially and adversely affect the Group's financial condition and results of operations. In addition, the Group also receives fiscal funds from the Beijing Government for the development of its urban infrastructure investment, construction and operation business. As the fiscal funds are generally paid in instalments, they may not be received in line with the Group's cashflow cycle or receipts may be delayed for reasons beyond the Group's control. As a result, the Group may need to seek alternative financing to fund its projects or expand its operations, which may materially increase the Group's financing costs. See also "*Description of the Group — Business Infrastructure Investment, Construction, Operation and Management — Mass Transit Railway — Investment and Financing Planning*".

The Group's urban infrastructure investment, construction and operation business is largely dependent on the level of the Beijing Government's spending on transportation and other infrastructure

The Group's urban infrastructure investment, construction and operation business largely depends on continued spending by the Beijing Government to expand the urban transit railway network and build railway lines and other public transportation infrastructure, including roads, tunnels, interchange facilities and certain other municipal works. Any significant reduction in the Beijing Government's public budgets relating to infrastructure, particularly the transportation infrastructure sector, could have a material adverse effect on the Group's urban infrastructure investment, construction and operation business.

Various factors affect the nature, scale, location and timing of the Beijing Government's public investment plans in the urban infrastructure sector in the city. These factors include the policies and priorities of both the state and the Beijing Government regarding different business sectors, deregulation to encourage private sector participation in the urban infrastructure sector and the general condition and prospects of the overall PRC and Beijing economy.

The growth of the Group's urban infrastructure investment, construction and operation business and increase in passenger flow depend, in part, on the government approval of the Group's new railway projects, the implementation of those projects and other factors that the Group may not be able to control

The growth of the Group's urban infrastructure investment, construction and operation business depends, in part, on whether the Group is able to obtain approval of its new railway projects from various relevant PRC Governmental authorities and whether it can implement such new railway projects in a timely and cost-effective manner in order to expand capacity and thereby accommodate more passengers and further facilitate the growth of the Group's other businesses, such as development and operation of land and property along the railway lines. The Group's plans for new railway projects are subject to a number of uncertainties, including:

- whether, and on what terms, including the location, length, funding plan and construction time, the new railway projects of the Group will be approved by the relevant PRC governmental authorities and, in particular, whether such terms will enable the Group to earn a commercial rate of return on its investment in new railway projects;

- whether there will be sufficient population in the catchment area for a new railway project and whether that catchment area is encouraged to use the mass transit railway system as a result of government planning of highways and bus routes; and

- whether the Group will be able to obtain adequate financing on acceptable terms to fund the required capital expenditure.

Although the Group is currently the sole investment and financing entity for the Beijing Subway, the Group cannot assure investors that new railway projects will be awarded to the Group on commercially viable terms or at all. In addition, although the Group has significant experience in the design and construction of railway projects and a track record in financing and completing projects, the Group cannot assure investors that new railway projects undertaken by it will be completed on time and/or within budget. Further, due to the fact that most transportation infrastructure projects, including the Group's railway projects, are funded by government agencies, these projects are sometimes subject to changes or postponement arising from factors such as changes in government budget, changes in policy considerations or changes of government in certain districts or regions. In addition, disputes with public bodies may last for considerably longer periods of time than for those that occur with private sector counterparties, and payments from public bodies may be delayed as a result.

Increases in the passenger flow will also be affected by macro-economic factors, such as population and employment growth and distribution and changes in demographics and economic conditions. In addition, increases in the passenger flow will be affected by the amount of road congestion and any expansion of the bus network. Furthermore, because of certain inherent capacity limitations and structural inflexibilities of mass transit railways, the Group may not be able to respond quickly to the increases in demand. For example, the Group may not be able to change its routes to cater for new passenger demand in areas in which it does not yet operate. New routes are limited by the planning of relevant PRC Governmental authorities and such routes may not be built quickly enough or cater to demand in newly developed areas. All these risks may have a material adverse effect on the Group's results of operations and financial position.

The Beijing Government can exert significant influence on the Group, and could cause the Group to make decisions or modify the scope of its activities, or impose new obligations on the Group, that may not be in the Group's best interest

The Company is a state-owned company and the Beijing Government is in a position to significantly influence the Group's major business decisions and strategies, including the scope of its activities, investment decisions and dividend policy. The Beijing Government may use its ability to influence the Group's business in a manner that may not be in the Group's best interest.

The Beijing Government may also change its policies, intention, preferences, views, expectations, projections, forecasts and opinions, as a result of changes in the economic, political and social environment, its projections of population and employment growth. Any amendment, modification or repeal could modify the existing regulatory regime and materially and adversely affect the Group's financial condition and results of operations.

The Group's ability to raise fares to cover the Group's operating costs could be limited

The Group relies on the Beijing Government to determine railway fares, by making a proposal to adjust railway fares, subject to the Beijing Government's approval. The Group currently adopts a distance-based fare system, except for the two airport lines. The fare starts at (i) RMB3 per person per ride for trips up to 6 kilometres in distance and (ii) RMB4 for trips between 6 to 12 kilometres in distance, with RMB1 added for (a) every 10 kilometres after the first 12 kilometres until the total distance reaches 32 kilometres, and (b) every 20 kilometres beyond the first 32 kilometres. There is no upper limit for the fare of a single-ride. Despite the heavy passenger flow on the Group's railway transit systems every day, the revenue from ticket sales is historically unable to recover the operating costs of railways due to the low ticket price. The Group's ability to raise fares is subject to the Beijing Government's approval, which takes into consideration factors such as changes in market conditions, trends in the usage of public transportation and other factors to compensate for increases in operating, financing and other costs which are limited by the Beijing Government's policies on railway fares, competitive dynamics in the mass transit industry and commuter preferences.

The Group is exposed to risks in connection with contracting with public bodies

The Group is exposed to risks in connection with contracting with public bodies. Due to the fact that most of the transportation infrastructure projects are funded by government agencies, these projects are sometimes subject to changes or postponements arising from factors such as changes in government budget and changes in policy considerations. In addition, disputes with public bodies may last for considerably longer periods of time than those that occur with private sector counterparties, and payments from public bodies may be delayed as a result. All these risks may have an adverse effect on the Group's financial position and results of operations.

Competition in Beijing from other forms of public and private transportation may adversely affect the Group

As a developer and operator of the mass transit railway network in Beijing, the Group competes with other forms of public and private transportation available in the city, principally buses, taxis and private vehicles. The speed, reliability and comfort offered by the Beijing Subway may become less competitive than other forms of transportation as a result of:

- the general improvement in bus services, including wider use of air-conditioning on buses;
- the expanding bus network;
- the opening of new highways and expressways thus resulting in an overall improvement in road traffic conditions; and
- the increased ownership and usage of private vehicles.

Private vehicles and other forms of public transportation may cover more routes throughout Beijing and its vicinities and provide commuters with alternative access or more comfortable and convenient transportation services. There is no assurance that the Group will be able to compete with existing and new forms of transportation in respect of each of these factors, or at all. As a result, the Group expects increased competition from such public and private transportation providers, which may adversely affect the Group.

Accidents, natural disasters and security incidents could lead to reputation damage, decreased revenues and increased expenditure and reduce the Group's operating flexibility

The Group's operations of the Beijing Subway could be affected by accidents, power outages, fires, natural disasters, terrorist attacks and security incidents resulting in major equipment and power failures, collisions, derailments and security concerns, which in turn will interrupt or prevent the operation of the mass transit railway and lead to:

- decreased revenues;
- increased expenditure;
- prolonged interruptions in, or reductions of, railway operations;
- a prolonged payback period for railway line construction projects;
- a reduction in the Group's operating flexibility;
- increased liabilities for the Group; and
- pressure for greater regulation.

In addition, some of the Railway Lines in Beijing are operated without separation screens between platforms and tracks, which effectively prevent passengers and their belongings from falling onto the railway tracks, as most new railway lines have adopted. There is no assurance that the Group will not be subject to legal action arising from damage due to the safety of its facilities and equipment in operation, which may materially and adversely affect the Group's reputation, business, results of operation and financial condition.

The Group's urban infrastructure investment, construction and operation business may encounter accidents without adequate insurance coverage

As the Group typically outsources railway construction to Beijing Railway Transportation Construction Management Co., Ltd. ("**Beijing Railway Construction**"), an independent third party, the Group does not maintain insurance related to the construction of railway lines. Beijing Railway Construction maintains insurance in relation to the operation of the Railway Lines to an extent it believes is in line with customary practice in the PRC. Incidents or accidents may arise due to faulty railway lines during the construction process or as a result of malfunction during operation of the Railway Lines. There is no assurance that such insurance will be sufficient to cover losses or that such insurance will continue to be available in the future on the same terms. Should a major incident, accident or catastrophic event occur in relation to which the Group has no insurance cover or inadequate insurance cover, the Group could lose the capital invested in, and anticipated future revenues relating to, any property that is damaged or destroyed and, in certain cases, it may remain liable for financial obligations related to the affected property. Any of these occurrences could have a material adverse effect on the Group's financial position and performance.

Any future outbreak of mass communicable diseases like Severe Acute Respiratory Syndrome, avian influenza, swine influenza, COVID-19 or other new or contagious diseases may materially and adversely affect the Group's business and operations, as well as its financial condition and results of operations

The PRC has experienced a number of new or contagious diseases. The outbreak of any severe contagious disease such as Severe Acute Respiratory Syndrome, H5N1 avian flu, the human swine flu, also known as Influenza A (H1N1), Ebola virus disease, Middle East Respiratory Syndrome, also known as MERS, or Coronavirus Disease 2019 ("**COVID-19**") could potentially disrupt the Group's operations, and the Group's markets are identified as a possible source of spreading the contagious

disease infection. The Group may also suffer a temporary suspension of operations. Any quarantine or closure of the Group's offices or suspension of operations at any one of the Railway Lines or the sickness or death of the Group's key officers and employees is likely to materially and adversely affect the business, financial condition and results of operations of the Group.

There can be no assurance that any such virus or disease will not mutate, thereby causing a human pandemic in the PRC and nearby territories. The Group cannot assure investors that there will not be any future outbreak of new or contagious diseases for which there may be no known cure or vaccine. Any future outbreak of new or contagious diseases may cause the passenger flow of the railway to materially decrease. Furthermore, the Group's ability to adequately staff and maintain its operations may be significantly disrupted in such circumstances. In addition, any future outbreak of new or contagious diseases may severely restrict the general level of economic activity in Beijing and places where the Group operates its business, which may also adversely affect the Group's business and prospects. In particular, since the beginning of 2020, the outbreak of COVID-19 has caused substantial disruptions to economic activities and travel restrictions around the world, including in China. In particular, travelling and commuting of Beijing residents and travellers to Beijing decreased in early 2020, which has adversely influenced the Group's business operations. While the situation of COVID-19 has improved in China recently, there has been re-emergence of local, regional outbreak in China and the COVID-19 pandemic continues to affect many countries globally. It is uncertain as to when the pandemic will end and whether governments will extend or implement further travel restrictions or other restrictive measures to contain the COVID-19 pandemic. As a result, the Group cannot assure investors that any future outbreak of new or contagious diseases would not have a material adverse effect on the Group's financial condition and performance.

The Group's urban infrastructure investment, construction and operation business may be materially adversely affected if the Group fails to maintain risk management and internal control systems or these systems prove to be ineffective or inadequate

The Group operates the Beijing Rail Transit Command Centre (the "**Command Centre**"), which serves as the centralised command and management centre for the transport network operation. The Command Centre allows the Group to manage risk and implement internal control systems and procedures. Certain areas within the Group's risk management and internal control systems may require constant monitoring, maintenance and continual improvements by the Group's senior management and staff. The Group's business and prospects may be materially adversely affected if the Group's efforts to maintain these systems prove to be ineffective or inadequate. Deficiencies in the Group's risk management and internal control systems and procedures may adversely affect the Group's ability to record, process, summarise and report financial and other data in an accurate and timely manner, as well as adversely impact the Group's ability to identify any reporting errors and non-compliance with rules and regulations.

The Group's internal control system may contain inherent limitations caused by employee errors or fault. As a result, there is no assurance that the Group's risk management and internal control systems are adequate or effective, notwithstanding the Group's efforts, and any failure to address any internal control matters and other deficiencies could result in investigations and disciplinary actions or even prosecution being initiated against the Group or its employees, disruption to the Group's risk management system, and a material adverse effect on the Group's financial condition and results of operations.

The Group is required to comply with various environmental, safety and health laws and regulations which may be onerous or expensive to comply with

The Group is required to comply with various environmental, as well as safety and health, laws and regulations promulgated by the PRC Government. If the Group fails to comply with these laws and regulations, it could be exposed to penalties, fines, suspension or revocation of its licences or permits to conduct business, administrative proceedings and litigation. Given the magnitude and complexity

of these laws and regulations, compliance with them or the establishment of effective monitoring systems may be onerous or require a significant amount of financial and other resources. As these laws and regulations continue to evolve, there can be no assurance that the PRC Government or the governments of other overseas jurisdictions in which the Group has operations will not impose additional or more onerous laws or regulations, compliance with which may cause the Group to incur significantly increased costs, which the Group may not be able to pass on to its customers.

Risks relating to the Group's development and operation of land and property business along the railway lines

The Group's development and operation of land and property business along the railway lines is subject to fluctuations in the PRC property market as well as to general risks relating to the ownership and management of property

The Group's development and operation of land and property business along the railway lines has in recent years been an important source of revenue and net profit to the Group. Most of the Group's completed properties and properties under development are located in Beijing in the form of primary land development, subway complex development and station integration development. Economic developments in Beijing, the PRC and internationally, such as a recurrence of the previous global credit and liquidity crisis, efforts by the government of the PRC to control inflation in the PRC, interest rate movements in the United States, the sovereign debt crisis in Europe, the withdrawal of the United Kingdom from the European Union, U.S. — China trade war (since July 2018, the U.S. has imposed certain duties on certain Chinese goods, which have in turn met with retaliatory tariffs on U.S. goods imposed by the PRC; although the two countries reached a "Phase One" trade agreement in January 2020, trade dispute is still likely to recur in the future), and the global economic distress as a result of the outbreak of COVID-19 which could adversely affect global credit markets and, on a more immediate scale, the property market in the PRC. The Group is also exposed to general risks inherent in property development, including that construction may not be completed on schedule or within budget, that development may be affected by governmental regulations, that there may be delays in timing as a result of change in the parameters regarding government land grants, that developed properties may not be leased or sold on profitable terms and that purchasers may default. The terms on which property developers are prepared to bid for development packages will also be affected by the state of the property market at the time of tender. In the event that there is a downturn in the property market in the PRC, the targeted revenue from property development could be significantly reduced. The Group's development and operation of land and property business along the railway lines in the PRC could also be adversely affected by the PRC Government's land policy and property market control measures.

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

Property development projects require substantial capital expenditure prior to and during the construction period. A few years may elapse before a project generates positive cash flows through pre-sales or sales. The timing and costs involved in completing a development project can be adversely affected by many factors, including:

- delays in obtaining licences, permits or approvals as required by government authorities;
- changes in government policies or in applicable laws or regulations;
- delays in or increased costs of relocation of existing site occupants or demolition of existing structures;
- shortages of materials, equipment, contractors and skilled labour;
- labour disputes;

- construction accidents;
- disputes with or delays caused by the Group's contractors or sub-contractors;
- delays in the construction of supporting infrastructure or completing land clearing work by the local government authorities;
- difficulties with obtaining adequate financing or funds on terms acceptable to the Group;
- adverse weather conditions and natural disasters, including earthquakes, ice storms and other natural hazards;
- changes in market conditions;
- unforeseen engineering, design, environmental, structural or geographic problems;
- discovery of historic and cultural relics in the construction site; and
- widespread diseases or epidemics, including Severe Acute Respiratory Syndrome, H5N1 avian flu, H1N1 flu, Ebola virus disease, COVID-19 and other diseases.

Construction delays or failure to complete the construction of a project according to its planned specifications, schedule or budget as a result of the above factors may result in increased costs, harm to the Group's reputation, loss of or delay in recognising revenues and lower returns. In addition, if the Group fails to complete a property that the Group has pre-sold by the agreed delivery time, the Group will typically be liable to the purchasers for their losses and such purchasers may seek compensation for late delivery pursuant to the pre-sale contracts or PRC laws and regulations. If the delay in completion extends beyond a specified period, the Group's purchasers may terminate their pre-sale contracts and claim for damages.

In addition, under PRC laws and regulations, if a property developer fails to develop land according to the terms of the land use rights grant contract (including those relating to the payment of fees, designated use of land, amount of GFA developed, time for commencement and completion or suspension of the development, and amount of capital invested), the relevant government authorities may issue a warning to or impose a penalty on the developer or cancel the relevant land-use rights. If the Group fails to obtain any land-use right for any project or its land-use rights do not comply with applicable PRC laws, it may be subject to fines and other penalties including the cancellation of land-use rights.

The Group cannot provide assurance that it will not experience any significant delays in completion or delivery in the future or that it will not be subject to any liabilities for any such delays. Any of these may disrupt the Group's project schedules and result in violation of the applicable land regulations or a breach of the relevant land grant contracts, which could materially and adversely affect the Group's business, prospects, financial condition and results of operations and subject the Group to various penalties, including forfeiture of land.

Moreover, further regulatory changes, competition, inability to procure governmental approvals or required changes in project development practice could occur at any stage of the planning and development process. The Group may not be able to complete projects that it is currently developing or plans to develop and the Group may find itself liable to purchasers of the pre-sold units for losses suffered by them.

PRC Government policies, regulations and measures intended to curb property speculation may have a negative impact on the business or financial position of the Group. Furthermore, the PRC Government may in the future adopt other measures to cool the price hikes in the property development sector

The Group is involved in the property development business and is subject to extensive government regulations in virtually every aspect of such operations and is highly susceptible to changes in regulatory measures and policy initiatives implemented by the PRC Government. In the past, the PRC Government has introduced an array of policies and measures intended to curtail the overheating of property development and discourage speculation in the residential property market. These measures include, among others, the following:

- On 25 March 2015, the Ministry of Land and Resources of the People's Republic of China ("**MLR**") and the Ministry of Housing and Urban-Rural Development of the People's Republic of China ("**MOHURD**") issued the Notice on Optimising the Housing and Land Supply Structure in 2015 and Promoting Stable and Sound Development of Real Estate Market (《關於優化2015年住房及用地供應結構促進房地產市場平穩健康發展的通知》), pursuant to which if the real estate enterprises have conducted serious illegal or irregular activities in the land development and transaction, the competent authorities of land and resources have the power to restrict or forbid the real estate enterprises from participating in new land bidding activities;

- On 14 April 2016, the MLR issued the Notice on Further Improving New Urbanization Construction Land Service (《關於進一步做好新型城鎮化建設土地服務保障工作的通知》) which urges improvement of policy for the supply of housing land. The Notice stipulated that the reduction of unsold home inventory and the acceleration of citizenisation of migrant workers shall be comprehensively considered. In those cities under great pressure of unsold home inventory, the land supply for commercial housing shall be restricted or terminated; and

- The MLR and the MOHURD issued the Circular on Tightening the Management and Control over Intermediate Residential Properties and Land Supply (《關於加強近期住房及用地供應管理和調控有關工作的通知》) on 1 April 2017 urging reasonable arrangement for the supply of housing land, including reasonable increase of land supply in cities under great pressure of housing prices. The Circular required, among others, reasonable arrangements for the supply of housing land. Local authorities are required to adjust the scale, structure and time sequence of housing land supply according to land inventory cycle and to build a land purchase money inspection system to ensure that the real estate developers use their own legal funds to purchase land. If any source of funding does not meet the requirements, the real estate developer shall be disqualified from land bidding and be prohibited from participating in land bidding, auction and listing for a certain period of time.

On 26 February 2013, the executive meeting of the State Council of the PRC released five measures to tighten regulation of the property market (the "**Five National Measures**"), and has further released the Notice of the State Council on Further Improving Regulation of the Property Market (Guo Ban Fa (2013)) No. 17 (國務院辦公廳關於繼續做好房地產市場調控工作的通知) which further tightened the relevant property market regulations. The Five National Measures provide that the municipalities, provincial capitals and cities which have already implemented purchase restrictions in accordance with the Circular of the General Office of the State Council on Issues concerning Further Works of Regulation and 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的有關問題的通知) dated 26 January 2011 should continue to enforce such purchase restrictions. Such restrictions apply to first-or second-hand commodity residential properties in all administrative districts of a particular city and require examination of potential purchasers' qualifications to purchase to be carried out prior to the signing of any purchase agreement. In addition, a non-local residential family that owns one or more houses and a non-local residential family that cannot provide evidence of the payment of local taxes or social insurance for a required period shall continue to be barred from purchasing any other commercial residential houses.

In recent years, the People's Bank of China has adjusted the one-year lending rate several times, which has a direct impact on the viability of mortgage financing and therefore indirectly affects sales of property units.

On 30 September 2016, the Beijing Municipal Government promulgated Certain Measures on Enhancement of Stable and Healthy Growth of Property Market (關於促進本市房地產市場平穩健康發展的若干措施) to impose limitations on the supply side of the property market in Beijing. These include measures on setting target proportion of property development in terms of flat size, including pricing restriction as a bid condition in future land auctions, and refusing to issue pre-sale approval certificates to properties with significantly higher selling prices than other nearby properties or the earlier phases of the same property development project.

On 13 February 2017, the Asset Management Association of China issued the Administrative Rules for the Filing of Private Equity and Asset Management Plans by Securities and Futures Institutions No. 4 — Investment in Real Estate Developers and Projects by Private Equity and Asset Management Plans ("**Rule 4**"). Rule 4 provides that the Asset Management Association of China will temporarily suspend accepting any private equity and asset management plan which makes a direct or indirect investment in any ordinary residential property project located in specified cities where the property prices are considered to have risen too fast, including Beijing, Shanghai, Guangzhou, Shenzhen and Xiamen. In addition, a private equity and asset management plan shall not be used to finance any real estate developer, whether in the form of bank entrusted loans, trust plans or transfers of beneficial interests in assets, for the purpose of acquiring land use rights or supplementing working capital, or be used to directly or indirectly facilitate any illegal margin loans for down payments.

There can be no assurance that these restrictive government policies and measures will not adversely affect the results of operations of the Group. In addition, there can be no assurance that the PRC Government will not introduce further policies or measures to cool the property market in the PRC.

These existing policies and measures and any future policies and measures, or even rumours or threats of any new restrictive policies and measures, could adversely affect the Group's business, cash flows, results of operations and financial condition, for example, by limiting the Group's access to capital, reducing consumer demand for the Group's properties and increasing its operating costs. They may also lead to changes in market conditions, including price instability and an imbalance of supply and demand in respect of office, residential, retail, entertainment and cultural properties, which may have a material adverse effect on the Group's business, financial condition and results of operations.

The Group faces competition from other real estate developers

In recent years, a large number of property developers in the PRC, and a number of leading Hong Kong property developers and other overseas developers, have begun undertaking property development and investment projects primarily in the first-and second-tier cities of the PRC. Some of these developers may have better track records and greater financial, land and other resources, better brand recognition and greater economies of scale than the Group. In the past, the PRC Government has introduced various policies and measures in order to limit the growth and to prevent the overheating of the property development sector, which has led to decreased land supply and further increased competition for land amongst property developers.

Competition among property developers may result in an increase in land acquisition costs, an increase in construction costs, an oversupply of properties, a decrease in property prices in certain parts of the PRC or an inability to sell such properties, a slowdown in the rate at which new property developments are approved or reviewed by the relevant PRC Government authorities and an increase in administrative costs for hiring or retaining qualified personnel, any of which may adversely affect the Group's business, financial position and results of operations. Further, if the Group cannot respond to changes in market conditions in the markets in which it operates more effectively than its competitors, the Group's reputation, business, financial position and results of operations may be adversely affected.

Although the Group's property development business focuses on primary land development, subway complex development and station integration development, which differentiates the Group from other property developers, the Group cannot guarantee that it will not face intense competition from other real estate developers.

The Group's development and operation of land and property business along the railway lines is subject to rising costs of labour and materials, which it may not be able to pass on to construction contractors or to purchasers

Construction and development costs account for the majority of the Group's cost of sales in the development and operation of land and property business along the railway lines and are one of the significant factors affecting the Group's financial condition and results of operations. As a result of historical economic growth and boom in the property industry in the PRC, wages for construction workers and the price of construction materials and building equipment have substantially increased in recent years. Under the terms of most of the Group's construction contracts, contractors may adjust contract prices to cover increases in wages and the cost of construction materials. The Group may agree to bear a greater share of the material costs substantially increased after relevant contract is signed other than required in the contract, in order to maintain a good relationship with its contractors. The Group is also exposed to the price volatility of labour and construction materials to the extent that it periodically enters into new construction contracts or renews existing construction contracts on different terms during the life of a project, which may span several years, or, if it chooses, hires construction workers directly or purchases construction materials directly from suppliers. Furthermore, the Group is unable to pass increased costs on to pre-sale purchasers when construction costs increase subsequent to the date of the pre-sale contract. If the Group is unable to pass on any increase in the cost of labour, construction materials or building equipment to either its construction contractors or the purchasers of its properties, the Group's business, prospects, financial condition and results of operations may be materially and adversely affected.

The Group's results of operations and operating cash flow from the development and operation of land and property business along the railway lines may vary significantly from period to period

The Group's results of operations and operating cash flow may vary significantly from period to period, due to a number of factors, including the timing of the Group's property development projects, the timing of the sale of properties that the Group has developed, the Group's revenue recognition policies and any volatility in expenses, such as raw material costs. The overall schedules for the Group's property development and the number of properties that the Group can develop or complete during any particular period are limited as a result of the substantial capital required for the acquisition of land, demolition and resettlement and construction.

The sale of properties that the Group develops is subject to general market and economic conditions in the areas where the Group conducts its business and the level of acceptance of the Group's properties by prospective customers. The Group recognises revenue upon the completion and delivery of the properties to purchasers, which may typically take up to two years after the commencement of pre-sales. Therefore, in periods in which the Group pre-sells a large aggregate GFA, the Group may not generate a correspondingly high level of revenue if the properties pre-sold are not delivered within the same period.

In addition, the Group's business depends on obtaining adequate supplies of raw materials for construction and development and operation of land and property business along the railway lines and is subject to fluctuation in the market prices of raw materials. The prices that the Group pays for raw materials may increase due to increased industry demand, inflation, higher fuel and transportation costs and other factors. The Group may continue to experience significant fluctuations in revenue and operating cash flow from period to period. The Group therefore believes that period-to-period comparisons of the Group's operating results may not be as meaningful as they would be for a company with more stable recurring revenue.

Risks relating to the Group's investment and capital operation business

The Group may fail to realise any profits from investments in relatively high-risk, illiquid securities for a considerable period of time or lose some or all of the capital invested

The Group's equity investment business holds investments in the securities of both privately held and publicly traded companies, which involve significant risks. If the Group's investments do not generate revenue, profit or cash flow in time or at anticipated levels, the results of operations and financial conditions of its investment companies may be materially and adversely affected. Some of the Group's investments are made in privately held companies by purchasing a portion of their equity securities. The Group holds these securities mainly for investment purposes and its principal means of realising investment returns are through privately negotiated sales or through initial public offerings of the invested companies. Generally, it takes considerable time before the Group can sell any such investment and in many cases involves substantial efforts and resources to improve the management and business of a company the Group invested in with a view to enhancing the value of its investment. Further, in many cases, the Group may be prohibited by contract or by applicable securities laws from selling such securities for a period of time.

The Group also invests in publicly traded securities from time to time. Its ability to dispose of these investments is heavily dependent on the performance of the securities market, and other factors that may affect a traded company's financial performance. Market prices of publicly traded securities tend to be volatile and subject to significant fluctuations. If the market price of the securities the Group holds declines significantly, the Group may be unable to sell any such securities at a favourable price, if at all, and may lose all or a portion of its investment amount. General volatility in mark-to-market movements may result in a decrease of the unrealised gains of investment assets, which in turn may have a material adverse effect on the Group's financial condition and results of operations. In the event of a severe downturn in the economy, the asset quality of the Group's investment portfolio may further deteriorate materially. In addition, holdings of a large number of securities can often only be disposed of over a substantial length of time, exposing the Group's investment returns to risks of downward movement in market prices during the intended disposal period. Accordingly, the Group may be forced to either sell the securities at lower prices or hold the securities for a considerable period of time, which could have a material adverse effect on the Group's equity investment business.

The Group may pursue strategic investments that could present unforeseen integration obstacles or costs and may not enhance the Group's business as the Group expects

The Group has in the past made strategic investments in new business sectors and geographic markets aimed at expanding and diversifying the scope and scale of the Group's businesses. Investments and other strategic initiatives involve a number of risks and present financial, managerial and operational challenges, including distraction of management, additional liabilities arising out of the investments, difficulty with integrating personnel and financial and other systems, hiring additional, or retaining existing, management and other critical personnel and increasing the scope, geographic diversity and complexity of the Group's operations.

The Group may not be able to realise any anticipated benefits or achieve the synergies it expects from these investments. The Group's strategic investments may include joint ventures and partnerships, in which case it may be subject to additional risks and uncertainties in that the Group may be dependent upon systems, controls and personnel that are not under its control; in addition, the Group may face additional risks and uncertainties arising out of the liability, losses or reputational damage relating to such systems, controls and personnel. Further, there is no assurance that the Group will be successful in expanding into new markets and businesses through its investments. Any of these factors could materially adversely affect the Group's equity investment business and its performance.

The Group's revenue is adversely affected by reductions in the revenue and profit of portfolio companies held under its equity investment business

The Group's revenue from its equity investment business primarily depends on cash from the disposal of investments held by it and its receipt of cash dividends from companies the Group invests in. The dividends paid to the Group are dependent on dividends and distributions from its portfolio companies. If the Group's portfolio companies fail to pay cash dividends to the Group, the Group's ability to receive cash dividends from its investments may be materially and adversely affected. Dividend policies of the Group's portfolio companies may vary significantly and change from time to time. Some portfolio companies may conclude that it is in the best interest of their shareholders to retain earnings, if any, for use in the operation and expansion of their businesses. The shareholders or the board of directors of a portfolio company (as the case may be) have the power to determine whether to pay dividends based on conditions then existing, including the company's earnings, financial condition and capital requirements, as well as economic and other conditions the shareholders or the board may deem relevant.

Further, the Group invests in portfolio companies that it does not control. The Group's ability to manage and monitor the operations of its portfolio companies derives primarily from its contractual rights under shareholders' agreements and shareholders' rights under the Company Law of the PRC and other relevant laws and regulations. The Group's inability to exercise control over these companies exposes it to inherent risks, and its interests and reputation may be adversely affected as a result of poor performance, deteriorating operating results and negative news concerning companies in which it invests.

Risks relating to the Group in general

The PRC Government and the Beijing Government have no legal obligations under the Notes, the Guarantees, the Keepwell and Liquidity Support Deed or the Deed of Equity Interest Purchase Undertaking

The PRC Government (including the Beijing Government) is not an obligor and shall under no circumstances have any obligation arising out of or in connection with the Notes, the Guarantees, the Keepwell and Liquidity Support Deed and the Deed of Equity Interest Purchase Undertaking in lieu of the Issuer, BII Hong Kong or the Company, as applicable. Noteholders shall have no recourse to the PRC Government (including the Beijing Government) in respect of any obligation arising out of or in connection with the Notes in lieu of the Issuer, BII Hong Kong or the Company, as applicable. This position has been reinforced by the Regulation on the Financing Activities Conducted by Financial Institutions for Local Governments and state-owned enterprises (財務部關於規範金融企業對地方政府和國有企業投融資行為有關問題的通知,財金[2018]23號) and the Circular of the National Development and Reform Commission and the Ministry of Finance on Improvement of Market Regulatory Regime and Strict Prevention of Foreign Debt Risks and Local Government Indebtedness Risks (國家發展改革委財務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). Both circulars are relatively new, and because of the limited volume of published decisions, the interpretation and enforcement of these laws and regulations involve uncertainties.

Beijing SASAC, as the ultimate shareholders of the Company only has limited liability in the form of its equity contribution in the Company. As such, neither the PRC Government (including the Beijing Government) nor Beijing SASAC has any payment obligations under the Notes, the Guarantees, the Keepwell and Liquidity Support Deed and the Deed of Equity Interest Purchase Undertaking. The Notes are solely to be repaid by the Issuer and the obligations under the Guarantees, the Keepwell and Liquidity Support Deed and the Deed of Equity Interest Purchase Undertaking by BII Hong Kong or the Company, as applicable, each as an obligor under the relevant transaction documents and as an independent legal person. The ownership or control by Beijing SASAC of the Company does not necessarily correlate to, or provide any assurance to the financial conditions of the Issuer, BII Hong Kong or the Company.

Government data included in this Offering Circular is solely for the purpose of showing the level of economic development in Beijing where substantially all of the Group's business operations and investments are located. Such data should not be construed as representing that the Noteholders have any recourse to the PRC Government for payments under the Notes, the Guarantees, the Keepwell and Liquidity Support Deed or the Deed of Equity Interest Purchase Undertaking.

Investors should base their investment decision on the financial condition of the Issuer, BII Hong Kong, the Company and the Group and any perceived credit risk associated with an investment in the Notes based on the Group's own financial information reflected in its financial statements.

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

Due to the capital-intensive nature of the Group's businesses, the Group currently has, and will continue to have in the foreseeable future, a substantial amount of indebtedness. As at 31 December 2020, the short-term loans of the Group amounted to RMB1,753.2 million, the total current liabilities of the Group amounted to approximately RMB56,430.1 million and the long-term loans of the Group amounted to approximately RMB253,591.6 million while the cash and bank balances of the Group amounted to approximately RMB20,196.2 million. With the rapid expansion of the Railway Lines, the Group may incur substantial additional indebtedness and continuing liabilities in the future, including the issuance of debt securities or entering into banking or other loan arrangements. The Group currently estimates that it will have significant capital expenditure for the coming years. The substantial level of existing indebtedness and incurrence of further indebtedness could have important consequences to the Group's business, including:

- limiting the Group's ability to satisfy its obligations on its outstanding debts;
- decreasing the Group's resilience to adverse economic and industry conditions;
- requiring the Group to dedicate a substantial portion of its cash flows from operations to servicing and repaying its indebtedness, thereby reducing the availability of its cash flows to fund working capital, capital expenditures and other general corporate purposes;
- limiting the Group's ability to capture investment and/or acquisition opportunities and affecting its ability to grow and expand its businesses;
- adding to the Group's interest exposure;
- limiting, along with the financial and other restrictive covenants of its indebtedness, among other things, its ability to borrow additional funds; and
- increasing the costs of additional financing.

In incurring indebtedness and liabilities from time to time, members of the Group may create security over their assets, receivables or equity interests in companies or entities held by them (which may include the Company's Subsidiaries) in favour of the relevant creditors. The Group continually reviews and evaluates its current and expected future funding requirements and from time to time engages in discussions with financial institutions and other market participants on proposals regarding different sources of funding. If any member of the Group incurs additional debts, the risks that the Group faces as a result of its already substantial indebtedness and leverage could increase.

Furthermore, if the Company or any of the relevant Subsidiaries is unable to comply with the restrictions (including restrictions imposed on the Group's future investments) and covenants in its current or future debt obligations and other agreements, a default under the terms of such agreements may occur. In the event of a default under such agreements, the holders of the debts could terminate

their commitments to the Company or its relevant Subsidiaries, accelerate the debts and declare all amounts borrowed due and payable or terminate the agreements, as the case may be. Some of the financing arrangements entered into by the Company and its Subsidiaries may contain cross-acceleration or cross-default provisions. As a result, a default by the Company or any of its Subsidiaries under any of such agreements may cause the acceleration of repayment of not only such debts but also other debts, or result in a default under other debt agreements. If any of these events occur, there can be no assurance that the assets and cash flows 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.

Interim financial information of the Company contained in this Offering Circular has not been audited or reviewed

The consolidated financial information as at and for the six months ended 30 June 2021 of the Company included in this Offering Circular has not been audited or reviewed by any auditors and such financial information should not be relied upon by potential investors to provide the same type or quality of information associated with information that has been audited or reviewed. Potential investors must exercise caution when using such information to evaluate the Company's financial condition and results of operation and must not place undue reliance on such quarterly financial information.

The Company's and BII Hong Kong's consolidated financial statements as at and for the years ended 31 December 2019 and 2020 may not be comparable with their respective historical financial statements

In 2019, MOF promulgated the MOF 2019 Circulars, which amended the standard form of the general enterprise financial statements. Certain financial information of the Company as at and for the year ended 31 December 2018 was reclassified in the Company's 2019 Consolidated Financial Statements, as a result of the MOF 2019 Circulars, which amended the standard form of the general enterprise financial statements. In addition, a subsidiary of the Company, Metro Land has adopted Enterprise Accounting Standards No. 22 — Recognition and Measurement of Financial Instruments (CK [2017] No. 7), Enterprise Accounting Standards No. 23 — Transfer of Financial Assets (CK [2017] No. 8), Enterprise Accounting Standards No. 24 — Hedging Accounting (CK [2017] No. 9) and Enterprise Accounting Standards No. 37 — Reporting of Financial Instruments (CK [2017] No. 14), each with effect from 1 January 2019, and the Company has adopted Enterprise Accounting Standards No. 12 — Debt Restructuring (CK [2019] No. 9) with effect from 17 June 2019, in each case without adjusting or restating comparable numbers as at and for the year ended 31 December 2018. Furthermore, the Company has restated certain financial information as at and for the year ended 31 December 2018 in the Company's 2019 Consolidated Financial Statements due to adjustments as a result of previous year's accounting error of certain subsidiaries.

In addition, Metro Land has adopted Enterprise Accounting Standards No. 14 — Revenue (CK [2017] No. 22) with effect from 1 January 2020, without adjusting or restating comparable numbers as at and for the year ended 31 December 2019. Furthermore, the Company has restated certain financial information as at and for the year ended 31 December 2019 in the Company's 2020 Consolidated Financial Statements due to business combinations involving enterprises under common control occurred in the current period. Accordingly, certain financial information of the Company prior to 2020, including those included in the audited consolidated financial statements of the Company's 2019 Consolidated Financial Statements, may not be directly comparable to that for the year ended 31 December 2020.

Certain financial information of BII Hong Kong as at and for the year ended 31 December 2018 was reclassified in BII Hong Kong's consolidated financial statements as at and for the year ended 31 December 2019, in accordance with the new accounting standards and requirements set out in the MOF 2019 Circulars. As a result, the presentation of certain accounting items in BII Hong Kong's consolidated financial statements prior to 2019, including those as at and for the year ended 31 December 2018 may not be comparable to that for the year ended 31 December 2019. As such, the audited consolidated financial statements of BII Hong Kong as at and for the year ended 31 December 2018 are not included in and do not form part of this Offering Circular. Potential investors must exercise caution when using consolidated financial information of the Guarantor prior to 2019 to evaluate the financial condition and results of operations of BII Hong Kong and its subsidiaries.

There can be no assurance that MOF will not promulgate other new accounting standards or requirements in relation to financial statements which affect the accounting policies of BII Hong Kong and the Company or the presentation of their respective financial statements.

BII Hong Kong has reported net losses in the past

For the year ended 31 December 2020, BII Hong Kong recorded total operating income and net loss of RMB1,377.5 million and RMB59.1 million, respectively, primarily because BII Hong Kong made provisions for impairment of available-for-sale financial assets.

There is no guarantee that BII Hong Kong will be able to generate and maintain profits in the future. Deteriorating profitability of BII Hong Kong and the losses incurred by BII Hong Kong may adversely affect BII Hong Kong's liquidity and/or its ability to meet its obligations under the Guarantee in respect of Notes guaranteed by BII Hong Kong.

The uncertainties in the global economy, the global financial market and, in particular, in China could materially and adversely affect the financial condition and results of operations of the Group

Some countries have started to withdraw the stimulus packages previously executed during the financial crisis and implement more moderate monetary policies. China withdrew its economic stimulus plan implemented during the financial crisis and returned to its general policy directions. In addition, the PRC Government has implemented stricter controlling measures on the real estate market, regulated the local government financing vehicles, cancelled the export tax refund policies for certain commodities and resumed the reform of Renminbi exchange rate.

Currently, the employment, credit and property market conditions of developed economies are still unstable. Coupled with concerns on the sovereign debt crisis in Europe, the withdrawal of the United Kingdom from the European Union, U.S.-China trade war, and the global economic distress as a result of the outbreak of COVID-19, the status of the global economy is uncertain and such uncertainties in the global and China's economies may adversely affect the Group's financial condition and results of operations in many ways, including, among other things:

- it is difficult for business enterprises to source for long-term financings from the financial and capital markets during a credit crunch. The shortage of financings will significantly affect the Group since its investments in infrastructure are capital-intensive. Without adequate capital, the Group may fail to initiate the construction of new railway lines or continue to fund the construction of railway lines under development or the upgrading of railway lines in operation;

- the withdrawal of the economic stimulus plan and other supportive economic policies may cause interest rates to increase. This would in turn increase the Group's costs of financing and impede some of its investment plans; and

- during an economic slowdown, the demand for transportation might fall. With a drop in ridership, the Group's income from operating its railway network might fall accordingly.

There can be no assurance that China's economy or the global economy will maintain sustainable growth. If further economic downturn occurs or continues, the business, results of operations and financial condition of the Group could be materially and adversely affected.

Any adverse change in the economic, political and social conditions in Beijing could materially and adversely affect the Group's business, financial condition, results of operations and prospects

Currently, substantially all of the Group's businesses, investments and operations are located in Beijing. The Group's business, financial condition, results of operations and prospects are therefore heavily dependent on the social conditions, local government policies and the level of economic activity in Beijing. The Group expects that its major business and operations will continue to be concentrated in Beijing in the future. As a result, any adverse change in the economic, political or social conditions in Beijing or the occurrence of any significant natural disaster or catastrophic event in Beijing could materially and adversely affect the Group's business, financial condition, results of operations and prospects.

The Group faces litigation risks in the course of its business

In the ordinary course of the Group's business, claims involving project owners, customers, subcontractors, joint venture partners and other parties may be brought against the Group or by the Group in connection with its contracts from time to time. Claims may be brought against the Group for alleged defective or incomplete work, liability for defective products related to personal injury or death, damage to or destruction of property and late completion of a project. The claims can involve actual damages and liquidated damages. If the Group was found to be liable in any of the claims against it, the Group would incur a charge against earnings to the extent that a reserve had not been established for the matter in its accounts or to the extent that the claims were not sufficiently covered by its insurance. Claims brought by the Group against project owners may include claims for additional costs incurred in excess of current contract provisions arising out of project delays and changes in the initial scope of work. Claims between the Group and its subcontractors and vendors may include claims similar to those described above.

Both claims brought against the Group and by the Group, if not resolved through negotiation, are often subject to lengthy and expensive litigation or arbitration proceedings such that the amounts ultimately realised from project claims by the Group could differ from the balances included in the Group's financial statements. Such claims could therefore have a material adverse impact on the Group's financial condition, results of operations and cash flow.

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

The Group may be exposed to fraud or other misconduct committed by its employees, representatives, agents or customers or other third parties that could subject it to litigation, financial losses and sanctions imposed by governmental authorities, as well as affect its reputation. Such misconduct could include:

- hiding unauthorised or unsuccessful activities, resulting in unknown and unmanaged risks or losses;
- intentionally concealing material facts, or failing to perform necessary due diligence procedures designed to identify potential risks, which are material to the Group in deciding whether to make investments, engage in certain projects or dispose of assets;
- improperly using or disclosing confidential information;
- engaging in improper activities such as offering bribes to counterparties in return for any type of benefit or gain;

- misappropriation of funds;
- conducting transactions that exceed authorised limits;
- engaging in misrepresentation or fraudulent, deceptive or otherwise improper activities;
- engaging in unauthorised or excessive transactions to the detriment of the Group's customers; 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 instances of non-compliance or suspicious transactions in a timely manner, if at all. Furthermore, it is not always possible to detect and prevent fraud and other misconduct, and the precautions the Group takes to prevent and detect such activities may not be effective. There is no assurance that fraud or other misconduct will not occur in the future. If such fraud or other misconduct does occur, it may adversely affect the Group.

The Group requires approvals, permits or licences to undertake its business operations and any delays, loss, termination or non-renewal of these permits or licences could have a significant and adverse impact on its business

The Group requires permits and licences issued by the relevant government agencies to conduct its business and it must comply with the restrictions and conditions imposed by various levels of government to maintain its permits and licences. If the Group is unable to maintain its permits and licences, renew its permits and licences upon expiry of their original terms on a timely basis, or obtain new permits and licences for any new business the Group may participate in, the Group's business operation would be directly and adversely affected.

Public information on the Company, BII Hong Kong and the Issuer may be limited and PRC corporate disclosure and accounting standards differ from IFRS

The Company is a private company incorporated in the PRC and BII Hong Kong is a private company incorporated in Hong Kong. Neither the Company nor BII Hong Kong is listed on any stock exchange. There may be less publicly available information about the Company, BII Hong Kong and the Issuer than is regularly made available by public companies in the PRC, Hong Kong, the British Virgin Islands and certain other countries and territories. In addition, the consolidated financial statements of the Group, BII Hong Kong and standalone financial statements of the Company and BII Hong Kong are prepared and presented in accordance with PRC GAAP. PRC GAAP may differ in certain respects from IFRS. Investors must determine on their own how such differences might affect the financial information contained in this Offering Circular and the perceived risk associated with an investment in the Notes.

The Group's auditors may be involved in investigations initiated by relevant PRC authorities from time to time

The Group's independent auditors, Baker Tilly, were previously investigated by China Securities and Regulatory Commission ("**CSRC**") in connection with its provision of audit services for certain PRC companies. As a result of such investigations, CSRC has issued warning notices to Baker Tilly and certain Baker Tilly employees on improving internal controls and audit procedures. The MOF issued the "2017 Accounting Information Quality Inspection Notice" in December 2017, in which Baker Tilly was criticised, among others, for failing to implement further audit procedures where there are discrepancies and failing to obtain relevant information when carrying out audits. In connection with its findings, MOF issued a rectification notice to Baker Tilly on improving internal controls and audit procedures. In February 2019, Baker Tilly, the Group's current independent auditor, was investigated

by CSRC Chongqing Bureau due to its breach of Measures for the Supervision and Administration of Unlisted Public Companies and other regulations with regard to the securities. In December 2017, Baker Tilly was investigated by CSRC Yunnan Bureau in relation to its breach of Administrative Measures for the Disclosure of Information by Listed Companies. As a result of such investigations, CSRC has issued warning notices to Baker Tilly and certain Baker Tilly partners and/or employees, but there have been no regulatory penalties imposed on Baker Tilly in connection with such investigations. There have been no regulatory penalties imposed on Baker Tilly in connection with such investigations. There can be no assurance that Baker Tilly and its employees will not be subject to regulatory investigations or regulatory penalties in the future.

PRC economic, political and social conditions, as well as government policies, could affect the Group's results of operation, financial condition and prospects

The economy of the PRC differs from the economies of developed countries in many respects, including but not limited to its political structure, level of government involvement, level of development, growth rate, control of foreign exchange and allocation of resources. The PRC economy has been in transition from a planned economy to a market-oriented economy. For the past three decades, the PRC Government has implemented economic reform measures emphasising utilisation of market forces in the development of the PRC economy. However, the PRC Government retains the power to implement macroeconomic policies affecting the PRC economy, and has previously implemented measures to rein in potential bubbles and systematic risks of the PRC economy which may in turn results in market volatility and downturn, including raising interest rates and issuing administrative guidelines to control lending in certain industries.

Additionally, the success and profitability of the Group's activities depend, in part, on global economic growth. Economic and financial conditions within a given country are affected by changes or developments in global economic and financial conditions that are beyond the Group's control. Due to the global economic downturn and a concurrent decrease in consumer demand, China has experienced a slowdown in its economic growth since the second half of 2008. In 2019, China's economic growth rate slowed to 6.1%. Due to the outbreak of COVID-19 in China at the beginning of 2020 and the resulting suspension of business activities and travel restrictions, PRC economy shrank for the first time since 1992 in the first quarter of 2020 and the economic growth rate for 2020 was 2.3%. Additionally, the spread of COVID-19 globally and the resulting global economic distress may also cause a slowdown in the recovery of PRC economy.

In view of the above, the risk remains that the global economy, including the PRC economy, may suffer a recession and the PRC Government may have to readjust its macroeconomic control measures accordingly, causing the growth or demand for the Group's offerings to slow down and causing an adverse impact on its business, financial condition and results of operations.

The PRC legal system has inherent uncertainties that could limit the legal protections available to potential investors

The Company is a state-owned entity organised under the laws of the PRC. The PRC legal system is based on written statutes. Since the late 1970s, China has promulgated a number of laws and regulations dealing with economic matters such as the issuance and trading of securities, foreign investment, corporate organisation and governance, commerce, taxation and trade. However, as many of these laws and regulations are relatively new and continue to evolve, these laws and regulations may experience inconsistent interpretation and be inconsistently enforced. The interpretation of statutes and regulations may be subject to government policies reflecting domestic political changes. In addition, there is only a limited volume of published court decisions, which may be cited for reference but are not binding on subsequent cases and have limited precedential value. The interpretation, implementation and enforcement of these laws and regulations involve uncertainties due to the lack of established practice available for reference.

The Group cannot predict the effect of future legal development in the PRC, including the promulgation of new laws, changes to existing laws or the interpretation or enforcement thereof, or the inconsistencies between local rules and regulations and national law. As a result, there is substantial uncertainty as to the legal protection and remedies available to the Group in its operations and to the Noteholders as investors. 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 retroactive effect. As a result, the Group may not be aware of its violation of these policies and rules until sometime after the violation has occurred. This may also limit the remedies available to investors and to the Group in the event of any claims or disputes with third parties.

Any litigation in the PRC may be protracted and result in substantial costs and diversion of the Group's resources and management attention. In addition, any bankruptcy proceeding relating to the Company would likely involve PRC bankruptcy laws, the procedural and substantive provisions of which may differ from comparable provisions of the local insolvency laws of jurisdictions with which the Noteholders are familiar.

The PRC Government's control of foreign currency conversion may limit the Group's foreign exchange transactions

A substantial proportion of the Group's assets and revenues are denominated in Renminbi. Currently, the Renminbi still cannot be freely exchanged into any foreign currencies, and exchange and remittance of foreign currencies are subject to PRC foreign exchange regulations. It cannot be guaranteed that, under a certain exchange rate, the Group will have sufficient foreign currencies to meet the Group's demand for foreign currencies. Under the current PRC foreign exchange control system, foreign exchange transactions under the current account conducted by the Group do not require advance approval from the State Administration of Foreign Exchange of the PRC (國家外匯管理局) ("**SAFE**"), but the Group is required to present documentary evidence of such transactions and conduct such transactions at designated foreign exchange banks within the PRC that have the licences to carry out foreign exchange business. Foreign exchange transactions under the capital account conducted by the Group, however, must be approved in advance by SAFE. If the Group fails to obtain approval from SAFE to exchange Renminbi into any foreign currencies for any purposes, the Group's capital expenditure plans, businesses, operating results and financial condition, may be materially and adversely affected.

Furthermore, the Issuer will repay the principal and interest under the Notes in the currency specified in the relevant Pricing Supplement (the "**Specified Currency**"). As the Issuer does not carry on any business operations to generate income, it will rely on the funding by BII Hong Kong, the Company and the other members of the Group to meet its payment obligations. In the event that the Specified Currency is not Renminbi and the Group experiences difficulty in exchanging Renminbi into the Specified Currency, the Issuer's ability to meet its payment obligations under the Notes will be impaired. Fluctuations in the exchange rate of Renminbi to the Specified Currency will affect the Issuer's ability to make payments under the Notes, since a sharp increase in the exchange rate could substantially increase the costs of the Group to finance such payments in the Specified Currency.

Interpretation regarding the NDRC Circular may involve uncertainty, which may adversely affect the enforceability and/or effective performance of the Notes

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 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 working days after closing. With respect to each Tranche of the Notes where the NDRC Circular is applicable, the registration will need to be completed, or application to registration will need to be made, by the Company in accordance with the NDRC Circular.

Interpretation regarding the NDRC Circular may involve uncertainty, which may adversely affect the enforceability and/or effective performance of the Notes. 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 approval 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 Notes in the PRC. Potential investors of the Notes are advised to exercise due caution when making their investment decisions.

Fluctuations of the Renminbi could affect the Group's financial condition and results of operations

Substantially all of the Group's revenues are generated by its Subsidiaries in the PRC and are denominated in Renminbi. A portion of such revenues must be converted into other currencies to meet the relevant Subsidiaries' own foreign currency obligation. The value of the Renminbi against other currencies may fluctuate and is affected by, among other things, changes in China's political and economic conditions. On 21 July 2005, the PRC Government adopted a more flexible managed floating exchange rate system to allow the value of Renminbi to fluctuate within a regulated band that is based on market supply and demand with reference to a basket of currencies. From 21 July 2005 to 17 March 2014, the floating band of interbank spot foreign exchange market trading price of Renminbi against U.S. dollars was gradually widened from 0.3% to 2%. On 11 August 2015, PBOC adjusted the mechanism for market makers to form the central parity rate by requiring them to consider the closing exchange rate of the last trading date, the supply and demand of foreign exchange and the rate change at primary international currencies. On 11 December 2015, the China Foreign Exchange Trade System ("**CFETS**"), a sub-institutional organisation of PBOC, published the CFETS Renminbi exchange rate index for the first time which weighs the Renminbi based on 13 currencies, to guide the market in order to measure the Renminbi exchange rate from a new perspective. On 29 December 2016, the number of currencies was increased by the China Foreign Exchange Trade System from 13 to 24, which became effective on 1 January 2017. The International Monetary Fund announced on 30 September 2016 that, effective on 1 October 2016, the Renminbi was added to its Special Drawing Rights currency basket. Following the gradual appreciation against U.S. dollar in 2017, Renminbi experienced a recent depreciation in value against U.S. dollar followed by a fluctuation in 2018 and early 2019. On 5 August 2019, the PBOC set the Renminbi's daily reference rate above RMB7 per U.S. dollar for the first time in over a decade amidst an uncertain trade and global economic climate.

In addition, the value of Renminbi has depreciated significantly against U.S. dollars since the end of 2015 and there can be no assurance that the Renminbi will not experience significant depreciation or appreciation against U.S. dollars or against any other currency in the future. Furthermore, the Group is required to obtain the SAFE's approval before converting significant amounts of foreign currencies into Renminbi. As a result, any significant increase in the value of Renminbi against foreign currencies could reduce the value of the Group's foreign currency-denominated revenue and assets and could materially and adversely affect the Group's business, financial condition, results of operations and prospects.

There is no assurance as to how and to what extent the exchange rate of the Renminbi will fluctuate against the Hong Kong dollar or any other foreign currency in the future. The PRC Government may adopt further reforms of its exchange rate system, including making the Renminbi freely convertible in the future. However, there is no assurance if or when these further reforms will occur. Depreciation of the Renminbi against the Hong Kong dollar or any such other relevant foreign currencies could have a material adverse effect on the Group's business, financial condition and results of operations.

It may be difficult to effect service of process or enforce any judgments obtained from non-PRC courts against the Group or its management residing in the PRC

Although neither the Issuer nor BII Hong Kong is incorporated in the PRC, a substantial amount, if not all, of the Group's assets is located in the PRC. Further, all of the Group's management reside in the PRC, together with their personal assets. Therefore, investors may encounter difficulties in effecting service of process from outside the PRC upon the Group or its management. Moreover, it is understood that the enforcement of foreign judgments in the PRC is still subject to uncertainties. In addition, the mechanisms for enforcement of rights under the corporate governance framework to which the Group is subject are also relatively undeveloped and untested. The PRC is not a party to any treaties providing for the reciprocal recognition and enforcement of judgments of courts with the United States, the United Kingdom, most other western countries or Japan, and therefore enforcement in the PRC of judgments of a court in any of these jurisdictions may be difficult or impossible.

Risks relating to the Notes and the Guarantees

The Notes and the Guarantees are unsecured obligations

The Notes and the Guarantees are unsecured obligations of the Issuer, BII Hong Kong and the Company, respectively. The repayment of the Notes and payment under the Guarantees may be adversely affected if:

- the Issuer, BII Hong Kong or the Company enters into bankruptcy, liquidation, reorganisation or other winding-up proceedings;

- there is a default in payment under the Issuer's, BII Hong Kong's or the Company's future secured indebtedness or other unsecured indebtedness; or

- there is an acceleration of any of the Issuer's, BII Hong Kong's or the Company's indebtedness.

If any of these events were to occur, the Issuer's, BII Hong Kong's or the Company's assets may not be sufficient to pay amounts due on the Notes.

The Notes may not be a suitable investment for all investors

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

- have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Offering Circular, any applicable supplement to the Offering Circular or any Pricing Supplement;

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

- have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

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

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

Some Notes may be complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to the purchaser's overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes 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.

If the Company fails to submit the relevant Deed of Guarantee for registration with SAFE or complete such registration with SAFE within the time period prescribed by SAFE, there may be logistical hurdles for cross-border payment under the Guarantee

In the case of Notes guaranteed by the Company, if the Company fails to submit the relevant Deed of Guarantee for registration with SAFE or complete such registration with SAFE within the time period prescribed by SAFE, there may be logistical hurdles for cross-border payment under the Guarantee. The Company will enter into a Deed of Guarantee in respect of each Tranche of Notes issued under the Programme guaranteed by the Company. Pursuant to such Deed of Guarantee, the Company will unconditionally and irrevocably guarantee the due payment of all sums expressed to be payable by the Issuer under such Tranche of Notes and the Trust Deed in respect of such Tranche of Notes. The Company is required to submit for registration the relevant Deed of Guarantee and other documents to the Beijing Branch of SAFE for registration in accordance with the Foreign Exchange Administration Rules on Cross-border Security (跨境擔保外匯管理規定) within the prescribed timeframe after the Issue Date of the relevant Tranche of Notes. Although the non-registration does not render the Guarantee of the Notes ineffective or invalid under PRC law, SAFE may impose penalties on the Company. The Company intends to use its all reasonable endeavours to complete the registration of the relevant Deed of Guarantee on or before the Registration Deadline (as defined in the Terms and Conditions of the Notes).

Following the occurrence of a Non-Registration Event (as defined in the Terms and Conditions of the Notes), the Issuer shall redeem on the Non-Registration Event Redemption Date (as defined in the Terms and Conditions of the Notes) all but not some only, of the relevant Tranche of Notes subject to the Non-Registration Event at the relevant Early Redemption Amount, together with interest accrued to such Non-Registration Event Redemption Date.

The administration of the Foreign Exchange Administration Rules on Cross-border Security (跨境擔保外匯管理規定) may be subject to a certain degree of executive and policy discretion by SAFE. There is no assurance that the registration of the relevant Deed of Guarantee with SAFE can be completed by the Company or that future changes in PRC laws and regulations will not have a negative impact on the validity and enforceability of the relevant Deed of Guarantee in the PRC.

The Notes may be represented by Global Notes or Global Certificates and holders of a beneficial interest in a Global Note or Global Certificate must rely on the procedures of the relevant Clearing System(s)

Notes issued under the Programme may be represented by one or more Global Notes (in the case of Bearer Notes) or Global Certificates (in the case of Registered Notes). Such Global Notes and Global Certificates will be deposited with a common depositary for Euroclear and Clearstream or lodged with the CMU (each of Euroclear, Clearstream and the CMU, a "**Clearing System**"). Except in the circumstances described in the relevant Global Note or Global Certificate, investors will not be

entitled to receive definitive Notes. The relevant Clearing System(s) will maintain records of the beneficial interests in the Global Notes or Global Certificates. While the Notes are represented by one or more Global Notes or Global Certificates, investors will be able to trade their beneficial interests only through the Clearing Systems.

While the Notes are represented by one or more Global Notes or Global Certificates, the Issuer, or failing which, the relevant Guarantor will discharge its payment obligations under the Notes by making payments to the relevant Clearing System for distribution to their account holders or in the case of the CMU, to the persons for whose account(s) interests in such Global Note or Global Certificate are credited as being held in the CMU in accordance with the CMU Rules.

A holder of a beneficial interest in a Global Note or Global Certificate must rely on the procedures of the relevant Clearing System(s) to receive payments under the relevant Notes. Neither the Issuer, BII Hong Kong nor the Company has any responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes or Global Certificates.

Holders of beneficial interests in the Global Notes or Global Certificates will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant Clearing System(s) to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Notes or Global Certificates will not have a direct right under the respective Global Notes or Global Certificates to take enforcement action against the Issuer, BII Hong Kong or the Company in the event of a default under the relevant Notes but will have to rely upon their rights under the Trust Deed.

Noteholders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade

In relation to any issue of Notes which have a denomination consisting of a minimum Specified Denomination (as defined in the Terms and Conditions of the Notes) plus a higher integral multiple of another smaller amount, it is possible that the Notes 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 Noteholder who, as a result of trading such amounts, holds a principal amount of less than the minimum Specified Denomination will not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations. If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

The obligations of BII Hong Kong under the Guarantee provided by BII Hong Kong and the obligations of the Company under the Guarantee provided by the Company are structurally subordinated to the liabilities and obligations of their respective subsidiaries

BII Hong Kong is a holding company that generates its revenue primarily through its subsidiaries, and its ability to perform its obligations under the Guarantee is effectively dependent on the cash flow of its subsidiaries. Any claim by the Trustee against BII Hong Kong or the Company (as the case may be) in relation to the relevant Guarantee will be effectively subordinated to all existing and future obligations of the subsidiaries of BII Hong Kong or, as the case may be, the subsidiaries of the Company, and all claims by creditors of such subsidiaries will have priority to the assets of such entities over the claims of the Trustee under the relevant Guarantee.

The Issuer may not be able to redeem the Notes upon the due date for redemption thereof

If specified in the relevant Pricing Supplement, the Issuer may, at its option, at maturity, at Noteholders' option or following the occurrence of a Change of Control (as defined in the Terms and Conditions of the Notes) or a Non-Registration Event (as defined in the Terms and Conditions of the Notes), be required to redeem all or some of the Notes. 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 Notes in time, or on acceptable terms, or at all. The ability to redeem the Notes in such event may also be limited by the terms of other debt instruments. The Issuer's failure to repay, repurchase or redeem tendered Notes could constitute an event of default under the Notes, which may also constitute a default under the terms of the Issuer's or the Group's other indebtedness.

Notes subject to optional redemption by the Issuer may have a lower market value than Notes that cannot be redeemed

An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period. The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At such times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

If the Issuer, BII Hong Kong or the Company is unable to comply with the restrictions and covenants in their respective debt agreements (if any), or the Notes, there could be a default under the terms of these agreements, or the Notes, which could cause repayment of the debt of the Issuer, BII Hong Kong or the Company to be accelerated

If the Issuer, BII Hong Kong or the Company is unable to comply with the restrictions and covenants in the Notes, or current or future debt obligations and other agreements (if any), there could be a default under the terms of these agreements. In the event of a default under these agreements, the holders of the debt could terminate their commitments to lend to the Issuer, BII Hong Kong or the Company, accelerate repayment of the debt, declare all amounts borrowed due and payable or terminate the agreements, as the case may be. Furthermore, those debt agreements may contain cross-acceleration or cross-default provisions. As a result, the default by the Issuer, BII Hong Kong or the Company under one debt agreement may cause the acceleration of repayment of debt or result in a default under its other debt agreements, including the Notes. If any of these events occur, there can be no assurance that there would be sufficient assets and cash flows to repay in full all the indebtedness of the Issuer, BII Hong Kong or the Company, or that it would be able to find alternative financing. Even if the Issuer, BII Hong Kong or the Company could obtain alternative financing, there can be no assurance that it would be on terms that are favourable or acceptable to the Issuer, BII Hong Kong or the Company.

The ratings of the Programme may be downgraded or withdrawn

The Notes guaranteed by the Company directly to be issued under the Programme are expected to be rated "A+" by S&P and the Notes guaranteed by BII Hong Kong with the benefit of the Keepwell and Liquidity Support Deed and the Deed of Equity Interest Purchase Undertaking from Company to be issued under the Programme are expected to be rated "A" by S&P. The Notes guaranteed by the Company directly to be issued under the Programme are expected to be rated "A1" by Moody's and the Notes guaranteed by BII Hong Kong with the benefit of the Keepwell and Liquidity Support Deed and the Deed of Equity Interest Purchase Undertaking from Company to be issued under the Programme are expected to be rated "A2" by Moody's. The Programme is expected to be assigned a rating of "A+" by Fitch. The ratings represent the opinions of the rating agencies and their assessment of the ability of the Issuer, BII Hong Kong and the Company to perform their respective obligations under the Notes and the Guarantees and credit risks in determining the likelihood that payments will be made when due under the Notes. A rating is not a recommendation to buy, sell or hold the Notes and may be subject to suspension, reduction or withdrawal at any time. A reduction or withdrawal of the ratings may adversely affect the market price of the Notes and the Issuer's, BII Hong Kong's or the Company's ability to access the debt capital markets.

Any downgrading of the Company's corporate ratings, or those of its subsidiaries, by rating agencies could adversely affect the Group's business and the Group's liquidity

Any adverse revision to the Company's corporate ratings, or those of its subsidiaries, for domestic and international debt by rating agencies such as Fitch, Moody's and S&P may adversely affect the Group's business, its financial performance and the trading price of the Notes. Further, the Group's ability to obtain financing or to access to capital markets may also be limited, thereby lowering its liquidity.

Gains on the transfer of the Notes may be subject to income tax under PRC tax laws

Under the New Enterprise Income Tax Law ("**EIT Law**") and its implementation rules, any gains realised on the transfer of the Notes 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 incomes 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 incomes derived from sources within the PRC. In addition, there is uncertainty as to whether gains realised on the transfer of the Notes 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% enterprise income tax rate and 20% 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 Notes minus all costs and expenses that are permitted under PRC tax laws to be deducted from the income. According to an arrangement between mainland China and Hong Kong for avoidance of double taxation, Noteholders who are Hong Kong residents, including both enterprise holders and individual holders, are exempted from PRC income tax on capital gains derived from a sale or exchange of the Notes.

On 23 March 2016, MOF and State Administration of Taxation ("**SAT**") issued the Circular of Full Implementation of Replacing Business Tax with Value-Added Tax Reform (Caishui [2016] No. 36) ("**Circular 36**"), which introduced a new value-added tax ("**VAT**") from 1 May 2016. According to Circular 36, VAT is applicable where the entities or individuals provide financial services such as providing the loans within the PRC. The services are treated as being sold within the PRC where either the service provider or the service recipient is located in the PRC. It is further clarified under Circular 36 that the loans refers to the activity of lending capital for another's use and receiving the interest income thereon. Based on the definition of loans under Circular 36, the issuance of Notes is likely to be treated as the Noteholders providing the loans to the Issuer, which thus shall be regarded as the financial services for VAT purposes. In the event the Issuer is deemed to be a PRC resident enterprise in the PRC by the PRC tax authorities, the Noteholders may be regarded as providing the financial services within the PRC and consequently, the amount of interest payable by the Issuer to any non-resident Noteholders may subject to withholding VAT at the rate of 6%. In addition, in that case the holders of the Notes shall also be subject to the local levies at approximately 12% of the VAT payment. Circular 36 and laws and regulations pertaining to VAT are relatively new, the interpretation and enforcement of such laws and regulations involve uncertainties. If a Noteholder, being a non-resident enterprise or non-resident individual, is required to pay any VAT on gains on the transfer of the Notes, the value of the relevant Noteholder's investment in the Notes may be materially and adversely affected. If a Noteholder, being a non-resident enterprise or non-resident individual, is required to pay any PRC income tax on gains on the transfer of the Notes, the return of the relevant Noteholder's investment in the Notes may be materially and adversely affected.

The insolvency laws of British Virgin Islands, Hong Kong, the PRC and other local insolvency laws may differ from those of another jurisdiction with which the holders of the Notes are familiar

As the Issuer, BII Hong Kong and the Company are incorporated under the laws of the British Virgin Islands, Hong Kong and the PRC, respectively, any insolvency proceeding relating to the Issuer, BII Hong Kong or the Company would likely involve British Virgin Islands, Hong Kong or PRC insolvency laws, respectively, 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 Notes are familiar.

The Trustee may request the Noteholders to provide an indemnity, security and/or prefunding to its satisfaction

In certain circumstances, including, without limitation, giving of notice to the Issuer and the relevant Guarantor pursuant to Condition 10 of the Terms and Conditions of the Notes and taking enforcement steps pursuant to Condition 12 of the Terms and Conditions of the Notes, the Trustee may, at its sole discretion, request the Noteholders to provide an indemnity, security and/or prefunding to its satisfaction before it takes actions on behalf of the Noteholders. The Trustee shall not be obliged to take any such actions if not indemnified, secured and/or prefunded to its satisfaction. Negotiating and agreeing to an indemnity, security and/or prefunding 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, security or prefunding to it, in breach of the terms of the Trust Deed or the Terms and Conditions of the Notes and, in circumstances where there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the agreements and the applicable law, it will be for the holders of the Notes to take such actions directly.

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

The Terms and Conditions of the Notes contain provisions for calling meetings of holders of the Notes to consider matters affecting their general interests. These provisions permit defined majorities to bind all holders of the Notes, including holders who did not attend and vote at the relevant meeting and holders who voted in a manner contrary to the majority. Furthermore, there is a risk that the decision of the majority of holders of the Notes may be adverse to the interests of the individual Noteholders. The Terms and Conditions of the Notes also provide that the Trustee may (but shall not be obliged to), without the consent of Noteholders, agree to any modification of the Terms and Conditions of the Notes or any of the provisions of the Trust Deed, the relevant Deed of Guarantee, the Keepwell and Liquidity Support Deed, the Deed of Equity Interest Purchase Undertaking or the Agency Agreement which in the opinion of the Trustee will not be materially prejudicial to the interests of Noteholders and to any modification of the Trust Deed (other than with respect to certain reserved matters), the Terms and Conditions of the Notes the relevant Deed of Guarantee, the Keepwell and Liquidity Support Deed, the Deed of Equity Interest Purchase Undertaking or the Agency Agreement which in the opinion of the Trustee is of a formal, minor or technical nature or is made to correct a manifest error or is to comply with any mandatory provision of applicable law. In addition, the Trustee may (but shall not be obliged to), without the consent of the Noteholders, authorise or waive any proposed breach or breach of the Terms and Conditions of the Notes or any of the provisions of the Trust Deed (other than a proposed breach or breach relating to the subject of certain reserved matters), the relevant Deed of Guarantee, the Keepwell and Liquidity Support Deed, the Deed of Equity Interest Purchase Undertaking or the Agency Agreement.

Risks relating to the structure of a particular issue of Notes under the programme

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of certain such features:

Dual Currency Notes have features which are different from single currency issues

The Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- the market price of such Notes may be volatile;
- they may receive no interest;
- payment of principal or interest may occur at a different time or in a different currency than expected; and
- the amount of principal payable at redemption may be less than the nominal amount of such Notes or even zero.

Failure by an investor to pay a subsequent instalment of partly-paid Notes may result in an investor losing all of its investment

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalments could result in an investor losing all of its investment.

The market price of variable rate Notes with a multiplier or other leverage factor may be volatile

Notes with variable interest rates can be volatile securities. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include such features.

The regulation and reform of "benchmark" rates of interest and indices may adversely affect the value of Notes linked to or referencing such "benchmarks".

Regulation (EU) 2016/1011 (the "**EU Benchmarks Regulation**") was published in the Official Journal of the EU on 29 June 2016 and has been applied since 1 January 2018. The EU Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the EU. It, amongst other things, (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed). Regulation (EU) 2016/1011 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**UK Benchmarks Regulation**") among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the United Kingdom Financial Conduct Authority ("**FCA**") or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

The EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, could have a material impact on any Notes linked to a rate or index deemed to be a "benchmark", in particular, if the methodology or other terms of the "benchmark" are changed in order to comply with the requirements of the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the "benchmark".

More broadly, any of the international, national, or other proposals, for reforms or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements.

For example, the sustainability of the London Interbank Offered Rate ("**LIBOR**") has been questioned as a result of the absence of relevant active underlying markets and possible disincentives (including as a result of regulatory reforms) for market participants to continue contributing to such benchmarks. On 27 July 2017, the FCA announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 (the "**FCA Announcement**"). The FCA Announcement indicated that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021. On 5 March 2021, ICE Benchmark Administration Limited ("IBA"), the administrator of LIBOR, published a statement confirming its intention to cease publication of all LIBOR settings, together with the dates on which this will occur, subject to the FCA exercising its powers to require IBA to continue publishing such LIBOR settings using a changed methodology (the "IBA announcement"). Concurrently, the FCA published a statement on the future cessation and loss of representativeness of all LIBOR currencies and tenors, following the dates on which IBA has indicated it will cease publication (the "**FCA announcement**"). Permanent cessation will occur immediately after 31 December 2021 for all Euro and Swiss Franc LIBOR tenors and certain Sterling, Japanese Yen and US Dollar LIBOR settings and immediately after 30 June 2023 for certain other USD LIBOR settings. In relation to the remaining LIBOR settings (1-month, 3-month and 6-month Sterling, US Dollar and Japanese Yen LIBOR settings), the FCA will consult on, or continue to consider the case for, using its powers to require IBA to continue their publication under a changed methodology for a further period after end-2021 (end-June 2023 in the case of US Dollar LIBOR). The FCA announcement states that consequently, these LIBOR settings will no longer be representative of the underlying market that such settings are intended to measure immediately after 31 December 2021, in the case of the Sterling and Japanese Yen LIBOR settings and immediately after 30 June 2023, in the case of the USD LIBOR settings. Any continued publication of the Japanese Yen LIBOR settings will also cease permanently at the end of 2022. Separately, the euro risk free-rate working group for the euro area has published a set of guiding principles and high level recommendations for fallback provisions in, amongst other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, amongst other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system. On 11 May 2021, the euro risk-free rate working group published its recommendations on EURIBOR fallback trigger events and fallback rates. The potential elimination of the LIBOR benchmark or any other benchmark, or changes in the manner of administration of any benchmark, could require an adjustment to the Terms and Conditions of the Notes, or result in other consequences, in respect of any Notes linked to such benchmark. Such factors may have the following effects on certain benchmarks: (i) discourage market participants from continuing to administer or contribute to the benchmark; (ii) trigger changes in the rules or methodologies used in the benchmark; or (iii) lead to the disappearance of the "benchmark".

Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to or referencing a benchmark.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by any international or national reforms in making any investment decision with respect to any Notes linked to or referencing a benchmark.

The value of, and return on, Floating Rate Notes linked to or referencing LIBOR or other similar indices may be adversely affected in the event of a permanent discontinuation of LIBOR or other similar indices

Where Screen Rate Determination is specified as the manner in which the Rate of Interest in respect of Floating Rate Notes is to be determined, and LIBOR (or other similar indices) has been selected as the Reference Rate, the Terms and Conditions of the Notes provide that the Rate of Interest shall be determined by reference to the Relevant Screen Page (or its successor or replacement). In circumstances where LIBOR (or other similar indices) is discontinued, neither the Relevant Screen Page, nor any successor or replacement may be available.

Where the Relevant Screen Page is not available, and no successor or replacement for the Relevant Screen Page is available, the Terms and Conditions of the Notes provide for the Rate of Interest to be determined by the Calculation Agent by reference to quotations from banks communicated to the Calculation Agent. Where such quotations are not available (as may be the case if the relevant banks are not submitting rates for the determination of LIBOR (or other similar indices)), the Rate of Interest may revert to the Rate of Interest applicable as at the last preceding Interest Determination Date before LIBOR (or other similar indices) was discontinued, and if LIBOR (or other similar indices) is discontinued permanently, the same Rate of Interest will continue to be the Rate of Interest for each successive Interest Period until the maturity of the Floating Rate Notes, so that the Floating Rate Notes will, in effect, become fixed rate notes utilising the last available LIBOR (or other similar indices) rate. In the event that a published LIBOR (or other similar indices) rate is unavailable after 2021 and banks are unwilling to provide quotations for the calculation of LIBOR (or other similar indices), the rate of interest on the Notes will become fixed and the value of the Notes may be adversely affected. Uncertainty as to the continuation of LIBOR (or other similar indices), the availability of quotes from reference banks, and the rate that would be applicable if LIBOR (or other similar indices) is discontinued may adversely affect the value of, and return on, the Floating Rate Notes. Where ISDA Determination is specified as the manner in which the Rate of Interest in respect of Floating Rate Notes is to be determined, the Terms and Conditions of the Notes provide that the Rate of Interest in respect of the Notes shall be determined by reference to the relevant Floating Rate Option in the 2006 ISDA Definitions. Where the Floating Rate Option specified is a "LIBOR" (or other similar indices) Floating Rate Option, the Rate of Interest may be determined by reference to the relevant screen rate or the rate determined on the basis of quotations from certain banks. If LIBOR (or other similar indices) is permanently discontinued and the relevant screen rate or, failing that, quotations from banks are not available, the operation of these provisions may lead to uncertainty as to the Rate of Interest that would be applicable, and may, adversely affect the value of, and return on, the Floating Rate Notes.

Inverse Floating Rate Notes are typically more volatile than conventional floating rate debt

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of such Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Notes carrying an interest rate which may be converted from fixed to floating interest rates and vice versa, may have lower market values than other Notes

Fixed Rate Notes and Floating Rate Notes (as defined in the Terms and Conditions of the Notes) may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of such Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed Rate Notes may be less favourable than then-prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then-prevailing rates on its Notes.

The market prices of Notes issued at a substantial discount or premium tend to fluctuate more in relation to general changes in interest rates than prices for conventional interest-bearing securities do

The market values of securities issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Investors may lose part or all of their investment in any Index-Linked Notes issued

If, in the case of a particular Tranche of Notes, the relevant Pricing Supplement specifies that the Notes are Index-Linked Notes or variable redemption amount Notes, there is a risk that the investor may lose the value of its entire investment or part of it.

Risks relating to the market generally

Set out below is a brief description of certain market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

Notes issued under the Programme have no current active trading market and may trade at a discount to their initial offering price and/or with limited liquidity

Notes issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Notes which is already issued). If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer, BII Hong Kong, the Company and the Group. If the Notes are trading at a discount, investors may not be able to receive a favourable price for their Notes, and in some circumstances investors may not be able to sell their Notes at all or at their fair market value. Although application has been made to the Hong Kong Stock Exchange for the listing of the Programme, and for the permission to deal in, and for the listing of, Notes issued under the Programme during the 12-month period after the date of this Offering Circular on the Hong Kong Stock Exchange, there is no assurance that such application will be accepted, that any particular Tranche of Notes will be so admitted or that an active trading market will develop. In addition, the market for investment grade and crossover grade debt has been subject to disruptions that have caused volatility in prices of securities similar to the Notes issued under the Programme. Accordingly, there is no assurance as to the development or liquidity of any trading market, or that disruptions will not occur, for any particular Tranche of Notes.

The liquidity and price of the Notes following this offering may be volatile

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

Developments in other markets may adversely affect the market price of the Notes

The market price of the Notes may be adversely affected by declines in the international financial markets and world economic conditions. The market for the Notes 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 China. Since the global financial crisis of 2008 and 2009, the international financial markets have experienced significant volatility. If similar developments occur in the international financial markets in the future, the market price of the Notes could be adversely affected.

Exchange rate risks and exchange controls may result in a Noteholder receiving less interest or principal than expected

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if a Noteholder's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (i) the Investor's Currency equivalent yield on the Notes; (ii) the Investor's Currency equivalent value of the principal payable on the Notes; and (iii) the Investor's Currency equivalent market value of the Notes.

Governments and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, a Noteholder may receive less interest or principal than expected, or no interest or principal.

Changes in market interest rates may adversely affect the value of Fixed Rate Notes

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of Fixed Rate Notes.

The credit ratings assigned to the Notes may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to an issue of Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

Risks Relating to Renminbi-denominated Notes

Notes denominated in Renminbi ("**Renminbi Notes**") may be issued under the Programme. Renminbi Notes contain particular risks for potential investors.

Renminbi is not freely convertible; there are significant restrictions on remittance of Renminbi into and outside the PRC

Renminbi is not freely convertible at present. The PRC Government continues to regulate conversion between Renminbi and foreign currencies, including the Hong Kong dollar, despite the significant reduction over the years by the PRC Government of control over routine foreign exchange transactions under current accounts. Participating banks in Hong Kong have been permitted to engage in the settlement of Renminbi trade transactions under a pilot scheme introduced in July 2009. This represents a current account activity. The pilot scheme was extended in June 2010 to cover 20 provinces and cities in the PRC and to make Renminbi trade and other current account item settlement available in all countries worldwide. It was further extended in August 2011 to cover all provinces and cities in the PRC. The Renminbi trade settlements under the pilot scheme have become one of the most significant sources of Renminbi funding in Hong Kong.

On 13 October 2011 and on 14 June 2012, the People's Bank of China ("**PBOC**") successively issued the Measures on Administration of Renminbi Settlement in relation to Foreign Direct Investment (外商直接投資人民幣結算業務管理辦法) and its implementation regulations (collectively, the "**PBOC RMB FDI Measures**"), which set out operating procedures for PRC banks to handle Renminbi settlement relating to RMB foreign direct investment ("**RMB FDI**") and borrowing by foreign invested enterprises of offshore Renminbi loans. Prior to the PBOC RMB FDI Measures, cross-border Renminbi settlement for RMB FDI required approvals from the PBOC on a case-by-case basis.

The new rules replace the PBOC approval requirement with a less onerous post-event registration and filing requirement. Under the new rules, foreign invested enterprises (whether established or acquired by foreign investors) need to (i) register their corporate information after the completion of a RMB FDI transaction, and (ii) make post-event registration or filing with the PBOC of any changes in registration information or in the event of increase or decrease of registered capital, equity transfer or replacement, merger, division or other material changes.

On 3 December 2013, the Ministry of Commerce ("**MOFCOM**") further promulgated the Announcement on Issues Concerning Cross-border RMB Direct Investment (商務部關於跨境人民幣直接投資有關問題的公告) (the "**MOFCOM Circular**"). In accordance with the MOFCOM Circular, the cross-border RMB direct investment and the reinvestment of the invested foreign-funded enterprises shall conform to the requirements of laws, regulations and relevant provisions on foreign investment and abide by relevant provisions of the industrial policy, safety review of foreign capital merger and acquisition and anti-monopoly review on foreign investment of PRC. The foreign-funded enterprises shall not use any funds from cross-border RMB direct investment to make any direct or indirect investment in securities, financial derivatives (excluding the strategic investment in listed companies) or entrusted loans within China.

As the above announcements and measures are still relatively new, how they will be applied in practice still remain subject to the interpretation by the relevant PRC authorities.

There is no assurance that the PRC Government will continue to gradually liberalise control over cross-border Renminbi remittances in the future or that new PRC regulations will not be promulgated in the future which have the effect of restricting the remittance of Renminbi into or outside the PRC. In the event that the Group is not able to repatriate funds outside the PRC in Renminbi, the Issuer or BII Hong Kong will need to source Renminbi offshore to finance their respective obligations under Renminbi Notes, and its ability to do so will be subject to the overall availability of Renminbi outside the PRC.

There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of Renminbi Notes and the Issuer's and BII Hong Kong's ability to source Renminbi outside the PRC to service such Renminbi Notes

As a result of the restrictions by the PRC Government on Renminbi fund flows, the availability of Renminbi outside the PRC is limited. While the PBOC has entered into agreements on the clearing of Renminbi business with financial institutions in a number of financial centres and cities (the "**Renminbi Clearing Banks**"), including but not limited to Hong Kong, and are in the process of establishing Renminbi clearing and settlement mechanisms in several other jurisdictions (the "**Settlement Arrangements**"), the current size of Renminbi-denominated financial assets outside the PRC is limited. There are restrictions imposed by the PBOC on Renminbi business participating banks in respect of cross-border Renminbi settlement, such as those relating to direct transactions with PRC enterprises. Furthermore, Renminbi business participating banks do not have direct Renminbi liquidity support from the PBOC. The Renminbi Clearing Banks only have access to onshore liquidity support from the PBOC to square open positions of participating banks for limited types of transactions, including open positions resulting from conversion services for corporations relating to cross-border trade settlement, and are not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services. In such cases, the participating banks will need to source Renminbi from the offshore market to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the Settlement Agreements will not be terminated or amended in the future which will have the effect of restricting the availability of Renminbi outside the PRC. The limited availability of Renminbi outside the PRC may affect the liquidity of the Renminbi Notes. To the extent the Issuer or BII Hong Kong is required to source Renminbi outside the PRC to service the Renminbi Notes, there is no assurance that the Issuer or BII Hong Kong will be able to source such Renminbi on satisfactory terms, if at all.

Payments in respect of Renminbi Notes will only be made to investors in the manner specified in such Renminbi Notes

All payments to investors in respect of Renminbi Notes will be made solely (i) when Renminbi Notes are represented by Global Notes or Global Certificates, by transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing CMU rules and procedures, or (ii) when Renminbi Notes are in definitive form, by transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing rules and regulations. The Issuer, BII Hong Kong or the Company (as the case may be) cannot be required to make payment by any other means (including in any other currency or in bank notes, by cheque or draft or by transfer to a bank account in the PRC).

Remittance of proceeds into or outside of the PRC in Renminbi

In the event that the Issuer decides to remit some or all of the proceeds into the PRC in Renminbi, its ability to do so will be subject to obtaining all necessary approvals from, and/or registration or filing with, the relevant PRC Government authorities. However, there is no assurance that the necessary approvals from, and/or registration or filing with, the relevant PRC Government authorities will be obtained at all or, if obtained, they will not be revoked or amended in the future.

There is no assurance that the PRC Government will continue to gradually liberalise the control over cross-border Renminbi remittances in the future, that the pilot schemes introduced will not be discontinued or that new PRC regulations will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC. In the event that the

Issuer does remit some or all of the proceeds into the PRC in Renminbi and the Issuer subsequently is not able to repatriate funds outside the PRC in Renminbi, it will need to source Renminbi outside the PRC to finance its obligations under the Renminbi Notes, and its ability to do so will be subject to the overall availability of Renminbi outside the PRC.

Risks relating to the Keepwell and Liquidity Support Deed and the Deed of Equity Interest Purchase Undertaking

Neither the Keepwell and Liquidity Support Deed nor the Deed of Equity Interest Purchase Undertaking is a guarantee of the payment obligations under the Notes guaranteed by BII Hong Kong

The Company has entered into the Keepwell and Liquidity Support Deed and a Deed of Equity Interest Purchase Undertaking in relation to the offering of Notes guaranteed by BII Hong Kong. See "*Description of the Keepwell and Liquidity Support Deed*" and "*Description of the Equity Interest Purchase Undertaking*". Upon the occurrence of an event of default as set out in Condition 10 in the Terms and Conditions of the Notes, the Trustee may take action against the Company to enforce the provisions of the Keepwell and Liquidity Support Deed or the Deed of Equity Interest Purchase Undertaking. However, neither the Keepwell and Liquidity Support Deed, the Deed of Equity Interest Purchase Undertaking nor any actions taken by the Company thereunder can be deemed as a guarantee by the Company for the payment obligation of the Issuer under the Notes or BII Hong Kong under the Guarantee. Accordingly, the Company will only be obliged to cause the Issuer or BII Hong Kong to obtain, before the due date of the relevant payment obligations, funds sufficient by means as permitted by applicable laws and regulations so as to enable the Issuer or BII Hong Kong to pay such payment obligations in full as they fall due, rather than assume the payment obligation as in the case of a guarantee. The Company's performance of its obligations under the Keepwell and Liquidity Support Deed and the Deed of Equity Interest Purchase Undertaking is subject to, among other things, its cash flow conditions, requirements of its articles and applicable laws, restrictions contained in its debt instruments and claims by its creditors.

Furthermore, the performance by the Company of its obligations under the Keepwell and Liquidity Support Deed and the Deed of Equity Interest Purchase Undertaking may be subject to Regulatory Approvals (as defined in the Keepwell and Liquidity Support Deed). For example:

- Even if the Company intends to perform its obligations under the Keepwell and Liquidity Support Deed in causing the Issuer or BII Hong Kong to obtain, before the due date of the relevant payment obligations, funds sufficient to meet its obligations under the Notes or the relevant Guarantee, depending on the manner in which the Company performs such obligations, such performance may be subject to obtaining prior consent, approvals, registration and/or filings from relevant PRC Governmental authorities, including NDRC or its competent local counterpart, MOFCOM or its competent local counterpart and SAFE or its competent local counterpart.

- Even if the Company intends to, in accordance with its obligations under the Keepwell and Liquidity Support Deed, grant the Issuer a standby facility pursuant to which the Company will remit the Remittance Amount (as defined in the Keepwell and Liquidity Support Deed), the Company may not be able to grant such standby facility due to reasons beyond its control, such as the failure or inability to obtain any required consents, approvals, registrations and/or filing from relevant PRC Government authorities and unforeseeable changes in government policies or regulations.

In addition, under the Keepwell and Liquidity Support Deed, the Company will undertake to cause the Issuer and BII Hong Kong to have sufficient liquidity to ensure timely payment of any amounts payable in respect of the Notes and/or the relevant Guarantee. However, any claim by the Issuer, BII Hong Kong and/or the Trustee against the Company in relation to the Keepwell and Liquidity Support Deed will be effectively subordinated to all existing and future obligations of the Company's

subsidiaries (other than the Issuer and BII Hong Kong), particularly the onshore operating subsidiaries of the Company, and all claims by creditors of such subsidiaries (other than the Issuer and BII Hong Kong) will have priority to the assets of such subsidiaries over the claims of the Issuer, BII Hong Kong and the Trustee under the Keepwell and Liquidity Support Deed.

In addition, the obligations under the Keepwell and Liquidity Support Deed may not give rise to a debt claim against the Company or recognised by PRC courts in the event of any insolvency proceedings in relation to the Company. As the parties to the Keepwell and Liquidity Support Deed have submitted to the exclusive jurisdiction of Hong Kong courts, parties who have successfully obtained a judgment from Hong Kong courts in relation to a claim under the Keepwell and Liquidity Support Deed and wish to enforce such a judgment in the PRC may do so pursuant to 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) entered into between Hong Kong and the PRC on 14 July 2006 (the "**Arrangement**"), which is still in full force and effect as at the date of this Offering Circular and will be replaced by and become invalid when the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and Hong Kong (關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排) (the "**New Arrangement**"), which was signed on 18 January 2019, comes into effect. However, it is currently uncertain as to whether such a judgment will be recognised and enforced by PRC courts where it relates to insolvency proceedings commenced in the PRC as the judicial practice in this area is still evolving. Previously, the bankruptcy administrator of a PRC-incorporated company decided to reject debt claims submitted by the trustee under the relevant keepwell deeds provided by the such company in support of the relevant series of bonds issued by its subsidiaries, which has highlighted the potential difficulty for noteholders to seek recognition and enforcement of the obligations under keepwell deeds in bankruptcy procedures in the PRC. Consequently, even if the Noteholders or the Trustee have successfully obtained judgment in Hong Kong courts in relation to the Keepwell and Liquidity Support Deed, there can be no assurance that PRC courts will recognise and enforce such a judgment in insolvency proceedings relating to the Company. Accordingly, the Noteholders may have limited or no remedies against the Company in connection with such insolvency proceedings.

Performance by the Company of its undertaking under the Deed of Equity Interest Purchase Undertaking is subject to approvals of the PRC Governmental authorities

The Company intends to assist the Issuer and BII Hong Kong to meet their respective obligations under the relevant series of Notes and Coupons, the relevant Deed of Guarantee, the Trust Deed and the Agency Agreement by entering into the Deed of Equity Interest Purchase Undertaking. Under the Deed of Equity Interest Purchase Undertaking, the Company agrees to purchase for cash consideration from BII Hong Kong or any other subsidiary of the Company incorporated outside the PRC (each, a "**Relevant Transferor**") their equity interests in certain onshore or offshore subsidiaries at a purchase price, subject to the terms in the Deed of Equity Interest Purchase Undertaking and the applicable PRC laws and regulations, not lower than the amount sufficient to enable the Issuer and BII Hong Kong to discharge in full their respective obligations under the relevant series of Notes and Coupons, the relevant Deed of Guarantee, the Trust Deed, the Agency Agreement and other amounts as described in the Deed of Equity Interest Purchase Undertaking.

Performance by the Company of the Deed of Equity Interest Purchase Undertaking may be subject to the approvals of or registrations with:

- the NDRC in respect of the transfer of the equity interest in the offshore subsidiaries from the Relevant Transferor to the Company;

- MOFCOM in respect of the transfer of the equity interest in the onshore or offshore subsidiaries from the Relevant Transferor to the Company;

- the PRC State Administration for Industry and Commerce or its local counterpart in respect of the transfer of the equity interest in the onshore subsidiaries from the Relevant Transferor to the Company;

- the relevant PRC tax authorities in respect of withholding tax for the Relevant Transferor;

- SAFE in respect of (i) changing the SAFE registration of, or in connection with, the onshore or offshore companies being sold, and (ii) the remittance of the purchase price from the Company in the PRC to BII Hong Kong in Hong Kong (where applicable); and

- other approvals, registrations and/or filings required under the applicable PRC laws, regulations or policies.

As the approval process is beyond the control of the Company, there can be no assurance that the Company will successfully obtain either the requisite approvals or registrations in time, or at all, or that the PRC Government's relevant policies or regulations will not change in the future. In the event that the Company fails to obtain the requisite approvals or registrations, the Issuer and BII Hong Kong may have insufficient funds to discharge their outstanding payment obligations to the holders of the Notes.

Further, in the event of an insolvency of a Relevant Transferor, any sale proceeds received by that Relevant Transferor may be subject to the insolvency claims of third parties. The Trustee's claim against the sale proceeds will be an unsecured claim and may rank lower in priority to any claims by secured third party creditors of such Relevant Transferor where it is BII Hong Kong. Where a Relevant Transferor is not BII Hong Kong, the Trustee will not have a direct claim against the sale proceeds received by such Relevant Transferor.

Performance by the Company of its undertaking under the Deed of Equity Interest Purchase Undertaking may be subject to consent from third party creditors and shareholders, and may also be restricted if any of the equity interests is secured in favour of third party creditors

Under the terms of the Deed of Equity Interest Purchase Undertaking, the Company agrees to purchase or procure a subsidiary of the Company to purchase from one or more Relevant Transferor the equity interest held by it upon the occurrence of an event of default under any one or more series of the Notes guaranteed by BII Hong Kong. The ability of the Company to perform this undertaking may be affected by any present or future financing agreements of the Company and its subsidiaries:

- in the event that such financial agreements contain non-disposal or other restrictive covenants that would prevent the sale of an equity interest by a Relevant Transferor, the Company and its subsidiaries would need to obtain the consent from the third party creditor before the Relevant Transferor is able to proceed with the sale of such equity interest; and

- in the event that certain equity interests have been secured in favour of third party creditors, the Company and its subsidiaries would need to arrange for these security interests to be released before the Relevant Transferor is able to proceed with the sale of such equity interests.

Under the Terms and Conditions of the Notes and the Keepwell and Liquidity Support Deed, there are no restrictions on BII Hong Kong or other subsidiaries of the Company entering into financing agreements with such non-disposal or other restrictive covenants or securing the equity interests of BII Hong Kong and other subsidiaries of the Company in favour of its creditors. In the event the obligation to purchase under the Deed of Equity Interest Purchase Undertaking becomes effective, there is no assurance that BII Hong Kong or any other subsidiaries of the Company will be able to obtain any required consents from its creditors or that it will be able to arrange for any existing security arrangement to be released in order for the sale of the equity interest to proceed. If such consents or releases cannot be obtained, BII Hong Kong and/or any other subsidiaries of the Company, as the case may be, may need to repay the indebtedness owed to its third party creditors in order to be able to sell the relevant equity interests to the Company, failing which, the Issuer and BII Hong Kong may have insufficient funds to discharge their payment obligations to the holders of the Notes.

In addition, third party shareholders' consent may also be required if the Company chooses to acquire the equity interests of certain non-wholly-owned companies of a Relevant Transferor. In such an event, the prospective acquisition may be subject to pre-emptive rights or other restrictions in such company's articles of association, shareholders' agreement or otherwise that would require the selling shareholder to obtain consent or waiver from other third party shareholders before any equity interest can be sold to the Company or its subsidiaries or affiliate.

In the event the obligation to purchase under the Deed of Equity Interest Purchase Undertaking becomes effective, there is no assurance that any required approvals or waivers can be obtained from third party shareholders in a timely manner or at all.

Each of the Issuer and BII Hong Kong has limited assets, which affects its ability to make payments under the Notes and/or the relevant Guarantee and, in the case of Notes guaranteed by BII Hong Kong, to enable the Company to purchase adequate equity interest from it pursuant to the Deed of Equity Interest Purchase Undertaking

The Issuer is a special purpose vehicle incorporated for the sole purpose of issuing the Notes. Since its incorporation, the Issuer has no substantive assets or any business operations. After the Notes are issued, it will on-lend the proceeds from the issuance to BII Hong Kong or another member of the Group and it will have a right to repayment of the amount advanced. Until BII Hong Kong or other member of the Group makes a payment of principal or interest to the Issuer pursuant to the on-lending arrangement, or until BII Hong Kong, the Company or the other members of the Group injects capital into the Issuer via other means, the Issuer will have no substantive assets to finance the payment of any amount under the Notes.

As at 31 December 2020, BII Hong Kong's assets were mainly comprised of an approximately 30.04% equity interest in Cornerstone International Financial Leasing, an approximately 55.20% equity interest in the Hong Kong Listco and an 100% equity interest in Jie Heng Investment. BII Hong Kong had consolidated net assets of RMB1,168.3 million as at 31 December 2020. Similar to the Issuer, BII Hong Kong may also be inhibited from meeting its payment obligations under the Notes and the relevant Guarantee in full due to the limited amount of assets that it holds.

Furthermore, the Company has undertaken to purchase or procure a subsidiary of the Company to purchase from a Relevant Transferor the equity interest held by it upon the occurrence of an event of default under the Notes pursuant to the Deed of Equity Interest Purchase Undertaking. Should the Company decide to acquire equity interest from BII Hong Kong, the Company may encounter difficulties with the discharge its payment obligations under the Deed of Equity Interest Purchase Undertaking because BII Hong Kong only has limited equity interest to sell to the Company. In addition, the acquisition of these assets will be subject to regulatory and other approvals. See "*Performance by the Company of its undertaking under the Deed of Equity Interest Purchase Undertaking may be subject to consent from third party creditors and shareholders, and may also be restricted if any of the equity interests are secured in favour of third party creditors*" and "*Performance by the Company of its undertaking under the Deed of Equity Interest Purchase Undertaking is subject to approvals of the PRC Governmental authorities*".

There is no assurance that such approvals can be obtained in a timely manner, or at all. In the event that such approvals cannot be obtained and there are no other future assets that the Company can purchase, the Deed of Equity Interest Purchase Undertaking may not be effective in enabling the Company to assist the Issuer and BII Hong Kong with their respective obligations under the Notes and Coupons, the relevant Deed of Guarantee, the Trust Deed and the Agency Agreement.

Capitalisation and indebtedness of the Company

The following table sets forth the Company's consolidated capitalisation and indebtedness as at 31 December 2020. The following table should be read in conjunction with the Company's consolidated financial statements and related notes included in this Offering Circular.

	As at 31 December 2020	
	(RMB in millions)	*(U.S.$ in millions)*
Current Borrowings		
Short-term borrowings	1,753.2	268.7
Non-current liabilities due within one year	14,296.1	2,191.0
Non-current Borrowings		
Long-term borrowings	253,591.6	38,864.6
Bonds payable	55,864.9	8,561.7
Total Borrowings	325,504.3	49,885.7
Total Owners' Equity	251,416.1	38,531.2
Total Capitalisation[(1)]	576,920.4	88,416.9

(1) Total capitalisation represents total borrowings and total owner's equity.

As at 30 June 2021, short-term borrowings of the Company increased as compared to 31 December 2020 due to increased offshore short-term bank loans. As at 30 June 2021, contract liability of the Company increased as compared to 31 December 2020 primarily because the Company adopted new revenue recognition policy in 2020 and reclassified accounting items in accordance with the new policy. As at 30 June 2021, other payable of the Company increased as compared to 31 December 2020 as a result of the special funds received by Beijing Jingtou Xingchao Land Co., Ltd. (北京京投興朝置地有限公司) from the Finance Bureau of Beijing Chaoyang District. As at 30 June 2021, other current liabilities of the Company increased as compared to 31 December 2020 due to the increase of pending output tax of Metro Land As at 30 June 2021, paid-in capital (share capital) of the Company increased as compared to 31 December 2020 due to the ABO funds and railway lines construction fund received from the Beijing Municipal Development and Reform Commission. As at 30 June 2021, other comprehensive income of the Company decreased as compared to 31 December 2020 due to the adoption of new financial instrument standards in 2021 and the reclassification and adjustment under the new standards.

Save as disclosed in this Offering Circular, there has been no material adverse change in the Company's consolidated capitalisation and indebtedness since 31 December 2020.

Capitalisation and indebtedness of BII Hong Kong

The following table sets forth BII Hong Kong's consolidated capitalisation and indebtedness as at 31 December 2020. The following table should be read in conjunction with BII Hong Kong's consolidated financial statements and related notes included in this Offering Circular.

	As at 31 December 2020	
	(RMB in millions)	*(U.S.$ in millions)*
Current Borrowings		
Short-term borrowings	60.1	9.2
Non-current liabilities due within one year	3,160.4	484.4
Non-current Borrowings		
Bonds payable	7,142.3	1,094.6
Total Borrowings	10,362.8	1,588.2
Total Owners' Equity	1,168.3	179.0
Total Capitalisation[(1)]	11,531.1	1,767.2

(1) Total capitalisation represents total borrowings and total owner's equity.

There has been no material adverse change in BII Hong Kong's consolidated capitalisation and indebtedness since 31 December 2020.

USE OF PROCEEDS

The Issuer proposes to use the net proceeds from the issue of each Tranche of Notes primarily (i) for the development of the urban railway transit system in Beijing, (ii) for refinancing purposes and (iii) as working capital and for general corporate purposes of the Group. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Pricing Supplement.

FORM OF PRICING SUPPLEMENT

The Pricing Supplement that will be issued in respect of each Tranche will be substantially in the following form, duly supplemented if (necessary), amended (if necessary) and completed to reflect the particular terms of the relevant Notes and their issue.

[**MiFID II product governance/Professional investors and ECPs only target market** — Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[UK MIFIR product governance/Professional investors and ECPs only target market — Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

PRIIPs REGULATION — EEA RETAIL INVESTORS — The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**") or (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

UK PRIIPs REGULATION — UK RETAIL INVESTORS — The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of

Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

[In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the "**SFA**") and the Securities and Futures Act (Capital Market 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 Notes are prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendation on Investment Products.][1]

[This document is for distribution to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**HKSE**")) ("**Professional Investors**") only.

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

HKSE 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 Programme and the Notes on HKSE is not to be taken as an indication of the commercial merits or credit quality of the Programme, the Notes or the Issuer, the Guarantor[, the Company] and the Group or quality of disclosure in this document. Hong Kong Exchanges and Clearing Limited and HKSE 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.

This document, together with the 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, the Guarantor[, the Company] and the Group. Each of the Issuer[,/and] the Guarantor [and the Company] accepts full responsibility for the accuracy of the information contained in this document 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.]

[Date]

Eastern Creation II Investment Holdings Ltd.
Legal entity identifier (LEI): 549300POZZMBXFYP2H73
Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes] due[●]
Guaranteed by [Beijing Infrastructure Investment (Hong Kong) Limited
(京投(香港)有限公司)/ Beijing Infrastructure Investment Co., Ltd.]
under its U.S.$6,000,000,000
Guaranteed Medium Term Note Programme

This document constitutes the Pricing Supplement relating to the issue of Notes described herein.

---

[1] To insert appropriate notice if classification of the Notes is "prescribed capital markets products", pursuant to Section 309B of the SFA or "Excluded Investment Products".

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the "**Conditions**") set forth in the Offering Circular dated [●] 2021 (the "**Offering Circular**"). This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Offering Circular [as so supplemented]. Full information on the Issuer, BII Hong Kong, the Company and the offer of the Notes is only available on the basis of the combination of the Offering Circular[, the Supplemental Offering Circular dated [●]] and this Pricing Supplement.

[N.B. If the Issuer or the relevant Guarantor has prepared any unaudited, but reviewed, condensed consolidated financial statements dated as at a date, or for a period ending, subsequent to the financial statements appearing in the latest Offering Circular, ensure that such financial statements are provided to potential investors of the relevant series of Notes as soon as practicable upon announcement of the deal.]

[*The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date.*

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated [original date]. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Offering Circular dated [original date] [and the Supplemental Offering Circular dated [●]], save in respect of the Conditions which are extracted from the Offering Circular dated [original date] and are attached hereto. Full information on the Issuer, BII Hong Kong, the Company and the offer of the Notes is only available on the basis of the combination of the Offering Circular[, the Supplemental Offering Circular dated [●]] and this Pricing Supplement.]

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Pricing Supplement.]

[If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination may need to be £100,000 or its equivalent in any other currency.]

1	(i)	Issuer:	Eastern Creation II Investment Holdings Ltd.
	(ii)	Guarantor:	[Beijing Infrastructure Investment (Hong Kong) Limited (京投(香港)有限公司)]/[Beijing Infrastructure Investment Co., Ltd.]
	[(iii)	Company:]	[Beijing Infrastructure Investment Co., Ltd.[2]]
2	(i)	Series Number:	[●]
	(ii)	Tranche Number:	[●]
	(iii)	Date on which the Notes will be consolidated and form acta single Series:	The Notes will be consolidated and form a single Series with [*identify earlier Tranches*] on [the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 33 below, which is expected to occur on or about [date]]/[Not Applicable]
3	Specified Currency or Currencies:		[●]

[2] Applicable only in respect of Notes guaranteed by Beijing Infrastructure Investment (Hong Kong) Limited.

4	Aggregate Nominal Amount:		
	(i)	Series:	[●]
	(ii)	Tranche:	[●]
5	(i)	Issue Price:	[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*if applicable*)]
	[(ii)	Net proceeds:	[●] [*Delete for unlisted issuances*]]
6	(i)	Specified Denominations:[3,4]	[●]
	(ii)	Calculation Amount:	[●]
7	(i)	Issue Date:	[●]
	(ii)	Interest Commencement Date:	[*specify/Issue Date/Not Applicable*]
8	Maturity Date:		[*Fixed rate — specify date/Floating rate —* Interest Payment Date falling in or nearest to [*specify month*]][5]
9	Interest Basis:		[[●] per cent. Fixed Rate] [[LIBOR/EURIBOR/HIBOR/CNH HIBOR] +/-[●] per cent. Floating Rate] [Zero Coupon] [Index Linked Interest] [Dual Currency Interest] [*specify other*] (further particulars specified below)
10	Redemption/Payment Basis:		[Redemption at par] [Index Linked Redemption] [Dual Currency Redemption] [Partly Paid]/[Instalment] [specify other]

[3] Notes (including Notes denominated in sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA and which have a maturity of less than one year and must have a minimum redemption value of £100,000 (or its equivalent in other currencies).

[4] If the specified denomination is expressed to be C100,000 or its equivalent and multiples of a lower principal amount (for example C1,000), insert the additional wording as follows: C100,000 and integral multiples of C1,000 in excess thereof up to and including C199,000. No notes in definitive form will be issued with a denomination above C199,000. In relation to any issue of Notes which are a "Global Note exchangeable to Definitive Notes" in circumstances other than in the limited circumstances specified in the Global Note, such Notes may only be issued in denominations equal to, or greater than, C100,000 (or equivalent) and multiples thereof.

[5] Note that for Renminbi and Hong Kong dollar denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification it will be necessary to use the second option here.

11	Change of Interest Basis or Redemption/Payment Basis:	[*Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis*]
12	Put/Call Options:	[Investor Put][6] [Issuer Call] [Change of Control Put Option] [(further particulars specified below)]
13	Date of [Board] approval for issuance of Notes and Guarantee obtained:	[●] [and [●], respectively]] (*N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes or related Guarantee*)
14	Regulatory approval for issuance of Notes obtained:[7]	[[●]/None required] [Date]
15	Listing:	[The Stock Exchange of Hong Kong Limited/*specify other*/None] *(For Notes to be listed on the HKSE, insert the expected effective listing date of the Notes)*
16	Method of distribution:	[Syndicated/Non-syndicated]

Provisions Relating to Interest (if any) Payable

17	Fixed Rate Note Provisions	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(i) Rate[(s)] of Interest:	[●] per cent. per annum [payable [annually/semi-annually/quarterly/other (*specify*)] in arrear] (*If payable other than annually, consider amending Condition 5*)
	(ii) Interest Payment Date(s):	[●] in each year [adjusted in accordance with [*specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"]/not adjusted*] *(N.B.: This will need to be amended in the case of long or short coupons*)

[6] For as long as Bearer Notes issued in accordance with TEFRA D are represented by a Temporary Global Note, an Investor Put shall not be available unless the certification required under TEFRA D with respect to non-U.S. beneficial ownership has been received by the Issuer or the Agent.

[7] If pre-Issue registration with the NDRC is required, the date of the Enterprise Foreign Debt Pre-Issue Registration Certificate should be included.

	(iii) Fixed Coupon Amount(s): *(Applicable to Notes in definitive form*)	[●] per Calculation Amount[8]
	(iv) Broken Amount(s): (*Applicable to Notes in definitive form*)	[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]
	(v) Day Count Fraction:	[30/360 or Actual/Actual (ICMA/ISDA) or Actual/365 (Fixed)[9] or [specify other]]
	(vi) Determination Date(s):	[●] in each year *[Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon]* *(N.B.: This will need to be amended in the case of regular interest payment dates which are not of equal duration)* *(N.B.: Only relevant where Day Count Fraction is Actual/Actual (ICMA))*
	(vii) Other terms relating to the method of calculating interest for Fixed Rate Notes:	[None/*Give details*]
18	Floating Rate Note Provisions	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub- paragraphs of this paragraph)*
	(i) Specified Period(s)/Specified Interest Payment Dates:	[●]
	(ii) Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[*specify other*]]
	(iii) Additional Business Centre(s):	[●]
	(iv) Manner in which the Rate of Interest and Interest Amount is to be determined:	[Screen Rate Determination/ISDA Determination/*specify other*]

[8] For Renminbi or Hong Kong dollar denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification the following alternative wording is appropriate: "Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest CNY0.01, CNY0.005 being rounded upwards in the case of Renminbi denominated Fixed Rate Notes and to the nearest HK$0.01, HK$0.005 for the case of Hong Kong dollar denominated Fixed Rate Notes, being rounded upwards."

[9] Applicable to Hong Kong dollar denominated Fixed Rate Notes and Renminbi denominated Fixed Rate Notes.

(v)	Party responsible for calculating the Rate of Interest and Interest Amount (if not the Issuing and Paying Agent):	[●]
(vi)	Screen Rate Determination:	
	— Reference Rate:	[●] *(Either LIBOR, EURIBOR, HIBOR, CNH HIBOR or other, although additional information is required if other — including fallback provisions in the Agency Agreement)*
	— Interest Determination Date(s):	[●] *(Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling, Hong Kong dollar or euro LIBOR), second Hong Kong business day prior to the start of each Interest period if CNH HIBOR, first day of each Interest Period if Sterling LIBOR or Hong Kong dollar LIBOR or HIBOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)*
	— Relevant Screen Page:	[●] *(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)*
(vii)	ISDA Determination:	
	— Floating Rate Option:	[●]
	— Designated Maturity:	[●]
	— Reset Date:	[●]
(viii)	Margin(s):	[+/-] [●] per cent. per annum
(ix)	Minimum Rate of Interest:	[●] per cent. per annum
(x)	Maximum Rate of Interest:	[●] per cent. per annum

	(xi) Day Count Fraction:	[Actual/Actual or Actual/Actual (ISDA) Actual/365(Fixed) Actual/365(Sterling) Actual/360 30/360, 360/360 or Bond Basis 30E/360 or Eurobond Basis 30E/360 (ISDA) Other] *(See Condition 5 for alternatives)*
	(xii) Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	[●]
19	Zero Coupon Note Provisions	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i) Amortisation Yield:	[●] per cent. per annum
	(ii) Day Count Fraction:	[●]
	(iii) Any other formula/basis of determining amount payable:	[●]
20	Index Linked Interest Note Provisions	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i) Index/Formula:	[*give or annex details*]
	(ii) Calculation Agent:	[●]
	(iii) Party responsible for calculating the Rate of Interest (if not the Calculation Agent) and Interest Amount (if not the Issuing and Paying Agent):	[●]
	(iv) Interest Determination Date(s):	[●]

	(v) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable:	[*need to include a description of market disruption or settlement disruption events and adjustment provisions*]
	(vi) Interest or calculation period(s)	[●]
	(vii) Specified Period(s)/Specified Interest Payment Dates:	[●]
	(viii) Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/specify other]
	(ix) Additional Business Centre(s):	[●]
	(x) Minimum Rate of Interest:	[●] per cent. per annum
	(xi) Maximum Rate of Interest:	[●] per cent. per annum
	(xii) Day Count Fraction:	[●]
21	Dual Currency Interest Note Provisions	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i) Rate of Exchange/method of calculating Rate of Exchange:	*[give or annex details]*
	(ii) Party, if any, responsible for calculating the principal and/or interest due (if not the Issuing and Paying Agent):	[●]
	(iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable:	[*need to include a description of market disruption or settlement disruption events and adjustment provisions*]

	(iv) Person at whose option Specified Currency(ies) is/are payable:	[●]

Provisions Relating to Redemption

22	Issuer Call:	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i) Optional Redemption Date(s):	[●]
	(ii) Optional Redemption Amount and method, if any, of calculation of such amount(s):	[[●] per Calculation Amount/specify other/see Appendix]
	(iii) If redeemable in part:	[●]
	(a) Minimum Redemption Amount:	[●]
	(b) Maximum Redemption Amount:	[●]
	(iv) Notice period (if other than as set out in the Conditions):	*(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Issuing and Paying Agent or the Trustee)*
23	Investor Put:	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i) Optional Redemption Date(s):	[●]
	(ii) Optional Redemption Amount and method, if any, of calculation of such amount(s):	[[●] per Calculation Amount/specify other/see Appendix]

	(iii) Notice period (if other than as set out in the Conditions):	[●] *(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Issuing and Paying Agent or the Trustee)*
24	Change of Control Put:	[Applicable/Not Applicable]
25	Final Redemption Amount:	[[●] per Calculation Amount/specify other/see Appendix]
26	Early Redemption Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in the Conditions):	[[●] per Calculation Amount/specify other/see Appendix]

General Provisions Applicable to the Notes

27	Form of Notes:	[**Bearer Notes**: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note] [Temporary Global Note exchangeable for Definitive Notes on [●] days' notice[10]] [Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]] [**Registered Notes**: Global Certificate exchangeable for Individual Note Certificates in the limited circumstances described in the Global Certificate]
28	Additional Financial Centre(s) or other special provisions relating to Payment Dates:	[Not Applicable/*give details*] *(Note that this paragraph relates to the place of payment and not Interest Period end dates to which sub-paragraphs 17 (iii) and 19 (vii) relate)*
29	Talons for future Coupons or Receipts to be attached to Definitive Bearer Notes (and dates on which such Talons mature):	[Yes/No. *If yes, give details*]

[10] If the Specified Denominations of the Notes in paragraph 6 includes language substantially to the following effect: "€100,000 and integral multiples of [€1,000] in excess thereof up to and including €199,000", the Temporary Global Note shall not be exchangeable on [●] days' notice.

30	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	[Not Applicable/*give details. N.B.: a new form of Temporary Global Note and/or Permanent Global Note may be required for Partly Paid issues*]
31	Details relating to Instalment Notes:	
	(i) Instalment Amount(s):	[Not Applicable/*give details*]
	(ii) Instalment Date(s):	[Not Applicable/*give details*]
32	Redenomination applicable:	Redenomination [not] applicable [*(If Redenomination is applicable, specify the applicable Day Count Fraction and any provisions necessary to deal with floating rate interest calculation (including alternative reference rates)*]
33	Consolidation provisions:	[Not Applicable]/[The provisions annexed to this Pricing Supplement apply]
34	Other terms or special conditions:	[Not Applicable/*give details*]

Distribution

35	(i) If syndicated, names and addresses of Managers and commitments:	[Not Applicable/*give names and addresses and commitments*]
	(ii) Date of Subscription Agreement:	[●]
	(iii) Stabilisation Manager(s) (if any):	[Not Applicable/*give name*]
36	If non-syndicated, name of relevant Dealer:	[Not Applicable/*give name and address*]
37	Total commission and concession:	[●] per cent. of the Aggregate Nominal Amount

38	U.S. Selling Restrictions:	[Reg. S Category 1/Category 2; TEFRA D/TEFRAC/TEFRA not applicable[11]]
39	Additional selling restrictions:	[Not Applicable/*give details*]

Operational Information

40	Any clearing system(s) other than Euroclear or Clearstream and the relevant identification number(s):	[CMU/Not Applicable/*give name(s) and number(s)*]
41	Delivery:	Delivery [against/free of] payment
42	Additional Paying Agent(s) (if any):	[●]
	ISIN:	[●]
	Common Code:	[●]

(insert here any other relevant codes such as a CMU instrument number)

43	The aggregate principal amount of Notes issued has been translated into U.S. dollars at the rate of [●], producing a sum of (for Notes not denominated in U.S. dollars):	[Not applicable/U.S.$[●]]
44	Ratings:	The Notes to be issued have been rated: [Moody's Investors Service, Inc.: [●]] [S&P Global Inc.: [●]] [Fitch Ratings Ltd.: [●]] (*The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating*)
45	Private Bank Rebate/Commission:	[Not Applicable/give details]

[USE OF PROCEEDS

Give details if different from the "Use of Proceeds" section in the Offering Circular.]

[11] "TEFRA not applicable" is only available for Bearer Notes with a with a term of 365 days or less (taking into account any unilateral extensions and rollovers) or Registered Notes.

[STABILISATION

In connection with the issue of any Tranche of Notes, one or more of the Dealers named as Stabilisation Manager in this Pricing Supplement (or persons acting on behalf of any Stabilisation Manager(s)) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or person(s) acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.]

[Listing Application

This Pricing Supplement comprises the final terms required for the issue of Notes described herein pursuant to the U.S.$6,000,000,000 Guaranteed Medium Term Note Programme of Eastern Creation II Investment Holdings Ltd.]

Responsibility

The Issuer and [Beijing Infrastructure Investment (Hong Kong) Limited (京投(香港)有限公司)/Beijing Infrastructure Investment Co., Ltd.] accept responsibility for the information contained in this Pricing Supplement.

Signed on behalf of the Issuer:

By: _____
Duly authorised

Signed on behalf of [Beijing Infrastructure Investment (Hong Kong) Limited (京投(香港)有限公司)/ Beijing Infrastructure Investment Co., Ltd.]:

By: _____
Duly authorised

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions that, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, shall be applicable to the Notes in definitive form (if any) issued in exchange for the Global Note(s) or Global Certificate representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement. Those definitions will be endorsed on the definitive Notes or Certificates, as the case may be. References in the Conditions to "Notes" are to the Notes of one Series only, not to all Notes that may be issued under the Programme.

This Note is issued by Eastern Creation II Investment Holdings Ltd. (the "**Issuer**") pursuant to the Trust Deed (as defined below). Issues of Notes by the Issuer are guaranteed by Beijing Infrastructure Investment (Hong Kong) Limited ("**BII Hong Kong**") or Beijing Infrastructure Investment Co., Ltd. (the "**Company**") (each a "**Guarantor**") as specified hereon. References to the Guarantor shall mean only either BII Hong Kong or the Company as specified hereon, as the case may be.

The Notes are constituted by an amended and restated Trust Deed dated 11 September 2017 (as amended, restated and/or supplemented from time to time, the "**Trust Deed**") between the Issuer, BII Hong Kong, the Company and Citicorp International Limited (the "**Trustee**", which expression shall, where the context so permits, include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the Noteholders (as defined below). These terms and conditions (the "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Notes, Certificates, Receipts, Coupons and Talons referred to below. An amended and restated Agency Agreement dated 11 September 2017 (as amended, restated and/or supplemented from time to time, the "**Agency Agreement**") has been entered into in relation to the Notes between the Issuer, BII Hong Kong, the Company, the Trustee, Citibank N.A., London Branch as initial issuing and paying agent, paying agent, registrar, transfer agent and calculation agent and Citicorp International Limited as lodging and paying agent for Notes to be held in the Central Moneymarkets Unit Service operated by the Hong Kong Monetary Authority (the "**CMU**"). The issuing and paying agent, the CMU lodging and paying agent, any other paying agents, the registrar, the transfer agent(s) and the calculation agent(s) for the time being are referred to below respectively as the "**Issuing and Paying Agent**", the "**CMU Lodging and Paying Agen**t", the "**Paying Agents**" (which expression shall include the Issuing and Paying Agent and the CMU Lodging and the Paying Agent), the "**Registrar**", the "**Transfer Agents**" (which expression shall include the Registrar) and the "**Calculation Agent(s)** " and collectively, the "**Agents**". For the purposes of these Conditions, all references to the Issuing and Paying Agent shall, with respect to a Series of Notes to be held in the CMU, be deemed to be a reference to the CMU Lodging and Paying Agent and all such references shall be construed accordingly. Each Tranche (as defined below) of Notes will have the benefit of a deed of guarantee dated on or about the relevant date of issue of the Notes (the "**Issue Date**") (as amended, restated and/or supplemented from time to time, each a "**Deed of Guarantee**") entered into between the Issuer, the relevant Guarantor and the Trustee. In respect of Notes guaranteed by BII Hong Kong only, an amended and restated keepwell and liquidity support deed dated 11 September 2017 (as amended, restated and/or supplemented from time to time) (the "**Keepwell and Liquidity Support Deed**") between the Issuer, BII Hong Kong, the Company and the Trustee and an amended and restated deed of equity interest purchase undertaking dated 11 September 2017 (as amended, restated and/or supplemented from time to time) (the "**Deed of Equity Interest Purchase Undertaking**") between the Company and the Trustee have been entered into for the benefit of the Trustee on behalf of itself and the Noteholders.

Copies of the Trust Deed, the relevant Deed of Guarantee, the Agency Agreement, the Keepwell and Liquidity Support Deed and the Deed of Equity Interest Purchase Undertaking are available for inspection during usual business hours upon prior written request at the principal office of the Trustee (presently at 39/F Champion Tower, 3 Garden Road, Central, Hong Kong) and at the specified offices of the Paying Agents and the Transfer Agents.

The Noteholders, the holders of the interest coupons (the "**Coupons**") relating to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the "**Talons**") (the "**Couponholders**") and the holders of the receipts for the payment of instalments of principal (the "**Receipts**") relating to Notes in bearer form of which the principal is payable in instalments (the "**Receiptholders**") are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed, the relevant Deed of Guarantee, the Keepwell and Liquidity Support Deed (in the case of Notes guaranteed by BII Hong Kong only) and the Deed of Equity Interest Purchase Undertaking (in the case of Notes guaranteed by BII Hong Kong only) and are deemed to have notice of those provisions applicable to them of the Agency Agreement. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, the relevant Deed of Guarantee, the Agency Agreement, the Keepwell and Liquidity Support Deed and the Deed of Equity Interest Purchase Undertaking.

As used in these Conditions, "**Tranche**" means Notes which are identical in all respects, and "**Series**" means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (a) expressed to be consolidated and form a single series with such Tranche of Notes and (b) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or issue prices.

1. FORM, DENOMINATION AND TITLE

The Notes are issued in bearer form ("**Bearer Notes**") or in registered form ("**Registered Notes**") in each case in the Specified Denomination(s) shown hereon.

This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, an Index Linked Redemption Note, an Instalment Note, a Dual Currency Note or a Partly Paid Note, a combination of any of the foregoing or any other kind of Note, depending upon the Interest and Redemption/Payment Basis shown hereon.

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. Instalment Notes are issued with one or more Receipts attached.

Registered Notes are represented by registered certificates ("**Certificates**") and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder.

Title to the Bearer Notes and the Receipts, Coupons and Talons shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "**Register**"). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Receipt, Coupon or Talon shall be deemed to be and may 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 it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder.

In these Conditions, "**Noteholder**" means the bearer of any Bearer Note and the Receipts relating to it or the person in whose name a Registered Note is registered (as the case may be), "**holder**" (in relation to a Note, Receipt, Coupon or Talon) means the bearer of any Bearer Note, Receipt, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be) and capitalised terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Notes.

2. NO EXCHANGE OF NOTES, TRANSFERS OF REGISTERED NOTES AND CERTIFICATES

(a) **No Exchange of Notes:** Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes may not be exchanged for Registered Notes.

(b) **Transfer of Registered Notes:** One or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any other Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and any other evidence as the Registrar or such Transfer Agent may require. In the case of a transfer of part only of a holding of Registered Notes represented 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 shall be issued to the transferor. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding. All transfers of Notes and entries on the Register will be made in accordance with the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement (the "**Regulations**"). The Regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee, or by the Registrar, with the prior written approval of the Trustee. A copy of the current Regulations will be made available by the Registrar to any Noteholder upon written request.

(c) **Exercise of Options or Partial Redemption in Respect of Registered Notes:** In the case of an exercise of an Issuer's or Noteholders' option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Registered Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any other Transfer Agent.

(d) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to Conditions 2(b) or 2(c) shall be available for delivery within seven business days of receipt of a duly completed form of transfer or Put Exercise Notice (as defined in Condition 6(d)) or the Exercise Notice (as defined in Condition 6(f)) or (in the case of Notes guaranteed by the Company) the Non-Registration Event Put Exercise Notice (as defined in Condition 6(g)) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of any Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer, Put Exercise Notice, Exercise Notice, Non-Registration Event Put Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified

in the relevant form of transfer, Put Exercise Notice, Exercise Notice, Non-Registration Event Put Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate (but free of charge to the holder and at the Issuer's expense) to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Transfer Agent or the Registrar (as the case may be) the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), "**business day**" means a day, other than a Saturday or Sunday or public holiday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

(e) **Transfers Free of Charge:** Transfers of Notes and Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Issuer, the Registrar or any other Transfer Agent, but upon (i) payment by the relevant Noteholders of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity and/or security and/or prefunding as the Registrar or the relevant Transfer Agent may require); (ii) the Registrar being satisfied in its absolute discretion with the documents of title or identity of the person making the application and (iii) the relevant Agent (after consultation with the Issuer if so required) being satisfied that the Regulations have been complied with.

(f) **Closed Periods:** No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days ending on (and including) the due date for redemption of, or payment of any Instalment Amount in respect of, that Note, (ii) after the exercise of the put option in Condition 6(d), (iii) after the exercise of the put option in Condition 6(f), (iv) after the exercise of the put option in Condition 6(g), (v) during the period of 15 days prior to any date on which Notes are being called for redemption in part by the Issuer at its option, (vi) after any such Note has been called for redemption where not all the Notes are being called for redemption or (vii) during the period of seven days ending on (and including) any Record Date (as defined in Condition 7(c)(ii)).

3. GUARANTEE AND STATUS

(a) **Status of Notes:** The Notes and any Receipts and Coupons relating to them constitute direct, unsubordinated, unconditional and (subject to Condition 4(a)) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes and the Receipts and the Coupons relating to them shall, save for such exceptions as may be provided by applicable law and subject to Condition 4(a), at all times rank at least equally with all other present and future unsecured and unsubordinated obligations of the Issuer.

(b) **Guarantee:** The Guarantor will in respect of each Tranche of Notes pursuant to the relevant Deed of Guarantee unconditionally and irrevocably guarantee the due payment of all sums expressed to be payable by the Issuer under the Trust Deed, the Notes and, if applicable, the Receipts and the Coupons (the "**Guarantee**"). The payment obligations of the Guarantor under the Guarantee shall, save for such exceptions as may be provided by applicable law and subject to Condition 4(a), at all times rank at least equally with all other present and future unsecured and unsubordinated obligations of the Guarantor.

4. NEGATIVE PLEDGE AND OTHER COVENANTS

(a) Negative Pledge:

So long as any Note or Coupon remains outstanding (as defined in the Trust Deed), none of the Issuer, BII Hong Kong or the Company will, and each of the Issuer, BII Hong Kong and the Company shall ensure that none of their respective Subsidiaries (other than a Listed Subsidiary and Subsidiaries of a Listed Subsidiary) will, create or, have outstanding, any mortgage, charge, lien, pledge or other security interest upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness or to secure any guarantee or indemnity in respect of any Relevant Indebtedness, without at the same time or prior thereto according to the Notes and the Coupons the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or such other security as (i) the Trustee shall in its absolute discretion deem not materially less beneficial to the interest of the Noteholders or (ii) shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

(b) Undertakings in relation to the Guarantee:

(i) For the benefit of each initial Tranche(s) of the Notes to be issued in accordance with these Conditions and the Trust Deed, the Guarantor shall execute a Deed of Guarantee in connection with such Tranche substantially in the form attached to the Trust Deed on the relevant Issue Date;

(ii) In the case of each initial Tranche of Notes guaranteed by the Company, the Company shall:

(A) register or cause to be registered with SAFE the relevant Deed of Guarantee within the prescribed timeframe after its execution in accordance with the Foreign Exchange Administration Rules on Cross-border Security (跨境擔保外匯管理規定) of the PRC (the "**Cross-border Security Registration**");

(B) use all reasonable endeavours to complete the Cross-border Security Registration on or before the relevant Registration Deadline and obtain the relevant SAFE registration certificate relating to such Cross-border Security Registration (or any other document evidencing completion of the Cross-border Security Registration);

(C) deliver to the Trustee on or before the relevant Registration Deadline (x) a certificate in English substantially in the form set out in the Trust Deed which has been stamped with the Company's official stamp or signed by an Authorised Signatory of the Company confirming the completion of the Cross-border Security Registration in connection with the relevant Deed of Guarantee, and (y) a copy of the relevant SAFE registration certificate relating to the Cross-border Security Registration (or any other document evidencing completion of the Cross-border Security Registration), each certified in English as a true and complete copy of the original by an Authorised Signatory of the Company;

(D) comply with all applicable PRC laws and regulations in relation to the Cross-border Security Registration; and

(E) procure the giving of notice to Noteholders in accordance with Condition 16 as soon as practicable after the completion of the Cross-border Security Registration;

(iii) For the benefit of any Tranche of Notes to be issued in accordance with these Conditions and the Trust Deed which shall be consolidated into, and form a single Series with, an original Series of Notes, the Guarantor shall execute a supplemental Deed of Guarantee for the Notes reflecting, *inter alia*, the increase in principal amount of that Series of Notes on the relevant Issue Date; and

(iv) In the case of any Tranche of Notes to be issued in accordance with these Conditions and the Trust Deed which shall be consolidated into, and form a single Series with, an existing Series of Notes guaranteed by the Company, the Company shall:

(A) register or cause to be registered with SAFE the relevant supplemental Deed of Guarantee in respect of the applicable Series of Notes within the prescribed timeframe after the execution of such supplemental Deed of Guarantee;

(B) use all reasonable endeavours to complete the Cross-border Security Registration or applicable registration update with SAFE on or before the relevant Registration Deadline and obtain the relevant SAFE registration certificate relating to the Cross-border Security Registration (or any other document evidencing completion of the Cross-border Security Registration);

(C) deliver to the Trustee on or before the relevant Registration Deadline (x) a certificate in English substantially in the form set out in the Trust Deed which has been stamped with the Company's official stamp or signed by an Authorised Signatory of the Company confirming the completion of the Cross-border Security Registration or applicable registration update in connection with the relevant supplemental Deed of Guarantee, and (y) a copy of the relevant SAFE registration certificate relating to the Cross-border Security Registration (or any other document evidencing completion of the Cross-border Security Registration), each certified in English as a true and complete copy of the original by an Authorised Signatory of the Company;

(D) comply with all applicable PRC laws and regulations in relation to the Cross-border Security Registration; and

(E) procure the giving of notice to Noteholders in accordance with Condition 16 as soon as practicable after the completion of the Cross-border Security Registration.

(c) **Financial Information:** For so long as any Note or Coupon remains outstanding:

(i) the Company will furnish the Trustee with (A) a Compliance Certificate of the Company (on which the Trustee may rely as to such compliance) and a copy of the relevant Company Audited Financial Reports within 120 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 an internationally recognised firm of independent accountants) of the Company and its Subsidiaries and if such statements shall be in the Chinese language, together with an English translation of the same translated by (aa) an internationally recognised firm of independent accountants or (bb) a professional translation service provider and checked by an internationally recognised firm of independent accountants, together with a certificate in English signed by a director of the Company certifying that such translation is complete and accurate; and (B) a copy of the Company Unaudited Financial Reports within 90 days of the end of each Relevant Period prepared on a basis consistent with the audited consolidated financial statements of the Company and its Subsidiaries and if such statements shall be in the Chinese language, together with an English translation of the same and translated by (aa) an internationally recognised firm of

independent accountants or (bb) a professional translation service provider and checked by an internationally recognised firm of independent accountants, together with a certificate in English signed by a director of the Company certifying that such translation is complete and accurate; **provided that**, if at any time the capital stock of the Company is listed for trading on a recognised stock exchange, the Company may make available to the Trustee, as soon as they are available but in any event not more than 14 calendar days after any financial or other reports of the Company are filed with the exchange on which the Company's capital stock is at such time listed for trading, true and correct copies of any financial or other report filed with such exchange in lieu of the reports identified in Condition 4(c)(i)(A) and 4(c)(i)(B) above; and

(ii) the Issuer and BII Hong Kong will furnish the Trustee with a Compliance Certificate of each of the Issuer and BII Hong Kong (on which the Trustee may rely as to such compliance) and a copy of the relevant Audited Financial Reports of BII Hong Kong within 120 days of the end of each Relevant Period prepared in accordance with PRC GAAP.

(d) **Issuer Activities:** The Issuer shall not, and BII Hong Kong and the Company will procure that the Issuer will not, carry on any business activity whatsoever other than in connection with the Notes, the Receipts and the Coupons (such activities in connection with the Notes, the Receipts and the Coupons shall, for the avoidance of doubt, include (i) the offering, sale or issuance of the Notes, the Receipts and the Coupons under the Programme and (ii) the activities directly related to the establishment and/or maintenance of the Issuer's corporate existence).

(e) **Irrevocable Cross-Border Standby Facility and Liquidity Support:** In the case of Notes guaranteed by BII Hong Kong only, the Trustee shall provide a written notice to the Company (the "**Trigger Notice**") in accordance with the Trust Deed (a) upon being notified in writing by the Company that a Triggering Event has occurred pursuant to the Keepwell and Liquidity Support Deed, or (b) if any Triggering Event has occurred and if so requested in writing by holders of at least 25 per cent. of the aggregate nominal amount of the Notes then outstanding or an Extraordinary Resolution and provided it has been indemnified and/or secured and/or pre-funded to its satisfaction, and upon the receipt of the Trigger Notice the Company shall, subject to it having obtained all Regulatory Approvals (which the Company shall use all reasonable endeavours to obtain) grant a standby facility and procure remittance of an amount to the Issuer or BII Hong Kong in accordance with the Keepwell and Liquidity Support Deed.

In the case of Notes guaranteed by BII Hong Kong only, each of the Issuer and BII Hong Kong shall, and the Company has undertaken in the Keepwell and Liquidity Support Deed to procure each of the Issuer and BII Hong Kong to, take all actions necessary for the proceeds received under the standby facility pursuant to this Condition 4(e) to be applied in and towards (A) the payment in accordance with the Keepwell and Liquidity Support Deed of any outstanding amounts as they fall due under the Trust Deed, the Agency Agreement, the relevant Deed of Guarantee and the Notes, the Receipts and the Coupons (including any interest accrued but unpaid on the Notes and the Coupons) if the Triggering Event is a Liquidity Notice Failure Event or an Event of Default (as defined in Condition 10) the remedy of the Shortfall Event if the Triggering Event is a Shortfall Event, prior to any other use, disposal or transfer of the proceeds received.

(f) **Ownership of shares:** The Company has undertaken in the Trust Deed that it shall:

(i) directly or indirectly own and hold all the outstanding shares of each of the Issuer and BII Hong Kong and shall not directly or indirectly pledge, grant a security interest, or in any way encumber or otherwise dispose of any such shares unless required to dispose of any or all such shares pursuant to a court decree or order of any government authority which, in the opinion of a legal adviser to the Company, may not be successfully challenged; and

(ii) procure BII Hong Kong to directly or indirectly own and hold all the outstanding shares of the Issuer.

(g) **Deed of Equity Interest Purchase Undertaking:** In the case of Notes guaranteed by BII Hong Kong only, upon the occurrence of an Event of Default (as defined under Condition 10), the Trustee shall give to the Company (with a copy to the Issuer and BII Hong Kong) a notice in writing in accordance with the Trust Deed notifying the Company of its obligations to purchase under the Deed of Equity Interest Purchase Undertaking. Upon the completion of any equity purchase made in accordance with the Deed of Equity Interest Purchase Undertaking, the Company undertakes that (x) in the event that a Relevant Transferor is neither the Issuer nor BII Hong Kong, the Company shall procure such Relevant Transferor to promptly on-lend or distribute in full the relevant portion of the purchase price (being an amount no less than the amount sufficient to enable the Issuer and BII Hong Kong to discharge in full their respective obligations under the Notes, the Coupons, the Agency Agreement, the relevant Deed of Guarantee and the Trust Deed and those other payment obligations described under the Deed of Equity Interest Purchase Undertaking) received by such Relevant Transferor to the Issuer prior to any other use, disposal or transfer of the proceeds received and (y) promptly do all such things (including entering into and executing any agreements or arrangements required) and take all actions necessary for the purchase price received by the Issuer from the Company or pursuant to any on-loan or distribution to be applied solely towards the payment in accordance with the Trust Deed of any outstanding amounts under the Trust Deed and the Notes and the Coupons (including any interest accrued but unpaid on the Notes and the Coupons), the Agency Agreement and the relevant Deed of Guarantee prior to any other use, disposal or transfer of the proceeds received.

(h) **NDRC:** In relation to each Tranche of Notes where the NDRC Circular is applicable, the Company undertakes that, it will submit the NDRC Post-Issue Filing and, as soon as reasonably practicable after such submission, provide the Trustee with (i) a certificate in English substantially in the form set out in the Trust Deed signed by an Authorised Signatory of the Company confirming the submission of the NDRC Post-Issue Filing; and (ii) a copy of the NDRC Post-Issue Filing setting out the particulars of filing (or any other document evidencing the submission of the NDRC Post-Issue Filing), in each case certified in English as a true and complete copy of the original by an Authorised Signatory of the Company.

(i) **Trustee Reliance:** The Trustee shall be entitled to conclusively rely on or act in reliance on any certificate, notice or document received by it as contemplated in this Condition 4 as sufficient evidence of the facts and/or matters stated therein and shall not be liable to any Noteholder and/or Couponholder or any other person for so doing.

In these Conditions:

"**Approval Authorities**" means any supranational, national, state, municipal, provincial or local government (including any subdivision, court, administrative agency or commission or other authority thereof) or any quasi governmental or private body exercising any regulatory, taxing, importing or other governmental or quasi governmental authority whose

licences, authorisations, registrations or other approvals are necessary for undertaking, performing and enforcing the transactions contemplated by the Trust Deed, the relevant Deed of Guarantee, the Keepwell and Liquidity Support Deed, the Deed of Equity Interest Purchase Undertaking and the Notes;

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

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

"**Company Unaudited Financial Reports**" means semi-annual (or any other interim reporting period required by applicable law or regulations) unaudited and unreviewed consolidated balance sheet, income statement, statement of cash flows and statements of changes in owners' equity of the Company;

"**Compliance Certificate**" means a certificate in English and substantially in the form set out in the Trust Deed of each of the Company, the Issuer and BII Hong Kong (as the case may be) signed by any one of their respective Authorised Signatories that, having made all reasonable enquiries, to the best of the knowledge, information and belief of the Company, the Issuer or BII Hong Kong (as the case may be) as at a date (the "**Certification Date**") not more than five days before the date of the certificate:

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

(ii) each of the Company, the Issuer and BII Hong Kong (as the case may be) has complied with all its obligations under this Trust Deed, the relevant Deed of Guarantee and the Notes or, if non-compliance had occurred, giving details of it;

"**Hong Kong**" means the Hong Kong Special Administrative Region of the People's Republic of China;

"**Liquidity Notice**" means the notice given by each of the Issuer and BII Hong Kong to each of the Company and the Trustee in accordance with the Keepwell and Liquidity Support Deed;

"**Listed Subsidiary**" means, at any time, any Subsidiary of the Issuer, BII Hong Kong, or, as the case may be, the Company, the ordinary voting shares of which are at such time listed on The Stock Exchange of Hong Kong Limited or any other recognised stock exchange;

"**Macau**" means the Macau Special Administrative Region of the People's Republic of China;

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

"**NDRC Circular**" means 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 which came into effect on 14 September 2015 and any implementation rules, reports, certificates or guidelines as may be issued by the NDRC prior to the submission of such filing, as supplemented and amended from time to time;

"**NDRC Post-Issue Filing**" means the filing of the requisite information and documents with the NDRC within the prescribed timeframe after the relevant Issue Date of the Notes in accordance with the NDRC Circular;

"**Potential Event of Default**" means an event or circumstance which could with the giving of notice, lapse of time, issue of a certificate and/or fulfilment of any other requirement provided for in Condition 10 become an Event of Default;

"**PRC**" means the People's Republic of China which, for the purposes of these Conditions, shall not include Hong Kong, Macau and Taiwan;

"**Registration Deadline**" means the day falling 150 calendar days after the relevant Issue Date of the Notes;

"**Regulatory Approvals**" means all necessary regulatory or governmental approvals, consents, licences, orders, permits, registrations, filings, clearances and any other authorisations from the relevant Approval Authorities;

"**Relevant Indebtedness**" means any present or future indebtedness incurred outside the PRC which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, or other securities which is, or is capable of being, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market);

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

"**SAFE**" means the State Administration of Foreign Exchange of the PRC;

a "**Subsidiary**" of any person means (a) any company or other business entity of which that person owns or controls (either directly or through one or more other Subsidiaries) more than 50 per cent. of the issued share capital or other ownership interest having ordinary voting power to elect directors, managers or trustees of such company or other business entity, or (b) any company 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

"**Triggering Event**" means any of the following events:

(i) the Issuer or BII Hong Kong fails to provide a Liquidity Notice in accordance with, and by the time and to the persons specified in, the Keepwell and Liquidity Support Deed (a "**Liquidity Notice Failure Event**"); or

(ii) an Event of Default; or

(iii) the Issuer or BII Hong Kong determines that it will have insufficient liquidity or cashflow to meet its payment obligations under the Notes, the relevant Deed of Guarantee, the Coupons, the Trust Deed or the Agency Agreement as they fall due (a "**Shortfall Event**").

5. INTEREST AND OTHER CALCULATIONS

(a) **Interest on Fixed Rate Notes:** Each Fixed Rate Note bears interest on its outstanding nominal amount from and including the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(h).

(b) **Interest on Floating Rate Notes and Index Linked Interest Notes:**

(i) **Interest Payment Dates:** Each Floating Rate Note and Index Linked Interest Note bears interest on its outstanding nominal amount from and including the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(h). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, "**Interest Payment Date**" shall mean each date which falls the number of months or other period shown hereon as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(ii) **Business Day Convention:** If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(iii) **Rate of Interest for Floating Rate Notes:** The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon.

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (A), "**ISDA Rate**" for an Interest Accrual Period means a rate equal to the Floating Rate that would

be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(x) the Floating Rate Option is as specified hereon;

(y) the Designated Maturity is a period specified hereon; and

(z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified hereon.

For the purposes of this sub-paragraph (A), "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**", "**Reset Date**" and "**Swap Transaction**" have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate Determination for Floating Rate Notes

(x) Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

(1) the offered quotation; or

(2) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at either 11.00 a.m. (London time in the case of LIBOR or Brussels time in the case of EURIBOR or Hong Kong time in the case of HIBOR) or 11.15 a.m. (Hong Kong time) or if, at or around that time it is notified that the fixing will be published at 2.30 p.m. (Hong Kong time), then as of 2.30 p.m. (in the case of CNH HIBOR) on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified hereon as being other than LIBOR or EURIBOR or HIBOR or CNH HIBOR, the Rate of Interest in respect of such Notes will be determined as provided hereon.

(y) if the Relevant Screen Page is not available or if, sub-paragraph (x)(1) above applies and no such offered quotation appears on the Relevant Screen Page or if sub-paragraph (x)(2) above applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at the time specified above, subject as provided below, the Calculation Agent shall request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks or, if the Reference Rate is HIBOR or CNH HIBOR, the principal Hong Kong office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum)

for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), or if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) or, if the Reference Rate is HIBOR or CNH HIBOR, at approximately 11.00 a.m. (Hong Kong time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and

(z) if paragraph (y) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) or, if the Reference Rate is HIBOR or CNH HIBOR, at approximately 11.00 a.m. (Hong Kong time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, or, if the Reference Rate is HIBOR or CNH HIBOR, the Hong Kong inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), or, if the Reference Rate is HIBOR or CNH HIBOR, at approximately 11.00 a.m. (Hong Kong time) on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Trustee and the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, or, if the Reference Rate is HIBOR or CNH HIBOR, the Hong Kong inter-bank market, as the case may be, **provided that**, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

(iv) **Rate of Interest for Index Linked Interest Notes:** The Rate of Interest in respect of Index Linked Interest Notes for each Interest Accrual Period shall be determined in the manner specified hereon and interest will accrue by reference to an Index or Formula as specified hereon.

(c) **Zero Coupon Notes:** Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 6(b)(i)).

(d) **Dual Currency Notes:** In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to a Rate of Exchange or a method of calculating Rate of Exchange, the rate or amount of interest payable shall be determined in the manner specified hereon.

(e) **Partly Paid Notes:** In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified hereon.

(f) **Accrual of Interest:** Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date (as defined in Condition 8).

(g) **Margin, Maximum Rate of Interest/Minimum Rate of Interest, Maximum Instalment Amount/Minimum Instalment Amount and Maximum Redemption Amount/Minimum Redemption Amount and Rounding:**

(i) If any Margin is specified hereon (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with Condition 5(b) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to the next paragraph.

(ii) If any Maximum Rate of Interest or Minimum Rate of Interest, Maximum Instalment Amount or Minimum Instalment Amount or Maximum Redemption Amount or Minimum Redemption Amount is specified hereon, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be.

(iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 of a percentage point being rounded up), (y) all figures shall be rounded to seven significant figures (**provided that** if the eighth significant figure is a 5 or greater, the seventh significant figure shall be rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with half a unit being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes "**unit**" means the lowest amount of such currency that is available as legal tender in the jurisdiction(s) of such currency.

(h) **Calculations:** The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified hereon, and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal

such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

(i) Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Instalment Amounts: The Calculation Agent shall, as soon as practicable on each Interest Determination Date, or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any Instalment Amount to be notified to the Trustee, the Issuer, each of the Paying Agents, each of the Transfer Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made with the consent of the Trustee by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 10, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made unless the Trustee otherwise requires. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

(j) **Determination or Calculation by Trustee:** Without prejudice to the provisions of Condition 5(l) below, if the Calculation Agent does not at any time for any reason determine or calculate the Rate of Interest for an Interest Accrual Period or any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, the Trustee may but shall not be obliged to do so (or may but shall not be obliged to appoint an agent on its behalf to do so) and such determination or calculation shall be deemed to have been made by the Calculation Agent. In doing so, the Trustee or such agent appointed by it shall apply the foregoing provisions of this Condition 5, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

(k) **Definitions:** In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

"**Business Day**" means:

(i) in the case of a currency other than euro or Renminbi, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency; and/or

(ii) in the case of euro, a day on which the TARGET System is operating (a "**TARGET Business Day**"); and/or

(iii) in the case of Renminbi, a day (other than a Saturday, Sunday or public holiday) on which commercial banks and foreign exchange markets are open for business and settlement of Renminbi payments in Hong Kong; and/or

(iv) in the case of a currency and/or one or more Business Centres a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or an Interest Accrual Period, the "**Calculation Period**"):

(i) if "**Actual/Actual**" or "**Actual/Actual — ISDA**" is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(ii) if "**Actual/365 (Fixed)** " is specified hereon, the actual number of days in the Calculation Period divided by 365;

(iii) if "**Actual/365 (Sterling)** " is specified hereon, the actual number of days in the Calculation Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

(iv) if "**Actual/360**" is specified hereon, the actual number of days in the Calculation Period divided by 360;

(v) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{([360\times(Y_2-Y_1)]+[30\times(M_2-M_1)]+(D_2-D_1))}{360}$$

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30.

(vi) if "**30E/360**" or "**Eurobond Basis**" is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{([360\times(Y_2-Y_1)]+[30\times(M_2-M_1)]+(D_2-D_1))}{360}$$

where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D_2 will be 30.

(vii) if "**30E/360 (ISDA)** " is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{([360\times(Y_2-Y_1)]+[30\times(M_2-M_1)]+(D_2-D_1))}{360}$$

where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D_2 will be 30.

(viii) if "**Actual/Actual-ICMA**" is specified hereon,

(a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

(b) if the Calculation Period is longer than one Determination Period, the sum of:

(x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

(y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where:

"**Determination Period**" means the period from and including a Determination Date in any year to but excluding the next Determination Date; and

"**Determination Date**" means the date(s) specified as such hereon or, if none is so specified, the Interest Payment Date(s).

"**Euro-zone**" means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended.

"**Interest Accrual Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

"**Interest Amount**" means:

(i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes, and unless otherwise specified hereon, shall mean the Fixed Coupon Amount or Broken Amount specified hereon as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and

(ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period.

"**Interest Commencement Date**" means the Issue Date or such other date as may be specified hereon.

"**Interest Determination Date**" means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or Hong Kong dollars or Renminbi other than where the Specified Currency is Renminbi and the Reference Rate is CNH HIBOR or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro nor Hong Kong dollars nor Renminbi or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro or (iv) the day falling two Business Days in Hong Kong prior to the first day of such Interest Accrual Period if the Specified Currency is Renminbi and the Reference Rate is CNH HIBOR.

"**Interest Period**" means the period beginning on and including the Interest Commencement 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.

"**Interest Period Date**" means each Interest Payment Date unless otherwise specified hereon.

"**ISDA Definitions**" means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified hereon.

"**Rate of Interest**" means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions hereon.

"**Reference Banks**" means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market and, in the case of a determination of HIBOR, the principal Hong Kong office of four major banks in the Hong Kong inter-bank market and, in the case of a determination of CNH HIBOR, the principal Hong Kong office of four major banks dealing in Chinese Yuan in the Hong Kong inter-bank market, in each case selected by the Calculation Agent or as specified hereon.

"**Reference Rate**" means the rate specified as such hereon.

"**Relevant Screen Page**" means such page, section, caption, column or other part of a particular information service as may be specified hereon.

"**Specified Currency**" means the currency specified as such hereon or, if none is specified, the currency in which the Notes are denominated.

"**TARGET System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto.

(l) **Calculation Agent:** The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them hereon and for so long as any Note or Coupon is outstanding (as defined in the Trust Deed). Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall (with the prior written approval of the Trustee) appoint a leading bank or financial institution engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

(m) **Certificates to be final:** All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5, whether by the Calculation Agent or the Trustee, shall (in the absence of wilful default, gross negligence, fraud or manifest error) be binding on the Issuer, BII Hong Kong, the Company, the Trustee, the Calculation Agent, the other Agents and all Noteholders and/or Couponholders and (in the absence as aforesaid) no liability to the Issuer, BII Hong Kong, the Company, the Noteholders or the Couponholders or any other person shall attach to the Calculation Agent or the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

6. REDEMPTION, PURCHASE AND OPTIONS

(a) Redemption by Instalments and Final Redemption:

(i) Unless previously redeemed, purchased and cancelled as provided in this Condition 6, each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified hereon. The outstanding nominal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.

(ii) Unless previously redeemed or purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified hereon at its Final Redemption Amount (which, unless otherwise provided hereon, is its nominal amount) or, in the case of a Note falling within Condition 6(a)(i) above, its final Instalment Amount.

(b) Early Redemption:

(i) *Zero Coupon Notes:*

(A) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or a formula,

upon redemption of such Note pursuant to Condition 6(c), Condition 6(e), Condition 6(f) or Condition 6(g) or upon it becoming due and payable as provided in Condition 10 shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.

(B) Subject to the provisions of sub-paragraph (C) below of this Condition 6(b)(i), the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.

(C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(c), Condition 6(e), Condition 6(f) or Condition 6(g) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (B) above of this Condition 6(b)(i), except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 5(c).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

(ii) *Other Notes:* The Early Redemption Amount payable in respect of any Note (other than Notes described in Condition 6(b)(i) above), upon redemption of such Note pursuant to Condition 6(c), Condition 6(e), Condition 6(f) or Condition 6(g) or upon it becoming due and payable as provided in Condition 10, shall be the Final Redemption Amount unless otherwise specified hereon.

(c) **Redemption for Taxation Reasons:** The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date (if this Note is either a Floating Rate Note or an Index Linked Interest Note) or at any time (if this Note is neither a Floating Rate Note nor an Index Linked Interest Note), on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable) at their Early Redemption Amount (as described in Condition 6(b) above) (together with interest accrued to the date fixed for redemption), if (i) the Issuer (or, if the Guarantee was called, the Guarantor) satisfies the Trustee immediately prior to the giving of such notice that it (or, if the Guarantee were called, the Guarantor) 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 British Virgin Islands, Hong Kong or 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, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes, and (ii) such obligation cannot be avoided by the Issuer (or the Guarantor, as the case may be) 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 (or the Guarantor, as the case may be) would be obliged

to pay such Additional Tax Amounts were a payment in respect of the Notes (or the Guarantee, as the case may be) then due. Prior to the giving of any notice of redemption pursuant to this Condition 6(c), the Issuer (or the Guarantor, as the case may be) shall deliver to the Trustee a certificate signed by a director of the Issuer (or of the Guarantor, as the case may be) stating that the obligation referred to in (i) above of this Condition 6(c) cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it, and the Trustee shall be entitled to accept and rely upon such certificate as sufficient evidence of the satisfaction of the condition precedent set out in (ii) above of this Condition 6(c) without further enquiry and without liability to any Noteholder, Receiptholder or Couponholder, in which event it shall be conclusive and binding on the Noteholders, Receiptholders and Couponholders.

(d) **Redemption for Change of Control:** If Change of Control Put Option is specified hereon, at any time following the occurrence of a Change of Control, the holder of any Note will have the right, at such holder's option, to require the Issuer to redeem all but not some only of that holder's Notes on the Put Settlement Date at 101 per cent. of their nominal amount, together with accrued interest to, such Put Settlement Date. To exercise such right, the holder of the relevant Note must deposit (in the case of Bearer Notes) such Note (together with all unmatured Receipts and (in the case of Fixed Rate Notes other than Due Currency Notes of Index-Linked Notes) Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificates representing such Note(s) with the Registrar or any Transfer Agent at its specified office together with 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, Transfer Agent or the Registrar (as applicable) (a "**Put Exercise Notice**"), by not later than 30 days following the occurrence of a Change of Control or, if later, 30 days following the date upon which notice thereof is given to Noteholders by the Issuer in accordance with Condition 16. The "**Put Settlement Date**" shall be the 14th day after the expiry of such period of 30 days as referred to above.

A Put Exercise Notice, once delivered, shall be irrevocable and the Issuer shall redeem the Notes subject to the Put Exercise Notices delivered as aforesaid on the Put Settlement Date.

The Issuer shall give notice to Noteholders in accordance with Condition 16 and the Trustee by not later than 14 days following the first day on which it becomes aware of the occurrence of a Change of Control, which notice shall specify the procedure for exercise by holders of their rights to require redemption of the Notes pursuant to this Condition 6(d).

The Trustee and the Agents shall not be required to take any steps to ascertain whether a Change of Control has occurred and shall not be responsible for or liable to the Noteholders, the Receiptholders, the Couponholders, the Issuer, BII Hong Kong, the Company or any other person for any loss arising from any failure to do so.

In this Condition 6(d):

"**Beijing SASAC**" means the State-owned Assets Supervision and Administration Commission of the People's Government of Beijing Municipality;

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

(i) Beijing SASAC ceases to own or control (whether directly or indirectly) 100 per cent. of the Voting Rights of the issued share capital of the Company; or

(ii) the Company ceases to own or control (whether directly or indirectly) 100 per cent. of the Voting Rights of the issued share capital of each of the Issuer or BII Hong Kong; or

(iii) the Company consolidates with or merges into or sells or transfers all or substantially all of its assets to any other person or persons, acting together, except where such person(s) is/are Controlled, directly or indirectly, by Beijing SASAC;

"**Control**" means (where applicable): (i) the ownership, acquisition or control of more than 50 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, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of Voting Rights, contract or otherwise and the terms "**Controlled**" has a meaning correlative to the foregoing; and

"**Voting Rights**" means the right generally to vote at a general meeting of shareholders of a person (irrespective of whether or not, at the time, stock of any other class or classes shall have, or might have, voting power by reason of the happening of any contingency, and any such voting power shall therefore be excluded for the purpose of this definition).

(e) **Redemption at the Option of the Issuer:** If Call Option is specified hereon, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice to the Noteholders (or such other notice period as may be specified hereon) redeem all or, if so provided, some of the Notes on any Optional Redemption Date specified hereon. Any such redemption of Notes shall be at their Optional Redemption Amount specified hereon (which may be the Early Redemption Amount (as described in Condition 6(b) above)), together with interest accrued to the date fixed for redemption, if applicable. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified hereon and no greater than the Maximum Redemption Amount to be redeemed specified hereon.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition 6(e).

In the case of a partial redemption the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes, or in the case of Registered Notes shall specify the nominal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be redeemed, which shall have been drawn in such place and in such manner as determined by the Issuer and notified in writing to the Trustee, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

(f) **Redemption at the Option of Noteholders:** If Put Option is specified hereon, the Issuer shall, at the option of the holder of any such Note, upon the holder of such Note giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified hereon) redeem such Note on the Optional Redemption Date(s) specified hereon at its Optional Redemption Amount specified hereon, together with interest accrued to the date fixed for redemption, if applicable.

To exercise such option the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Receipts and Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice (an "**Exercise Notice**") in the form for the time being current, obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the notice period. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(g) **Redemption for Non-Registration:** In the case of Notes guaranteed by the Company, upon the occurrence of a Non-Registration Event, the holder of any Note will have the right, at such Noteholder's option, to require the Issuer to redeem all but not some only of that Noteholder's Notes on the Non-Registration Event Redemption Date (as defined below) at their Early Redemption Amount, together with interest accrued to such Non-Registration Event Redemption Date.

To exercise such option, the holder of the relevant Note must deposit (in the case of Bearer Notes) such Note (together with all unmatured Receipts and (in the case of Fixed Rate Notes other than Due Currency Notes or Index-Linked Notes) Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice, in the form for the time being current, obtainable from the specified office of any Paying Agent, the Registrar or any Transfer Agent (as applicable) (the "**Non-Registration Event Put Exercise Notice**") by not later than 30 days following the occurrence of a Non-Registration Event, or, if later, 30 days following the date upon which notice thereof is given to Noteholders by the Issuer in accordance with Condition 16.

The "**Non-Registration Event Redemption Date**" shall be the fifth day after the expiry of such period of 30 days as referred to above. A Non-Registration Event Put Exercise Notice, once delivered, shall be irrevocable and the Issuer shall redeem the Notes which are the subject of the Non-Registration Event Put Exercise Notices delivered as aforesaid on the Non- Registration Event Redemption Date.

The Issuer, failing whom the Guarantor, shall give notice to Noteholders in accordance with Condition 16 and to the Trustee by not later than five days following the first day on which it becomes aware of the occurrence of a Non-Registration Event, which notice shall specify the procedure for exercise by holders of their rights to require redemption of the Notes pursuant to this Condition 6(g).

In this Condition 6(g):

a "**Non-Registration Event**" occurs when the Registration Conditions have not been satisfied on or prior to the Registration Deadline; and

"**Registration Conditions**" means the receipt by the Trustee of:

(i) a certificate in English substantially in the form set out in the Trust Deed which has been stamped with the Company's official stamp or signed by an Authorised Signatory of the Company confirming (x) the execution of the relevant Deed of Guarantee in accordance with Condition 4(b)(i) or the relevant supplemental Deed of Guarantee in accordance with Condition 4b(iii); (y) the completion of the Cross-border Security Registration on or before the relevant Registration Deadline; and (z) no Event of Default has occurred; and

(ii) a copy of the relevant SAFE registration certificate relating to the Cross-border Security Registration (or any other document evidencing completion of the Cross-border Security Registration), each certified in English as a true and complete copy of the original by an Authorised Signatory of the Company.

(h) **Partly Paid Notes:** Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the provisions specified hereon.

(i) **Purchases:** The Issuer, BII Hong Kong, the Company and their respective Subsidiaries may at any time purchase Notes (**provided that** all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price. The Notes so purchased, while held by or on behalf of the Issuer, BII Hong Kong, the Company or any such Subsidiary, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 10, 11(a) and 12.

(j) **Cancellation:** All Notes purchased by or on behalf of the Issuer, BII Hong Kong, the Company or any of their respective Subsidiaries shall be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Receipts and Coupons and all unexchanged Talons to the Issuing and Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, shall be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer and the Guarantor in respect of any such Notes shall be discharged.

(k) **Trustee Reliance:** The Trustee shall be entitled to conclusively rely on or act in reliance on any certificate, notice or document received by it as contemplated in this Condition 6 as sufficient evidence of the facts and/or matters stated therein and shall not be liable to any Noteholder and/or Couponholder or any other person for so doing.

7. PAYMENTS AND TALONS

(a) **Bearer Notes:** Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and **provided that** the Receipt is presented for payment together with its relative Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 7(f)(vi)) or Coupons (in the case of interest, save as specified in Condition 7(f)(ii) and Condition 7(f)(vi), as the case may be:

(i) in the case of a currency other than Renminbi, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a Bank;

(ii) in the case of Renminbi, by transfer from the relevant Paying Agent's office outside the United States to a Renminbi account maintained by or on behalf of the Noteholder with a Bank in Hong Kong.

In this Condition 7(a), Condition 7(b) and Condition 7(c), "**Bank**" means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET System.

(b) **Payments in the United States:** Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full

of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

(c) **Registered Notes:**

(i) Payments of principal (which for the purposes of this Condition 7(c) shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in Condition 7(c)(ii).

(ii) Interest (which for the purpose of this Condition 7(c) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof or in the case of Renminbi or otherwise specified, on the fifth day before the due date for payment thereof (the "**Record Date**"). Payments of interest on each Registered Note shall be made:

(A) in the case of a currency other than Renminbi, in the relevant currency by cheque drawn on a Bank and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a Bank; and

(B) in the case of Renminbi, by transfer to Renminbi account maintained by or on behalf of the Noteholder with a bank in Hong Kong, details of which appear on the Register at the close of business on the fifth business day before the due date for payment.

(d) **Payments subject to Fiscal Laws:** All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives applicable thereto in the place of payment (i) 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 (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 but no commission or expenses shall be charged to the Noteholders, Receiptholders or Couponholders in respect of such payments.

(e) **Appointment of Agents:** The Issuing and Paying Agent, the CMU Lodging and Paying Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent(s) initially appointed by the Issuer and the Guarantor(s) and their respective specified offices are listed below. The Issuing and Paying Agent, the CMU Lodging and Paying Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent act solely as agents of the Issuer and the Guarantor(s) and do not assume any obligation or relationship of agency or trust for or with any Noteholder, Receiptholders or Couponholder. The Issuer and the Guarantor(s) reserve the right at any time with the prior written approval of the Trustee (where required in accordance with the Agency Agreement) to vary or terminate the appointment of the Issuing and Paying Agent, the CMU Lodging and Paying Agent, any other Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents or Transfer Agents, **provided that** the Issuer and the Guarantors shall at all times maintain (i) an Issuing and Paying Agent, (ii) a Registrar

in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes, (iv) a CMU Lodging and Paying Agent in relation to Notes accepted for clearance through the CMU, (v) one or more Calculation Agent(s) where the Conditions so require, and (vi) such other agents as may be required by any other stock exchange on which the Notes may be listed.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in Condition 7(b) above.

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 Noteholders in accordance with Condition 16.

(f) **Unmatured Coupons and Receipts and unexchanged Talons**:

(i) Upon the due date for redemption of Bearer Notes which comprise Fixed Rate Notes (other than Dual Currency Notes or Index Linked Notes), such Notes should be surrendered for payment together with all unmatured Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).

(ii) Upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, Dual Currency Note or Index Linked Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.

(iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

(iv) Upon the due date for redemption of any Bearer Note that is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.

(v) Where any Bearer Note that provides that the relative unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.

(vi) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.

(g) **Talons:** On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9).

(h) **Non-Business Days:** If any date for payment in respect of any Note, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment or if a cheque mailed in accordance with Condition 7(a)(i) or (c)(ii)(A) arrives after the due date for payment. In this Condition 7, "**business day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as "Financial Centres" hereon and:

(i) Hong Kong; and

(A) (in the case of a payment in a currency other than euro and Renminbi) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency; or

(B) (in the case of a payment in euro) which is a TARGET Business Day; or

(C) (in the case of a payment in Renminbi) on which banks and foreign exchange markets are open for business and settlement of Renminbi payments in Hong Kong.

8. TAXATION

All payments of principal and interest by or on behalf of the Issuer or the Guarantor in respect of the Notes, under the Guarantee, the Receipts and the Coupons shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the British Virgin Islands, Hong Kong, or the PRC or any political subdivision or authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

Where such withholding or deduction is made by the Issuer or, as the case may be, the Guarantor by or within the PRC at the rate of up to and including the applicable tax rate as at the date on which agreement is reached to issue the first Tranche of Notes (the "**Applicable Rate**"), the Issuer or, as the case may be, the Guarantor will increase the amounts paid by it to the extent required, so that the net amount received by Noteholders, Receiptholders or Couponholders equals the amounts which would otherwise have been receivable by them had no such withholding or deduction been required.

If the Issuer or, as the case may be, the Guarantor is required to make a deduction or withholding in respect of PRC tax in excess of the Applicable Rate, or any Hong Kong or British Virgin Islands deduction or withholding is required, in such event the Issuer or, as the case may be, the Guarantor shall pay such additional amounts ("**Additional Tax Amounts**"), so that the net amount received by Noteholders or Couponholders equals the amounts which would otherwise have been receivable by them had no such withholding or deduction been required, except that no Additional Tax Amounts shall be payable in respect of any Note, Receipt or Coupon:

(a) to, or to a third party on behalf of, a Noteholder, Receiptholder or Couponholder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of his having some connection with the British Virgin Islands, Hong Kong or the PRC other than the mere holding of the Note, Receipt or Coupon; or

(b) presented (or in respect of which the Certificate representing it is presented) for payment (where presentation is required) more than 30 days after the Relevant Date except to the extent that the Noteholder, Receiptholder or Couponholder would have been entitled to such Additional Tax Amounts on presenting it for payment on the thirtieth day.

As used in these Conditions, "**Relevant Date**" in respect of any Note, Receipt or Coupon 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 Noteholders that, upon further presentation of the Note (or relative Certificate), Receipt or Coupon being made in accordance with the Conditions, such payment will be made, **provided that** payment is in fact made upon such presentation. References in these Conditions to (i) "**principal**" shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 or any amendment or supplement to it, (ii) "**interest**" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 or any amendment or supplement to it and (iii) "**principal**" and/or "**interest**" shall be deemed to include any additional amounts that may be payable under this Condition 8 or any undertaking given in addition to or in substitution for it under the Trust Deed.

9. PRESCRIPTION

Claims against the Issuer and/or the Guarantor for payment in respect of the Notes, Receipts and Coupons (which, for this purpose, shall not include Talons) shall (subject as provided in Condition 7(f)(i)) be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

10. EVENTS OF DEFAULT

If any of the following events (each an "**Event of Default**") occurs, the Trustee at its discretion may, and if so requested by holders of at least 25 per cent. in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (provided in any case that the Trustee shall first have been indemnified and/or secured and/or pre-funded to its satisfaction), give written notice to the Issuer and the Guarantor declaring that the Notes are, and they shall immediately become, due and payable at (in the case of Zero Coupon Notes) their Early Redemption Amount or (in the case of Notes other than Zero Coupon Notes) their nominal amount together (if applicable) with accrued interest:

(a) **Non-Payment:** there is a failure to pay (i) the principal of any of the Notes when due; or (ii) any interest on any of the Notes within seven days after any Interest Payment Date; or

(b) **Breach of Other Obligations:** the Issuer, BII Hong Kong or the Company does not perform or comply with any one or more of its other obligations in the Notes, the relevant Deed of Guarantee (other than where it gives rise to a redemption pursuant to Condition 6(g)), the Keepwell and Liquidity Support Deed (in the case of Notes guaranteed by BII Hong Kong only) (other than where it gives rise to a redemption pursuant to Condition 6(g)), the Deed of Equity Interest Purchase Undertaking (in the case of Notes guaranteed by BII Hong Kong only) or the Trust Deed (other than those referred to in Condition 10(i) and where it gives rise to a redemption pursuant to Condition 6(g)) which default is incapable of remedy or is not remedied within 30 days after notice of such default shall have been given to the Issuer and the Guarantor by the Trustee; or

(c) **Cross-Default:** (i) any other present or future indebtedness of the Issuer, BII Hong Kong, the Company or any of their respective 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, BII Hong Kong, the Company or any of their respective Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised **provided that** the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this Condition 10(c) have occurred equals or exceeds US$60 million 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 10(c) operates); or

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

(e) **Security Enforced:** any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer, BII Hong Kong, the Company or any of their respective Principal Subsidiaries over all or a material part of the assets of the Issuer, BII Hong Kong, the Company or their respective Principal Subsidiaries, becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, administrative receiver, administrator, manager or other similar person); or

(f) **Insolvency:** the Issuer, BII Hong Kong, the Company or any of their respective Principal Subsidiaries is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend 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 Company, the Issuer, BII Hong Kong, or any of their respective Principal Subsidiaries, as the case may be; or

(g) **Winding-up:** an administrator is appointed, an order is made or an effective resolution passed for the winding-up or dissolution or administration of the Issuer, BII Hong Kong, the Company or any of their respective Principal Subsidiaries, or the Issuer, BII Hong Kong, the Company or any of their respective Principal Subsidiaries ceases or threatens to cease to carry on all or substantially all of its business or operations, except for (A) the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by an Extraordinary Resolution of the Noteholders, or (ii) whereby the undertaking and assets of a Principal Subsidiary are transferred to or otherwise vested in the Company or any of its Subsidiaries; or (B) a solvent winding up of any Principal Subsidiary other than BII Hong Kong and the Issuer; or

(h) **Nationalisation:** any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or a material part of the assets of the Issuer, BII Hong Kong, the Company or any of their respective Principal Subsidiaries; or

(i) **Authorisation and Consents:** any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer, BII Hong Kong and the Company lawfully to enter into, exercise their respective rights and perform and comply with their respective obligations under the Notes, the relevant Deed of Guarantee, the Trust Deed, the Keepwell and Liquidity Support Deed (in the case of Notes guaranteed by BII Hong Kong only) (other than with regard to the performance and compliance with the obligations thereunder) and the Deed of Equity Interest Purchase Undertaking (in the case of Notes guaranteed by BII Hong Kong only) (other than with regard to the performance and compliance with the obligations thereunder), (ii) to ensure that those obligations are legally binding and enforceable and (iii) to make the Notes, the relevant Deed of Guarantee, the Coupons, the Register, the Receipts, the Trust Deed, the Keepwell and Liquidity Support Deed (in the case of Notes guaranteed by BII Hong Kong only) and the Deed of Equity Interest Purchase Undertaking (in the case of Notes guaranteed by BII Hong Kong only) admissible in evidence in the courts of Hong Kong is not taken, fulfilled or done; or

(j) **Illegality:** it is or will become unlawful for any of the Issuer, BII Hong Kong and the Company to perform or comply with any one or more of their respective obligations under any of the Notes, the relevant Deed of Guarantee, the Coupons, the Receipts or the Trust Deed, the Keepwell and Liquidity Support Deed (in the case of Notes guaranteed by BII Hong Kong only) or the Deed of Equity Interest Purchase Undertaking (in the case of Notes guaranteed by BII Hong Kong only); or

(k) **Unenforceability of Guarantee:** except as permitted under the Trust Deed, any part of the relevant Guarantee is unenforceable or invalid or shall for any reason cease to be in full force and effect or is claimed to be unenforceable, invalid or not in full force and effect by the Issuer or the Guarantor; or

(l) **Keepwell and Liquidity Support Deed and Deed of Equity Interest Purchase Undertaking:** in the case of Notes guaranteed by BII Hong Kong only, the Keepwell and Liquidity Support Deed or the Deed of Equity Interest Purchase Undertaking is not or is claimed by the Company not to be in full force and effect, or the Keepwell and Liquidity Support Deed or the Deed of Equity Interest Purchase Undertaking is modified, amended or terminated other than strictly in accordance with its respective terms; or

(m) **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 this Condition 10.

In this Condition 10, "**Principal Subsidiary**" means Subsidiaries of BII Hong Kong and the Issuer, if any, and any Subsidiary of the Company:

(a) whose total operating income or (in the case of a Subsidiary which itself has Subsidiaries) consolidated total operating income, as shown by its latest audited income statement are at least 3 per cent. of the consolidated total operating income as shown by the latest published audited consolidated income statement of the Company and its Subsidiaries including, for the avoidance of doubt, the Company and its consolidated Subsidiaries' share of profits of Subsidiaries not consolidated and of jointly controlled entities and after adjustments for minority interests; or

(b) whose net profits or (in the case of a Subsidiary which itself has Subsidiaries) consolidated net profit, as shown by its latest audited income statement are at least 3 per cent. of the consolidated net profit as shown by the latest published audited consolidated income statement of the Company and its Subsidiaries including, for the avoidance of doubt, the Company and its consolidated Subsidiaries' share of profits of Subsidiaries not consolidated and of jointly controlled entities and after adjustments for minority interests; or

(c) whose total assets or (in the case of a Subsidiary which itself has Subsidiaries) consolidated total assets, as shown by its latest audited balance sheet are at least 3 per cent. of the consolidated total assets of the Company and its Subsidiaries as shown by the latest published audited consolidated balance sheet of the Company and its Subsidiaries including the investment of the Company in each Subsidiary whose accounts are not consolidated with the consolidated audited accounts of the Company and after adjustments 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 forthwith become a Principal Subsidiary and (yy) on or after the date on which the first published audited accounts (consolidated, if appropriate) of the Company 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 Company relate, the reference to the then latest consolidated audited accounts of the Company for the purposes of the calculation above shall, until consolidated audited accounts of the Company 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 Company 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 Company or any Subsidiary which itself has Subsidiaries no consolidated accounts are prepared and audited, total operating income, net profit or total assets of the Company and/or any such Subsidiary shall be determined on the basis of *pro forma* consolidated accounts prepared for this purpose by the Company;

(iii) if at any relevant time in relation to any Subsidiary, no accounts are audited, its total operating income, net profit or total 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 Company; and

(iv) if the accounts of any Subsidiary (not being a Subsidiary referred to in provision (i) above) are not consolidated with those of the Company, 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 Company.

11. MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION

(a) **Meetings of Noteholders:** The Trust Deed contains provisions for convening meetings of Noteholders to consider matters affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Trust Deed, the relevant Deed of Guarantee, the Agency Agreement, the Keepwell and Liquidity Support Deed (in the case of Notes guaranteed by BII Hong Kong only) or the Deed of Equity Interest Purchase Undertaking (in the case of Notes guaranteed by BII Hong

Kong only). Such a meeting may be convened by the Issuer, the relevant Guarantor or the Trustee and shall be convened by the Trustee if requested to do so by Noteholders holding not less than 10 per cent. in aggregate nominal amount of the Notes of the Relevant Series for the time being outstanding. 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 nominal amount of the Notes of the Relevant Series for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders of the Relevant Series whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, inter alia, (i) to amend the dates of maturity or redemption of the Notes, any Instalment Date or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the nominal amount of, or any Instalment Amount of, or any Redemption Amount in respect of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes, (iv) if a Minimum Rate of Interest and/or a Maximum Rate of Interest is shown hereon, to reduce any such Minimum Rate of Interest and/or Maximum Rate of Interest, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or denomination of the Notes, or (vii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass an Extraordinary Resolution, or (viii) to modify or cancel the relevant Guarantee, the Keepwell and Liquidity Support Deed (in the case of Notes guaranteed by BII Hong Kong only) or the Deed of Equity Interest Purchase Undertaking (in the case of Notes guaranteed by BII Hong Kong only) otherwise in accordance with Condition 11(b), in which case the necessary quorum will be two or more persons holding or representing not less than 66 per cent. or at any adjourned meeting not less than 33 per cent. in aggregate nominal amount of the Notes of the relevant Series for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

The Trust Deed provides that a resolution in writing signed by or on behalf of the holders of not less than 90 per cent. in aggregate nominal amount of the Notes of the relevant Series for the time being outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders 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 Noteholders.

These Conditions may be amended, modified or varied in relation to any Series of Notes by the terms of the relevant Pricing Supplement in relation to such Series.

(b) **Modification of Agreements and Deeds:** The Trustee may (but shall not be obliged to) agree, without the consent of the Noteholders, Receiptholders or Couponholders, to (i) any modification of any of these Conditions or any of the provisions of the Trust Deed, the relevant Deed of Guarantee, the Keepwell and Liquidity Support Deed (in the case of Notes guaranteed by BII Hong Kong only), the Deed of Equity Interest Purchase Undertaking (in the case of Notes guaranteed by BII Hong Kong only) or the Agency Agreement that is of a formal, minor or technical nature or is made to correct a manifest error or is to comply with any mandatory provision of applicable law, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of these Conditions or any of the provisions of the Trust Deed, the relevant Deed of Guarantee, the Agency Agreement, the Keepwell and Liquidity Support Deed (in the case of Notes guaranteed by BII Hong Kong only) or the Deed of Equity Interest Purchase Undertaking (in the case of Notes guaranteed by BII Hong Kong only) that is in

the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders, Receiptholders and the Couponholders and, unless the Trustee otherwise agrees, such modification, authorisation or waiver shall be notified by the Issuer to the Noteholders as soon as practicable thereafter.

(c) **Substitution:** The Trust Deed contains provisions permitting (but not obliging) the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, but without the consent of the Noteholders, Receiptholders or the Couponholders, to the substitution of the Issuer's successor in business or any Subsidiary (as defined in the Trust Deed) of the Issuer or its successor in business or of the relevant Guarantor or its successor in business or any Subsidiary of the relevant Guarantor or its successor in business in place of the Issuer or the relevant Guarantor, or of any previous substituted company, as principal debtor or guarantor under the Trust Deed, the Notes and the relevant Deed of Guarantee (as the case may be). In the case of such a substitution the Trustee may (but shall not be obliged to) agree, without the consent of the Noteholders, Receiptholders or the Couponholders, to a change of the law governing the Notes, the Receipts, the Coupons, the Talons, the relevant Deed of Guarantee and/or the Trust Deed **provided that** such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders.

(d) **Entitlement of the Trustee:** In connection with the exercise of its functions, rights, powers and discretions (including but not limited to those referred to in this Condition 11) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders, Receiptholders or Couponholders, and the Trustee shall not be entitled to require on behalf of any Noteholder, Receiptholder or Couponholder, nor shall any Noteholder, Receiptholder or Couponholder be entitled to claim, from the Issuer or the Guarantor any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders.

12. ENFORCEMENT

At any time after the Notes become due and payable, the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer, BII Hong Kong and/or the Company as it may think fit to enforce the terms of the Trust Deed, the relevant Deed of Guarantee, the Keepwell and Liquidity Support Deed (in the case of Notes guaranteed by BII Hong Kong only), the Deed of Equity Interest Purchase Undertaking (in the case of Notes guaranteed by BII Hong Kong only), the Notes, the Receipts and the Coupons, 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 Noteholders holding at least 25 per cent. in aggregate nominal amount of the Notes of the relevant Series then outstanding, and (b) it shall first have been indemnified and/or secured and/or pre-funded to its satisfaction. No Noteholder, Receiptholder and/or Couponholder may proceed directly against the Issuer, BII Hong Kong or the Company unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

13. 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. The Trustee is entitled to enter into business transactions with the Issuer, BII Hong Kong, the Company and/or any entity related (directly or indirectly) to the Issuer, BII Hong Kong or the Company without accounting for any profit.

None of the Trustee or any of the Agents shall be responsible for the performance by the Issuer, the Company, BII Hong Kong and any other person appointed by the Issuer and/or the Guarantors in relation to the Notes of the duties and obligations on their part expressed in respect of the same and, unless it has written notice from the Issuer, the Company or BII Hong Kong to the contrary, the Trustee and each Agent shall assume that the same are being duly performed. None of the Trustee or any Agent shall be liable to any Noteholder, Receiptholder or Couponholder or any other person for any action taken by the Trustee or such Agent in accordance with the instructions of the Noteholders. The Trustee shall be entitled to rely on any direction, request or resolution of Noteholders given by holders of the requisite nominal amount of Notes of the relevant Series outstanding or passed at a meeting of Noteholders convened and held in accordance with the Trust Deed. Whenever the Trustee is required or entitled by the terms of the Trust Deed, the relevant Deed of Guarantee, the Keepwell and Liquidity Support Deed (in the case of Notes guaranteed by BII Hong Kong only), the Deed of Equity Interest Purchase Undertaking (in the case of Notes guaranteed by BII Hong Kong only) or these Conditions to exercise any discretion or power, take any action, make any decision or give any direction, the Trustee is entitled, prior to its exercising any such discretion or power, taking any such action, making any such decision, or giving any such direction, to seek directions from the Noteholders by way of an Extraordinary Resolution, and the Trustee is not responsible for any loss or liability incurred by any person as a result of any delay in it exercising such discretion or power, taking such action, making such decision, or giving such direction where the Trustee is seeking such directions or in the event that no such directions are received. The Trustee and the Agents shall not be under any obligation to monitor compliance with the provisions of the Trust Deed, the relevant Deed of Guarantee, the Agency Agreement, the Keepwell and Liquidity Support Deed, the Deed of Equity Interest Purchase Undertaking or these Conditions.

The Trustee and the Agents may rely without liability to Noteholders, Receiptholders or Couponholders on any report, confirmation, opinion or certificate or any advice of any legal advisers, accountants, financial advisers, financial institution or any other expert, whether or not addressed to them and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or any other person or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee or any Agent may accept and shall be entitled to rely on any such report, confirmation, opinion or certificate or advice and, in such event, such report, confirmation, opinion or certificate or advice shall be binding on the Issuer, BII Hong Kong, the Company, the Noteholders, Receiptholders and the Couponholders.

14. REPLACEMENT OF NOTES, CERTIFICATES, RECEIPTS, COUPONS AND TALONS

If a Note, Certificate, Receipt, Coupon or Talon is mutilated or defaced or is alleged to have been lost, stolen or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Issuing and Paying Agent (in the case of Bearer Notes, Receipts, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for that purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Certificates, Receipts, Coupons or further Coupons) and otherwise as the Issuer or the relevant Agent may require. Mutilated or defaced Notes, Certificates, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

15. FURTHER ISSUES

The Issuer may from time to time without the consent of the Noteholders, Receiptholders or Couponholders create and issue further securities having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them, the timing for submission of the NDRC Post-Issue Filing and the timing for completion of the Cross-border Security Registration) and so that such further issue shall be consolidated and form a single series with an outstanding Series. References in these Conditions to the Notes include (unless the context requires otherwise) any such other securities issued pursuant to this Condition 15.

16. NOTICES

Notices required to be given to the holders of Registered Notes pursuant to the Conditions shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing and, so long as the Notes are listed on a stock exchange and the rules of that exchange so require, published at the Issuer's expense in a leading newspaper having general circulation in Asia (which is expected to be the Wall Street Journal Asia) and/or in such manner which complies with the rules and regulations of that stock exchange or such relevant authority. Notices required to be given to the holders of Bearer Notes pursuant to the Conditions shall be valid if published in a daily newspaper of general circulation in Asia (which is expected to be the Wall Street Journal Asia). If any such publication is not practicable, notices required to be given pursuant to the Conditions shall be validly given if published in another leading daily English language newspaper with general circulation in Asia. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above.

Receiptholders and Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition 16.

17. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

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

18. GOVERNING LAW AND JURISDICTION

(a) **Governing Law:** The Trust Deed, the Notes, the Receipts, the Coupons and the Talons, the Agency Agreement, the relevant Deed of Guarantee, the Keepwell and Liquidity Support Deed and the Deed of Equity Interest Purchase Undertaking and any non-contractual obligations arising out of or in connection with them, are governed by, and shall be construed in accordance with, the laws of England.

(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 Notes, Receipts, Coupons or Talons, the Agency Agreement, the relevant Deed of Guarantee, the Keepwell and Liquidity Support Deed, the Deed of Equity Interest Purchase Undertaking and the Trust Deed and accordingly any legal action or proceedings arising out of or in connection with any Notes, Receipts, Coupons or Talons, the Agency Agreement, the relevant Deed of Guarantee, the Keepwell and Liquidity Support Deed, the Deed of Equity Interest Purchase Undertaking or the Trust Deed ("**Proceedings**") may be brought in the courts of Hong Kong. Pursuant to the Trust Deed, each of the Issuer, BII Hong Kong, the Company and the Trustee has irrevocably submitted to the jurisdiction of the courts of Hong Kong.

(c) **Agent for Service of Process:** Each of the Issuer and the Company has irrevocably agreed to receive service of process at BII Hong Kong's registered office from time to time, currently at 2nd Floor, 625 King's Road, North Point, Hong Kong in any Proceedings in Hong Kong.

(d) **Independence and Waiver of Immunity**:

(i) The Company is a separate legal and independent entity organised under the Company Law of the PRC; it is an enterprise undertaking commercial activities independent from the PRC government with ownership of its assets and the capacity independently to assume civil liabilities.

(ii) Each of the Issuer, BII Hong Kong and the Company has under the Trust Deed waived any right to claim sovereign or other immunity from jurisdiction or execution and any similar defence, and 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 NOTES WHILE IN GLOBAL FORM

Terms used in this section that are not otherwise defined shall have the meanings given to them in "Terms of Conditions of the Notes".

Initial Issue of Notes

Global Notes and Global Certificates may be delivered on or prior to the original issue date of the Tranche to a common depositary for Euroclear and Clearstream (the "**Common Depositary**") or a sub-custodian for the CMU.

Upon the initial deposit of a Global Note or a Global Certificate with the Common Depositary or with a sub-custodian for the CMU or registration of Registered Notes in the name of (i) any nominee for Euroclear and Clearstream or (ii) the Hong Kong Monetary Authority as operator of the CMU and delivery of the relevant Global Note or Global Certificate to the Common Depositary or the sub-custodian for the CMU (as the case may be), Euroclear or Clearstream or the CMU (as the case may be) will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

Notes that are initially deposited with the Common Depositary may also be credited to the accounts of subscribers with (if indicated in the relevant Pricing Supplement) other clearing systems through direct or indirect accounts with Euroclear and Clearstream held by such other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream or other clearing systems.

Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream or any other clearing system (an "**Alternative Clearing System**") as the holder of a Note represented by a Global Note or a Global Certificate must look solely to Euroclear, Clearstream or any such Alternative Clearing System (as the case may be) for his share of each payment made by the Issuer to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, and in relation to all other rights arising under the Global Notes or Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of the Issuer will be discharged by payment to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, in respect of each amount so paid.

If a Global Note or a Global Certificate is lodged with a sub-custodian for or registered with the CMU, the person(s) for whose account(s) interests in such Global Note or Global Certificate are credited as being held in the CMU in accordance with the CMU Rules shall be the only person(s) entitled (or, in the case of Registered Notes, directed or deemed by the CMU as entitled) to receive payments in respect of Notes represented by such Global Note or Global Certificate and the Issuer will be discharged by payment to, or to the order of, such person(s) for whose account(s) interests in such Global Note or Global Certificate are credited as being held in the CMU in respect of each amount so paid. Each of the persons shown in the records of the CMU as the beneficial holder of a particular nominal amount of Notes represented by such Global Note or Global Certificate must look solely to the CMU (as agent of the Issuer) for his share of each payment so made by the Issuer in respect of such Global Note or Global Certificate.

Exchange

Temporary Global Notes

Each Temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date:

(i) if the relevant Pricing Supplement indicates that such Global Note is issued in compliance with TEFRA C or in a transaction to which TEFRA is not applicable (as to which, see "*Summary of the Programme — Selling Restrictions*"), in whole, but not in part, for the Definitive Notes defined and described below; and

(ii) otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement for interests in a Permanent Global Note or, if so provided in the relevant Pricing Supplement, for Definitive Notes.

The CMU may require that any such exchange for a Permanent Global Note is made in whole and not in part and in such event, no such exchange will be effected until all relevant account holders (as set out in a CMU Issue Position Report (as defined in the rules of the CMU) or any other relevant notification supplied to the CMU Lodging and Paying Agent by the CMU) have so certified.

The holder of a Temporary Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement, exchange of the Temporary Global Note for an interest in a Permanent Global Note or for Definitive Notes is improperly withheld or refused. The payments in respect of a Note issued under TEFRA D pursuant to Conditions 6(d), 6(f) and 6(g) may not be collected without certificate as to non-U.S. beneficial ownership.

In respect of a Note issued under TEFRA D, for the purpose of dealing in Euroclear or Clearstream or the CMU, any further issue of Notes by the Issuer pursuant to Condition 15 may not be consolidated and form a single series with the outstanding securities of any series (including the Notes) until the exchange of interests in a Temporary Global Note for interests in a Permanent Global Note upon the relevant Certification.

Permanent Global Notes

Each Permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided in the paragraph titled "Partial Exchange of Permanent Global Notes" below, in part for Definitive Notes if the Permanent Global Note is held on behalf of Euroclear, Clearstream, the CMU or an Alternative Clearing System and any such 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 in fact does so.

In the event that a Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denomination(s) only. A Noteholder who holds a principal amount of less than the minimum Specified Denomination will not receive a Definitive Note in respect of such holding and would need to purchase a principal amount of Notes such that it holds an aggregate nominal amount equal to one or more Specified Denominations.

Global Certificates

The following will apply in respect of transfers of Notes held in Euroclear, Clearstream, the CMU or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system. Transfer of

the holding of Notes represented by any Global Certificate pursuant to Condition 2(b) may only be made in part if the relevant 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 the event that a Global Certificate is exchanged for a definitive Certificate, such definitive Certificate shall be issued in Specified Denomination(s) only. A Noteholder who holds a principal amount of less than the minimum Specified Denomination will not receive a definitive Certificate in respect of such holding and would need to purchase a principal amount of Notes such that it holds an aggregated nominal amount equal to one or more Specified Denominations.

Partial Exchange of Permanent Global Notes

For so long as a Permanent Global Note is held on behalf of a clearing system and the rules of that clearing system permit, such Permanent Global Note will be exchangeable in part on one or more occasions for Definitive Notes (i) if principal, interests and Installment Amounts in respect of any Notes is not paid when due or (ii) if so provided in, and in accordance with, the Conditions (which will be set out in the relevant Pricing Supplement) relating to Partly Paid Notes.

Delivery of Notes

On or after any due date for exchange, the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Issuing and Paying Agent (or, in the case of Notes lodged with the CMU, the CMU Lodging and Paying Agent).

In exchange for any Global Note, or the part thereof to be exchanged, the Issuer will (i) in the case of a Temporary Global Note exchangeable for a Permanent Global Note, deliver, or procure the delivery of, a Permanent Global Note in an aggregate nominal amount equal to that of the whole or that part of a Temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a Permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Notes. Global Notes, Global Certificates and Definitive Notes will be delivered outside the United States and its possessions. In this Offering Circular, "**Definitive Notes**" means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts that have not already been paid on the Global Note and a Talon).

Definitive Notes will be security printed in accordance with any applicable legal and stock exchange requirements substantially in the form set out in the Schedules to the Trust Deed. On exchange in full of each Permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

Exchange Date

"**Exchange Date**" means, in relation to a Temporary Global Note, the day falling after the expiry of 40 days after its issue date and, in relation to a Permanent Global Note, a day falling not less than 60 days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Issuing and Paying Agent is located and in the city in which the relevant clearing system is located.

Amendment to Conditions

The Temporary Global Notes, Permanent Global Notes and Global Certificates contain provisions that apply to the Notes that they represent, some of which modify the effect of the terms and conditions of the Notes set out in this Offering Circular. The following is a summary of certain of those provisions:

Payments

No payment falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a Permanent Global Note or for Definitive Notes is improperly withheld or refused.

Payments on any Temporary Global Note issued in compliance with TEFRA D before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. All payments in respect of Notes represented by a Global Note (except with respect to a Global Note held through the CMU) will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Issuing and Paying Agent as shall have been notified to the Noteholders for such purpose. A record of each payment so made will be enfaced on each Global Note, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Notes. Condition 7(f)(vi) will apply to the Definitive Notes only. For the purpose of any payments made in respect of a Global Note, the relevant place of presentation (if applicable) shall be disregarded in the definition of "**business day**" set out in Condition 7(h).

All payments in respect of Notes represented by a Global Certificate (other than a Global Certificate held through the CMU) will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the record date which shall be the Clearing System Business Day immediately prior to the date for payment, where "**Clearing System Business Day**" means Monday to Friday inclusive except 25 December and 1 January.

In respect of a Global Note or Global Certificate representing Notes held through the CMU, any payments of principal, interest (if any) or any other amounts shall be made to the person(s) for whose account(s) interests in the relevant Global Note or Global Certificate are credited (as set out in the records of the CMU) at the close of business on the Clearing System Business Day immediately prior to the date for payment and, save in the case of final payment, no presentation of the relevant bearer Global Note or Global Certificate shall be required for such purpose. For the purposes of this paragraph, "Clearing System Business Day" means a day on which the CMU is operating and open for business.

Prescription

Claims against the Issuer in respect of Notes that are represented by a Permanent Global Note will become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 8).

Meetings

The holder of a Permanent Global Note or of the Notes represented by a Global Certificate shall be treated as two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, the holder of a Permanent Global Note or of the Notes represented by a Global Certificate shall be treated as having one vote in respect of each integral currency unit of the Specified Currency of the Notes. All holders of Registered Notes are entitled to one vote in respect of each integral currency unit of the Specified Currency of the Notes comprising such Noteholders holding, whether or not represented by a Global Certificate.

Cancellation

Cancellation of any Note represented by a Permanent Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the nominal amount of the relevant Permanent Global Note or its presentation to or to the order of the Issuing and Paying Agent (or, in the case of Notes lodged with the CMU, the CMU Lodging and Paying Agent) for endorsement in the relevant schedule of such Permanent Global Note or, in the case of a Global Certificate, by reduction in the aggregate principal amount of the Certificates in the Register, whereupon the principal amount thereof shall be reduced for all purposes by the amount so cancelled and endorsed.

Purchase

Notes represented by a Permanent Global Note or by a Global Certificate may only be purchased by the Issuer, BII Hong Kong, the Company or any of their respective subsidiaries if they are purchased together with the rights to receive all future payments of interest and Instalment Amounts (if any) thereon.

Issuer's Option

Any option of early redemption of the Issuer provided for in the Conditions of any Notes while such Notes are represented by a Permanent Global Note or by a Global Certificate shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required. In the event that any option of the Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with a clearing system in respect of the Notes will be governed by the standard procedures of Euroclear, Clearstream, the CMU or Alternative Clearing System (as the case may be).

Noteholders' Options

Any option of the Noteholders provided for in the Conditions of any Notes while such Notes are represented by a Permanent Global Note may be exercised by the holder of the Permanent Global Note giving notice to the Issuing and Paying Agent (or, in the case of Notes lodged with the CMU, the CMU Lodging and Paying Agent) within the time limits relating to the deposit of Notes with a Paying Agent, a Transfer Agent or the Registrar (as applicable) set out in the Terms and Conditions of the Notes substantially in the form of the notice available from any Paying Agent, any Transfer Agent or the Registrar (as applicable), except that the notice shall not be required to contain the certificate numbers of the Notes in respect of which the option has been exercised, and stating the nominal amount of Notes in respect of which the option is exercised and at the same time presenting the Permanent Global Note to the Issuing and Paying Agent (or, in the case of Notes lodged with the CMU, the CMU Lodging and Paying Agent), for notation accordingly in relevant schedule of such Permanent Global Note.

Trustee's Powers

In considering the interests of Noteholders while any Global Note is held on behalf of, or Registered Notes are registered in the name of, or in the name of any nominee for, a clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to such Global Note or Registered Notes and may consider such interest if such accountholders were the holders of the Notes represented by such Global Note or the relevant Global Certificate, as the case may be.

Notices

So long as any Notes are represented by a Global Note or a Global Certificate and such Global Note or Global Certificate is held on behalf of (i) Euroclear and/or Clearstream or Alternative Clearing System (except as provided in (ii) below), notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note or (ii) the CMU, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to the CMU in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note or Global Certificate, and any such notice shall be deemed to have been given to the Noteholders on the day on which such notice is delivered to the CMU.

Partly Paid Notes

The provisions relating to Partly Paid Notes are not set out in this Offering Circular, but will be contained in the relevant Pricing Supplement and thereby in the Global Notes. While any instalments of the subscription moneys due from the holder of Partly Paid Notes are overdue, no interest in a Global Note representing such Notes may be exchanged for an interest in a Permanent Global Note or for Definitive Notes (as the case may be). If any Noteholder fails to pay any instalment due on any Partly Paid Notes within the time specified, the Issuer may forfeit such Notes and shall have no further obligation to their holders in respect of them.

DESCRIPTION OF THE KEEPWELL AND LIQUIDITY SUPPORT DEED

The following contains summaries of certain key provisions of the Keepwell and Liquidity Support Deed, which will only be applicable to the Notes that are guaranteed by BII Hong Kong. Such statements do not purport to be complete and are qualified in their entirety by reference to the Keepwell and Liquidity Support Deed. Defined terms used in this section shall have the meanings given to them in the Keepwell and Liquidity Support Deed.

Positioning of BII Hong Kong and Ownership of the Issuer and BII Hong Kong

Pursuant to the Keepwell and Liquidity Support Deed, the Company has undertaken:

- to directly or indirectly own and hold all the outstanding shares of each of the Issuer and BII Hong Kong and not to directly or indirectly pledge, grant a security interest, or in any way encumber or otherwise dispose of any such shares unless required to dispose of any or all such shares pursuant to a court decree or order of any government authority which, in the opinion of a legal adviser to the Company, may not be successfully challenged; and

- to procure BII Hong Kong to directly or indirectly own and hold all the outstanding shares of the Issuer.

Maintenance of Consolidated Net Worth and Liquidity

Pursuant to the Keepwell and Liquidity Support Deed, the Company has undertaken:

- to cause each of the Issuer and BII Hong Kong to have a Consolidated Net Worth of at least U.S.$1.00 at all times;

- to cause each of the Issuer and BII Hong Kong to have sufficient liquidity (by procuring BII Hong Kong to sell the Relevant Shares or otherwise) to ensure timely payment by each of the Issuer and BII Hong Kong of any amounts payable under or in respect of the Notes and Coupons, each Deed of Guarantee, the Trust Deed and the Agency Agreement;

- to cause each of the Issuer and BII Hong Kong to remain solvent and a going concern at all times under the laws of their respective jurisdictions of incorporation or applicable accounting standards; and

- in the event the Issuer or BII Hong Kong at any time determines that it will have insufficient liquidity to meet its payment obligations as they fall due and promptly notifies the Company of the shortfall, the Company will make available to the Issuer or BII Hong Kong, before the due date of the relevant payment obligations, funds sufficient to enable the Issuer or BII Hong Kong (as the case may be) to meet such payment obligations in full as they fall due. The Issuer or BII Hong Kong shall use any funds made available to it by the Company in accordance with the Keepwell and Liquidity Support Deed solely for the payment when due of such payment obligations under the Notes and Coupons, each Deed of Guarantee, the Trust Deed and the Agency Agreement.

Relevant Indebtedness

Pursuant to the Keepwell and Liquidity Support Deed, the Company has undertaken that the Company will not and the Company shall ensure that none of its Subsidiaries (other than a Listed Subsidiary and Subsidiaries of a Listed Subsidiary) will, create or, have outstanding, any mortgage, charge, lien, pledge or other security interest, upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness or to secure any guarantee or indemnity in respect of any Relevant Indebtedness, without at the same time or prior

thereto according to the Notes and the Coupons the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or such other security as (i) the Trustee shall in its absolute discretion deem not materially less beneficial to the interest of the Noteholders or (ii) shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

Regulatory Approval

A certificate signed by an Authorised Signatory of the Company as to the fact stating that the Company has used all reasonable endeavours to obtain all requisite Regulatory Approvals in the Keepwell and Liquidity Support Deed but having used such endeavours, it has not been able to obtain all or some of the Regulatory Approvals required and setting forth a statement of facts showing such endeavours, together with any evidence or records of communication, filings and/or submissions supporting such endeavours, and an opinion of a PRC counsel of recognised national standing, in form and substance satisfactory to the Trustee, stating the applicable Regulatory Approvals under the Keepwell and Liquidity Support Deed and, where applicable, setting out the legal analysis as to why these cannot be obtained or reasonably achievable under the applicable PRC laws and regulations, shall be *prima facie* evidence of the fact that the Company has used all reasonable endeavours to obtain all requisite Regulatory Approvals as required under the Keepwell and Liquidity Support Deed, and the Trustee shall not be obligated to call for further evidence and shall be satisfied that the Company has used all reasonable endeavours to obtain all requisite Regulatory Approvals as required under the Keepwell and Liquidity Support Deed. The Trustee shall be entitled to conclusively rely on or act in reliance on such certificate and opinion and shall not be responsible or liable to any person for any loss occasioned by acting on or relying on such a certificate or opinion.

Irrevocable Cross-Border Standby Facility and Liquidity Support

Pursuant to the Keepwell and Liquidity Support Deed, upon the receipt of a Trigger Notice, the Company shall, subject to it having obtained all the Regulatory Approvals (which the Company shall use all reasonable endeavours to obtain), grant a Standby Facility and procure remittance of the Remittance Amount to the Issuer or BII Hong Kong in accordance with the Keepwell and Liquidity Support Deed, so as to (a) enable the Issuer or BII Hong Kong, as the case may be, to meet their payment obligations as they fall due under the Keepwell and Liquidity Support Deed, the Trust Deed, the Agency Agreement, each Deed of Guarantee and the Notes and Coupons (including any interest accrued but unpaid on the Notes) if the Triggering Event is a Liquidity Notice Failure Event or an Event of Default or (b) ensure the remedy of the Shortfall Event if the Triggering Event is a Shortfall Event.

Other Undertakings

Pursuant to the Keepwell and Liquidity Support Deed, the Company has undertaken:

- to procure that the articles of association of each of the Issuer and BII Hong Kong shall not be amended in a manner that is, directly or indirectly, adverse to holders of the Notes and Coupons guaranteed by BII Hong Kong and Coupons;

- to cause each of the Issuer and BII Hong Kong to remain in full compliance with the Conditions, each Deed of Guarantee to which it is a party, the Trust Deed, the Agency Agreement and all applicable rules and regulations in the British Virgin Islands, Hong Kong and England;

- promptly to take any and all action necessary to comply with its obligations under the Keepwell and Liquidity Support Deed;

- to cause each of the Issuer and BII Hong Kong to take all action necessary in a timely manner to comply with its obligations under the Keepwell and Liquidity Support Deed; and

- to procure that the Issuer will not carry on any business activity whatsoever other than in connection with the Notes and Coupons (which activities shall, for the avoidance of doubt, include the on-lending of the proceeds of the issue of the Notes guaranteed by BII Hong Kong to Subsidiaries of the Company), and to cause such borrower to pay the interest and principal in respect of such intercompany loan on time.

The Keepwell and Liquidity Support Deed is not, and nothing therein contained and nothing done pursuant thereto by the Company shall be deemed to constitute, or shall be construed as, or shall be deemed an evidence of, a guarantee by, or any legally binding obligation of, the Company of the payment of any obligation, responsibility, indebtedness or liability, of any kind or character whatsoever, of the Issuer or BII Hong Kong under the laws of any jurisdiction, including the PRC.

The parties to the Keepwell and Liquidity Support Deed will acknowledge that the performance by the Company of its respective obligations under the Keepwell and Liquidity Support Deed may be subject to the receipt of Regulatory Approvals and the Company will undertake to use all reasonable endeavours to obtain such Regulatory Approvals.

The Keepwell and Liquidity Support Deed and any non-contractual obligations arising out of or in connection with it will be governed by and construed in accordance with English law.

DESCRIPTION OF THE DEED OF EQUITY INTEREST PURCHASE UNDERTAKING

The following contains summaries of certain key provisions of the Deed of Equity Interest Purchase Undertaking, which will only be applicable to the Notes that are guaranteed by BII Hong Kong. Such statements do not purport to be complete and are qualified in their entirety by reference to the Deed of Equity Interest Purchase Undertaking. Defined terms used in this section shall have the meanings given to them in the Deed of Equity Interest Purchase Undertaking.

Obligation to Acquire Equity Interest

Under the Deed of Equity Interest Purchase Undertaking, upon the receipt of a written purchase notice (the "**Purchase Notice**") provided by the Trustee in accordance with the Trust Deed following the occurrence of an Event of Default under any one or more series of the Notes, the Company will agree that it shall, subject to obtaining all Regulatory Approvals, purchase for cash consideration following each occurrence (either by itself or through a Subsidiary of the Company as designated by it (the "**Designated Purchaser**")) (the "**Purchase**"):

(i) the Equity Interest held by BII Hong Kong and/or any other Subsidiaries of the Company incorporated outside the PRC, as designated by the Company and notified in writing to the Trustee within five Business Days after the date of the applicable Purchase Notice; and/or

(ii) in the absence of a designation and notification within five Business Days after the date of such Purchase Notice as provided in (i) above, the Equity Interest held by all the Subsidiaries of the Company incorporated outside the PRC

(each such designated entity in the case referred to in (i) or, as the case may be, each such Subsidiary in the case referred to in (ii), a "**Relevant Transferor**"), in either such case at such Purchase Price on the relevant Purchase Closing Date on the terms set out in the Deed of Equity Interest Purchase Undertaking and the Equity Interest Transfer Agreement.

"**Capital Stock**" means any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all classes of partnership interests in a partnership, any and all membership interests in a limited liability company, any and all other equivalent ownership interests and any and all warrants, rights or options to purchase any of the foregoing.

"**Equity Interest**" means the Capital Stock held by a Relevant Transferor and which is subject to the Purchase pursuant to an equity interest transfer agreement.

A Purchase obligation shall be suspended if, prior to the relevant Purchase Closing Date, each of the Company, the Issuer and BII Hong Kong receives a notice in writing from the Trustee stating that all of the respective payment obligations of the Issuer and BII Hong Kong under the relevant series of Notes and Coupons (if applicable), the Guarantee and the Trust Deed have been satisfied as at the date of that notice, or that the Event of Default leading to the service of such Purchase Notice has been waived in accordance with the terms of the Trust Deed (the "**Suspension Notice**"). The Suspension Notice shall be provided by the Trustee to the Company (with copies to the Issuer and BII Hong Kong) within three Business Days after the date the Trustee is notified in writing that any of the above-mentioned grounds for suspension of the Purchase has occurred.

Determination of the Purchase Price

Within 10 Business Days after the date of a Purchase Notice, the Company shall determine (a) the purchase price of the Equity Interest(s) subject to such Purchase (the "**Purchase Price**") in accordance with any applicable PRC laws and regulations effective at the time of determination; and (b) the other applicable terms relating to such Purchase, **provided that** the Purchase Price shall not be less than the aggregate of the following amounts:

(i) the amount sufficient to enable the Issuer and BII Hong Kong to discharge in full their respective obligations under the relevant series of Notes and Coupons, the relevant Deed of Guarantee, the Trust Deed and the Agency Agreement (including without limitation the principal amount of the relevant series of Notes then outstanding as at the date of such Purchase Notice and any interest due and unpaid and/or accrued but unpaid on such Notes up to but excluding the date of such Purchase Notice); plus

(ii) an amount equivalent to the interest payable at the stated rate of interest on the relevant series of Notes for a six month period; plus

(iii) all costs, fees and expenses (including without limitation, legal fees and expenses) and other amounts payable to the Trustee and/or the Agents under or in connection with the relevant series of Notes and Coupons (if applicable), the Trust Deed, the Agency Agreement, the Keepwell and Liquidity Support Deed and/or the Deed of Equity Interest Purchase Undertaking as at the date of such Purchase Notice plus provisions for fees and expenses which may be incurred after the date of such Purchase Notice, as notified by the Trustee in such Purchase Notice.

Closing

In relation to the Purchase of any Equity Interest relating to a Subsidiary of the Company that is held by a Relevant Transferor and which is subject to the Purchase (a "**Target Subsidiary**") incorporated in the PRC held by any Relevant Transferor, the Company will agree that:

(i) within 15 Business Days after the date of any Purchase Notice, the Company shall, and shall procure each Relevant Transferor to, execute, and the Company shall procure the board of directors of each of such Target Subsidiaries to execute (where applicable), an equity interest transfer agreement and all other application documents (including any equity interest transfer agreement in Chinese language and in such form as required by applicable laws and regulations) required by applicable laws and regulations of the PRC and shall file such agreements and/or documents as required by applicable laws and regulations with MOFCOM, for approval of the transfer of the Equity Interests as being the subject of such Purchase;

(ii) within five Business Days after the receipt of approval from MOFCOM, the Company shall submit all application documents required by applicable laws and regulations of the PRC to the PRC State Administration of Industry and Commerce or its competent local counterpart (the "**AIC**") for AIC registration of the transfer of the Equity Interest of each Relevant Transferor;

(iii) as soon as reasonably practicable after receipt of AIC registration from the competent AIC, the Company shall commence the procedures in respect of withholding tax for the Relevant Transferor required by applicable laws and regulations of the PRC with the competent tax authority to obtain the tax clearance certificate from such tax authority;

(iv) within five Business Days after completion of the change of AIC registration and the receipt of the tax clearance certificate, the Company shall submit all application documents required by applicable laws and regulations of the PRC to SAFE (a) to change the SAFE registration of the Target Subsidiaries and (b) for the outbound remittance of the Purchase Price (if applicable); and

(v) closing of the Purchase shall take place on the fifth Business Day after the date of receipt of the approvals from SAFE, whereupon the Company shall pay to, or to the order of, each Relevant Transferor the Purchase Price payable in immediately available funds to such account in Hong Kong or such other jurisdiction outside the PRC as may be designated by such Relevant Transferor,

provided that the requirements and deadlines set out in sub-paragraphs (i) to (v) may be modified if the Trustee receives an opinion of a PRC counsel of recognised national standing stating that under applicable PRC law as at the date of the opinion, the time allowed for the Company to complete any of the requirements in sub-paragraphs (i) to (v) above is not reasonably achievable and what is the commercially reasonable period of time that is required to complete such requirement. Such opinion shall be addressed and delivered to the Trustee by the Company within 14 Business Days after the receipt of such Purchase Notice or at any time during the performance of sub-paragraphs (i) to (v) by the Company. The Trustee shall be entitled to conclusively rely on or act in reliance on such opinion and shall not be responsible or liable to any person for any loss occasioned by acting on or relying on such opinion.

In relation to the Purchase of any Equity Interest relating to a Target Subsidiary incorporated outside the PRC held by any Relevant Transferor, the Company will agree that:

(i) within 15 Business Days after the date of a Purchase Notice, the Company shall (a) submit a project information report and other required documents to the NDRC (where applicable), and (b) submit the preliminary report and other required documents for overseas mergers and acquisitions, to MOFCOM and SAFE;

(ii) within 15 Business Days after obtaining the confirmation of NDRC, MOFCOM and SAFE for the report referred to sub-paragraph (i) above, the Company shall, and shall procure each Relevant Transferor to, execute, and the Company shall procure the board of directors of each of the Target Subsidiaries to execute (where applicable), an equity interest transfer agreement and all other application documents (including any equity interest transfer agreement in Chinese language and in such form as required by applicable laws and regulations) required by applicable laws and regulations, and shall file such agreements and/or documents as required by applicable laws and regulations with NDRC, MOFCOM, SAFE and authorities of other jurisdiction in charge of such Purchase (where applicable), for approval or registration of the transfer of the Equity Interests as being the subject of such Purchase; and

(iii) closing of the Purchase shall take place on the fifth Business Day after the date of receipt of the approvals or registrations from NDRC, MOFCOM, SAFE and authorities of other jurisdictions in charge of the Purchase as referred to in sub-paragraph (ii) above, whereupon the Company shall pay to, or to the order of, each Relevant Transferor the Purchase Price payable in immediately available funds to such account in Hong Kong or such other jurisdiction outside the PRC as may be designated by such Relevant Transferor,

provided that the requirements and deadlines set out in sub-paragraphs (i) to (iii) may be modified if the Trustee receives an opinion of a PRC counsel of recognised national standing stating that under applicable PRC laws as at the date of the opinion, the time allowed for the Company to complete any of the requirements in sub-paragraphs (i) to (iii) above is not reasonably achievable and what is the commercially reasonable period of time that is required to complete such requirement. Such opinion shall be addressed and delivered to the Trustee by the Company within 14 Business Days after the receipt of such Purchase Notice or at any time during the performance of sub-paragraphs (i) to (iii) by the Company. The Trustee shall be entitled to conclusively rely on or act in reliance on such opinion and shall not be responsible or liable to any person for any loss occasioned by acting on or relying on such opinion.

Upon the completion of such Purchase above, the Company will undertake to (a) in the event that a Relevant Transferor is neither the Issuer nor BII Hong Kong, procure such Relevant Transferor to promptly on-lend or distribute in full the relevant portion of the Purchase Price received by such Relevant Transferor to the Issuer prior to any other use, disposal or transfer of the proceeds received and (b) promptly do all such things (including entering into and executing any agreements or arrangements required) and take all actions necessary for the Purchase Price received by the Issuer from the Company or pursuant to any on-loan or distribution referred to in (i) above to be applied solely towards the payment in accordance with the Trust Deed, the Agency Agreement, the Conditions and the relevant Deed of Guarantee of any outstanding amounts under the Trust Deed and the relevant series of Notes (including any interest accrued but unpaid on such Notes) prior to any other use, disposal or transfer of the proceeds received.

All Reasonable Endeavours

The Company shall, and shall procure each Designated Purchaser and Relevant Transferor to use all reasonable endeavours to do all such things and take all such actions as may be necessary or desirable to (a) procure the completion of a Purchase on the relevant Purchase Closing Date, providing information and applying with a view to obtaining for Regulatory Approvals as soon as reasonably practicable within six months from the date of the applicable Purchase Notice; and (b) procure the remittance of the sum of such Purchase Price to or to the order of the Relevant Transferor(s) in accordance with the Deed of Equity Interest Purchase Undertaking.

A certificate signed by an Authorised Signatory of the Company as to the fact stating that the Company has used all reasonable endeavours to fulfil its obligations under the Deed of Equity Interest Purchase Undertaking but having used such endeavours, it has not been able to fulfil such obligations and setting forth a statement of facts showing such endeavours, together with any evidence or records of communication, filings and/or submissions supporting such endeavours, and (b) an opinion of a PRC counsel of recognised national standing, in form and substance satisfactory to the Trustee, stating the applicable Regulatory Approvals under the Deed of Equity Interest Purchase Undertaking and, where applicable, setting out the legal analysis as to why these cannot be obtained or reasonably achievable under the applicable PRC laws and regulations, shall be prima facie evidence of that fact, and the Trustee shall not be obligated to call for further evidence and shall be satisfied that the Company has used all reasonable endeavours to fulfil its obligations under the Deed of Equity Interest Purchase Undertaking. The Trustee shall be entitled to conclusively rely on or act in reliance on such certificate and opinion and shall not be responsible or liable to any person for any loss occasioned by acting on or relying on such a certificate or opinion.

Other Provisions

The Deed of Equity Interest Purchase Undertaking is not, and nothing therein contained and nothing done pursuant thereto by the Company shall be deemed to constitute, or shall be construed as, or shall be deemed an evidence of, a guarantee by, or any legal binding obligation of, the Company of the payment of any obligation, responsibility, indebtedness or liability, of any kind or character whatsoever, of the Issuer or BII Hong Kong under the laws of any jurisdiction, including the PRC. The Deed of Equity Interest Purchase Undertaking and any non-contractual obligations arising out of or in connection with it will be governed by and construed in accordance with English law.

DESCRIPTION OF THE ISSUER

Formation

The Issuer, BII Hong Kong's wholly-owned subsidiary, was incorporated as a BVI business company with limited liability on 9 May 2014 in the British Virgin Islands under the BVI Business Companies Act, 2004 (as amended). The Issuer's registration number is 1823385. Its registered office is located at the offices of Intertrust Corporate Services (BVI) Limited, Ritter House, Wickhams Cay II, Road Town, Tortola VG1110, British Virgin Islands.

Corporate Activities

As at the date of this Offering Circular, the Issuer has not engaged, since its incorporation, in any material activities other than entering into arrangements for the establishment and update of the Programme and the issue of the Notes from time to time under the Programme.

Director

The sole director of the Issuer is ZOU Shunhua. The business address of the sole director of the Issuer is 5/F, No. 2 Tower, Jingtou Building, No. 6 Xiaoying North Road, Chaoyang District, Beijing, 100101, China.

Share Capital

The maximum number of shares the Issuer is authorised to issue is 50,000 ordinary shares of U.S.$1.00 par value each, and only one share has been issued. None of the equity securities of the Issuer is listed or dealt on any stock exchange and no listing or permission to deal in such securities is being or is proposed to be sought. The Issuer has no subsidiary.

The rights of BII Hong Kong, as the sole shareholder of the Issuer are contained in the articles of association of the Issuer and the Issuer will be managed in accordance with the articles of association of the Issuer and with the provisions of the laws of the British Virgin Islands.

Financial Information of the Issuer

The Issuer has not published, and does not propose to publish, any of its accounts since it is not required to do so under the laws of the British Virgin Islands. However, the Issuer is required to keep such accounts and records that are sufficient to show and explain the Issuer's transactions and will, at any time, enable the financial position of the Issuer to be determined with reasonable accuracy. The Issuer's financial position has been, and will be, included in the consolidated financial statements of BII Hong Kong.

DESCRIPTION OF BII HONG KONG

Formation

BII Hong Kong is a limited liability company incorporated under the Companies Ordinance (Cap. 32) (re-enacted as the Companies Ordinance (Cap. 622) with effect from 3 March 2014) of Hong Kong (CR No. 609313). It was incorporated in Hong Kong on 23 May 1997. Its registered office is located at 2nd Floor, 625 King's Road, North Point, Hong Kong. BII Hong Kong is a wholly-owned subsidiary of the Company. In 2004, the Company acquired 100% of the equity interest of BII Hong Kong.

Corporate Activities

BII Hong Kong is the Group's primary financing and investment platform overseas. As at 31 December 2020, BII Hong Kong primarily held (i) an approximately 55.20% equity interest in the Hong Kong Listco; (ii) an approximately 30.04% equity interest in Cornerstone International Financial Leasing; and (iii) an 100% equity interest in Jie Heng Investment.

Directors

The directors of BII Hong Kong are SONG Ziqiang, REN Yuhang and ZOU Shunhua. The business address of each of the directors of BII Hong Kong is No. 2 Tower, Jingtou Building, No. 6 Xiaoying North Road, Chaoyang District, Beijing, 100101, China.

Share Capital

The authorised share capital of BII Hong Kong is HK$10,000.00 divided into 10,000 ordinary shares of HK$1.00 each, 100 shares of which have been issued and are fully paid. None of the equity securities of BII Hong Kong is listed or dealt in on any stock exchange and no listing or permission to deal in such securities is being or is proposed to be sought.

The rights of the Company, the sole shareholder of BII Hong Kong, are contained in the articles of association of BII Hong Kong and BII Hong Kong will be managed in accordance with the articles of association of BII Hong Kong and with the provisions of the laws of Hong Kong.

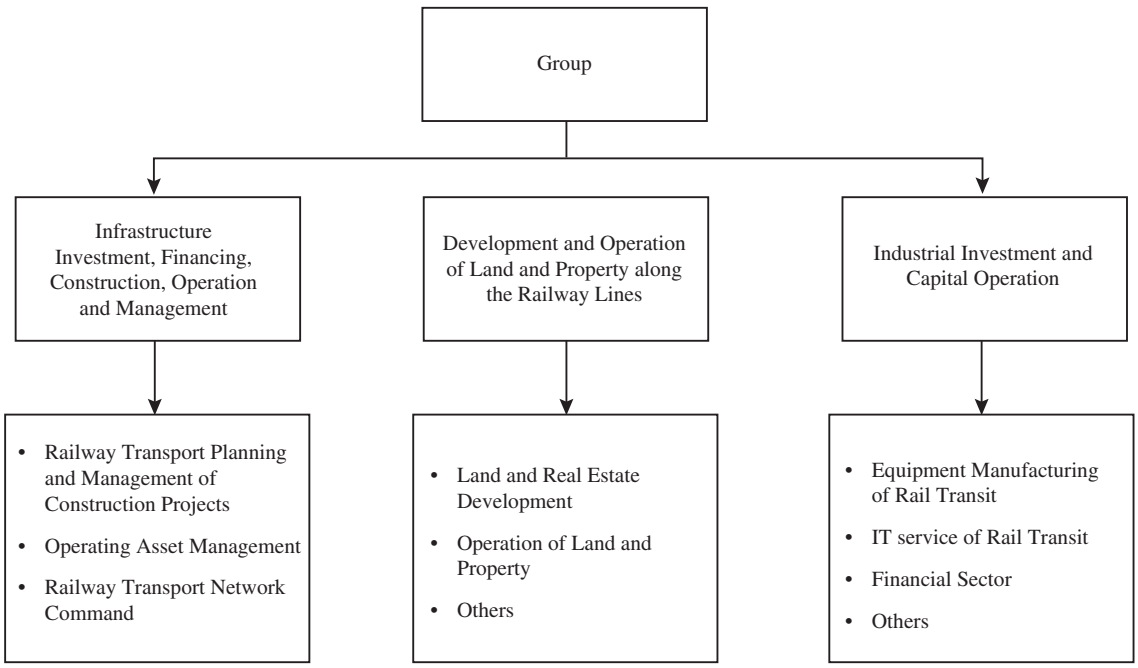
DESCRIPTION OF THE GROUP

Overview

Beijing Infrastructure Investment Co., Ltd. is a wholly state-owned company funded by the State-owned Assets Supervision and Administration Commission of the People's Government of Beijing Municipality ("**Beijing SASAC**"). Businesses of the Group include investment, financing, construction, operation and management of infrastructure, development and operation of land and property along the railway lines, industrial investment and capital operation and other relevant services. The Group is the sole investment and financing entity authorised and appointed by the People's Government of Beijing Municipality for the mass transit rail network that serves the urban and suburban districts in Beijing ("**Beijing Subway**"), and is responsible for the investment and financing, preliminary planning, capital operation and land and property developments for the Beijing Subway. Having established the first rail transit system in China, the Group has a dominant position in the Beijing trail transit business sector and is one of the enterprises that operates the largest number of rail transit lines in the national urban rail transit system. Given the importance of rail transit in the Beijing public transport system, the Group performs vital functions for the Beijing Municipality, as at 31 December 2020, the Beijing Subway had 24 inter-connecting railway lines in operation, with an approximately 727-kilometre network of tracks and 428 stations (including 64 interchange stations). The 24 railway lines, namely, Line 1, Line 2, Line 4, Line 5, Line 6, Line 7, Line 8, Line 9, Line 10, Line 13, Line 14, Line 15, Line 16 North Section (Phase II), the Batong Line, the Airport Line, the Yizhuang Line, the Daxing Line, the Fangshan Line, the Changping Line, Line S1, the Western Suburb Line, the Yanshan-Fangshan Line, the Yizhuang Line T1 and the Daxing Airport Express (together, the "**Railway Lines**"). As at 31 December 2020, 15 railway lines were under construction.

The map below shows Phase II Development Plan of Urban Rapid Rail Transit in Beijing (Adjusted) (2019-2022) (北京城市軌道交通二期建設規劃調整) (2019-2022):

The Group mainly conducts three lines of business: (i) infrastructure investment, financing, construction, operation and management; (ii) development and operation of land and property along the railway lines; and (iii) industrial investment and capital operation of rail transit. The diagram below illustrates the businesses that the Group operates:



The table below sets forth the Group's revenue by business segments for the periods indicated:

	As at 31 December 2020					
	2018		2019		2020	
	Amount (RMB in millions)	*%*	*Amount (RMB in millions)*	*%*	*Amount (RMB in millions)*	*%*
Business segment						
Infrastructure investment, financing, construction, operation and management	7,399.69	39.13	7,274.86	47.30	4,471.84	32.72
Development and operation of land and property business along the railway lines	8,265.52	43.72	4,595.20	29.88	6,023.08	44.08
Industrial investment and capital operation	3,242.50	17.15	3,510.33	22.82	3,170.03	23.20
Total	18,907.71	100.0	15,380.39	100.0	13,664.95	100.0

- **Infrastructure investment, financing, construction, operation and management**: The urban infrastructure investment, financing, construction, operation and management segment is the Group's core business. For the years ended 31 December 2018, 2019 and 2020, the Group's urban infrastructure investment, financing, construction, operation and management business generated revenue of RMB7,399.69 million, RMB7,274.86 million and RMB4,471.84 million, respectively, accounting for 39.13%, 47.30% and 32.72%, respectively, of the Group's revenue for the same periods. The decrease from 2019 to 2020 was primarily due to a decrease in revenue from ticket sales as a result of the impact of COVID-19. This business segment is divided into three sub-segments:

  (1) urban rail transit infrastructure investment and financing: the Group is the sole investment and financing entity for the Beijing Subway, and is one of the largest operators of urban rail systems in China in terms of the number of railway lines operated.

  (2) urban rail transit infrastructure construction: the Group conducts construction planning and construction work for the Beijing Subway and railways in the Beijing-Tianjin-Hebei Area, facilitating the urban development of the metropolitan region. In 2020, the Group had 15 railway lines under construction.

  (3) urban rail transit operation and management: the Group owns and manages its mass transit railway assets through its project companies. As at 31 December 2020, Beijing Subway Operation operated 16 lines out of the 24 Railway Lines in operation of the Beijing Subway. In addition, the Group established the Command Centre to perform its function as the Beijing Subway command centre, managing all the Railway Lines.

- **Development and operation of land and property along the railway lines**: The Group carries out primary land development, real estate development and other operations, principally through its land development department and Metro Land, a subsidiary of the Company. Leveraging its advantage in the mass transit railway business, the Group has established a "rail + land + property" business model to create synergies among various business segments of the Group and maximise its investment return. For the years ended 31 December 2018, 2019 and 2020, this business segment generated revenue of RMB8,265.52 million, RMB4,595.20 million and RMB6,023.08 million, respectively, accounting for 43.72%, 29.88% and 44.08%, respectively, of the Group's revenue for the same periods.

- **Industrial investment and capital operation**: The Group makes strategic industrial investment and capital operation in both public and private companies with businesses that complement the Group's business and facilitate its core operations. The Group is engaged in the equipment manfacturing business with a focus on the design, manufacture and maintenance of urban rail transit vehicles while at the same time developing intercity, monorail, speical vehicles and other technologies to accelerate the industrialisation of medium and low speed maglev transportation systems. It is commited to becoming an leading innovator in the high-end equipment manufacture industry in Beijing. For its investment and capital operation, the Group focuses its investments on selected industries such as the railway transit sector, the financial sector and urban information infrastructure construction sector. The Group's strategies primarily focus on diversifying the Group's businesses, achieving stable and profitable growth and optimising its investment portfolio. For the years ended 31 December 2018, 2019 and 2020 this segment of business generated revenue of RMB3,242.50 million, RMB3,510.33 million and RMB3,170.03 million, respectively, accounting for 17.15%, 22.82% and 23.20%, respectively, of the Group's revenue for the same periods. The decrease from 2019 to 2020 was primarily due to the changes in the macroeconomic environment and the impact of COVID-19.

For the years ended 31 December 2018, 2019 and 2020, the Group's revenue was RMB18,907.71 million, RMB15,380.39 million and RMB13,664.95 million, respectively. The decrease was primarily due to a decrease in revenue from ticket sales as a result of the impact of COVID-19 in 2020. Its net

profit was RMB2,602.7 million, RMB3,042.0 million and RMB3,156.1 million, respectively. As at 31 December 2020, the Group had net assets of RMB251.4 billion and total assets of RMB707.4 billion, continuing to rank the first among the state-owned enterprises under the Beijing SASAC in terms of the amount of net assets and total assets.

History and Development of the Group

The Company is a state-owned company wholly-owned by the Beijing SASAC. The rights of Beijing SASAC, the sole shareholder of the Company, are contained in the articles of association of the Company and the Company will be managed in accordance with its articles of association and the provisions of the laws of the PRC.

The following sets out a number of key events in the business and corporate development of the Group:

- On 1 July 1965, Beijing Subway Phase 1 construction officially commenced.
- On 20 April 1981, Beijing Municipal Subway Company (北京市地下鐵道公司) was established.
- On 15 July 1989, Beijing Municipal Subway Company changed its name to Beijing Municipal Subway Group Company (北京市地下鐵道總公司) and operated two metro lines at that time.
- On 7 December 2001, Beijing Municipal Subway Group Company was restructured into Beijing Mass Transit Railway Group Co., Ltd. (北京地鐵集團有限責任公司).
- In 2003, Beijing Mass Transit Railway Group Co., Ltd. changed its name to Beijing Infrastructure Investment Co., Ltd.
- In 2011, with the approval of Beijing SASAC, Beijing Subway Operation, one of the operators of the Beijing Subway established in 2004, was merged into the Group, becoming a wholly-owned subsidiary of the Company.
- In 2014, the Group tapped into the offshore capital markets and issued its first international bond.
- In 2015, a concession agreement on introducing the build-transfer ("**BT**") Project for the Olympic Line was signed between the Beijing Government and the consortium comprising of China Railway Group Limited, China Railway 3rd Bureau and China CREC Railway Electrification Bureau Group, representing the first BT Project in the mass transit railway construction industry in China.
- In 2015, the Company officially obtained NDRC's approval on the Phase II Development Plan of Urban Rapid Rail Transit in Beijing (2015-2021) (北京城市軌道交通二期建設規劃 (2015-2021)).
- On 20 April 2016, an Authorize-Build-Operate Agreement on Beijing Railway Transport (北京市軌道交通授權經營協議) ("**Beijing Railway ABO Agreement**") was executed between the Beijing Municipal Commission of Transport and the Company to introduce the authorise-build-operate ("**ABO**") model to finance the construction of the transport system.
- In 2016, the Company obtained the approval on the feasibility study on the New Airport Highway project and commenced the construction of the project. The rapid progress of the New Airport Highway project has successfully promoted regional interconnection and the coordinated development of Beijing, Tianjin and Hebei Province.

- In 2016, the Company undertook the construction of Rail Transit Line 2 (Phase I) project in Urumqi to promote the "public-private partnership" ("**PPP**") model globally and support the constructions of the Belt and Road Initiative.

- In 2016, the Group set up the Beijing Rail Transit Technology and Equipment Group Co., Ltd. (北京軌道交通技術裝備集團有限公司) ("**Equipment Group**") to promote the integration of railway transport manufacturing industry and the development of high-end equipment manufacturing in Beijing.

- In August 2017, the "Yitongxing" app was launched and commenced trial operation in the Airport Line.

- In August 2017, the Company was approved by the Beijing Government to commence the comprehensive utilisation workstream of 12 new vehicle bases, including vehicle bases in Dongxiaoying and Bei'anhe.

- On 22 August 2017, the Beijing SASAC approved amendments to the Group's bylaws. As at 31 December 2017, the Group's state-owned capital amounted to RMB135,671.28 million.

- On 31 December 2017, City Sub-Centre Line and Huairou-Miyun Line successfully commenced operation.

- In September 2018, the Railway Lines implemented QR code mechanism as a means of entry into the entire rail transit network.

- In November 2018, the Group signed "Entrusted Operation Agreements for Existing and Extension Lines" for 16 railway lines with Beijing Subway Operation.

- In December 2018, the main project of Beijing Daxing International Airport Expressway was completed.

- In December 2018, the Group successfully participated in the issuance of A-shares of Huaxia Bank Co., Ltd. and became the fourth largest shareholder of Huaxia Bank Co., Ltd.

- In December 2018, Line 6 (West Extension), Line 8 Phase III (south of Zhushikou) and Phase IV opened for trial operation.

- In December 2018, the Group issued bonds in aggregate of RMB35 billion in the interbank market and the exchange market.

- In December 2018, the Company successfully issued China's first public offering of social impact bond, raising RMB3.00 billion in total while further expanding its financing channels.

- On 20 September 2019, the Group constructed the utility tunnel for the 2022 Winter Olympics to be held in Beijing, which was the first project that was completed and put in operation in the Yanqing competition zone.

- In 2019, the Group undertook to construct the peripheral infrastructure and facilities of the Daxing International Airport, including but not limited to the Beijing Daxing International Airport Line, the Daxing International Airport Highway Underground Utility Tunnel, the Beijing-Xiong'an intercity railway, and intercity railway connectors.

- In 2019, the Group constructed and operated a utility tunnel for the 2019 International Horticultural Exhibition in Beijing, which is approximately 7.1 kilometres long.

- In 2019, the Group actively expanded its construction of key railways in the sub-centre areas of Beijing, and started the preliminary work of Beijing Railway Transit Line 22 (Pinggu Line).

- In June 2020, the Company increased in its share capital in Beijing Rural Commercial Bank Co., Ltd. and obtained the share certificate. Upon the completion of shareholding increase, the Company is the second largest shareholder of Beijing Rural Commercial Bank Co., Ltd., holding 9.984% of its total share capital.

- In August 2020, the state-owned assets of Beijing MTR Construction Administration Corporate (北京軌道交通建設管理有限公司) were transferred to the Company free of charge and the two enterprises completed merger and reorganization and the Company by then completed its business distribution along the entire industrial chain of rail transit including planning and designing, investing and construction, equipment manufacturing, construction and operation and resources development and operation.

- In September 2020, the Company issued bonds of U.S.$650 million with an interested rate of 1.00% and three-year tenor, which was, at the time of issuance, the historically lowest interest rate in the offshore USD corporate bonds issued by local Chinese state-owned enterprises ("**SOE**"), and second lowest interest rate in the offshore USD corporate bonds issued by Chinese corporates (including Central SOEs) with the same tenor.

- In September 2020, 4-train (4編組) of Daxing Airport Express, operated by Beijing Rail Transit Operation Management Co., Ltd. (北京市軌道交通運營管理有限公司), commenced full operation to carry passengers. Beijing North Station in city-suburban rail line (Huairou - Miyun) commenced its full operation, expanding the rail line to cover Xicheng District, Haidian District, Changping District, Huairou District and Miyun District with a total length of network in operation of 144.6 kilometres.

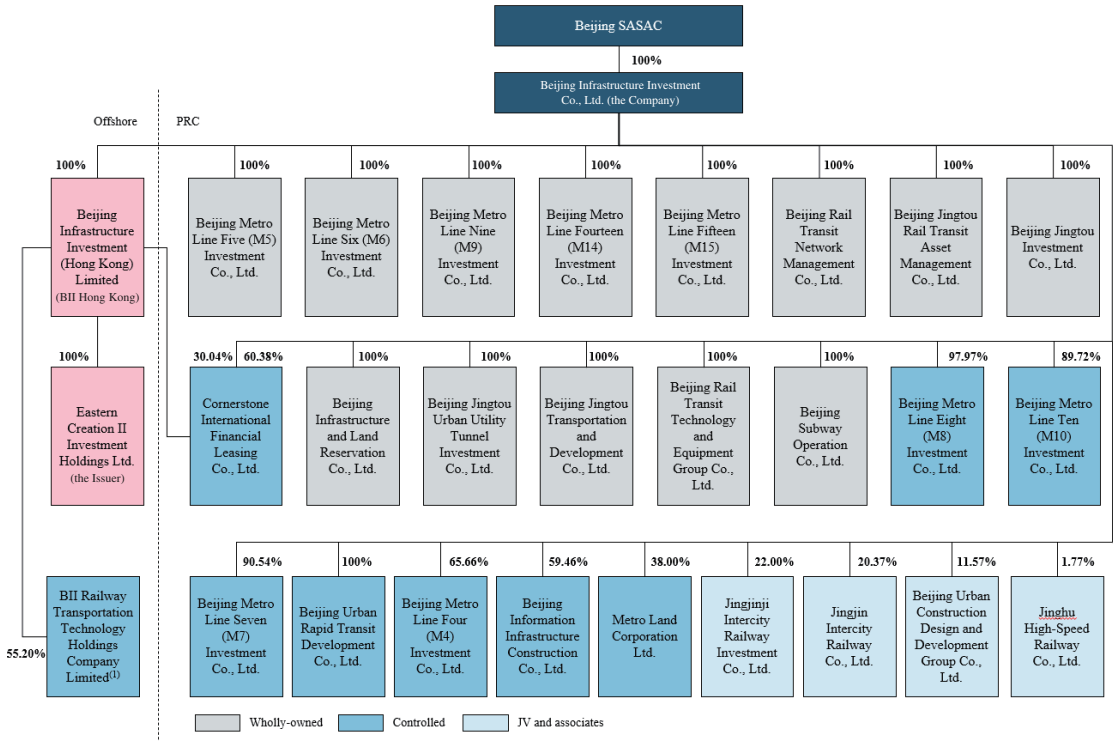
- In December 2020, QR code ride service in Beijing and Shanghai subways are inter-connected with the application "Yitongxing" App and Metro App in Beijing and Shanghai. Though either "Yitongxing" App or Metro App, passengers can use QR code to enter and exit the stations in Shanghai and Beijing, which has further facilitated the public transportation in Beijing and Shanghai, and promoted the green transportation, marking a milestone in inter-connection and inter-communication of cities.

- In December 2020, the 160 km/h smart city train car has officially launched and completed trial operation in January 2021.

- In December 2020, the Company cooperated with institutes, universities, other operating companies and High and New Technology enterprises and jointly established Beijing Collaborative Innovation Rail Transit Research Institute Co., Ltd. (北京協同創新軌道交通研究院有限公司) in Beijing.

Group Structure

The chart below illustrates a simplified version of the Group's structure, listing its principal subsidiaries and their respective equity interests directly and indirectly held by the Company as at 31 December 2020:



Note: As at 31 December 2020 and only includes main subsidiaries.

(1) BII Railway Transportation Technology Holdings Company Limited was previously known as China City Railway Transportation Technology Holdings Company Limited.

Competitive Strengths

The description of support from the PRC Government (including the Beijing Government) in this section is on the support given to the Group's business operations and should not be read as any indication that the PRC Government (including the Beijing Government) will provide any financial support to the Issuer, BII Hong Kong or the Company in respect of their respective obligations under the Notes, the Guarantees, the Keepwell and Liquidity Support Deed or the Deed of Equity Interest Purchase Undertaking. See "Risk Factors — The PRC Government and the Beijing Government have no legal obligations under the Notes, the Guarantees, the Keepwell and Liquidity Support Deed or the Deed of Equity Interest Purchase Undertaking".

The Company believes that its historical success and future prospects are attributable to the following competitive strengths:

Well positioned to capitalise on the strong demand for public transport

The Group is the sole investment and financing entity for the Beijing Subway, and is one of the largest operators of urban rail systems in China in terms of the number of railway lines operated. The Company is well-positioned to capitalise on the strong demand for public transport in Beijing and has a dominant position in the Beijing urban rail transit industry. As at 31 December 2020, the Beijing Subway had 24 lines in operation, covering approximately 727 kilometres and 428 stations (including 64 interchange stations). With additional railway lines commencing services to the public, the scale

effect of the railway transport network has been further strengthened, and resulted in further increases in both passenger flow and fare income. According to the statistics collected and analysed by the Command Centre, the Beijing Subway had an annual passenger flow of more than 2.29 billion in 2020 and the average daily passenger flow on business days was 6.27 million in 2020. According to statistics collected and analysed by Beijing Transportation Development & Research Centre, passenger flow of public transportation amounted to approximately 50% of the total passenger flow in 2020, among which the mass railway passenger ridership represents approximately 53.4% of the passenger flow of public transportation.

In addition, China's urban mass transit railway transport industry is experiencing rapid growth as a result of its booming economy, continuous increase in per capita disposable income and ongoing urbanisation. In particular, the prestigious geographical and political location as well as the continuous economic development of Beijing have resulted in huge and continuous growth in the number of residents and travellers, leading to an increasing demand for the urban public transport system. Urban railway transportation construction, the most effective and efficient way to relieve urban traffic issues, possesses the greatest potential for development. The Company has been a core participant in leading the urban and infrastructure development for Beijing and relieving traffic congestion in Beijing. Further, the Group creates value and supports the economic growth of Beijing by continuously playing an active role in railway infrastructure construction in other provinces and shares its advanced technology and management experience nationwide. The Group promotes the Beijing urban rail transit system by leveraging on its city-wide rail transit network coverage. The Group also promotes the development of high-end railway equipment manufacturing and information system service in Beijing. The Group aims to perform its duty of sponsoring suburb railways, intercity railways and national railways, while investing in value-added services associated with rail transit industry and enhancing the transportation integration in the Beijing-Tianjin-Hebei Area and shifting non-essential functions out of Beijing.

The PRC Government has promulgated favourable policies in relation to the development of the mass transit railway transport industry through China's 12th Five-year Plan, which was implemented from 2011 to 2015. China's 13th Five-year Plan implemented from 2016 to 2020 further emphasised the PRC Government's favourable investment and financial policies in relation to the development of the mass transit railway transport industry. In line with the PRC Government's directive, the Beijing Government is taking a further step in strengthening the railway transport infrastructure through the establishment of a railway transport network spreading across 1,000 kilometres by 2020, compared to 699.3 kilometres in 2019. During the 13th Five-year Plan period, the Beijing Government is targeting to provide railway connection for every district in Beijing. According to the new Master Plan of City of Beijing (2016-2035) (the "**Master Plan**"), a total of 1,500 kilometres of urban mass transit railway are planned. The Group aims to facilitate the implementation of the plans of the Beijing Government and utilise the Group's experience in the construction and operation of the Beijing Subway in order to develop the city-suburban- intercity-national railway circles and enhance the Group's nationwide influence. In 2020, the Company completed a total investment of RMB89.41 billion in government-funded projects, which represented a 31.6% growth from 2019. Upon entering the China's 14th Five-year plan from 2021 to 2025, the Group aims to realise strategic transformation and upgrading of its business and bring high-quality development of the Beijing railway system.

These represent significant market opportunities for the Group. As the sole investment and financing entity authorised and appointed by the People's Government of Beijing Municipality for the Beijing Subway, the Group is well-positioned to leverage the opportunities presented by the high growth of Beijing's mass transit railway infrastructure development and expects its business will further benefit from the favourable industry prospects and maintain a strong momentum for rapid growth. In 2020, the Group had 15 railway lines under construction, providing concrete support for rising ridership and fare income. By the end of 2021, seven lines are expected to commence operation and become part of the Railway Lines, including Line 8 North Section Phase III (National Art Museum of China - Zhushikou), Line 17 South Section (Shilihe-Yizhuang Station Front South), Line 14 (Remaining

Extension) (Xiju - Youanmenwai), Line 19 Phase I, Line 11 West Section, Line S1 (Remaining Extension) and seven sections of Airport Express 7 (West Extension), which are expected to add 54.5 kilometres to the length of the Railway Lines and increase the total operation mileage to 781.5 kilometres.

In addition, according to the Master Plan, a total of approximately 1,000 kilometres of regional expresses (including suburban railways) are planned. In 2020, the Group operates four suburban railways including Line S2, City Sub-Centre Line, Huairou Miyun Line and Tongzhou Miyun Line with a total of 364.7-kilometre operation mileage and 23 stations in operation for suburban railways. The Group currently also carries out design and planning of Beijing Subway and suburban railway construction, proposing a total of 26 projects with total mileage of 665 kilometres and aiming to realize the leading role of rail transit in the structural adjustment of urban space.

The Group has made significant progress in the construction of Jingtang Intercity Railway, Jingbin Intercity Railway and the connecting line (Phase I) of intercity railways, commenced construction of Jinxing Intercity Railway and Shigang Intercity Railway and completed investment for RMB38.2 billion in these projects with more than RMB20.0 million of investment completed in 2020. The Group also signed a comprehensive development framework agreement with the government of Cangzhou City, Hebei Province in respect of Cangzhou section of the Shi-Heng-Cang-Gang Intercity Railway and successfully implemented the "railway + land" construction and investment model in Hebei Province.

The Group carries out the Beijing Government's initiative to enhance the development of the national railways and participates in the operation and management of projects by way of equity investment. It primarily focuses on equity investment while complementing with debt investment. In order to strengthen the funding for the Jingjinji Intercity Railway Project, Jingjinji Intercity Railway Investment Co., Ltd. signed a cooperation agreement on the Beijing-Tianjin-Hebei Development Fund on 18 April 2017 with 12 financial institutions such as ICBC and Bank of Beijing, with a total amount of RMB100 billion in fund size which would be used to accelerate the construction of intercity railways in the Beijing-Tianjin-Hebei Area. In 2019, both Jingxiong Intercity Railway (Beijing West to Daxing International Airport Section) and Jingzhang Highway commenced operation, Beijing-Shanghai High Company, which operates the Jinghu Highway, completed its initial public offering at Shanghai Stock Exchange, and Xiong'an Highway Company was established. As of 31 December 2020, the Group has participated in the investment of 12 national railways projects and a total of eight projects have been put into operation. On 16 January 2020, Beijing-Shanghai High Speed Railway Co., Ltd. was listed on Shanghai Stock Exchange, marking as the A-share listing of the first listed high speed railway company in China. Upon the completion and operation of the Jingxiong intercity railway section from Daxing Airport to Xiong'an New City on 27 December 2020, the Jingxiong Intercity Line has been put into full operation, and Xiong'an has been included the one-hour traffic circle of Beijing. At the same time, the Group advanced the preliminary work of Jingxiongshang Railway (Beijing Section), finalised the route planning scheme, and promoted the development of the project. In 2020, Jingshen Railway Passenger Line (Beijing — Chengde section) has been completed and put into trial operation. In 2020, Beijing Fengtai Railway Limited Company has been successfully established and Fengtai Station Reconstruction Project, the biggest comprehensive transportation hub project in Beijing has been developed successfully in progress. In 2020, the Group appropriated a total of approximately RMB4.55 billion for the land acquisition and demolition to meet the capital requirements of Jingshen Railway Passenger Line Construction Project and Fengtai Railway Station Reconstruction Project and also invested a total of RMB40.0 billion in national railway projects, which greatly facilitated the construction of such projects.

Enjoyed favourable policies promulgated by the Beijing Government

As the sole investment and financing entity for the Beijing Subway with the Company's business being closely related to public interest and the performance of the Beijing Government's development plan, the Company believes that it has enjoyed favourable business policies promulgated by the

Beijing Government, including authorisation to manage strategic assets in Beijing, assistance with project sourcing in Beijing and benefitting from favourable financing policies. The Beijing Government has entrusted the Company with the duty to be the sole financing platform of the Beijing Subway. According to the Development Plan of Urban Rapid Rail Transit in Beijing (2007-2015) (北京市城市快速軌道交通建設規劃(2007-2015)) and the Phase II Development Plan of Urban Rapid Rail Transit in Beijing (2015-2021) (北京城市軌道交通二期建設規劃(2015-2021)), the Beijing Government has set railway transport infrastructure as the key area of development of Beijing's basic infrastructure construction in the near future. This unique strategic position of the Company has been bolstered by the favourable financial and business policies promulgated by the Beijing Government. The Master Plan includes favourable policies for the Group. Under the Master Plan, a multiple circle traffic development model will be developed in order to create a "one-hour" traffic circle. The first layer of circle will be centred on the subway lines, the second layer of the circle will be focused on the regional expresses and the third layer of the circle will be comprised of intercity railways and highways, which will assist the Group in traffic planning and the development of the city-suburban-intercity-national railway circles. The Master Plan will also guarantee the proper planning of land for transportation infrastructure by prioritising the development of transportation infrastructure, with the Group being the main investment body for urban utility tunnel projects in terms of rail transportation network construction. In addition, the Master Plan will promote the comprehensive utilisation of vehicle bases. The Beijing Government has agreed that the Group will carry out comprehensive utilisation workstream of 12 new vehicle bases, including vehicle bases in Dongxiaoying, Wulu, Bei'anhe, Pingxifu, Guogongzhuang, Zhangjiawan, Cigezhuang, Yushuzhuang, Ciqunan, Xiejiacun, Xingong and Dongba.

Favourable financial policies: The Beijing Government has promulgated favourable financial policies which have benefitted the Group, including capital support for the construction of the Railway Lines and an operational subsidy to compensate for the low ticket fare. The Beijing Government focuses on developing the transportation infrastructure in Beijing in order to solve traffic congestion and sustain the city's economic growth and attractiveness. The Beijing Government has increased its annual fiscal fund commitment for the mass transit railway infrastructure from RMB10 billion from 2008 to 2012 to RMB15.5 billion from 2013 to 2015, which has been further increased to RMB29.5 billion under the ABO model from 2016 to 2045 pursuant to the Beijing Railway ABO Agreement executed between the Beijing Government and the Company on 20 April 2016. The Beijing Railway ABO Agreement introduced the ABO model for the financing of the construction of the transport system. Under this agreement, the Company would receive RMB25.5 billion in fiscal funds per year from the Beijing Government for providing services on planning, construction and operations of the railway projects authorised by the Beijing Government, together with an additional RMB4 billion as subsidies for railway fares and for replacement and upgrade of the equipment of the Railway Lines from 2016 to 2025, which will then be adjusted from 2026 to 2045 based on a number of factors such as the completion of total investment, interest rate level, changes to the ticket system and changes to the fare price. For the years ended 31 December 2018, 2019 and 2020, the Group received RMB29.50 billion, RMB29.50 billion and RMB29.50 billion of funding and subsidies from the Beijing Government.

Favourable business policies: The Beijing Government has also granted the Group the right to conduct primary land development along the Railway Lines. Upon the completion of primary land development, the Beijing Government will fully reimburse the Group for the development costs and pay a management fee to the Group, representing 8% to 12% of the total costs relating to land development and resettlement process, which strongly supports the capital needs of the Group's core businesses. In relation to property and underground space operation and management, the Beijing Government also allocates revenue from commercial development along the Railway Lines to the Company.

Senior staff appointments: The Company's board of directors are appointed by the State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality ("**Beijing SASAC**") or Organization Department of Beijing Municipal Committee of the CPC. Beijing SASAC also appoints the Company's chairman of the board from the board of directors. The general

manager and the vice general manager are recommended by Beijing SASAC and are appointed or discharged by the board of directors. The senior management members hired through general recruitment are nominated by the general manager and appointed by the board of directors, the hiring of whom must be submitted for recordkeeping to Beijing SASAC.

ABO business model: the Group adopted the ABO model following the execution of the Beijing Railway ABO Agreement, a business model through which the Company would receive RMB25.5 billion in fiscal funds per year from the Beijing Government for providing services on planning, construction and operations of the railway projects authorised by the Beijing Government, together with an additional RMB4 billion as subsidies for railway fares and for replacement and upgrade of the equipment of the Railway Lines. The ABO model clarifies the relationship between the Beijing Government and enterprises. The Beijing Government governs and reviews projects, and authorises the Company to operate with a service fee. The Company executes urban rail transit projects in Beijing and provides one-stop-shop solutions across areas such as planning, construction, operation and investment. The Group had completed an accumulated total of government project investment of approximately RMB559.50 billion, RMB627.40 billion and RMB695.10 billion as at 31 December 2018, 2019 and 2020, respectively.

Potential investors are reminded that, the PRC Government (including the Beijing Government) is not an obligor and shall under no circumstances have any obligation arising out of or in connection with the Notes, each of the Guarantees, the Keepwell and Liquidity Support Deed and the Deed of Equity Interest Purchase Undertaking in lieu of each of the Issuer, BII Hong Kong or the Company, as applicable. Beijing SASAC, as the ultimate shareholder of the Company, only has limited liability in the form of its equity contribution in the Company. The Notes are solely to be repaid by the Issuer as an obligor, and the obligations pursuant to the Guarantees, the Keepwell and Liquidity Support Deed and the Deed of Equity Interest Purchase Undertaking to be met by the Issuer, BII Hong Kong or the Company, as applicable, under the relevant transaction documents and each as an independent legal person.

Leading rail transit business located in Beijing with nationwide influence

The Group has a leading rail transit network system in China. As at 31 December 2020, the Company operated 428 stations in total.

The Group maintains long-term diversified strategic partnerships with various transportation groups in China and Hong Kong, including MTR Corporation Limited, China Railway Group Limited, China Railway 3rd Bureau, China CREC Railway Electrification Bureau Group and Beijing Urban Construction Group Co., Ltd. The Group's long-term strategic partners include:

- *MTR Corporation Limited*

  The Group has involved MTR Corporation Limited, the operator of a mass transit railway and other transport services in Hong Kong, in the construction and operations of Line 4 and Line 14. Under the concession agreement signed between Beijing MTR Corporation Limited (a joint venture between the Company, MTR Corporation Limited and Beijing Capital Group) ("**Beijing MTR**") and the Beijing Government on 12 April 2006, Beijing MTR Corporation Limited was granted a concession right to operate Line 4, Line 14 and Line 16 for a term of 30 years. The concession operation model enhanced the investment, construction and operational efficiency of the Beijing Subway, and reduced the financial costs of the Group. In addition to leveraging the extensive operational and development experiences of MTR Corporation Limited, the Group is able to explore the maximum commercial value of the development area along the Railway Lines. In addition, Daxing Line, which connects with Line 4, is also operated by MTR Corporation Limited.

- *China Life Insurance (Overseas) Company Limited*

  The Group strategically collaborates with China Life Insurance (Overseas) Company Limited, the largest commercial insurance group in China and one of the largest institutional investors in the Chinese capital markets. After a large scale issuance fund cooperation programme in 2011, the Group entered into a RMB10 billion insurance financing agreement with China Life Insurance (Overseas) Company Limited on 22 August 2017, pursuant to which a RMB10 billion loan for a term of 10 years had been granted to the Group with 4.995% fixed rate interest per annum. Such long-term strategic partnership has further diversified the Group's financing channels and strengthened its capital base.

The Group has strong business management execution capability, particularly in introducing innovative business models. Leveraging its experiences and resources in the mass transit railway industry, the Group has pioneered diversified business development models, which have maximised the Group's asset value and achieved efficient resource allocation.

PPP business model: The Group adopted the PPP model in developing Line 4, Line 14 and Line 16 of the Beijing Subway, a business model in which public infrastructure projects are financed, built and operated by way of partnership between the public sector and the private sector. The PPP model adopted in the development of Line 4 was the first officially approved concession project in the mass transit railway industry in China. In 2017, the Group commenced the relevant workstream in implementing PPP model in Pinggu Line. In 2018, the Group continued to promote the equity management of PPP projects, actively communicate and coordinate with Urumqi, coordinate and promote the construction of the PPP project of Rail Transit Line 2 Phase 2. Despite the complex external environment and the challenges from the delay in the construction of the southern part of the project, the Group successfully resumed the construction of this project after active communication and coordination with investors and the government. In March 2019, the Group, as the initiator, formed a consortium with Beijing Subway Rolling Stock Equipment Co., Ltd., Beijing Municipal Road & Bridge Co., Ltd. and Beijing Urban Infrastructure Construction Investment Management Co., Ltd., which won the bid for the PPP project of Shaoxing Rail Transit Line 1, and signed a sale and purchase agreement in respect of 6B aluminium-alloy vehicles by the end of 2019. In May 2019, the Company, Beijing Urban Construction Group Co. Ltd. and Huangshan Railway Investment Co., Ltd. signed the agreement for Huangshan City Urban Rapid Transit Project, and completed the registration and establishment of Huangshan City Urban Travel Railway Investment Development Co., Ltd. In 2020, Line T1 of Huangshan rail transit was approved for railway planning. As the first railway line for Huangshan city in facilitating the development of its tourism industry, Line T1 has precedent value the rest of railway lines under planning.

BT business model: The Group adopted the BT model for the development of the Olympic and Yizhuang Lines, a business model in which the contractor undertakes the financing of construction expenditures and transfers the project back to the proprietor upon completion and inspection for acceptance and the proprietor will pay the contractor for such construction expenditures, financing costs and return on project in instalments pursuant to relevant agreements. The Olympic Line was the first mass transit railway project under the BT model in China.

Centralised management model for transport network operation: The Group established the Command Centre, which pioneered centralised command and management of transport network operations, to command the operation of the Beijing Subway through the Command Centre Hall. The Command Centre integrates and centralises the two functions of railway transport command and tickets settlement. It is the only equipment installation and operation entity of underground communication system in Beijing and has a strong control over the rail transit network in Beijing. Beijing Rail Transit Network Management Co., Ltd. ("**Control Centre**"), another subsidiary established by the Company to perform as the control centre and to ensure safe operation of the Beijing Subway, innovated on establishing a centralised traffic control system to ensure a "point-line-network" coverage of

command and dispatch. In 2017, the Control Centre carried out the trial operation of the monitoring function of AFC system, completed the AFC system standard software and line upgrade, and proposed the "Beijing mode" of AFC system standardisation. Tasks involved in full-cycle rail transit network operation assessment have been finished.

"Yitongxing" app and Internet ticketing: In 2017, "Yitongxing" app was developed and started operation, which enables passengers to purchase tickets online, collect tickets offline at stations and in Airport Line, and enter or exit the stations with QR code on mobile phones. In August 2017, "Yitongxing" app was officially launched, and the Airport Line launched the online ticket purchasing and offline ticket collection service. In September 2017, the Airport Line enabled passengers to use QR code under its QR code ride service. In December 2017, the Railway Lines launched the online ticket purchasing and offline ticketing service. In April and May in 2018, the Railway Lines (except for the Western Suburb Line) carried out the trial operation of QR code ride service. The QR code ride service officially commenced operation in May 2018. In September 2018, the QR code ride service function was officially launched in the Western Suburb Line which marked the launching of the QR Code ride service function for the 23 Railway Lines and the 405 stations operated then. As at 31 December 2020, QR code ride service in Beijing and Shanghai subways are inter-connected with the application "Yitongxing" App and Metro App in Beijing and Shanghai. Though either "Yitongxing" App or Metro App, passengers can use QR code to enter and exit the stations in Shanghai and Beijing, which further facilitated the public transportation in Beijing and Shanghai, and promoted the green transportation, marking a milestone in inter-connection and inter-communication of cities.

In 2020, the Group also greatly advanced its Internet ticketing services with the introduction of electronic one-way ticket, "one-code pass" for Beijing public transportation and UnionPay cloud flash payment services. In December 2020, the trial app for digital RMB Beijing Winter Olympics was also launched for the Daxing International Airport Line.

The Group's emphasis on the "Five-in-One" policy and "Going Global" strategy effectively leverages the Group's experience, facilities and resources, which helps expand its business and improve its profitability. The Group's comprehensive business setups and regional expansion benefit from the Beijing Government's promotion of the "Five-in-One" (i.e. plan and design, investment and finance, construction, equipment manufacture, operation and management) policy. Through such policy, the Group has integrated its resources and actively pursued the Central Government's "Belt and Road" Initiative. The number of cities and provinces available for construction of urban railway transport in the PRC may increase and the Group has been continuously playing an active role in railway infrastructure construction in other provinces and shares its advanced technology and management experience nationwide.

The Group has developed capabilities which span across the whole industry chain with a wide range of businesses relating to the mass transit railway industry, including urban infrastructure investment, financing, construction, operation and management, development and operation of land and property along the railway lines and industrial investment and capital operation. To further optimise its business setups, the Company has increased its emphasis on the equipment manufacturing business. It has established Equipment Group and acquired 100% equity interest in Beikong Transport Equipment Co., Ltd. (北控交通裝備有限公司) ("**Beikong Transport Equipment**") in 2016, as the Company benefitted from favourable Beijing Government policies regarding strategic planning on integrating railway transport equipment manufacturing industry. The Company's comprehensive and integrated industry chain capability, together with its enjoyment of favourable government policies, enabled the Company to optimise its resource allocation, capture profits and growth opportunities from each segment and increase its overall competitiveness.

With comprehensive experiences and integrated resources in all five areas under the "Five-in-One" policy, the Group has expanded its operation beyond Beijing, participating in railway infrastructure constructions in other provinces and sharing its advanced technology and management experience nationwide. Furthermore, the Group has guided the construction of projects along the "Belt and Road"

Initiative. In Urumqi, Xinjiang, following its successful bid for the PPP project of Rail Transit Line 2 Phase I in Urumqi for a term of 35 years which is the first "going out" project of the Group, the Group rapidly mobilised and advanced the project, optimising the project financing structure, refining its construction organisation, and advancing the construction progress. It successfully completed its investment objective of RMB2.44 billion in 2016. The project successfully commenced construction in the first half of 2017. By the end of 2020, this project had completed an investment of approximately RMB3.06 billion. Despite the complex external environment and the challenges from the delay in the construction of the southern part of the project, the Group successfully resumed the construction of this project after active communication and coordination with investors and the government. The Group utilises the core competitiveness of investment and financing and resource integration, continuously supports the improvement of the project's quality and efficiency, ensures the orderly progress of the construction, and aims to enhance the transport quality in the region involved in the Belt and Road Initiative and exalt the influence of Beijing rail transit products on the domestic market.

The implementation of the "Going Global" strategy of rail transit is an important development strategy of the Group. The Group holds the leading position among rail transit enterprises and its business effects radiates from Beijing, expanding from Beijing and the Jingjinji region to the other regions in China and to the Belt and Road Initiative regions with the aim to enhance the market influence of Beijing rail transit related products and services.

In order to promote the interconnection of infrastructure in the Jingjinji region and build integrated transportation system of Beijing sub-centre, in Zhangjiakou city, the Group has established Zhangjiakou Jingyuan Infrastructure Construction Co., Ltd. and participated in the R1 Line public transport project which is among the key projects of Zhangjiakou in 2018. In Baoding city, the Company had completed most of the construction work for Hebei Vehicle Production Base and Vehicle Body Plant I & II, Assembly Plant, Commission Plant and Coating Plant already commenced operation by the end of 2019. After the completion and commencement of full operation of the base, it is expected that the annual production would achieve approximately 1,300 vehicles. In Tangshan city, the Company, Jingjinji Intercity Railway Investment Co., Ltd. and the Tangshan Municipal Government signed a strategic cooperation agreement to jointly promote the development of the Tangshan Rail Transit Magnetic Line, the vehicle component research and development base, and the maintenance base. These efforts would help to shift some of the non-capital functions of Beijing out of the municipality and further the coordinated development of the Jingjinji region.

The Group believes that its presence across the integrated industry chain and its operations across multiple geographic regions enable it to enhance its competitiveness and profitability, and establish a solid foundation for its further development.

Creation of an integrated industrial chain of rail transit and the deepening of the development of resources along railways

With the main business of rail transit construction and operation as the starting point and the core, the Group has explored the diversification of its business coverage, deepened the focus on value-added services such as industry support for rail transit equipment manufacturing process, information system solutions and operation maintenance, and actively promoted the comprehensive development of rail transit stations and the surrounding areas in order to fully support the Group's main business development. The Group focuses on the business of investment, financing and management of rail transit infrastructure, rail transit equipment manufacturing, information technology, and the development and operation of land and estates.

In order to enhance the Group's main business of rail transit, the Group participates in multiple aspects of rail transit operation.

Railway transport planning and management of construction projects: The Group engages in the comprehensive planning of the rail transit system, ensures timely and sufficient funds are raised for project development and reduces investment costs for the Beijing Government. The Group also participates in the preliminary design of each of the Railway Lines and the planning of the Beijing Subway under the instruction of the Beijing Government. Further, the Group carries out early-phase work, including initiation and approval of projects, feasibility report preparation and solution designing, and conducts special research. It also assists the Beijing Municipal Commission of Urban Planning in railway station planning and the development of surrounding areas. Further, the Group engages in investment and financing planning and coordinates various parties in urban rail transit planning and construction.

Operating Asset Management: The Group operates and manages railway lines, including the Railway Lines of Beijing Subway. The Group also operates other assets in order to preserve the value of the state-owned assets and further expand the existing network.

Railway Transport Network Command: Through the Command Centre, the Group manages the Beijing rail transit system and facilities.

Through the operation of and the investment in businesses such as information infrastructure and railway transport equipment, the Group extends its core infrastructure business and aims to create an integrated industrial chain of rail transit.

Information Infrastructure: The Group provides all-rounded application solutions to rail traffic information system and value-added services in operation and maintenance. The Hong Kong Listco is the only listed company in Hong Kong that provides a full range of information system application solutions and operation maintenance services at both network-level and line-level. The Group engages in the repair and maintenance of application solution systems developed by software developers and provides the ACC system, Traffic Control Centre system and inspection centre maintenance services to the Beijing Subway. The "Driver Fatigue Driving System" for safe driving was launched at Hong Kong MTR in 2019. Further, the Group provides communication transmission system leasing service to mobile operators. In 2020, Beijing Information Infrastructure Construction Co., Ltd. has formed an information pipeline network of 5,267 kilometres in Beijing. Accumulatively, it has built a ground fibre optic cable network of 1,925 kilometres long, with preliminary capacity to cover urban area of Beijing. The Group also provides a unified integration plan and system in relation to rail transportation, and leads the nationwide markets outside Beijing with its rich experience and knowledge of technology.

Railway Transport Equipment: The Group engages in the strategic integration of railway transport equipment manufacturing in Beijing. The Company has invested in Nanjing Kangni Mechanical & Electrical Co., Ltd, a leading company in investment, research and development, manufacturing and sales of rail transit door system to advance the technical reserve for future train assembly ability. The construction of the Pingxifu vehicle repairing base officially commenced in June 2018. After completion, it would undertake maintenance tasks for approximately 330 B-type vehicles. Moreover, the Company has set up the Equipment Group and increased its investment in the Equipment Group with the purpose to develop maglev railway in Beijing. Beijing Enterprises Holdings Maglev Technology Development Co., Ltd., a subsidiary of Equipment Group, is the pioneer in medium-to-low speed maglev technology in China. The Company aims to establish its brand image with its Line S1, a fully-integrated maglev industry chain, which strongly supports the maglev traffic in following the "Belt and Road" and "Go Global" strategies. The Group facilitated the achievement of the main objectives under the 13th Five-year Plan, namely, the development of high-end equipment manufacturing industry and industry chain under the 13th Five-Year Plan. Upon entering the China's 14th Five-year Plan from 2021 to 2025, the Group aims to emphasise more on the high-end equipment manufacturing to bring high-quality development of the Beijing railway system. One of the three

subsidiaries of Equipment Group is Beijing Subway Rolling Stock Equipment Co., Ltd., which is the only company qualified for manufacturing urban railway transport vehicle in the PRC other than CRRC Corporation Limited (中國中車集團). The Group is committed to becoming an innovator to lead China's rail transportation equipment industry, and its products are positioned in the manufacturing and maintenance of urban rail transit vehicles. The Group made significant progress in the project of Hebei Automobile Manufacturing Base. The first 160 km/h smart city train car has officially launched. The articulated light rail vehicle project and the Shaoxing Metro Line 1 vehicle project have been carried out in an orderly manner as planned.

The Group aims to fulfil the Master Plan, facilitate urban construction, and advance primary land development, real estate project development and the comprehensive development of stations and surrounding areas. The Group hopes to bring about a new dimension for development and operation of land and property along the railway lines in order to generate consistent and stable profits. The Group participates in a variety of businesses in the segment of development and operation of land and property along the railway lines, including actively promoting primary land development, and depot and station utilisation, leveraging resources on Beijing rail transit to actively promote the professionalisation and scale operation of rail transit asset management business and cooperating with major government projects, such as the Winter Olympics stadium, Jingjin Intercity Railway and new subway lines and others. Upon the completion of primary land development, the Beijing Government will fully reimburse the Group for the development costs and pay a management fee to the Group, representing 8% to 12% of the total costs relating to land development and resettlement process, which strongly supports the capital needs of the Group's core businesses. The Group also participates in real estate project development and has established its brand name in the property development of subway complexes in Asia with a focus on the Beijing market. The Group engages in depot and station resource utilisation by integrating the functions of metro stations and neighbouring properties in order to facilitate the overall planning of the area and better serve the residents.

Further, in the Group's property development and operation business, the Group is in charge of the investment, construction and operation of projects involving utilisation of space above and under-ground within and around railway lines. The Group has also enhanced the promotion and property operation of the Changyang Project. In 2020, implementing the rental deduction policy of the SASAC, the Changyang Project reduced rental for approximately RMB3.1 million and benefited 49 merchant, while maintained a signing rate of 82.75% and a total transaction amount of RMB0.16 billion. Under the Group's connection service business, the Group is responsible for the management of the connection passage between railway stations. The Group also provides project consultation services and engineering services to companies interested in exploring underground space and resources, which is in line with its duty to increase and preserve the value of the Group's assets. In addition, the Group is engaged in business operation and development. The Group operates the media and cultural resources such as advertisements in the railway stations and plazas, and explores new business while extending its existing business.

Strong financial profile with access to diversified financing channels and innovative project financing management models

Leveraging the Group's strategic position and enjoyment of favourable government policies, the Group benefits from its diverse and extensive investment and financing channels, which ensure sufficient funding for the Group's operations, improve its capital structure and lower the financial costs. The Group believes that access to diversified financing channels helps it implement its mass transit railway development strategies to upgrade and increase capacity in its network. As at 31 December 2020, the Group has used different means of financing such as bank loans, domestic bonds, offshore bonds, equity financing, and other means such as short-term bonds, perpetual bonds and asset backed securities ("**ABS**") to effectively meet the funding needs of both government projects and operation projects.

In terms of bank loans, it maintains close and lasting relationships with 20 major banks ensuring it will have access to credit lines to fund future development and expansion plans. As at 31 December 2020, the Group had a credit line of RMB315.64 billion in aggregate from 10 financial institutions, of which RMB79.05 billion remained unutilised. In particular, the Company has maintained a cooperative relationship with China Development Bank since 2003, which provides the Company with ample credit support and financial services. As at 31 December 2020, the Company had a development financing credit line of RMB70.28 billion in aggregate from China Development Bank, of which RMB11.08 billion remained unutilised.

In terms of domestic bonds, as at 31 December 2020, the Company had issued 79 domestic bonds since 2004 with an outstanding amount of RMB58.79 billion in aggregate with an AAA corporate rating by China Chengxin International Credit Rating Co. Ltd. and Dagong Global Credit Rating Co. Ltd., which is the highest domestic rating in China. It has also completed an offering of the first insurance funds financing in the mass transit railway transport industry in China after the relevant policy was promulgated by China Insurance Regulatory Commission (the "**CIRC**") in April 2009. At the beginning of 2018, CSRC approved the Company's RMB10 billion public corporate bond, which was the first public corporate bond of rail transit company. In 2018, CSRC also approved the Company's RMB10 billion green sustainable bond, which was the first green sustainable bond of rail transit company, and the Company issued Phase I green sustainable corporate bond of RMB1 billion. In 2018, the Company also issued a Phase II green sustainable corporate bond of RMB5 billion. In November 2020, the Company successfully registered for the qualification of non-financial corporate debt financing instrument (DFI), and became the first rail transit enterprise in China to obtain the qualification of interbank bonds issuance, NDRC corporate bonds issuance and issuance on stock exchanges. The Company has issued five tranches of bonds with a total amount of RMB14.0 billion in 2020, including super short-term financing bonds, corporate bonds and enterprise bonds. The interest rate of the Company's onshore bonds reached a new record low. In particular, the Company recorded the issuance interest rate of 2.60% for its issuance of domestic corporate bonds with a three-year tenor, which was, at the time of issuance, the historically lowest interest rate in the corporate bonds issued by local state-owned enterprise corporate bonds.

In terms of offshore bonds, on 13 June 2014, the Issuer established a programme for the issuance of up to U.S.$2.00 billion in notes guaranteed by either BII Hong Kong or the Company (this "**Programme**") and conducted multiple issuance thereunder. In 2015, the Issuer increased the aggregate principal amount of notes that may be issued under this Programme to U.S.$6.00 billion. In September 2020, the Company issued bonds of U.S.$650 million with an interested rate of 1.00% and three-year tenor, which was the historically lowest interest rate in the offshore USD corporate bonds issued by local SOEs, and second lowest interest rate in the offshore USD corporate bonds issued by Chinese corporates (including Central SOEs) with the same tenor. As at 31 December 2020, the Company has a total issuance of U.S.$4.95 billion offshore bonds, with U.S.$1.57 billion outstanding.

In terms of equity financing, the Company introduced the PPP and BT models to the mass transit railway transport industry in China. Through the PPP model, an investment of approximately RMB4.6 billion, being 30% of the total investment of RMB15.3 billion, was funded by private investors including MTR Corporation Limited and Beijing Capital Group, for the construction and operation of Railway Line No.4.

In addition, through the arrangement of joint ventures, the Group has benefitted from the cooperation with other institutions, such as Beijing Zhongguancun Fengtai Science Park, in terms of leveraging their financial resources and industry experiences. In 2014, the Company cooperated with China Reinsurance Asset Management Co., Ltd. to launch the establishment of the industry's first single rail transit equity financing project, China Reinsurance-Beijing Metro Railway Line 16 equity investment plan, providing RMB7.00 billion for the project equity financing, which has greatly eased the pressure on the Beijing government to provide capital investment to the Group. In addition, the Group also had RMB30.00 billion financing cooperation of insurance fund with China Life Insurance Asset

Management Company Ltd. and RMB10.00 billion perpetual bond investment plan with Ping'an Asset Management. For details, see "*Description of the Group — Business — Infrastructure Investment, Financing, Construction, Operation and Management — Mass Transit Railway — Investment and Financing Planning — Equity financing*".

In terms of other means of financing, the Group is one of the pioneers in the mass transit railway transport industry in China to launch medium-term notes, corporate bonds and commercial paper. As at 31 December 2020, the Company's ratio of total liability to total assets was 44.6%. It also sought to reduce its gearing ratio through developing multiple financing instruments, including issuance of perpetual capital securities. For details, see "*Description of the Group — Business — Infrastructure Investment, Financing, Construction, Operation and Management — Mass Transit Railway — Investment and Financing Planning — Debt financing*".

With on-going access to a diversified pool of funding sources, including, amongst others, bank loans and banking facilities provided by various commercial banks, funds raised via innovative equity financing structures, introduction of strategic investors and mature debt financing strategies, the Group has effectively lowered its financing costs and the Company's financing capability has become one of its core competitive strengths which supports the Company's continuous development and enables the Group to service its debt obligations under this Programme.

Experienced management team with sound and effective internal management

The Company's management team has extensive management skills, operating experience and industry expertise in the mass transit railway sector. The stable core management team with solid industry and corporate management experience has been critical to the Company's success. Their strategic vision and leadership have positioned the Company for continuous growth. The Company believes that its management team, with a proven track record in delivering operational and financial results, is equipped with the critical knowledge and skills required to take advantage of market opportunities, which are expected to increase the Group's overall performance. The Company's core management team has served the government or other state-owned enterprises for more than 20 years on average and provides guidance and execution leadership. The Company believes that its management team enables it to continue to improve the efficiency of its operations, the quality of its services and its ability to satisfy the requirements of efficient mass transit railways in Beijing. The Company believes that its strong management and execution capacity creates, and will continue to build, a solid foundation for its success.

In addition to its strong management team, the Company has a well-established corporate governance structure to ensure efficient operations, which consists of the board of directors, the board of supervisors, the Strategy and Investment Management Committee, the Nomination Committee, the Audit and Risk Management Committee and the Remuneration and Assessment Committee and various departments. The Company operates and functions in an effective and efficient way, which enables it to maintain its leading position in the mass transit railway industry in the PRC.

The Company's management has set up and maintained a comprehensive and effective institutional system and formulated over 200 policies. The Company has implemented the differentiated and tiered regulation and control of governmental and operational businesses, and has been stringent on vertical management to ensure that the management hierarchy is always within four layers. Internal system building is consistently optimised to increase risk prevention capacity. The Company has utilised KPI assessment to strengthen its inspection and supervision on key operation.

Further, the Company's audit and supervision department has formed policies for internal economic responsibility audit, post-evaluation of investment projects, internal control system evaluation, rail transit construction settlement and audit and built a "Five-in-One" framework. The Company's talent

cultivation and development mechanism has followed an employee-centred model to deepen the reform and innovation of human resources management system. The Company's legal and compliance department strictly carried out legal risk prevention, enriched staff members' legal knowledge and raised their awareness of risk prevention through legal training.

Business Strategies

The Group intends to further enhance its strengths in its urban infrastructure investment, financing, construction, operation and management business, supplemented by its continued expansion of its development and operation of land and property business along the railway lines and industrial investment and capital operation and further supplemented by its continuous capacity-building on such businesses, based on the "One-Body and Two-Wings, and Three Pillars" business model. "One-Body" consists of the Group's core business of infrastructure investment, financing, construction, operation and management, while "Two-Wings" consist of development and operation of land and property along the railway lines and industrial investment and capital operation with the emphasis on equipment manufacturing. Further, the Group focuses on the innovative development capabilities, resource integration capabilities and professional service capabilities under its "Three Pillars" model to keep its core competitiveness. It utilises domestic and international investment and financing, direct financing, indirect financing and various PPP models. It also aims to achieve standardisation and scale effect via resource consolidation. During China's 14th Five-year Plan period, the Group is determined to facilitate the high-quality development of Beijing rail transit system, build a world-class rail transit enterprise. The Group is Beijing-oriented, with the strategic goal of facilitating coordinated development of Beijing, Tianjin and Hebei province. With its "One-Body and Two-Wings, and Three Pillars" business model, the Group intends to transform to an urban public transportation solutions provider focusing on rail transit, a comprehensive rail transit equipment services provider focusing on integrated innovation and a transit-orientated-development based urban micro-centre services provider. To achieve the Group's strategic goal, the Group intends to further leverage its existing competitive strengths and pursue the following business strategies:

During the transition period into the 14th Five-year Plan, the Group has further deepened its focus on the core business of investment, construction and operation of urban railway transit. In 2020, it completed a total of RMB33.95 billion for Beiing major investment projects in rail transit which amounted to 128.05% of its annual investment task and made great contributions to the economic recovery of Beijing city from the impacts of the COVID-19 outbreak. As at the end of 2020, the Company's planned investment in projects under construction amounted to RMB 391.686 billion, with RMB 147.004 billion of investment completed. In 2020, the Group has completed the suburban railway network planning project with 12 railway lines with a total mileage of 874 kilometres and 31 micro-centre stations has been approved by Beijing Municipal Government. The Group is also carrying out the planning of construction of Phase III urban and suburban rail transit, including 24 projects with total mileage of 669 kilometres. It is expected that the mileage of suburban railways will exceed 600 kilometres by the end of the 14th Five-year Plan.

Enhance the Group's urban infrastructure investment, financing, construction, operation and management business focusing on the mass transit railway industry centred on Beijing and spanning across Beijing, Tianjin and Hebei province

As the implementer of the general planning of the Beijing Subway, the Company is currently focusing on finalising the general development plan by 2020 for Beijing's mass transit railway transport system. Meanwhile, the Company will continue to conduct preparation work on the extended lines in the central areas of Beijing and improve the mass transit railway construction management, including introducing more project financing business models, such as Design-Build-Operate, Engineering-Procurement- Construction and Build-Transfer-Operate. The Group will continue to raise funds for Beijing Railway Construction, optimise the financing structure through various channels and reduce financing costs. In addition, the Group may consider capitalising certain assets of the mass transit railway system where appropriate.

Implementing the national plan of Coordinated Development of the Beijing, Tianjin and Hebei Region (京津冀協同發展戰略), the Group also intends to further expand its businesses coverage from urban mass transit railways to suburb railways, inter-city railways and highway construction. The Group is also minded to continue to enhance its profitability by further developing its newly established business in urban utility tunnels and information infrastructure industry.

The Group intends to focus on improving its internal management system to a higher level of effectiveness and efficiency. It has promoted the optimisation of its internal management systems and mechanism and has fully implemented the new operation model that was authorised by the PRC Government. The Group intends to enhance the network systems used to control the mass transit railway transport and the settlement of ticket revenue. In addition, the Group plans to establish a Beijing Railway Transport Network Operating Information Centre and a Beijing railway transport database to enhance its advantages in its command of information.

The Group intends to promote a more standardised process for project replacement and investment upgrade and will monitor the process to increase cost efficiency. The Group also intends to establish a platform to share and provide timely and effective information on state-owned assets, their value and changes to such assets, for the benefit of the government and other minority owners of state-owned assets.

Further expand the Group's development and operation of land and property along the railway lines

The Group will continue to capitalise on the rapid development of primary land development business, establish its brand name in developing subway complexes, seek opportunities in developing underground space and actively participate in the government housing programme to provide affordable housing and property financing businesses. The Group aims to consolidate resources and optimise the property development profiles. Revenue from primary land development will continue to be a stable source of income, while revenue from other property developments will form a multi-layer, dimensional and sustainable source of income of the Group. The Group will actively promote primary land development, promote depot and station utilisation, and leverage resources on Beijing rail transit to actively promote the professionalisation and scale operation of the rail transit asset management business. The Group will also cooperate with major government projects, such as the development of the Winter Olympics stadium, Jingjin Intercity Railway and new subway lines.

Continue to focus on the Group's investment in industries related to railway transport

The Group will continue to invest in industries related to railway transport, leveraging its extensive knowledge and experience in this area. The Group will strategically select and invest in leading companies that manufacture railway transport assets such as rolling stock, and cultivate small-to medium-size enterprises that possess core technology and proprietary intellectual property rights in relation to railway transport. In addition, the Group will selectively invest in financial projects relevant to the railway transport industry with strong development potential, which the Group believes will increase its competitiveness in the railway transport industry. The Group's investment will primarily focus on equipment manufacturing and other industrial investment and capital operation, supplemented by debt investment.

Recent Development

On 31 August 2021, the Company published the Company's June 2021 Financial Information. The Company's June 2021 Financial Information was published onshore. It is not included in and does not form a part of this Offering Circular. None of the Company's June 2021 Financial Information has been audited or reviewed by the Group's independent accountants, or any other independent accountants and may be subject to adjustments if audited and reviewed. Consequently, none of the Arrangers, the Dealers, the Trustee, any Agent (or any of their respective affiliates, directors, officers, employees, representatives, advisers, agents and each person who controls any of them) makes any

representation or warranty, express or implied, regarding the accuracy of such financial statements or their sufficiency for an assessment of, and potential investors must exercise caution when using such information to evaluate the Company's financial condition, results of operations and results. The Company's June 2021 Financial Information should not be taken as an indication of the expected financial condition, results of operations and results of the Company for the full financial year ending 31 December 2021.

For the six months ended 30 June 2021, the Group's total operating income increased as compared to its total operating income for the corresponding period last year. The Group's total operating costs for the six months ended 30 June 2021 increased in line with its total operating income as compared to its total operating costs for the corresponding period last year. For the six months ended 30 June 2021, although the Group's non-operating income decreased significantly compared to the six months ended 30 June 2020, each of operating profit, total profit and net profit of the Group for the six months ended 30 June 2021 increased as compared to its operating profit, total profit and net profit for the corresponding period last year.

As at 30 June 2021, the Group's total assets increased as compared to 31 December 2020 due to the increased number of railway projects under construction. As at 30 June 2021, the Group's total liabilities increased as compared to 31 December 2020 due to the increase of short-term borrowing and long-term borrowing as a result of the increased amount offshore financing and increase of deferred income as a result of the collection of ABO (as defined below) funds. Each of the Group's cash and bank balances and short-term borrowings increased materially as compared to 31 December 2020.

For the six months ended 30 June 2021, the Group incurred net cash inflow from its operating and financing activities and net cash outflow from its investing activities.

Business

The Group mainly conducts three businesses, namely, urban infrastructure investment, financing, construction, operation and management, development and operation of land and property along the railway lines and industrial investment and capital operation. For the year ended 31 December 2020, revenue from these three business segments amounted to RMB4,471.84 million, RMB6,023.08 million and RMB3,170.03 million, representing 32.72%, 44.08% and 23.20%, respectively, of the Group's revenue for the same period.

Infrastructure Investment, Financing, Construction, Operation and Management

The Group undertakes part of the urban infrastructure investment, financing, construction, operation and management responsibilities of the Beijing Government, focusing on urban mass transit railway financing, construction and operation. For the years ended 31 December 2018, 2019 and 2020, the Group's infrastructure investment, financing, construction, operation and management business generated revenue of RMB7,399.69 million, RMB7,274.86 million and RMB4,471.84 million, respectively, accounting for 39.13%, 47.30% and 32.72%, respectively, of the Group's revenue for the same periods.

The Group is among the most established and leading subway networks in the PRC, which receives the highest ratings from the international rating agencies. As at 31 December 2020, the Group's total assets amounted to RMB707,425.3 million, which is the highest as comparing to its key peers in the domestic market. The Company is also regarded as one of the largest mass transit railway companies in terms of the total number of operating stations and length of railway lines in operation. As at 31 December 2020, the Company operated 428 stations in total.

General

The Group is primarily engaged in urban infrastructure projects assigned by the Beijing Government, focusing on construction planning and management of the urban rail systems and railway lines in Beijing, feasibility studies of new urban rail projects, and investment and financing planning of such projects.

Preparatory Work

The Company participates in the urban infrastructure planning of Beijing, and is primarily involved in the planning of the Beijing Subway. Under the instruction of the Beijing Government or Beijing Municipal Commission of Urban Planning, as the case may be, the Group carries out the preliminary design and planning of the Beijing Subway, including the railway lines, stations and surrounding land, and submits a comprehensive development report and plan to the Beijing Government for approval. For example, the Group was engaged in the preparation of and completed the Beijing Urban Rail Transit Recent Development Plan (2013-2020) (北京市城市軌道交通近期建設規劃(2013-2020)) and its nine relevant special reports on passenger flow forecasts, financing plans, environmental evaluation and others. In accordance with the new Beijing general urban planning and requirements of the municipal government, the Group has been formulating the Phase III construction plan which centres around Beijing's strategic positioning of "four centres" and is aimed at serving the relocation of non-capital functions, restructuring of urban space, and improving the rail transit service in key functional districts in order to enhance vitality of the traffic network and reduce congestions by optimising the existing rail network and resolving its bottlenecks. The Company has made great progress in various initiatives which serve the construction of Beijing's "four centres" functions and helps Beijing's "three major events". On 5 December 2019, the Company's second-phase construction planning adjustment plan was approved by the NDRC. The new plan would further optimise and adjust the short-term planning of rail transit construction, focusing on breaking through the bottleneck and improving the line network layout, and orderly promoting the construction of modern urban rail transit. The plan covers five projects, namely the North Extension of Daxing International Airport Line, Line 28 (former CBD Line), Line 11 West Section, Line 13 Capacity Expansion and Upgrade, and Line 22 (Pinggu Line), totaling 122.7 kilometres. This is an important measure to implement the Master Plan and develop the synergy of Beijing-Tianjin-Hebei Area. It would provide important transportation support for the 2022 Winter Olympic Games and effectively improve the traffic carrying capacity of the Huitian area and the northern part of the central city.

The Company also initiates and conducts preliminary preparations for each urban transit railway project initiated by itself, including carrying out feasibility studies and applying for the applicable approvals. Wherever necessary, the Company also conducts special research in order to envisage a project proposal.

Railway Line Construction Management

The Company outsources most of its construction work to Beijing Railway Construction, which is an independent third-party company. Under the construction arrangement between the Group and Beijing Railway Construction, the Group is generally responsible for financing the construction of and monitoring the construction progress of the mass transit railways. Beijing Railway Construction is generally responsible for the mass transit railway construction process. It engages subcontractors for specific processes required for a construction project and manages the construction progress and the subcontractors to ensure the completion of the construction project in accordance with the agreed timeline, price and scope of work as set out in the outsourcing contracts with the Group.

Investment and Financing Planning

The Company raises funding for the construction and development of its urban mass transit railway projects in Beijing. One of the primary goals in planning and financing of these projects is to ensure timely and sufficient funds are available for the project development and to reduce investment costs and maximise efficiency in the use of funds.

Every year, the Beijing Government allocates certain fiscal funds to the Group, as subsidies for the railway fares and to support the construction, replacement and upgrade of the Railway Lines. The Beijing Government has increased its annual fiscal fund commitment for the mass transit railway infrastructure from RMB10 billion from 2008 to 2012 to RMB15.5 billion from 2013 to 2015, which has been further increased to RMB29.5 billion from 2016 to 2025, which will then be adjusted from 2026 to 2045 based on a number of factors such as the completion of total investment, interest rate level, changes to the ticket system and changes to the fare price pursuant to the Beijing Railway ABO Agreement from 2016 to 2045. The Group submits monthly reports to the Beijing Municipal Commission of Development and Reform and other relevant authorities on the progress of its projects under construction, in order to justify the use of fiscal funds received from the Beijing Government. For the years ended 31 December 2018, 2019 and 2020, the Group received RMB29.50 billion, RMB29.50 billion and RMB29.50 billion of subsidies from the Beijing Government.

For the years ended 31 December 2018, 2019 and 2020, the government subsidies allocated to Beijing Subway Operation for its operation of the Railway Lines amounted to RMB4.05 billion, RMB5.12 billion and RMB10.29 billion, respectively.

In addition to government grants, the Group actively seeks alternative financing from other sources to support the general operation and business conducted by the Group, including bank loans, debt financing, equity financing and others. The Company believes that its ability to raise funds from multiple channels in a cost-effective manner is one of the Group's core competitive advantages. For the year ended 31 December 2020, the Group has effectively alleviated the financing pressure on the Beijing Government by reducing the financing investment of the Beijing Government by RMB1.43 billion.

Bank loans: The Group maintains long-term relationships with major banks ensuring it will have access to credit lines to fund future development and expansion plans. As at 31 December 2020, the Group had a credit line from 10 financial institutions of RMB 315.74 billion in aggregate, of which RMB79.15 billion remained unutilised.

Debt financing: With an AAA corporate rating by China Chengxin International Credit Rating Co. Ltd., which is the highest domestic rating in China, as at 31 December 2020, the Company had issued 79 domestic bonds since 2004 with an outstanding amount of RMB58.79 billion in aggregate. It has also completed an offering of the first insurance funds financing in the mass transit railway transport industry in China after the relevant policy was promulgated by CIRC in April 2009. In 2014, the Group pioneered the ultra-long tenor enterprise bonds offering and extendable corporate bonds offering in China, and won the title of "*Best Corporate Bond Issue in China Bonds Market*" as one of only five non-financial institution issuers. In October 2017, the Group issued short-term bonds in an aggregate amount of RMB3.00 billion at a coupon rate of 4.15%, which is the first state-owned enterprise bonds within the "Bond Connect" scheme, and was approved by the National Association of Financial Market Institutional Investors. The funds raised will be used for the construction of the Beijing rail transit projects. In 2019, the Group issued a total of RMB31.00 billion bonds in the inter-bank market and the stock exchanges, including successful issuance of first subway ticketing right ABS, namely the Daxing Line ticketing right ABS, of RMB3.00 billion at the Shanghai Stock Exchange, the issuance of social impact bonds of RMB2.00 billion and the issuance of optimised financing supervision corporation bonds of RMB2.00 billion, which was the first issuance of such bonds among railway transportation companies in the PRC and had the lowest interest rate among similar products issued by local state-owned enterprise corporation during the same period. In addition to the issuance of domestic bonds, the Group also issue offshore bonds to meet its funding

requirements. On 13 June 2014, the Issuer established the Programme for the issuance of up to U.S.$2.00 billion in notes guaranteed by either BII Hong Kong or the Company. For the notes guaranteed by BII Hong Kong, they also have the benefit of a keepwell and liquidity support deed and a deed of equity interest purchase undertaking provided by the Company. In 2015, the Issuer increased the aggregate principal amount of notes that may be issued under the Programme to U.S.$6.00 billion. The Issuer has made multiple issuances under the Programme. As at 31 December 2020, the Company has a total issuance of U.S.$4.95 billion offshore bonds with U.S.$1.57 billion outstanding. These successful financing transactions have fully demonstrated the Company's image as a high-quality issuer in the capital market.

Equity financing: The Company introduced the PPP and BT models to the mass transit railway transport industry in China. Under the PPP model, private equity funding was introduced to form a partnership with the Group to construct and operate the railway lines. Under the BT model, the Group invited contractors to construct the mass transit railway lines through public bidding. The contractors constructed the railway projects with their own funds. Upon completion of the construction, the Group will purchase the completed railway lines from the contractors.

- Line 4, a 28.2 kilometres underground railway line being the main north-south traffic line of Beijing, is the first PPP project in mass transit railway construction in China. Through public bidding, the consortium of MTR Corporation Limited and Beijing Capital Group, an entity controlled by the Beijing Government, won the bidding to establish the PPP with the Company for the construction and operation of Line 4. Following the approval by the NDRC in September 2005, on 12 April 2006, Beijing MTR, the joint venture company between the Company, MTR Corporation Limited and Beijing Capital Group, officially signed a concession agreement for Line 4 with the Beijing Government. The concession agreement has a term of 30 years from 4 September 2009, after which ownership of all assets of Line 4 (including those invested by, and owned by, the Beijing MTR during the 30-year term) will revert to the Group. Through the PPP model, an investment of approximately RMB4.6 billion, being 30% of the total investment of RMB15.3 billion, was funded by private investors, which effectively reduced the financing costs of the Beijing Government. In addition, this business model enhanced management efficiency and operational performance of Line 4, as a result of the introduction of the private investors instead of having the Beijing Government as the sole stakeholder. The introduction of the PPP model to the mass transit railway industry in China was highly regarded by the government authorities and other mass transit railway developers, and was awarded the first prize in the 13th National Modern and Innovative Contribution of Enterprises Management Awards in 2006. Line 4 commenced its services to the public on 28 September 2009.

- Line 14, extending from Xiju to Zhuangguozhuang, is the second railway project with participation from private investors. In November 2012, a concession agreement was signed between the Beijing Municipal Commission of Transport (on behalf of the Beijing Government) and Beijing MTR Corporation Limited, under which Beijing MTR Corporation Limited was granted a partial construction right to Line 14 and a 30-year concession operation right to Line 14, with an investment of RMB15 billion. Line 14 commenced its services to the public in 2013.

- The Olympic Line, which extends from South Gate of Beijing Olympic Forest Park to North Beitucheng and forms part of Line 8, is the first BT project in mass transit railway construction in China. The consortium comprising of China Railway Group Limited, China Railway 3rd Bureau and China CREC Railway Electrification Bureau Group won the bidding to invest in and construct the Olympic Line. On 29 April 2005, the concession agreement on the BT project for the Olympic Line was signed between the consortium and the Beijing Government. The cost of constructing the Olympic Line was less than the estimated budget made by the Group by RMB340 million. The introduction of the BT model to the mass transit railway construction enhanced the Group's construction management expertise and effectively reduced the Group's risks by sharing risks among the contractors. The Olympic Line commenced its services to the public in 2008.

- Yizhuang Line, extending from Songjiazhuang to Ciqu, is another railway line project under the BT model. Beijing Urban Construction Group Co., Ltd. won the bidding to invest and construct the Yizhuang Line in 2008. The cost of constructing the Yizhuang Line was less than the estimated budget made by the Group by RMB806 million. Yizhuang Line commenced its services to the public in 2010.

- Line 16, extending from Xiyuan to Bei'anhe, is the first railway line project involving equity financing in the PRC. On 3 July 2014, the Group successfully brought in RMB7.00 billion in equity financing for Project Line 16 from China Reinsurance Asset Management Company Ltd., which to a large extent alleviated the pressure on the Beijing Government to provide capital investment to the Group. Such equity financing project is the third insurance equity financing scheme approved by the PRC and also the first equity financing project in the mass transit railway industry among state-owned enterprises in the PRC.

- The New Airport Line Phase I stretches from Caoqiao to the north terminal of the New Airport with a total length of 39.0 kilometres spreading across three stations. The Group will construct a city airport terminal building in Caoqiao, and construct a depot and a carpark in each of Cigezhuang and New Airport North. The total investment in the New Airport Line is RMB26.5 billion, with more than half of it being social capital.

In 2017, the Company continued to promote the PPP model, commenced the implementation of the PPP model in Pinggu Line, coordinated the working mechanism between the Beijing Government and the Hebei Government, completed the preparation of the implementation plan, and continued to complete contracted work for the existing lines. The Company also signed the concession agreement for New Airport Line, which aligned with the supplemental agreements of Line 4 and Line 16. In 2018, the Company placed a significant focus on the PPP model for the new lines. The Company has closely monitored the preparatory work of Pinggu Line and has in-depth research on the implementation plan. The Company deepened the research on the PPP project of Daxing Line, combined with the progress of the selection of new line operators, actively promoted the introduction of social capital work in Daxing Line, compiled and completed the "Preliminary Plan for the PPP Project of Daxing Line", formulated its working mechanism and work plan, and collected relevant data. The operation of historical data will lay the foundation for the next step to start the implementation of the plan. At the same time, the Company continued to strengthen its equity management of Beijing MTR Corporation Limited and Beijing Railway Construction.

Joint ventures: The Group has benefitted from the financial resources and industry expertise of the strategic business partners with which it has established joint ventures. It cooperated with Beijing Zhongguancun Fengtai Science Park and jointly established a mass transit railway industry fund to participate in investing primarily in strategic industries relating to mass transit railway equipment manufacturing. In addition, the Company is actively seeking for opportunities in joint venture development models for real estate projects with various financial institutions, property developers and local and regional governments.

Mass Transit Railway Network under Construction

In 2020, the Group had 15 railway lines under construction. The chart below provides details of the projects under construction:

Line	Starting and Ending Points	Route Length	Number of Stations	Commencement Date of Construction
		(Kilometres)		
Line 3 Phase I	Cao Gezhuang North — Dongsishitiao	20.8	15	2015
Line 8 Phase III Remaining Extension	National Art Museum of China — Zhushikou	4.3	3	2013
Line 11 (Western Section) (Winter Olympic Branch Line)	Jinding Street — Shougang	4.2	4	2019
Line 12	Sijiqing — Guangezhuang West	29.6	21	2015
Line 13A (Line 13 capacity expansion and upgrade)	Chegongzhuang — Tiantongyuan East	28	19	2019
Line 13B (Line 13 capacity expansion and upgrade)	Malianwa — Dongzhimen			
Line 14 (Remaining Extension)	Xiju — Youanmenwai	4	5	2010
Line 16 (South Extension)	Ganjiakou —Wancheng	19.2	13	2014
Line 17	Future Technology Tow North — Yizhuang Front Station South	49.7	21	2015
Line 19 Phase I	Xingong — Mudanyuan	22.4	10	2015
Line 28 (previously known as CBD Line)	Dongdaqiao — Guangqudong Road	8.9	9	2017
Line S1 (Remaining Extension)	Jin'anqiao — Pingguoyuan	1.3	1	2018
Airport Line (West Extension)	Dongzhimen — Beixinqiao	1.8	1	2016
Changping Line (South Extension) Phase I	Xi'erqi — Jimenqiao	12.6	8	2016
Line 22 (Pinggu Line)	Dongdaqiao — Pinggu	81	21	2016
Daxing Airport Express (North Extension)	Caoqiao — Lize Financial Business District	3.5	1	2019
Total		**291.3**	**152**	

Project Companies

The Company hold project companies which own the railway assets of the respective railway lines in the Beijing Subway that it is responsible for. The Company controls each project company through an equity holding.

As the owner of the relevant assets, each project company will typically enter into a construction contract with Beijing Railway Construction for the construction of the railway line that such project company owns. Following the completion of the construction, the project company will further engage Beijing Subway Operation for the operation of such railway line.

Inter-city Railway, Suburb Railway, Highway and Urban Utility Tunnel

Inter-city Railway

To implement the national strategy of coordinated development in Beijing, Tianjin and Hebei province, the Company, on behalf of the Beijing Government, invested together with the Tianjin government, the Hebei government and China Railway Corporation and established Jingjinji Intercity Railway Investment Co., Ltd. ("**Jingjinji Intercity Railway Investment**") in March 2015. In November 2016, NDRC has officially approved the Intercity Railway Network Plan in Beijing-Tianjin-Hebei Area (京津冀地區城際鐵路網規劃) designed by Jingjinji Intercity Railway Investment, marking the commencement of the construction of 24 intercity railways, with an overall length of 3,400 kilometres, covering main cities and coastal economic zones in Beijing-Tianjin-Hebei Area as well as the Beijing New Airport, realising the interconnection with regional urban railways. In order to strengthen the funding for the Jingjinji Intercity Railway project, Jingjinji Railway Investment Company signed a cooperation agreement on the Beijing-Tianjin-Hebei Development Fund on 18 April 2017 with 12 financial institutions such as ICBC and Bank of Beijing, with a total amount of RMB100 billion in fund size which would be used to accelerate the construction of intercity railways in the Beijing-Tianjin-Hebei Area. The Group has commenced the construction of Jingtang Intercity Railway, Jingbin Intercity Railway and the connecting line (Phase I) of intercity railways. The Group has also established Shi-Heng-Cang-Gang Intercity Railway project company and commenced the preparatory work for railways such as Jingshi Intercity Railway, Jincheng Intercity Railway and Beijing Intercity Railway from Langfang to Xianghe. In 2019, the Group also signed a comprehensive development framework agreement with the government of Cangzhou City, Hebei Province in respect of Cangzhou section of the Shi-Heng-Cang-Gang Intercity Railway and successfully implemented the "railway + land" construction and investment model in Hebei Province. As at 31 December 2020, the registered capital of Jingjinji Intercity Railway Investment increased to approximately RMB80 billion, with a contribution of RMB17.6 billion from the Company.

Suburb Railway

In 2019, the station for departure in the Huairou-Miyun Line of the suburban railway has been moved from Huangtudian Station to Qinghe Station and the "mutual trust on security check" model between the national railway, subway and suburban railway has achieved for the first time at Qinghe Station, which has made traveling more convenient for passengers.

National Railway Project Construction

The Company has also participated in the operation and management of national railway projects by investing in Jingjinji Intercity Railway Investment to perform its duty of sponsoring national railways. For the year ended 31 December 2020, the Company appropriated RMB4.11 billion to Jingxiong Intercity Railway and RMB12.89 billion to Jingshen Railway Passenger Line (Jingji Section) project.

Highway

In August 2016, the Group entered the field of highway construction by establishing Beijing Investment Transportation Development Co., Ltd. and invested in the construction of the Beijing Daxing Airport Expressway (South Fifth Ring Road to Beijing New Airport). During the construction of the project, it achieved approval of the design plan, approval of the project and the start of construction in the same year, setting a new record in the field of highway construction in Beijing in recent years. The expressway, known as "First Road of the National Gateway", has been completed and officially started operation on 1 July 2019, becoming a major gateway to promote the economic development of Southern part of Beijing's municipal area and the synergy between Beijing, Tianjin and Hebei.

Urban Utility Tunnel

Shouldered with the task of improving underground comprehensive carrying capacity, the Group has established Beijing Jingtou Urban Utility Tunnel Investment Co., Ltd. ("**Jingtou Urban Utility Tunnel**") in June 2016 for the development of underground comprehensive utility tunnels. The underground comprehensive utility tunnel is an infrastructure for providing stable supply of electricity, fuel gas and heating system as well as the drainage pipelines and escape passages, which build a solid foundation for railway operations. The stable support provided by the underground comprehensive utility tunnel is a crucial and necessary element for ensuring the security of railways and for running the railways on a timely manner with minimal interruption to the train schedule. The Group has completed the preparatory work of the urban utility tunnel projects for International Horticultural Exhibition and Airport Highway, and has been promoting the preliminary construction of the urban utility tunnel projects for Line 3, Line 7 and Line 8. In 2017, Jingtou Urban Utility Tunnel has promoted the construction of underground comprehensive utility tunnels of Line 3, eastern extension of Line 7 and Wangfujing station of Line 8. The construction of comprehensive utility tunnels around the International Horticulture Expo Park, of the peripheral supporting projects of the Winter Olympics stadium and the New Airport Highway commenced successively. In May 2017, Beijing Municipal Government nominated Jingtou Urban Utility Tunnel as the main investor of the comprehensive utility tunnel, whose construction went together with rail transit construction. By the end of 2020, the total mileage of the Group's five utility tunnel projects under operation or trial operation was approximately 52.0 kilometres and the Group had a total investment of RMB4.65 billion, making substantial contributions to the energy supply in key areas including Winter Olympics Park, New Airport and Expo Park. In addition, to ensure high quality operation and maintenance of urban utility tunnels, the Group has established a comprehensive standard system for the utility tunnels, leading the continuous innovation and development of utility tunnel industry in Beijing. Jingtou Urban Utility Tunnel is committed to researching smart utility tunnel operation and maintenance systems and conducting a variety of research including comprehensive utility tunnel investment and financing models. Jingtou Urban Utility Tunnel is based on the strategic positioning of the capital city, closely following the overall urban planning of Beijing, and undertakes investment and financing management, planning and construction management, and operation management of the urban underground utility tunnels. It contributed to the construction of three utility tunnels with high quality along rail transit municipal trunk lines, comprehensively promoted multiple business areas in relation to planning, construction, operation and maintenance, standards as well as scientific research. It also committed to the research and development of the intelligent utility tunnel operation and maintenance system, organised and carried out multiple research projects, and promoted collaboration in production, learning and research. It has continuously led the innovation and development of the comprehensive utility tunnel industry in Beijing.

Operating Asset Management

Operation of Beijing Subway

Beijing Subway Operation, the Company's wholly-owned subsidiary, is charged with the task of operating Beijing Subway and offering easily accessible and affordable mass transit railway services. Typically, it will enter into an operation agreement with the Company, under which Beijing Subway Operation takes responsibility for operating and managing the respective Railway Lines, while the Company maintains the ownership of the assets and facilities related to the Railway Lines.

Beijing Subway Operation endeavours to provide a safe, reliable and integrated mass transit railway network that meets the growing demand for urban railways services in Beijing. Beijing Subway Operation is committed to serving its customers, ensuring that they get to their destinations in a safe,

comfortable, efficient and reliable way. Beijing Subway Operation has also developed detailed operating procedures and controls for all its main divisions, including maintenance, traffic operations and corporate support services. As at 31 December 2020, Beijing Subway Operation operated 16 lines out of the 24 Railway Lines.

The table below includes information on the 24 Railway Lines in operation in the Beijing Subway as at 31 December 2020:

Line	Starting and Ending Points	Route Length	Number of Stations	Year of commencement of operations
		(Kilometres)		
Line 1	Pingguoyuan — Sihui East	31	23	1969/2000
Line 2	Xizhimen — Fuxingmen — Dongzhimen — Xizhimen	23	18	1969/1987
Line 4*	Gongyixiqiao — Anheqiao North	28	24	2009
Line 5	Songjiazhuang — Tiantongyuan North	28	23	2007
Line 6	Jin'anqiao — Lucheng	53	32	2012/2014/2018
Line 7	Beijing West Station — Huazhuang	41	29	2014/2019
Line 8	National Art Museum of China — Zhuxinzhuang; Yinhai — Zhushikou	30	19	2008/2011/2012/
Line 9	Guogongzhuang — National Library of China	17	13	2011/2012
Line 10	Chedaogou — Songjiazhuang — Guomao — Bagou	57	45	2008/2012/2013
Line 13	Dongzhimen — Xizhimen	41	17	2002/2003
Line 14*	Zhangguozhuang — Xiju; Beijing South Station — Shangezhuang	12	7	2013
Line 15	Qinghua East Road West — Fengbo	43	20	2010/2011/2014
Line 16 (Phase II)*	Xiyuan — Bei'anhe	20	10	2016
Batong Line	Sihui — Huazhuang	24	14	2003/2019
Yizhuang Line	Yizhuang Railway Station — Songjiazhuang	23	14	2010
Daxing Line*	Tiangongyuan —Gongyixiqiao	22	11	2010
Fangshan Line	Yancundong — Guogongzhuang	25	12	2010/2011
Changping Line	Xi'erqi — Changpingxishankou	31	12	2010/2015
Airport Line	Dongzhimen — Terminal 2 of Beijing Capital International Airport	28	4	2008
Line S1	Shichang — Jin'anqiao	9	7	2017
Western Suburb Line*	Xiangshan — Bagou	9	6	2017
Yanshan-Fangshan Line*	Yanshan — Yancun East	14	9	2017
Daxing Airport Express*	Daxing Airport — Caoqiao	41	3	2019
Yizhuang Line T1	Quzhuang — Dinghaiyuan	12	14	2020

* Line 4, Line 14 and Line 16 are operated by Beijing MTR Corporation Limited (北京京港地鐵有限公司) for a term of 30 years, respectively; Daxing Line, which connects with Line 4, is also operated by Beijing MTR Corporation Limited. The Western Suburb Line is operated by Beijing Public Transport Group (北京公交集團). The Yanshan- Fangshan Line, Daxing Airport Express are operated Beijing Rail Transit Operation Management Co., Ltd. (北京市軌道交通運營管理有限公司)). Prior to 2011, revenue generated from the Railway Lines ticket sales was collected by Beijing Subway Operation. In 2011, the Company acquired 100% equity interest in Beijing Subway Operation, and thus, revenue generated from the Railway Lines ticket sales became a primary source of income for the Company. For the years ended 31 December 2018, 2019 and 2020, revenue from the Railway Lines ticket sales recorded RMB7.27 billion, RMB6.92 billion and RMB4.08 billion, respectively, representing 38.5%, 45.0% and 29.8%, respectively, of the Group's revenue for the same period.

- Stations

  As at 31 December 2020, the 24 Railway Lines of the Beijing Subway had 428 stations (including interchange stations).

  Generally, a station is equipped with automatic ticket machines and elevators. Starting from 2008, for security reasons, security checks are conducted on passengers, their personal belongings and all luggage at all stations.

  Each Beijing Subway station is equipped with a warning system, a protection system and a fire extinguishing system. Vulnerable areas, such as machine rooms, are installed with sprinkler systems or carbon dioxide gas extinguishing systems. Each station has a back-up power supply system. In addition, the Western Suburban Line has an electricity sub-station to provide electricity to the third rail to power the trains.

  Each station has a station manager who is responsible for ensuring safe and efficient operations. Station managers monitor the system through closed circuit television monitors and communicate with passengers and train controllers.

- Fares

  The Beijing Subway currently adopts a distance-based fare system, starting at (i) RMB3 per person per ride for trips up to 6 kilometres in distance and (ii) RMB4 for trips between 6 to 12 kilometres in distance, with RMB1 added for (a) every 10 kilometres after the first 12 kilometres until the total distance reaches 32 kilometres, and (b) every 20 kilometres beyond the first 32 kilometres. The fare is determined by the Beijing Government.

  Following the reform of the distance-based fare system, the revenue from ticket sales recorded a sharp increase for the year ended 31 December 2015. Despite the heavy passenger flow on the Group's railway transit systems every day, the revenue from ticket sales is historically insufficient to recover the operating costs of railways due to the low ticket price, thus the annual fiscal funds provided by the Beijing Government include a certain amount of subsidies to compensate the operating loss. For the years ended 31 December 2018, 2019 and 2020, the government subsidies allocated to Beijing Subway Operation for its operation of the Railway Lines amounted to RMB4.05 billion, RMB5.12 billion and RMB10.29 billion, respectively. The amount of the subsidies is determined to balance the need of maintaining the Group's financial viability and the need to safeguard public interest.

- Passenger flow

  For the year ended 31 December 2020, according to the statistics collected by the Command Centre, the average daily passenger flow of the 24 Railway Lines of the Beijing Subway was 6.27 million person-time, with an annual passenger flow of above 2.29 billion in 2020

- Replacement and upgrade

  Any replacement or upgrade of the equipment of the Railway Lines will be addressed by Beijing Municipal Bureau of Finance through financial subsidies as part of the financial planning of that particular year in which such requirements for replacement or upgrade of equipment arise. In 2016, the updated Beijing railway transit asset management information system (Phase I) has successfully been tested and approved, and was highly recognised by Beijing SASAC as the "*Demonstration Project of Informatization of Municipal SOEs*". As at 31 December 2020, data on 24 Railway Lines have been entered into the system and all functions have fully commenced service.

Operation of Other Assets

The Group also operates other assets in relation to the mass transit railway it operates, principally through its two subsidiaries.

- Beijing Subway Operation

  In addition to operating 16 lines of the Beijing Subway, Beijing Subway Operation also engages in various businesses, including vehicle transportation, passenger transport organisation, traffic power dispatch, power supply, communication signals, mechanical and electrical services and railway line management.

  Beijing Subway Operation also operates a range of diversified lines of business based on railway-related resource development, primarily focusing on technical consulting services relating to subway construction, advertising, underground communications networks for mobile devices, commerce, education and training relating to mass transit railway technologies, construction and installation, construction supervision, automobile leasing, design research and consultation, and cultural industries. Prior to 2013, Beijing Subway Operation was also engaged in manufacturing vehicles related to railway transit business but this business was disposed of in 2013.

- Beijing Jingtou Rail Transit Asset Management Co., Ltd.

  Beijing Jingtou Rail Transit Asset Management Co., Ltd. ("**Beijing Jingtou Rail**"), a wholly-owned subsidiary of the Company, engages in management and operation of the Beijing Subway (excluding Line 1) in terms of, among others, the exit areas adjacent to the stations, interchange facilities, under-bridge space along the Railway Lines, project and line filing, property and underground space operation, media resource development and warehouse logistics.

  As at 31 December 2020, Beijing Jingtou Rail managed and operated 22 Park & Ride parking lots with a total surface area of 0.13 million square meters, which can accommodate 3,160 vehicles. In, 2020, approximately 585,000 vehicles are parked in these parking lots, which helped increased the convenience of transportation connections.

Railway Transport Network Command

The Group established the Command Centre to perform its function as the Beijing Subway command centre, managing all the Railway Lines. The Command Centre pioneers centralised command and management of transport network operation in China.

The Command Centre carries out two major functions:

- *coordination with Beijing Subway Operation and response in emergency and major events*: the Command Centre is responsible for monitoring Beijing Subway to ensure that operation is in accordance with daily time schedules and designed routes. As the Command Centre can locate all trains in the Beijing Subway on closed circuit television monitors, it is able to maintain effective control over the Beijing Subway at all times. In addition, the Command Centre has radio communication equipment for the control centre to communicate with the driver of each train and with the station manager at each station. It acts as the central coordinator should any emergency arises. In addition, the Command Centre formulates and prepares multiple systems and standards to ensure safe operation of the Beijing Subway. In 2020, in face of the outbreak of COVID-19, the Command Centre also helped to design plans to limit passenger flow and carry out supervision of rail transit operation during the pandemic.

- *settlement of Railway Lines ticket fees and statistical analysis of passenger flow*: the Command Centre is responsible for accurately settling the ticket fees from the Railway Lines in a timely manner. In addition, it collects various data of the Beijing Subway, such as trains and passenger volume, and prepares statistical analysis to facilitate the Group's operation and planning.

The Command Centre features a high system intelligence level in managing the Beijing Subway. It is the only equipment installation and operation entity of underground communication system in Beijing and has a strong control over the rail transit network in Beijing. The management project for the mass transit railway launched by the Group was awarded the first prize in the 23rd Beijing Modern and Innovative Contribution of Enterprises Management Awards and the second prize in the 16th National Modern and Innovative Contribution of Enterprises Management Awards.

Development and Operation of Land and Property Along the Railway Lines

Under this business segment, the Group carries out land development, real estate development and other operations, principally through its land development department and Metro Land, a subsidiary of the Company which focuses on integrating rail property system development. The development and operation of land and property business along the railway lines mainly includes the following sections: (1) Integration of transportation stations and city life; (2) primary land development; (2) secondary development projects; (3) commercial resources operation and development; (3) property management development and operation and (6) other professional services: providing other value-added services and supporting facilities. Leveraging its advantage in mass transit railway development, the Group has established a "rail + land + property" business model to achieve synergies among various business segments of the Group and maximise its investment return. For the years ended 31 December 2018, 2019 and 2020, this business segment generated revenue of RMB8,265.52 million, RMB4,595.20 million and RMB6,023.08 million, respectively, accounting for 43.72%, 29.88% and 44.08%, respectively, of the Group's revenue for the same periods. For the year ended 31 December 2021, a total surface area of 0.27 million square meters that are currently under construction is expected to be completed by Metro Land.

Primary Land Development

Land development and management is an important supplementary business of the Group, providing an important source of income that has supported the cost of construction of railway projects as well as contributing to future rail patronage from the immediate catchment areas created by property developments. PRC laws provide that all land in the PRC to be developed for commercial purposes, including that for business or residential property development purposes, must be granted through public tender, auction and listing-for-sale. The Beijing Government may, from time to time, grant the Group with the right to conduct primary land development along the Railway Lines in Beijing. Primary land development refers to the process of preparing land to conditions ready for public tender, auction and listing-for-sale, typically involving relocating existing business establishments and residents, demolishing existing buildings and other structures, clearing the site and installing the basic

infrastructure for future commercial property development. The Group does not conduct land resettlement operations directly in the primary land development projects the Group undertakes. Pursuant to the Regulation on Expropriation and Compensation Related to Buildings on State-Owned Land (國有土地上房屋徵收與補償條例) promulgated by the State Council on 21 January 2011, which replaced the Regulations for the Administration of Demolition and Removal of Urban Housing (城市房屋拆遷管理條例), only government authorities are permitted to conduct resettlement activities, but companies who have already obtained a demolition and resettlement permit may continue to use such permit to complete the demolition. Upon the completion of primary land development, the Beijing Government will fully reimburse the Group for the development costs and pay a management fee to the Group, representing 8% to 12% of the total costs relating to land development and the resettlement process, which strongly supports the capital needs of the Group's core businesses.

In April 2012, the Company established Beijing Infrastructure and Land Reservation Co., Ltd., which is a wholly-owned subsidiary of the Company, to conduct land reserve management, real estate development and financing management.

In 2019, the Company completed market entering or purchasing of Miyun Tanying B1 Land Parcel, Haihu New Village 0208-6021 Land Parcel and 0501 Land Parcel and completed the handover of green land for Yalin West Project. As at 31 December 2020, the Company's first-level land development projects included Mentougou District Tanzhe Temple, Miyun District Tanying, Miyun District Ecological Business District, Haihu New Village, Fourth, Fifth and Sixth Streets in Daxing District, Yalinxi, Fengtai District, Pinggu District No. 2 (Phase III) and Chaoyang Dongba North West District Shed Reconstruction Project with total area under development for approximately 907 hectares and total investment for approximately RMB84.0 billion.

For the years ended 31 December 2018, 2019 and 2020, the Group recorded revenue of RMB0.29 billion, RMB0.27 billion and RMB0.39 billion respectively, from its primary land development business.

The revenue generated from this segment in the year ended 31 December 2020 was largely generated from the Miyun District Tanying Project, the Mentougou District Tanzhe Temple Project, the Zhangjiawan Vehicle Base Project, the Daxing District Haihu New Village Project and the Fourth, Fifth and Sixth Streets Projects in Daxing District.

Real Estate Development

In conjunction with its railway construction activities, the Group has been involved in the development of residential and commercial properties above or adjacent to the railway or railway complex. Profits that the Group has received from this development investment have been used by the Group to supplement associated railway returns, thereby contributing to an improved rate of return on the investment of constructing new railway lines.

Leveraging the Group's advantages in primary land development, the Group actively develops a "primary + secondary land development" business model, whereby the Group conducts primary land development before the relevant parcel can be traded in the market and bids for the secondary land development subsequently. It enables the Group to secure more secondary land development projects and allows the Group to achieve enhanced operational efficiency through the primary together with secondary land development.

The Group primarily bids for secondary land development projects together with Metro Land, a subsidiary of the Company. If the Group wins the projects, it will engage independent contractors to provide various services, including construction, piling and foundation, engineering, interior decoration and utilities installation. The Group generally selects contractors through public tenders. The Group invites selected contractors to tender bids according to their reputation for quality, track record and references, and supervises the construction progress once the contract is awarded. Following the completion of the construction, the Group will sell or lease such properties.

Metro Land focuses on construction and development of properties along the Railway Lines under the Transit-Oriented Development ("**TOD**") mode. As at 31 December 2020, latest representative projects of Metro Land included the following:

Project line	Location	Properties type
Gongyuan Yuefu Project (公園悦府項目)	Beijing	Commercial, residential (including social welfare type housing)
Tanxiangfu Project (檀香府項目)	Beijing	Residential (including houses, villas and social welfare type housing)
Jingyuefu Project (璟悦府項目)	Beijing	Commercial, residential, office and supporting facilities
Jinyuefu Project (錦悦府項目)	Beijing	Residential and supporting facilities
Zhenyufu Project (臻禦府項目)	Beijing	Commercial, residential, office and supporting facilities
Lanshan Project (嵐山項目)	Beijing	Commercial, residential, office supporting facilities
Sanhe Yanjiao Project (三河燕郊項目)	Beijing	Commercial and financial services
Wuxi Gongyuan Yuefu Project (無錫公園悦府項目)	Wuxi	Residential (including houses and villas)
Wuxi Yuyuetiancheng Project (無錫愉樾天成項目)	Wuxi	Commercial, residential, office

- *Gongyuan Yuefu Project*: Situated by Pingxifu station of Line 8, east of Xiaokou town in Changping District, this project has a total floor area of 627,910m^2. In 2020, the residential part of the project has been sold out, and contract sales from this project reached approximately RMB3.08 billion.

- *Tanxiangfu Project*: Located to the northeast of Tanzhe Temple in Mentougou District, this project has a total floor area of 451,696m^2. In 2020, contract sales from this project reached approximately RMB0.36 billion.

- *Jingyuefu Project*: Jingyuefu Project is situated in Jiagezhuang village, Wangxinzhuang, Pinggu District, with a total floor area of 242,039m^2. In 2020, contract sales from this project reached approximately RMB0.71 billion.

- *Jinyuefu Project*: Located in Tanying Township, Miyun District, Beijing, this project has a total floor area of 237,976m^2. In 2020, contract sales from this project amounted to approximately RMB0.6 billion.

- *Lanshan Project*: Lanshan Project is located in Bei'anhe Section, Line 16, Haidian District, Beijing and is part of the city land supply plan of Beijing. On 24 January 2019, Metro Land and the Company won the bid for this project at a price of RMB6.3 billion. By the end of 2020, the construction permits for certain residential buildings along the railway line have been obtained and in 2020, contract sales from this project amounted to approximately RMB0.96 billion.

- *Zhenyufu Project*: Zhenyufu Project is located in Guogongzhuang Village, Fengtai District, Beijing. On 11 January 2019, Metro Land, the Company and Beijing Guogongzhuang Investment Management Company won the bid for this project at a price of RMB3.72 billion. In 2020, residential buildings of this project have all been launched for sale and contract sales from this project amounted to approximately RMB3.25 billion.

- *Wuxi Gongyuan Yuefu Project (previously known as Wuxihongshu Project)*: Wuxi Gongyuanyuefu Project is situated in Huishan District, Wuxi with a total floor area of 480,198m^2. In 2020, contract sales from this project amounted to approximately RMB1.44 billion.

- *Wuxi Yuyuetiancheng Project*: This was launched in January 2019 in Wuxi Economic Development Zone and is located at Wuxi Metro Line 4 (under construction) and planned Line S1 Interchange Station—Expo Center Station. On 18 December 2019, Metro Land, Wuxi Metro Group Co. Ltd. and China Tiesiju Civil Engineering Group Co., Ltd won the bid for the project at a price of RMB8.50 billion. This project is the first registered WELL Health Community TOD project and the biggest registered WELL Health Community project in China. In 2020, the first phase of the project has been launched for sale.

For the years ended 31 December 2018, 2019 and 2020, the Group recorded revenue of RMB7,814.5 million, RMB4,185.7 million and RMB5,467.2 million, respectively, from real estate development business.

Depot and Station Resource Utilisation

In 2020, the Company focused its efforts on integrated development over subway stations, in particular, projects on comprehensive resource utilization of the stations along Line 6 (Dongxiaoying Station), New Airport Line (Cigezhuang Station), Line 16 (Yushuzhuang Station), Line 17 (Ciqu South Station and Xiejia Village Station), Line 7 (Zhangjiawan Station), Line 3, Line 12 (Dongba Station) and Line 19 (Xingong Station).

The Bei'anhe Vehicle Base Comprehensive Utilisation Project is located at the end of Beiqing Road, south of Bei'anhe Station, in the west extension of Line 16, covering an area of 31.55 hectares. The profit generated from this project will be used to support the construction and operation of rail transit. In 2018, the project is part of the 2018 Beijing city land supply plan.

The Yushuzhuang Parking Lot Comprehensive Utilisation Project is located outside the South-western Fourth Ring Road, in Yushu Village, Fengtai District. It serves as the vehicle base for the south-end of Line 16, with a station surface of 24 hectares. When developing the plan for this project, the relevant existing plans, industrial development and traffic condition in Yushuzhuang have been taken into account. It is expected that the completion of this project would further improve the facilities of the area and enhance the quality of the area's development.

Assets Operation and Development

As an important part of the Group's "one-body, two-wings" strategy, the Group's Department of Assets Operation and Development is responsible for increasing and preserving the value of the Group's assets surrounding the railway stations and along the Railway Lines by developing real properties and operating media and advertising business.

Property Development and Operation

In relation to real property development and operation, the Department of Assets Operation and Development is in charge of the investment, construction and operation of projects involving utilization of space above and under-ground within and around the Railway Lines. The opening of Jingtou Port Changyang Shopping Centre in 2016 set a successful example of the development and management of real property resources surrounding the Railway Lines. In 2020, Metro Land developed nine secondary property development projects, with a total construction area of 3.76 million square metres. The Group is expecting to further explore such business opportunities and utilize the available resources to enhance its profitability.

Connection Services Business

The Department of Assets Operation and Development is also responsible for the management of the connection passage within the safety protection zone between the railway stations. The main business includes renting the available underground space to commercial tenants and providing project consultation services and engineering services to companies interested in exploring underground space and resources, which is in line with its duty to increase and preserve the value of the Group's assets. For the years ended 31 December 2018, 2019 and 2020, this business segment has achieved a revenue of RMB79.05 million, RMB72.45 million and RMB66.60 million, respectively.

In 2020, Beijing Municipal Sub-central Station Comprehensive Connection Hub Construction Management Co., Ltd. (北京城市副中心站綜合樞紐建設管理有限公司) was formally registered and established to promote the construction of the connected hub project at full speed, exceeding the annual investment target of approximately RMB3.7 billion, implementing the TOD development concept and achieving the comprehensive goals of land utilisation, livelihood improvement, resource optimization and value enhancement.

Business Resources Operation and Development

The Department of Assets Operation and Development is also responsible for the advertising business along several Railway Lines, in particular, Line 13 and the Yizhuang Line. It actively explores new business opportunities and enhances the Group's business and operational potential.

Industrial Investment and Capital Operation

The Group holds certain equity investments to diversify its business, including investments in the rail traffic sector, the financial sector and other sectors such as urban information infrastructure construction. The Group's equity investments primarily focus on strategic financial investment, while taking into consideration investment portfolio and short-term profitability. For the years ended 31 December 2018, 2019 and 2020, this business segment generated revenue of RMB3,242.50 million, RMB3,510.33 million and RMB3,170.03 million, respectively, accounting for 17.15%, 22.82% and 23.20%, respectively of the Group's revenue for the same periods.

As at 31 December 2020, principal subsidiaries or associates in the equipment manufacturing segment of the Group included:

Company name	The Company's approximate interest (as at 31 December 2020)	Business description
Beijing Urban Rapid Transit Development Co., Ltd.	100%	Engages in investment in the mass transit railways, operational management, construction management and design and production, and act as agent and publisher of advertisements along the mass transit railways. Currently primarily engages in the construction management of Line 15, Line 16 and the Airport Line.

Company name	The Company's approximate interest (as at 31 December 2020)	Business description
Beijing Dongzhimen Airport Fast Rail Co., Ltd.	89.11%	Engages in investment, construction, operation and management of urban mass transit rail facilities and services along the railways. In 2012, after restructure, primarily focuses on operation and management of the Airport Line and the relevant assets.
Beijing Cornerstone Capital Management Co., Ltd.	70.00%	Established on 8 June 2011, it is the first mass transit rail industry fund in China, and it had registered capital of RMB30.0 million as at 31 December 2020. It primarily invests in emerging industries such as rail transport facilities manufacturing and innovative enterprises at rapid growth. It promotes resources integration, industry upgrading and nationalisation of facility manufacturing.
Beijing Information Infrastructure Construction Co., Ltd. .	59.46%	Engages in construction, maintenance, operation and management of information infrastructure in Beijing, and provision of products and services to communication operators, ISP operators, special network and other users.
BII Railway Transportation Technology Holdings Company Limited.	55.20%	Incorporated in the Cayman Islands on 7 January 2011, BII Railway Transportation Technology Holdings Company Limited became listed on the Main Board of the Hong Kong Stock Exchange in 2013. It primarily provides system integration related application solution service and the maintenance service of such solutions, and civil communication transmission system leasing services.
Beijing Rail Transit Technology and Equipment Group Co., Ltd.	100%	Established in 2016, it is engaged in railway transport vehicle manufacturing and medium to low speed maglev production. On 25 October 2016, Equipment Group entered into a share transfer agreement with Beijing Enterprises Group Company Limited and acquired 100% equity interest in Beikong Transport Equipment. The first maglev railway line in Beijing, Line S1, commenced its trial run in 2017. In December 2017, Yanshan-Fangshan Line, which was the first fully automatic subway line in Beijing, Line S1, which was the first maglev line in Beijing, and Western Suburb Line, which was the first streetcar line in Beijing, commenced operation, which increased the total length of the Beijing Subway network of tracks to 637 kilometres at that time. Equipment Group is committed to becoming an innovator leading China's rail transit equipment industry, and its products are positioned in the manufacturing and maintenance of urban rail transit vehicles.

To implement the strategic planning of the Beijing Government on integrating the industry chain of railway transport equipment manufacturing industry, the Group set up Equipment Group in 2016 with the aim to acquire and integrate upstream and downstream industries. The two principal business segments of Equipment Group currently include railway transport vehicle manufacturing and medium to low speed maglev. One of the three subsidiaries of Equipment Group is Beijing Subway Rolling Stock Equipment Co., Ltd., which is the only company qualified for manufacturing urban railway transport vehicle in the PRC other than CRRC Corporation Limited (中國中車集團). The first magnetic Railway Line S1 commenced its trial run in 2017. In December 2017, Yanshan-Fangshan Line, which was the first fully automatic subway line in Beijing, Line S1, which was the first maglev line in Beijing, and Western Suburb Line, which was the first streetcar line in Beijing, commenced operation, which increased the total length of the Beijing Subway network of tracks to 637 kilometres at that time. To provide further support to the development of Equipment Group, the Company has increased its capital investment in Equipment Group to approximately RMB590 million for the year 2019. In addition, several enterprises which the Group invested in to build up its upstream and downstream industry chain have been experiencing rapid growth, including Beijing Urban Construction Design & Development Group Co., Limited, Beijing Jiuzhouyigui Shock and Vibration Isolation Co., Ltd. and Traffic Control Technology Co., Ltd ("**Traffic Control Technology**"). Among them, Traffic Control Technology, a subsidiary of the Company, is the first Chinese high-tech company which has mastered core independent intellectual property rights of communication based train control system. By the end of 2020, this system had been applied to 28 cities in China with a total length of network of tracks of 2,057 kilometres, of which 12 fully automatic operation (FAO) lines reached a total length of 357 kilometres. On 22 July 2019, Traffic Control Technology successfully listed on the Sci-Tech Innovation Board as one of the first 25 companies listed on the Sci-Tech Innovation Board. As at 31 December 2020, the Company held 16.66% shares of Traffic Control Technology, being the largest shareholder of it.

The Hong Kong Listco is the only listed company in Hong Kong which provides a full range of services on information system application solutions and operation maintenance services at both network-level and circuit-level for railway market. Hong Kong Listco is aiming to achieve its target of transforming from focusing on design and construction integration of the automated fare collection system to a full service chain covering design, construction, operation and maintenance thereof, and thereby expanding its business scope and enlarging its income sources. The Group and Hong Kong Listco collaborate on many fronts, including but not limited to recent projects such as:

- On 26 September 2016, Beijing BII Zhuoyue Technology Development Co., Ltd., a subsidiary of Hong Kong Listco, acquired the civil communication assets and income rights of 41 subway stations of four Railway Lines together with civil communication wireless coverage system of one of the Railway Lines from the Company. Through this acquisition, Hong Kong Listco has completed acquisition of all the civil communication assets of Beijing Subway held by the Company.

- On 18 February 2016, China City Railway Transportation Technology Investment Company Limited, a subsidiary of Hong Kong Listco, established a joint venture with Beijing Mass Transit Railway Operation Corp., Ltd. ("**Beijing MTR Operation**"), a subsidiary of the Company. The cooperation with Beijing MTR Operation enables Hong Kong Listco to effectively deal with the defects and challenges existed in design, maintenance and management of the AFC Systems and thereby to improve its capability of design and construction of AFC Systems and creating advantageous conditions for the expansion of AFC System business in other provinces and cities outside Beijing.

The Group conducts its equipment-based financial leasing business through its subsidiary Cornerstone International Financial Leasing. Established in September 2013, Cornerstone International Financial Leasing was formally wholly owned by BII Hong Kong. Since reorganisation in December 2013, Cornerstone International Financial Leasing is jointly invested by BII Hong Kong, the Company and Beijing Cultural Investment Development Group Ltd., in which the Group holds 90.43% equity

interest in aggregate as at 31 December 2020 (the Company and BII Hong Kong hold approximately 60.38% and 30.04% equity interest, respectively). It had a registered capital of approximately U.S.$237 million as at 31 December 2020. Cornerstone International Financial Leasing primarily engages in the equipment-based financial leasing business, focusing on the railway transit industry and other infrastructure industries.

External Cooperation

In 2016, the Group has gone through restructuring and established the External Cooperation Office as a platform for rail transit program management and a supporting platform for promoting cooperation projects inside and outside Beijing.

Through its "Five-in-One" (i.e. plan and design, investment and finance, equipment manufacture, operation and management) "Going Global" development path, the Group has integrated its resources and actively pursues the Central Government's "Belt and Road" Initiative. The Group has joined forces with Beijing Urban Transit Development Co., Ltd. and China Railway Construction Co., Ltd. and won the bid for the PPP Project of Rail Transit Line 2 Phase I in Urumqi for a term of 35 years. This is a project that involves the construction of a 19.35 kilometres Railway Line, which requires a total investment of RMB16.2 billion. It is the first PPP project in Urumqi which involves the whole investment-construction- operation lifecycle. Only 121 days lapsed from winning of the bid to the signing of the "*Agreement on the Cooperation between Governmental and Social Capital of PPP Project in Urumqi Rail Transit Line 2 Phase I*" to the incorporation of company and the signing of the "*Franchise Agreement on the Cooperation between Governmental and Social Capital of PPP Project in Urumqi Rail Transit Line 2 Phase I*". Soon after its quick mobilisation, the Group started to actively promote the optimisation of project financing structure and refine its construction organization. It has successfully completed its investment task of RMB2.435 billion in 2016. The project has successfully commenced its construction in the first half of 2017.

The Group seeks to promote the connectivity of infrastructure in the Beijing-Tianjin-Hebei Area. The Group has accelerated the rail transit construction in the region, and signed strategic cooperation agreements with the cities of Zhangjiakou, Baoding and Tangshan to lead the coordinated development through traffic infrastructure. The Group has also cooperated with Baoding to build a rail transit industry park valued over RMB100 billion in an effort to enhance the regional rail transit industry further to the Group's commitment in providing quality intermediary service for Xiong'an New Area.

The Group has led the steady and sustainable construction of the "Belt and Road" projects. After winning the bid of the PPP project of Urumqi Rail Transit Line 2 Phase I, depending on the core competitiveness of investment, financing and resource integration, the Group has continuously supported the improvement of the projects' quality and efficiency, and ensured the orderly progress of the construction. This provides fundamental guarantees for the transport quality enhancement of the commuters in the region involved in the "Belt and Road" initiative, and enhances the influence of Beijing rail transit products on the domestic market.

The Group contributes to the reform of infrastructure in northeast China. By taking advantage of the well-established system, abundant experience in the management of the Railway Lines and integrating resources of central and municipal state-owned enterprises, the Group won the bid of the PPP project of Dalian Metro Line 4 through market competition, contributing to the local rail transit construction and ensuring the supply of infrastructure investment and financing in northeast China. Meanwhile, the Group has led the strategic development of the newly established company, Beijing Jingcheng Metro Co., Ltd., for rail transit operations in Beijing.

Scientific Research and Management

In terms of scientific research and management, the Group undertook one governmental project and one independent project in the year of 2017. As a result of its continuous efforts in scientific research and development, the Group was awarded the first prize of Beijing Science and Technology Award in 2017. The Company was also awarded the first prize of Innovation Achievements of Beijing Corporate Management Modernisation Award in 2017.

In 2019, the Group received four Beijing Science and Technology Progress Awards from the Beijing Municipal Government. Its key technology and application of low-and-medium speed maglev transportation system won first prize, its key technology and engineering application of high performance seismic isolation building series won first prize, its key technology and application of large diameter medium pile excavation station with single layer guide hole within a complex environment of sand pebble formation won second prize, and its key technology and engineering application of super large-scale rail transit network transportation coordination won second prize. In addition, the Company was awarded the second prize of Innovation Achievements of Beijing Corporate Management Modernisation Award. Jingtou Urban Utility Tunnel was awarded the second prize of Innovation Achievements of National Corporate Management Modernisation Award and the first prize of Innovation Achievements of Beijing Corporate Management Modernisation Award. Control Centre was awarded the first prize of Innovation Achievements of Beijing Corporate Management Modernisation Award.

Governmental Projects

Evaluation on the Results of the Implementation of the Beijing Standard "Classification and Code of Urban Rail Transit Equipment"

In 2016, the Group evaluated the implementation of the Classification and Code of Urban Rail Transit Equipment (DB11/T 717-2010) through field survey, data collection and analyses, questionnaire and symposium. The Group developed and improved "Standards for the Coding of Rail Transit Assets Management Information System in Beijing". The research findings have been applied in the compiling of a detailed list of rail transit equipment, the transfer of assets of new lines, the promotion of rail transit assets informatisation, which helped managing state-owned assets in rail transit in a clear, solid and good manner, and laid a solid foundation for the lifecycle management of rail transit assets.

Research on Intercity Railway Signal System Based on Car-to-Car Communication

Based on the CBTC-based mobile block signal control system, this research developed a technical plan for intercity railway signal systems based on vehicle-vehicle communication with different speeds, and at a low cost with high density and security. It also developed multiple-vehicle-based coordinated operation control, integrated vehicle-mounted technology compatible with multiple control interface standards, and key technologies for realising high-speed, high-credibility vehicle-to-vehicle wireless communication technologies required for vehicle-vehicle and vehicle-ground. It developed a vehicle-based autonomous signal equipment prototype that satisfies the needs of intercity railways and meets the testing requirements such as ITP, ITO, ITS, object controllers and TSR, completed system function and performance verification, and laid the technical foundation for the development of next-generation rail transit signal systems.

Own Projects

Comprehensive Use Planning Guidelines for Beijing Rail Transit Vehicle Base

In 2016, the Group undertook a project named Comprehensive Use Planning Guidelines for Beijing Rail Transit Vehicle Base. This research project was based on the successful experiences from the vehicle base that has already been built and had referenced successful examples around the world. The

Group carried out research into depots that were under construction, the standards for their design, the actual depot development skills and facilities as well as the relevant rail transit property regulations. The results of the research improved the development process of vehicle base projects and provided guidance to the usage of vehicle base.

Study on the Integrated Utilisation Development Mode, Implementation Path and Policy of the Rail Transit Stations and Surrounding Land in Beijing

In 2016, the Group finished the Study on the Integrated Utilisation Development Mode, Implementation Path and Policy of the Rail Transit Stations and Surrounding Land in Beijing. In accordance with the Group's strategy of rail property development and resource reservation, this project analysed the existing problems in integration project of Beijing rail transit stations. It studied the relevant policies launched by other cities and put forward suggestions for project planning and integration in the future. The Integrated Utilisation Development Mode aims to achieve the full integration of rail transit with urban planning.

Study on the Guarantee of Air Quality in the Dispatch Hall of Beijing Metro Network Control Centre

In 2016, the Metro Network Company completed a project entitled Study on the Guarantee of Air Quality in the Dispatch Hall of Beijing Metro Network Control Centre. Through this project, the Metro Network Company published two reports which provided effective solutions for the improvement of indoor air quality within the command room.

Research on Design and Application of the Whole Life Cycle Management Index System of Beijing Rail Transit Assets

With full research and learning from advanced experience of state-owned assets management, the program involved in-depth research on the system and standard related to rail transit and assets management. Starting from the whole life cycle of rail transit assets, it established a feasible, reasonable and hierarchical assets management index mechanism in the system of "three divisions", realising regulation and control of the key points in rail transit assets management. It guided and promoted the construction and application of rail transit assets management system, assets informatisation, and also advanced the efficiency of rail transit assets management.

Competition

Due to the nature of the Group's urban infrastructure investment, which is principally intended for public interest, the Group sees minimal commercial competition in this business.

For the Group's development and operation of land and property business along the railway lines, the Group believes it faces minimal competition in its primary land development business because the Group focuses on the primary land development along the railway lines in Beijing. The Group benefits from its strategic position as the investing and financing entity for the Beijing Subway. The Group primarily competes with certain listed real estate development enterprises in the PRC in bidding for its real estate development business, and such competitors may have more resources and more established track records. Competition mainly focuses on price, quality of products, construction time and services. The Group believes that it is well-positioned to compete against other industry peers, leveraging its advantages in the urban infrastructure investment, construction and operation business.

For the Group's industrial investment and capital operation business, the Group primarily competes with other domestic or overseas industry participants which are in the same industry as the companies in which the Group invests. Competition mainly focuses on the prices offered for the equity investment opportunities.

Employees

The Group considers its relationship with its workforce to be good and the Group has not experienced a work stoppage or strike. In accordance with regulations applicable to enterprises and the relevant requirements of various local governments in areas in which the Group operates, it makes contributions to the pension contribution plan, employees' medical insurance, unemployment insurance, maternity insurance and workers' compensation injury insurance.

Environmental Protection

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

Insurance

The Group purchases pension insurance, medical insurance, unemployment insurance, workplace injury insurance and maternity insurance for its employees pursuant to the relevant PRC laws and regulations. As the Group typically outsources its railway construction to third parties, the Group does not maintain insurance related to the construction of railway lines. Beijing Subway Operation maintains insurance in relation to the operation of the Railway Lines to the extent that Beijing Subway Operation believes is in line with customary practice in the PRC. However, the insurance carried by Beijing Subway Operation may not be sufficient to cover claims in respect of personal injury or property or environmental damage arising from accidents in relation to its operation of the Beijing Subway, or to cover business interruption risks. Such insurance is not mandatory according to the laws and regulations of the PRC.

Legal Proceedings and Compliance

As at the date of this Offering Circular, the Group has obtained and maintained all the permits, licences and certificates material to its operations.

As at the date of this Offering Circular, there are no current litigation or arbitration proceedings and, to the best of the Group's knowledge, after due and careful enquiry, no pending or forecasted litigation or proceedings against the Group or any of its senior management team members that could have a material adverse effect on its business, financial condition and results of operations.

As at the date of this Offering Circular, the members of the board of directors, the supervisors and the senior management of the Company are as follows:

Name	Position
Directors	
Zhang Yanyou (張燕友)	Chairman
Hao Weiya (郝偉亞)	Director, General Manager
Ding Shukui (丁樹奎)	Vice Chairman
Zhang Yu (張宇)	Employee Director
Yang Xiaoming (楊曉明)	External Director
Wang Weidong (王衛東)	External Director
Shi Wei (石偉)	External Director
Feng Hua (馮華)	External Director
Wang Jianxin (王建新)	External Director
Supervisors	
Ming Zhangyi (明章義)	Employee Supervisor
Xu Lixin (許立新)	Employee Supervisor
Senior Management	
Zhang Yanyou (張燕友)	Secretary of the Party Committee
Hao Weiya (郝偉亞)	Deputy Secretary of the Party Committee and General Manager
Ding Shukui (丁樹奎)	Deputy Secretary of the Party Committee
Zhang Yu (張宇)	Deputy Secretary of the Party Committee and President of Labour Union
Yu Zeng (于增)	Deputy General Manager and Member of the Party Committee
Zhang Hong (張紅)	Secretary of the Discipline Inspection Committee and Member of the Party Committee
Wei Yi (魏怡)	Deputy General Manager
Li Yongliang (李永亮)	Deputy General Manager and Member of the Party Committee
Song Ziqiang (宋自強)	Chief Accountant
Han Zhiwei (韓志偉)	Deputy General Manager
Chen Xi (陳曦)	Deputy General Manager
Guan Jifa (關繼發)	Deputy General Manager

All of the Directors listed above have their business address at 5/F, No. 2 Tower, Jingtou Building, No. 6 Xiaoying North Road, Chaoyang District, Beijing, 100101, China. There are no potential conflicts of interest between each of the Director's duties owed to the Company, and each of their private interests and/or other duties.

Board of Directors

Zhang Yanyou (張燕友) has been the Chairman and Secretary of the Party Committee of the Company since April 2018. Mr. Zhang holds a doctorate degree in management and is a senior economist, engineer and a member of the CPC. Mr. Zhang previously served as the former cadre, senior staff member, principal staff member, deputy division director, deputy director of the Beijing Planning Commission Social Affairs Division, deputy director of the Beijing Municipal Development Planning Commission High-Tech Division, deputy director of the Beijing Municipal Development Planning Commission Industrial Development Division, deputy director of the Beijing Municipal Development

and Reform Commission Industrial Division and member and vice chairman of the Beijing Municipal Development and Reform Commission. In July 2011, Mr. Zhang previously served as a member of the standing committee of Beijing Changping District Committee and deputy head of the district government. In March 2013, Mr. Zhang served as the deputy secretary of the Beijing Changping District Party Committee, deputy district head of the district government, and acting district head. In January 2014, Mr. Zhang served as a deputy secretary and district head of Beijing Changping District Committee. In March 2017, Mr. Zhang served as a deputy secretary and district head of Beijing Changping District Party Committee and director of the Beijing Future Science and Technology City Management Committee.

Hao Weiya (郝偉亞) has been a Director, Deputy Secretary of the Party Committee and General Manager of the Company since July 2014. Mr. Hao is a chief economist and member of the CPC. Mr. Hao previously served as project manager of Beijing Municipal Overseas Finance and Investment Management Centre, deputy department manager of Beijing State-Owned Assets Management Co., Ltd., deputy general manager of Beijing IC Design Park Co., Ltd., and general manager of its subsidiary, senior investment analyst, manager and assistant to the general manager of the Investment & Financing Management Department and manager of the Investment Management Department of the Company.

Ding Shukui (丁樹奎) has been the Vice Chairman and Deputy Secretary of the Party Committee of the Company since July 2020. Mr. Ding holds a master's degree in management and a bachelor's degree in engineering. He is a professor-level senior engineer and member of the CPC. He previously served as the director of the Development Department and deputy director of the Electric Traction Research Institute of the Electrification Engineering Bureau of the Ministry of Railways, deputy director, deputy secretary of the party committee and director of the Electrification Survey, Design and Research Institute of the Electrification Engineering Bureau of the Ministry of Railways, deputy director of China Railway Electrification Engineering Bureau, deputy general manager and secretary of the board of China Railway Electrification Bureau Group Co., Ltd., and deputy general manager and general manager of Beijing Metro Construction.

Zhang Yu (張宇) has been the Deputy Secretary of the Party Committee of the Company since August 2020 and Union President of the Company since September 2020. Mr. Zhang holds a Master of Business Administration degree and a bachelor's degree in engineering. He is an engineer and member of the CPC. Mr. Zhang previously served as dispatcher, director, deputy director of the manager's office, deputy director and director of general dispatching office of Beijing Metro Corporation Train Dispatching Office, manager of Line 5 Project Office of Beijing Metro Construction Management Company, assistant to general manager, party committee member, deputy general manager, vice chairman, deputy secretary of the party committee, and secretary of the discipline committee at Beijing Metro Construction. .

Yang Xiaoming (楊曉明) has been an External Director of the Company since February 2015. Mr. Yang is a member of the CPC. He previously served as finance manager of China Unicom (Hong Kong) Limited, head of Finance Operations and member of the Overseas Project Risk Assessment Team of Huawei (HK) Investment Limited, head of the Enterprise Risk Management Operations of RSM Nelson Wheeler and the general manager of Ascenda Management Consulting Ltd. He is also currently a partner at Shinewing CPA Limited.

Wang Weidong (王衛東) has been an External Director of the Company since February 2015. He has no political affiliation. He previously served as officer of the Chinese Society of International Law under the Ministry of Foreign Affairs of China, attorney at Commerce and Finance Law Office, Junyi Law Office and Longan Law Office, partner of Ray & Partners, managing partner of Grandall Law Firm (Beijing Office), and executive partner of Grandall Law Firm Group. He is concurrently the Chief Partner of Grandall Law Firm (Beijing Office).

Shi Wei (石偉) has been an External Director of the Company since February 2015. Mr. Shi is a member of the CPC, a doctorate degree holder and a professor. He previously served as lecturer and professor of the Human Resources Management Faculty at the School of Labour Relations and Human Resources Management, Renmin University of China, where he serves as the tutor to the doctorate students. Mr. Shi was a designated research fellow in the Beijing Municipal Committee Organizational Department and was an independent director of Shenzhen Hengbo Co., Ltd.

Feng Hua (馮華) has been a Director since January 2019. He holds a Ph.D. degree in Economics at Fudan University. He has served as a lecturer, associate professor, professor, and deputy dean of the School of Economics, and a professor at the School of Management, Beijing Jiaotong University. He is currently the director of the Institute of Service Economy, Emerging Industries of Beijing Jiaotong University and specially-appointed researcher of the China's Minsheng Research Institute.

Wang Jianxin (王建新) has been a Director since January 2019. He holds a Ph.D. degree in Accounting, School of Accounting at Shanghai University of Finance and Economics. He has served as deputy director and director of the Research Institute of the Ministry of Finance, member of the party committee and deputy director of the Yunnan Provincial Department of Finance (temporary position), member of the party group and deputy president (temporary position) of the Yunnan Branch of the National Development Bank. He is currently a researcher and doctoral tutor of the China Academy of Finance.

Board Committees

There are four Committees, namely, the Audit and Risk Management Committee, the Strategy and Investment Management Committee, the Nomination Committee, and the Remuneration and Assessment Committee under the Board of Directors, each of which performs different functions.

Audit and Risk Management Committee: The Audit and Risk Management Committee comprises of Yang Xiaoming (Chairman), Zhang Jie, Wang Weidong and Feng Hua, principally responsible for proposing recommendations to, and supervising the Company's audit system and risk management.

Strategy and Investment Management Committee: The Strategy and Investment Management Committee comprises of Zhang Yanyou (Chairman), Wang Weidong, Feng Hua and Wang Jianxin, principally responsible for reviewing strategic and key investment and financing proposals, and providing comments and recommendations.

Nomination Committee: The Nomination Committee comprises of Zhang Yanyou (Chairman), Hao Weiya, Zhang Jie and Shi Wei, principally responsible for the appointment, dismissal, approval and evaluation of the management.

Remuneration and Assessment Committee: The Remuneration and Assessment Committee comprises Feng Hua (Chairman), Zhang Jie, Shi Wei and Wang Jianxin, principally responsible for formulating the performance assessment and remuneration package policies as well as supervising the implementation of such polices.

Supervisors

Ming Zhangyi (明章義) has been a Supervisor since December 2016. He graduated from Tianjin Business School with a bachelor's degree in business administration, and served as deputy director of the party committee office, director of the party committee office, director of the disciplinary committee office (ministry of inspection and supervision), vice chairman of the labour union and deputy secretary of the discipline inspection commission of the Group. He is currently the deputy secretary, director of the disciplinary committee office (ministry of discipline inspection and supervision) and director of the party committee inspection office of the Group.

Xu Lixin (許立新) has been a Supervisor since December 2016. He is a secretary of the school of adult education of the Party School of the Beijing Municipal Party Committee and has served as the general manager and the secretary of party branch of the Jingtou Transportation and Development Co., Ltd., the party branch secretary of the railway transit development department of the Group, executive deputy director of the party committee organisation (presiding), executive deputy minister of the party and community work department (presiding), director of the organisation department, director of party-people relationship works department, vice chairman of the labour union and employee supervisor of the group. He is currently the director of the party committee organisation department (party committee office and united front work department), party group work department (party committee promotion department and labour union office), vice chairman of the labour union, and employee supervisor of the Group.

Senior Management

Please see "*Board of Directors*" for the description of experience of Zhang Yanyou (張燕友), Hao Weiya (郝偉亞), Ding Shukui (丁樹奎) and Zhang Yu (張宇).

Yu Zeng (于增) has been the Deputy General Manager of the Company since June 2014. Mr. Yu is a senior engineer and member of the CPC. Mr. Yu has previously served as deputy head and head engineer of the Designing Institute of Electrification Engineering Bureau of the Ministry of Railways, head engineer of China CREC Railway Electrification Bureau Group, deputy head engineer of China Railway Group Limited, deputy general manager of China CREC Railway Electrification Bureau Group and general manager of Beijing Urban High Speed Railway Establishment and Management Company Limited.

Zhang Hong (張紅) has been the Secretary of the Discipline Inspection Committee and a Member of the Party Committee of the Company since February 2018. Ms. Zhang holds a master's degree and is a senior political engineer. Ms. Zhang is a former staff member of the Communist Youth League Beijing Municipal Committee of Qingyun Shi Research Centre, secondary school senior staff member of the Communist Youth League Beijing Municipal Committee, manager of the Research Department of the Beijing Municipal Committee of the Communist Youth League, deputy inspector of the Research Office of the Beijing People's Government, and member of the Standing Committee of the Party Committee and secretary of the Disciplinary Committee of Beijing Capital Agribusiness Group Co., Ltd.

Wei Yi (魏怡) has been a Deputy General Manager of the Company since October 2016. Ms. Wei is a senior engineer at professor level. Ms. Wei previously served as deputy engineer in chief of Beijing Urban Engineering Design and Research Institute Co., Ltd., deputy engineer in chief, director of Planning and Design Department, deputy general manager of Beijing Railway Construction and Management Co., Ltd., deputy chief executive of Yanqing District in Beijing Municipality. Ms. Wei is currently also the deputy general manager of the Company.

Li Yongliang (李永亮) has been a Deputy General Manager of the Company since June 2009. Mr. Li is a member of the CPC. Mr. Li previously served as deputy director of Enterprise Division I and deputy director of the Office of Public Transport Enterprise Assets Management of Beijing Municipal Bureau of State-Owned Assets Administration, deputy director of Performance Assessment Office and member of Commission for Discipline Inspection of State-Owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality.

Song Ziqiang (宋自強) has been the Chief Accountant of the Company since April 2011. Mr. Song is a certified public accountant and member of the CPC. Mr. Song previously served as deputy director of Planning & Finance Department of Beijing Mass Transit Railway Group Co., Ltd., manager of Planning & Finance Department of the Company and Chief Financial Officer of the Company.

Han Zhiwei (韓志偉) has been a Deputy General Manager of the Company since August 2020. Mr. Han holds a Master of Business Administration degree and a bachelor's degree in engineering. He is a senior engineer and member of CPC. He was a former employee of the Power Supply Section and Electricity Office of Beijing Metro Corporation and previously served as the deputy chief engineer and chief engineer of the Metro Land Corporation, deputy director of Equipment Department of Beijing Railway Construction and Management Co., Ltd., deputy director of Equipment Department, deputy general manager of Line 4 Project Management Office, manager of Line 4 Electromechanical Project Management Office and director of Equipment Department of Beijing Metro Construction, director and general manager of Huatong Kefeng Rail Transit Technology Development Company, and deputy general manager of Beijing Metro Construction.

Chen Xi (陳曦) has been a Deputy General Manager of the Company since August 2020. Mr. Chen holds a bachelor's degree in engineering. He is a professor-level senior engineer and member of CPC. He previously served as an engineer of Beijing Urban Construction Engineering Research Institute, director of the Second Office of the Beijing Urban Construction Design and Research Institute, deputy director of the Planning and Design Department, deputy general manager of Line 10 Project Office, and director of the Planning and Design Department, assistant to the general manager, director of the Planning and Design Head Department and deputy general manager of Beijing Metro Construction.

Guan Jifa (關繼發) has been a Deputy General Manager of the Company since August 2015. Mr. Guan holds a Ph.D. degree and is a National registered Constructor, senior engineer, and member of the CPC. Mr. Guan previously served as project manager and deputy general manager of Beijing Urban No. 3 Construction Development Co., Ltd., deputy general manager and general manager of Beijing Subway construction Company, chairman of Beijing Capital Investment Co., Ltd., assistant to the general manager and manager of the Land Development Department of the Company.

TAXATION

The following summary of certain British Virgin Islands, Hong Kong, PRC, EU and U.S. tax consequences of the purchase, ownership and disposition of Notes is based upon applicable laws, regulations, rulings and decisions in effect as of 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 Notes 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 Noteholder or any persons acquiring, selling or otherwise dealing in the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. Persons considering the purchase of the Notes should consult their own tax advisors concerning the tax consequences of the purchase, ownership and disposition of Notes. Prospective investors should consult their professional advisers on the possible tax consequences of buying, holding or selling any Notes under the laws of their country of citizenship, residence or domicile.

British Virgin Islands

Income Tax

As of the date of this Offering Circular, the Issuer is exempt from all provisions of the Income Tax Act of the British Virgin Islands, including with respect to all interests payable by the Issuer to persons who are not persons resident in the British Virgin Islands. No income, capital gain, estate, inheritance, succession or gift tax, rate, duty, levy or other charge is payable by persons who are not persons resident in the British Virgin Islands with respect to any debt obligations or other securities of the Issuer.

Stamp Duty

As at the date of this Offering Circular, all instruments relating to transfers of property to or by the Issuer and all instruments relating to transactions in respect of the shares, debt obligations or other securities of the Issuer and all instruments relating to other transactions relating to the business of the Issuer are exempt from payment of stamp duty in the British Virgin Islands pursuant to section 242 of the BVI Business Companies Act, 2004 (as amended) (the "**BVI BCA**"). The exemption at section 242 of the BVI BCA does not apply to an instrument relating to (a) the transfer to or by a company of an interest in land situate in the British Virgin Islands or (b) transactions in respect of the shares, debt obligations or other securities of a land owning company. For these purposes, a company is a "land owning company" if it, or any of its subsidiaries, has an interest in any land in the British Virgin Islands. As confirmed by the Issuer, as at the date of this Offering Circular, it has no interest in land in the British Virgin Islands.

Withholding Tax

There are currently no withholding taxes or exchange control regulations in the British Virgin Islands applicable to payments the Issuer may make under the transaction documents relating to the Notes.

Hong Kong

Withholding Tax

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

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 Notes 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 Notes is derived from Hong Kong and is received by or accrues to a corporation, other than a financial institution, carrying on a trade, profession or business in Hong Kong;

(ii) interest on the Notes 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 Notes 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 Notes 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 or redemption of Notes 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 redemption of Notes will be subject to Hong Kong profits tax.

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

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

Stamp Duty

Stamp duty will not be payable on the issue of Bearer Notes **provided that** either:

(i) such Bearer Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or

(ii) such Bearer Notes constitute loan capital (as defined in the Stamp Duty Ordinance (Cap. 117) of Hong Kong (the "**SDO**")).

If stamp duty is payable, it is payable by the Issuer on the issue of Bearer Notes at a rate of 3% of the market value of the Bearer Notes at the time of issue. No stamp duty will be payable on any subsequent transfer of Bearer Notes.

No stamp duty is payable on the issue of Registered Notes. Stamp duty may be payable on any transfer of Registered Notes if the relevant transfer is required to be registered in Hong Kong. Stamp duty will, however, not be payable on any transfer of Registered Notes **provided that** either:

(i) such Registered Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or

(ii) such Registered Notes constitute loan capital (as defined in the SDO).

With effect from 1 August 2021, if stamp duty is payable in respect of the transfer of Registered Notes it will be payable at the rate of 0.26% (of which 0.13% is payable by the seller and 0.13% is payable by the purchaser) normally by reference to the consideration or its value, whichever is higher. In addition, stamp duty is payable at the fixed rate of HK$5 on each instrument of transfer executed in relation to any transfer of the Registered Notes if the relevant transfer is required to be registered in Hong Kong.

PRC

The following summary describes the principal PRC tax consequences of ownership of the Notes by beneficial owners who, or which, are not residents of mainland China for PRC tax purposes. These beneficial owners are referred to as non-PRC Noteholders in this "*PRC Taxation*" section. In considering whether to invest in the Notes, investors should consult their individual tax advisors with regard to the application of PRC tax laws to their particular situations as well as any tax consequences arising under the laws of any other tax jurisdiction.

Pursuant to the EIT Law and its implementation regulations, enterprises that are established under laws of foreign countries and regions (including Hong Kong, Macau and Taiwan) but whose "de facto management body" are within the territory of China are treated as PRC tax resident enterprises for the purpose of the EIT Law and must pay PRC enterprise income tax at the rate of 25% in respect of their taxable income. If relevant PRC tax authorities decide, in accordance with applicable tax rules and regulations, that the "de facto management body" of the Issuer or BII Hong Kong is within the territory of PRC, the Issuer or BII Hong Kong may be held to be a PRC tax resident enterprise for the purpose of the EIT Law and be subject to PRC enterprise income tax at the rate of 25% on its taxable income. At the date of this Offering Circular, neither the Issuer nor BII Hong Kong has been notified or informed by the PRC tax authorities that it is considered as a PRC tax resident enterprise for the purpose of the EIT Law.

However, there is no assurance that the Issuer or BII Hong Kong will not be treated as a PRC tax resident enterprise under the EIT Law and related implementation regulations in the future. Pursuant to the EIT Law and its implementation regulations, any non-resident enterprise without an establishment within the PRC or whose income has no connection to its establishment inside the PRC must pay enterprise income tax on income sourced within the PRC, and such income tax must be withheld at source by the PRC payer acting as a withholding agent, who must withhold the tax amount from each payment. Accordingly, in the event the Issuer or BII Hong Kong is deemed to be a PRC tax resident enterprise by the PRC tax authorities in the future, the Issuer or BII Hong Kong may be required to withhold income tax from the payments of interest in respect of the Notes to any non-PRC Noteholder, and gain from the disposition of the Notes may be subject to PRC tax, if the income or gain is treated as PRC-source. The tax rate is generally 10% for non-resident enterprise Noteholders and 20% in the case of non-resident individuals. The Issuer and BII Hong Kong have agreed to pay additional amounts to Noteholders, subject to certain exceptions, so that they would receive the full amount of the scheduled payment, as further set out in the Terms and Conditions of the Notes.

The proposed financial transactions tax ("FTT")

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's Proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

Joint statements issued by participating Member States (other than Slovenia) indicate an intention to implement the FTT by 1 January 2016.

However, the FTT proposal remains subject to negotiation between participating Member States, and the scope of any such tax is uncertain. Additional EU Member States may decide to participate.

Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

FATCA Withholding

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. The issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including BVI and Hong Kong) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register, and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date. However, if additional notes (as described under "*Terms and Conditions of the Notes — Further Issues*") that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes.

Record filing and registration

The Circular of the National Development and Reform Commission on Promoting the Administrative Reform of the Record-filing and Registration System for the Issuance of Foreign Debts by Enterprises promulgated on 14 September 2015, relates to the matters as listed below:

1. remove the quota review and approval system for the issuance of foreign debts by enterprises, reform and innovate the ways that foreign debts are managed, and implement the administration of record-filing and the registration system. Realize the supervision and administration of the size of foreign debts borrowed on a macro level with the record-filing, registration, and information reporting of the issuance of foreign debts by enterprises;

2. before the issuance of foreign debts with a maturity of one year or more, enterprises shall first apply to the National Development and Reform Commission ("**NDRC**") for the handling of the record-filing and registration procedures and shall report the information on the issuance to NDRC within 10 working days of completion of each issuance (Reporting Form for Information on the Issuance of Foreign Debts by Enterprises);

3. record-filing and registration materials to be submitted by an enterprise for the issuance of foreign debts shall include: application report for the issuance of foreign debts and issuance plan, including the currency, size, interest rate, and maturity of foreign debts, the purpose of the funds raised, back flow of funds, etc. The applicant shall be responsible for the authenticity, legality, and completeness of the application materials and information;

4. the NDRC shall decide whether to accept the application for record-filing and registration within 5 working days of receiving it and shall issue a Certificate for Record-filing and Registration of the Issuance of Foreign Debts by Enterprises within 7 working days of accepting the application and within the limit of the total size of foreign debts;

5. the issuer of foreign debts shall handle the procedures related to the outflow and inflow of foreign debt funds with the Certificate for Record-filing and Registration according to the regulations. When the limit of the total size of foreign debts is exceeded, the NDRC shall make a public announcement and no longer accept applications for record-filing and registration;

6. if there is a major difference between the actual size of the foreign debts issued by the enterprises and the size indicated in the record-filing and registration, an explanation shall be given when reporting relevant information. The NDRC shall enter the poor credit record of an enterprise which maliciously and falsely reports the size of its foreign debts for record-filing and registration into the national credit information platform.

Remittance of Renminbi into and outside the PRC

Renminbi is not a freely convertible currency. The remittance of Renminbi into and outside the PRC is subject to control imposed under PRC law.

Current Account Items

Under PRC foreign exchange control regulations, current account items refer to any transaction for international receipts and payments involving goods, services, earnings and other frequent transfers. Prior to July 2009, all current account items were required to be settled in foreign currencies with limited exceptions. Following progressive reforms, Renminbi settlement of imports and exports of

goods and of services and other current account items became permissible nationwide in 2012, except that the key enterprises on a Supervision List determined by the PBOC and five other relevant authorities would be subject to enhanced scrutiny when banks process current account cross-border repatriations.

On 5 July 2013, the PBOC promulgated the Circular on Policies related to Simplifying and Improving Cross-border Renminbi Business Procedures (the "**2013 PBOC Circular**") with the intent to improve the efficiency of cross border Renminbi settlement and facilitate the use of Renminbi for the settlement of cross border transactions under current accounts or capital accounts. In particular, the 2013 PBOC Circular simplifies the procedures for cross border Renminbi trade settlement under current account items. On 1 November 2014, PBOC introduced a cash pooling arrangement for qualified multinational enterprise group companies, under which a multinational enterprise group can process cross-border Renminbi payments and receipts for current account items on a collective basis for eligible member companies in the group. On 5 September 2015, PBOC promulgated the Circular on Further Facilitating the Cross-Border Bi-directional Renminbi Cash Pooling Business by Multinational Enterprise Groups (關於進一步便利跨國企業集團開展跨境雙向人民幣資金池業務的通知) (the "**2015 PBOC Circular**"), which, among others, have lowered the eligibility requirements for multinational enterprise groups and increased the cap for net cash inflow. The 2015 PBOC Circular also provides that enterprises in the China (Shanghai) Free Trade Pilot Zone ("**Shanghai FTZ**") may establish an additional cash pool in the local scheme in the Shanghai FTZ, but each onshore company within the group may only elect to participate in one cash pool.

As a new regulation, the Circular will be subject to interpretation and application by the relevant PRC authorities. Local authorities may adopt different practices in applying the Circular and impose conditions for settlement of current account items.

Capital Account Items

Under PRC foreign exchange control regulations, capital account items include cross-border transfers of capital, direct investments, securities investments, derivative products and loans. Capital account payments are generally subject to approval of, and/or registration of filing with, the relevant PRC authorities.

Settlements for capital account items are generally required to be made in foreign currencies. For instance, foreign investors (including any Hong Kong investors) are required to make any capital contribution to foreign invested enterprises in a foreign currency in accordance with the terms set out in the relevant joint venture contracts and/or articles of association as approved by the relevant authorities. Foreign invested enterprises or relevant PRC parties are also generally required to make capital item payments including proceeds from liquidation, transfer of shares, reduction of capital, interest and principal repayment to foreign investors in a foreign currency. That said, the relevant PRC authorities may grant approval for a foreign entity to make a capital contribution or a shareholder's loan to a foreign invested enterprise with Renminbi lawfully obtained by it outside the PRC and for the foreign invested enterprise to service interest and principal repayment to its foreign investor outside the PRC in Renminbi on a trial basis. The foreign invested enterprise may be required to complete a registration and verification process with the relevant PRC authorities before such Renminbi remittances.

Under progressive reforms by PBOC, the MOFCOM and the State Administration of Foreign Exchange of the PRC ("**SAFE**"), foreign investors are now permitted to make capital contribution, share transfer, profit allocation and liquidation and certain other transactions in Renminbi for their foreign direct investment within the PRC. Cross-border Renminbi payment infrastructure and trading facilities are being improved. Approval, registration and filing requirements for capital account payments in Renminbi are being removed gradually. In addition, the Circular on Reforming Foreign Exchange Capital Settlement for Foreign Invested Enterprises (關於改革外商投資企業外匯資本金結匯管理方式的通知) which became effective on 1 June 2015, and was revised on 9 June 2016, some provisions of which were declared invalid on 30 December 2019, allows foreign-invested enterprises

to settle 100% (subject to future adjustment at discretion of SAFE) of the foreign currency capital (which has been processed through the SAFE's equity interest confirmation procedure for capital contribution in cash or registered by a bank on the SAFE's system for account-crediting for such capital contribution) into Renminbi according to their actual operational needs. A negative list with respect to the usage of the capital and the Renminbi proceeds through the aforementioned settlement procedure is set forth under the Circular. In particular, a foreign invested enterprise with investment as its main business is permitted to use such Renminbi proceeds to make equity contribution to its invested enterprises directly, without further fillings with SAFE.

PRC entities are also permitted to borrow Renminbi-denominated loans from foreign lenders (which are referred to as "**foreign debt**") and lend Renminbi-denominated loans to foreign borrowers (which are referred to as "**outbound loans**"), as long as such PRC entities have the necessary quota, approval or registration. PRC entities may also denominate security or guarantee arrangements in denominated and make payments thereunder to parties in the PRC as well as other jurisdictions (which is referred to as "**cross-border security**"). Under current rules promulgated by SAFE, foreign debts borrowed, outbound loans extended, and the cross-border security provided by a PRC onshore entity (including a financial institution) in Renminbi shall, in principle, be regulated under the current PRC foreign debt, outbound loan and cross-border security regimes applicable to foreign currencies. However, there remains potential inconsistencies between the provisions of the SAFE rules and the provisions of the 2013 PBOC Circular. It is not clear how regulators will deal with such inconsistencies in practice.

According to the 2015 PBOC Circular, qualified multinational enterprise groups can extend Renminbi- denominated loans to, or borrow Renminbi-denominated loans from, eligible offshore member entities within the same group by leveraging the cash pooling arrangements. The Renminbi funds will be placed in a special deposit account and may not be used to invest in stocks, financial derivatives, or non-self-use real estate assets, or purchase wealth management products or extend loans to enterprises outside the group. Enterprises within the Shanghai FTZ may establish another cash pool under the Shanghai FTZ rules to extend inter-company loans, although Renminbi funds obtained from financing activities may not be pooled under this arrangement.

Qualified non-financial enterprises within the Shanghai FTZ, the China (Guangdong) Free Trade Pilot Zone, the China (Tianjin) Free Trade Pilot Zone and the China (Fujian) Free Trade Pilot Zone are permitted to borrow Renminbi from offshore lenders within the prescribed macro prudential management limit. However, there is some uncertainty in relation to how this will apply to non-financial enterprises in the Shanghai FTZ that are currently permitted to settle foreign debt proceeds in Renminbi on a voluntary basis, **provided that** the proceeds should not be used beyond their business scope or in violation of relevant laws and regulations, under the existing account-based settlement scheme. Pilot schemes relating to cross-border Renminbi loans, bonds, or equity investments have also been launched for, among others, enterprises in Shenzhen Qianhai, Jiangsu Kunshan, Jiangsu Suzhou Industrial Park.

Recent reforms introduced were aimed at controlling the remittance of Renminbi for payment of transactions categorised as capital account items. There is no assurance that the PRC Government will continue to gradually liberalise the control over Renminbi payments of capital account item transactions in the future.

Such circulars, which are new regulations, will be subject to interpretation and application by the relevant PRC authorities. If any new PRC regulations are promulgated in the future which have the effect of permitting or restricting (as the case may be) the remittance of Renminbi for payment of transactions categorised as capital account items, then such remittances will need to be made subject to the specific requirements or restrictions set out in such rules.

SUBSCRIPTION AND SALE

The Dealers have, in an amended and restated dealer agreement dated 27 September 2021 and as further amended, restated and/or supplemented from time to time (the "**Dealer Agreement**"), agreed with the Issuer, BII Hong Kong and the Company a basis on which they or any of them may from time to time agree to subscribe Notes. Any such agreement will extend to those matters stated under "*Terms and Conditions of the Notes*". Under the terms of the Dealer Agreement, the Issuer, failing whom the relevant Guarantor, will pay each relevant Dealer a commission (if any) agreed between the Issuer, the relevant Guarantor and the relevant Dealer in respect of Notes subscribed by it. The Issuer, BII Hong Kong and the Company have agreed to reimburse the Arrangers for certain of their expenses properly incurred in connection with the establishment of the Programme and any future update of the Programme and the Dealers for certain of their activities in connection with the Programme.

The Issuer, BII Hong Kong and the Company have agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

The Dealers and certain of their affiliates may have performed certain investment banking and advisory services for the Issuer, BII Hong Kong, the Company and/or their respective affiliates from time to time for which they have received customary fees and expenses and may, from time to time, engage in transactions with and perform services for the Issuer, BII Hong Kong, the Company and/or their respective affiliates in the ordinary course of their business. In connection with each Tranche of Notes issued under the Programme, the Dealers or certain of their affiliates may place order, purchase and be allocated Notes (and such order, purchase and allocation may be material) for asset management and/or proprietary purposes but not with a view to distribution. Further, the Dealers or their respective affiliates may purchase Notes for its or their own account and enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to such Notes and/or other securities of the Issuer, BII Hong Kong, the Company or their respective subsidiaries or affiliates at the same time as the offer and sale of each Tranche of Notes 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 Tranche of Notes to which a particular Pricing Supplement relates (notwithstanding that such selected counterparties may also be purchasers of such Tranche of Notes).

Selling Restrictions

United States of America

In respect of Notes offered or sold in reliance on Category 1 as specified in the applicable Pricing Supplement, the Notes and the relevant Guarantee have not been and will not be registered under the Securities Act, and may not be offered or sold or, in the case of Bearer Notes, delivered within the United States except in accordance with Regulation S or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Each Dealer represents and agrees, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold or, in the case of Bearer Notes, delivered, and will not offer or sell or, in the case of Bearer Notes, deliver, any Notes and the relevant Guarantee constituting part of its allotment within the United States. The Notes and the relevant Guarantee are being offered and sold outside the United States in reliance on Regulation S.

In respect of Notes offered or sold in reliance on Category 2 as specified in the applicable Pricing Supplement, the Notes and the relevant Guarantee have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S. Each

Dealer represents and agrees, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold or, in the case of Bearer Notes, delivered, any Notes, and will not offer or sell or, in the case of Bearer Notes, deliver, any Notes (i) as part of their distribution at any time and (ii) otherwise until 40 days after the completion of the distribution of all Notes of the Tranche of which such Notes are a part, as determined and certified as provided below, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer who has subscribed for Notes of a Tranche (or in the case of a sale of a Tranche of Notes issued to or through more than one Dealer, each of such Dealers as to the Notes of such Tranche purchased by or through it or, in the case of a syndicated issue, the relevant lead manager) shall determine and certify to the Issuing and Paying Agent the completion of the distribution of the Notes of such Tranche. Each Dealer has also agreed, and each further Dealer appointed under the Programme will be required to agree, that, at or prior to confirmation of sale of Notes, it will have sent to each distributor, Dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the distribution compliance period a confirmation or notice setting out the restrictions on offers and sales of the Notes within the United States or, to, or for the account or benefit of U.S. persons.

Terms used in the above provision have the meanings given to them by Regulation S.

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

Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meaning given to them by the U.S. Internal Revenue Code and regulations thereunder.

This Offering Circular has been prepared by the Issuer for use in connection with the offer and sale of the Notes outside the United States. The Issuer and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Offering Circular does not constitute an offer to any person in the United States. Distribution of this Offering Circular by any non-U.S. person outside the United States to any U.S. person or to any other person within the United States, is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States, is prohibited.

Prohibition of Sales to European Economic Area Retail Investors

Each Dealer represents and agrees, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by the Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the European Economic Area or in the United Kingdom. For the purposes of this provision:

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

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

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

c. not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**"); and

(b) the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

Prohibition of Sales to UK Retail Investors

Each Dealer represents and agrees, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the UK. For the purposes of this provision:

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

(i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or

(ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the Financial Services and Markets Act 2000 (the "**FSMA**") to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or

(iii) as defined in Article 2 of the Prospectus Regulation as it forms part of domestic law by virtue of the EUWA (the "**UK Prospectus Regulation**"), and

(b) the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Other Regulatory Restrictions in the United Kingdom

Each Dealer represents, warrants and agrees, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer or the relevant Guarantor;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the relevant Guarantor; and

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

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the "**Financial Instruments and Exchange Act**") and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes 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 resale, 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 any other relevant laws and regulations of Japan.

Hong Kong

Each Dealer represents, warrants and agrees, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") other than (i) to "professional investors" as defined in the SFO and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (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 any Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

PRC

Each Dealer represents, warrants and agrees, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes 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 Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC or Taiwan), except as permitted by the securities laws of the PRC.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or

sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

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

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

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

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

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

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

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

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

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

British Virgin Islands

Each Dealer represents, warrants and agrees, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not made and will not make any invitation directly or indirectly to the public in the British Virgin Islands or a natural person who is a British Virgin Islands resident or citizen to offer or sell the Notes and the Notes are not being offered or sold and may not be offered or sold, directly or indirectly, in the British Virgin Islands, except as otherwise permitted by British Virgin Islands law.

General

Each Dealer agrees, and each further Dealer appointed under the Programme will be required to agree, that it will (to the best of its knowledge and belief) comply in all material respect with all applicable securities laws, regulations and directives in force in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Offering Circular, any other offering or publicity material or any Pricing Supplement, in all cases at its own expense.

None of the Issuer, BII Hong Kong, the Company, the Trustee or any of the Dealers represent that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale. With regard to each Tranche, the relevant Dealer(s) will be required to comply with any additional restrictions agreed between the Issuer and the relevant Dealer(s) and set out in the applicable Pricing Supplement.

If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Dealers or any affiliate of the Dealers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by that Dealer or its affiliate on behalf of the Issuer in such jurisdiction.

Authorisations

The Issuer has obtained all necessary consents, approvals and authorisations in connection with the update of the Programme and the issue of the Notes thereunder. The establishment of the Programme, the issue of the Notes and the update of the Programme thereunder was authorised by the resolutions of the sole director of the Issuer on 5 June 2014, 17 June 2015, 6 September 2017, 8 November 2018, 5 June 2019, 27 July 2020 and 23 September 2021. BII Hong Kong has obtained all necessary consents, approvals and authorisations in connection with the giving and performance of the Guarantee. The giving of the Guarantee was authorised by the resolutions of the board of directors of BII Hong Kong on 5 June 2014, 17 June 2015, 6 September 2017, 12 November 2018, 5 June 2019, 27 July 2020 and 23 September 2021. The Company has obtained all necessary consents, approvals and authorisations in connection with the entry into the transaction documents in connection with the Programme and the Notes on 5 May 2014. The Company has obtained all necessary consents, approvals and authorisations in connection with the entry into the transaction documents in connection with the various update of the Programme. The giving and performance of the Guarantee will be authorised by the Company upon an issuance of Notes to be guaranteed by the Company. PRC counsel to the Company and the Dealers have advised that no approvals or consents are required from any regulatory authorities or other relevant authorities in the PRC for the Company to enter into the Trust Deed, the Agency Agreement, the Keepwell and Liquidity Support Deed, the Deed of Equity Interest Purchase Undertaking and the relevant Deed of Guarantee on the relevant issue date of any tranche of the Notes.

Litigation

There are no legal or arbitration proceedings against or affecting the Issuer, BII Hong Kong, the Company, any of their respective subsidiaries or any of their assets, and none of the Issuer, BII Hong Kong and the Company is aware of any pending or threatened proceedings, which are material in the context of the issue of the Notes or the giving of the Guarantee.

No material adverse change

Since 31 December 2020, there has been no material adverse change, nor any development or event involving a prospective material adverse change, in or affecting the general affairs, financial condition, results of operations or prospects of the Issuer, BII Hong Kong, the Company and any of their respective subsidiaries.

Documents Available

For so long as Notes may be issued pursuant to this Offering Circular, copies of the following documents will be available (upon written request), during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted), for inspection at the principal office of the Trustee, being at the date of this Offering Circular, at 20/F, Citi Tower, One Bay East, 83 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong:

(i) the Trust Deed (which includes the form of the Global Notes, the Global Certificates, the Notes in definitive form, the Coupons, the Receipts and the Talons);

(ii) the Agency Agreement;

(iii) the Deed of Equity Interest Purchase Undertaking;

(iv) the Keepwell and Liquidity Support Deed;

(v) the constitutive documents of each of the Issuer, BII Hong Kong and the Company;

(vi) the audited consolidated financial statements of the Company as at and for the year ended 31 December 2020;

(vii) the audited financial statements of BII Hong Kong as at and for the year ended 31 December 2020;

(viii) each Pricing Supplement (save that a Pricing Supplement related to an unlisted Series of Notes will only be available for inspection by a holder of any such Notes and such holder must produce evidence satisfactory to the Issuer, BII Hong Kong or the Trustee as to its holding of Notes and identity); and

(ix) a copy of this Offering Circular together with any supplement to this Offering Circular and any other documents incorporated herein or therein referenced.

Clearing of the Notes

Notes have been accepted for clearance through the Euroclear and Clearstream systems. The relevant ISIN and the Common Code will be specified in the applicable Pricing Supplement. The Issuer may also apply to have Notes accepted for clearance through the CMU. The relevant CMU instrument number will be set out in the relevant Pricing Supplement. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be set out in the relevant Pricing Supplement.

Financial Statements

The Company's 2020 Consolidated Financial Statements and BII Hong Kong's 2020 Consolidated Financial Statements, which are included elsewhere in this Offering Circular, have been audited by Baker Tilly, the Company and BII Hong Kong's independent auditor, as stated in their respective reports appearing herein.

The Company's 2019 Consolidated Financial Statements and BII Hong Kong's 2019 Consolidated Financial Statements, which are included elsewhere in this Offering Circular, have been audited by Baker Tilly, the Company and BII Hong Kong's independent auditor, as stated in their respective reports appearing herein.

Certain financial information of the Company as at and for the year ended 31 December 2018 was reclassified in the Company's 2019 Consolidated Financial Statements, as a result of the MOF 2019 Circulars published by MOF in 2019, which amended the standard form of general enterprise financial statements. In addition, as subsidiary of the Company, Metro Land has adopted Enterprise Accounting Standards No. 22 — Recognition and Measurement of Financial Instruments (CK [2017] No. 7), Enterprise Accounting Standards No. 23 — Transfer of Financial Assets (CK [2017] No. 8), Enterprise Accounting Standards No. 24 — Hedging Accounting (CK [2017] No. 9) and Enterprise Accounting Standards No. 37 — Reporting of Financial Instruments (CK [2017] No. 14), each with effect from 1 January 2019, and the Company has adopted Enterprise Accounting Standards No. 12 — Debt Restructuring (CK [2019] No. 9) with effect from 17 June 2019, in each case without adjusting or restating comparable numbers as at and for the year ended 31 December 2018. Furthermore, the Company has restated certain financial information as at and for the year ended 31 December 2018 in the Company's 2019 Consolidated Financial Statements due to adjustments as a result of previous year's accounting error of certain subsidiaries. For more details on these adjustments and reclassifications made by the Company, please see "*Beijing Infrastructure Investment Co., Ltd. Notes To The Financial Statements For The Year Ended 31 December 2020 — Note V*".

In addition, Metro land has adopted Enterprise Accounting Standards No. 14 — Revenue (CK [2017] No. 22) with effect from 1 January 2020, without adjusting or restating comparable numbers as at and for the year ended 31 December 2019. Furthermore, the Company has restated certain financial information as at and for the year ended 31 December 2019 in the Company's 2020 Consolidated

Financial Statements due to business combinations involving enterprises under common control occurred in the current period. For more details on these adjustments and reclassifications made by the Company, please see "*Beijing Infrastructure Investment Co., Ltd. Notes To The Financial Statements For The Year Ended 31 December 2020 — Note V*". Accordingly, certain financial information of the Company prior to 2020, including those included in the audited consolidated financial statements of the Company's 2019 Consolidated Financial Statements, may not be directly comparable to that for the year ended 31 December 2020.

Certain financial information of BII Hong Kong as at and for the year ended 31 December 2018 was reclassified in BII Hong Kong's 2019 Consolidated Financial Statements, as a result of the MOF 2019 Circulars, which amended the standard form of the general enterprise financial. For more details on these adjustments and reclassification, please see "*Beijing Infrastructure Investment Co., Ltd. Notes To The Financial Statements For The Year Ended 31 December 2019 — Note V*" and "*Beijing Infrastructure Investment (Hong Kong) Limited Notes To The Financial Statements For The Year Ended 31 December 2019 — Note V*".

The consolidated financial statements of the Company and of BII Hong Kong were prepared and presented in accordance with PRC GAAP. Neither the Company nor BII Hong Kong has prepared its financial statements or consolidated financial statements (as the case may be) in accordance with IFRS. As advised by Baker Tilly, there are no material differences between PRC GAAP and the IFRS with respect to the determination of the Company's and BII Hong Kong's respective financial position.

Listing of Notes

Application has been made to the Hong Kong Stock Exchange for the listing of the Programme by way of debt issues to Professional Investors only during the 12-month period after the date of this Offering Circular on the Hong Kong Stock Exchange. Separate application will be made for the listing of Notes issued under the Programme on the Hong Kong Stock Exchange.

The issue price of Notes listed on the Hong Kong Stock Exchange will be expressed as a percentage of their nominal amount. It is expected that dealings will, if permission is granted to deal in and for the listing of such Notes, commence on or about the next business day following the date of issue of the relevant Notes. Admission to the Hong Kong Stock Exchange and quotation of any Notes on the Hong Kong Stock Exchange is not to be taken as an indication of the merits of the Programme, the Notes, the Guarantees, the Deed of Equity Interest Purchase Undertaking, the Keepwell and Liquidity Support Deed, the Issuer, BII Hong Kong, the Company or the Group. The Hong Kong Stock Exchange assumes no responsibility for the correctness of any of the statements made or opinions or reports contained herein.

INDEX TO FINANCIAL STATEMENTS

The Financial Statements of the Company for the year ended 31 December 2020

Auditor's Report F-4

Consolidated Balance Sheet F-7

Consolidated Income Statement F-9

Consolidated Statement of Cash Flow F-10

Consolidated Statement of Changes in Owner's Equity F-11

Consolidated Statement of Provision for Impairment of Assets F-13

Consolidated Balance Sheet F-14

Consolidated Income Statement F-16

Consolidated Statement of Cash Flow F-17

Consolidated Statement of Changes in Owner's Equity F-18

Consolidated Statement of Provision for Impairment of Assets F-20

Notes to the Financial Statements F-21

The Financial Statements of BII Hong Kong for the year ended 31 December 2020

Auditor's Report F-188

Consolidated Balance Sheet F-191

Consolidated Income Statement F-193

Consolidated Cash Flow Statement F-194

Consolidated Statement of Changes in Owner's Equity F-195

Consolidated Statement of Provision for Impairment of Assets F-197

Consolidated Balance Sheet F-198

Consolidated Income Statement F-200

Consolidated Cash Flow Statement F-201

Consolidated Statement of Changes in Owner's Equity F-202

Consolidated Statement of Provision for Impairment of Assets F-204

Notes to the Financial Statements F-205

The Financial Statements of the Company for the year ended 31 December 2019

Auditor's Report F-279

Consolidated Balance Sheet F-282

Consolidated Income Statement F-284

Consolidated Statement of Cash Flow F-285

Consolidated Statement of Changes in Owner's Equity F-286

Consolidated Statement of Provision for Impairment of Assets F-288

Consolidated Balance Sheet F-289

Consolidated Income Statement F-291

Consolidated Statement of Cash Flow F-292

Consolidated Statement of Changes in Owner's Equity F-293

Consolidated Statement of Provision for Impairment of Assets F-295

Notes to the Financial Statements F-296

The Financial Statements of BII Hong Kong for the year ended 31 December 2019

Auditor's Report F-455

Consolidated Balance Sheet F-458

Consolidated Income Statement F-460

Consolidated Cash Flow Statement F-461

Consolidated Statement of Changes in Owner's Equity F-462

Consolidated Statement of Provision for Impairment of Assets F-464

Consolidated Balance Sheet F-465

Consolidated Income Statement F-467

Consolidated Cash Flow Statement F-468

Consolidated Statement of Changes in Owner's Equity F-469

Consolidated Statement of Provision for Impairment of Assets F-471

Notes to the Financial Statements F-472

Beijing Infrastructure Investment Co., Ltd.
Auditor's Report
Baker Tilly China [2021] No. 15133
(English Translation for reference only)

Contents

Auditor's Report ——— 1

Financial Statements ——— 4

Notes to the Financial Statements ——— 18

AUDITOR'S REPORT

BAKER TILLY CHINA [2021] No.15133

Beijing Infrastructure Investment Co., Ltd:

Ⅰ. Opinion

We have audited the financial statements of Beijing Infrastructure Investment Co., Ltd (hereinafter referred to as the "Company"), which comprise the Company's and consolidated balance sheets as at 31 December 2020, Company's and consolidated income statements, Company's and consolidated statements of cash flow, Company's and consolidated statements of changes in owners' equity for the year then ended, and notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the Company's and consolidated financial position as at 31 December 2020, and the Company's and consolidated result of operations and cash flows for the year then ended in accordance with Accounting Standards for Business Enterprises and Accounting System for Business Enterprises.

Ⅱ. Basis of opinion

We have conducted the audit in accordance with the regulations of Auditing Standards for Chinese Certified Public Accountants. The part of "Auditor's responsibility" of the report further stated our responsibilities under the standards.

According to the code of professional ethics for the Chinese Certified Public Accountants, we are independent of the Company and perform other responsibilities in the field of professional ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Ⅲ. Management's responsibility for the financial statements

Management of the Company（hereinafter referred to as the "Management"）is responsible for preparing the financial statements in accordance with Accounting Standards for Business Enterprises and Accounting System for Business Enterprises to achieve fair presentation of the financial statements; designing, implementing and maintaining internal control which is necessary to enable that the financial statements are free from material misstatement, whether due to fraud or error.

When preparing financial statements, management is responsible for assessing the sustainability of the Company's ability of continuous operation, disclosing matters related to continuous operations (if

applicable), and applying the assumption of continuous operation unless management plans to clear the company and terminate operating or has no other realistic choice.

Management is responsible for the supervision of the Company's financial reporting process.

IV. Auditor's responsibility

Our goal is to obtain a reasonable assurance for material misstatement caused by fraud or error in the financial statements as a whole and make an audit report containing opinions. Reasonable assurance is a high-level guarantee, but it does not guarantee that every material misstatement can be found when we carried out the audit in accordance with the auditing standards. Misstatement may be caused by fraud or error. If a single misstatement or collected misstatements are expected reasonably to affect the economic decision made by a financial statement user based on the financial statements, it is generally considered significant.

In the process of implementing audit according to the auditing standards, we use professional judgment and maintain professional suspicion. At the same time, we also carried out the following work:

(1) We identified and evaluated the risk of material misstatement caused by fraud or error, designed and implemented audit procedures to cope with these risks and obtain sufficient and appropriate audit evidence as the basis for issuing audit opinions. Fraud may involve collusion, forgery, deliberate omission, misrepresentation or overriding internal control, accordingly, the risk of failing to find major misstatement caused by fraud is higher than that of failing to find the risk of major misstatement due to errors.

(2) We understood the internal control related to audit to design appropriate audit procedures, but the purpose was not to comment on the effectiveness of internal control.

(3) We evaluated the appropriateness of the accounting policy and the reasonableness of accounting estimates and related disclosures.

(4) We drew conclusions on the appropriateness of the continuing operation hypothesis used by the management level. Meanwhile, based on the audit evidence obtained, it is concluded that whether there is significant uncertainty in matters or situations that may cause significant doubts about the sustainability of the Company's ability of continuous operation. If we conclude that there is a major uncertainty, the auditing standards require us to draw users' attention to relevant disclosures in the financial statements in the audit report. If we do not disclose enough information, we should publish unqualified opinions. Our conclusions are based on the information available as of the date of the audit report. However, future events or circumstances may lead to the unsustainable operation of the Company.

(5) We evaluated the overall presentation, structure and content (including disclosure) of the financial statements, and the fairness of the financial statements to reflect the related transactions and matters.

(6) We have obtained sufficient and appropriate audit evidence on the financial information of the entity or business activities in the company, and issue an audit opinion on the financial statements. We are responsible for directing, supervising and performing audits, and take full responsibility for the audit opinion. We communicated with governance level about the planned audit scope and schedule and significant audit findings, including communicating the notable internal control flaws we identified in the audit.

BAKER TILLY CHINA
Beijing, China
26 March 2021

Chinese Certified Public Accountant:

中国注册会计师
莫伟
110002400249

Chinese Certified Public Accountant:

中国注册会计师
张益林
110101504705

This auditor's report and the accompanying notes to the financial statements are English translation of the Chinese auditor's report. In case of doubt as to the presentation of these documents, the Chinese version shall prevail.

Consolidated Balance Sheet

Company: Beijing Infrastructure Investment Co., Ltd. 31 December 2020 Unit: RMB

ITEM	Line	Closing Balance	Opening Balance	Notes
Current Assets:	1			
Cash and bank balances	2	20,196,244,723.17	15,476,531,414.42	VIII.1
Balances with clearing agencies	3			
Removal of funds	4			
Tradable Financial assets	5	185,000,000.00	262,935,286.08	VIII.2
Financial assets measured at fair value through profit or loss	6	7,038,438,000.00		VIII.3
Derivative Financial assets	7		119,086,021.94	VIII.4
Notes receivables	8	377,529,750.57	166,348,459.30	VIII.5
Accounts receivable	9	1,688,826,641.84	1,597,321,894.29	VIII.6
Accounts receivable Financing	10			
Prepayments	11	893,119,074.40	786,792,776.84	VIII.7
Premium receivables	12			
Accounts receivable reinsurance	13			
The receivable reinsurance reserve	14			
Other receivables	15	15,683,894,895.84	9,098,734,220.97	VIII.8
Financial assets purchased under resale agreements	16			
Inventories	17	54,822,635,666.31	58,789,608,481.38	VIII.9
Inc: Raw materials	18	372,587,012.97	458,368,317.83	VIII.9
Finished products	19	7,465,500,769.71	10,959,950,782.06	VIII.9
Contract assets	20	649,565,402.80	716,145,199.69	VIII.10
Available for sale assets	21			
Non-current assets due within one year	22	5,526,802,652.99	4,880,850,099.44	VIII.11
Other current assets	23	14,146,694,220.68	21,749,329,067.11	VIII.12
Total current assets	24	121,208,751,028.60	113,643,682,921.46	
Non-current assets:	25			
Loans and advances to customers	26			
Debt investment	27	276,563,054.78	313,638,582.91	VIII.13
Available-for-sale financial assets	28	50,874,858,700.97	44,382,121,317.46	VIII.14
Other Debt investment	29			
Held-to-maturity investments	30		109,450,000.00	VIII.15
Long-term receivables	31	5,586,446,766.87	6,220,912,130.49	VIII.16
Long-term equity investments	32	27,689,428,517.98	20,285,902,604.35	VIII.17
Other equity instrument investment	33	310,000.00	2,310,000.00	VIII.18
Other non-current assets	34			
Investment properties	35	3,922,969,992.65	1,101,183,764.25	VIII.19
Fixed assets	36	148,000,257,246.43	147,818,402,486.08	VIII.20
Construction in progress	37	303,616,624,332.93	277,185,543,535.09	VIII.21
Bearer biological assets	38			
Oil and gas assets	39			
Right-of-use Assets	40	19,256,766.06	16,773,459.64	VIII.22
Intangible assets	41	14,146,041,490.69	13,584,614,595.60	VIII.23
Development expenditure	42	388,692,405.94	160,701,304.33	VIII.24
Goodwill	43	928,839,489.28	929,709,259.80	VIII.25
Long-term prepaid expenses	44	78,203,612.80	79,373,012.23	VIII.26
Deferred tax assets	45	1,863,307,228.69	1,118,992,543.92	VIII.27
Other non-current assets	46	28,824,713,557.95	8,087,842,578.71	VIII.28
Inc: Physical assets reserve specifically authorized	47			
Total Non-current Assets	48	586,216,513,164.02	521,397,471,174.86	
	49			
	50			
	51			
	52			
	53			
	54			
	55			
	56			
	57			
	58			
	59			
	60			
	61			
	62			
	63			
	64			
	65			
	66			
	67			
	68			
	69			
	70			
	71			
	72			
Total Assets	73	707,425,264,192.62	635,041,154,096.32	

Legal representative: Zhang Yanyou Supervisor in charge of accounting: Song Ziqiang Head of accounting department: Hong Chenggang

Consolidated Balance Sheet (Continued)

Company: Beijing Infrastructure Investment Co., Ltd | 31 December 2020 | Unit: RMB

ITEM	Line	Closing Balance	Opening Balance	Notes
Current liabilities:	74			
Short-term borrowings	75	1,753,217,812.50	1,498,636,760.00	VIII.29
Loans from the central bank	76			
Placements from banks and other financial institutions	77			
Tradable financial liabilities	78			
Financial liabilities measured at fair value through profit or loss	79			
Derivative Financial liabilities	80			
Notes payable	81	908,886,050.36	599,851,498.24	VIII.30
Accounts payable	82	18,510,554,017.45	10,675,086,651.85	VIII.31
Receipts in advance	83	1,965,396,089.09	1,475,662,020.80	VIII.32
Contract liabilities	84	6,988,085,139.25	3,435,662,770.75	VIII.33
Financial assets sold under repurchase agreements	85			
Deposits and Statutory deposits	86			
Customer brokerage deposits	87			
Securities underwriting brokerage deposits	88			
Employee benefits payable	89	702,362,006.51	626,655,724.60	VIII.34
Inc: Wages payable	90	414,451,783.33	355,662,894.48	VIII.34
Benefits payable	91	665,829.39	1,207,450.59	VIII.34
Bonus and Welfare Funds	92			
Taxes payable	93	2,333,980,442.87	1,711,652,326.81	VIII.35
Inc:Taxes payable	94	2,316,602,074.37	1,701,722,090.33	VIII.35
Other payable	95	8,348,796,639.76	8,667,922,214.85	VIII.36
Handling charges and commissions pabable	96			
Cession insurance premiums payable	97			
Available-for-sale financial liabilties	98			
Non-current liabilities due within one year	99	14,296,090,775.51	22,229,887,348.90	VIII.37
Other current liabilities	100	622,777,750.14	6,261,219,334.74	VIII.38
Total Current Liabilities	101	56,430,146,723.44	57,182,236,651.54	
Non-current Liabilities:	102			
Provision for insurance contracts	103			
Long-term borrowings	104	253,591,638,054.37	224,888,789,019.08	VIII.39
Bonds payable	105	55,864,899,921.96	42,430,147,081.61	VIII.40
Inc:preferred stock	106			
Perpetual capital securities	107	3,000,000,000.00		VIII.40
Lease liabilities	108	12,506,170.37	10,335,026.42	VIII.42
Long-term payables	109	63,125,500,063.35	48,411,633,951.01	VIII.43
Long-term employee benefits payable	110			
Provisions	111	41,346,104.04	41,807,619.88	VIII.44
Deferred Income	112	24,990,571,085.78	21,667,227,318.60	VIII.45
Deferred tax liabilities	113	1,115,746,284.90	774,139,877.96	VIII.27
Other non-current liabilities	114	836,826,729.52	1,001,844,212.80	VIII.46
Inc: Special reserve fund	115			
Total Non-current Liabilities	116	399,579,034,414.29	339,225,924,107.36	
Total Liabilities	117	456,009,181,137.73	396,408,160,758.90	
Owners' equity:	118			
Paid-in capital (share capital)	119	173,159,474,901.27	164,206,584,901.27	VIII.47
Government capital	120	173,159,474,901.27	164,206,584,901.27	VIII.47
State-owned capital	121			
Collective Capital	122			
Private capital	123			
Foreign capital	124			
Deduct: capital redemption	125			
Net paid-in capital	126	173,159,474,901.27	164,206,584,901.27	VIII.47
Other equityt instrument	127	23,500,000,000.00	16,000,000,000.00	VIII.41
Inc: preference share	128			
perpetual bond	129	23,500,000,000.00	16,000,000,000.00	VIII.41
Capital reserve	130	15,727,059,475.44	15,563,030,982.77	VIII.48
Deduct: Treasury shares	131			
Other comprehensive income	132	611,887,935.71	50,403,334.83	VIII.65
Translation difference arising on translation of financial statements denominated in foreign currencies	133	31,834,950.01	-35,146,954.44	VIII.65
Special reserve	134			
Surplus reserve	135	1,860,068,283.48	1,629,100,554.84	VIII.49
Inc: Statutory surplus reserve	136	1,860,068,283.48	1,629,100,554.84	VIII.49
Optional surplus reserve	137			
Reserve fund	138			
Enterprise development fund	139			
Return investment by profit	140			
General risk reserve	141			
Unappropriated profits	142	12,237,141,539.65	10,482,932,157.50	VIII.50
Total Owners' Equity Attributable To the Company	143	227,095,632,135.55	207,932,051,931.21	
Minority interests	144	24,320,450,919.34	30,700,941,406.21	
Total Owners' Equity	145	251,416,083,054.89	238,632,993,337.42	
Total Liabilities and Owners' Equity	146	707,425,264,192.62	635,041,154,096.32	

Legal representative: Zhang Yanyan | Supervisor in charge of accounting: Song Ziqiang | Head of accounting department: Hong Chenggang

Consolidated Income Statement

Company: Beijing Infrastructure Investment Co., Ltd. Year 2020 Unit: RMB

ITEM	Line	Current period	Prior period	Notes
I. Total operating income	1	13,664,953,264.73	15,380,386,368.01	
Inc: Operating income	2	13,664,953,264.73	15,380,386,368.01	VIII.51
Interest income	3			
Premiums earned	4			
Fee and commission income	5			
II. Total operating costs	6	23,653,746,858.59	21,038,706,696.62	
Inc: Operating costs	7	18,413,513,265.63	16,676,366,015.06	VIII.51
Interest expenses	8			
Fee and commission expenses	9			
Refund of insurance claims	10			
Net payments for insurance claims	11			
Net provision for insurance contracts	12			
Commissions on insurance policies	13			
Cession charges	14			
Business taxes and levies	15	585,342,375.72	300,329,419.30	
Selling expenses	16	396,072,267.05	308,531,326.39	VIII.52
Administrative expenses	17	2,005,232,399.54	1,943,274,145.05	VIII.53
Research and development expenses	18	294,297,994.42	224,229,756.73	VIII.54
Financial expenses	19	1,959,288,556.23	1,585,976,034.09	VIII.55
Inc: Interest expense	20	2,844,815,573.06	2,130,611,643.82	VIII.55
Interest income	21	669,742,355.69	569,253,931.14	VIII.55
Exchange net losses (gains are indicated by "-")	22	-227,223,350.87	6,700,236.95	VIII.55
Others	23			
Add:Other Income	24	10,462,810,691.81	6,587,722,026.62	VIII.56
Investment income (Losses are indicated by "-")	25	3,361,796,334.87	3,430,353,102.65	VIII.57
Inc: Income from investments in associates and joint ventures	26	2,044,022,736.78	2,127,093,682.45	VIII.57
Income from derecognition of financial assets measured at amortized cost	27			
Foreign exchange gains (Losses are indicated by "-")	28			
Net exposure hedging income(Losses are indicated by "-")	29			
Gains from changes in fair values (Losses are indicated by "-")	30	736,101,378.69	79,413,762.03	VIII.58
Credit impairment loss (Losses are indicated by "-")	31	-22,137,625.56	-25,190,336.94	VIII.59
Asset impairment loss (Losses are indicated by "-")	32	-694,582,374.13	-801,683,834.89	VIII.60
Assets disposal income (Losses are indicated by "-")	33	476,108.44	1,439,481.09	VIII.61
III. Operating profit (Loss is indicated by "-")	34	3,855,670,920.26	3,613,733,871.95	
Add: Non-operating income	35	101,589,709.97	45,378,311.86	VIII.62
Inc: Government subsidies	36	8,541,212.11	33,257,063.13	VIII.62
Less: Non-operating expenses	37	26,235,468.71	62,951,282.08	VIII.63
IV. Total profit (Total Loss is indicated by "-")	38	3,931,025,161.52	3,596,160,901.73	
Less: Income tax expenses	39	774,937,259.89	554,122,247.05	VIII.64
V. Net profit (Net loss is indicated by "-")	40	3,156,087,901.63	3,042,038,654.68	
1.Classified by attribution of the ownership	41			
Net profit attributable to the parent company	42	2,744,710,610.79	2,888,880,690.69	
Profit or loss attributable to minority interests	43	411,377,290.84	153,157,963.99	
2. Classified by operation continuity	44			
Profit or loss of continous operation	45	3,156,087,901.63	3,042,038,654.68	
Profit or loss of discontinued operation	46			
VI. Earnings per share	47	976,466,522.83	581,165,183.19	
Other comprehensive income (net of tax) contributed to the parent company	48	561,484,600.88	392,834,470.01	VIII.65
1. Other comprehensive income not reclassfied into gains or losses	49			
(1)Remeasured defined benefit plan net liablities or net assets changes	50			
(2) Under the equity method, the share of other comprehensive income not reclassified into gains or losses	51			
(3)Changes of fair value of other equity instruments	52			
(4)Changes of fair value of the enterprise's credit risk	53			
(5) Others	54			
2. Other comprehensive income classified into gains or losses	55	561,484,600.88	392,834,470.01	VIII.65
(1)Under the equity method, the share of other comprehensive income reclassified into gains or losses	56	7,688,151.41	9,788,726.90	VIII.65
(2)Changes of fair value of other creditor's investment	57			
(3) Available for sale financial asset fair value at gains or losses	58	486,814,545.02	381,104,465.16	VIII.65
(4)Financial assets reclassified and accrued into other comprehensive income	59			
(5) Held to maturity investment reclassified into available for sale asset gains or losses	60			
(6) credit impairment provision of other creditor's investment	61			
(7)The effective component of cash flow hedge gains or losses(Effective part of cash flow hedge gains or losses)	62			
(8)Foreign currency financial statement translation difference	63	66,981,904.45	1,941,277.95	VIII.65
(9) Others	64			
Other comprehensive income (net of tax) contributed to minority interests	65	414,981,921.95	188,330,713.18	
VIII. Total comprehensive income	66	4,132,554,424.46	3,623,203,837.87	
Total comprehensive income attributable to the parent company	67	3,306,195,211.67	3,281,715,160.70	
Total comprehensive income attributable to minority interests	68	826,359,212.79	341,488,677.17	
IX. Earnings per share	69			
Basic earnings per share	70			
Diluted earnings per share	71			

Legal representative: Zhang Yanyou Supervisor in charge of accounting: Song Ziqiang Head of accounting department: Hong Chenggang

Consolidated Statement of Cash Flow

Company: Beijing Infrastructure Investment Co., Ltd | Year 2020 | Unit: RMB

ITEM	Line	Current period	Prior period	Notes
I. Cash Flows from Operating Activities:	1			
Cash receipts from the sale of goods and the rendering of services	2	23,200,169,397.96	24,358,758,686.25	
Net increase in customer deposits and deposits from banks and other financial institutions	3			
Net increase in loans from the central bank	4			
Net increase in taking from banks and other financial institutions	5			
Cash receipts from premiums under direct insurance contracts	6			
Net cash receipts from reinsurance business	7			
Net cash receipts from policyholders' deposits and investment contract liabilities	8			
Net cash receipts from disposal of financial assets measured by fair value and its change is accrued into profits and losses	9			
Cash receipts from interest, fees and commissions	10			
Net increase in taking from banks	11			
Net increase in financial assets sold under repurchase arrangements	12			
Net income from securities trading brokerage business	13			
Receipts of tax refunds	14	66,125,069.54	55,017,643.62	
Other cash receipts relating to operating activities	15	7,096,863,182.47	9,564,028,920.00	
Sub-total of cash inflows from operating activities	16	30,363,157,649.97	33,977,805,249.87	
Cash payments for goods purchased and services received	17	17,916,036,972.45	26,412,979,388.92	
Net increase in loans and advances to customers	18			
Net increase in balance with the central bank and due from banks and other financial institutions	19			
Cash payments for claims and policyholders' benefits under direct insurance contracts	20			
Net increase in loans to banks and other financial institutions	21			
Cash payments for interest, fees and commissions	22			
Cash payments for insurance policyholder dividends	23			
Cash payments to and on behalf of employees	24	8,586,886,109.28	8,474,474,165.89	
Payments of various types of taxes	25	2,231,028,020.73	4,376,309,356.81	
Other cash payments relating to operating activities	26	5,708,740,620.74	11,885,616,742.59	
Sub-total of cash outflows from operating activities	27	34,442,691,723.20	51,149,379,654.21	
Net Cash Flow from Operating Activities	28	-4,079,534,073.23	-17,171,574,404.34	VIII.69
II. Cash Flows from Investing Activities:	29			
Cash receipts from disposals and recovery of investments	30	91,088,232,726.69	87,117,424,774.56	
Cash receipts from investment income	31	2,115,086,714.99	2,404,105,701.13	
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	32	2,511,042.53	8,069,417.09	
Net cash receipts from disposals of subsidiaries and other business units	33		126,155.94	
Other cash receipts relating to investing activities	34	2,511,587,973.22	1,351,606,973.45	
Sub-total of cash inflows from investing activities	35	95,717,418,457.43	90,881,333,022.17	
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	36	42,077,116,713.18	38,478,876,229.37	
Cash payments to acquire investments	37	103,229,661,171.99	95,369,766,852.27	
Net increase in pledged loans receivables	38			
Net cash payments for acquisitions of subsidiaries and other business units	39		723,638,009.12	
Other cash payments relating to investing activities	40	6,146,737,253.73	5,429,373,804.20	
Sub-total of cash outflows from investing activities	41	151,453,515,138.90	140,001,654,894.96	
Net Cash Flow from Investing Activities	42	-55,736,096,681.47	-49,120,321,872.79	
III. Cash Flows from Financing Activities:	43			
Cash receipts from capital contributions	44	16,438,544,337.68	30,930,433,715.52	
Including: cash receipts from capital contributions from minority owners of subsidiaries	45	-14,345,662.32	2,014,397,883.74	
Cash receipts from borrowings	46	64,576,368,141.89	77,216,954,035.14	
Cash receipts from issue of bonds	47			
Other cash receipts relating to financing activities	48	38,815,492,495.77	20,500,592,158.69	
Sub-total of cash inflows from financing activities	49	119,830,404,975.34	128,647,979,909.35	
Cash repayments of borrowings	50	37,018,794,344.20	50,398,582,136.88	
Cash payments for distribution of dividends or profits or settlement of interest expenses	51	18,013,731,234.95	16,837,868,605.81	
Including: payments for distribution of dividends or profits to minority owners of subsidiaries	52	25,879,676.23	133,591,540.65	
Other cash payments relating to financing activities	53	275,742,155.58	4,767,946,586.13	
Sub-total of cash outflows from financing activities	54	55,308,267,734.73	72,004,397,328.82	
Net Cash Flow from Financing Activities	55	64,522,137,240.61	56,643,582,580.53	
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents	56	6,041,028.20	52,768,453.35	
V. Net Increase in Cash and Cash Equivalents	57	4,712,547,514.11	-9,595,545,243.25	VIII.69
Add: Opening balance of cash and cash equivalents	58	15,396,823,090.63	24,992,368,333.88	VIII.69
VI. Closing Balance of Cash and Cash Equivalents	59	20,109,370,604.74	15,396,823,090.63	VIII.69

Legal representative: Zhang Yanyou | Supervisor in charge of accounting: Song Ziqiang | Head of accounting department: Hong Chenggang

Consolidated Statement of Changes in Owners' Equity

Company: Beijing Infrastructure Investment Co., Ltd

Unit: RMB

ITEM	Line	Amount of current period(2020)													
		Owner's equity belongs to the parent company												Minorty shareholder's equity	Total owner's equity
		Paid-in capital/ Share capital	Other equity instrument			Capital reserves	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	General risk reserves	Unappropriate profits	Sub-total owner's equity		
			Preference share	Perpetual bond	Others										
Column		1	2	3	4	5	6	7	8	9	10	11	12	13	14
I. Closing balance of the preceding year	1	164,206,584,901.27		16,000,000,000.00		15,563,030,982.77		50,403,334.83		1,629,100,554.84		10,482,932,157.50	207,932,051,931.21	30,700,941,406.21	238,632,993,337.42
Add: Changes in accounting policies	2														
Corrections of prior period errors	3														
Others	4														
II. Opening balance of the current year	5	164,206,584,901.27		16,000,000,000.00		15,563,030,982.77		50,403,334.83		1,629,100,554.84		10,482,932,157.50	207,932,051,931.21	30,700,941,406.21	238,632,993,337.42
III. Changes for the year (Decrease is indicated by "-")	6	8,952,890,000.00		7,500,000,000.00		164,028,492.67		561,484,600.88		230,967,728.64		1,754,209,382.15	19,163,580,204.34	-6,380,490,486.87	12,783,089,717.47
(I) Total comprehensive income	7							561,484,600.88				2,744,710,610.79	3,306,195,211.67	826,359,212.79	4,132,554,424.46
(II) Owner's contributions and reduction of capital	8	8,952,890,000.00		7,500,000,000.00		164,028,492.67							16,616,918,492.67	-7,180,479,383.81	9,436,439,108.86
1. Capital contribution from owners	9	8,952,890,000.00											8,952,890,000.00	-7,187,424,748.80	1,765,465,251.20
2. Other equity instrument owner's invested capital	10			7,500,000,000.00									7,500,000,000.00		7,500,000,000.00
3. Share-based payment recognised in owners' equity	11														
4.Others	12					164,028,492.67							164,028,492.67	6,945,364.99	170,973,857.66
(III). Extraction and use of special reserve	13														
1. Recognised special reserve	14														
2. Use of special reserve	15														
(IV) Profit distribution	16									230,967,728.64		-990,501,228.64	-759,533,500.00	-26,370,315.85	-785,903,815.85
1. Transfer of surplus reserves	17									230,967,728.64		-230,967,728.64			
Inc: Statutory surplus reserve	18									230,967,728.64		-230,967,728.64			
Optional surplus reserve	19														
Reserve fund	20														
Enterprise development fund	21														
Return investment by profit	22														
2. Transfer of general risk reserve	23														
3. Distribution to owners	24											-759,533,500.00	-759,533,500.00	-26,370,315.85	-785,903,815.85
4. Others	25														
(V) Transfers within owners' equity	26														
1. Capitalisation of capital reserves	27														
2. Capitalisation of surplus reserves	28														
3. Loss offset by surplus reserves	29														
4. Transfer of recalculated defined benefit plan net liabilities or net asset changes	30														
5.Other comprehensive income transferred into retained earnnings	31														
6.Others	32														
IV. Closing balance of the current year	33	173,159,474,901.27		23,500,000,000.00		15,727,059,475.44		611,887,935.71		1,860,068,283.48		12,237,141,539.65	227,095,632,135.55	24,320,450,919.34	251,416,083,054.89

Legal representative: Zhang Yanyou

Supervisor in charge of accounting: Song Ziqiang

Head of accounting department: Hong Chenggang

Consolidated Statement of Changes in Owners' Equity（Continued)

Company: Beijing Infrastructure Investment Co., Ltd　　Unit: RMB

ITEM	Line	Amount of prior period(2019)													
		Owner's equity blongs to the parent company												Minorty shareholder's equity	Total owner's equity
		Paid-in capital/ Share capital	Other equity instrument			Capital reserves	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	General risk reserves	Unappropriate profits	Sub-total owner's equity		
			Preference share	Perpetual bond	Others										
Column		15	16	17	18	19	20	21	22	23	24	25	26	27	28
I. Closing balance of the preceding year	1	145,290,549,069.49		11,000,000,000.00		15,329,476,029.71		-342,431,135.18		1,242,235,109.25		9,071,498,146.12	181,591,327,219.39	25,861,142,005.82	207,452,469,225.21
Add: Changes in accounting policies	2											-1,101,720.75	-1,101,720.75	-2,371,300.13	-3,473,020.88
Corrections of prior period errors	3														
Others	4					280,578,078.25						452,352,087.03	732,930,165.28	2,886,351,967.46	3,619,282,132.74
II. Opening balance of the current year	5	145,290,549,069.49		11,000,000,000.00		15,610,054,107.96		-342,431,135.18		1,242,235,109.25		9,522,748,512.40	182,323,155,663.92	28,745,122,673.15	211,068,278,337.07
III. Changes for the year (Decrease is indicated by "-")	6	18,916,035,831.78		5,000,000,000.00		-47,023,125.19		392,834,470.01		386,865,445.59		960,183,645.10	25,608,896,267.29	1,955,818,733.06	27,564,715,000.35
(I) Total comprehensive income	7							392,834,470.01				2,888,880,690.69	3,281,715,160.70	341,488,677.17	3,623,203,837.87
(II) Owner's contributions and reduction of capital	8	18,916,035,831.78		5,000,000,000.00		-47,023,125.19							23,869,012,706.59	1,747,921,596.54	25,616,934,303.13
1. Capital contribution from owners	9	18,916,035,831.78											18,916,035,831.78	1,711,111,162.56	20,627,146,994.34
2. Other equity instrument owner's invested capital	10			5,000,000,000.00									5,000,000,000.00		5,000,000,000.00
3. Share-based payment recognised in owners' equity	11														
4.Others	12					-47,023,125.19							-47,023,125.19	36,810,433.98	-10,212,691.21
(III). Extraction and use of special reserve	13														
1. Recognised special reserve	14														
2. Use of special reserve	15														
(IV) Profit distribution	16									386,865,445.59		-1,928,697,045.59	-1,541,831,600.00	-133,591,540.65	-1,675,423,140.65
1. Transfer of surplus reserves	17									386,865,445.59		-386,865,445.59			
Inc: Statutory surplus reserve	18									386,865,445.59		-386,865,445.59			
Optional surplus reserve	19														
Reserve fund	20														
Enterprise development fund	21														
Return investment by profit	22														
2. Transfer of general risk reserve	23														
3. Distribution to owners	24											-1,541,831,600.00	-1,541,831,600.00	-133,591,540.65	-1,675,423,140.65
4. Others	25														
(V) Transfers within owners' equity	26														
1. Capitalisation of capital reserves	27														
2. Capitalisation of surplus reserves	28														
3. Loss offset by surplus reserves	29														
4. Transfer of recalculated defined benefit plan net liabilities or net asset changes	30														
5.Other comprehensive income transferred into retained earnnings	31														
6.Others	32														
IV. Closing balance of the current year	33	164,206,584,901.27		16,000,000,000.00		15,563,030,982.77		50,403,334.83		1,629,100,554.84		10,482,932,157.50	207,932,051,931.21	30,700,941,406.21	238,632,993,337.42

Legal representative: Zhang Yanyou　　Supervisor in charge of accounting: Song Ziqiang　　Head of accounting department: Hong Chenggang

Consolidated Statement of Provision for Impairment of Assets

Company: Beijing Infrastructure Investment Co., Ltd | 31 December 2020 | Unit: RMB

Item	Line	Opening Balance	Increase for current period				Decrease for current period					Closing Balance	Item	Line	Amount
			Provision amount	Total increase	Increase in other reasons	Total amount	Due to asset value rebound back to the amount	Depreciation reserves written off during the period	Total decrease	Decrease in other reasons	Total amount				
Column		1	2	3	4	5	6	7	8	9	10	11	**Additional materials:**		12
I.Bad debt provision	1	312,035,432.28	287,691,201.21		16,932,723.13	304,623,924.34		76,787.40			76,787.40	616,582,569.22	1.Policy-related on account	17	
II.Inventory impairment	2	610,742,777.09	6,304,055.54			6,304,055.54	8,062,101.09	5,050,080.69			13,112,181.78	603,934,650.85	2. Deal with losses of prior year in current year	18	
III. Impairment of contract assets	3	30,254,177.01	11,206,185.60			11,206,185.60						41,460,362.61	Inc:Deal with losses in current profits and losses from pric	19	
IV. impairment of assets held for sale	4													20	
V.Impairment of creditor's investment	5	313,952.54					37,112.64				37,112.64	276,839.90		21	
VI.Impairment of available-for-sale financial assets	6	376,418,546.42	358,182,917.21			358,182,917.21				48,120,500.66	48,120,500.66	686,480,962.97		22	
VII.Impairment of held-to-maturity investments	7	550,000.00					550,000.00				550,000.00			23	
VIII.Impairment of long - term equity investment	8													24	
IX.Impairment of investment real estate	9													25	
X.Impairment of fixed assets	10	102,183,654.88	17,915,109.41			17,915,109.41		793,385.44			793,385.44	119,305,378.85		26	
XI.Impairment of construction in progress	11	39,120,500.00										39,120,500.00		27	
XII.Impairment of productive biological assets	12													28	
XIII.Impairment of oil and gas properties	13													29	
XIV.Impairment of right-of-use asset	14													30	
XV.Impairment of intangible assets	15													31	
XVI. Impairment of goodwill	16	173,770,745.72										173,770,745.72		32	
XVII Impairment of contract acquisition cost	17													33	
XVIII.Impairment of contract implementation cost	18													34	
XIX.Others	19	148,081,072.49	44,069,744.45			44,069,744.45						192,150,816.94		35	
Total	20	1,793,470,858.43	725,369,213.42		16,932,723.13	742,301,936.55	8,649,213.73	5,920,253.53		48,120,500.66	62,689,967.92	2,473,082,827.06		36	

Legal representative: Zhang Yanyou | Supervisor in charge of accounting:Song Ziqiang | Head of accounting department: Hong Chenggang

Consolidated Balance Sheet

Company: Beijing Infrastructure Investment Co., Ltd. 31 December 2020 Unit: RMB

ITEM	Line	Closing Balance	Opening Balance	Notes
Current Assets:	1			
Cash and bank balances	2	978,741,376.85	942,092,237.49	
Balances with clearing agencies	3			
Removal of funds	4			
Tradable Financial assets	5			
Financial assets measured at fair value through profit or loss	6	6,150,843,000.00		
Derivative Financial assets	7			
Notes receivables	8			
Accounts receivable	9	28,739,077.59	43,561,010.65	XIII.1
Accounts receivable Financing	10			
Prepayments	11	431,249,550.61	310,900,753.72	
Premium receivables	12			
Accounts receivable reinsurance	13			
The receivable reinsurance reserve	14			
Other receivables	15	67,259,763,528.93	69,871,929,539.53	XIII.2
Financial assets purchased under resale agreements	16			
Inventories	17	7,817,289,845.41	6,386,181,620.59	
Inc: Raw materials	18	129,576.33	150,004.26	
Finished products	19	82,225.00	78,754.03	
Contract assets	20			
Available for sale assets	21			
Non-current assets due within one year	22			
Other current assets	23	45,333,859,207.83	58,061,350,653.14	
Total current assets	24	128,000,485,587.22	135,616,015,815.12	
Non-current assets:	25			
Loans and advances to customers	26			
Debt investment	27			
Available-for-sale financial assets	28	45,437,127,286.99	38,582,719,768.42	
Other Debt investment	29			
Held-to-maturity investments	30			
Long-term receivables	31			
Long-term equity investments	32	191,575,971,087.35	169,071,911,577.32	XIII.3
Other equity instrument investment	33			
Other non-current assets	34			
Investment properties	35	3,390,956,700.00		
Fixed assets	36	19,742,939,880.97	19,704,146,105.62	
Construction in progress	37	10,585,340,780.06	9,793,409,889.82	
Bearer biological assets	38			
Oil and gas assets	39			
Right-of-use Assets	40			
Intangible assets	41	4,451,223.42	4,955,859.72	
Development expenditure	42	26,128,523.68		
Goodwill	43			
Long-term prepaid expenses	44			
Deferred tax assets	45	14,634,876.95	18,323,948.60	
Other non-current assets	46	11,115,838,478.98	9,913,037,551.14	
Inc: Physical assets reserve specifically authorized	47			
Total Non-current Assets	48	281,893,388,838.40	247,088,504,700.64	
	49			
	50			
	51			
	52			
	53			
	54			
	55			
	56			
	57			
	58			
	59			
	60			
	61			
	62			
	63			
	64			
	65			
	66			
	67			
	68			
	69			
	70			
	71			
	72			
Total Assets	73	409,893,874,425.62	382,704,520,515.76	

Legal representative: Zhang Yanyou Supervisor in charge of accounting: Song Ziqiang Head of accounting department: Hong Chenggang

Consolidated Balance Sheet (Continued)

Company: Beijing Infrastructure Investment Co., Ltd | 31 December 2020 | Unit: RMB

ITEM	Line	Closing Balance	Opening Balance	Notes
Current liabilities:	74			
Short-term borrowings	75	1,118,000,000.00	1,200,000,000.00	
Loans from the central bank	76			
Placements from banks and other financial institutions	77			
Tradable financial liabilities	78			
Financial liabilities measured at fair value through profit or loss	79			
Derivative Financial liabilitiels	80			
Notes payable	81			
Accounts payable	82	502,182,080.25	502,605,678.55	
Receipts in advance	83	38,112,169.09	32,454,842.10	
Contract liabilities	84			
Financial assets sold under repurchase agreements	85			
Deposits and Statutory deposits	86			
Customer brokerage deposits	87			
Securities underwriting brokerage deposits	88			
Employee benefits payable	89	60,825,601.21	80,825,541.66	
Inc: Wages payable	90	47,199,102.51	59,751,544.42	
Benefits payable	91			
Bonus and Welfare Funds	92			
Taxes payable	93	93,997,070.59	77,423,809.20	
Inc:Taxes payable	94	92,192,635.95	75,826,688.27	
Other payable	95	40,779,375,324.11	48,458,100,851.11	
Handling charges and commissions pabable	96			
Cession insurance premiums payable	97			
Available-for-sale financial liabilities	98			
Non-current liabilities due within one year	99	10,767,522,477.33	12,517,873,368.82	
Other current liabilities	100		6,000,000,000.00	
Total Current Liabilities	101	53,360,014,722.58	68,869,284,091.44	
Non-current Liabilities:	102			
Provision for insurance contracts	103			
Long-term borrowings	104	8,543,919,457.12	3,329,423,425.09	
Bonds payable	105	41,736,769,000.00	32,136,769,000.00	
Inc:preferred stock	106			
Perpetual capital securities	107			
Lease liabilities	108			
Long-term payables	109	54,088,503,357.31	49,483,014,288.16	
Long-term employee benefits payable	110			
Provisions	111			
Deferred Income	112	25,073,366,495.11	21,198,572,727.49	
Deferred tax liabilities	113	154,528,155.63		
Other non-current liabilities	114	50,000,000.00	50,000,000.00	
Inc: Special reserve fund	115			
Total Non-current Liabilities	116	129,647,086,465.17	106,197,779,440.74	
Total Liabilities	117	183,007,101,187.75	175,067,063,532.18	
Owners' equity:	118			
Paid-in capital (share capital)	119	173,159,474,901.27	164,206,584,901.27	
Government capital	120	173,159,474,901.27	164,206,584,901.27	
State-owned capital	121			
Collective Capital	122			
Private capital	123			
Foreign capital	124			
Deduct: capital redemption	125			
Net paid-in capital	126	173,159,474,901.27	164,206,584,901.27	
Other equityt instrument	127	23,500,000,000.00	16,000,000,000.00	
Inc: preference share	128			
perpetual bond	129	23,500,000,000.00	16,000,000,000.00	
Capital reserve	130	17,319,169,052.39	16,227,349,599.45	
Deduct: Treasury shares	131			
Other comprehensive income	132	-37,326,487.96	-48,393,702.95	
Translation difference arising on translation of financial statements denominated in foreign currencies	133			
Special reserve	134			
Surplus reserve	135	1,832,085,941.67	1,601,118,213.03	
Inc: Statutory surplus reserve	136	1,832,085,941.67	1,601,118,213.03	
Optional surplus reserve	137			
Reserve fund	138			
Enterprise development fund	139			
Return investment by profit	140			
General risk reserve	141			
Unappropriated profits	142	11,113,369,830.50	9,650,797,972.78	
Total Owners' Equity Attributable To the Company	143	226,886,773,237.87	207,637,456,983.58	
Minority interests	144			
Total Owners' Equity	145	226,886,773,237.87	207,637,456,983.58	
Total Liabilities and Owners' Equity	146	409,893,874,425.62	382,704,520,515.76	

Legal representative: Zhang Yanyou | Supervisor in charge of accounting: Song Ziqiang | Head of accounting department: Hong Chenggang

Consolidated Income Statement

Company: Beijing Infrastructure Investment Co., Ltd. Year 2020 Unit: RMB

ITEM	Line	Current period	Prior period	Notes
I. Total operating income	1	549,393,394.47	593,513,238.91	
Inc: Operating income	2	549,393,394.47	593,513,238.91	XIII.4
Interest income	3			
Premiums earned	4			
Fee and commission income	5			
II. Total operating costs	6	13,589,809,437.46	8,562,911,138.28	
Inc: Operating costs	7	9,851,988,263.02	5,864,393,404.73	XIII.4
Interest expenses	8			
Fee and commission expenses	9			
Refund of insurance claims	10			
Net payments for insurance claims	11			
Net provision for insurance contracts	12			
Commissions on insurance policies	13			
Cession charges	14			
Business taxes and levies	15	56,121,676.11	50,802,740.72	
Selling expenses	16	5,263,375.59	8,551,644.19	
Administrative expenses	17	208,075,005.29	174,231,568.28	
Research and development expenses	18	474,257.43		
Financial expenses	19	3,467,886,860.02	2,464,931,780.36	
Inc: Interest expense	20	4,060,372,135.20	3,275,790,668.79	
Interest income	21	596,569,505.36	816,773,395.74	
Exchange net losses (gains are indicated by "-")	22			
Others	23			
Add:Other Income	24	9,726,187,099.18	5,741,664,353.37	
Investment income (Losses are indicated by "-")	25	5,121,532,855.11	6,306,204,594.73	XIII.5
Inc: Income from investments in associates and joint ventures	26	1,694,482,277.39	2,020,090,464.68	XIII.5
Income from derecognition of financial assets measured at amortized cost	27			
Foreign exchange gains (Losses are indicated by "-")	28			
Net exposure hedging income(Losses are indicated by "-")	29			
Gains from changes in fair values (Losses are indicated by "-")	30	618,112,622.52		
Credit impairment loss (Losses are indicated by "-")	31			
Asset impairment loss (Losses are indicated by "-")	32		-194,008,850.96	
Assets disposal income (Losses are indicated by "-")	33			
III. Operating profit (Loss is indicated by "-")	34	2,425,416,533.82	3,884,462,197.77	
Add: Non-operating income	35	46,471,227.99	23,371,362.18	
Inc: Government subsidies	36		20,705,737.25	
Less: Non-operating expenses	37	7,681,307.54	39,150,041.48	
IV. Total profit (Total Loss is indicated by "-")	38	2,464,206,454.27	3,868,683,518.47	
Less: Income tax expenses	39	154,529,167.91	29,062.53	
V. Net profit (Net loss is indicated by "-")	40	2,309,677,286.36	3,868,654,455.94	
1.Classified by attribution of the ownership	41			
Net profit attributable to the parent company	42	2,309,677,286.36	3,868,654,455.94	
Profit or loss attributable to minority interests	43			
2. Classified by operation continuity	44			
Profit or loss of continous operation	45	2,309,677,286.36	3,868,654,455.94	
Profit or loss of discontinued operation	46			
VI. Earnings per share	47	11,067,214.99	-16,847,879.07	
Other comprehensive income (net of tax) contributed to the parent company	48	11,067,214.99	-16,847,879.07	
1. Other comprehensive income not reclassfied into gains or losses	49			
(1)Remeasured defined benefit plan net liablities or net assets changes	50			
(2) Under the equity method, the share of other comprehensive income not reclassified into gains or losses	51			
(3)Changes of fair value of other equity instruments	52			
(4)Changes of fair value of the enterprise's credit risk	53			
(5) Others	54			
2. Other comprehensive income classified into gains or losses	55	11,067,214.99	-16,847,879.07	
(1)Under the equity method, the share of other comprehensive income reclassified into gains or losses	56	-1,094,106.29	-205,667.38	
(2)Changes of fair value of other creditor's investment	57			
(3) Available for sale financial asset fair value at gains or losses	58	12,161,321.28	-16,642,211.69	
(4)Financial assets reclassified and accrued into other comprehensive income	59			
(5) Held to maturity investment reclassified into available for sale asset gains or losses	60			
(6) credit impairment provision of other creditor's investment	61			
(7)The effective component of cash flow hedge gains or losses(Effective part of cash flow hedge gains or losses)	62			
(8)Foreign currency financial statement translation difference	63			
(9) Others	64			
Other comprehensive income (net of tax) contributed to minority interests	65			
VIII. Total comprehensive income	66	2,320,744,501.35	3,851,806,576.87	
Total comprehensive income attributable to the parent company	67	2,320,744,501.35	3,851,806,576.87	
Total comprehensive income attributable to minority interests	68			
IX. Earnings per share	69			
Basic earnings per share	70			
Diluted earnings per share	71			

Legal representative: Zhang Yanyou Supervisor in charge of accounting: Song Ziqiang Head of accounting department: Hong Chenggang

Consolidated Statement of Cash Flow

Company: Beijing Infrastructure Investment Co., Ltd | Year 2020 | Unit: RMB

ITEM	Line	Current period	Prior period	Notes
I. Cash Flows from Operating Activities:	1			
Cash receipts from the sale of goods and the rendering of services	2	364,906,078.74	1,638,592,157.63	
Net increase in customer deposits and deposits from banks and other financial institutions	3			
Net increase in loans from the central bank	4			
Net increase in taking from banks and other financial institutions	5			
Cash receipts from premiums under direct insurance contracts	6			
Net cash receipts from reinsurance business	7			
Net cash receipts from policyholders' deposits and investment contract liabilities	8			
Net cash receipts from disposal of financial assets measured by fair value and its change is accrued into profits and losses	9			
Cash receipts from interest, fees and commissions	10			
Net increase in taking from banks	11			
Net increase in financial assets sold under repurchase arrangements	12			
Net income from securities trading brokerage business	13			
Receipts of tax refunds	14	487,896.30	1,988,278.04	
Other cash receipts relating to operating activities	15	347,119,775.71	2,120,476,946.15	
Sub-total of cash inflows from operating activities	16	712,513,750.75	3,761,057,381.82	
Cash payments for goods purchased and services received	17	12,042,600,176.82	9,406,158,218.76	
Net increase in loans and advances to customers	18			
Net increase in balance with the central bank and due from banks and other financial institutions	19			
Cash payments for claims and policyholders' benefits under direct insurance contracts	20			
Net increase in loans to banks and other financial institutions	21			
Cash payments for interest, fees and commissions	22			
Cash payments for insurance policyholder dividends	23			
Cash payments to and on behalf of employees	24	272,264,384.48	191,487,276.05	
Payments of various types of taxes	25	252,792,006.49	1,752,664,796.55	
Other cash payments relating to operating activities	26	77,689,376.51	1,776,310,785.35	
Sub-total of cash outflows from operating activities	27	12,645,345,944.30	13,126,621,076.71	
Net Cash Flow from Operating Activities	28	-11,932,832,193.55	-9,365,563,694.89	XIII.6
II. Cash Flows from Investing Activities:	29			
Cash receipts from disposals and recovery of investments	30	95,500,908,938.42	85,111,973,008.36	
Cash receipts from investment income	31	5,284,576,865.73	3,926,659,351.90	
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	32			
Net cash receipts from disposals of subsidiaries and other business units	33			
Other cash receipts relating to investing activities	34	35,743,703,455.06	56,168,256,297.85	
Sub-total of cash inflows from investing activities	35	136,529,189,259.21	145,206,888,658.11	
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	36	4,360,635,018.44	1,217,806,494.97	
Cash payments to acquire investments	37	114,581,241,218.22	125,912,870,344.39	
Net increase in pledged loans receivables	38			
Net cash payments for acquisitions of subsidiaries and other business units	39			
Other cash payments relating to investing activities	40	47,550,730,290.44	56,334,754,635.86	
Sub-total of cash outflows from investing activities	41	166,492,606,527.10	183,465,431,475.22	
Net Cash Flow from Investing Activities	42	-29,963,417,267.89	-38,258,542,817.11	
III. Cash Flows from Financing Activities:	43			
Cash receipts from capital contributions	44	16,452,890,000.00	28,916,035,831.78	
Including: cash receipts from capital contributions from minority owners of subsidiaries	45			
Cash receipts from borrowings	46	28,300,000,000.00	43,058,000,000.00	
Cash receipts from issue of bonds	47			
Other cash receipts relating to financing activities	48	23,801,655,658.92	10,928,883,985.80	
Sub-total of cash inflows from financing activities	49	68,554,545,658.92	82,902,919,817.58	
Cash repayments of borrowings	50	19,281,463,548.49	33,260,734,843.27	
Cash payments for distribution of dividends or profits or settlement of interest expenses	51	7,011,839,748.27	6,352,335,494.97	
Including: payments for distribution of dividends or profits to minority owners of subsidiaries	52			
Other cash payments relating to financing activities	53	328,343,761.36	1,859,233,629.67	
Sub-total of cash outflows from financing activities	54	26,621,647,058.12	41,472,303,967.91	
Net Cash Flow from Financing Activities	55	41,932,898,600.80	41,430,615,849.67	
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents	56			
V. Net Increase in Cash and Cash Equivalents	57	36,649,139.36	-6,193,490,662.33	XIII.6
Add: Opening balance of cash and cash equivalents	58	942,092,237.49	7,135,582,899.82	XIII.6
VI. Closing Balance of Cash and Cash Equivalents	59	978,741,376.85	942,092,237.49	XIII.6

Legal representative: Zhang Yanyou | Supervisor in charge of accounting: Song Ziqiang | Head of accounting department: Hong Chenggang

Consolidated Statement of Changes in Owners' Equity

Company: Beijing Infrastructure Investment Co., Ltd.

Unit: RMB

ITEM	Line	Amount of current period(2020)													
		Owner's equity belongs to the parent company												Minorty shareholder's equity	Total owner's equity
		Paid-in capital/ Share capital	Other equity instrument			Capital reserves	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	General risk reserves	Unappropriate profits	Sub-total owner's equity		
			Preference share	Perpetual bond	Others										
Column		1	2	3	4	5	6	7	8	9	10	11	12	13	14
I. Closing balance of the preceding year	1	164,206,584,901.27		16,000,000,000.00		16,227,349,599.45		-48,393,702.95		1,601,118,213.03		9,650,797,972.78	207,637,456,983.58		207,637,456,983.58
Add: Changes in accounting policies	2														
Corrections of prior period errors	3														
Others	4														
II. Opening balance of the current year	5	164,206,584,901.27		16,000,000,000.00		16,227,349,599.45		-48,393,702.95		1,601,118,213.03		9,650,797,972.78	207,637,456,983.58		207,637,456,983.58
III. Changes for the year (Decrease is indicated by "-")	6	8,952,890,000.00		7,500,000,000.00		1,091,819,452.94		11,067,214.99		230,967,728.64		1,462,571,857.72	19,249,316,254.29		19,249,316,254.29
(I) Total comprehensive income	7							11,067,214.99				2,309,677,286.36	2,320,744,501.35		2,320,744,501.35
(II) Owner's contributions and reduction of capital	8	8,952,890,000.00		7,500,000,000.00		1,091,819,452.94							17,544,709,452.94		17,544,709,452.94
1. Capital contribution from owners	9	8,952,890,000.00											8,952,890,000.00		8,952,890,000.00
2. Other equity instrument owner's invested capital	10			7,500,000,000.00									7,500,000,000.00		7,500,000,000.00
3. Share-based payment recognised in owners' equity	11														
4.Others	12					1,091,819,452.94							1,091,819,452.94		1,091,819,452.94
(III). Extraction and use of special reserve	13														
1. Recognised special reserve	14														
2. Use of special reserve	15														
(IV) Profit distribution	16									230,967,728.64		-847,105,428.64	-616,137,700.00		-616,137,700.00
1. Transfer of surplus reserves	17									230,967,728.64		-230,967,728.64			
Inc: Statutory surplus reserve	18									230,967,728.64		-230,967,728.64			
Optional surplus reserve	19														
Reserve fund	20														
Enterprise development fund	21														
Return investment by profit	22														
2. Transfer of general risk reserve	23														
3. Distribution to owners	24											-616,137,700.00	-616,137,700.00		-616,137,700.00
4. Others	25														
(V) Transfers within owners' equity	26														
1. Capitalisation of capital reserves	27														
2. Capitalisation of surplus reserves	28														
3. Loss offset by surplus reserves	29														
4. Transfer of recalculated defined benefit plan net liabilities or net asset changes	30														
5.Other comprehensive income transferred into retained earnings	31														
6.Others	32														
IV. Closing balance of the current year	33	173,159,474,901.27		23,500,000,000.00		17,319,169,052.39		-37,326,487.96		1,832,085,941.67		11,113,369,830.50	226,886,773,237.87		226,886,773,237.87

Legal representative: Zhang Yanyou

Supervisor in charge of accounting: Song Ziqiang

Head of accounting department: Hong Chenggang

Consolidated Statement of Changes in Owners' Equity（Continued)

Company: Beijing Infrastructure Investment Co., Ltd. Unit: RMB

ITEM	Line	Amount of prior period(2019)													
		Owner's equity blongs to the parent company												Minorty shareholder's equity	Total owner's equity
		Paid-in capital/ Share capital	Other equity instrument			Capital reserves	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	General risk reserves	Unappropriate profits	Sub-total owner's equity		
			Preference share	Perpetual bond	Others										
Column		15	16	17	18	19	20	21	22	23	24	25	26	27	28
I. Closing balance of the preceding year	1	145,290,549,069.49		11,000,000,000.00		16,201,641,575.24		-31,545,823.88		1,214,252,767.44		7,304,015,462.43	180,978,913,050.72		180,978,913,050.72
Add: Changes in accounting policies	2														
Corrections of prior period errors	3														
Others	4														
II. Opening balance of the current year	5	145,290,549,069.49		11,000,000,000.00		16,201,641,575.24		-31,545,823.88		1,214,252,767.44		7,304,015,462.43	180,978,913,050.72		180,978,913,050.72
III. Changes for the year (Decrease is indicated by "-")	6	18,916,035,831.78		5,000,000,000.00		25,708,024.21		-16,847,879.07		386,865,445.59		2,346,782,510.35	26,658,543,932.86		26,658,543,932.86
(I) Total comprehensive income	7							-16,847,879.07				3,868,654,455.94	3,851,806,576.87		3,851,806,576.87
(II) Owner's contributions and reduction of capital	8	18,916,035,831.78		9,000,000,000.00		25,708,024.21							27,941,743,855.99		27,941,743,855.99
1. Capital contribution from owners	9	18,916,035,831.78											18,916,035,831.78		18,916,035,831.78
2. Other equity instrument owner's invested capital	10			9,000,000,000.00									9,000,000,000.00		9,000,000,000.00
3. Share-based payment recognised in owners' equity	11														
4.Others	12					25,708,024.21							25,708,024.21		25,708,024.21
(III). Extraction and use of special reserve	13														
1. Recognised special reserve	14														
2. Use of special reserve	15														
(IV) Profit distribution	16			-4,000,000,000.00						386,865,445.59		-1,521,871,945.59	-5,135,006,500.00		-5,135,006,500.00
1. Transfer of surplus reserves	17									386,865,445.59		-386,865,445.59			
Inc: Statutory surplus reserve	18									386,865,445.59		-386,865,445.59			
Optional surplus reserve	19														
Reserve fund	20														
Enterprise development fund	21														
Return investment by profit	22														
2. Transfer of general risk reserve	23														
3. Distribution to owners	24											-1,135,006,500.00	-1,135,006,500.00		-1,135,006,500.00
4. Others	25			-4,000,000,000.00									-4,000,000,000.00		-4,000,000,000.00
(V) Transfers within owners' equity	26														
1. Capitalisation of capital reserves	27														
2. Capitalisation of surplus reserves	28														
3. Loss offset by surplus reserves	29														
4. Transfer of recalculated defined benefit plan net liabilities or net asset changes	30														
5.Other comprehensive income transferred into retained earnings	31														
6.Others	32														
IV. Closing balance of the current year	33	164,206,584,901.27		16,000,000,000.00		16,227,349,599.45		-48,393,702.95		1,601,118,213.03		9,650,797,972.78	207,637,456,983.58		207,637,456,983.58

Legal representative: Zhang Xianyou Supervisor in charge of accounting: Song Ziqiang Head of accounting department: Hong Chenggang

Consolidated Statement of Provision for Impairment of Assets

Company: Beijing Infrastructure Investment Co., Ltd | 31 December 2020 | Unit: RMB

Item	Line	Opening Balance	Increase for current period				Decrease for current period					Closing Balance	Item	Line	Amount
			Provision amount	Total increase	Increase in other reasons	Total amount	Due to asset value rebound back to the amount	Depreciation reserves written off during the period	Total decrease	Decrease in other reasons	Total amount				
Column		1	2	3	4	5	6	7	8	9	10	11	**Additional materials:**	-	12
I.Bad debt provision	1	2,192,799.41										2,192,799.41	1.Policy-related on account	17	
II.Inventory impairment	2	203,674,621.97										203,674,621.97	2. Deal with losses of prior year in current year	18	
III. Impairment of contract assets	3												Inc:Deal with losses in current profits and losses from prior years	19	
IV. impairment of assets held for sale	4													20	
V.Impairment of creditor's investment	5													21	
VI.Impairment of available-for-sale financial assets	6	5,000,000.00										5,000,000.00		22	
VII.Impairment of held-to-maturity investments	7													23	
VIII.Impairment of long - term equity investment	8													24	
IX.Impairment of investment real estate	9													25	
X.Impairment of fixed assets	10	99,932,094.58										99,932,094.58		26	
XI.Impairment of construction in progress	11													27	
XII.Impairment of productive biological assets	12													28	
XIII.Impairment of oil and gas properties	13													29	
XIV.Impairment of right-of-use asset	14													30	
XV.Impairment of intangible assets	15													31	
XVI. Impairment of goodwill	16													32	
XVII Impairment of contract acquisition cost	17													33	
XVIII.Impairment of contract implementation cost	18													34	
XIX.Others	19													35	
Total	20	310,799,515.96										310,799,515.96		36	

Legal representative: Zhang Yanyou | Supervisor in charge of accounting:Song Ziqiang | Head of accounting department: Hong Chenggang

BEIJING INFRASTRUCTURE INVESTMENT Co., Ltd.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts are denominated in RMB unless otherwise stated)

I.BASIC INFORMATION ABOUT THE COMPANY

1.Corporate history, registration place, organizational structure and headquarters address

Beijing Infrastructure Investment Co., Ltd. (hereinafter referred to as the "Company") is a state-owned company controlled by Beijing State-Owned Assets Supervision and Administration Commission (Beijing SASAC). The Company, in the name of Beijing Subway Group Limited ("Beijing Subway Group"), was established in 7 December 2001 on approval of Jing zheng han [2001] No. 110 by Beijing Municipal Government on the basis of Beijing Subway Corporation. On 10 March, 2004, the Company was renamed as Beijing Infrastructure Investment Co., Ltd. on approval of Jing guo zi han [2004] No.14. On 15 December 2005, and the business license No. 100001003122 was issued by Beijing Industrial and Commercial Bureau. The Company's original registered address is: A zone, level 8, Jade palace hotel, Zhichun road No. 76, Haidian district, Beijing; original registered capital is: 46,113,052,600 Yuan.

On 19 January 2010, the Company increased its registered capital to 48,513,052,600 Yuan. The capital increase was verified by Beijing Zhong Ping Jian Hua Hao accounting firm in Zhong Ping Jian Hua Hao verify report (2010) No. 11015. The Company renewed its business license number as 110000000031223 and its registered address as: Room 908, level 9, Beijing infrastructure investment building 2, Xiaoying north road No.6, Chaoyang district, Beijing.

On 31 December 2020, the paid-in capital of the Company is 17,315,947.49 yuan, and the registered capital is 16,420,658.49 yuan.

The legal representative of the Company is Zhang Yanyou.

Organization structure: General management under the leadership of Board of Directors. The Company has 7 branches: Yi Huan line branch, Fu Ba line construction branch, new line front expense construction branch, Beijing subway resort branch, Fangshan investment management branch, Pinggu investment management branch and Mentougou investment management branch.

The Company has 59 second-level subsidiaries, including: 35 wholly owned subsidiaries and 24 controlling subsidiaries.

2. The business nature and main business activities

Business scope: 1. Subway trains and equipment manufacture; 2. Project investment and assets management, subway new line planning and construction; completed subway lines operation and management; import-export of commodities and technique, but excluding the commodities and techniques of import-export which are prohibited by the country; design, manufacture and repairing of subway vehicles; engineering project supervision; design, manufacture and repairing of subway equipment; property management; real estate; subway advertisement design and production etc.

3. Information of parent company and group headquarters

The Company is ultimately controlled by Beijing State-Owned Assets Supervision and Administration Commission.

4. Approver of the financial statement and the date of approval

The financial statement for 2020 has been approved by the company's board of directors on March 26, 2021.

5. The Company's business operation period is from 25 December 2001 to 24 December 2051.

II. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statement is based upon the hypothesis of continuous operation, according to the practical transaction and matters, in accordance with Accounting Standards for Business Enterprises and supplementary regulations and the significant accounting policies and accounting estimates as follows.

III. STATEMENT OF COMPLIANCE WITH THE ASBE

The Company has adopted the Accounting Standards for Business Enterprises (hereinafter referred to as the "ASBE") issued by the Ministry of Finance (hereinafter referred to as the "MOF"). The financial statements present truly and completely the Company's and consolidated financial position as at 31 December 2020, and the Company's and consolidated result of operations and cash flows for the year then ended.

IV. THE COMPANY'S SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

1. Accounting period

The Company adopts the calendar year as its accounting year, i.e. from 1 January to 31 December.

2. Standard accounting currency

The Company adopts Renminbi yuan as functional currency used in bookkeeping.

The functional currency used by subsidiary company Beijing Infrastructure Investment (Hong Kong) Co.,

Ltd. (hereinafter referred to as "BII Hong Kong") is HKD, since it was established in Hong Kong.

3. Accounting base and principle of measurement

The company's accounting is based on accrual basis. The company normally adopts historical cost as its principle of measurement, excluding some financial instruments.

4. Business combination

4.1 The accounting treatment of business combinations involving enterprises under common control

Assets and liabilities obtaining from the merger of enterprise is measured according to the share of book value of consolidated financial statements of final controlling party under the owner's equity of combined party within combining date. The difference between the book value of the net assets obtained from company and the book value of the consideration the combination of payment (or the aggregate face value of shares issued as consideration) is adjusted to the share premium in capital reserves. If the capital reserve is insufficient to offset, the retained earnings shall be adjusted.

4.2 The accounting treatment of business combinations involving enterprises under uncommon control

Where the cost of combination exceeds the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is treated as an asset and recognized as goodwill, which is measured at cost on initial recognition. If the combination cost is less than the share of identifiable fair value of net assets of acquiree, firstly, conducting the review of measurement is necessary to achieve the acquiree the identifiable assets, liabilities and the fair value of contingent liabilities as well as the combination costs. The acquiree combination costs after reviews are still less than the fair value of identifiable net asset, the difference will be included into the current profits and losses.

4.3 The consolidation scope of company's consolidated financial statements will be confirmed on the basis of control.

Company will directly or indirectly through subsidiaries have half of the voting rights or owning half voting right of the invested entity, but at the same time, the subsidiaries that can meet the following conditions enable to be included in consolidation scope of consolidated financial statements.

(1) Through the agreement with other investors of the invested entity, the Company will have more than half of the voting rights by the invested entity;

(2) According to the articles of association or agreement, the Company shall have the right to decide the invested entity's financial and operating policies;

(3) Company shall have the right to appoint the board of directors of invested entities or the majority of the members of similar institutions;

(4) Company could own voting majority in the board of directors invested entities or similar institutions.

4.4 The Company will do the adjustment to opening balance of consolidated financial statements and

comparative statements through the subsidiary under the same control enterprise merger, when preparing consolidated financial statements of the current period, are regarded as be consolidated subsidiaries in the Company when the Company begin to implement the control into the scope of the company merger eventually. When preparing consolidated financial statements, since the final controlling party of this Company eventually on the controlling party starts to implement control to consolidated subsidiaries, this company could combine whole assets, liabilities and book value of combined subsidiaries and merge into consolidated balance sheet of Company. The business performance of combined subsidiaries will be inserted into financial statements of this Company.

4.5 The Company will do the adjustment to financial statements of subsidiaries based on identifiable assets, fair value of liabilities through the subsidiary under the same control enterprise merger, when preparing consolidated financial statements of the current period. The Company assets, liabilities and business performance of acquired company will be inserted into financial statements of this Company.

4.6 The Company will buy the equity from minority shareholders of subsidiaries, the long-term equity investment obtained by buying a minority equity and own the difference of share of net assets by continuously calculate from date of acquisition (or combining date) according to newly increased shareholding ratio, adjust capital reserve of combined balance sheet, and will adjust retained earnings to the insufficient capital reserve to write-downs.

4.7 The rights and interests and profits and losses owning by minority shareholders of subsidiaries are shown separately in stockholders' equity of consolidated balance sheet and net income of income statement. If the deficit belongs to minority shareholders is more than the attributable share of owner's equity of these subsidiaries.

4.8 Consolidated balance sheet is based on the balance sheet of parent company and subsidiaries, and is compiled by parent company according to further related information. When the accounting period and accounting policies employed by subsidiaries is different from this company, it has been adjusted to the balance sheet of subsidiaries according to accounting period and accounting policies of this company. Combination offset insider transaction and balance including unrealized gains or losses on internal transaction. The unrealized losses of company's inner trading, there are evidences that can indicate this is the loss of related asset decrease, will be affirmed as full loss.

5. Preparative Method of consolidated financial statements

All the controlled subsidiaries are consolidated in the financial statements. Consolidated financial statements are based on the Company's and its subsidiaries' financial statements in according to "ASBE No.33 Consolidated financial statement".

6. Determine standard of cash and cash equivalents

The term "cash" of cash flow statement refers to cash on hand and deposits that are available for payment at any time. The term of "cash equivalents" refers to short-term (usually due within 3 months from the acquisition date) and highly liquid investments that are readily convertible to known amounts of

cash and which are subject to an insignificant risk of changes in value

7. Translation of transactions and financial statements denominated in foreign currencies

7.1 Transactions denominated in foreign currencies

On initial recognition, a foreign currency amount, including share capital and capital reserves, is translated into functional currency by applying the spot exchange rate on the date of the transaction announced by People's Bank of China. At the balance sheet date, foreign currency balance comprised of foreign currency monetary items and foreign currency non-monetary items, shall be adjusted: foreign currency monetary items, of which the exchange difference between initial exchange rate and the spot exchange rate at the end of the period, shall be recognized into profit and loss for the period; exchange differences related to a specific-purpose borrowing denominated in foreign currency for constructing an asset that qualifies for capitalization shall be capitalized before it's ready for intended use and recognized into cost of construction in progress; foreign currency non-monetary items measured at fair value, the difference of which shall be recognized into profit and loss for the period as fair value changes.

7.2 Translation of financial statements denominated in foreign currencies

The asset and liability of balance sheet adopt spot rate to convert. Except the undistributed profits of owners' right, other will adopt the spot rate in the occurrence of transaction. The income and expense of income statement will employ par exchange rate conversion of middle rate that is authorized the People's Bank of China to China Foreign Exchange Trade System (CFETS). According to the conversion difference of foreign currencies accounting statement by this conversion will be illustrated in owners' right of balance sheet.

8. Fair value measurement

Fair value refers to the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The company's fair value measurement is implemented in accordance with the relevant provisions of "ASBE No.39 Fair Value Measurement", including:

8.1 Initial measurement of fair value

The company determines whether the fair value at initial recognition is equal to its transaction price based on the nature of the transaction and the characteristics of the relevant assets or liabilities. Relevant accounting standards require or allow the enterprise to initially measure related assets or liabilities at fair value, if the transaction price is not equal to the fair value, the company should recognize the relevant gains or losses as current profit or loss, except as otherwise provided in other relevant accounting standards.

8.2 Fair value valuation techniques

The valuation techniques used by the company to measure related assets or liabilities at fair value mainly include the market method, revenue method and cost method. When the company uses a variety of valuation techniques to measure fair value, it will fully consider the reasonableness of each valuation result and select the amount that best represents the fair value in the current situation as the fair value.

In the application of valuation techniques, the company preferentially uses the relevant observable input value, and only uses the unobservable input value when the relevant observable input value cannot be or is not feasible to obtained.

8.3 Value hierarchy

The company divides the input values used in fair value measurement into three levels, firstly uses the first level input value, then second level input value, and lastly the third level input value.

The first level of input value is the unadjusted quotation of the same asset or liability that can be obtained in an active market on the measurement date. The second level is the input value of the related assets or liabilities that are directly or indirectly observable except the first level. The third level is the unobservable input value of related assets or liabilities.

The above level of division is specifically expressed as follows: if there is an active market for financial instruments, the company uses the quoted price in the active market to determine its fair value. The quoted price in an active market refers to the price that can be easily obtained regularly from exchanges, brokers, industry associations, pricing service agencies, etc., and represents the price of market transactions that actually occur in fair trading. If there is no active market for financial instruments, the company uses valuation techniques to determine its fair value. Valuation techniques include reference to prices used in recent market transactions by parties who are familiar with the situation and voluntary transactions, reference to the current fair value of other financial instruments that are substantially the same, discounted cash flow method, and option pricing models.

9. Financial Instruments

9.1 Classification of financial assets and financial liabilities

Financial assets are classified into four categories at initial recognition below: financial assets at Fair Value through Profit or Loss ("FVTPL") (including financial assets held for trading and those designated as at fair value through profit or loss), held-to-maturity investments, loans and receivables and available-for-sale financial assets.

Financial liabilities are classified into two categories at initial recognition below: financial liabilities at Fair Value through Profit or Loss ("FVTPL") (including financial liabilities held for trading and those designated as at fair value through profit or loss), other financial liabilities.

9.2 Recognition basis, measurement, de-recognition condition of financial assets and financial liabilities

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. For financial assets and financial liabilities at fair value through profit or loss, transaction costs are immediately recognized in profit or loss. For other financial assets and financial liabilities, transaction costs are included in their initial recognized amounts.

The Company subsequently measures financial assets at fair value in effective interest method and shall not deduct the transaction costs incurred in the future, except: (1) held-to-maturity investment and loans and receivables are measured at amortized costs in effective interest method; (2) for investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, and derivative financial assets that are linked to and must be settled by

delivery of such unquoted equity instruments, they should be stated at their historical costs.

The Company subsequently measures financial liabilities at amortized costs in effective interest method, except: (1) financial liabilities at FVTPL are measured at fair value, for which the transaction cost incurred in the future shall not be deducted; (2) for investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, and derivative financial liabilities that are linked to and must be settled by delivery of such unquoted equity instruments, they are measured at cost; (3) Financial guaranteed contracts that are not financial liabilities at FVTPL, or loans commitments that are not financial liabilities at FVTPL and will be made with the interest lower than the market interest, are subsequently recognized at the higher of:1)amount recognized in accordance with "ASBE No.13 Contingencies"; 2)initial recognition amount deducted at the balance after accumulated amortization in accordance with "ASBE No.14 Revenue".

In addition to hedging, gains or losses formed due to the changes of the fair value of financial asset and financial liability, are handled as follow: (1) At balance sheet date, any gains or loss from changes in the fair value of financial asset and financial liability at FVTPL shall be recognized in profit and loss for the period. The interest or cash dividend under the contractual calculation, within the period in which the financial asset is held, shall be recognized in investment income when it is actually received. Difference between the fair value on disposal and initial recognition amount of the financial asset or financial liability shall be recognized to investment income; (2) Available-for-sale financial assets are subsequently measured at fair value, and gains or losses arising from changes in the fair value are recognized as other comprehensive income and included in the capital reserves, except that impairment losses and exchange differences related to amortized cost of monetary financial assets denominated in foreign currencies are recognized in profit or loss, until the financial assets are derecognized, at which time the gains or losses are released and recognized in profit or loss. Interests obtained and the dividends declared by the investee during the period in which the available-for-sale financial assets are held, are recognized in investment gains.

The Company will terminate to affirm that financial assets when the right of receiving cash flow of the financial asset ends or almost all risks and remuneration of the ownership of financial assets have been transferred. The corporation will suspend the financial liability (or part of it) when the present obligation of financial liabilities is discharged (or part of it).

9.3 Recognition basis of transfer of financial assets and computational method

The enterprise has transferred almost all risk and compensation on the ownership of financial assets and ended to identify the financial assets; those maintaining almost all risk and compensation on the ownership of financial assets will continue to confirm the transferred financial assets, and affirm the received consideration as a kind of financial liability. The corporation neither move nor keep almost all the risks and rewards on financial asset's ownership, processing in the following circumstances respectively: (1) those giving up controlling the financial asset, stop to recognize that financial assets; (2) those does not give up its controlling right over the financial asset, in accordance with continuing to the degree of transferred financial asset to confirm the related financial assets and recognize the relevant liability accordingly.

For a transfer of a financial asset in its entirety that satisfies the de-recognition criteria, the difference between (1) the carrying amount of the financial asset transferred; and (2) the sum of the consideration

received from the transfer and any cumulative gain or loss that has been recognized in other comprehensive income, is recognized in profit or loss. If a part of the transferred financial asset qualifies for de-recognition, the carrying amount of the transferred financial asset is allocated between the part that continues to be recognized and the part that is derecognized, based on the respective fair values of those parts. The difference between (1) the carrying amount allocated to the part derecognized; and (2) the sum of the consideration received for the part derecognized and any cumulative gain or loss allocated to the part derecognized which has been previously recognized in other comprehensive income, is recognized in profit or loss.

9.4 Determination method of fair value of main financial assets and liabilities

The financial assets and liabilities of active market confirm its fair value in accordance with active market. The financial assets and liabilities that do not exist active market, will utilize estimation technique (includes refer to familiar with the situation and voluntary transaction parties in the recent market transactions using the price of other financial instruments, the reference is essentially the same current fair value, discounted cash flow method and the option pricing model, etc.) to affirm its fair value. Initially obtained or sourced financial asset or financial liability will be the basis of its fair value by the price of market transaction.

9.5 Impairment test of financial assets and depreciation reserve provision method

The balance sheet date enable to check to the fair value and whose fluctuations included in the current profits and losses of the financial assets other than the book value of the financial assets, if there is any objective evidence that imply the impairment of financial assets, proceed the provision for impairment loss.

The single major financial assets conduct impairment test individually; financial assets that single amount is insignificant can proceed impairment test individually, or include in combination of financial assets with similar credit risk characteristics of impairment test; financial assets that do not decrease in value in individual test (including single amount is significant and insignificant financial assets), including in combination of financial assets with similar credit risk characteristics to conduct impairment test again.

Financial assets, according to the measurement of amortized cost, there are objective evidence at the end to prove that happened impairment, according to its book value and the difference between the present values of the expected future cash flow to confirm the impairment loss. the equity instrument investments that has no offer in the active market and whose fair value cannot be reliably measured, or linked to the equity instrument and must be settled by delivery of the equity instruments of the derivative financial assets impairment occurs, the equity instrument investments or the book value of the derivative financial assets, and according to the similar financial assets when the market returns to discount future cash flows to determine the present value of the difference recognized as the impairment loss. The fair value available for sale financial assets is in a sharp drop, or after considering various factors, expected this decline is temporary, confirm the impairment loss, and the fair value originally recorded in other comprehensive income accumulated losses and go out into the impairment loss.

The relevant accounting policies implemented by Metro Land Corporation Ltd. (hereinafter referred to as "Beijing Investment Development") and BII Railway Transportation Technology Holdings Company Limited(hereinafter referred to as "BII Transportation Technology"), which is the subsidiary of BII Hong

Kong, are as follow:

9.5.1 Recognition and initial measurement of financial assets and financial liabilities

(1) BII Transportation Technology and Beijing Investment Development recognize a financial asset or a financial liability when it becomes party to the contractual provisions of the instrument.

(2) Except for accounts receivable that do not have a significant financing component, BII Transportation Technology and Beijing Investment Development initially measure financial assets and financial liabilities at fair value.

(3) For financial assets and financial liabilities measured at fair value through profit or loss, related transaction expenses are directly recognized in current profit or loss.

(4) For other types of financial assets or financial liabilities, the related transaction expenses are included in the initial recognition amount.

9.5.2 Classification and Subsequent measurement of financial assets

(1) Classification of financial assets

At the initial recognition, BII Transportation Technology and Beijing Investment Development divided the financial assets into the following three categories based on the business model for managing financial assets and the contractual cash flow characteristics of the financial assets.

Financial assets measured at amortized cost;

Financial assets measured at fair value through other comprehensive income;

Financial assets measured at fair value through profit or loss.

Unless BII Transportation Technology and Beijing Investment Development change the business model for managing financial assets, in this case, all affected financial assets will be reclassified on the first day of the first reporting period after the change of business model, assets cannot be reclassified after initial recognition.

The business model for managing financial assets refers to how BII Transportation Technology and Beijing Investment Development manage financial assets to generate cash flow. The business model determines whether the source of managing financial asset cash flows is to collect contractual cash flows, sell financial assets, or both.

BII Transportation Technology and Beijing Investment Development determine the business model for managing financial assets, based on objective facts and specific business objectives determined by key management personnel.

BII Transportation Technology and Beijing Investment Development evaluate the contractual cash flow characteristics of financial assets, to determine whether the contractual cash flow generated on a specific date is only for the payment of principal and interest based on the outstanding principal. Among them, principal refers to the fair value of financial assets at initial recognition; interest includes the time value of money, credit risk related to the amount of principal outstanding in a specific period, and consideration of other basic borrowing risks, costs, and profits. In addition, Beijing Investment Development evaluates contract terms that may result in changes in the time distribution or amount of

contractual cash flows of financial assets to determine whether they meet the requirements of the contractual cash flow characteristics described above.

① Financial assets are classified as financial assets at amortized cost when following conditions are met:

For BII Transportation Technology and Beijing Investment Development, the targets of the business model for managing financial assets are to receive contractual cash flow;

The contractual terms of the financial asset stipulate that the cash flow generated on a specific date is only for the payment of principal and interest based on the outstanding principal amount.

② Financial assets are classified as financial assets measured at fair value through other comprehensive income when following conditions are met:

For BII Transportation Technology and Beijing Investment Development, the targets of the business model for managing financial assets are both the collection of contractual cash flows and the sale of financial assets

The contractual terms of the financial asset stipulate that the cash flow generated on a specific date is only for the payment of the principal and the interest based on the outstanding principal amount.

For investment in non-trading equity instruments, BII Transportation Technology and Beijing Investment Development may irrevocably designate them as financial assets measured at fair value through other comprehensive income. The designation is made on the basis of a single investment, and the relevant investment meets the definition of equity instruments from the perspective of the issuer.

③ Financial assets measured at fair value through profit or loss include financial assets measured at fair value through profit or loss and financial assets designated as measured t fair value through profit or loss.

Financial assets that do not meet the criteria for being classified as financial assets measured at amortized cost or financial assets measured at fair value through other comprehensive income are classified as financial assets measured at fair value with changes included in current profit or loss assets.

In the initial recognition, in order to eliminate or significantly reduce accounting mismatches, BII Transportation Technology and Beijing Investment Development can irrevocably designate financial assets as financial assets measured at fair value through profit or loss.

(2) Subsequent measurement of financial assets

① Financial assets measured at fair value through profit or loss

After initial recognition, such financial assets subsequently measure at fair value, the resulting gains or losses (including interest and dividend income) are recognized in current profit and loss, unless the financial asset is part of the hedging relationship.

② Liability investment at fair value through other comprehensive income

After initial recognition, such financial assets subsequently measure at fair value. Except for impairment losses or gains, exchange gains and losses, and interest on the financial asset calculated using the actual interest rate method, they are included in other comprehensive income until the financial asset is derecognized or reclassified. Upon termination of recognition, the accumulated gains or losses previously recognized in other comprehensive income are transferred out of other comprehensive income and recognized in current profit and loss.

③ Equity investment at fair value through other comprehensive income

After initial recognition, such financial assets subsequently measure at fair value. Dividend income is recognized in current profit and loss, and other gains or losses are recognized in other comprehensive income. Upon termination of recognition, the accumulated gains or losses previously recognized in other comprehensive income are transferred out of other comprehensive income and recognized in retained earnings.

④ Financial assets measured at amortized cost

After initial recognition, such financial assets are measured at amortized cost using the actual interest rate method. Gains or losses arising from financial assets that are not part of any hedging relationship, measuring at amortized cost, are recognized in the current profit or loss when they are derecognized, amortized in accordance with the effective interest rate method, or recognized for impairment.

9.5.3 Classification and Subsequent measurement of financial liabilities

The financial liabilities of BII Transportation Technology and Beijing Investment Development are initially classified as: financial liabilities measured at fair value through profit or loss and financial liabilities measured at amortized cost.

(1) Financial liabilities at fair value through profit or loss

Financial liabilities measured at fair value through profit or loss include tradable financial liabilities and financial liabilities designated as measured at fair value through profit or loss at initial recognition. For such financial liabilities, subsequent measurements are made at fair value, and gains or losses (including interest expenses) generated are included in the current profit and loss, except those related to hedge accounting.

(2) Financial liabilities at amortized cost

After initial recognition, such financial liabilities are measured at amortized cost using the effective interest rate method.

9.5.4 Derivative financial instruments

(1) Derivative financial instruments are initially measured at the fair value of the day when the derivative transaction contract is signed, and subsequent measurement is conducted at their fair value. Derivative financial instruments with a positive fair value are recognized as an asset, and those with a negative fair

value are recognized as a liability.

(2) Any gains or losses arising from changes in fair value that do not meet the hedge accounting requirements are directly included in the current profit and loss.

9.5.5 Fair value of financial instruments

For the determination method of fair value, refer to "Notes IV.8 Fair value measurement".

9.5.6 Impairment of financial assets

(1) BII Transportation Technology and Beijing Investment Development recognize the loss provisions on the basis of expected credit losses model for financial assets measured at amortized costs and financial assets measured at fair value through other comprehensive income.

(2) The other financial assets measured at fair value held by BII Transportation Technology and Beijing Investment Development do not apply the expected credit loss model, including Equity investment at fair value through profit or loss, Equity investment at fair value through other comprehensive income, and Derivative financial assets.

(3) BII Transportation Technology and Beijing Investment Development considers reasonable and well-founded information about past events, current conditions, and predictions of future economic conditions, and takes the risk of default as a weight to calculate weighted amount of the present value of the difference between cash flow expected and contractual cash flow receivable.

① On each balance sheet date, BII Transportation Technology and Beijing Investment Development separately measure the expected credit losses of financial instruments at different stages.

If the credit risk of financial instruments has not increased significantly since the initial recognition, it is in the first stage. BII Transportation Technology and Beijing Investment Development measure the loss reserve according to the expected credit losses in the next 12 months;

If the credit risk of the financial instrument has increased significantly but no credit impairment has occurred, it is in the second stage. BII Transportation Technology and Beijing Investment Development measure the loss reserve according to the expected credit loss of the entire duration of the instrument.

If the financial instrument has undergone credit impairment since its initial recognition, it is in the third stage. BII Transportation Technology and Beijing Investment Development measure the loss provision based on the expected credit loss for the entire duration of the instrument.

② For financial instruments with lower credit risk on the balance sheet date, BII Transportation Technology and Beijing Investment Development assume that their credit risk has not increased significantly since initial recognition, and measure the loss provision based on expected credit losses in the next 12 months.

③ In the previous accounting period, BII Transportation Technology and Beijing Investment Development have measured the loss provision according to the amount of expected credit losses for the entire duration of the financial instrument, but at the balance sheet date, the financial instrument is

no longer the situation where credit risk increases significantly after initial recognition, BII Transportation Technology and Beijing Investment Development measure the loss provision for the financial instrument at the current balance sheet date by the amount equivalent to the expected credit loss in the next 12 months, and the reverse amount of the resulting losses is included in the current profit and loss as an impairment gain.

④ BII Transportation Technology and Beijing Investment Development calculate the interest income based on the book balance with no provision and actual interest rate for financial instruments in the first and second stages and with lower credit risk. For the financial instruments in the third stage, the interest income is calculated based on the amortized cost which is book balance minus provision and actual interest rate after the provision for impairment has been made.

(4) Credit risk increased significantly

BII Transportation Technology and Beijing Investment Development use the reasonable and evidence-based forward-looking information available to determine whether the risk has increased significantly since the initial recognition, by comparing the risks of defaults on the balance sheet date of financial instruments with the risks of default on the initial recognition date.

BII Transportation Technology and Beijing Investment Development will consider the following factors when evaluating whether the credit risk has increased significantly:

① Whether the actual or expected external credit ratings of financial instruments have changed significantly;

② Whether the external market indicators of credit risk of the same financial instrument or similar financial instruments with the same expected duration have changed significantly;

③ Whether the debtor's actual or expected internal credit rating is downgraded;

④ Are there any adverse changes in the business, financial or economic conditions that are expected to cause a significant change in the debtor's ability to meet its debt obligations, such as the debtor 's market share decline significantly, the prices of major products continue to fall sharply, the prices of major raw materials rise significantly, working capital severely in short supply, and asset quality declines;

⑤ Whether the actual or expected operating results of the debtor have changed significantly, such as obvious adverse changes in operating indicators such as income and profit, and it is difficult to improve in the short term;

⑥ Whether the debtor's regulatory, economic or technological environment has undergone significant adverse changes, such as technological changes and whether the relevant policies proposed by the

national or local government have a significant adverse impact on the debtor;

⑦ Whether the value of the collateral used as debt collateral or the guarantee provided by a third party or the quality of credit enhancement has changed significantly;

⑧ whether the debtor 's economic motivation for repayment according to the contractual agreed period has changed significantly, such as a reduction in financial support that the parent company or other related party can provide, or a significant change in the quality of credit enhancement;

⑨ Whether the debtor's expected performance and repayment behavior have changed significantly;

⑩ Whether BII Transportation Technology and Beijing Investment Development has changed the credit management methods of financial instruments.

At balance sheet date, if BII Transportation Technology and Beijing Investment Development judge that a financial instrument has only a low credit risk, they would assume that the credit risk of the financial instrument has not increased significantly since initial recognition.

(5) Financial assets with credit impairment

When BII Transportation Technology and Beijing Investment Development expect that one or more things will have an adverse impact on the future cash flow of financial assets, the financial asset becomes a financial asset with credit impairment.

① Issuer or debtor has major financial difficulties;

② Debtor has breach the contract, such as interest or principal default or overdue, etc;

③ Considering the debtor's financial difficulties, creditors give concessions that will not make under any other circumstances;

④ Debtor is likely to go bankrupt or undergo another financial reorganization;

⑤ The financial difficulties of the issuer or the debtor have led to the disappearance of the active market for the financial asset.

(6) Determination of expected credit losses

① Accounts receivable

Regardless of whether there is a significant financing component, BII Transportation Technology and Beijing Investment Development measure the loss provision for notes receivables and accounts

receivable, based on the expected credit losses throughout the duration.

Among them, when a single financial asset can evaluate the expected credit loss information at a reasonable cost, Beijing Investment Development chooses a singly accrue credit loss. When a single financial asset cannot estimate the expected credit loss information at a reasonable cost, Beijing Investment Development divides the receivables into several combinations based on the characteristics of credit risk, calculates the expected credit loss on the basis of the combination, and determines the combination based on the following:

Type of portfolio	Basis for determining the portfolio
Accounts receivable portfolio 1	Amount due from related parties
Accounts receivable portfolio 2	Amount due from house purchase
Accounts receivable portfolio 3	Property fees receivable
Accounts receivable portfolio 4	Lease receivable
Accounts receivable portfolio 5	Other accounts receivables
Other receivable portfolio 1	Amount due from related parties
Other receivable portfolio 2	Other receivables from partners (minority shareholders)
Other receivable portfolio 3	Export tax refund receivable
Other receivable portfolio 4	Land-related and other deposits
Other receivable portfolio 5	Receivables related to equity transfer
Other receivable portfolio 6	Other receivables

For receivables that are divided into portfolios, Beijing Investment Development refers to the historical credit loss experience, combines the current situation and the prediction of the future economic situation, compiles a table of receivables aging and expected credit loss rate for entire duration, and calculates the expected credit loss.

For other receivables that are divided into portfolios, Beijing Investment Development refers to the historical credit loss experience, combines the current situation and the prediction of the future economic situation, and calculates the expected credit loss through the default risk exposure and the expected credit loss rate within the next 12 months or the entire duration.

② Entrusted loans and debt investment

Provision of entrusted loans and debt investment losses: With reference to the provision of other accounts receivable, Beijing Investment Development combines the historical credit loss experience, the current situation and the prediction of the future economic situation to calculate the credit loss provision.

③ Beijing Investment Development will accrue the loss provision withdrawn or transferred back into the current profit and loss.

(7) Presentation of expected credit loss provisions

To reflect the changes in the credit risk of financial instruments since initial recognition, BII Transportation Technology and Beijing Investment Development remeasure the expected credit losses on each balance sheet date, and impairment losses or gains are included in the current profit and loss. For financial assets measured at amortized cost, the loss allowance offsets the book value of the financial asset listed in the balance sheet.

(8) Written-off of expected credit loss

If BII Transportation Technology and Beijing Investment Development no longer reasonably expect that the contractual cash flows of financial assets can be fully or partially recovered, the book balance of the financial asset will be directly written down. Such write-downs constitute the derecognition of related financial assets. This situation usually occurs when BII Transportation Technology and Beijing Investment Development determine that the debtor has no assets or a source of income to generate sufficient cash flow to cover the amount that will be written down. If the financial asset that has been written down is recovered later, the amount is included in the current profit and loss.

9.5.7 Transfer of financial assets

(1) The transfer of financial assets refers to the transfer or delivery of financial assets to another party (transferee) other than the issuer of the financial asset.;

(2) If BII Transportation Technology and Beijing Investment Development have transferred almost all the risks and rewards of the ownership of financial assets to the transferee, then derecognize the financial asset; if they retain almost all the risks and rewards of the ownership of financial assets, they will not derecognize the financial asset.

(3) If BII Transportation Technology and Beijing Investment Development neither transfer nor retain almost all the risks and rewards of the ownership of financial assets, they will deal with in the following cases: If the control of the financial asset is abandoned, this financial asset is derecognized and the resulting assets and liabilities are recognized; if the control of the financial asset is not abandoned, the relevant financial asset is recognized according to the extent of its continued involvement in the transferred financial asset, and the relevant confirmation is confirmed accordingly debt.

9.5.8 Offset of financial assets and financial liabilities

When BII Transportation Technology and Beijing Investment Development have the legal right to offset the confirmed financial assets and financial liabilities, and can currently execute such legal rights, and plan to settle the net assets or liquidate the financial assets and financial liabilities at the same time, the financial assets and financial liabilities are listed in the balance sheet at the offset amounts. Otherwise, financial assets and financial liabilities are listed separately in the balance sheet, and are not offset against each other.

9.5.9 Termination of financial assets and financial liabilities

(1) When one of the following conditions is met, BII Transportation Technology and Beijing Investment Development terminate the recognition of the financial asset:

① The contract right to receive the cash flow of the financial asset is terminated;

② The financial asset has been transferred, and BII Transportation Technology and Beijing Investment Development transferred almost all risks and rewards of financial asset ownership to the transferee;

③ Although BII Transportation Technology and Beijing Investment Development neither transfer nor retain almost all the risks and rewards of ownership of financial assets, they do not retain control of the financial assets.

(2) If the overall transfer of financial assets meets the conditions for termination confirmation, BII Transportation Technology and Beijing Investment Development will recognize the difference between the following two amounts in the current profit and loss:

① The book value of the transferred financial assets on the date of termination confirmation;

② The consideration received for the transfer of financial assets.

(3) If the current obligation of the financial liability (or part of it) has been lifted, BII Transportation Technology and Beijing Investment Development will derecognize the financial liability (or part of the financial liability).

10. Hedging Instruments

10.1 The hedging is classified into fair value hedging, cash flow hedging, and net investment hedging in an overseas operation.

10.2 Processing for adopting the hedging accounting method for a hedging instrument meeting the following conditions: (1) at the beginning of the hedging, the Company has formally appointed for the hedging relationship (the relationship between the hedging instrument and the hedged item), and prepared the formal written document for the hedging relationship, risk management objectives and hedging strategy; (2) this hedging expectation is highly effective, and conform to the company which is confirmed for the hedging relationship by the initial risk management strategy; (3) the hedging to cash flow of the expected transaction is likely to happen, and must make the company face will ultimately affect the profits and losses of the fluctuation risk of cash flow; (4) the hedging effectiveness can be measured reliably; (5) continuously evaluate the hedging effectiveness, and to ensure that the hedging is highly effective when the hedging relation is specified.

This company will affirm the hedging is highly effective when it can meet all conditions at the same time: (1) During and after the start of the hedging, the hedging expectation could be highly effective to offset the changes in the fair value or cash flow caused by the hedged risk in a specified period; (2) actual offset results of the hedging is in the range of 80% to 125%.

10. 3 Hedging accounting method

10.3.1 Fair value hedging

Hedging instruments are derivatives; the profit or loss formed by the fair value fluctuation of hedging instruments will record in current gains and losses. A hedging instrument is not derivative, the book value of the hedging instrument resulting from the profit or loss changes in exchange rate could include in the current profits and losses.

The profit or loss formed by the risk of hedged items need to record into the current profits and losses, and adjust the book value of the hedged item at the same time.

10.3.2 Cash flow hedging

(1) The profit or loss of hedging instrument belongs to the part of effective hedging, can be directly recognized as the other comprehensive income and partially include invalidly in the current profits and losses.

(2) A hedged item is the expectation transaction, and the expectation transaction makes the Company confirmed a financial asset or a financial liability, the original gains or losses that directly recognized as the other comprehensive income, roll out profit and loss in the financial asset or financial liability during the same time that affects the enterprise, include in the current profits and losses; If the forecasted transaction makes the Company confirm a non-financial asset or non-financial liability subsequently, original related gains or losses confirmed in other comprehensive income roll out, included in the amount of initial recognition of the non-financial asset or non-financial liability. And the forecast transaction makes the Company confirmed an asset or liability, the original profit or loss directly recognized as the other comprehensive income in the assets and liabilities influence enterprise profit and loss turn out during the same time, included in the current profits and losses.

Other cash flow hedging, initial profits and losses that directly record in hedging instruments of other comprehensive income, could turn out at the same period of hedged expectation transaction.

10.3.3 The net investment hedging in an overseas operation

The part of effective hedging of profits and losses developed from hedging instruments, directly recognize as other comprehensive income, turn out and record in current gains and losses during the disposal of operating abroad; the ineffective hedging of the gains and losses formed by hedging instruments.

10.4 In order to avoid the exchange rate risk of foreign currency, this Company signed contract of hedging instruments with the banks and other financial institutions, utilize the treatment of fair value hedging, appoint the accounting period of this hedging relationship as the start and end of contract trading, and specify accounting relationship and hedging period in the light of specific hedging product contract. The Company uses the ratio analysis method to evaluate the effectiveness of hedging.

10.5 BII Transportation Technology, subsidiary of BII Hong Kong, implements new standards of arbitrage tool in 2018, the relevant accounting policies are as follow:

Hedging is the risk management activity of an enterprise, which is aim To manage risk exposures arising from specific risks such as foreign exchange risk, interest rate risk, price risk and credit risk. Designating financial instruments as hedging instruments so that the changes in fair value or cash flow of hedging instruments will expectedly offsets the changes in all or part of the fair value or cash flow of the hedged item.

10.5.1 In hedging accounting, it's classified into fair value hedging, cash flow hedging, and net investment hedging in an overseas operation.

10.5.2 Processing for adopting the hedging accounting method for a hedging instrument meeting the following conditions: (1) the hedging relationship consists only of eligible hedging instruments and eligible hedged items. (2) at the inception of the hedging relationship there is formal designation and documentation of the hedging relationship and the entity's risk management objective and strategy for undertaking the hedge, and the document contains at least hedging tools, hedged items, the nature of hedged risks, and methods for evaluating hedging effectiveness (including the analysis of the causes of the ineffective part of the hedging and the method for determining the hedging ratio). (3) the hedging relationship meets all of the hedge effectiveness requirements.

If the hedging meets the following conditions at the same time, the enterprise shall determine that the hedging relationship meets the hedge effectiveness requirements:

(a) There is an economic relationship between the hedged item and the hedging instrument. This economic relationship causes the value of the hedging instrument and the hedged item to change in the opposite direction due to the same risk of being hedged.

(b) The impact of credit risk is not dominant in the value changes arising from the economic relationship between the hedged item and the hedging instrument.

(c) The hedging ratio of the hedging relationship shall be equal to the ratio of the number of hedged items actually hedged by the enterprise to the actual number of hedging instruments that are hedged, but shall not reflect the imbalance of the relative weight of the hedged item and the hedging instrument. This imbalance can result in ineffective hedging and may result in accounting results inconsistent with the hedge accounting objectives.

The enterprise shall continuously assess whether the hedging relationship meets the effectiveness requirements on the start date of the hedge and in the following period. In particular, it shall analyze the reasons for the ineffective part of the hedge that is expected to affect the hedging relationship within the remaining period of the hedge. The enterprise shall at least assess the hedging relationship on the balance sheet date and when significant changes in the relevant circumstances will affect the effectiveness of the hedge.

The hedging relationship no longer meets the hedging effectiveness requirements due to the hedging ratio, but if the risk management objectives specifying the hedging relationship are not changed, the

enterprise should rebalance the hedging relationship.

10.5.3 Hedging accounting

(1) Fair value hedging

If the fair value hedging meets the conditions for applying the hedge accounting method, it shall be handled in accordance with the following provisions:

(a) The gain or loss on the hedging instrument is recognized in profit or loss, if it's hedged over a non-trading equity instrument investment (or its components) at FVTOCI, the gains or losses arising from hedging instruments should be included in other comprehensive income.

(b) The gains or losses arising from the hedging risk exposure of the hedged items shall be included in the current profit and loss, and the book value of the confirmed hedged items not measured at fair value shall be adjusted.

(2) Cash flow hedging

If the cash flow hedging meets the conditions for applying the hedge accounting method, it shall be handled in accordance with the following provisions.

(a) The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized in other comprehensive income as cash flow hedge reserves. The amount of cash flow hedge reserve that is included in other comprehensive income in each period shall be the amount of change in the current cash flow hedge reserve.

(b) The portion of the gains or losses arising from the hedging instrument that is ineffective (ie, other gains or losses after deducting other comprehensive income) shall be included in the current profits and losses.

(3) The net investment hedging in an overseas operation

For the net investment hedging in an overseas operation, including a hedge of a monetary item that is accounted for as part of the net investment, is accounted for similarly to cash flow hedges:

(a) The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized in other comprehensive income.

On the disposal or partial disposal of the foreign operation, the cumulative gain or loss on the hedging instrument relating to the effective portion shall be reclassified to profit or loss.

(b) The ineffective portion is recognized in profit or loss.

11. Accounts receivable

Receivables include accounts receivable and other receivables.

11.1 Receivables of significant individual amount and individual provision bad debt preparation

Judgment or money standard for significant individual amount	An ending balance of receivable that exceeds RMB 1 Million (including RMB 1 Million) is deemed as an individually significant receivable
Significant individual amount and bad debt provision method	Conduct the loss testing in accordance with the difference between the future cash flow and the carrying amount

11.2 Receivables for which bad debt provision is collectively assessed on a portfolio basis

The Company classifies the receivables that are not individually significant and those that are individually significant but are not impaired individually into companies of financial assets according to the similarity and relevance of credit risk characteristics.

Basis for determining a portfolio	Basis for determining a portfolio	Bad debt provision method
Aging Portfolio	Aging status	Aging analysis
Accounts receivable portfolio between consolidated related parties	Asset types	Future cash flow estimated on the basis of historical loss rate
Accounts receivable portfolio with a closing date	Asset types	Future cash flow estimated on the basis of historical loss rate

11.2.1 Aging analysis

Aging	Provision as a proportion of accounts receivable (%)	Provision as a proportion of other receivables (%)
Within 1 year (Within 1 year (inclusive)	-	-
More than 1 year but not exceeding 2 years	5.00	5.00
More than 2 year but not exceeding 3 years	15.00	15.00
More than 3 year but not exceeding 4 years	25.00	25.00
More than 4 year but not exceeding 5 years	50.00	50.00
More than 5 years	90.00	90.00

11.2.2 For other portfolios, bad debts are provided in the method as follows:

Portfolio	Bad debt provision method
Accounts receivable portfolio between consolidated related parties	Future cash flow estimated on the basis of historical loss rate
Accounts receivable portfolio with a closing date	Future cash flow estimated on the basis of historical loss rate

11.3 Accounts receivable that are not individually significant but for which bad debt provision is individually assessed:

Basis for determining a Accounts receivable that are not individually significant but for which bad debt provision is individually assessed	Accounts receivables portfolio with significant risks that don't exceed RMB Million，including these non-related party receivables with a age more than 3 years
Bad debt provision method	Bad debt is provided as the following credit risk characteristics

Bad debt provision according to credit risk characteristics

Basis for determining a portfolio	Basis for determining a portfolio	Bad debt provision method
Portfolio	Aging status	Aging analysis
Accounts receivable portfolio between consolidated related parties	Asset types	Future cash flow estimated on the basis of historical loss rate
Accounts receivable portfolio with a closing date	Asset types	Future cash flow estimated on the basis of historical loss rate

For the notes receivable, interest receivable, long-term receivable etc., bad debt is provided according to the difference between the future cash flow and the carrying amount.

12. Inventories

12.1 Categories of inventories

The Company's inventories mainly include materials in transit, raw materials, and materials on consignment for further processing, materials in transit, work in progress, finished goods and development costs.

12.2 Valuation method of inventories upon delivery

The cost of inventories upon acquisition is calculated at actual costs. The actual cost of inventories upon delivery is calculated using the weighted average method.

12.3 Basis for determining net realizable value of inventories and provision methods for decline in value of inventories

At the balance sheet date, inventories are measured at the lower of cost and net realizable value. If the net realizable value is below the cost of inventories, a provision for decline in value of inventories is made. After the provision for decline in value of inventories is made, if the circumstances that previously caused inventories to be written down below cost no longer exist so that the net realizable value of inventories is higher than their cost, the original provision for decline in value is reversed and the reversal is included in profit or loss for the period.

12.4 Inventory count system

The perpetual inventory system is maintained for stock system.

12.5 Amortization method for low cost and short-lived consumable items and packaging materials

Be on the basis of the immediate write-off method to amortize.

13. Contract asset

BII Transportation Technology, subsidiary of BII Hong Kong, implements new revenue standards in 2018, the relevant accounting policies of contract asset are as follow:

13.1 Recognition method and standard of contract asset

The Company presents contract assets or contract liabilities in the balance sheet based on the relationship between performance obligations and customer payments. The consideration (except for receivables) that the Company has the right to receive for transferred goods or provided services to customers is listed as contract assets.

13.2 Method for determining expected credit loss of contract assets and accounting treatment

For contract assets that do not contain significant financing components, the company adopts a simplified model of expected credit losses, that is, it always measures its loss provision according to the amount of expected credit loss for the entire life period, and the increase or reversal of the loss provision thus formed is included in current profit and loss, as an impairment loss or gain.

For contract assets that contains significant financing components, the company adopts a simplified model of expected credit losses, that is, it always measures its loss provision according to the amount of expected credit loss for the entire life period, and the increase or reversal of the loss provision thus formed is included in current profit and loss, as an impairment loss or gain.

14. Debt investment

Beijing Investment Development adopts a general model of expected credit losses for debt investment.

For the determination method and accounting treatment method of the expected credit loss of debt investment, refer to "Notes IV.9 Financial Instruments".

15. Long-term equity investments

15.1 Determination of investment cost

15.1.1 The business combinations under common control, the combined party to pay in cash, transfers non-cash assets, assumed debt or equity securities as combined consideration, on the combining date according to the owner's equity in the combined party on the final control party's share of the book value of the consolidated financial statements as its initial investment cost. The difference between initial investment cost in the long-term equity investment and book value of the paid merger consideration of

the total amount of the face value of the issued shares to adjust capital reserves; if capital reserves are insufficient to write-downs, it needs to adjust the retained earnings.

15.1.2 The business combinations not under common control, in accordance with the payment of the fair value of the merger consideration is its initial investment cost on the acquisition date.

15.1.3 For a long-term equity investment acquired through business combination not involving enterprises under common control and achieved in stages, the investment cost of the long-term equity investment is the aggregate of the carrying amount of the equity interest held in the acquiree prior to the acquisition date and the cost of the additional investment at the acquisition date. The long-term equity investment acquired otherwise than through a business combination is initially measured at its cost.

15.2 Subsequent measurement and profit & loss recognition

The invested entity of a long-term equity investment to the invested unit can utilize accounting with cost method; accounting with equity method will be used to have joint control or significant influence of a long-term equity investment.

15.3 Basis for determining joint control and significant influence over investee

Joint control is the contractually agreed sharing of control over an economic activity, and exists only when the strategic financial and operating policy decisions relating to the activity require the unanimous consent of the parties sharing control. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

15.4 Methods of impairment assessment and determining the provision for impairment loss

For the long term investment in subsidiaries, joint venture and associates, The Company reviews the long-term equity investments at each balance sheet date to determine whether there is any indication that they have suffered an impairment loss. If an impairment indication exists, the recoverable amount is estimated. If such recoverable amount is less than its carrying amount, a provision for impairment losses in respect of the deficit is recognized in profit or loss for the period.

16. Investment properties

16.1 The Company's investment properties include a land use right that is leased out; a land use right held for transfer upon capital appreciation; and a building that is leased out.

16.2 The Company uses the cost model for subsequent measurement of investment property, and adopts a depreciation or amortization policy for the investment property, which is consistent with that for fixed assets or intangible assets. The Company reviews the investment properties at each balance sheet date to determine whether there is any indication that they have suffered an impairment loss. If there is any indication that such assets may be impaired, the recoverable amounts are estimated for such assets. If the recoverable amount of an asset or an asset Company is less than its carrying amount, the deficit is accounted for as an impairment loss and is recognized in profit or loss for the

period.

17. Fixed assets

17.1 Recognition, measurement and depreciation criteria for fixed assets

Fixed assets are tangible assets that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and have useful lives of more than one accounting year. Fixed assets are initially measured at acquisition cost, and depreciated over its useful life using the straight-line method since the month subsequent to the one in which it is ready for intended use.

17.2 Deprecation methods for each category of fixed assets

According to the No.1576 [2008] Document of Beijing Finance Bureau, the Company no longer makes depreciation to subway Line 1 and Line 2. Because Beijing subway is a public service program and the income is not corresponding to the costs, the other subway lines don't depreciate as well.

According to the Temporary management methods for special fund of Beijing subway fixed assets replacement (Jing Finance – [2010] No.1881), Public transportation enterprise financial subsides in 2008 by Beijing Finance Bureau (Jing Finance – [2008] No.1116) etc., the subsides for subway transportation replacement changes from depreciation subsides to special funds, the subway transportation assets meets the above criterion and no longer depreciates.

According to the [2009] No.370 Document of Beijing Finance Bureau, as one of the Company's subsidiaries, Beijing subway network management Co., Ltd. no longer makes depreciation to fixed assets invested by the government.

At the same time, based on the particularity of rail line assets, Beijing subway public belong to the government welfare project, in order to guarantee the normal operation of the subway, the Beijing municipal government will pay special funds for upgrading after the fixed assets impairment, so as to ensure the book value of the line assets is not fall during the period of operations. Therefore, our Company does not depreciate the related assets of all lines according to relevant documents of the Beijing municipal bureau and the situation. Other fixed assets are depreciated as follows:

Category	Depreciation period (years)	Residual value rate (%)	Annual depreciation rate (%)
Machine and equipment	20-35	5	2.71- 4.75
Buildings	10-15	5	6.33- 9.50
Transporting Tools	8	5	11.88
Electronic equipment	3	5	31.67
Office equipment	5	5	19.00
Hotel furniture	5	5	19.00

At the end of each year, the Company will recheck the service life of fixed assets; expect net salvage value, and depreciation methods.

There are differences between the expected number of service life and the original estimate, adjust the service life of the fixed assets; there are differences between expect net salvage value expected number and the original estimate and adjust the expected net salvage value.

17.3 Impairment method of fixed assets, impairment preparation provision method

The date of balance sheet, some indications state clearly that the fixed assets conduct impairment, according to the difference between the book value and recoverable amount provision the corresponding impairment loss.

17.4 Fixed assets under financial lease and valuation method

Comply with one or several standard the followings, it will be identified as: (1) at the expiration of the lease term, ownership of the leased asset transfer to the lessee; (2) the lessee has option to buy the leased asset, the purchase price is expected to be far lower than the exercise of choice power the fair value of the leased asset, thus it is reasonably certain that the lessee will exercise the option on the lease beginning date. (3) Even if the ownership assets do not transfer, but the lease period owns most service life of the leased asset [usually account for more than 75% of the service life of the leased asset (including 75%)]; (4) the present value of the minimum lease payments of the lessee on the lease beginning date, is almost equivalent to the fair value of the leased asset in beginning date [more than 90% (including 90%)]; the present value of the minimum lease receipts of the lessors on the lease beginning date, the fair value of the leased asset is almost equivalent to the lease beginning date [more than 90% (including 90%)]; (5) the nature of the leased asset is special, , only the lessee can use without making major modifications.

Fixed assets under financial lease, according to the lease beginning date of the fair value of the leased asset and the present value of the minimum lease payments in lower books, according to its own depreciation of fixed assets depreciation policy.

17.5 Overhaul expense

The Company accesses the overhaul expense regularly. If an evidence exists that the fixed assets meet the conditions of the recognition criteria, the overhaul expense shall be recognized into cost of fixed assets, otherwise it will be recognized into profit and loss for the period. The fixed assets shall be depreciated during the overhaul period.

18. Construction in progress

18.1 Construction in progress should be transferred into fixed assets at its actual costs after it has reached the working condition for its intended use. Construction in progress that has reached the working condition but not completed, shall be transferred at its estimated costs. The estimated cost of

construction in progress should be adjusted against the actual costs after completion of settlement, while the depreciation already provided will not be adjusted.

18.2 The Company assesses at each balance sheet date whether there is any indication that construction in progress may be impaired. If there is any indication that such assets may be impaired, recoverable amounts are estimated for such assets.

19. Borrowing cost

19.1 Recognition criteria of capitalization

Borrowing costs are capitalized when expenditures for such asset and borrowing costs are incurred and activities relating to the acquisition, construction or production of the asset that are necessary to prepare the asset for its intended use or sale have commenced. Other borrowing costs are recognized as an expense in the period in which they are incurred.

19.2 Period of capitalization

19.2.1 Borrowing costs directly attributable to the acquisition, construction or production of qualifying asset are capitalized when expenditures for such asset and borrowing costs are incurred and activities relating to the acquisition, construction or production of the asset that are necessary to prepare the asset for its intended use or sale have commenced.

19.2.2 Capitalization of borrowing costs ceases when the qualifying asset being acquired, constructed or produced becomes ready for its intended use or sale. Capitalization of borrowing costs is suspended during periods in which the acquisition, construction or production of a qualifying asset is suspended abnormally and when the suspension is for a continuous period of more than 3 months. Capitalization is suspended until the acquisition, construction or production of the asset is resumed.

19.2.3 Capitalization of borrowing costs ceases when the qualifying asset being acquired, constructed or produced becomes ready for its intended use or sale， the borrowing costs stop capitalization.

19.3 Capitalization amount of borrowing costs

Where funds are borrowed under a specific-purpose borrowing, the amount of interest to be capitalized is the actual interest expense incurred on that borrowing for the period less any bank interest earned from depositing the borrowed funds before being used on the asset or any investment income on the temporary investment of those funds. Where funds are borrowed under general-purpose borrowings, the Company determines the amount of interest to be capitalized on such borrowings by applying a capitalization rate to the weighted average of the excess of cumulative expenditures on the asset over the amounts of specific-purpose borrowings. The capitalization rate is the weighted average of the interest rates applicable to the general-purpose borrowings.

20. Intangible assets

20.1 Intangible assets, including land use rights, patents and concessions etc. are recognized at costs.

20.2 An intangible asset is measured initially at cost. When an intangible asset with a finite useful life is available for use, its original cost less net residual value and any accumulated impairment losses is amortized over its estimated useful life using the straight-line method. An intangible asset with an indefinite useful life is not amortized. The Company doesn't exist any intangible assets with indefinite useful life for the year.

For an intangible asset with a finite useful life, the Company reviews the useful life and amortization method at the end of the period, and makes adjustments when necessary.

At balance sheet date, if an intangible asset is estimated not to bring any future economic benefits, the carrying amount of the intangible asset will be transferred into profit and loss completely.

20.3 The Company assesses at each balance sheet date whether there is any indication that the intangible assets with definite life may be impaired. If there is any indication that such assets may be impaired, recoverable amounts are estimated for such assets. If the recoverable amount of an asset or an asset group is less than its carrying amount, the deficit is accounted for as an impairment loss and is recognized in profit or loss for the period. For an intangible asset with infinite useful life, the Company reviews the useful life and amortization method at the end of the period.

20.4 Expenditure during the development phase that meets all of the following conditions at the same time is recognized as intangible asset. Expenditure during development phase that does not meet the following conditions is recognized in profit or loss for the period.

(1) It is technically feasible to complete the intangible asset so that it will be available for use or sale;

(2) The Company has the intention to complete the intangible asset and use or sell it;

(3) The Company can demonstrate the ways in which the intangible asset will generate economic benefits, including the evidence of the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;

(4) The availability of adequate technical, financial and other resources to complete the development and the ability to use or sell the intangible asset; and

(5) The expenditure attributable to the intangible asset during its development phase can be reliably measured.

The Company's relevant items proceed into development process when it can meet all conditions above and through the technical feasibility and research of economic feasibility to approve and initiate a project. The capitalized payment of development phase illustrated as development payment on the balance sheet, and transfer to intangible assets after the items achieve expected serviceable condition.

21. Long-term prepaid expenses

Long-term prepaid expenses represent expenses incurred that should be borne and amortized over the current and subsequent periods (together of more than one year). Long-term prepaid expenses are amortized using the straight-line method over the expected periods in which benefits are derived.

22. Goodwill

Goodwill is the difference between the equity investment costs or the cost of business combination not under the same control over or obtaining from the merger of enterprises shall enjoy the invested entity or identifiable net assets and the fair value of the share in the grant day or purchase date.

Goodwill associated with subsidiary shows separately in the consolidated financial statements, the goodwill associated with associated enterprises and joint ventures, included in the book value of the long-term equity investment.

The Company is not amortized to goodwill, impairment test at the end of each year, according to the difference that recoverable amount is lower than the book value will conduct the provision for impairment loss, the corresponding asset impairment loss record into the current profits and losses. Impairment losses will no longer return in the future accounting periods upon confirmation.

23. Contract liabilities

The Company presents contract assets or contract liabilities in the balance sheet based on the relationship between performance obligations and customer payments. The obligation of the company to transfer goods or provide services to customers due to considerations received or receivable is presented as contract liabilities.

24. Employee compensation

Employee compensation is to point to the all forms of remuneration or compensation that Company receive services rendered by employees or give except share-based payment in order to terminate the labor relationship. Employee compensation includes short-term compensation, severance welfare, dismissal benefits and other long-term employee benefits. The compensation that Company offered to the worker spouse, children, dependents, the deceased employee survivors and other beneficiaries, also belong to employee compensation.

24.1Short-term employee benefits

The related expenditures are either included in cost of related assets or charged to profit or loss in the period when they are incurred. Non-monetary benefits are measured at fair value.

24.2 termination benefits

When the Company terminates the employment relationship with employees before the expiry of the employment contracts or provides compensation as an offer to encourage employees to accept voluntary redundancy, if the Company has a formal plan for termination of employment relationship or

has made an offer for voluntary redundancy which will be implemented immediately, and the Company cannot unilaterally withdraw from the termination plan or the redundancy offer, a provision for the compensation payable arising from the termination of employment relationship with employees is recognized with a corresponding charge to the profit or loss for the period, and include in current profits and losses.

When the Group terminates the employment relationship with employees before the employment contracts expire, or provides compensation as an offer to encourage employees to accept voluntary redundancy, a provision for the termination benefits provided is recognized in profit or loss when both of the following conditions are satisfied:

(1) The Company has a formal plan for the termination of employment or has made an offer to employees for voluntary redundancy, which will be implemented shortly;

(2) The Company is not allowed to withdraw from termination plan or redundancy offer unilaterally.

For the termination plans that the employees don't have options, employee benefits are provided in according to the terms of numbers of dismissed employees' compensation criteria in termination plans.

For the termination plans that the employees are willing to accept, employee benefits are provided in according to the terms of numbers of dismissed employees' compensation criteria in termination plans within ASEB No. 13 – Contingency.

The termination benefits that meets the recognition, of which actual dismission has been finished with one year while the payment lasts for over one year, shall be discounted to present value.

24.3 Defined contribution plan

Pursuant to the relevant laws and regulations of the PRC, employees of the Company participate in the social insurance system established and managed by government organization. The Company makes social insurance contributions, including contributions to basic pension insurance at the applicable benchmarks and rates stipulated by the government for the benefit of its employees. The pension insurance contributions are recognized as part of the cost of assets or charged to profit or loss on an accrual basis.

Except for the basic pension insurance, employees of the Company participate in the retirement welfare plan. Both the employee and the Company make contribution to the annuity plan at a certain rate, and the contribution is recognized at profit and loss when occurs.

25. Share-based payment and equity instrument

25.1The categories of share-based payment

Equity-settled share-based payments and cash-settled share-based payment are included.

25.2The method for determining of the fair value of the equity instruments

25.2.1 There are active markets, according to the determined in the active market quotation.

25.2.2 There is no active market, the valuation techniques, including reference to familiar with the situation and voluntary transaction parties in the recent market transactions using the price of other financial instruments; the reference is essentially the same current fair value, discounted cash flow method and the option pricing model, etc.

25.3 Confirming the basis of the best estimate of vested equity instruments

According to the latest acquired subsequent information staff size change of the vesting to estimate.

25.4 Related accounting treatment of implement, modification, termination of share-based payment plan

25.4.1 Equity-settled share-based payment

If the right may be exercised immediately after the equity-settled share-based payment granted in return for services of employees, included in the relevant costs or expenses in accordance with the fair value of the equity instruments in the grant date, capital reserves should be adjusted. Complete the service of waiting period or meet the prescribed performance conditions in return for services of employees, if only the vesting of equity-settled share-based payment, waiting for the period of each balance sheet date, to the number of vested equity instruments is based on best estimate, according to the fair value of the equity instruments granted to date, the current service included in the relevant costs or expenses, capital reserves shall be adjusted.

Rights and interests of clearing share-based payment in return for services of the other party, if the fair value of the other party service can be reliably measured, according to the other party service of the fair value in the grant day; If the fair value of the other party service cannot be reliably measured, but the fair value of the equity instruments can be reliably measured, in accordance with the fair value of the equity instruments in service, metering, included in the relevant costs or expenses, the owner's equity shall be increased accordingly.

25.4.2 Cash-settled share-based payment

The cash-settled share-based payment after the right may be exercised immediately granted in return for services of employees, fair value of the Company to undertake liabilities in the grant date included in the relevant costs or expenses, the liabilities shall be increased accordingly. Complete service of the waiting period or meet performance conditions before the vesting in return for employee services cash-settled share-based payment, each balance sheet date in waiting period, based on the best estimate of the vesting conditions, according to the fair value of the Company to undertake liabilities, the current service should be recorded In the relevant costs or expenses and the corresponding liabilities.

25.4.3 Modify, terminate the share-based payment plan

If modification increases the fair value of the granted equity instruments, the Company accordingly confirm the increase of the service in accordance with the increase of the fair value of the equity

instruments; If you change to increase the number of the granted equity instruments, the Company will increase the fair value of the equity instruments and confirm accordingly as the increase of the service; If the Company modify the vesting conditions in accordance with the conducive way to worker, the Company will think about the modified vesting conditions in dealing with the vesting condition.

If the modification reduce the fair value of the granted equity instruments, Company continues to be on the basis of the fair value of equity instruments in grant date, confirm the amount of service, regardless of the reduction of fair value of the equity instruments; If the modification decrease the number of the granted equity instruments, the Company will reduce part as the cancellation of the granted equity instruments to process; If the modification changes the vesting conditions based on the unfavorable way to the workers, in dealing with the vesting conditions, not to consider the revised vesting conditions.

If the Company cancel the granted equity instruments over the vesting period or clearing the granted equity instruments (except the cancellation due to not satisfying the vesting conditions), will be canceled or settlement as accelerated vesting, immediately confirm the amount that was confirmed in the rest of the vesting period.

26. Bonds payable

The Company initially recognizes the bonds payable at the fair value. Related costs are recognized into initial amount, and subsequently recognized into amortized costs.

The deficits between the actual price and face value are amortized using interest rate method when interest is provided accordingly to the treatment criteria of borrowing costs.

27. Accrued liability

27.1. For external guarantee, litigation matters, quality guarantee of products, deficit contracts or the duty to matters form to become a present obligation of the Company to undertake, the duty is likely to result in the outflow of economic benefits from the Company, and the amount of the obligation can be measured reliably, the obligation to the Company will confirm for the estimated debts.

27.2. In accordance with the best estimate of the expenses necessary for the performance of the current obligation, the Company conducts initial measurement to estimated debts, and rechecks the book value of the estimated debts on the balance sheet date.

28. Revenue

28.1 sales of goods

Revenue from sales of goods is recognized when (1) the Company has transferred to the buyer the significant risks and rewards of ownership of the goods; (2) the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; (3) the amount of revenue can be measured reliably; (4) it is probable that the associated economic benefits will flow to the Company; and (5) the associated costs incurred or to be incurred can

be measured reliably.

28.2 offering services

Revenue from rendering of services is recognized when the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the enterprise; the stage of completion of the transaction can be determined reliably; and the associated costs incurred or to be incurred can be measured reliably. Revenue from rendering of services is recognized using the percentage of completion method at the balance sheet date. The stage of completion of a transaction for rendering for services is determined based on surveys of work performed. When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognized only to the extent of the costs incurred that will be recoverable, and the costs incurred are recognized as expenses for the period. When it is not probable that the costs incurred will be recovered, revenue is not recognized.

28.3 Revenue from alienating of right to use assets

When the economic benefit will probably flow into the Company and the revenue can be measured reliably, the amount of revenue from alienating of right to use assets shall be recognized as follows: revenue of interest shall be confirmed by the time and actual interest of the assets that have been used; revenue of charge for use shall be confirmed by the agreed time and methods in the contract.

28.4 BII Transportation Technology, subsidiary of BII Hong Kong, applies new revenue standards in 2018, the relevant accounting policies are as follow:

Revenue refers to the total inflow of economic benefits that the company has formed in its daily activities that will lead to an increase in owner's equity but irrelevant with the owner's investment in capital.

28.4.1 Recognition of revenue

The enterprise shall fulfill the performance obligation in the contract, that is, the revenue is recognized when the customer obtains control of the relevant commodity. Obtaining control of related commodities means being able to dominate the use of the commodity and obtain almost all of its economic benefits.

When the contract between the company and the customer meets the following conditions at the same time, the enterprise shall recognize the revenue when the customer obtains the control of the relevant commodity:

(1) The parties to the contract have approved the contract and promised to fulfill their respective obligations;

(2) The contract clarifies the rights and obligations of the parties to the contract relating to the goods transferred or the services offered;

(3) The contract has a clear payment terms associated with the transferred goods;

(4) The contract has commercial substance, that is, fulfilling the contract will change the risk, time distribution or amount of future cash flow of the company;

(5) The consideration that an enterprise is entitled to for the transfer of goods to a customer is likely to be recovered.

28.4.2 According to the relevant provisions of the revenue standard, the Company judges that the nature of the relevant performance obligation belongs to "performance obligations performed within a certain period of time" or "performance obligations performed at a certain point in time", and the revenue is recognized according to the following principles:

(1) For the performance obligations performed during a certain period of time, the company recognizes the revenue according to the progress of the performance during the period, except that the progress of the performance cannot be reasonably determined.

(2) For performance obligations performed at a certain point in time, the company shall recognize the revenue when the customer obtains control of the relevant commodity.

28.4.3 Measurement of revenue

The company shall measure the income according to the transaction price allocated to each individual performance obligation. In determining the transaction price, the company considers the impact of variable consideration, major financing components in the contract, non-cash consideration, and payable customer consideration.

(1) Variable consideration

The Company determines the best estimate of the variable consideration based on the expected value or the most likely amount, but the transaction price including the variable consideration shall not exceed the amount at which the cumulative recognized revenue is likely to not be significantly reversed when the relevant uncertainty is eliminated. In assessing whether the cumulative recognized revenue is unlikely to be significantly reversed, the company should consider both the likelihood of reversal and its proportion.

(2) Significant financing components in the contract

Where there is a significant financing component in the contract, the company shall determine the transaction price in accordance with the amount payable assuming that customer pays in cash. The difference between the transaction price and the contractual consideration shall be amortized using the effective interest method during the contract period.

(3) Non-cash consideration

If the customer pays a non-cash consideration, the company determines the transaction price based on the fair value of the non-cash consideration. Where the fair value cannot be reasonably estimated, the company indirectly determines the transaction price with reference to the only selling price of the goods it has promised to transfer to the customer.

(4) Payable customer consideration

For the payable customer consideration, the payable consideration shall be offset against the transaction price, and the current revenue shall be offset against at the later of the recognition of the relevant revenue and the payment (or promised payment) of the customer's consideration, except for which is in order to obtain other clearly distinguishable goods from the customer.

If the company pays the customer's consideration in order to obtain other clearly distinguishable goods from the customer, it shall recognize the purchased goods in a manner consistent with other purchases of the company. If the payable customer consideration is more than the fair value of the commodity that can be clearly distinguished from the customer, the excess amount will offset the transaction price. If the fair value cannot be reasonably estimated, the enterprise shall offset the transaction price in full amount.

29. Government grants

29.1 Government grants include asset related government grants and income related government grants.

29.2 If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable. If a government grant is in the form of a non-monetary asset, it is measured at fair value. If the fair value cannot be reliably determined, it is measured at a nominal amount.

29.3 The government grant adopts the total method:

29.3.1 A government grant related to an asset is recognized as deferred income, and amortized to profit or loss on a reasonable and systematic basis over the useful life of the related asset. If the relevant assets are sold, transferred, scrapped or damaged before the end of their useful lives, the undistributed balance of related deferred income will be transferred to the profit or loss of the asset disposal in the current period.

29.3.2 If a government grant related to income is used to compensate for the related expenses or losses in the subsequent period, it shall be recognized as deferred income and shall be recorded in the current profit or loss in the period in which the relevant expenses are recognized; For the compensation of related expenses or losses that have occurred, they shall be directly included in the current profits and losses.

29.4 For government grants that include both the asset-related portion and the income-related portion, the different parts are separately accounted for; if it is indistinguishable, the overall classification is revenue-related government subsidies.

29.5 The Company will include government grants related to the company's daily activities in accordance with the nature of the economic business and include it in other income or write down the related costs; government grants that are unrelated to the daily activities of the company shall be included in non-operating income and expenditure.

29.6 The company will obtain the policy discount loan interest discount in accordance with the government to allocate the interest-bearing fund to the loan bank and the finance will directly disburse the interest-bearing fund to the company in two cases:

29.6.1 The finance allocates the interest-subsidy funds to the loan bank. If the lending bank provides loans to the company at a policy-based preferential interest rate, the company chooses to conduct accounting treatment according to the following methods:

(1) The borrowing amount actually received is taken as the entry value of the borrowings, and the relevant borrowing costs are calculated according to the principal of the loan and the policy preferential interest rate.

(2) The fair value of borrowings is taken as the recorded value of borrowings and the borrowing costs are calculated according to the actual interest rate method. The difference between the actual amount received and the fair value of the borrowings is recognized as deferred income. Deferred income is amortized over the life of the borrowing using the effective interest method to offset the related borrowing costs.

29.6.2 If the financial department directly distributes the discounted interest funds to the company, the company will offset the relevant borrowing costs by the corresponding discount interest.

30. The deferred income tax assets and the deferred income tax liabilities

30.1 According to the book value of the assets, liabilities and its tax base the difference between the (not confirmed project as assets and liabilities of its tax base can be determined in accordance with the provisions of the tax law, the tax base and the difference between the book number), according to the forecast of the asset is recovered or the applicable tax rate calculation during the debt confirmed deferred income tax assets and deferred income tax liabilities.

30.2 Confirm the deferred income tax assets to probably get used to making the deductible temporary differences are limited to the amount of taxable income. During the balance sheet date, there is strong evidence that the future is likely to obtain sufficient taxable income to offset the deductible temporary difference, confirm the unconfirmed deferred income tax assets in previous accounting periods.

30.3 On the balance sheet date, review the book value of the deferred income tax assets, and if during the period of the future may not be able to obtain sufficient taxable income to offset the benefit of the deferred income tax assets, the write-downs on the book value of the deferred income tax assets. If it is likely to obtain sufficient taxable income, return the amount of write-downs.

30.4 The Company's current income tax and deferred income tax as recorded into the profits and losses of the current income tax expenses, or earnings, but does not include the income tax in the following circumstances:

(1) The business combination;

(2) Direct confirmation of transactions or events in the owner's equity.

Corporate income tax should pay taxes individually, and adopt self-declaration and verify payment method.

31. Lease

31.1 Operating leases

The Company as lessee under operating leases: operating lease payments are recognized on a straight-line basis over the term of the relevant lease, and are either included in the cost of related asset or charged to profit or loss for the period. Initial direct costs incurred are charged to profit or loss for the period. Contingent rents are charged to profit or loss in the period in which they are actually incurred.

The Company as lessor under operating leases: rental income from operating leases is recognized in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs with more than an insignificant amount are capitalized when incurred, and are recognized in profit or loss on the same basis as rental income over the lease term. Other initial direct costs with an insignificant amount are charged to profit or loss in the period in which they are incurred. Contingent rents are charged to profit or loss in the period in which they actually arise.

31.2 Financial leases

The Company as lessee under finance leases: at the commencement of the lease term, the Company records the leased asset at an amount equal to the lower of the fair value of the leased asset and the present value of the minimum lease payments at the inception of the lease, and recognizes a long-term payable at an amount equal to the minimum lease payments. The difference between the recorded amounts is accounted for as unrecognized finance charge. Unrecognized finance charges are recognized as finance charge for the period using the effective interest method over the lease term.

The Company as lessor under finance leases: at the commencement of the lease term, the aggregate of the minimum lease receivable at the inception of the lease and the initial direct costs is recognized as a finance lease receivable, and the unguaranteed residual value is recorded at the same time. The difference between the aggregate of the minimum lease receivable, the initial direct costs and the unguaranteed residual value, and the aggregate of their present values is recognized as unearned finance income. Unearned finance income is recognized as finance income for the period using the effective interest method over the lease term.

The relevant policies of BII Transportation Technology, a subsidiary of BII Hong Kong, are as follows:

1. Lessee

When the company is the lessee, at the beginning of the lease period, in addition to choosing short-term leases and low-value asset leases that use simplified processing, the company uses the cost model for subsequent measurement of right-of-use assets. With reference to the relevant depreciation provisions of "ASBE No. 4 Fixed Assets", depreciation is accrued for right-of-use assets. If the lessee can reasonably remain the ownership of the leased asset when the lease term expires, it should make depreciation within the remaining useful life of the leased asset. If the ownership of the leased asset cannot be reasonably remained at the end of the lease period, depreciation shall be made within the shorter of the lease period and the remaining useful life of the leased asset. The company determines whether the right-of-use asset is impaired in accordance with the provisions of "ASBE No. 8 Impairment of Assets", and performs accounting treatment for the identified impairment losses.

Recognition of right-of-use assets and lease liabilities

The company calculates the interest expense of the lease liability in each period of the lease period according to a fixed cyclic interest rate, and is included in the current profit and loss. According to the "ASBE No. 17 Borrowing Costs" and other standards that should be included in the cost of relevant assets, the provisions shall prevail.

For short-term leases and low-value asset leases, the company chooses not to recognize right-of-use assets and lease liabilities, and recognize the lease payments in the cost of related assets or current profit and loss in the straight-line method during each period of the lease.

2. Lessor

(1) Financial leases

If the company is the lessor, at the beginning of the lease period, the financial lease receivable is recognized for the financial lease, and the financial lease assets are terminated.

(2) Operating leases

As a lessor, the company uses the straight-line method to confirm the lease receipts of operating leases as rental income during each period of the lease. Capitalize the initial related direct expenses incurred, and allocate them on the same basis as the recognition of rental income during the lease period, and recognize them in the current profit or loss in installments.

For fixed assets in operating leased assets, the company should adopt depreciation policies for similar assets to accrue depreciation; for other operating lease assets, amortization should be carried out in a systematic and reasonable manner according to the enterprise accounting standards applicable to the asset. In accordance with the provisions of "ASBE No.8 Impairment of Assets", the company determines whether the operating lease assets are impaired and performs corresponding accounting treatment.

32. Hold for sale

The company divides the corporate components that meet all of the following conditions into holding for sale:

(1) Based on the usual practice of selling such assets or disposal groups in similar transactions, they can be sold immediately under current conditions;

(2) The sale is highly probable, a resolution has been made on a sale plan and a firm purchase commitment has been obtained and it is expected that the sale will be completed within one year. Approvals from relevant authorities or regulatory authorities have been obtained in accordance with relevant regulations.

The Company adjusts the expected net salvage value held for sale to reflect the net amount of its fair value less costs to sell. The difference between the original book value and the adjusted net residual value is included in the profit or loss of the current period as an asset impairment loss. At the same time, provision for impairment of assets held for sale was made. For the amount of impairment loss of assets confirmed by the disposal group held for sale, the book value of goodwill in the disposal group should be offset first, and then the proportion of the book value of various non-current assets measured in the disposal group according to the application of this standard measurement. Proportionately deducts its book value.

If the fair value of the non-current assets held for sale on the balance sheet date is less than the net value of the selling expenses, the amount of the previous write-down shall be restored and the impairment of assets recognized after being classified as held for sale shall be made. The amount of the loss is reversed and the amount reversed is included in the current profit or loss. Impairment losses on assets recognized prior to classification as held for sale shall not be reversed. If the fair value of the disposal group held for sale on the subsequent balance sheet day is increased, the net amount after the sale expense is increased, the amount of the previously written down amount shall be restored, and shall apply to the measurement requirements of this standard after being classified as held for sale. The impairment loss of assets confirmed by non-current assets is reversed within the amount, and the reversed amount is included in the current profit or loss. The carrying amount of the goodwill that has been eliminated and the non-current assets applicable to the measurement of this standard will not be reversed if it is recognized before the assets are classified as held for sale. The subsequent reversal of the asset impairment loss confirmed by the disposal group held for sale shall be based on the proportion of the book value of various non-current assets measured and applied in the disposal group in addition to goodwill, and shall increase its book value proportionately.

33. Replacement of non-monetary assets

33.1 Meeting the requirements at the same period: 1) the exchange possesses business nature and 2) the fair value of the assets received or assets surrendered can be measured in a reliable way of condition, the exchange of non-monetary assets regard the fair value and relevant payable taxes as the

cost of assets received, the difference between the fair value and book value of the assets surrendered shall be recorded as current profit or loss. When companies pay a premium, it will make the fair value of assets surrendered and payable relevant taxes as assets receives cost, the difference between the book value of assets received and surrendered and the sum of payable premium and payable taxes, records into current profit and loss; when Company receive the premium, as the cost of assets received based on fair value of assets received and payable taxes, the difference between the sum asset received cost add received premium and the sum of book value of asset surrendered add payable taxes, will include in current profit and loss.

33.2 The non-monetary assets transaction that do not meeting all requirements above, make the book value of asset surrendered and payable relevant taxes as the cost of assets received, and not confirm the profits and losses. When paying the premium, making the book value of assets surrendered add payable premium and payable taxes as the cost of assets received, not confirm the profits and losses. When receiving the premium, using the book value of assets surrendered minus assets received and adding payable relevant taxes as the costs for assets received, not affirm the gains and losses.

34. Asset Securitization

Accounting method of asset securitization business: the general sale of basic assets to a specific purpose entity, and then by the entity to investors to issue securities. The interests of securitized financial assets are manifested in the form of priority asset-backed securities or sub-asset-backed securities.

When the Company has transferred almost all of the risks and rewards of ownership of the financial asset, the Company will terminate the recognition of the financial asset. When the Company retains almost all of the risks and rewards of the ownership of the financial asset, the Company will continue to confirm that the financial asset; If the Company does not transfer or retain almost all of the risks and rewards of ownership of the financial asset, the Company will consider whether there is any control over the financial assets. If the Company does not retain control, the Company will terminate the recognition of the financial assets and recognize the rights and obligations arising or retained in the transfer as assets or liabilities. If the Company retains control, the financial asset is recognized based on the degree of continued involvement of the financial asset.

35. Discontinuing Operation

Termination of business refers to a separately identifiable component of an enterprise that satisfies one of the following conditions and that has been disposed of or divided into categories for sale:

35.1 This component represents an independent main business or a separate major business area;

35.2 This component is part of an associated plan that is intended to be disposed of in an independent main business or a separate major business area;

35.3 This component is a subsidiary that was specifically acquired for resale.

Enterprises should list continuing operations and terminate operating profits and losses separately in the income statement. For non-current assets or disposal groups held for sale that do not meet the definition of termination of business, the impairment loss, reversal amount, and disposal gains and losses should be presented as continuing profits and losses. The operating profit or loss and disposal gains and losses, such as impairment loss and reversal amount of the termination of the business, shall be presented as the profit and loss from discontinued operations.

V. CHANGES IN ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES, AND CORRECTIONS OF ACCOUNTING ERRORS

1. Changes in Accounting Policies

1.1 Since January 1, 2020, the company has adopted the relevant provisions of "Accounting Standard for Business Enterprises No.14-Revenue" (Cai Kuai [2017] No.22). Relevant accounting policies have been adjusted in accordance with the specific provisions of the new revenue standards on specific matters or transactions. For example: contract costs, advance receipts, etc. According to the new revenue standard, contract assets or contract liabilities should be listed in the balance sheet based on the relationship between performance obligations and customer payments. According to the cumulative influence of the first implementation of the new revenue standard, the amount of retained earnings at the beginning of 2020 and other related items in the financial statements should be adjusted, and the information for the comparable period will not be adjusted. The impact of accounting policy changes is as follows:

The character, contents and reasons for the changes of accounting policies	Affected financial statements line items	Affected amounts of consolidated balance sheet on 31 Dec 2020
Reclassify "Account receivables" to "Contract assets".	Account receivable	-368,121,810.54
	Contract asset	368,121,810.54
Reclassify "Cost of obtaining contracts" form "Prepayments" to "Other current assets".	Prepayment	-29,286,628.21
	Other current asset	29,286,628.21
Reclassify "Receipts in advance" to "Contract liabilities" and "Other payables".	Receipt in advance	-3,690,389,736.22
	Contract liability	3,412,331,450.32
Reclassify the corresponding "Value-added taxes" to "Other current liabilities".	Other payable	19,689,740.00
	Other current liability	258,368,545.90

2. Changes in Accounting Estimates

None.

3. Corrections of Accounting Errors of Prior Period

None.

4. The adjustments of the relevant items of financial statements at the beginning of 2020 due to the first implementation of the new revenue standard

Beijing Investment Development, the company's subsidiary implemented the new revenue standard for the first time and adjusted the relevant items in the initial financial statements of the current year as follows:

Consolidated Balance Sheet

Unit: RMB

ITEM	31 Dec 2019	1 Jan 2020	Adjusted amount
Current assets:			
Removal of funds	15,476,531,414.42	15,476,531,414.42	
Financial assets measured at fair value through profit or loss	262,935,286.08	262,935,286.08	
Derivative Financial assets	119,086,021.94	119,086,021.94	
Notes receivables	166,348,459.30	166,348,459.30	
Accounts receivable	1,965,443,704.83	1,597,321,894.29	-368,121,810.54
Prepayments	816,079,405.05	786,792,776.84	-29,286,628.21
Other receivables	9,098,734,220.97	9,098,734,220.97	
Inventories	58,789,608,481.38	58,789,608,481.38	
Contract assets	348,023,389.15	716,145,199.69	368,121,810.54
Non-current assets due within one year	4,880,850,099.44	4,880,850,099.44	
Other current assets	21,720,042,438.90	21,749,329,067.11	29,286,628.21
Total current assets	113,643,682,921.46	113,643,682,921.46	
Non-current assets:			
Debt investment	313,638,582.91	313,638,582.91	
Available-for-sale financial assets	44,382,121,317.46	44,382,121,317.46	
Held-to-maturity investments	109,450,000.00	109,450,000.00	
Long-term receivables	6,220,912,130.49	6,220,912,130.49	
Long-term equity investments	20,285,902,604.35	20,285,902,604.35	
Other equity instrument investment	2,310,000.00	2,310,000.00	
Investment properties	1,101,183,764.25	1,101,183,764.25	
Fixed assets	147,818,402,486.08	147,818,402,486.08	
Construction in progress	277,185,543,535.09	277,185,543,535.09	
Right-of-use Assets	16,773,459.64	16,773,459.64	

ITEM	31 Dec 2019	1 Jan 2020	Adjusted amount
Intangible assets	13,584,614,595.60	13,584,614,595.60	
Development expenditure	160,701,304.33	160,701,304.33	
Goodwill	929,709,259.80	929,709,259.80	
Long-term prepaid expenses	79,373,012.23	79,373,012.23	
Deferred tax assets	1,118,992,543.92	1,118,992,543.92	
Other non-current assets	8,087,842,578.71	8,087,842,578.71	
Total Non-current Assets	521,397,471,174.86	521,397,471,174.86	
Total Assets	635,041,154,096.32	635,041,154,096.32	
Current liabilities:			
Short-term borrowings	1,498,636,760.00	1,498,636,760.00	
Notes payable	599,851,498.24	599,851,498.24	
Accounts payable	10,675,086,651.85	10,675,086,651.85	
Receipts in advance	5,166,051,757.02	1,475,662,020.80	-3,690,389,736.22
Contract liabilities	23,331,320.43	3,435,662,770.75	3,412,331,450.32
Employee benefits payable	626,655,724.60	626,655,724.60	
Taxes payable	1,711,652,326.81	1,711,652,326.81	
Other payables	8,648,232,474.85	8,667,922,214.85	19,689,740.00
Non-current liabilities due within one year	22,229,887,348.90	22,229,887,348.90	
Other current liabilities	6,002,850,788.84	6,261,219,334.74	258,368,545.90
Total Current Liabilities	57,182,236,651.54	57,182,236,651.54	
Non-current Liabilities:			
Long-term borrowings	224,888,789,019.08	224,888,789,019.08	
Bonds payable	42,430,147,081.61	42,430,147,081.61	
Lease liabilities	10,335,026.42	10,335,026.42	
Long-term payables	48,411,633,951.01	48,411,633,951.01	
Provisions	41,807,619.88	41,807,619.88	
Deferred Income	21,667,227,318.60	21,667,227,318.60	
Deferred tax liabilities	774,139,877.96	774,139,877.96	
Other non-current liabilities	1,001,844,212.80	1,001,844,212.80	
Total Non-current Liabilities	339,225,924,107.36	339,225,924,107.36	
Total Liabilities	396,408,160,758.90	396,408,160,758.90	
Owners' equity:			
State-owned capital	164,206,584,901.27	164,206,584,901.27	

ITEM	31 Dec 2019	1 Jan 2020	Adjusted amount
Other equity instrument	16,000,000,000.00	16,000,000,000.00	
Inc: preference share			
perpetual bond	16,000,000,000.00	16,000,000,000.00	
Capital reserve	15,563,030,982.77	15,563,030,982.77	
Other comprehensive income	50,403,334.83	50,403,334.83	
Surplus reserve	1,629,100,554.84	1,629,100,554.84	
Unappropriated profits	10,482,932,157.50	10,482,932,157.50	
Total Owners' Equity Attributable To the Company	207,932,051,931.21	207,932,051,931.21	
Minority interests	30,700,941,406.21	30,700,941,406.21	
Total Owners' Equity	238,632,993,337.42	238,632,993,337.42	
Total Liabilities and Owners' Equity	635,041,154,096.32	635,041,154,096.32	

Notes of adjustments of Beijing Investment Development, the company's subsidiary:

4.1 Contract assets, account receivables, prepayments and other current assets

Beijing Investment Development reclassified the account receivables of RMB 368,121,810.54 which did not meet the unconditional right of collection in the uncompleted contract to contract assets; and reclassified the prepaid sales commission of RMB 29,286,628.21 as the contract obtaining cost to other current assets on 1 Jan 2020.

4.2 Contract liabilities, receipts in advance, other payables and other current liabilities

Beijing Investment Development reclassified 3,412,331,450.32 yuan of advance receipts related to the sale of goods and the provision of services to contract liabilities, and reclassified the related value-added tax of 258,368,545.90 yuan to other current liabilities; reclassified 19,689,740.00 yuan of sincerity in house purchase which according to the policy to other payables on 1 Jan 2020.

VI.TAXES

1. Major categories of taxes and tax rates

Category of tax	Basis of tax computation	Tax rate
VAT	Taxable revenue for sales of goods and supply of services	13%, 9%, 6%, 5%(Levy rate), 3%(Levy rate)
VAT of land	Increased value from bargained transfer state-owned land and properties and other attachments	(Surpassing rates or prestige rate)1%-3%
Property tax	For value taxation, 1.2% of original amount of	1.2% or 12%

	the property less its 30%; for rent taxation, 12% of the rent income	
City maintenance and construction tax	Turnover tax	7%,5%
Education surplus	Turnover tax	3%
Local education surplus	Turnover tax	2%
Enterprise income tax	Taxable income	25%, 20%, 15%

2. Tax incentive and approval

2.1 One of the Company's subsidiary Beijing information infrastructure construction Co., Ltd. (hereinafter referred to as "Beijing information infrastructure") qualifies for a high and new technology enterprise with the certificate GR202011002352, as approved by National and local tax bureau, Beijing Finance Bureau and Beijing science and technique committee has been subject to the enterprise income tax rate of 15% for 3 years from October, 2020.

2.2 Beijing Metro Vehicle Equipment Co., Ltd., a subsidiary of Beijing Rail Transit Technology Equipment Group Co., Ltd. (hereinafter referred to as "Equipment Group"), was jointly recognized as a high-tech enterprise by Beijing Science and Technology Commission, Beijing Finance Bureau, Beijing State Taxation Bureau and Beijing Local Taxation Bureau in December 2020. The certificate code is GR202011008707, and it has been subject to the enterprise income tax rate of 15% for 3 years.

2.3 Beijing Enterprises Holdings Maglev Technology Development Co., Ltd. (hereinafter referred to as "Maglev Transportation"), the subsidiary of the Equipment Group, was jointly recognized as a high-tech enterprise by Beijing Science and Technology Commission, Beijing Finance Bureau, Beijing State Taxation Bureau and Beijing Local Taxation Bureau in October 2018. The certificate code is GR201811006434, and it has been subject to the enterprise income tax rate of 15% for 3 years.

2.4 Beijing Tian Lu Times Electric Equipment Co., Ltd., the subsidiary of the Equipment Group, was jointly recognized as a high-tech enterprise by Beijing Science and Technology Commission, Beijing Finance Bureau, Beijing State Taxation Bureau and Beijing Local Taxation Bureau in November 2018. The certificate code is GR201811007609, and it has been subject to the enterprise income tax rate of 15% for 3 years.

2.5 As subsidiaries of Beijing Investment Development, Capital construction newspaper, Beijing Investment Technology (Beijing) Co., Ltd., BII RuiDe property management service Co., Beijing Investment Yintai (Ningbo) property services Co., and Ningbo Yintai Foreign Economic and Trade Co., Ltd. meet the requirements of the "Enterprise Income Tax Law of the People's Republic of China" and its implementation regulations for small low-profit enterprises. According to the Notice of the State Administration of Taxation on the Implementation of the Inclusive Tax Relief Policy for Small and Micro

Enterprises (Cai Shui [2019] No.13), and the Announcement of the State Administration of Taxation on the Issues Concerning the Implementation of the Inclusive Income Tax Relief Policy for Small and Micro-profit Enterprises (Announcement No.2 of 2019 by the State Administration of Taxation) stipulates: From January 1, 2019 to December 31, 2021, the portion of the annual taxable income of small profit-making enterprises that does not exceed 1 million yuan will be reduced to 25% of the taxable income and income tax be paid at the rate of 20%; for the portion of annual taxable income exceeding 1 million yuan but not exceeding 3 million yuan, 50% is deducted from the taxable income and income tax be paid at a tax rate of 20%.

2.6 As subsidiaries of Beijing Infrastructure Investment (Hong Kong), Suzhou Huaqi Intelligent Technology Co., Ltd., Beijing BII-Xinan Technology Development Co., Ltd ,ERG Transit Systems(China)Ltd., Beijing BII-ERG Transportation Technology Co.,Ltd, and Beijing BII-Zhuoyue Technology Development Co., Ltd have been approved by the Tax Bureau to pay taxes as a high-tech enterprise and enjoy a 15% preferential corporate income tax rate for the year ended December 31, 2020. In addition to the preferential corporate income tax rate, the subsidiaries mentioned above are also entitled to additional tax reductions and allowances calculated at 75% of the eligible research and development costs incurred.

2.7 As subsidiaries of Beijing Infrastructure Investment (Hong Kong), Chengdu Huaqi Zongheng Intelligent Technology Co., Ltd and Chengdu Huaqi Hi-Tech Intelligent Technology Co, Ltd enjoy 15% corporate income rate as of the end of 2020, according to The policy of development of the western region.

2.8 As subsidiaries of Beijing Infrastructure Investment (Hong Kong), Litmus Technologies (BeiJing) Co,Ltd, Henan Huaqi Sichuang Intelligent Technology Co., Ltd and Suzhou Naiteli Intelligent Technology Co., Ltd are entitled to a two-year Chinese corporate income tax exemption, and then enjoy a 50% reduction in Chinese corporate income tax for three years from the end of the two-year exemption. Therefore, the aforementioned affiliated companies enjoy Chinese corporate income tax exemption for the year ended December 31, 2020.

2.9 As subsidiaries of Beijing Infrastructure Investment (Hong Kong), Beijing Cornerstone Vision Digital Technology Co., Ltd meets the standards of small and profit-making enterprises and enjoys the corporate income tax policy. Accordingly, the portion of the company's annual taxable income that does not exceed RMB 1 million is taxed at the actual tax rate of 20%; the portion of the annual taxable income of more than RMB 1 million but not more than RMB 3 million is taxed at the actual tax rate of 10 %.

2.10 As subsidiary of the company, Road Network Company was jointly recognized as a high-tech enterprise by the Beijing Municipal Science and Technology Commission, Beijing Municipal Finance Bureau, and Beijing Municipal Taxation Bureau of the State Administration of Taxation in October 2020,

with the high-tech enterprise certificate is GR202011001920. Road Network Company enjoy a three-year preferential income tax rate at 15%.

2.11 The company's subsidiary Beijing Rail Transit Construction Management Co., Ltd (hereinafter referred to as "Construction Management Company") obtained the high-tech enterprise certificate on October 15, 2019, with the certificate number GR201911002052, valid for 3 years, and enjoy 15% preferential income tax rate.

As subsidiary of Construction Management Company, Beijing Rail Transit Consulting Co., Ltd obtained the high-tech enterprise certificate on October 21, 2020, the certificate number is GR202011003213, which is valid for 3 years and enjoy preferential tax rate of 15% corporate income tax.

Based on the "Three Exemptions and Three Reductions" policy of corporate income tax on public infrastructure projects supported by the state, "Ministry of Finance and State Administration of Taxation" Notice of the National Development and Reform Commission on Announcement of the List of Corporate Income Tax Preferences for Public Infrastructure Projects (2008 Edition) (Cai Shui [2008] No.116), as subsidiary of Construction Management Company, Beijing Urban Railway Construction Rail Transit Investment Development Co., Ltd is exempt from corporate income tax from 2019 to 2021, and reduced by half of income tax from 2022 to 2024.

2.12 Beijing Yunjie Technology Co., Ltd a subsidiary of Beijing Rail Transit Operation and Management Co., Ltd. (hereinafter referred to as "Rail Operation Company"), enjoy the inclusive tax reduction and exemption policy for small and micro enterprises, in accordance with the "Notice on Implementing Inclusive Tax Relief Policies for Small and Micro Enterprises" by the Ministry of Finance and the State Administration of Taxation (Cai Shui [2019] No.13).

VII. BUSINESS COMBINATIONS AND CONSOLIDATED FINANCIAL STATEMENTS

1. Basic information of subsidiaries included in the consolidated statements

No.	Full name of the subsidiary	Short name	Level (Note 1)	Type (Note 2)	Place of incorporation	Place of business	Nature of business	paid-in capital(in ten thousand yuan)	Proportion of ownership interest (%)	Proportion of voting power (%)	Investment amount(in ten thousand yuan)	Acquisition method
1	Beijing subway line 4 Investment Co., Ltd.	Line 4 Co., Ltd.	2	1	Beijing	Beijing	City subway transportation	605,100.00	65.66	65.66	397,300.00	1
2	Beijing subway line 5 Investment Co., Ltd.	Line 5 Co., Ltd.	2	1	Beijing	Beijing	City subway transportation	400,000.00	100.00	100.00	400,000.00	1
3	Beijing subway line 6 Investment Co., Ltd.	Line 6 Co., Ltd.	2	1	Beijing	Beijing	City subway transportation	1,505,737.38	100.00	100.00	1,505,737.38	1
4	Beijing subway line 7 Investment Co., Ltd.	Line 7 Co., Ltd.	2	1	Beijing	Beijing	City subway transportation	871,819.92	82.56	100.00	719,819.92	1
5	Beijing subway line 8 Investment Co., Ltd.	Line 8 Co., Ltd.	2	1	Beijing	Beijing	City subway transportation	1,318,315.00	97.72	100.00	1,288,315.00	1
6	Beijing subway line 9 Investment Co., Ltd.	Line 9 Co., Ltd.	2	1	Beijing	Beijing	City subway transportation	437,016.99	100.00	100.00	437,016.99	1
7	Beijing subway line 10 Investment Co., Ltd.	Line 10 Co., Ltd.	2	1	Beijing	Beijing	City subway transportation	1,547,245.07	90.00	90.00	1,392,511.15	1
8	Beijing subway line 14 Investment Co., Ltd.	Line 14 Co., Ltd.	2	1	Beijing	Beijing	City subway transportation	997,788.32	100.00	100.00	997,788.32	1
9	Beijing subway line 15 Investment Co., Ltd.	Line 15 Co., Ltd.	2	1	Beijing	Beijing	City subway transportation	745,334.42	100.00	100.00	745,334.42	1

No.	Full name of the subsidiary	Short name	Level (Note 1)	Type (Note 2)	Place of incorporation	Place of business	Nature of business	paid-in capital(in ten thousand yuan)	Proportion of ownership interest (%)	Proportion of voting power (%)	Investment amount(in ten thousand yuan)	Acquisition method
10	Beijing subway line 16 Investment Co., Ltd.	Line 16 Co., Ltd.	2	1	Beijing	Beijing	City subway transportation	620,320.00	100.00	100.00	654,160.00	1
11	Beijing subway line 17 Investment Co., Ltd.	Line 17 Co., Ltd.	2	1	Beijing	Beijing	Construction program management	701,000.00	81.46	81.46	571,000.00	1
12	Beijing subway line Fangshan Investment Co., Ltd.	Line Fangshan Co., Ltd.	2	1	Beijing	Beijing	City subway transportation	599,606.00	93.33	100.00	559,606.00	1
13	Beijing subway line Daxing Investment Co., Ltd.	Line Daxing Co., Ltd.	2	1	Beijing	Beijing	City subway transportation	456,395.70	100.00	100.00	456,395.70	1
14	Beijing subway line Changping Investment Co., Ltd.	Line Changping Co., Ltd.	2	1	Beijing	Beijing	City subway transportation	953,368.59	100.00	100.00	953,368.59	1
15	Beijing subway line Mentougou Investment Co., Ltd.	Line Mentougou Co., Ltd.	2	1	Beijing	Beijing	City subway transportation	208,344.00	100.00	100.00	208,344.00	1
16	Beijing subway line Xijiao Investment Co., Ltd.	Line Xijiao Co., Ltd.	2	1	Beijing	Beijing	City subway transportation	188,756.20	100.00	100.00	188,756.20	1
17	Beijing subway line Yanfang Investment Co., Ltd.	Line Yanfang Co., Ltd.	2	1	Beijing	Beijing	City subway transportation	335,714.00	100.00	100.00	335,714.00	1
18	Beijing railway transportation line new airport investment limited	Line new airport investment limited	2	1	Beijing	Beijing	Construction program management	386,000.00	53.37	100.00	206,000.00	1
19	Beijing subway line Yizhuang investment limited	Line yizhuang investment limited	2	1	Beijing	Beijing	City subway transportation	418,299.38	100.00	100.00	418,299.38	1
20	Beijing Jingmi investment Limited	Jingmi investment	2	1	Beijing	Beijing	Land first-level development	10,000.00	80.00	80.00	8,000.00	1
21	Beijing Jingchuang Investment	Jingchuang	2	1	Beijing	Beijing	Land first-level development	10,000.00	70.00	70.00	7,000.00	1

No.	Full name of the subsidiary	Short name	Level (Note 1)	Type (Note 2)	Place of incorporation	Place of business	Nature of business	paid-in capital(in ten thousand yuan)	Proportion of ownership interest (%)	Proportion of voting power (%)	Investment amount(in ten thousand yuan)	Acquisition method
	Limited	Investment										
22	Beijing Jingtou Xinxing investment limited	Jingtou Xinxing limited	2	1	Beijing	Beijing	Land first-level development	10,000.00	80.00	80.00	13,406.62	1
23	Beijing infrastructure land reserve limited	Land reserve limited	2	1	Beijing	Beijing	Land rearrangement and real estate	400.00	100.00	100.00	400.00	1
24	Beijing Jingtou investment Limited	Jingtou investment Limited	2	1	Beijing	Beijing	Investment and investment management	1,605,000.00	100.00	100.00	1,605,000.00	1
25	Beijing cornerstone entrepreneurship investment capital (limited partnership)	Cornerstone entrepreneurship investment	2	1	Beijing	Beijing	Non-securities investment and consultant	27,676.00	78.92	78.92	21,844.49	1
26	Beijing cornerstone fund Management Co., Ltd	Beijing cornerstone fund Management	2	1	Beijing	Beijing	Non-securities investment and consultant	3,000.00	70.00	70.00	2,100.00	1
27	Road Network Company	Road Network Company	2	1	Beijing	Beijing	Construction program management	199,976.59	100.00	100.00	199,976.59	1
28	Beijing city investment underground space development construction limited	Underground space limited	2	1	Beijing	Beijing	Underground space development	10,000.00	100.00	100.00	11,138.45	1
29	Beijing dongzhimen airport express limited	Dongzhimen airport express limited	2	1	Beijing	Beijing	City subway transportation	265,000.00	86.98	86.98	230,500.00	1
30	Beijing Urban Rapid Rail Construction Management Ltd.	Rail Construction Ltd	2	1	Beijing	Beijing	Construction program management	3,500.00	100.00	100.00	3,500.00	1

No.	Full name of the subsidiary	Short name	Level (Note 1)	Type (Note 2)	Place of incorporation	Place of business	Nature of business	paid-in capital(in ten thousand yuan)	Proportion of ownership interest (%)	Proportion of voting power (%)	Investment amount(in ten thousand yuan)	Acquisition method
31	Beijing Jingtou railway and property development Co., Ltd..	Jingtou Zhiye	2	1	Beijing	Beijing	Underground space development	5,000.00	100.00	100.00	5,000.00	1
32	Capital construction newspaper	Capital construction newspaper	2	4	Beijing	Beijing	News agency	85.85	100.00	100.00	256.69	4
33	Beijing Jingtou parking management limited	Parking limited	2	1	Beijing	Beijing	Public parking service	1,000.00	100.00	100.00	1,000.00	1
34	Beijing infrastructure railway transportation asset operation management limited	Asset operation management limited	2	1	Beijing	Beijing	Rail transit network asset management.	2,906.17	100.00	100.00	2,906.17	1
35	Beijing subway jingtong development limited	Jingtong development limited	2	1	Beijing	Beijing	City subway transportation	268,165.00	84.71	84.71	227,165.00	1
36	Beijing city railway limited	City railway limited	2	1	Beijing	Beijing	City subway transportation	259,646.69	84.88	84.88	221,230.00	1
37	Beijing Information Infrastructure Construction Co., Ltd.	Beijing information infrastructure	2	1	Beijing	Beijing	Information infrastructure construction	62,985.41	59.46	59.46	41,652.41	1
38	Beijing Jingtou asset management limited	Jingtou asset management limited	2	1	Beijing	Beijing	Construction program management	151,000.00	100.00	100.00	151,000.00	1
39	Beijing infrastructure Investment (Hong Kong) Ltd	BII Hong Kong	2	3	Hong Kong	Hong Kong	Investment and operation management	0.01	100.00	100.00	51,702.90	1
40	Metro Land Corporation Ltd.	Beijing Investment Development	2	1	Ningbo	Ningbo	Real estate	74,077.76	38.00	38.00	96,994.59	3
41	Beijing cornerstone Zhongying entrepreneur investment center	Cornerstone Zhongying.limited	2	1	Beijing	Beijing	Non-securitized investment management, consultant	13,532.67	73.21	73.21	9,906.94	1

No.	Full name of the subsidiary	Short name	Level (Note 1)	Type (Note 2)	Place of incorporation	Place of business	Nature of business	paid-in capital(in ten thousand yuan)	Proportion of ownership interest (%)	Proportion of voting power (%)	Investment amount(in ten thousand yuan)	Acquisition method
	(limited partner)											
42	Beijing subway line3 Investment Co., Ltd.	Line 3 Co., Ltd.	2	1	Beijing	Beijing	City subway transportation	376,000.00	36.17	100.00	136,000.00	1
43	Beijing subway line 12 Investment Co., Ltd.	Line 12 Co., Ltd.	2	1	Beijing	Beijing	City subway transportation	790,000.00	89.87	100.00	710,000.00	1
44	Beijing subway line 19 Investment Co., Ltd.	Line 19 Co., Ltd.	2	1	Beijing	Beijing	City subway transportation	581,000.00	79.35	100.00	461,000.00	1
45	Beijing jingtou Investment City Corridor Investment Co., Ltd	City Corridor Investment	2	1	Beijing	Beijing	Non-securitized investment management, consultant	91,500.00	100.00	100.00	91,500.00	1
46	Beijing traffic control silicon valley technology co., Ltd	Traffic control silicon valley Co., Ltd	2	1	Beijing	Beijing	Technology development, technical services, technical advice, technology transfer	50,000.00	100.00	100.00	50,268.40	1
47	Beijing jingtou traffic development co., Ltd	Traffic development Co., Ltd	2	1	Beijing	Beijing	Road, urban road management	375,159.00	100.00	100.00	375,159.00	1
48	Beijing jingtou Xingchao land development Co., Ltd	Xingchao land development	2	1	Beijing	Beijing	Land first-level development	10,000.00	100.00	100.00	10,000.00	1
49	Beijing rail transit technology and equipment group Co., Ltd.	Equipment group	2	1	Beijing	Beijing	Investment management	456,140.00	100.00	100.00	436,297.87	3
50	Beijing Jingtou Xingtong property development Co., Ltd	Xingtong zhiye	2	1	Beijing	Beijing	Land first-level development	2,000.00	100.00	100.00	2,000.00	1
51	Beijing subway line 28 Investment	Line 28 Co., Ltd.	2	1	Beijing	Beijing	City subway transportation	——	100.00	100.00	——	1

No.	Full name of the subsidiary	Short name	Level (Note 1)	Type (Note 2)	Place of incorporation	Place of business	Nature of business	paid-in capital(in ten thousand yuan)	Proportion of ownership interest (%)	Proportion of voting power (%)	Investment amount(in ten thousand yuan)	Acquisition method
	Co., Ltd.											
52	Cornerstone international financial lease Co., Ltd	Cornerstone lease	2	1	Beijing	Beijing	Financial lease	147,816.81	90.43	90.43	156,885.28	1
53	Beijing Jingtou Transportation Hub Investment Co., Ltd.	Transportation Hub	2	1	Beijing	Beijing	Investment management	31,500.00	100.00	100.00	31,500.00	1
54	Beijing Jingtou Investment Holdings Co., Ltd.	Investment Holdings	2	1	Beijing	Beijing	Investment management	341,213.00	100.00	100.00	341,213.00	1
55	Beijing City Deputy Central Station Integrated Hub Construction Management Co., Ltd	City Deputy Central	2	1	Beijing	Beijing	City subway transportation	1,000.00	51.00	51.00	510.00	1
56	Beijing subway line 11 Investment Co., Ltd.	Line 11 Co., Ltd.	2	1	Beijing	Beijing	City subway transportation	10,000.00	100.00	100.00	10,000.00	1
57	Beijing Rail Transit Construction Management Co., Ltd	Construction Management Co.	2	1	Beijing	Beijing	City subway transportation	25,613.15	100.00	100.00	25,613.15	2
58	Beijing Rail Transit Operation and Management Co., Ltd.	Operation and Management Co.	2	1	Beijing	Beijing	City subway transportation operation	7,600.00	100.00	100.00	7,600.00	2
59	Beijing Subway Operation Co., Ltd.	Operation company	2	1	Beijing	Beijing	City subway transportation	40,570.00	100.00	100.00	108,714.93	4

Note 1: Enterprise type: 1 Foreign non-financial subsidiary, 2 Domestic financial subsidiaries, 3 Foreign subsidiaries, 4 Institutions, 5 Construction units

Note 2: Acquisition method: 1 Investment, 2 Business combinations involving enterprises under common control, 3 Business combinations not involving enterprises under common control, 4 Others

2. Reasons for entities where the Company holds half or less than half of the voting power but has been controlled

No	Short name of subsidiary	Proportion of ownership interest (%)	Proportion of voting power (%)	Registered capital(in ten thousand yuan)	Investment amount(in ten thousand yuan)	Level	Reason for consolidation
1	Beijing investment development	38.00	38.00	74,077.76	96,994.59	2	The Company has actual control right.

3. Reasons for entities where the Company holds or holds through other subsidiaries half or more than half of the voting power but has not been controlled

In February 2018, Beijing Investment Development, Landton Limited and Trillion Full signed the "Equity Transfer Agreement of Shanghai Lixing Hotel Co., Ltd." and the "Equity Transfer Agreement of Shanghai Lishi Hotel Co., Ltd." Upon completion of this equity transfer, Beijing Investment Development holds a 55% stake in Shanghai Lishi Hotel Co., Ltd. (hereinafter "Shanghai Lishi") and Trillion Full holds a 45% stake in Shanghai Lishi. Beijing Investment Development and Trillion Full no longer hold shares in Shanghai Lixing Hotel Co., Ltd. After the completion of the separation and equity transfer, Beijing Investment Development and Trillion Full jointly control Shanghai Lishi, which will not cause changes in the scope of the company's consolidated statements.

4. Significant non-wholly owned subsidiaries

4.1 Minority shareholders

No.	Short name of subsidiary	Proportion of minority interest (%)	Profit or loss attributable to minority interests for the period	Dividend attributed to minority shareholders for the period	Accumulated minority shareholders' equity at the end of period
1	Beijing investment development	62.00	846,064,115.50		3,842,213,753.98
2	Beijing information infrastructure	40.54	29,999,142.69	3,064,114.19	630,350,305.58
3	Jingchuang investment	30.00	14,156.06		62,843,041.05
4	Jingmi investment	20.00	1,187,023.19		40,524,185.85

4.2 Main financial information

Item	Amount for the period			
	Jingtou development	Beijing information infrastructure	Jingchuang investment	Jingmi investment
Current assets	38,201,186,826.64	1,632,296,611.06	2,823,955,303.75	2,549,080,409.24
Non-current assets	11,012,170,170.03	577,748,183.13	169,466.83	64,301.35
Total assets	49,213,356,996.67	2,210,044,794.19	2,824,124,770.58	2,549,144,710.59

Item	Amount for the period			
	Jingtou development	Beijing information infrastructure	Jingchuang investment	Jingmi investment
Current liabilities	15,417,860,697.91	605,843,722.17	304,647,967.12	517,407,742.82
Non-current liabilities	28,823,790,521.06	49,323,107.15	2,310,000,000.00	1,829,116,238.54
Total liabilities	44,241,651,218.97	655,166,829.32	2,614,647,967.12	2,346,523,981.36
Total operating income	8,864,424,166.23	270,615,609.34	45,726,729.17	42,197,327.47
Net profit	1,017,460,348.97	73,998,871.96	47,186.85	5,935,115.93
Total comprehensive income	1,022,798,595.14	17,255,845.40	47,186.85	5,935,115.93
Net Cash Flow from Operating Activities	9,869,146,502.01	-28,832,548.26	291,537,686.50	-331,777,311.35

Continued:

Item	Amount for the prior period			
	Jingtou development	Beijing information infrastructure	Jing chuang investment	Jingmi investment
Current assets	36,865,062,920.96	1,504,137,958.46	4,590,620,575.38	2,079,864,312.57
Non-current assets	9,072,160,372.09	658,751,734.76	133,509.14	91,337.65
Total assets	45,937,223,293.05	2,162,889,693.22	4,590,754,084.52	2,079,955,650.22
Current liabilities	20,587,190,521.47	558,323,217.30	2,421,324,467.91	891,543,856.40
Non-current liabilities	21,405,625,589.02	59,386,107.35	1,960,000,000.00	991,726,180.52
Total liabilities	41,992,816,110.49	617,709,324.65	4,381,324,467.91	1,883,270,036.92
Total operating income	4,327,692,677.72	247,097,181.74	52,036,703.21	32,804,019.44
Net profit	460,252,332.71	27,553,883.14	27,678,485.86	6,461,020.56
Total comprehensive income	467,114,523.24	32,282,468.68	27,678,485.86	6,461,020.56
Net Cash Flow from Operating Activities	-7,241,802,983.40	-71,372,434.19	-45,293,829.25	487,723,302.12

5. New entities that have been consolidated in the current period and entities that are excluded from consolidation in the current period

5.1 New entities that have been consolidated in the current period

No.	Short name of subsidiary	Level	Nature of business	Proportion of ownership interest (%)	Proportion of voting power (%)	Net asset on the end of the year	Net profit for the period
1	City Deputy Central	2	City subway transportation	51.00	51.00	10,126,254.21	126,254.21
2	Line 11 Co., Ltd.	2	City subway transportation	100.00	100.00	100,000,000.00	
3	Construction Management Co.	2	City subway transportation	100.00	100.00	5,960,370,010.74	445,709,567.79
4	Operation and Management Co.	2	City subway transportation operation	100.00	100.00	256,127,502.22	138,093,475.64

5.2 Entities that are excluded from consolidation in the current period

None.

5.3 Changes in the scope of consolidation for other reasons

None.

6. Business combinations involving enterprises under common control occurred in the current period

Short name of subsidiary	Date of acquisition	Total Owners' Equity	Consideration	Actual controller	Information on the beginning of the current period to the date of consolidation			
					Revenue	Net profit	Net Increase in Cash and Cash Equivalents	Net Cash Flow from Operating Activities
Construction Management Co.	30 June,2020	5,976,134,927.25	Free	Beijing state-owned assets supervision and administration commission	939,208,407.93	81,169,183.80	434,104,466.81	391,416,374.83

7. Business combinations not involving enterprises under common control occurred in the

current period (in ten thousand yuan)

None.

8. Reverse purchase in this issue

None.

9. Merge in this issue

None.

10. Major restrictions that subsidiary enterprises use the assets of enterprise group and pay off the debts of the enterprise group

None.

11. Relevant information of structuring main body included scope of consolidated balance sheet

None.

VIII. NOTES TO IMPORTANT ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS

The" opening balance" refers to the balance on 1 January 2020 and the "closing balance" refers to the balance on 31 December2020. The "prior period" is the year of 2019 and the "current period" is the year of 2020.

1. Cash and bank balances

Item	Closing balance	Opening balance
Cash	2,713,163.44	599,689.88
Bank balances	19,953,579,112.13	15,337,326,678.29
Other currency funds	239,952,447.60	138,605,046.25
Total	20,196,244,723.17	15,476,531,414.42

Note： At the end of the period, the restricted funds of bank deposits were 17,491,522.58 yuan, and the restricted funds of other currency funds were 69,382,595.85 yuan.

2. Tradable Financial assets

Item	Closing balance	Opening balance
Financial assets classified as at fair value through profit or loss	185,000,000.00	262,935,286.08
Including: Bank wealth management products	185,000,000.00	212,935,286.08
Structured deposit		50,000,000.00
Total	185,000,000.00	262,935,286.08

3. Financial assets measured at fair value through profit or loss

Item	Closing balance	Opening balance
The financial assets designated as at fair value through profit or loss	7,038,438,000.00	
Including: Equity instrument investment	7,038,438,000.00	
Total	7,038,438,000.00	

4. Derivative Financial assets

Item	Closing balance	Opening balance
Foreign exchange hedging contract		119,086,021.94
Total		119,086,021.94

Note: In the period of 2015, the company signed five foreign exchange hedging contracts with the Bank of China London Branch, Goldman Sachs International, HSBC; in the period of 2016, the company signed twelve foreign exchange hedging contracts with the Bank of China London Branch, Goldman Sachs International, HSBC; in the period of 2018, the company signed ten foreign exchange hedging contracts with HSBC, SGCIB, and Deutsche Bank. For the Capped CCS and Coupon Only Swap + USD Call Spread vs CNH which the contracts carrying out. ALL of foreign exchange hedging contracts use the same evaluation method: the evaluation of the market value of the interest is mainly based upon the forward exchange rate which discounting and adding up the two groups of cash flow; the evaluation of the market value of share option is mainly based upon Black-Scholes Model， As of December 31, 2020, all of the above-mentioned 27 foreign exchange hedging product contracts have expired.

5. Notes Receivable

Item	Closing balance			Opening balance		
	Gross carrying amount	Bad debt provision	Net carrying amount	Gross carrying amount	Bad debt provision	Net carrying amount
Bank acceptance bill	141,418,006.11		141,418,006.11	28,036,101.20		28,036,101.20
Commercial acceptance bill	236,111,744.46		236,111,744.46	138,312,358.10		138,312,358.10
Total	377,529,750.57		377,529,750.57	166,348,459.30		166,348,459.30

6. Accounts Receivable

Item	Closing balance			
	Carrying amount		Bad debt provision	
	Amount	Proportion (%)	Amount	Proportion (%)
Accounts receivable that are individually significant and for which bad debt provision has been assessed individually	913,356,125.62	47.17	166,510,113.13	18.23
Accounts receivables for which bad debt provision has been assessed by credit risk portfolios	1,020,742,285.64	52.72	80,936,978.24	7.93
Including: Aging combination	725,729,707.22	37.48	63,568,117.14	8.76
Expected credit loss model with impairment portfolio	295,012,578.42	15.24	17,368,861.10	5.89
Accounts receivable that are not individually significant but for which bad debt provision has been assessed individually	2,175,321.95	0.11		
Total	1,936,273,733.21	100.00	247,447,091.37	—

Continued:

Item	Opening balance			
	Carrying amount		Bad debt provision	
	Amount	Proportion (%)	Amount	Proportion (%)
Accounts receivable that are individually significant and for which bad debt provision has been assessed individually	522,068,741.20	31.03	12,994,922.56	2.49
Accounts receivables for which bad debt provision has been assessed by portfolios	1,155,444,074.53	68.67	72,302,325.60	6.26
Including: Aging combination	863,963,862.40	51.35	56,728,659.22	6.57
Expected credit loss model with impairment portfolio	291,480,212.13	17.32	15,573,666.38	5.34
Accounts receivable that are not individually significant but for which bad debt provision has been assessed individually	5,106,326.72	0.30		
Total	1,682,619,142.45	100.00	85,297,248.16	—

6.1 Accounts receivable that are individually significant and for which bad debt provision has been assessed individually

Debtor	Closing balance	Bad debt provision	Aging	Proportion of provision (%)	Reasons for the provision
CRRC Changchun Railway Vehicles Co., Ltd	210,623,241.76		2-3 years, over 3 years		No recovery risk
China Raailway Sixth group Co., Ltd	197,328,000.00	137,171,200.00	2-3 years, over 3 years	69.51	Partly high recovery risk
Beijing Miyun land reserve sub center	147,556,227.73		Within1 year, 2-3years, over 3 years		No recovery risk
CRRC Qingdao Sifang Co., Ltd.	87,530,790.20		Within1 year, 2-3years, over 3 years		No recovery risk
Beijing Fengtai land reserve sub center	84,804,746.64		Within1 year		No recovery risk
China CREC Railway electrification bureau (Group) Co., Ltd	52,457,474.07	27,570,457.42	Within1 year ,over 3 years	52.56	Partly high recovery risk
Beijing Yizhuang Public Transport and Tram Co., Ltd.	32,561,250.00		Within1 year, 1-2 years		No recovery risk
Beijing Urban Construction and Installation Group Co., Ltd.	13,506,624.00	1,768,455.71	over 3 years	13.09	Partly high recovery risk
Beijing Pinggu land reserve sub center	8,107,251.76		Over 3 years		No recovery risk
CRRC Tangshan Co., Ltd.	8,706,981.49		1-3years		No recovery risk
Lanzhou Rail Transit Co., Ltd.	3,453,592.70		Over 3 years		No recovery risk
Others	66,719,945.27		Within1 year, 1-2 years		No recovery risk
Total	913,356,125.62	166,510,113.13	–	–	–

6.2 Accounts receivables for which bad debt provision has been assessed by credit risk portfolios

6.2.1 Accounts receivable portfolios for which bad debt provision has been assessed using the aging analysis approach

Aging	Closing balance			Opening balance		
	Carrying amount		Bad debt provision	Carrying amount		Bad debt
	Amount	Proportion (%)		Amount	Proportion (%)	
Within 1 year	459,823,935.59	63.36		701,841,255.82	81.24	
More than 1 year but not exceeding 2 years	178,118,140.58	24.54	8,905,907.03	43,119,232.56	4.99	2,155,961.63

Aging	Closing balance			Opening balance		
	Carrying amount		Bad debt provision	Carrying amount		Bad debt
	Amount	Proportion (%)		Amount	Proportion (%)	
More than 2 years but not exceeding 3	31,586,822.99	4.35	4,738,023.45	32,034,039.61	3.71	4,805,105.94
More than 3 years	56,200,808.06	7.75	49,924,186.66	86,969,334.41	10.06	49,767,591.65
Total	725,729,707.22	100.00	63,568,117.14	863,963,862.40	100.00	56,728,659.22

6.3 Accounts receivable that are not individually significant but for which bad debt provision has been assessed individually

Debtor	Closing balance	Bad debt provision	Aging	Proportion of provision (%)	Reasons for the provision
Beijing Enterprises Group Co., Ltd.	659,000.00		Within1 year		No recovery risk
CRRC Qingdao Sifang Rolling Stock Research Institute Co., Ltd	413,400.00		Within1 year		No recovery risk
Changzhou Langruidongyang Transmission Technology Co., Ltd	308,000.00		1-2years		No recovery risk
Beijing MTR Co., Ltd	200,000.00		1-2years		No recovery risk
Beijing Newspaper Distribution Bureau	127,006.27		Within1 year		No recovery risk
Others	467,915.68		Within1 year , 1-2 years,over 3 years		No recovery risk
Total	2,175,321.95		–	–	–

7. Prepayments

7.1 Listed by aging

Aging	Closing balance			Opening balance		
	Carrying amount		Bad debt provision	Carrying amount		Bad debt provision
	Amount	Proportion (%)		Amount	Proportion (%)	
Within 1 year	527,538,248.88	59.07		279,103,906.85	35.47	
More than 1 year but not exceeding 2 years	78,961,539.09	8.84		217,603,746.91	27.66	11,520.80
More than 2 years but not exceeding 3	68,937,275.49	7.72	11,520.80	99,738,154.08	12.68	

Aging	Closing balance			Opening balance		
	Carrying amount		Bad debt provision	Carrying amount		Bad debt provision
	Amount	Proportion (%)		Amount	Proportion (%)	
More than 3 years	217,693,531.74	24.37		190,358,489.80	24.19	
Total	893,130,595.20	100.00	11,520.80	786,804,297.64	100.00	11,520.80

7.2 Top five entities with the largest balances of prepayments over 1 year

Creditor	Debtor	Amount	Aging	Reasons for unsettlement
Beijing Investment Development	The people's Government of Tanzhe Temple Town, Mentougou District, Beijing	79,481,115.00	over 3 years	Land acquisition and demolition compensation which doesn't meet the settlement conditions
Dongzhimen airport express limited	China CREC railway electrification bureau (Group) Co., Ltd	43,680,621.00	2-3 years	Construction uncompleted
Beijing Infrastructure Investment Co., Ltd.	Beijing Urban Construction Far East Construction Investment Group Co., Ltd.	12,513,852.14	over 3 years	Construction uncompleted
Beijing Infrastructure Investment Co., Ltd.	China Electronics System Corporation	9,195,474.13	1-2 years	Construction uncompleted
Beijing Investment Development Co., Ltd.	Beijing Xiantan Rare Poultry Farm	8,200,000.00	over 3 years	Land acquisition and demolition compensation which doesn't meet the settlement conditions
	Total	153,071,062.27	–	–

8. Other receivables

Item	Closing balance	Opening balance
Interest receivable	45,799,178.60	52,185,786.60
Dividends receivable		25,206.80
Other receivables	15,638,095,717.24	9,046,523,227.57
Total	15,683,894,895.84	9,098,734,220.97

8.1. Interest receivable

Item	Closing balance	Opening balance
Entrusted Loan	2,882,205.50	8,395,853.29
Bond investment	42,916,973.10	43,789,933.31
Total	45,799,178.60	52,185,786.60

8.2 Dividends receivable

Item	Closing balance	Opening balance	Reasons for not recovering	Whether impairment occurred And its basis of judgment
Dividends receivable within one year		25,206.80		Already received
Inc: Guangdong Amethyst Information Storage Technology Co., Ltd.		25,206.80		Already received
Total		25,206.80	-	-

8.3 Other receivables

Item	Closing balance			
	Carrying amount		Bad debt provision	
	Amount	Proportion (%)	Amount	Proportion (%)
Other receivables that are individually significant and for which bad debt provision that has been assessed individually	14,339,129,876.14	91.26	2,331,609.41	0.02
Other receivables for which bad debt provision has been assessed by portfolios	1,344,822,913.79	8.56	69,404,035.20	5.16
Including: 1.Aging combination	234,287,772.48	1.49	69,046,665.56	29.47
2. A combination of settlement periods	1,110,535,141.31	7.07	357,369.64	0.03
Other receivables that are not individually significant but for which bad debt provision has been assessed individually	28,298,506.18	0.18	2,419,934.26	8.55
Total	15,712,251,296.11	100.00	74,155,578.87	=

Continued:

Item	Opening balance			
	Carrying amount		Bad debt provision	
	Amount	Proportion (%)	Amount	Proportion (%)
Other receivables that are individually significant and for which bad debt provision that has been assessed individually	8,310,057,937.63	91.15	4,058,405.76	0.05
Other receivables for which bad debt provision has been assessed by portfolios	775,002,414.39	8.50	65,226,565.09	8.42
Including: 1.Aging combination	147,861,084.59	1.62	64,942,004.59	43.92
2. A combination of settlement periods	627,141,329.80	6.88	284,560.50	0.05
Other receivables that are not individually significant but for	32,326,645.16	0.35	1,578,798.76	4.88

Item	Opening balance			
	Carrying amount		Bad debt provision	
	Amount	Proportion (%)	Amount	Proportion (%)
which bad debt provision has been assessed individually				
Total	9,117,386,997.18	100.00	70,863,769.61	–

8.3.1 Other receivables that are individually significant at the end of the period for which bad debt provision has been assessed individual

Debtor	Closing balance	Bad debt provision	Aging	Proportion of provision (%)	Reasons for the provision
Comprehensive Utilization Project of Bei'anhe Depot	2,840,372,654.48		Within 1 year,1-2 year,2-3 year		No recovery risk
Fengtai District Center of Beijing Land Consolidation and Reserve Center	2,779,588,768.36		Within 1 year,Over 3 years		No recovery risk
Miyun District Center of Beijing Land Consolidation and Reserve Center	2,026,170,712.82		Within 1 year,1-2 year		No recovery risk
Zhangjiawan Depot Comprehensive Utilization Project	1,594,476,175.09		Within 1 year		No recovery risk
Fangshan line bei tian tang village housing demolition (Note 1)	602,707,752.34		Over 3 years		No recovery risk
Direct line between Beijing railway station and Beijing west railway station (Note 2)	600,000,000.00		Over 3 years		No recovery risk
Beijing Urban Construction Group Co., Ltd.	528,580,601.46		Within 1 year		No recovery risk
Beijing south station (Note 3)	517,359,059.00		Over 3 years		No recovery risk
Jing hu railway investment (Note 4)	269,297,049.70		Over 3 years		No recovery risk
Beijing Dongcheng District Housing and Urban Construction Committee	260,000,000.00		Within 1 year		No recovery risk
Housing and Urban-Rural Development Committee of Chaoyang District, Beijing	218,279,803.35		Within 1 year		No recovery risk
Daxing line fan zhuang zi village housing demolition(Note 5)	197,879,325.05		Over 3 years		No recovery risk
Dongcheng Housing and Urban Construction Committee	180,000,000.00		Within 1 year		No recovery risk
Chaoyang District, Beijing Municipal Commission of Housing and Urban-Rural	165,550,564.08		Within 1 year		No recovery risk
Demolition Headquarters of Jiugong Section of Beijing Metro Yizhuang Line	136,224,638.53		Within 1 year		No recovery risk
Daxing District Demolition Headquarters	123,664,836.84		Within 1 year		No recovery risk

Debtor	Closing balance	Bad debt provision	Aging	Proportion of provision (%)	Reasons for the provision
Miyun District of Beijing Finance Bureau	119,877,526.03		1-2 year,Over 3 years		No recovery risk
Others	1,179,100,409.01	2,331,609.41	Within 1 year,1-5年,Over 3 years	0.20	Partly high recovery risk
Total	14,339,129,876.14	2,331,609.41	–	–	–

Note 1: Fangshan line bei tian tang village housing demolition 630.00 million yuan: as a special fund from the government, it will be written off after government grants and no bad debt provision shall be made.

Note 2: Direct line between Beijing railway station and Beijing west railway station 600.00 million yuan: according to documents Jing fa gai (2007) 2414, No. 575 and No. 2415 as a special fund from the government, it will be written off after government grants and no bad debt provision shall be made.

Note 3: Beijing south station 517.00 million yuan: according to documents Jing fa gai (2007) 2414, No. 575 and No. 2415 as a special fund from the government, it will be written off after government grants and no bad debt provision shall be made.

Note 4: Jing hu railway investment 269.00 million yuan: according to "Implement agreement to land demolition in domestic Beijing for Jing hu express railway" between Beijing SASAC and Jing hu express railway limited, the Company invested 3,286.00 million yuan to Jing hu railway. According to the third shareholder meeting resolution for Jing hu railway in 2015, 2,830.00 million yuan is shifted to available-for-sale financial assets, the rest will not be shifted to available-for-sale financial assets until the final account for completed project is performed and the audit report is issued. It is guaranteed by the government, the Company doesn't make any bad debt provision.

Note 5: The expansion and demolition of Fanzhuangzi Village on Daxing Line is 198.00 million yuan: The source of funds for the project is a special fund from the municipal finance. As a special expenditure, it will be written off after the government's special appropriation. Therefore, there is no need to make provision for bad debts.

8.3.2 Other receivables for which bad debt provision has been assessed by credit risk portfolios

Other receivable portfolios for which bad debt provision has been assessed using the aging analysis approach

Aging	Closing balance			Closing balance		
	Carrying amount		Bad debt provision	Carrying amount		Bad debt provision
	Amount	Proportion (%)		Amount	Proportion (%)	
Within 1 year	95,229,017.31	40.65		17,071,844.87	11.55	
More than 1 year but not exceeding 2 years	11,429,468.00	4.88	571,473.40	5,766,347.54	3.90	288,317.38
More than 2 years but not exceeding 3	4,354,467.35	1.86	653,170.10	2,619,528.00	1.77	392,929.20
More than 3 years	123,274,819.82	52.61	67,822,022.06	122,403,364.18	82.78	64,260,758.01
Total	234,287,772.48	100.00	69,046,665.56	147,861,084.59	100.00	64,942,004.59

8.3.3 Other receivables that are not individually significant but for which bad debt provision has been assessed individually

Debtor	Closing balance	Bad debt provision	Aging	Proportion of provision (%)	Reasons for the provision
Guangdong Yangjiang Jian'an Group Beijing Branch	1,615,271.40	1,453,744.26	Over 3 years	90.00	Partly high recovery risk
Beijing Lida Yongxin Electronics Group Co., Ltd.	980,000.00		Within 1 year		No recovery risk
Taiyuan Railway Engineering Corporation	845,627.74		Over 3 years		No recovery risk
Export-Import Bank of China	801,836.84		Within 1 year		No recovery risk
Hohhot Urban Rail Transit Construction Management Co., Ltd.	782,000.00	391,000.00	4-5 年	50.00	Partly high recovery risk
Beijing Guodian Tianli Power Construction Co., Ltd.	773,607.33		Within 1 year		No recovery risk
Jingshi Railway Passenger Dedicated Line Co., Ltd.	710,520.00		1-5 years		No recovery risk
Nanning Rail Transit Group Co., Ltd.	690,000.00	225,000.00	2-5 years	32.61	Partly high recovery risk
Jingshen Railway Passenger Dedicated Line Beijing-Hebei Co., Ltd.	670,000.00		Over 3 years		No recovery risk
Beijing Zhaowei Electronics (Group) Co., Ltd.	622,398.14		3-4 years		No recovery risk
Greening Team 3, Haidian District, Beijing	600,000.00		Within 1 year		No recovery risk

Debtor	Closing balance	Bad debt provision	Aging	Proportion of provision (%)	Reasons for the provision
Beijing Gonglian Highway Tie Line Co., Ltd.	600,000.00		Over 3 years		No recovery risk
Tianlan Heating Company	557,460.00		Over 3 years		No recovery risk
Beijing Jinggang Metro Co., Ltd.	557,000.00		Over 3 years		No recovery risk
Jinhua Jinyidong Rail Transit Co., Ltd.	534,000.00	133,500.00	2-3 years	25.00	Partly high recovery risk
Beijing Deyi Chuangsi Real Estate Strategy Consulting Co., Ltd.	500,000.00		Within 1 year		No recovery risk
Beijing Gonglian Jieda Highway Maintenance Engineering Co., Ltd.	500,000.00		2-3 years		No recovery risk
Sun Shinong	15,000.00	13,500.00	3-4 years	90.00	Partly high recovery risk
Beijing Changcheng Commercial Car Rental Co., Ltd.	6,600.00	5,940.00	Within 1 year	90.00	Partly high recovery risk
Others	15,937,184.73	197,250.00	Within 1 year、1-5 years、Over 5 years	1.24	Partly high recovery risk
Total	28,298,506.18	2,419,934.26	—	—	—

9. Inventories

Item	Closing balance			Opening balance		
	Gross carrying amount	Provision for decline in value of inventories	Net carrying amount	Gross carrying amount	Provision for decline in value of inventories	Net carrying amount
Raw materials	374,181,854.59	1,594,841.62	372,587,012.97	458,526,847.65	158,529.82	458,368,317.83
Semi-finished products and in the product	23,662,996,552.64	8,583,930.00	23,654,412,622.64	22,155,268,505.76	9,059,282.26	22,146,209,223.50
Inc. Project construction (completed unsettled payment)	101,025,649.55		101,025,649.55	39,585,727.83		39,585,727.83
Real estate development cost	22,697,177,052.91		22,697,177,052.91	21,330,734,728.84		21,330,734,728.84
Finished goods	7,855,582,026.97	390,081,257.26	7,465,500,769.71	11,357,801,125.10	397,850,343.04	10,959,950,782.06
Inc. Real estate development product	6,229,979,126.84	207,413.79	6,229,771,713.05	9,854,419,737.31	426,876.63	9,853,992,860.68

Item	Closing balance			Opening balance		
	Gross carrying amount	Provision for decline in value of inventories	Net carrying amount	Gross carrying amount	Provision for decline in value of inventories	Net carrying amount
Turnover materials	466,038.10		466,038.10			
Consumable biological assets	580,065.33		580,065.33	580,065.33		580,065.33
executory costs						
Others	23,532,763,779.53	203,674,621.97	23,329,089,157.56	25,428,174,714.63	203,674,621.97	25,224,500,092.66
Inc. Land first-level development	23,449,304,092.91	194,008,850.96	23,255,295,241.95	25,240,649,142.12	194,008,850.96	25,046,640,291.16
Total	55,426,570,317.16	603,934,650.85	54,822,635,666.31	59,400,351,258.47	610,742,777.09	58,789,608,481.38

Note: The book value of ending inventory mortgage is 16.67 billion yuan, more details refer to 70. Assets whose ownership and right to use are restricted

10. Contract assets

10.1 Contract assets

Item	Closing balance			Opening balance		
	Gross carrying amount	Bad debt provision	Net carrying amount	Gross carrying amount	Bad debt provision	Net carrying amount
Contract assets settled within one year	691,025,765.41	41,460,362.61	649,565,402.80	746,399,376.70	30,254,177.01	716,145,199.69
Total	691,025,765.41	41,460,362.61	649,565,402.80	746,399,376.70	30,254,177.01	716,145,199.69

10.2 Contract assets bad debt provision

Item	Opening balance	Increase	Decrease	Closing balance
Contract assets settled within one year	30,254,177.01	11,206,185.60		41,460,362.61
Total	30,254,177.01	11,206,185.60		41,460,362.61

11. Non-current assets due within one year

Item	Closing balance	Opening balance
Debt investment due within one year	305,184,687.95	199,179,416.26
Long-term receivables due within one year	5,221,617,965.04	4,634,705,106.47

Other long-term assets due within one year		46,965,576.71
Total	5,526,802,652.99	4,880,850,099.44

12. Other current assets

Item	Closing balance	Opening balance
Entrusted loan and entrusted investment	140,000,000.00	641,424,300.00
Pending property gains and losses	94,330,496.30	29,286,628.21
Deductible input tax	1,249,919,637.86	2,372,230,099.38
Prepaid other taxes and levies	230,527,162.54	127,788,199.96
Financial product	12,430,479,999.64	18,578,510,000.00
Others	1,436,924.34	89,839.56
Total	14,146,694,220.68	21,749,329,067.11

13. Debt investment

13.1 Debt investment

Item	Closing balance			Opening balance		
	Gross carrying amount	Bad debt provision	Net carrying amount	Gross carrying amount	Bad debt provision	Net carrying amount
Entrusted Loan	276,839,894.68	276,839.90	276,563,054.78	313,952,535.45	313,952.54	313,638,582.91
Total	276,839,894.68	276,839.90	276,563,054.78	313,952,535.45	313,952.54	313,638,582.91

13.2 Important debt investment at the end of the period

Borrower	Principal	Accrued interest	Subtotal	Bad debt provision	Annual interest rate (%)
Shanghai Lishi	120,128,217.11		120,128,217.11	120,128.22	9.50
Beijing Tanzhe Xingye Real Estate Development Co., Ltd.	139,422,488.88		139,422,488.88	139,422.49	8.00
Beijing Jingtou Yixin Health Management Service Co., Ltd.	13,000,000.00	4,289,188.69	17,289,188.69	17,289.19	12.00
Total	272,550,705.99	4,289,188.69	276,839,894.68	276,839.90	-

14. Available-for-sale financial assets

Item	Closing balance			Opening balance		
	Gross carrying amount	Bad debt provision	Net carrying amount	Gross carrying amount	Bad debt provision	Net carrying amount
Available-for-sale liability investment	2,827,516,622.38		2,827,516,622.38	2,972,351,279.86		2,972,351,279.86
Available-for-sale equity investment	48,733,823,041.56	686,480,962.97	48,047,342,078.59	41,786,188,584.02	376,418,546.42	41,409,770,037.60
Incl.: fair value measurement	3,026,065,736.97	607,744,945.79	2,418,320,791.18	2,694,061,470.34	297,682,529.24	2,396,378,941.10
Cost measurement	45,707,757,304.59	78,736,017.18	45,629,021,287.41	39,092,127,113.68	78,736,017.18	39,013,391,096.50
Total	51,561,339,663.94	686,480,962.97	50,874,858,700.97	44,758,539,863.88	376,418,546.42	44,382,121,317.46

Note: For the share investment in available-for-sale investment, the closing carrying amount is recognized at the amount of public market price multiplied by the numbers of shares; for the available-for-sale equity instruments that are not public, they are recognized at the direct or indirect observable value or observable value.

Available-for-sale financial assets that have public market price are as follows:

No.	Name of share	Stock code	Number of shares held at the end of period	Closing price at the end of period	Fair value at the end of period
1	Kangni Mechanical & Electrical	Shanghai stock (603111)	9,824,561.00	5.59	54,919,295.99
2	Bank of beijing	Shanghai stock (601169)	79,472,026.00	4.84	384,644,605.84
3	Citic Ltd	HK stock (00267)	4,210,000.00	HKD 5.49	19,452,741.16
4	Asiaray	HK stock (01993)	12,250,000.00	HKD 4.49	46,292,304.10
5	BUMA	HK stock (02666)	18,953,000.00	HKD 5.79	92,359,780.91
6	CRSC	HK stock (03969)	51,300,000.00	HKD 2.60	112,257,943.20
7	China Reinsurance	HK stock (01508)	229,626,000.00	HKD 0.80	154,609,941.31
8	Guolian shares	Stock transfer system (603613)	2,703,492.00	128.08	346,263,255.36
9	Vauthier media	Stock transfer system (430174)	9,750,000.00	0.88	8,580,000.00
10	The construction of information	Stock transfer system (834082)	1,254,500.00	24.40	30,609,800.00
11	Huafeng co	SME board (002806)	1,039,476.00	10.65	11,070,419.40
12	Amethystum	Stock transfer system (688086)	2,957,747.00	39.15	115,795,795.05
13	CDS	Stock transfer system (300846)	21,735,000.00	22.19	482,299,650.00
14	Damon	Stock transfer system (688360)	5,690,372.00	31.46	179,019,103.12
	Total	-	-	-	2,038,174,635.44

Note: We take December 31, 2020 Hong Kong dollar against the RMB exchange rate of the central parity of 0.84164 as related exchange rate.

15. Held to maturity investments

Item	Closing balance			Opening balance		
	Gross carrying amount	Bad debt provision	Net carrying amount	Gross carrying amount	Bad debt provision	Net carrying amount
Jiangsu Metallurgy Design Institute Co., Ltd.				110,000,000.00	550,000.00	109,450,000.00
Total				110,000,000.00	550,000.00	109,450,000.00

16. Long-term receivables

Item	Closing balance			Opening balance		
	Gross carrying amount	Bad debt provision	Net carrying amount	Gross carrying amount	Bad debt provision	Net carrying amount
Finance leases	5,354,050,503.31	308,680,971.31	5,045,369,532.00	5,958,998,091.48	151,676,804.18	5,807,321,287.30
Incl.: unrealized financing profits	1,452,041,259.30		1,452,041,259.30	1,922,393,182.74		1,922,393,182.74
Factoring business	546,542,661.49	5,465,426.62	541,077,234.87	417,768,528.47	4,177,685.28	413,590,843.19
Total	5,900,593,164.80	314,146,397.93	5,586,446,766.87	6,376,766,619.95	155,854,489.46	6,220,912,130.49

17. Long-term equity investments

17.1 Categories:

Item	Opening balance	Increase	Decrease	Closing balance
Investment in joint venture	20,190,706,059.32	7,876,052,197.06	435,942,382.39	27,630,815,873.99
Investment in associates	95,196,545.03	1,091,949.09	37,675,850.13	58,612,643.99
Subtotal	20,285,902,604.35	7,877,144,146.15	473,618,232.52	27,689,428,517.98
Less: Provision for impairment losses				
Total	20,285,902,604.35	7,877,144,146.15	473,618,232.52	27,689,428,517.98

17.2 Details:

Investee	Accounting method	Investment cost	Opening balance	Increase/ Decrease for the year		
				Additional investment	Reduce investment	Investment gains and losses recognized in equity method
Total		23,309,306,603.80	20,285,902,604.35	5,826,422,388.52	19,139,403.33	2,005,515,043.95
Joint ventures		494,198,911.79	95,196,545.03	25,000,000.00		-25,339,487.84
Beijing jingtou yixin health management services co., LTD	Equity method	15,000,000.00	2,604,762.60			-794,385.38
Shanghai Lishi Hotel Co., Ltd.	Equity method	362,098,911.79				
Wuxi Wangyu Metro Ecological Property Co., Ltd.	Equity method	25,000,000.00	24,097,106.71	25,000,000.00		-49,097,106.71
Ordos Jingtou Yintai Real Estate Development Co., Ltd.	Equity method	14,700,000.00				
Beijing Tanzhe Xingye Real Estate Development Co., Ltd.	Equity method	20,000,000.00				
Beijing Tianlu Longxiang Transportation Equipment Co., Ltd.	Equity method	7,000,000.00	7,610,452.10			-233,305.19
Beijing cornerstone investment center (limited partnership)	Equity method	50,000,000.00	45,244,848.21			509,041.23
Beijing cornerstone innovation investment management center (limited partnership)	Equity method	400,000.00	400,078.04			8,887.00
Beijing Subway Tongcheng Advertising Co., Ltd.	Equity method		15,239,297.37			24,267,881.21
Associations		22,815,107,692.01	20,190,706,059.32	5,801,422,388.52	19,139,403.33	2,030,854,531.79
Beijing Rail Transit Design and Research Institute Co., Ltd.	Equity method	5,000,000.00	11,899,005.55	7,139,403.33	7,139,403.33	6,395,470.53
Xinjiang Urumqi Infrastructure Construction Management Co., Ltd.	Equity method	4,900,000.00	10,083,209.07			455,212.68
Beijing Ansett Engineering Consulting Co., Ltd.	Equity method	1,150,000.00	4,888,288.66			993,387.01
Beijing Borch Urban Rail Transit Engineering Equipment Rental Co., Ltd.	Equity method	300,000.00	81,884.95			-14,565.63
Beijing Lize City Terminal Construction Development Co., Ltd.	Equity method	15,000,000.00		15,000,000.00		

Investee	Accounting method	Investment cost	Opening balance	Increase/ Decrease for the year		
				Additional investment	Reduce investment	Investment gains and losses recognized in equity method
Beijing municipal transportation pass limited	Equity method	33,614,463.00	35,658,714.61			2,413,516.87
Beijing Zhongguancun Microfinance Co., Ltd.	Equity method	151,200,000.00	187,956,556.37			15,955,352.60
Traffic Control Technology Co., Ltd.	Equity method	96,434,366.00	200,868,631.90			41,297,072.06
Beijing Cultural Technology Financing Guarantee Co., Ltd.	Equity method	300,000,000.00	457,206,752.59			13,590,626.53
Beijing Jiuzhou One Rail Vibration Isolation Technology Co., Ltd.	Equity method	160,563,612.50	264,573,924.11			8,397,963.17
Xinjiang Wujing Railway Construction Rail Transportation Co., Ltd	Equity method	390,280,000.00	390,280,000.00			
Baoding cornerstone capital investment center (limited partnership)	Equity method	93,000,000.00	156,713,044.62			-15,508.07
Beijing Urban Construction Design Development Group Co., Ltd.	Equity method	696,697,042.26	944,052,520.23			109,985,555.29
Hua Xia Bank Co., Ltd.	Equity method	14,902,058,522.40	16,536,531,050.22			1,500,675,000.00
Shaoxing Jingyue Metro Co., Ltd.	Equity method	632,859,000.00	623,832,000.00	639,948,000.00		54,169.80
Beijing Capital Securities Co., Ltd.	Equity method	1,839,895,200.00		1,839,895,200.00		70,117,374.98
Beijing Yima Tongcheng Technology Co., Ltd.	Equity method	12,000,000.00		12,000,000.00		8,351.89
Beijing Cornerstone Xin'an Venture Capital Co., Ltd.	Equity method	39,000,000.00	46,347,737.14			-757,049.46
Beijing Bigejia Technology Co., Ltd.	Equity method	4,500,000.00	4,090,149.48			-73,870.31
Beijing Jingtou Sunshine Real Estate Development Co., Ltd.	Equity method	117,600,000.00	137,289,546.54			-1,229,801.61
Beijing Cornerstone Venture Capital Management Center (Limited Partnership)	Equity method	3,101,000.00	3,572,080.11	1,645,000.00		1,514,411.59
Beijing Jingkuan Network Technology Co., Ltd.	Equity method	3,500,000.00	3,373,754.84			28,929.90

Investee	Accounting method	Investment cost	Opening balance	Increase/ Decrease for the year		
				Additional investment	Reduce investment	Investment gains and losses recognized in equity method
Beijing Jinxin Tonglian Information Co., Ltd.	Equity method	1,500,000.00	1,336,451.56			-42,806.55
Beijing Beixin Zhiyun Technology Co., Ltd.	Equity method	6,000,000.00	2,833,988.54			-1,119,680.88
Beijing Cornerstone Huiying Venture Capital Center (Limited Partnership)	Equity method	49,000,000.00		49,000,000.00		-691,920.49
Beijing Investment Nufront Technology Co., Ltd.	Equity method	6,000,000.00		6,000,000.00		709,188.53
Beijing Zhongguancun Rail Transit Industry Development Co., Ltd.	Equity method	2,000,000.00		2,000,000.00		57,748.77
Shanghai Oriental Maritime Engineering Technology Co., Ltd.	Equity method	58,130,000.00		58,130,000.00		1,322,964.83
Beijing Cornerstone Sensing Information Service Co., Ltd.	Equity method	4,500,000.00		4,500,000.00		3,314.94
Shougang Jingtang Iron and Steel United Co., Ltd.	Equity method	3,000,000,000.00		3,018,970,299.34		192,091,953.78
Huangshan Shiyu Railway Investment Development Co., Ltd.	Equity method	12,000,000.00	12,000,000.00	12,000,000.00	12,000,000.00	-408,545.46
Suzhou Yiqikang Electronic Technology Co., Ltd.	Equity method	2,000,000.00	4,775,863.11			1,593,870.58
Suzhou Shida Xunyuan Electronic Technology Co., Ltd.	Equity method	1,280,000.00	1,635,773.00			522,789.67
Guangdong Zhongcheng Traffic Technology Co., Ltd.	Equity method	5,150,000.00	4,111,359.87			-843,204.05
Tianjin Wuyang Zhitong Intelligent Technology Co., Ltd.	Equity method	1,715,000.00		1,715,000.00		-1,037,957.46
China Magnetic Jiangsu Transportation Industry Co., Ltd.	Equity method	2,000,000.00		2,000,000.00		-1,074,991.76
Hebei Yichen Industrial Group Co., Ltd.	Equity method	131,479,485.85		131,479,485.85		8,882,985.33
Beijing Beiguang Media Metro Television Co., Ltd.	Equity method	14,700,000.00	31,844,965.25			-4,917,365.93
Beijing Metro Information Development Co., Ltd.	Equity method	15,000,000.00	112,868,807.00			66,014,488.12

Continued:

Investee	Increase/ Decrease for the year					Closing balance	Provision at the end of the period
	Other comprehensive income adjustment	Other changes in equity	Declaration of cash dividends or profits	Provision for impairment	Others		
Total	13,368,829.00	110,864,481.41	466,542,465.65		-66,962,960.27	27,689,428,517.98	
Joint ventures			10,194,678.58		-26,049,734.62	58,612,643.99	
Beijing jingtou yixin health management services co., LTD						1,809,877.22	
Shanghai Lishi Hotel Co., Ltd.							
Wuxi Wangyu Metro Ecological Property Co., Ltd.							
Ordos Jingtou Yintai Real Estate Development Co., Ltd.							
Beijing Tanzhe Xingye Real Estate Development Co., Ltd.							
Beijing Tianlu Longxiang Transportation Equipment Co., Ltd.					-207,581.02	7,169,565.89	
Beijing cornerstone investment center (limited partnership)					3,497,171.68	49,251,061.12	
Beijing cornerstone innovation investment management center (limited partnership)					-26,825.28	382,139.76	

Investee	Increase/ Decrease for the year					Closing balance	Provision at the end of the period
	Other comprehensive income adjustment	Other changes in equity	Declaration of cash dividends or profits	Provision for impairment	Others		
Beijing Subway Tongcheng Advertising Co., Ltd.			10,194,678.58		-29,312,500.00		
Associations	13,368,829.00	110,864,481.41	456,347,787.07		-40,913,225.65	27,630,815,873.99	
Beijing Rail Transit Design and Research Institute Co., Ltd.			500,000.00			17,794,476.08	
Xinjiang Urumqi Infrastructure Construction Management Co., Ltd.						10,538,421.75	
Beijing Ansett Engineering Consulting Co., Ltd.			187,450.00			5,694,225.67	
Beijing Borch Urban Rail Transit Engineering Equipment Rental Co. Ltd.						67,319.32	
Beijing Lize City Terminal Construction Development Co., Ltd.						15,000,000.00	
Beijing municipal transportation pass limited						38,072,231.48	
Beijing Zhongguancun Microfinance Co., Ltd.			12,594,000.00			191,317,908.97	
Traffic Control Technology Co., Ltd.	-25,488.24	92,636,678.85	7,054,120.51			327,722,774.06	
Beijing Cultural Technology Financing Guarantee Co., Ltd.						470,797,379.12	
Beijing Jiuzhou One Rail Vibration Isolation Technology Co., Ltd.		17,897,358.00	580,938.87			290,288,306.41	
Xinjiang Wujing Railway Construction Rail						390,280,000.00	

Investee	Increase/ Decrease for the year					Closing balance	Provision at the end of the period
	Other comprehensive income adjustment	Other changes in equity	Declaration of cash dividends or profits	Provision for impairment	Others		
Transportation Co., Ltd							
Baoding cornerstone capital investment center (limited partnership)	13,036,588.09				-9,018,708.52	160,715,416.12	
Beijing Urban Construction Design Development Group Co. Ltd.	-278,578.03	835,462.14	16,999,157.15		-28,249,023.59	1,009,346,878.89	
Hua Xia Bank Co., Ltd.	-5,865,000.00		325,492,330.88			17,705,848,719.34	
Shaoxing Jingyue Metro Co., Ltd.						1,263,834,169.80	
Beijing Capital Securities Co., Ltd.			22,234,760.00			1,887,777,814.98	
Beijing Yima Tongcheng Technology Co., Ltd.						12,008,351.89	
Beijing Cornerstone Xin'an Venture Capital Co., Ltd.	6,501,307.18					52,091,994.86	
Beijing Bigejia Technology Co., Ltd.						4,016,279.17	
Beijing Jingtou Sunshine Real Estate Development Co., Ltd.						136,059,744.93	
Beijing Cornerstone Venture Capital Management Center (Limited Partnership)			933,891.91			5,797,599.79	
Beijing Jingkuan Network Technology Co., Ltd.						3,402,684.74	
Beijing Jinxin Tonglian Information Co., Ltd.						1,293,645.01	
Beijing Beixin Zhiyun Technology Co., Ltd.						1,714,307.66	

Investee	Increase/ Decrease for the year					Closing balance	Provision at the end of the period
	Other comprehensive income adjustment	Other changes in equity	Declaration of cash dividends or profits	Provision for impairment	Others		
Beijing Cornerstone Huiying Venture Capital Center (Limited Partnership)						48,308,079.51	
Beijing Investment Nufront Technology Co., Ltd.						6,709,188.53	
Beijing Zhongguancun Rail Transit Industry Development Co., Ltd.						2,057,748.77	
Shanghai Oriental Maritime Engineering Technology Co., Ltd.						59,452,964.83	
Beijing Cornerstone Sensing Information Service Co., Ltd.						4,503,314.94	
Shougang Jingtang Iron and Steel United Co., Ltd.						3,211,062,253.12	
Huangshan Shiyu Railway Investment Development Co., Ltd.						11,591,454.54	
Suzhou Yiqikang Electronic Technology Co., Ltd.		-367,284.74			-1,412,936.71	4,589,512.24	
Suzhou Shida Xunyuan Electronic Technology Co., Ltd.		-137,732.84			-355,444.31	1,665,385.52	
Guangdong Zhongcheng Traffic Technology Co., Ltd.					573,204.48	3,841,360.30	
Tianjin Wuyang Zhitong Intelligent Technology Co., Ltd.					-40,622.55	636,419.99	
China Magnetic Jiangsu Transportation Industry Co.,					-55,500.49	869,507.75	

Investee	Increase/ Decrease for the year					Closing balance	Provision at the end of the period
	Other comprehensive income adjustment	Other changes in equity	Declaration of cash dividends or profits	Provision for impairment	Others		
Ltd.							
Hebei Yichen Industrial Group Co., Ltd.					-2,354,193.96	138,008,277.22	
Beijing Beiguang Media Metro Television Co., Ltd.						26,927,599.32	
Beijing Metro Information Development Co., Ltd.			69,771,137.75			109,112,157.37	

Note 1: In the year 2013, the Company made a decrease in the investment of E'erdos program limited and E'erdos program limited then became the Company's joint venture. Long-term equity investment to E'erdos program limited decreased to nil after equity method on December 31, 2013. E'erdos program limited still goes deficit this period.

Note 2: Shanghai Lixing owns two plots of land at block 88, Songshan Road, Huangpu District, Shanghai (hereinafter "plot 107"), and 99 land mass in Ma Dang Road, Huangpu District, Shanghai (hereinafter "plot 108"). The Andashi hotel (hereinafter "107 hotel") is built on plot 107, and the New world Langting Hotel (hereinafter "108 hotel") is built on plot 108. According to the "shareholder agreement of Shanghai Lixing Hotel Co., Ltd." signed in November 2010, Shanghai Lixing is to split into 107 hotel and 108 hotel. In December 2016, Shanghai Lixing tripartite shareholders signed the "Separation Agreement". It was agreed that after the separation, Shanghai Lixing continued to exist, owning and operating 108 hotel; the new company owns and operates 107 hotel. Shanghai Lishi, the newly established company, has completed its business registration on March 10, 2017. In September 2017, Shanghai Lishi completed property change procedures of 107 hotel. Shanghai Lishi continued the financial status and operating results of Shanghai Lixing (107 Hotel) before the separation. The shareholders and shareholding ratio of the newly established company and the continuing company are exactly the same. At the end of 2017, Beijing Investment Development holds a 27.5% stake in Shanghai Lishi, which belongs to the joint venture of Beijing Investment Development. In February 2018, Beijing Investment Development, Landton Limited and Trillion Full signed the "Equity Transfer Agreement of Shanghai Lixing Hotel Co., Ltd." and the "Equity Transfer Agreement of Shanghai Lishi Hotel Co., Ltd." Upon completion of this equity transfer, Beijing Investment Development holds a 55% stake in Shanghai Lishi Hotel Co., Ltd. (hereinafter "Shanghai Lishi") and Trillion Full holds a 45% stake in Shanghai Lishi. Beijing Investment Development and Trillion Full no longer hold shares in Shanghai Lixing. According to the relevant regulations of the Shanghai Lishi Regulations on the procedure of the board of directors, the company and TrillionFull form a joint control over Shanghai Lishi, and the nature is changed to a joint venture.

Note 3: In April 2018, Beijing Investment Development added investment of RMB 450,000 to Beijing Biggerjia Technology Co., Ltd., with a shareholding ratio of 3%. According to agreement on capital and stock Increase and the company's articles of association, Beijing Biggerjia Technology Co., Ltd. has a board of directors with 5 members, who are appointed by shareholders. Among them, the original shareholders jointly appoint 4 directors, and the company appoints one director. Voting on Board Resolutions by One Person One Vote. The following matters shall be adopted by more than two-thirds of the board of directors: (1) The formulation, major revision of the company's development strategy, investment plan; (2) To formulate the company's annual financial budget plan and final accounts plan; (3) To formulate the company's profit distribution plan and loss compensation plan; (4) Decide the company's equity incentive plan; (5) Formulate the plan of merger, division, change of company form and dissolution of the company; (6) Resolve on related transaction matters of the company. In addition,

other board matters shall be approved by the more than two-thirds of the directors.

Note4: Other changes are translation differences in foreign currency statements

17.3 Information of significant joint venture

Item	E'erdos program limited		Beijing Cornerstone Chuangying Investment Center (Limited Partnership)	
	Amount for the current period	Amount for the prior period	Amount for the current period	Amount for the current period
Current assets	1,119,077,628.46	1,118,409,148.90	32,339,251.06	34,769,931.45
Non-current assets	27,477.00	31,601.20	151,558,247.38	147,082,352.35
Total assets	1,119,105,105.46	1,118,440,750.10	183,897,498.44	181,852,283.80
Current liabilities	1,834,082,681.17	1,760,377,073.78		
Non-current liabilities				
Total liabilities	1,834,082,681.17	1,760,377,073.78		
Minority interests				
Equity interests attributable to parent company	-714,977,575.71	-641,936,323.68	183,897,498.44	181,852,283.80
Net asset calculated at share-held proportion	-350,339,012.10	-314,548,798.60	45,753,697.61	45,244,848.21
Adjustment	-496,458.47	-496,458.47		
--Goodwill				
--Unrealized profit of related party transaction	-496,458.47	-496,458.47		
--Others				
Carrying amount of investment in joint venture equity			49,251,061.12	45,244,848.21
Fair value of equity investment with public price				
Operating income				
Financial expense	70,894,762.20	70,577,437.64	225.02	367.03
Income expense				
Net profit	-73,041,252.03	-71,966,783.15	2,045,214.64	34,809,306.85
Net profit from discontinued operations				
Other comprehensive income				
Total comprehensive income	-73,041,252.03	-71,966,783.15	2,045,214.64	34,809,306.85
Dividend from joint venture				

17.4 Information of significant associates

Item	Amount for the current period		
	Huaxia Bank Co., Ltd. (unit: million)	Beijing municipal transportation pass limited	Beijing zhongguancun microcredit limited
Current assets	420,042.00	4,537,608,389.21	1,009,463,855.78
Non-current assets	2,979,774.00	108,232,042.05	6,487,610.56
Total assets	3,399,816.00	4,645,840,431.26	1,015,951,466.34
Current liabilities	2,588,286.00	4,314,112,187.94	127,397,987.25
Non-current liabilities	528,875.00	56,781,460.50	
Total liabilities	3,117,161.00	4,370,893,648.44	127,397,987.25
Equity	282,655.00	274,946,782.82	888,553,479.09
Net asset calculated at share-held proportion	23,852.11	57,821,308.43	177,710,695.82
Adjustment			
Carrying amount of investment in joint venture equity	17,705.85	38,072,231.48	191,317,908.97
Operating income	95,309.00	58,363,933.06	124,276,176.88
Net profit	21,568.00	11,476,542.43	79,776,763.00
Total comprehensive income	19,929.00	11,476,542.43	79,776,763.00
Dividend from joint venture	325.49		12,594,000.00

Continued:

Item	Amount for the current period		
	Beijing traffic control technology corporation	Beijing culture technology financing guarantee limited	Beijing jiuzhou railway vibration isolation technology co., Ltd
Current assets	3,931,584,959.93	3,706,561,452.02	710,818,268.99
Non-current assets	417,148,744.43	335,613,648.13	150,969,154.09
Total assets	4,348,733,704.36	4,042,175,100.15	861,787,423.08
Current liabilities	2,840,926,141.33	1,306,717,451.95	204,474,502.31
Non-current liabilities	188,790,801.39	533,325,591.66	18,803,108.38
Total liabilities	3,029,716,942.72	1,840,043,043.61	223,277,610.69
Equity	1,319,016,761.64	2,202,132,056.54	638,509,812.39
Net asset calculated at share-held proportion	237,707,748.39	440,426,411.31	165,310,190.43
Adjustment			

Item	Amount for the current period		
	Beijing traffic control technology corporation	Beijing culture technology financing guarantee limited	Beijing jiuzhou railway vibration isolation technology co., Ltd
Carrying amount of investment in joint venture equity	327,722,774.06	470,797,379.12	290,288,306.41
Operating income	2,026,170,762.30	345,746,604.13	342,973,745.99
Net profit	239,760,578.85	71,676,348.25	60,256,638.62
Total comprehensive income	239,760,578.85	71,676,348.25	60,256,638.62
Dividend from joint venture	7,054,120.51		580,938.87

Continued:

Item	Amount for the current period		
	Beijing Urban Construction & Design Group Co., Limited	Xinjiang Wujing Railway Construction Rail Transportation Co., Ltd	Shaoxing Jingyue Metro Co., Ltd.
Current assets	11,691,637,000.00	1,245,809,066.65	3,034,551,306.95
Non-current assets	9,367,874,000.00	4,367,534,820.59	4,823,403,327.39
Total assets	21,059,511,000.00	5,613,343,887.24	7,857,954,634.34
Current liabilities	9,826,669,000.00	136,270,570.64	252,573,124.02
Non-current liabilities	5,484,769,000.00	3,101,135,757.93	4,065,229,540.05
Total liabilities	15,311,438,000.00	3,237,406,328.57	4,317,802,664.07
Equity	5,748,073,000.00	2,375,937,558.67	3,540,151,970.27
Net asset calculated at share-held proportion	808,251,313.00	787,623,300.70	1,263,834,169.80
Adjustment			
Carrying amount of investment in joint venture equity	1,009,346,878.89	390,280,000.00	1,263,834,169.80
Operating income	9,984,891,000.00		7,454,258.00
Net profit	807,552,000.00		151,970.27
Total comprehensive income	807,552,000.00		151,970.27
Dividend from joint venture	16,999,157.15		

Continued:

Item	Amount for the current period	
	Beijing Capital Securities Co., Ltd.	Shougang Jingtang Iron and Steel United Co., Ltd.
Current assets	24,812,646,511.47	14,065,760,272.70
Non-current assets	1,380,355,977.96	71,099,245,981.74
Total assets	26,193,002,489.43	85,165,006,254.44
Current liabilities	14,692,001,321.08	37,129,787,792.19
Non-current liabilities	2,552,181,721.85	20,015,487,893.34
Total liabilities	17,244,183,042.93	57,145,275,685.53
Equity	8,948,819,446.50	28,019,730,568.91
Net asset calculated at share-held proportion	1,717,720,738.91	3,211,062,253.12
Adjustment		
Carrying amount of investment in joint venture equity	1,887,777,814.98	3,211,062,253.12
Operating income	1,658,556,348.85	43,681,885,287.61
Net profit	614,388,984.90	1,670,188,805.26
Total comprehensive income	581,558,849.98	1,670,188,805.26
Dividend from joint venture	22,234,760.00	

Continued:

Item	Amount for the prior period		
	Huaxia Bank Co., Ltd. (unit: million)	Beijing municipal transportation pass limited	Beijing zhongguancun microcredit limited
Current assets	347,069.00	4,596,475,844.95	1,073,751,892.61
Non-current assets	2,673,720.00	161,990,810.09	4,132,823.76
Total assets	3,020,789.00	4,758,466,655.04	1,077,884,716.37
Current liabilities	2,329,089.00	4,415,619,301.17	221,245,733.31
Non-current liabilities	422,363.00	79,377,113.48	
Total liabilities	2,751,452.00	4,494,996,414.65	221,245,733.31
Equity	269,337.00	263,470,240.39	856,638,983.06
Net asset calculated at share-held proportion	22,744.98	55,407,791.55	171,327,796.61
Adjustment			

Item	Amount for the prior period		
	Huaxia Bank Co., Ltd. (unit: million)	Beijing municipal transportation pass limited	Beijing zhongguancun microcredit limited
Carrying amount of investment in joint venture equity	16,536.53	35,658,714.61	187,956,556.37
Operating income	84,734.00	120,618,382.32	115,345,089.62
Net profit	22,115.00	41,218,641.72	71,267,733.03
Total comprehensive income	22,046.00	41,218,641.72	71,267,733.03
Dividend from joint venture	227.45	891,088.59	11,232,000.00

Continued:

Item	Amount for the prior period		
	Beijing traffic control technology corporation	Beijing culture technology financing guarantee limited	Beijing jiuzhou railway vibration isolation technology co., Ltd
Current assets	3,243,463,210.27	3,334,499,930.35	501,636,346.42
Non-current assets	307,215,137.41	465,300,404.69	147,421,671.19
Total assets	3,550,678,347.68	3,799,800,335.04	649,058,017.61
Current liabilities	2,335,079,213.27	1,134,589,760.90	159,297,547.92
Non-current liabilities	121,812,539.46	531,031,650.27	18,640,901.70
Total liabilities	2,456,891,752.73	1,665,621,411.17	177,938,449.62
Equity	1,093,786,594.95	2,134,178,923.87	471,119,567.99
Net asset calculated at share-held proportion	198,617,996.99	426,835,784.77	127,202,283.36
Adjustment			
Carrying amount of investment in joint venture equity	200,868,631.90	457,206,752.59	264,573,924.11
Operating income	1,651,775,097.71	371,056,784.11	289,063,166.82
Net profit	125,160,804.91	124,716,078.94	53,191,936.60
Total comprehensive income	125,160,754.23	124,716,078.94	53,191,936.60
Dividend from joint venture	5,999,381.33		5,072,353.00

Continued:

Item	Amount for the prior period		
	Beijing Urban Construction & Design Group Co., Limited	Xinjiang Wujing Railway Construction Rail Transportation Co., Ltd	Shaoxing Jingyue Metro Co., Ltd.
Current assets	12,672,929,000.00	1,361,460,960.87	1,759,346,230.29
Non-current assets	7,785,918,000.00	3,572,315,277.51	1,755,801,852.83
Total assets	20,458,847,000.00	4,933,776,238.38	3,515,148,083.12
Current liabilities	10,331,329,000.00	158,560,743.71	1,716,631.62
Non-current liabilities	5,030,833,000.00	2,406,029,934.00	1,753,431,451.50
Total liabilities	15,362,162,000.00	2,564,590,677.71	1,755,148,083.12
Equity	5,096,685,000.00	2,369,185,560.67	1,760,000,000.00
Net asset calculated at share-held proportion	716,627,717.20	785,385,013.36	623,744,000.00
Adjustment			
Carrying amount of investment in joint venture equity	944,052,520.23	390,280,000.00	623,832,000.00
Operating income	8,414,039,000.00		
Net profit	665,576,000.00		
Total comprehensive income	665,576,000.00		
Dividend from joint venture	16,569,876.82		

17.5 Aggregate information of insignificant joint venture and associate

Item	Amount for the period	Amount for the prior period
Joint venture	——	——
Total carrying amount of investment	9,361,582.87	49,951,696.82
Total amount calculated at the share- held proportion:		
Net profit	-33,524,801.30	-10,529,689.16
Total comprehensive income	-33,524,801.30	-10,529,689.16
Associate	——	——
Total carrying amount of investment	844,467,437.82	549,745,909.29
Total amount calculated at the share- held proportion:		
Net profit	81,031,838.25	64,196,832.30
Total comprehensive income	86,730,613.76	78,757,196.86

17.6 Related risk information in joint venture and associates equity

17.6.1 Significant restrict to cash transfer

None.

17.6.2 Excess loss

Investee	Accumulated unrecognized loss for prior period	Unrecognized loss for the period	Accumulated unrecognized loss for the period
Joint venture:			
E'erdos program limited	315,045,257.07	35,790,213.50	350,835,470.57
Shanghai Lishi	174,808,416.47	22,041,578.23	196,849,994.70
Total	489,853,673.54	57,831,791.73	547,685,465.27

17.6.3 Unconfirmed commitment relating to joint venture investment

None.

17.6.4 Contingent liability relating to joint venture or associate

None.

18. Other equity instrument investment

Item	Closing balance	Opening balance
Beijing China Railway Transportation Research Institute Co., Ltd.	250,000.00	250,000.00
Hangzhou Angel Real Estate Co., Ltd.	60,000.00	60,000.00
China Magnetics Jiangsu Transportation Industry Co., Ltd.		2,000,000.00
Total	310,000.00	2,310,000.00

19. Investment properties

Investment properties measured at cost:

Item	Opening carrying amount	Increase in the current period	Decrease in the current period	Closing carrying amount
I. Total original carrying amount	1,365,079,542.70	3,209,093,463.68	361,514,901.33	4,212,658,105.05
Including: 1. Buildings	1,364,168,251.23	3,209,093,463.68	361,514,901.33	4,211,746,813.58
2. Land use rights	911,291.47			911,291.47
II. Total accumulated depreciation and amortization	263,895,778.45	45,286,865.38	19,494,531.43	289,688,112.40

Item	Opening carrying amount	Increase in the current period	Decrease in the current period	Closing carrying amount
I Including: 1. Buildings	263,539,601.22	45,260,844.40	19,494,531.43	289,305,914.19
2. Land use rights	356,177.23	26,020.98		382,198.21
III. Total net book value of investment properties	1,101,183,764.25	–	–	3,922,969,992.65
Including: 1. Buildings	1,100,628,650.01	–	–	3,922,440,899.39
2. Land use rights	555,114.24	–	–	529,093.26
IV. Total accumulated provision for impairment losses of investment properties				
Including: 1. Buildings				
2. Land use rights				
V. Total book value of investment properties	1,101,183,764.25	–	–	3,922,969,992.65
Including: 1. Buildings	1,100,628,650.01	–	–	3,922,440,899.39
2. Land use rights	555,114.24	–	–	529,093.26

Note: The book value of investment properties mortgaged at the end of the year was 78.52 million yuan, refer to Notes VIII.69. Assets whose ownership and right to use are restricted.

20. Fixed assets

Item	Closing balance	Opening balance
Fixed assets	147,999,010,257.87	147,817,183,753.89
Fixed assets cleanup	1,246,988.56	1,218,732.19
Total	148,000,257,246.43	147,818,402,486.08

Classification of fixed assets

Item	Opening balance	Increase	Decrease	Closing balance
I. Total original carrying amount	151,666,695,947.70	675,672,922.01	99,556,451.20	152,242,812,418.51
Including: Land asset	99,697,717.32			99,697,717.32
Buildings	118,949,515,264.84	238,637,913.77	43,893,149.91	119,144,260,028.70
Machinery and equipment	28,358,815,356.66	296,286,300.36	32,489,732.84	28,622,611,924.18
Transportation vehicles	3,553,438,053.72	5,973,706.30	10,348,287.64	3,549,063,472.38
Electronic & Office equipment	505,752,259.93	79,149,171.61	12,167,090.06	572,734,341.48
Others	199,477,295.23	55,625,829.97	658,190.75	254,444,934.45
II. Total accumulated depreciation	3,747,328,538.93	413,047,174.39	35,878,931.53	4,124,496,781.79
Including: Land asset				

Item	Opening balance	Increase	Decrease	Closing balance
Buildings	1,326,505,126.10	88,877,988.84	406,191.32	1,414,976,923.62
Machinery and equipment	1,183,102,908.40	222,628,478.05	14,295,589.06	1,391,435,797.39
Transportation vehicles	851,927,038.73	7,704,042.61	14,575,219.70	845,055,861.64
Electronic & Office equipment	248,985,462.37	66,391,536.98	6,324,246.45	309,052,752.90
Others	136,808,003.33	27,445,127.91	277,685.00	163,975,446.24
III. Total carrying amount of fixed assets	147,919,367,408.77	–	–	148,118,315,636.72
Including: Land asset	99,697,717.32	–	–	99,697,717.32
Buildings	117,623,010,138.74	–	–	117,729,283,105.08
Machinery and equipment	27,175,712,448.26	–	–	27,231,176,126.79
Transportation vehicles	2,701,511,014.99	–	–	2,704,007,610.74
Electronic & Office equipment	256,766,797.56	–	–	263,681,588.58
Others	62,669,291.90	–	–	90,469,488.21
IV. Total accumulated provision for impairment losses of fixed assets	102,183,654.88	17,915,109.41	793,385.44	119,305,378.85
Including: Land asset				
Buildings	1,364,506.82			1,364,506.82
Machinery and equipment	100,778,054.06		752,291.44	100,025,762.62
Transportation vehicles	41,094.00		41,094.00	
Electronic & Office equipment				
Others		17,915,109.41		17,915,109.41
V. Total net carrying amount of fixed assets	147,817,183,753.89	–	–	147,999,010,257.87
Including: Land asset	99,697,717.32	–	–	99,697,717.32
Buildings	117,621,645,631.92	–	–	117,727,918,598.26
Machinery and equipment	27,074,934,394.20	–	–	27,131,150,364.17
Transportation vehicles	2,701,469,920.99	–	–	2,704,007,610.74
Electronic & Office equipment	256,766,797.56	–	–	263,681,588.58
Others	62,669,291.90	–	–	72,554,378.80

21. Construction in progress

21.1 Top 10 details of construction in progress are as follows:

Item	Closing balance			Opening balance		
	Gross carrying amount	Provision for decline	Net carrying amount	Gross carrying amount	Provision for decline	Net carrying amount
Total	303,655,744,832.93	39,120,500.00	303,616,624,332.93	277,224,664,035.09	39,120,500.00	277,185,543,535.09
Including: subtotal of important items:	218,810,603,030.89		218,810,603,030.89	195,681,994,048.04		195,681,994,048.04
1. Line 6 construction	43,955,036,025.12		43,955,036,025.12	41,830,252,731.62		41,830,252,731.62
2. Line 7 construction	30,892,954,108.12		30,892,954,108.12	30,146,254,075.06		30,146,254,075.06
3. Line 8 construction	29,439,187,143.09		29,439,187,143.09	27,187,751,101.59		27,187,751,101.59
4. Line 14 construction	24,834,590,166.69		24,834,590,166.69	23,875,112,491.57		23,875,112,491.57
5. Line 16 construction	23,102,791,284.00		23,102,791,284.00	20,136,069,303.03		20,136,069,303.03
6. Line changing construction	14,936,670,718.12		14,936,670,718.12	12,490,555,927.26		12,490,555,927.26
7. Line 17 construction	14,458,666,094.84		14,458,666,094.84	10,563,474,525.66		10,563,474,525.66
8. Line 12 construction	13,358,798,946.73		13,358,798,946.73	9,002,269,561.32		9,002,269,561.32
9. Line 19 construction	11,977,584,889.14		11,977,584,889.14	8,762,218,177.29		8,762,218,177.29
10. Line 9 construction	11,854,323,655.04		11,854,323,655.04	11,688,036,153.64		11,688,036,153.64

21.2 Top 10 details of changes of important construction in progress are as follows:

Item	Budget amount	Opening balance	Increase in the current period	Transfer to fixed assets	Other decreases
1. Line 6 construction	127,711,100,000.00	41,830,252,731.62	2,124,783,293.50		
2. Line 7 construction	107,531,810,000.00	30,146,254,075.06	746,700,033.06		
3. Line 8 construction	86,311,620,000.00	27,187,751,101.59	2,251,436,041.50		

Item	Budget amount	Opening balance	Increase in the current period	Transfer to fixed assets	Other decreases
4. Line 14 construction	149,183,930,000.00	23,875,112,491.57	959,477,675.12		
5. Line 16 construction	97,727,090,000.00	20,136,069,303.03	2,966,721,980.97		
6. Line changing construction	54,505,790,000.00	12,490,555,927.26	2,446,114,790.86		
7. Line 17 construction	43,529,270,000.00	10,563,474,525.66	3,895,191,569.18		
8. Line 12 construction	37,012,523,000.00	9,002,269,561.32	4,356,529,385.41		
9. Line 19 construction	24,014,642,700.00	8,762,218,177.29	3,215,366,711.85		
10. Line 9 construction	42,779,500,000.00	11,688,036,153.64	166,287,501.40		
Total	770,307,275,700.00	195,681,994,048.04	23,128,608,982.85		

Continued:

Item	Closing balance	Amount injected as a proportion of budget amount (%)	Construction progress (%)	Amount of accumulated capitalized interest	Including: capitalized interest for the period	Interest capitalization rate for the period (%)	Source of funds
1. Line 6 construction	43,955,036,025.12	34.42	34.42%	2,060,137,789.24	-10,715,966.95	4.41	Borrowings and self-funds
2. Line 7 construction	30,892,954,108.12	28.73	28.73%	1,645,541,630.00	306,940,258.69	4.90	Borrowings and self-funds
3. Line 8 construction	29,439,187,143.09	34.11	34.11%	1,986,847,136.72	329,155,975.32	4.90	Borrowings and self-funds
4. Line 14 construction	24,834,590,166.69	16.65	16.65%	6,077,172,506.71	647,114,560.77	4.41	Borrowings and self-funds
5. Line 16 construction	23,102,791,284.00	23.64	23.64%	2,008,753,228.27	876,408,817.92	4.90	Borrowings and self-funds
6. Line changing construction	14,936,670,718.12	27.40	27.40%	1,054,051,112.19	116,070,261.82	4.64	Borrowings and self-funds
7. Line 17 construction	14,458,666,094.84	33.22	33.22%	432,814,371.18		4.76	Borrowings and self-funds

Item	Closing balance	Amount injected as a proportion of budget amount (%)	Construction progress (%)	Amount of accumulated capitalized interest	Including: capitalized interest for the period	Interest capitalization rate for the period (%)	Source of funds
8. Line 12 construction	13,358,798,946.73	36.09	36.09%	735,622,009.00	543,210,799.74	4.90	Borrowings and self-funds
9. Line 19 construction	11,977,584,889.14	49.88	49.88%	628,544,706.73	464,085,594.92	4.90	Borrowings and self-funds
10. Line 9 construction	11,854,323,655.04	27.71	27.71%	576,112,834.43		4.90	Borrowings and self-funds
Total	218,810,603,030.89	-	-	17,205,597,324.47	3,272,270,302.23	-	-

21.3 Impairment provision for construction in progress

Item	Opening balance	Increase	Decrease	Closing balance
Line 8 Nanluoguxiang Weaving Land Project	8,690,500.00			8,690,500.00
S1 Line Engineering Construction Project	30,430,000.00			30,430,000.00
Total	39,120,500.00			39,120,500.00

22. Right-of-use Assets

Item	Opening balance	Increase	Decrease	Closing balance
I. Total original carrying amount	21,604,234.53	9,840,064.82	5,265,969.38	26,178,329.97
Including: Land asset	21,604,234.53	9,840,064.82	5,265,969.38	26,178,329.97
II. Total accumulated depreciation	4,830,774.89	6,581,942.07	4,491,153.05	6,921,563.91
Including: Land asset	4,830,774.89	6,581,942.07	4,491,153.05	6,921,563.91
III. Total carrying amount	16,773,459.64	-	-	19,256,766.06
Including: Land asset	16,773,459.64	-	-	19,256,766.06
IV. Total accumulated provision for impairment losses				
Including: Land asset				
V. Total net carrying amount	16,773,459.64	-	-	19,256,766.06
Including: Land asset	16,773,459.64	-	-	19,256,766.06

23. Intangible assets

Item	Opening balance	Increase	Decrease	Closing balance
I. Total original carrying amount	13,993,223,329.75	1,095,775,717.66	56,382.91	15,088,942,664.50
Including: Software	118,402,656.18	60,677,136.05	56,382.91	179,023,409.32
Land use right	1,127,389,724.41	2,911,005.20		1,130,300,729.61
Patent	617,540,545.46			617,540,545.46
Non-patented technology	96,087,769.17	1,755,147.46		97,842,916.63
Trademark	30,000,000.00			30,000,000.00
Concessions	12,003,802,634.53	1,030,432,428.95		13,034,235,063.48
II. Total accumulated amortization	408,608,734.15	534,348,822.57	56,382.91	942,901,173.81
Including: Software	52,575,512.96	34,694,294.58	56,382.91	87,213,424.63
Land use right	19,374,708.80	9,056,184.26		28,430,893.06
Patent	138,318,919.60	41,259,393.82		179,578,313.42
Non-patented technology	16,412,351.70	9,640,206.42		26,052,558.12
Trademark	11,250,000.00	3,000,000.00		14,250,000.00
Concessions	170,677,241.09	436,698,743.49		607,375,984.58
III. Total provision for impairment				
Including: Software				
Land use right				
Patent				
Non-patented technology				
Trademark				
Concessions				
IV. Total net book value of intangible assets	13,584,614,595.60	--	--	14,146,041,490.69
Including: Software	65,827,143.22	--	--	91,809,984.69
Land use right	1,108,015,015.61	--	--	1,101,869,836.55
Patent	479,221,625.86	--	--	437,962,232.04
Non-patented technology	79,675,417.47	--	--	71,790,358.51
Trademark	18,750,000.00	--	--	15,750,000.00
Concessions	11,833,125,393.44	--	--	12,426,859,078.90

24. Development expenditure

Item	Opening balance	Increase for this period		Decrease for this period			Closing balance
		Development expenditure	Others	Recognized as intangible assets	Turn into current profit and loss	Others	
City line model research and development project	104,325,490.32	51,738,606.47			697,523.61		155,366,573.18
Articulated light rail vehicle development project	10,147,572.17	28,352,318.81					38,499,890.98
Flexible marshalling of intercity (city area) EMU project with a speed of 200 kilometers per hour	14,241.64	36,132,833.13					36,147,074.77
A fully automated driving 120 kilometers per hour aluminum alloy metro car project	14,554,154.15	11,342,964.60					25,897,118.75
Others	31,659,846.05	198,279,635.45		10,457,014.78	76,224,518.46	10,476,200.00	132,781,748.26
Total	160,701,304.33	325,846,358.46		10,457,014.78	76,922,042.07	10,476,200.00	388,692,405.94

25. Goodwill

Name of the investee and item resulting in goodwill	Opening balance	Opening balance of provision for impairment	Increase in the current period	Decrease in the current period	Closing balance	Closing balance of provision for impairment
Beijing Investment Development	153,754,012.22	21,388,978.01			153,754,012.22	21,388,978.01
BII Hong Kong	152,498,932.32	152,381,767.71			152,498,932.32	152,381,767.71
Suzhou Huaqi	503,612,108.09			869,770.52	502,742,337.57	
Equipment Group	293,614,952.89				293,614,952.89	
Total	1,103,480,005.52	173,770,745.72		869,770.52	1,102,610,235.00	173,770,745.72

26. Long-term prepaid expenses

Item	Opening balance	Increase in the period	Amortization for the period	Other reductions	Closing balance
Compensation	1,929,715.78		335,602.68		1,594,113.10
Technological transformation expenditure	183,150.65		45,465.12		137,685.53
Decoration expenditure	41,908,405.15	10,490,808.00	8,280,354.27		44,118,858.88
Rent	24,142,528.30	685,625.00	1,855,190.27	29,750.00	22,943,213.03
Greening project expense	1,092,866.73	515,817.51	377,533.61		1,231,150.63
Safety facilities expenditure	387,910.53		40,416.24		347,494.29
Others	9,728,435.09	184,801.31	2,082,139.06		7,831,097.34
Total	79,373,012.23	11,877,051.82	13,016,701.25	29,750.00	78,203,612.80

27. Deferred tax assets/deferred tax liabilities

27.1 Deferred tax assets and deferred tax liabilities that are not presented at the net amount after offset

Item	Closing balance		Opening balance	
	Deferred tax assets/liabilities	Deductible /taxable temporary difference	Deferred tax assets/liabilities	Deferred tax assets/liabilities
1. Deferred tax assets	1,863,307,228.69	7,760,969,454.03	1,118,992,543.92	4,726,251,179.80
Provision for impairment losses of assets	290,187,790.83	1,414,816,471.95	210,412,424.99	1,037,191,431.35
Depreciation difference between accounting standards and tax laws of fixed assets	2,810,910.36	18,739,402.40	2,877,342.46	11,512,618.80
Amortization difference between accounting standards and tax laws of intangible assets	388,541.14	2,590,274.27	1,242,288.21	4,969,152.84
Internal unrecognized profits offset in consolidation	294,819,426.91	1,179,277,707.64	51,275,850.76	220,537,663.28
Temporary difference between accounting standards and tax laws	278,544,357.59	1,114,177,430.34	98,283,565.55	393,520,224.19
Employee benefits provided but not paid	9,561,179.89	38,244,719.56	6,432,886.18	25,731,544.72
Other expense provided	11,941,723.35	79,611,489.00	9,425,632.23	62,837,548.20
Expected product quality assurance liabilities	1,316,057.92	5,264,231.68	1,463,539.54	9,756,928.51
Recoverable tax losses	408,032,026.05	1,634,083,026.03	248,068,454.73	998,328,974.08
Fair value movement (impairment)of financial assets available for sale recognized in other comprehensive income	18,888,817.92	86,899,114.27	19,757,519.92	82,852,936.53

Item	Closing balance		Opening balance	
	Deferred tax assets/liabilities	Deductible /taxable temporary difference	Deferred tax assets/liabilities	Deferred tax assets/liabilities
Inventory tax difference	546,816,396.73	2,187,265,586.89	469,753,039.35	1,879,012,157.30
2. Deferred tax liabilities	1,115,746,284.90	4,583,654,554.35	774,139,877.96	3,133,076,377.39
Measured at fair value through profit or loss of changes in assets, liabilities	189,766,905.63	759,067,622.52		
Fair value movement of financial assets available for sale recognized in other comprehensive income	61,633,335.38	246,533,341.52	62,049,843.26	248,199,373.04
Assessment appreciation, depreciation and disposal of fixed assets	15,786,673.53	63,146,694.12	17,321,782.55	69,285,863.92
Assessment appreciation, depreciation and disposal of investment properties	648,201.50	4,321,343.32	697,726.42	4,651,509.47
Consolidate to offset deferred income tax arising from internal unrealized losses	8,097,052.60	32,388,210.40		
Amount of receivables in accounting is higher than it on the basis of tax	222,038,993.37	888,155,973.48	204,443,455.72	817,773,822.88
Other current assets is higher than the tax basis of accounting	6,422,500.01	25,690,000.04		
Assessment appreciation of long-term equity investment	111.92	746.13	111.92	746.12
Revaluation and amortization of intangible assets, disposal	291,590,422.36	1,285,302,268.53	303,427,975.40	1,248,369,131.21
Assessment appreciation of other assets	319,762,088.60	1,279,048,354.29	186,198,982.69	744,795,930.75

27.2 Details of unrecognized deferred tax assets

Item	Closing balance	Opening balance
Deductible temporary differences	1,577,858,862.26	1,199,450,250.36
Deductible losses	1,409,850,201.04	1,528,453,323.60
Total	2,987,709,063.30	2,727,903,573.96

27.3 Deductible losses, for which no deferred tax assets are recognized, will expire in the following years

Year	Closing balance	Opening balance
2020		86,233,513.03
2021	85,109,993.00	110,354,676.87
2022	163,179,677.21	456,960,533.31
2023	124,076,624.21	208,928,202.65
2024	587,563,250.77	665,976,397.74
2025	449,920,655.85	
Total	1,409,850,201.04	1,528,453,323.60

28. Other non-current asset

Item	Closing balance	Opening balance
Lending of current funds(Note 1)	8,743,087,864.05	6,890,449,421.32
Trust Guarantee Fund(Note 2)	29,970,000.00	
Funds for Renovation project	13,139,253,917.52	50,939,109.94
Suzhou hutong no. 61 transforming project fund		3,454,312.94
Prepayment for software development	1,449,485.70	48,491.38
Input tax to be deducted	5,810,612,667.70	
Others	1,100,339,622.98	1,142,951,243.13
Total	28,824,713,557.95	8,087,842,578.71

Note 1: Details for lending of current funds

Debtor	Principal	Accrued interest	Subtotal	Impairment provision	Annual interest rate(%)
Beijing Tanzhe Xingye Real Estate Development Co., Ltd.	2,532,000,000.00	793,624,589.21	3,325,624,589.21	3,325,624.59	8.00
E'erdos program limited	1,126,388,721.95		1,126,388,721.95	339,907,193.43	4.90
Wuxi Wangyu Metro Ecological Property Co., Ltd.	4,377,500,000.00	261,446,317.23	4,638,946,317.23	4,638,946.32	8.00
Total	8,035,888,721.95	1,055,070,906.44	9,090,959,628.39	347,871,764.34	—

As is shown by the account, Beijing Investment Development lent 1,126,388,721.95 yuan to E'erduosi Project Company. In order to truly reflect the financial position of 31 December 2020 and financial

performance till the end of year 2020 of Beijing Investment Development Co., Ltd., it made provision for the lending of 339,907,193.43 yuan in total, on the basis of ASBE, accounting policies of Beijing Investment Development Co., Ltd., and prudence principle. Annual interest rate for the lending is 4.90%, and it suspends the recognition of interest income from E'erduosi Project Company on the basis of prudence.

Note 2: Trust Security Fund of the Company under the provisions of China Banking Regulatory Commission and the Ministry of Finance to develop a "trust industry guarantee fund management approach", commissioned by the Kunlun Trust Co., Ltd. (hereinafter referred to as "Kunlun Trust") and the Central Plains Trust Co., Ltd. (hereinafter referred to as "the Central Plains Trust ") on behalf of the Trust Fund to subscribe to safeguard China Trust industry protection Fund limited liability company under 1% of the principal amount of the issue of trust.

29. Short-term borrowings

Item	Closing balance	Opening balance
Mortgage loans	75,117,812.50	145,000,000.00
Guaranteed loans	32,100,000.00	30,636,760.00
Credit loans	1,646,000,000.00	1,323,000,000.00
Total	1,753,217,812.50	1,498,636,760.00

30. Notes payables

Item	Closing balance	Opening balance
Bank acceptances	908,886,050.36	599,851,498.24
Total	908,886,050.36	599,851,498.24

31. Accounts payable

Aging	Closing balance	Opening balance
Within 1 year (including 1 year)	11,765,259,822.99	8,330,627,908.13
1-2 years(including 2 years)	5,381,065,626.24	1,392,631,124.60
2-3 years(including 3 years)	722,879,271.37	526,877,602.12
Over 3 years	641,349,296.85	424,950,017.00
Total	18,510,554,017.45	10,675,086,651.85

Top 5 creditors of accounts payable over 1 year:

creditor	Amount	Reason for outstanding
Beijing Urban Construction Design & Development Group Co., Ltd	281,117,917.18	The project is not completed
China CREC Railway electrification bureau (Group) Co., Ltd	171,626,541.39	The project is not completed
CRRC Changchun Railway Bus Co., Ltd.	46,072,206.00	The project is not completed
Beijing Metro Information Development Co., Ltd.	45,650,077.90	The project is not completed
China Railway Fourth Bureau Group Co., Ltd.	39,170,555.00	The project is not completed
Total	583,637,297.47	-

32. Receipts in advance

Aging	Closing balance	Opening balance
Within 1 year (including 1 year)	1,239,124,495.08	1,205,007,835.82
Over 1 year	726,271,594.01	270,654,184.98
Total	1,965,396,089.09	1,475,662,020.80

Top 5 creditors of receipts in advance over 1 year:

creditor	Amount	Reason for unsettlement
Shaoxing Jingyue Metro Co., Ltd.	310,673,199.60	The project doesn't satisfy the condition of revenue recognition
Total	310,673,199.60	-

33. Contract liabilities

Item	Closing balance	Opening balance
Within one year of the settlement period	6,988,085,139.25	3,435,662,770.75
Total	6,988,085,139.25	3,435,662,770.75

34. Employee benefits payable

34.1 Employee benefits payable

Item	Opening balance	Increase	Decrease	Closing balance
I. Short-term compensation	549,299,235.81	8,300,106,184.60	8,180,820,693.37	668,584,727.04
II. Post-employment welfare- defined contribution plan liability	76,740,760.70	411,858,709.64	455,663,906.63	32,935,563.71
III. Demission welfare	87,061.27	11,642,189.27	11,416,201.60	313,048.94
IV. Others	528,666.82			528,666.82
Total	626,655,724.60	8,723,607,083.51	8,647,900,801.60	702,362,006.51

34.2 Short-term compensation

Item	Opening balance	Increase	Decrease	Closing balance
I. Wages or salaries, bonuses, allowances and subsidies	355,662,894.48	6,620,164,302.76	6,561,375,413.91	414,451,783.33
II. Staff welfare	1,207,450.59	287,956,034.91	288,497,656.11	665,829.39
III. Social security contributions	82,983,602.55	540,568,547.95	508,729,045.20	114,823,105.30
Including: 1. Medical insurance	78,671,277.92	526,904,771.78	492,708,541.82	112,867,507.88
2. Employment injury insurance	1,589,418.57	4,503,961.57	5,589,450.69	503,929.45
3. Maternity insurance	2,722,906.06	9,159,814.60	10,431,052.69	1,451,667.97
IV. Housing fund	2,444,087.40	651,046,503.47	651,161,191.67	2,329,399.20
V. Labor union expenditure and employee education expenditure	107,001,200.79	200,173,389.17	170,859,980.14	136,314,609.82
VI. Short-term compensated absences				
VII. Short-term profit sharing plan				
VIII. Others		197,406.34	197,406.34	
Total	549,299,235.81	8,300,106,184.60	8,180,820,693.37	668,584,727.04

34.3 Post-employment welfare- defined contribution plan liability

Item	Opening balance	Increase	Decrease	Closing balance
I. Basic endowment insurance	59,915,656.94	182,965,096.89	225,480,210.85	17,400,542.98
II. Unemployment insurance	2,777,470.41	9,476,178.66	10,416,728.58	1,836,920.49
III. Annuity	14,047,633.35	189,120,987.90	189,470,521.01	13,698,100.24
IV. Others		30,296,446.19	30,296,446.19	
Total	76,740,760.70	411,858,709.64	455,663,906.63	32,935,563.71

35. Taxes payable

Item	Closing balance	Opening balance
Value added tax	331,613,308.09	265,404,949.53
Business tax	57,350.13	616,947.86
Enterprise income tax	735,429,875.52	428,083,952.63
City construction and maintenance tax	19,791,401.72	14,479,063.81
Property tax	2,963,747.00	3,006,890.61
Land use tax	308,668.14	308,709.74
Individual income tax	80,229,202.13	85,432,219.14
Education surplus	14,346,537.03	9,748,926.76
Other	1,149,240,353.11	904,570,666.73
Total	2,333,980,442.87	1,711,652,326.81

36. Other payable

Item	Closing balance	Opening balance
Interest payable		920,030,507.00
Dividend payable	136,352,037.78	122,639,762.78
Other payables	8,212,444,601.98	7,625,251,945.07
Total	8,348,796,639.76	8,667,922,214.85

36.1 Interest payable

Item	Closing balance	Opening balance
Interest of long-term borrowings		36,645,250.91
Interest of corporate borrowings		768,166,954.92
Interest of short-term borrowings		855,134.65
Interest of long-term payables		114,363,166.52
Total		920,030,507.00

36.2 Dividends payable

Name of entity	Closing balance	Opening balance	Reasons for dividends payable aged more than one year
Beijing Investment Development legal representative shareholder	16,352,037.78	2,639,762.78	Note1
Beijing Vanke Enterprise Co., Ltd. (Note 2)	120,000,000.00	120,000,000.00	Note2
Total	136,352,037.78	122,639,762.78	--

Note 1: Where there is 2,639,762.78 yuan to corporate shareholders due to the name change, cancellation and because documents missing and other reasons did not receive any cash dividends in previous years granted; which 490,639.62 yuan to the Beijing Investment Transportation Research cope with individual shareholders dividends, the end has not been paid, the remaining 13,221,635.38 yuan as Beijing subway Tongcheng Advertising Co., Ltd. pays dividends to minority shareholders.

Note 2: In May 2018, Beijing Jingtou Yintai Real Estate Co., Ltd. (hereinafter "Jingtou Yintai Real Estate"), a subsidiary of Beijing Investment development, decided to distribute profits amounted 800 million to all shareholders, including 120 million to Beijing Vanke Enterprise Co., Ltd. (hereinafter "Beijing Vanke"). As of the end of the reporting year, the dividends have not been paid.

36.3 Other payable

Aging	Closing balance	Opening balance
Within 1 year (including 1 year)	4,291,270,246.50	4,023,372,724.43
1-2 years(including 2 years)	1,621,022,354.22	351,436,841.60
2-3 years(including 3 years)	215,718,875.78	671,493,763.63
Over 3 years	2,084,433,125.48	2,578,948,615.41
Total	8,212,444,601.98	7,625,251,945.07

Top 5 creditors of other payables over 1 year:

Creditors	Amount	Reason for unsettlement
Beijing Chaoyang District Finance Bureau	500,000,000.00	Special debt has not yet expired
Beijing Xinxing Real Estate Development Corporation	396,344,156.50	Not yet settled
Beijing Urban Construction Design&Development Group Co., Ltd.	239,455,510.00	Not yet settled
Beijing Xingchuang Investment Co., Ltd.	154,938,144.39	Not yet settled
Changchun Railway Vehicles Co., Ltd.	134,122,635.00	Not yet settled
Total	1,424,860,445.89	--

37. Non-current Liabilities due within one Year

Item	Closing balance	Opening balance
Long-term borrowings due within one year	2,261,556,497.45	6,262,881,933.19
Bonds payable due within one year	7,302,154,802.22	14,041,294,573.95
Long-term payables due within one year	3,893,543,103.00	1,840,493,995.99
Lease liabilities due within one year	6,411,290.96	5,046,742.43
Debt financing plan due within one year	827,025,915.21	
Equity payable due within one year	5,399,166.67	72,440,794.72
Estimated liabilities-after-sales maintenance costs		7,729,308.62
Total	14,296,090,775.51	22,229,887,348.90

38. Other current liabilities

Item	Closing balance	Opening balance
Short-term financial bond		6,000,000,000.00
Reclassification of VAT (pending sales tax)	615,570,134.74	261,219,334.74
Short-term lease liabilities	7,207,615.40	
Total	622,777,750.14	6,261,219,334.74

39. Long-term borrowings

Item	Closing balance	Opening balance	Interest rate at the end of period
Pledge borrowings	150,414,080.94	3,329,035,000.00	4.00-9.00
Mortgage borrowings	10,681,323,546.43	269,476,502.35	4.00-6.00
Guaranteed borrowings	8,352,012,021.42	9,854,714,207.45	3.00-6.00
Credit borrowings	234,407,888,405.58	211,435,563,309.28	1.00-6.55
Total	253,591,638,054.37	224,888,789,019.08	

40. Bonds payable

Item	Par value	Issue date	Bond duration	Par value in total	Opening balance	Issued in the current year	Reimbursement in the current year	Rearrange in the end of year	others	Closing balance
18 Beijing infrastructure bond MTN001A	100.00	2018-12-19	10 Years	1,500,000,000.00	1,500,000,000.00					1,500,000,000.00
18 Beijing infrastructure bond MTN001B	100.00	2018-12-19	10 Years	1,500,000,000.00	1,500,000,000.00					1,500,000,000.00
13 Beijing infrastructure bond (Yin he)	100.00	2013-3-11	10 Years	2,800,000,000.00		2,800,000,000.00				2,800,000,000.00
14 Beijing infrastructure bond (Hai tong)	100.00	2014-4-16	15 Years	5,000,000,000.00	136,769,000.00					136,769,000.00
18 Beijing infrastructure bond 01	100.00	2018-8-9	5 Years	1,500,000,000.00	1,500,000,000.00					1,500,000,000.00
18 Beijing infrastructure bond 02	100.00	2018-8-9	15 Years	500,000,000.00	500,000,000.00					500,000,000.00
18 Beijing infrastructure bond 03	100.00	2018-4-12	5 Years	3,300,000,000.00	3,300,000,000.00					3,300,000,000.00
18 Beijing infrastructure bond 04	100.00	2018-4-12	10 Years	1,700,000,000.00	1,700,000,000.00					1,700,000,000.00
18 Beijing infrastructure bond 05	100.00	2018-8-20	5 Years	2,000,000,000.00	2,000,000,000.00				2,000,000,000.00	
18 Beijing infrastructure bond 06	100.00	2018-8-20	10 Years	500,000,000.00	500,000,000.00					500,000,000.00
18 Beijing infrastructure bond 07	100.00	2018-9-7	5 Years	2,200,000,000.00	2,200,000,000.00				2,200,000,000.00	
18 Beijing infrastructure bond 08	100.00	2018-9-7	10 Years	300,000,000.00	300,000,000.00					300,000,000.00
18 Beijing infrastructure bond 09	100.00	2018-11-26	10 Years	2,000,000,000.00	2,000,000,000.00					2,000,000,000.00
18 Beijing infrastructure bond 10	100.00	2018-11-26	15 Years	1,000,000,000.00	1,000,000,000.00					1,000,000,000.00
19 Beijing infrastructure bond MTN001A	100.00	2019-9-5	5 Years	1,200,000,000.00	1,200,000,000.00					1,200,000,000.00
19 Beijing infrastructure bond MTN001B	100.00	2019-9-5	8 Years	800,000,000.00	800,000,000.00					800,000,000.00
19 Beijing infrastructure bond 01	100.00	2019-1-14	3 Years	3,000,000,000.00	3,000,000,000.00					3,000,000,000.00

Item	Par value	Issue date	Bond duration	Par value in total	Opening balance	Issued in the current year	Reimbursement in the current year	Rearrange in the end of year	others	Closing balance
19 Beijing infrastructure bond 02	100.00	2019-1-14	5 Years	3,000,000,000.00	3,000,000,000.00					3,000,000,000.00
19 Beijing infrastructure bond 03	100.00	2019-5-27	3 Years	3,500,000,000.00	3,500,000,000.00					3,500,000,000.00
19 Beijing infrastructure bond 04	100.00	2019-5-27	5 Years	500,000,000.00	500,000,000.00					500,000,000.00
19 Beijing infrastructure bond 05	100.00	2019-11-13	3 Years	2,000,000,000.00	2,000,000,000.00					2,000,000,000.00
20 Beijing infrastructure bond 01	100.00	2020-4-16	3 Years	3,000,000,000.00		3,000,000,000.00				3,000,000,000.00
Corporate bond	100.00	2020-12-9	3 Years	2,000,000,000.00		2,000,000,000.00				2,000,000,000.00
20 Beijing infrastructure bond 02	100.00	2020-8-10	3 Years	3,000,000,000.00		3,000,000,000.00				3,000,000,000.00
20 Beijing infrastructure bond 01	100.00	2020-10-22	3 Years	3,000,000,000.00		3,000,000,000.00				3,000,000,000.00
18 Jingfa 01	100.00	2018-9-20	3 Years		1,994,817,670.68		2,000,000,000.00	5,182,329.32		
19 Jingfa G1	100.00	2019-3-14	5 Years		996,256,833.31			32,588,200.92	31,941,803.28	996,903,230.95
19 Jingfa G2	100.00	2019-7-17	5 Years		497,977,649.25			8,900,204.39	8,675,409.83	498,202,443.81
19 Jingfa MTN001	100.00	2019-8-28	3 Years		497,686,260.74			9,400,054.70	8,584,934.52	498,501,380.92
20 Jingfa 01	100.00	2020-9-4	3 Years			1,991,000,000.00		26,610,756.80	25,430,136.98	1,992,180,619.82
400 million USD bond	USD100.00	2018-12-4	36 Month	USD400,000,000.00	2,780,696,505.13			-175,142,991.58	2,605,553,513.55	
500 million HKD private bond	HKD100.00	2018-12-18	36 Month	HKD500,000,000.00	447,039,876.99			-26,610,893.18	420,428,983.81	
200 million USD bond	100.00	2019-7-15	3 Years	USD200,000,000.00	1,389,330,762.85			-87,703,345.98		1,301,627,416.87
100 million USD bond	100.00	2019-7-23	3 Years	USD100,000,000.00	696,423,081.29			-44,615,971.46		651,807,109.83
1,000 million RMB bond	100.00	2019-11-26	3 Years	1,000,000,000.00	993,149,441.37			2,642,256.23		995,791,697.60
650 million USD bond	100.00	2020-9-11	3 Years	USD650,000,000.00		4,241,185,020.46		-46,527,978.05	1,540,020.25	4,193,117,022.16

Item	Par value	Issue date	Bond duration	Par value in total	Opening balance	Issued in the current year	Reimbursement in the current year	Rearrange in the end of year	others	Closing balance
Kunlun Trust 900 million perpetual trust loan	100.00	2020-6-10	Perpetua	900,000,000.00		900,000,000.00				900,000,000.00
Centaline Trust 1.2 billion perpetual trust loan	100.00	2020-6-10	Perpetua	1,200,000,000.00		1,200,000,000.00				1,200,000,000.00
Kunlun Trust 900 million perpetual trust loan	100.00	2020-11-10	Perpetua	900,000,000.00		900,000,000.00				900,000,000.00
Total		—	—	—	42,430,147,081.61	23,032,185,020.46	2,000,000,000.00	-295,277,377.89	7,302,154,802.22	55,864,899,921.96

Note 1: Changes in exchange rate

The above bonds contain foreign currency bonds, so the year-end balance of foreign currency bonds is affected by the exchange rate. The Company adopted the exchange rate intermediate price on December 31, 2020 as the conversion rate of the relevant items in the statement.

Note 2: Other changes are mainly due to foreign currency translation and amortization of premium.

41. Preferred shares, perpetual capital securities and other financial instruments

41.1 Issued preferred shares, perpetual capital securities and other financial instruments at the end of the period

Item	Issue date	Accounting classification	Rates (Note 1)	Issue price	Size	Amount	Due date	Condition for transfer	Transfer status
G18 Jing Y1	2018-9-12	Other equity instrument	5.00%	100.00 per bond	10 million	1 billion		None	None
G18 Jing Y3	2018-11-23	Other equity instrument	4.00%	100.00 per bond	29 million	2.9 billion		None	None
G18 Jing Y4	2018-11-23	Other equity instrument	5.00%	100.00 per bond	21 million	2.1 billion		None	None
The perpetual debt No.1 in September 2019	2019-9-11	Other equity instrument	4.00%	100.00 per bond	20 million	2 billion		None	None
The perpetual debt No.2 in September 2019	2019-9-11	Other equity instrument	4.00%	100.00 per bond	20 million	2 billion		None	None
The 10+N perpetual debt in December 2019	2019-12-3	Other equity instrument	5.00%	100.00 per bond	20 million	2 billion	Note2	None	None
The 10+N perpetual debt No.2 in December 2019	2019-12-23	Other equity instrument	5.00%	100.00 per bond	40 million	4 billion		None	None
The Renewable Bond 3+N in July 2020	2020-7-15	Other equity instrument	5.00%	100.00 per bond	10 million	1 billion		None	None
The Xingye-Jiangsu Trust Renewable Bond in August 2020	2020-8-12	Other equity instrument	5.00%	100.00 per bond	25 million	2.5 billion		None	None
The Jiangsu Trust Renewable Corporate Bond in September 2020	2020-9-17	Other equity instrument	5.00%	100.00 per bond	40 million	4 billion		None	None

Note 1: The bonds are in the form of floating interest rates, with a single interest rate at the end of each re-pricing cycle. The first revaluation cycle is defined by the initial benchmark interest rate plus the base spread and fixed in the first repricing period.

Note 2: The issuer has the right to choose to extend the term of the bonds for a period of 3 or 5 years or choose to pay the full amount at the end of the revaluation period at the end of each repricing period.

41.2 A breakdown of the main terms of a financial instrument

(1) Issuer (the company) renewal option: At the end of each repricing period, the issuer has the right to choose to extend the period of the bonds for a period of 3 or 5 years or elect to pay the bonds in full during the period of the revaluation period. The issuer shall publish a notice of renewal in the relevant media at least 30 working days before the date of interest of the 3rd or 5th interest-bearing period of each repricing period.

(2) Deferred payment of interest: Unless there is a mandatory interest payment event, the issuer may, upon the consent of the board of directors of the issuer, choose to postpone all or part of the interest payable on any interest day to the next interest payment date, and the number of deferred payment is unlimited. Interest payable includes current interest and all interest and its yield that have been deferred in accordance with these Terms. The aforesaid interest deferred payment does not constitute that the issuer fails to pay interest in full amount as agreed. The deferred payment interest shall be paid at the prevailing annual interest rate during the deferred period. The issuer should be at least 15 days before the payment date to publish a notice in the relevant media about the payment of the right.

(3) Forced interest payments: Within 12 months prior to the date of interest, the issuer will not be able to exercise the deferred payment interest if the issuer has the following conduct:1)Dividends to shareholders (Except for the transfer of state-owned capital income as required);2) Reduce the registered capital.

(4) Deferred payment of interest under the terms of the restrictions: If the issuer chooses to exercise the deferred payment of interest, the issuer shall not have the following conduct until the deferred payment of interest and its yield is outstanding: 1)Dividends to shareholders (Except for the transfer of state-owned capital income as required);2) Reduce the registered capital.

(5) Payment order: The order of repayment of bonds at the time of bankruptcy liquidation is equivalent to the issuer's ordinary debt.

41.3 Movements in issued preferred shares, perpetual capital securities and other financial instruments at the end of the period

Item	Opening balance		Increase		Decrease		Closing balance	
	Size	Carrying amount	Size	Carrying amount	Size	Carrying amount	Size	Carrying amount
G18 Jing Y1	10 million	1 billion					10 million	1 billion
G18 Jing Y3	29 million	2.9 billion					29 million	2.9 billion
G18 Jing Y4	21 million	2.1 billion					21 million	2.1 billion
The perpetual debt No.1 in	20 million	2 billion					20 million	2 billion

Item	Opening balance		Increase		Decrease		Closing balance	
	Size	Carrying amount	Size	Carrying amount	Size	Carrying amount	Size	Carrying amount
September 2019								
The perpetual debt No.2 in September 2019	20 million	2 billion					20 million	2 billion
The 10+N perpetual debt in December 2019	20 million	2 billion					20 million	2 billion
The 10+N perpetual debt No.2 in December 2019	40 million	4 billion					40 million	4 billion
The 3+N perpetual debt in July 2020			10 million	1 billion			10 million	1 billion
The Xingye-Jiangsu Trust Renewable Bond in August 2020			25 million	2.5 billion			25 million	2.5 billion
The Jiangsu Trust Renewable Corporate Bond in September 2020			40 million	4 billion			40 million	4 billion
Total	160 million	16 billion	75 million	7.5 billion			235 million	23.5 billion

41.4 Setting mechanism of dividend or interest

Refer to VIII. 40 Note 1 and Note 2.

41.5 Information attributed to equity instrument holders

Item	Closing balance	Opening balance
1. Total owners' equity attributable to the Company	227,095,632,135.55	207,932,051,931.21
（1）Equity Attributable to ordinary shareholders of the Company	203,595,632,135.55	191,932,051,931.21
（2）Equity Attributable to other equity instruments shareholders of the Company	23,500,000,000.00	16,000,000,000.00
Including: Net profit		
Total comprehensive income		
Distributed dividend for the period		
Accumulated undistributed dividend		
2. Minority interests	24,320,450,919.34	30,700,941,406.21
（1）Equity Attributable to ordinary minority shareholders	24,320,450,919.34	30,700,941,406.21
（2）Equity Attributable to other equity instruments minority shareholders		

42. Lease liabilities

Item	Closing balance	Opening balance
Operating lease payable	12,506,170.37	10,335,026.42
Total	12,506,170.37	10,335,026.42

43. Long-term payables

Item	Opening balance	Increase	Decrease	Closing balance
Long-term payables	48,083,344,671.95	23,435,924,102.59	8,897,258,959.29	62,622,009,815.25
Special payables	328,289,279.06	5,242,542,514.39	5,067,341,545.35	503,490,248.10
Total	48,411,633,951.01	28,678,466,616.98	13,964,600,504.64	63,125,500,063.35

Top 5 Long-term payables at the end of period:

Item	Closing balance	Opening balance
Total	23,886,000,000.00	13,192,000,000.00
Including:1. Bank of Communications International Trust	7,000,000,000.00	
2. China Everbright Bank first Entrusted claims	5,493,000,000.00	5,496,000,000.00
3. Shanxi international trust Co., Ltd. second Trust	4,000,000,000.00	4,000,000,000.00
4. Shanxi international trust Co., Ltd. Fourth Trust	3,700,000,000.00	
5. China Everbright Bank second Entrusted claims	3,693,000,000.00	3,696,000,000.00

44. Provisions

Item	Closing balance	Opening balance
Product quality assurance	1,566,104.04	2,027,619.88
Others	39,780,000.00	39,780,000.00
Total	41,346,104.04	41,807,619.88

Note: In December 2014, one of subsidiaries of the Company, Beijing Investment Development, transferred 51% stock rights of Beijing chenfeng real estate development co., limited to Shengfeng Botai (Shenzhen) equity investment management partnership (limited partnership). According to the equity transfer agreement, for the contingent deduction items when paying for the third transaction price, Beijing Investment Development may undertake land-transferring fees no more than 39,780,000.00 yuan. Based on conservatism principle, the provision of 39,780,000.00 yuan should be recognized as the maximum land-transferring fee in advance.

45. Deferred income

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Railway transportation construction special fund (Note 1)	15,060,709,074.68	22,234,111,962.87	18,962,926,205.54	18,331,894,832.01
Renewal fund from Beijing Finance bureau	4,679,030,235.76			4,679,030,235.76
1.3 billion yuan treasury bureau special fund	971,492,792.23			971,492,792.23
Subsidy to sihui platform fund from Beijing Finance bureau	209,000,000.00			209,000,000.00
Subsidy to fuba line	150,529,600.00			150,529,600.00
Beijing Railway Yanfang line fully automatic operation system of Independent innovation demonstration project	150,513,839.76		10,406,160.24	140,107,679.52
Daxing line government grants (Note 2)	122,729,302.75	255,640,000.00	238,604,965.96	139,764,336.79
Subsidy for security program of bridge tunnel of line 1, 2, 13 and batong	56,000,000.00			56,000,000.00
Unrealized interest income(Note 3)	48,633,852.95	26,733,694.65		75,367,547.60
Subsidy for equipment renewal and purchase of line 13 and batong from Beijing Finance bureau	51,000,000.00			51,000,000.00
Beijing Municipal Finance income funds operating subsidies		291,319,157.74	241,733,479.12	49,585,678.62
Subsidy to new line front line construction	43,920,000.00			43,920,000.00
Subsidy for acoustic screen of line 13 from Beijing treasury bureau	21,871,950.00			21,871,950.00
Subsidy to Subway network management	22,898,121.57		5,242,531.76	17,655,589.81
Subsidy to parking management company (Note 4)	2,145,455.40	8,055,000.00	7,341,834.57	2,858,620.83
Science and Technology Special Fund	2,250,000.00	471,688.79		2,721,688.79
Subject of the Beijing Municipal Science and Technology Committee	3,091,752.81		919,045.12	2,172,707.69
Research and Application of Safety-enhanced Train Control Network	1,420,000.00		271,599.96	1,148,400.04
Consultation Fee Subsidy to New Airport Line PPP Project	1,040,000.00			1,040,000.00
National research topics to Subway network management	700,000.00			700,000.00
Urban mass transit systems and large-scale integrated intelligent monitoring and control	15,000,000.00		15,000,000.00	

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
applications				
Public training demonstration base program	966,666.47		200,000.04	766,666.43
Technical project of safety guarantee for urban railway system	38,483,600.00		8,379,400.00	30,104,200.00
Financial appropriation for the construction of national high-skilled personnel training base	7,500,000.00		304,200.00	7,195,800.00
Others	6,301,074.22	755,261.20	2,413,575.76	4,642,759.66
Total	21,667,227,318.60	22,817,086,765.25	19,493,742,998.07	24,990,571,085.78

Note 1: The increase of the railway transportation construction special fund in the current period is the company's accumulated rail transit authorized operating service fees in 2020; the reason for the decrease is mainly due to the payment of operating subsidies and interest to affiliated companies.

Note 2: Beijing subway line Daxing Co., Ltd. received loss subsidy of 255,640,000.00 yuan from Beijing financial bureau.

Note 3: Beijing Jingtou Land Real Estate Co., Ltd.(hereinafter referred to as "Jingtou Zhidi"), the wholly owned subsidiary of Beijing Investment Development, holds 40% stake in Beijing Tanzhe Xingye Real Estate Development Co., Ltd. (hereinafter referred to as "Tanzhe Xingye"), which is joint venture of Beijing Investment Development. This year, Jingtou Zhidi has payed part of land price on behalf of Tanzhe Xingye, so Beijing Investment Development recognizes it as deferred income where the unrealized profit in the borrowing interest income generated by paying the land price less the book value of Long-term equity investments.

Note 4: The company received 8,055,000.00 yuan for the subsidy of public transportation operation from Beijing financial bureau.

Government grant recognized into profit and loss for the period:

No.	Company name	Government grant recognized into profit and loss for the period
1	Beijing Infrastructure Investment Co., Ltd.	9,721,920,267.87
2	Line Daxing Co., Ltd.	238,604,965.96
3	Line Yanfang Co., Ltd.	241,647,638.41
4	Subway network management	5,242,531.76
5	Parking Co., Ltd.	7,341,834.57
6	Maglev Transportation	919,045.12

No.	Company name	Government grant recognized into profit and loss for the period
7	Others	685,939.61
8	Operating Company	8,904,201.32
	Total	10,225,266,424.62

46. Other non-current liabilities

Item	Closing balance	Opening balance
National government offices administration(Note 1)	50,000,000.00	50,000,000.00
Guaranteed deposit payable	453,720,000.00	585,859,922.33
Overhead tax	331,354,930.68	268,984,290.47
Others	1,751,798.84	97,000,000.00
Total	836,826,729.52	1,001,844,212.80

Note 1: The Company is the substitute of national government offices administration that invests in Beijing cornerstone (international) financial leasing limited.

47. Paid-in capital

Investor	Opening balance		Increase	Decrease	Closing balance	
	Investment	Proportion (%)			Investment	Proportion (%)
Total	164,206,584,901.27	100.00	8,959,990,000.00	7,100,000.00	173,159,474,901.27	100.00
National capital fund	164,206,584,901.27	100.00	8,959,990,000.00	7,100,000.00	173,159,474,901.27	100.00

Note : Paid-in capital received is mainly due to the ABO funds allocated by the Bureau of Finance of 7.65 million yuan, funds of 300 million yuan from Municipal Finance to Central Hub,funds of 12.00 million yuan from Municipal Finance to integration funds for Chaoyangmen subway station,funds of 69.0 million yuan from the city Development and Reform Commission for the new airport line underground pipe corridor 1,funds of 302.49 million yuan from the city Development and Reform Commission for the Huai-Mi Line to introduce the Beijing North Railway Station project,funds of 442.5 million yuan from he city Development and Reform Commission for the line 11 project,funds of 164.0 million yuan from the state-owned capital operating budget,funds of 2 million yuan for the perforate construction of line 1 and line Batong. According to Municipal Development and Reform Commission requirements, return pipe gallery Winter Olympics capital projects over the overflow portion of the 7.1 million yuan.

48. Capital reserve

Item	Opening balance	Increase	Increase	Closing balance
Other capital reserve	15,563,030,982.77	164,034,729.79	6,237.12	15,727,059,475.44
Total	15,563,030,982.77	164,034,729.79	6,237.12	15,727,059,475.44

Note1: The company and its subsidiaries have increased the capital reserve by RMB 103,135,390.95 due to the equity method simulation of associates and joint ventures.

Note2: The company and its subsidiaries accept free allocation to increase the capital reserve by RMB 60,899,338.84, where: Rail companies to accept Beijing's first consultative asset management center free transfer of Beijing Urban Rail Transport Advisory Co., Ltd. 5% stake in the capital reserve RMB 5,073,085.97, received an increase in capital reserve of 55,826,252.87 yuan in the public facility assets of the Xizhimen Transportation Hub Mixed Transfer Hall.

Note3: The acquisition of minority shareholders 'equity by subsidiaries reduced the capital reserve by RMB 6,237.12; where: Beijing Infrastructure Investment (Hong Kong) Ltd. and its subsidiaries to acquire minority shareholders' equity to reduce the capital surplus 6,237.12 yuan.

49. Surplus reserve

Item	Opening balance	Increase	Decrease	Closing balance
Statutory surplus reserve	1,629,100,554.84	230,967,728.64		1,860,068,283.48
Total	1,629,100,554.84	230,967,728.64		1,860,068,283.48

Note: The Company appropriated 10% of the net profit to the statutory surplus reserve.

50. Unappropriated profits

Item	Amount for the current period	Amount for the prior period
Retained earnings at beginning of year	10,482,932,157.50	9,522,748,512.40
Increase	2,744,710,610.79	2,888,880,690.69
Including: Net profit attributable to owners of the Company for the period	2,744,710,610.79	2,888,880,690.69
Decrease	990,501,228.64	1,928,697,045.59
Including: Appropriation to statutory surplus reserves	230,967,728.64	386,865,445.59
Appropriation to cash dividend	759,533,500.00	1,541,831,600.00
Retained earnings at the end of the period	12,237,141,539.65	10,482,932,157.50

51. Operating income and operating costs

Item	Amount recognized in the current period		Amount recognized in the prior period	
	Operating income	Operating costs	Operating income	Operating costs
1.Prime operating income	13,293,816,884.71	18,275,231,148.22	14,984,976,118.76	16,493,891,056.04
Development and operation income	6,834,597,358.75	4,663,573,425.64	5,484,438,504.90	3,176,935,003.01
Including: Real estate development	5,467,191,901.37	3,913,785,517.96	4,185,676,953.91	2,610,698,876.98
Land first-level development	387,918,669.32	169,305,682.23	266,851,753.22	68,033,798.70
Pipeline	248,984,160.59	151,669,391.89	217,972,153.13	141,684,092.59
Construction compensation fund	66,597,731.49		72,446,415.22	
Financial leasing income	663,904,895.98	428,812,833.56	741,491,229.42	356,518,234.74
Sales income	153,783,252.12	104,028,691.45	367,096,969.17	332,851,243.96
Including: Import and export	71,610,196.87	70,759,225.51	95,236,412.43	93,361,426.86
Rail transport equipment and its extended products and services	72,195,934.05	30,386,627.00	259,975,629.16	237,036,669.02
Newspaper income	9,977,121.20	2,882,838.94	11,884,927.58	2,453,148.08
Service income	6,305,436,273.84	13,507,629,031.13	9,133,440,644.69	12,984,104,809.07
Including: Consultancy service	121,957,174.44	75,724,906.50	70,113,005.46	54,982,970.64
Hotel service	24,914,153.80	18,454,771.41	38,176,677.22	21,587,679.14
Rent service	138,178,884.75	37,096,910.55	195,372,348.25	132,200,772.68
Advertisement income	639,620,861.73	219,941,191.26	873,147,398.38	270,575,436.87
Construction settlement income	83,143,272.94	71,178,145.54	52,961,635.03	45,028,307.75
Tickets income	4,077,249,466.92	12,349,232,504.58	6,920,109,776.21	11,859,290,775.40
Smart Rail Transit Service	1,035,632,564.35	662,096,734.75	820,431,564.14	500,281,666.59
Infrastructure Information Service	184,739,894.91	73,903,866.54	163,128,240.00	100,157,200.00
2、Other operating income	371,136,380.02	138,282,117.41	395,410,249.25	182,474,959.02
Including: Rent	138,745,062.30	37,737,872.57	26,169,116.04	23,066,661.87
Property energy income	7,854,460.59	6,650,510.40	32,552,993.22	15,008,371.60
Technical service income	924,446.76	3,122,595.28	37,538,684.51	1,940,548.95
Others	223,612,410.37	90,771,139.16	299,149,455.48	142,459,376.60
Total	13,664,953,264.73	18,413,513,265.63	15,380,386,368.01	16,676,366,015.06

52. Selling expenses

Item	Amount for the current period	Amount for the prior period
Sales service fee	112,717,235.96	43,297,272.38

Item	Amount for the current period	Amount for the prior period
Salary expense	117,340,298.75	96,552,814.24
Advertising expense	80,662,957.79	77,927,455.85
Social security, welfare and others	40,441,239.77	18,961,383.59
Office expenses	10,754,153.42	3,556,457.75
Sales commission expense	7,646,350.61	15,984,719.40
Entertainment expense	3,713,000.41	5,962,382.63
Travel expense	3,099,462.32	15,192,943.49
Depreciation and amortization	1,398,479.05	879,986.86
Others	18,299,088.97	30,215,910.20
Total	396,072,267.05	308,531,326.39

53. Administrative expenses

Item	Amount for the current period	Amount for the prior period
Salary expense	1,388,645,163.84	1,336,977,978.14
Social security, welfare and others	76,668,142.95	54,225,620.02
Amortization	66,748,783.14	18,537,697.91
Depreciation	63,987,674.63	58,746,517.34
Consultation expenses	59,824,275.93	56,384,780.76
Office expenses	116,032,804.47	109,461,135.71
Hiring intermediary agency expenses	21,110,178.09	21,539,133.80
Entertainment expense	12,264,075.90	10,148,490.73
Advertising expense	19,047,125.86	26,645,658.24
Travel expense	10,585,749.42	9,996,886.99
Long-term prepaid expenses Amortization	9,264,957.91	11,682,411.69
Expenses for Party building	26,886,884.14	45,868,772.71
Depreciation and amortization of right-of-use assets	6,581,942.07	4,782,310.45
Technical services fee	18,883,330.39	33,240,548.67
Transportation expenses	4,444,289.14	5,755,620.86
Labor outsourcing fee	3,699,633.74	7,109,263.26
Labor protection fee	3,283,456.54	1,387,913.23
Repairs	3,165,788.37	38,564,370.32
Litigation expenses	2,750,912.09	4,738,434.89
Others	91,357,230.92	87,480,599.33
Total	2,005,232,399.54	1,943,274,145.05

54. Research and development expenses

Item	Amount for the current period	Amount for the prior period
Salary expense	216,269,145.03	134,024,698.28
Depreciation	891,857.34	2,891,913.48
Amortization	24,694,666.74	12,528,690.77
New product design fee	1,300,764.79	
Material consumption fee	2,491,760.02	3,205,593.38
Others	48,649,800.50	71,578,860.82
Total	294,297,994.42	224,229,756.73

55. Financial expenses

Item	Amount for the current period	Amount for the prior period
Interest expense	2,844,815,573.06	2,130,611,643.82
Less: Interest income	669,742,355.69	569,253,931.14
Exchanges losses	-227,223,350.87	6,700,236.95
Others	11,438,689.73	17,918,084.46
Total	1,959,288,556.23	1,585,976,034.09

56. Other income

Item	Amount for the current period	Amount for the prior period
Subsidy for operating loss	10,288,459,380.19	6,490,247,027.10
Enterprise Development Fund of Tianjin Dongjiang Tax Port District Administration Committee	25,758,569.62	743,060.84
R&D and project funding	24,348,124.66	20,699,370.38
Tax refund	23,933,933.78	19,682,715.89
Policy support fund of Shijingshan Park Management Committee	11,005,000.00	14,471,000.00
Xicheng District Development and Reform Commission's 2019 Key Enterprise Contribution Awards	3,600,000.00	
Value added tax deduction	5,116,187.24	9,537,537.69
Personal income tax refund	4,030,709.28	2,295,789.49
Job stabilization subsidy	51,947,778.97	19,057,067.02
Committee award	7,000,000.00	2,600,000.00
Employee skill improvement subsidy	12,974,000.00	
Rent relief subsidy	1,129,828.63	

2015 Hidden Hazard Investigation and Governance System State-owned Enterprise Pilot Project Award	795,000.00	
Change in tax on behalf of expenses	641,098.40	
Miyun Development Zone Financial Support Fund	540,600.00	
Enterprise Support Fund	288,200.00	
Dongcheng District Enterprise Incentive Fund	130,000.00	
Boiler retrofit subsidy	20,601.28	4,898,022.68
Job subsidies and over-proportion rewards	13,189.62	1,323,147.50
Fengtai District Comprehensive Incentive Fund		1,520,400.00
Others	1,078,490.14	646,888.03
Total	10,462,810,691.81	6,587,722,026.62

57. Investment income

Item	Amount for the current period	Amount for the prior period
Income from long-term equity investments under equity method	2,044,022,736.78	2,127,093,682.45
Investment income from disposal of long-term equity investments		1,574,610.72
Investment income during the holding period of financial assets that are measured at fair value and whose changes are included in the current profit and loss	22,950,000.00	
Investment income from holding held-to-maturity investments	7,814,471.70	7,264,150.94
Investment income from holding available-for-sale financial assets	259,708,658.83	556,596,957.32
Investment income from disposal of available-for-sale financial assets	162,915,559.85	92,586,718.60
Investment income from holding debt investment	46,425,194.85	40,036,685.51
Investment income from holding other equity instruments		10,000.00
Financial income	817,959,712.86	605,190,297.11
Total	3,361,796,334.87	3,430,353,102.65

58. Gains from changes in fair values

Item	Amount for the current period	Amount for the prior period
Tradable Financial assets		715,286.08
Gains arising on changes in fair value of financial assets designated as at FVTPL	640,917,506.26	84,247,257.15
Including: Gains/(losses) arising on changes in fair value of derivative financial instruments	-118,150,116.26	84,247,257.15

Item	Amount for the current period	Amount for the prior period
Others	95,183,872.43	-5,548,781.20
Total	736,101,378.69	79,413,762.03

59. Credit impairment loss

Item	Amount for the current period	Amount for the prior period
Bad debt losses	-9,035,326.18	682,805.73
Impairment loss of debt investment	37,112.64	-118,182.25
Impairment loss of other financial assets	-1,988,009.45	-3,144,888.01
Impairment loss of contract asset	-11,151,402.57	-22,610,072.41
Total	-22,137,625.56	-25,190,336.94

60. Asset impairment loss

Item	Amount for the current period	Amount for the prior period
1. Bad debt losses	-278,655,875.03	-233,867,864.14
2. Written-down of inventories	1,758,045.55	-238,449,253.56
3.Impairment loss of Available-for-sale financial assets	-358,182,917.21	-292,446,217.19
4.Impairment loss of Held-to-maturity investments	550,000.00	2,200,000.00
5. Impairment loss of Fixed asset	-17,915,109.41	
6. Impairment loss of Construction in progress		-39,120,500.00
7. Contract asset impairment loss	-54,783.03	
8. Others	-42,081,735.00	
Total	-694,582,374.13	-801,683,834.89

61. Assets disposal income

Item	Amount for the current period	Amount for the prior period	Amount included in current non-recurring gains and losses
Disposal gains or losses arising from the disposal of fixed assets, construction in progress, productive biological assets and intangible assets that are not classified as held for sale（Note）	476,108.44	1,439,481.09	476,108.44
Total	476,108.44	1,439,481.09	476,108.44

62. Non-operating income

62.1 Details of non-operating income

Item	Amount for the current period	Amount for the prior period	Amount included in current non-recurring gains and losses
Demolition and construction compensation	49,059,248.86		49,059,248.86
Obtaining income from joint ventures (negative goodwill)	18,970,299.34		18,970,299.34
Government grants	8,541,212.11	33,257,063.13	8,541,212.11
Income of default	3,050,435.51	670,109.45	3,050,435.51
Income from disposal of scrapped and damaged assets	1,263,133.54	829,676.94	1,263,133.54
Donation gains	4,472,530.00		4,472,530.00
Insurance compensation income	199,225.09	1,191,752.73	199,225.09
Payables approved without payment	77,005.21	2,614,846.63	77,005.21
Others	15,956,620.31	6,814,862.98	15,956,620.31
Total	101,589,709.97	45,378,311.86	101,589,709.97

62.2 Details of non-operating income

Item	Amount for the current period	Amount for the prior period
Total	8,541,212.11	33,257,063.13
1. Income of national science and technology support project	919,045.12	914,823.27
2. Non-operating assets transfer subsidy income		20,705,737.25
3. Construction subsidies		1,770,000.00
4.Others	7,622,166.99	9,866,502.61

63. Non-operating expenses

Item	Amount for the current period	Amount for the prior period	Amount included in current non-recurring gains and losses
Donations to third parties	10,384,791.52	954,633.30	10,384,791.52
Comprehensive subsidy	7,406,394.00	39,077,332.63	7,406,394.00
Penalty expense	2,853,990.11	200,032.42	2,853,990.11

Losses on written-off of fixed assets	685,506.23	13,966,459.09	685,506.23
Confirm uncollectible amounts	640,839.56		640,839.56
Liquidated damages	618,314.91	1,997,224.00	618,314.91
Compensation expenditure		5,149,715.80	
Demolition loss		327,158.12	
Others	3,645,632.38	1,278,726.72	3,645,632.38
Total	26,235,468.71	62,951,282.08	26,235,468.71

64. Income tax expenses

Item	Amount for the current period	Amount for the prior period
Current tax expense	1,178,244,378.08	760,414,990.78
Deferred tax expense	-403,307,118.19	-206,292,743.73
Total	774,937,259.89	554,122,247.05

65. Other comprehensive income attributable to shareholders of the parent company

65.1 Category of other comprehensive income

Item	Amount for the current period		
	Amount before tax	Income tax	Net of tax
I. Other comprehensive income not to be reclassified into profit and loss in the future			
1. Movements from remeasurement on defined benefit plan net assets or liabilities			
2. Shares in other comprehensive income of investee not to be reclassified into profit and loss under equity method			
II. Other comprehensive income to be reclassified into profit and loss	561,936,795.01	452,194.13	561,484,600.88
1. Shares in other comprehensive income of investee to be reclassified into profit and loss under equity method	7,323,449.31	-364702.1	7,688,151.41
Less: Net amount included in other comprehensive income in the prior periods that is transferred to profit or loss for the period			
Subtotal	7,323,449.31	-364702.1	7,688,151.41
2. Gains (losses) arising from available-for-sale financial assets	748,902,443.56	-2,475,474.05	751,377,917.61
Less: Net amount included in other comprehensive income in the prior periods that is transferred to profit or loss for the period	261,271,002.31	-3,292,370.28	264,563,372.59
Subtotal	487,631,441.25	816,896.23	486,814,545.02

Item	Amount for the current period		
	Amount before tax	Income tax	Net of tax
3. Profit and loss from held-to-maturity investment reclassified into available-for-sale asset			
Less: Net amount included in other comprehensive income in the prior periods that is transferred to profit or loss for the period			
Subtotal			
4. The effective component of profit and loss in cash flow hedging instruments			
Adjustments to the initial recognized amounts of hedged items			
Less: Net amount included in other comprehensive income in the prior periods that is transferred to profit or loss for the period			
Subtotal			
5. Translation differences of financial statements denominated in foreign currencies	66,981,904.45		66,981,904.45
Less: Net amount included in other comprehensive income in the prior periods that is transferred to profit or loss for the period			
Subtotal	66,981,904.45		66,981,904.45
III、Total comprehensive income	561,936,795.01	452,194.13	561,484,600.88

Continued:

Item	Amount for the prior period		
	Amount before tax	Income tax	Net of tax
I. Other comprehensive income not to be reclassified into profit and loss in the future			
1. Movements from remeasurement on defined benefit plan net assets or liabilities			
2. Shares in other comprehensive income of investee not to be reclassified into profit and loss under equity method			
II. Other comprehensive income to be reclassified into profit and loss	389,494,498.93	-3,339,971.08	392,834,470.01
1. Shares in other comprehensive income of investee to be reclassified into profit and loss under equity method	9,788,726.90		9,788,726.90
Less: Net amount included in other comprehensive income in the prior periods that is transferred to profit or loss for the period			
Subtotal	9,788,726.90		9,788,726.90
2. Gains (losses) arising from available-for-sale financial assets	85,318,276.90	-3,339,971.08	88,658,247.98
Less: Net amount included in other comprehensive income in the prior periods that is transferred to profit or loss for the period	-292,446,217.18		-292,446,217.18

Item	Amount for the prior period		
	Amount before tax	Income tax	Net of tax
Subtotal	377,764,494.08	-3,339,971.08	381,104,465.16
3. Profit and loss from held-to-maturity investment reclassified into available-for-sale asset			
Less: Net amount included in other comprehensive income in the prior periods that is transferred to profit or loss for the period			
Subtotal			
4. The effective component of profit and loss in cash flow hedging instruments			
Adjustments to the initial recognized amounts of hedged items			
Less: Net amount included in other comprehensive income in the prior periods that is transferred to profit or loss for the period			
Subtotal			
5. Translation differences of financial statements denominated in foreign currencies	1,941,277.95		1,941,277.95
Less: Net amount included in other comprehensive income in the prior periods that is transferred to profit or loss for the period			
Subtotal	1,941,277.95		1,941,277.95
III、Total comprehensive income	389,494,498.93	-3,339,971.08	392,834,470.01

65.2 Adjustment to other comprehensive income

Item	Shares in other comprehensive income of investee to be reclassified into profit or loss under equity method	Fair value changes in available for sale financial assets	Translation differences of financial statements denominated in foreign currencies	Subtotal
1. Amount at the beginning of last year	18,831,108.25	-324,174,011.04	-37,088,232.39	-342,431,135.18
2. Increase in last year (decrease is indicated by "—")	9,788,726.90	381,104,465.16	1,941,277.95	392,834,470.01
3. Amount at the beginning of this year	28,619,835.15	56,930,454.12	-35,146,954.44	50,403,334.83
4. Increase in this year(decrease is indicated by "—")	7,688,151.41	486,814,545.02	66,981,904.45	561,484,600.88
5. Amount at the end of this year	36,307,986.56	543,744,999.14	31,834,950.01	611,887,935.71

66. Borrowing cost

The capitalized borrowing cost is 5,306,643,633.82 yuan for the current period.

67. Translation of transactions denominated in foreign currencies

The exchange loss recognized into profit and loss is -227,223,350.87 yuan for the current period.

68. Lease

68.1 Financial lease

Residual lease term	Minimum lease receivable
Within 1 year	4,768,782,083.91
More than 1 year but not exceeding 2 years	4,592,327,699.77
More than 2 year but not exceeding 3	2,668,038,923.85
More than 3 years	2,094,978,928.55
Total	14,124,127,636.08

Note: The balance of unrealized financing profits is 1,922,393,182.74 yuan at the end of the period.

68.2 Significant operating lease

Type of leased assets	Closing balance	Opening balance
Houses and buildings	4,941,722,258.43	1,815,903,886.64
Total	4,941,722,258.43	1,815,903,886.64

68.3 Significant finance lease (as the lessee)

68.3.1 Leased assets

Type of leased assets	Closing balance			Opening balance		
	Original value	Accumulated depreciation	Impairment provision	Original value	Accumulated depreciation	Impairment provision
Houses and buildings	33,602,630,171.14			40,725,412,400.94		
Total	33,602,630,171.14			40,725,412,400.94		

68.3.2 Minimum lease payable in the future

Residual lease term	Minimum lease payable
Within 1 year	3,677,783,477.58
More than 1 year but not exceeding 2 years	1,737,500,001.42
More than 2 year but not exceeding 3	1,999,717,982.36
More than 3 years	3,675,000,000.68
Total	11,090,001,462.04

68.4 Disclosure of the important terms of each sale and leaseback transaction and after-sale leaseback contract

With regard to sale and leaseback, the Company collects the consultancy fee from the lessee. The Company collects consulting fees from the lessee in the financial leasing contract to provide financial leasing services and charge the service fee or separate the finance leasing contract. The lessee shall have the preferential right to choose to purchase after the expiration of the term of the lease, and the company adopts the principal amount of principal payment or the same amount of rent before payment, after payment method to pay each period of rent.

69. Consolidated statement of cash flow

69.1 Reconciliation of net profit to cash flow from operating activities:

Supplementary information	Amount for the current period	Amount for the prior period
1. Reconciliation of net profit to cash flow from operating activities:		
Net profit	3,156,087,901.63	3,042,038,654.68
Add: Provision for impairment losses of assets	694,582,374.13	801,683,834.89
Credit asset impairment losses	22,137,625.56	25,190,336.94
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of bearer biological assets	295,917,354.62	219,814,277.58
Amortization of intangible assets	514,520,189.79	270,557,856.20
Amortization of long-term prepaid expenses	13,016,701.25	13,334,776.56
Losses/(gains) on disposal of fixed assets, intangible assets and other long-term asset	-476,108.44	-1,439,481.09
Losses /(gains) on write-off of fixed assets	-577,627.31	13,136,782.15
Losses/(gains) on changes in fair values	-736,101,378.69	-79,413,762.03
Financial expenses/ (income)	2,476,827,893.48	1,674,388,031.99
Losses/(gains) arising from investments	-3,361,796,334.87	-3,430,353,102.65
Decrease /(increase) in deferred tax assets	-745,183,386.77	-311,293,314.90
Increase/(decrease) in deferred tax liabilities	342,022,914.82	106,345,881.42
Decrease /(increase) in inventories	3,745,470,144.96	-12,696,327,953.81
Decrease /(increase) in receivables from operating activities	-4,913,382,437.14	-4,381,788,652.84
Increase/(decrease) in payables from operating activities	-5,582,599,900.25	-2,437,448,569.43
Others		
Net cash flow from operating activities	-4,079,534,073.23	-17,171,574,404.34
2.Significant investing and financing activities that do not involve cash flow		
Conversion of debt into capital		

Supplementary information	Amount for the current period	Amount for the prior period
Reclassification of current portion of convertible bonds to current liabilities		
Fixed assets capitalized under finance lease		
Invest with non-monetary assets		
3. Net changes in cash and cash equivalents:		
Closing balance of cash	20,109,370,604.74	15,396,823,090.63
Less: Opening balance of cash	15,396,823,090.63	24,992,368,333.88
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	4,712,547,514.11	-9,595,545,243.25

69.2 Net cash from acquisition and disposal of subsidiaries or businesses during the period

None.

69.3 Composition of Cash and Cash Equivalents

Item	Closing balance	Opening balance
I. Cash	20,109,370,604.74	15,396,823,090.63
Including: Cash on hand	2,713,163.44	599,689.88
Bank deposits	19,936,087,589.55	15,337,326,678.29
Other monetary funds	170,569,851.75	58,896,722.46
II. Cash equivalents		
Including: Investments in debt securities due within three months		
III. Closing balance of cash and cash equivalents	20,109,370,604.74	15,396,823,090.63
Including: Cash and cash equivalents with restricted use of parent company or subsidiaries within the group		

70. Assets whose ownership and right to use are restricted

Restricted ownership assets	Closing balance	Opening balance
Cash and bank balances	86,874,118.43	79,708,323.79
Inventory (Note 1)	16,677,622,438.66	6,332,073,873.43
Investment properties (Note 2)	78,526,097.91	106,946,502.13
Fixed asset (Note 3)	22,014,383,316.43	29,719,576,933.70
Construction in progress (Note 4)	11,617,275,929.00	11,034,579,588.18
Long-term equity investment(Note 5)	701,133,743.91	90,100,000.00

Restricted ownership assets	Closing balance	Opening balance
Long-term receivables(Note 6)	250,842,842.35	364,207,837.89

Note 1: Restricted inventory at the end of period is 1,667,762.24 ten thousand yuan.

(1) The closing amount of long-term borrowings, whose pledges are some constructions in progress (carrying value is 214,976.50 thousand yuan) located in and part of usage right to No MC01-0003-6004/6003/0078, Tanzhe Temple in Mentougou District, Beijing Jingtou Yingde Real Estate Co., Ltd. (hereinafter referred to as the "Yingde Zhiye"), subsidiary of Beijing Investment Development, is 896,194.50 thousand yuan.

(2) The closing amount of long-term borrowings, whose pledges are some constructions in progress (carrying value is 2,578,134.00 thousand yuan) located in and part of usage right to No MY00-0103-6002, Tanying Township, Miyun District, Beijing, Beijing Jingtou Xingtan Real Estate Co., Ltd. (hereinafter referred to as the "Jingtou Xingtan"), subsidiary of Beijing Investment Development, is 392,984.00 thousand yuan.

(3) The closing amount of long-term borrowings, whose pledges are some constructions in progress (carrying value is 3,182,626.40 thousand yuan) located in and part of usage right to 1518-L04/L05/L06/L07, Guogongzhuang Village, Huaxiang, Fengtai District, Beijing, Beijing Jingtou Fengde Real Estate Co., Ltd. (hereinafter referred to as "Jingtou Fengde"), subsidiary of Beijing Investment Development, is 97,565.20 thousand yuan.

(4) The closing amount of long-term borrowings, whose pledges are some constructions in progress (carrying value is 7,819,315.60 thousand yuan) located in and part of usage right to HD00-0700-0002、003、004, Bei'anhe Depot of Metro Line 16 in Haidian District , Beijing, Beijing Jingtou Xinghai Real Estate Co., Ltd. (hereinafter referred to as "Jingtou Xinghai"), subsidiary of Beijing Investment Development, is 33,063.80 thousand yuan.

Note 2: Restricted investment real estate at the end of the period was78,526.10 thousand yuan.

(1) Ningbo Hualian, a subsidiary of Beijing Investment Development, uses 1-4 floors of Ningbo Hengtai Building (book value of RMB 39,878,600) as collateral. The principal balance of long-term loans is RMB 31,500,000. The long-term loan is due within one year. The balance of the loan principal is 23.0 million yuan.

(2) Ningbo Hualian, a subsidiary of Beijing Investment Development, uses part of the 5th and 6th floors and 17-20 floors of the investment real estate Hengtai Building (book value of 38,647,500 yuan) and the fixed assets mentioned in Note 3 as collateral for the company's principal balance Provide mortgage guarantee for short-term loans of RMB 75 million.

Note 3: Restricted fixed assets at the end of the period is 22,014,383.30 thousand yuan.

(1) The company's subsidiary company line assets carry out financial lease sale and leaseback business, involving fixed assets with a book value of 21,985,354.20 thousand yuan.

(2) At the end of the period, the limited book value of Beijing Investment Development was 29,029.10 thousand yuan, and Beijing Investment Development used the fixed assets of Hualian No. 2 Building B1 and B2 (book value of 23,678.70 thousand yuan) and the 6th floor of Ningbo Hualian Yihengtai Building, a subsidiary of Beijing Investment Development. Part of the real estate (book value of 5,350.40 thousand yuan) and the investment real estate described in Note 2 (2) are used as collateral to provide mortgage guarantee for the company's short-term loan with a principal balance of RMB 75 million.

Note 4: The restricted book value of construction in progress at the end of the period was 11,617,275.90 thousand yuan.

(1) The company's subsidiary company line assets carry out financial lease sale and leaseback business, involving restricted construction in progress with a book value of 11,617,275.90 thousand yuan.

Note 5: The restricted balance of long-term equity investment is 701,133.70 thousand yuan.

(1) Beijing Investment Development, a subsidiary of Beijing Investment Land, uses the 51% equity (book value of 10.20 million yuan) held by Beijing Jingtou Xingping Real Estate Co., Ltd. (hereinafter referred to as "Xingping Real Estate") as a pledge that expires within one year The principal balance of the long-term loan is 672.00 million yuan.

(2) The long-term loan principal balance of the 51% equity (book value of 25.50 million yuan) pledged by Beijing Investment Land, a subsidiary of Beijing Investment Development, was 2,805.00 million yuan.

(3) Beijing Investment Development's subsidiary, Beijing Investment Land, pledged its 40% equity interest in Tanzhe Xingye (with a book value of 0.00 million) as a pledge of long-term loan principal balance of 2.76 million yuan.

(4) Beijing Investment Development's subsidiary Beijing Investment Land uses 100% equity of Beijing Investment Xingtan (book value of 20.00 million yuan) as a pledge of long-term loan principal balance of 84.95 million yuan.

(5) The long-term loan principal balance of Beijing Investment Development's subsidiary Beijing Investment Land with 70% equity of Beijing Investment Fengde (book value of 14.00 million yuan) as pledge is 1,653.00 million yuan.

(6) Beijing Investment Development's subsidiary Beijing Investment Land uses its 51% equity interest in Beijing Investment Xinghai (book value of 10.20 million yuan) as pledge, and the long-term loan principal balance is 3,825.00 million yuan.

(7) Beijing Investment Development uses 100% equity of Wuxi Jiaren Garden Hotel Management Co., Ltd. (hereinafter referred to as "Wuxi Jiaren") (book value of 621,233.70 thousand yuan) and 50% equity of Wuxi Wangyu (book value of 0.00 yuan) as pledged long-term loans The principal balance is 1.04 million yuan.

Note 6: Cornerstone Leasing, a subsidiary of the company, uses the long-term receivables with contract number Y-Z-19005-R and contract number YH-17035-R as pledges to obtain credit from the bank, and the bank provides financing advance payment, and Cornerstone Leasing is treated as a long-term loan. .

IX. Commitment and Contingency

1. Commitment

In the year 2010, two of investment development's subsidiaries, Jingtou Zhidi and Beijing Vanke invested in a project company. The two parties agreed to the followings: Jingtou Zhidi consolidates financial statements and adjusted the shareholders structure as 20% held by Beijing Vanke and 80% held by Jingtou Zhidi. When the net profit is higher than 9%, Jingtou Zhidi and Beijing Vanke distribute the profit at 70% and 30% respectively; when the net profit is lower than 9%, Jingtou Zhidi and Beijing w Vanke distribute the profit at 74% and 26% respectively. This year, the two companies adopted the latter distribution proportion.

Up to December 31, 2020, the Company doesn't have other commitment to be disclosed.

2. Contingency

2.1 Details of internal and external guarantee up to December 31, 2019

Guaranteed company	Nature	Amount (ten thousand yuan)	Due time	Condition of the guaranteed company
Internal				
Line 10 investment limited	State-owned	137,700.00	2027.06	Fine
Jingtou Xinxing limited	State-owned	326,900.00	2022.09	Fine
Beijing Investment Development(Note 1)	State-owned	200,000.00	2023.09	Fine
Beijing Investment Development(Note 2)	State-owned	100,000.00	2024.03	Fine
Beijing Investment Development(Note 3)	State-owned	50,000.00	2024.07	Fine
Beijing Investment Development(Note 4)	State-owned	300,000.00	Refer to Note 4	Fine
Internal (for Beijing Investment Development Ltd.)				

Guaranteed company	Nature	Amount (ten thousand yuan)	Due time	Condition of the guaranteed company
Jingtou Zhidi(Note 5)	State-owned	10,000.00	2022.07	Fine
Jingtou Zhidi(Note 6)	State-owned	520,000.00	2025.09	Fine
External (for Beijing Investment Development Ltd.)				
Shanghai Lixing (Note 7)	State-owned	128,000.00	2027.01	Fine
Shanghai Lixing (Note 8)	State-owned	10,000.00	2021.07	Fine
Internal (for Jingtou Zhidi)				
Beijing Investment Development(Note 9)	State-owned	20,000.00	2024.03	Fine
Jingtou Xingping(Note 10)	State-owned	240,000.00	2021.11	Fine
Jingtou Xingtan(Note 11)	State-owned	250,000.00	2022.09	Fine
Jingtou Fengde(Note 12)	State-owned	285,000.00	2022.06	Fine
Jingtou Xinghai(Note 13)	State-owned	382,500.00	2022.06	Fine
Jingtou Yingde(Note 14)	State-owned	280,500.00	2022.08	Fine
Total		3,240,600.00		

Note 1: Beijing Investment Development issued public bonds offering full unconditional irrevocable joint liability guarantee fewer than 2.00 billion yuan. On 4 September 2020, Beijing Investment Development issued public bonds ("18 Jingfa 01") of 2.00 billion yuan within 3years.

Note 2: The company provides an irrevocable joint and several liability guarantee guarantee for Beijing Investment Development's public issuance of bonds ("19 Jingfa G1"), with a guarantee amount of 1.0 billion yuan and a guarantee period of March 14, 2019 to March 14, 2024.

Note 3: The company provides an irrevocable joint and several liability guarantee guarantee for Beijing Investment Development's public issuance of bonds ("19 Jingfa G2"), with a guarantee amount of 0.5 billion yuan and a guarantee period of July 17, 2019 to July 17, 2024.

Note 4: The Company provides an irrevocable joint and several liability guarantee for Beijing Investment Development, with the amount of RMB 3.00 billion, and the guarantee period shall be from the date of entry into force of the guarantee letter to the date on which the Company shall fully liquidate the principal amount of the last loan under the 'Perpetual Trust Loan Contract', the interest corresponded to the loan [including deferred loan interest and accumulated interest (if any)] and other payables (if any) for 2 years.

Note 5: Beijing Investment Development provided a joint liability guarantee for the 100 million loan of the Jingtou Zhidi Land and Xiamen International Bank Beijing Branch. As of the end of the reporting

period, the loan balance was 86.40 million yuan, and the guarantee period was July 2019 23rd to July 22nd, 2022.

Note 6: The company's subsidiary, Beijing Investment Development, has a 100% stake in Wuxi Jiaren and a 50% stake in Wuxi Wangyu to provide pledge guarantees for its wholly-owned subsidiary, Beijing Investment Land, to provide a pledge guarantee of 5.20 billion in entrusted loans at the Beijing Bank's Jinyun Branch, with a principal balance of 104,000.00 million at the end of this report, with a guarantee period of September 18, 2020 to September 18, 2025.

Note 7: Shanghai Lixing, through the Shanghai branch of the lender Hangzhou Bank Co., Ltd., applied to the principal Guangfa Securities Asset Management (Guangdong) Co., Ltd. (Guangfa Securities Qianchao 2 targeted asset management plan) for a loan of 1.280 billion yuan, the loan term from January 23, 2017 to January 22, 2027, the company's subsidiary Beijing Investment Development provides a joint and several liability guarantee guarantee for this entrusted loan with a guarantee amount of RMB 1.280 billion for the period from January 23, 2017 to January 22, 2027, and the partner Fudi (Group) Co., Ltd. agreed to assume the guarantee liability for the company and then exercised it in Shanghai Lixing A counter-guarantee is provided for 20% of the recovery right (the maximum principal balance is RMB256.00 million). After the separation of Shanghai Lixing, the original contract subject has been changed from Shanghai Lixing to Shanghai Lishi, the company's original rights and obligations to Shanghai Lixing to the new company after the separation of Shanghai Lishi.

Note 8: The Company provides joint and several liability guarantee for 0.10 billion yuan leaseback of Shanghai Lishi and Shanghai Metro financing lease Co., Ltd. from 8 June 2018 to 10 July 2021.The loan is 0.10 billion yuan in the end of the year. Partner Shanghai Forte Land Co., Ltd. is willing to provide counter guarantee for 20% of Shanghai Lishi's right of recourse(up to 20,000.00 thousand yuan).

Note 9: Jingtou Zhidi, a wholly-owned subsidiary of the Company, provides joint and several liability guarantees for the financial lease applied by Beijing Investment Development to Keystone International Financial Leasing Co., Ltd., with a lease principal of RMB20,000.00 million, and the amount of financial lease fee payable at the end of this report is RMB131.6053 million, with a guarantee period of March 11, 2019 to March 11, 2024.

Note 10: Jingtou Zhidi, a wholly-owned subsidiary of the Company' subsidiary Beijing Investment Development, with its 51% stake in Xingping Real Estate, provides pledge guarantees to the 240,000.0 million yuan entrusted loan of the Beijing Bank's Jinyun Branch, with a principal balance of 672.00 million yuan as of the end of this report, with a guarantee period of November 22, 2018 to November 22, 2021.

Note 11: Jingtou Zhidi, a wholly-owned subsidiary of beijing investment development subsidiary of the Company, with its 100% stake in Beijing Investment Xing sandalwood for the Beijing Bank Jinyun Branch 250,000.00 million yuan entrusted loans to provide pledge guarantee, as of the end of this report,

the principal balance of the guaranteed claims is 849.50 million yuan, the guarantee period is September 18, 2018 to September 18, 2022.

Note 12: Jingtou Zhidi, a wholly-owned subsidiary of the Company' subsidiary Beijing Investment Development, has a 70% stake in Beijing Investment Fengde to provide pledge guarantee for the loan entrusted by Beijing Investment Fengde to the Beijing Bank's Jinyun Branch for 285,000 yuan, with a principal balance of RMB165,300.00 million at the end of this report, with a guarantee period of June 5, 2019 to June 4, 2022.

Note 13: Jingtou Zhidi, a wholly-owned subsidiary of beijing investment development subsidiary of the Company, with its 51% stake in Beijing Investment Xinghai, provided pledge guarantee for the loan entrusted by Beijing Investment Xinghai to the Beijing Bank Jinyun Branch for 382,500.0 million yuan, with a principal balance of 382,500.00 million yuan at the end of this report, with a guarantee period of June 6, 2019 to June 5, 2022.

Note 14: Jingtou Zhidi, a wholly-owned subsidiary of the Company' subsidiary Beijing Investment Development, with its 51% stake in Jingtou Yingd, provides pledge guarantees for loans entrusted by the Beijing Bank's Jinyun Branch for 280,500.00 million yuan, with a principal balance of 280,500.00 million yuan at the end of this report, with a guarantee period of August 21, 2020 to August 22, 2022.

2.2 Up to the 31 December 2020, the balance of the mortgage guarantee provided by Beijing Investment Development to the bank for the purchaser of commercial housing was 445,718.25 million, the amount of which was the principal amount of the loan, interest (including penalty interest) and the related expenses incurred by the bank to realize the claim, and the amount of the guarantee decreased accordingly with the borrower's repayment on a period-by-period basis. The term of the guarantee shall be from the effective date of the loan contract signed between the owner and the bank until the date on which the Company has sponsored the "House Ownership Certificate" for the purchased housing and the registration of the mortgage of the house, and the date on which the certificate of ownership of the house, such as the Home Ownership Certificate, shall be submitted to the bank for safekeeping.

2.3 Beijing Happiness Hengyuan Investment Management Co., Ltd. filed a lawsuit against Beijing Jingtou Rail Transit Asset Management Co., Ltd. with the Chaoyang District People's Court of Beijing on June 12, 2020 in the dispute over the "License Agreement for The Plaza Dining Project in front of Line 6, Line 8, Line 9, Line 10. As of the date of the audit report, the second court date has not been set and the amount of compensation for related litigation cannot be reasonably estimated, the Chaoyang District People's Court of Beijing Beijing Beijing Investment Rail Transit Asset Management Co., Ltd. basic household China Construction Bank Tiantan Branch Bank account number of 11001014800059233536 judicial freeze 17,491,522.58 yuan.

2.4 As of December 31, 2020, the Company has no other contingent matters to disclose.

X. EVENTS AFTER BALANCE SHEET DATE

The distribution of profits

The company's subsidiary, Beijing Investment Development, has drawn up a profit distribution plan for 2020 as: based on the company's total share capital of 740,777,597 shares as of December 31, 2020, and a total of 185,194,399.25 yuan per 10 shares of found gold dividends (including tax). There will be no capital accumulation to increase equity during the current year. This plan must be submitted to the general meeting of shareholders of the company for consideration and approval.

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

1. The Company's ultimate controller is Beijing state-owned assets supervision and administration commission.

2. Subsidiaries of the Company: Refer to VII. 1 Basic information of subsidiaries included in the consolidated statements.

3. The relevant information of associates and joint venture of the Company is shown in detailed in notes VIII. 17 Long-term equity investments.

4. Related party

4.1 Transaction of related party

4.1.1 Purchase of goods/ receipt of services

Related party	Details of related party transaction	Amount for the current period (Ten thousand yuan)	Amount for the prior period (Ten thousand yuan)
Shanghai Lishi	Catering, accommodation and meeting expense	3.69	7.52
Beijing Urban Construction & Design Group Co., Limited	Consulting design service fee	273.45	202.85
Huaxia Bank Co., Ltd.	Interest expense	2,214.67	2,235.60
Huaxia Bank Co., Ltd.	Handling expenses	6.78	2.06

4.1.2 related transaction in selling goods and providing services

Related party	Details of related party transaction	Amount for the current period (Ten thousand yuan)	Amount for the prior period (Ten thousand yuan)
Beijing Urban Construction & Design Group Co., Limited	System integration service	4,470.81	5,720.85
Yintai general merchandise Ningbo Haishu Co., Ltd	Property management	240.00	250.67
Beijing municipal transportation pass limited	Rental service		17.18

Related party	Details of related party transaction	Amount for the current period (Ten thousand yuan)	Amount for the prior period (Ten thousand yuan)
Beijing traffic control technology co., Ltd	Rental service	297.80	
Jingtou New Shore Line Technology Co., Ltd	Selling goods	1,059.29	
Beijing jingtou Investment City Corridor Investment Co., Ltd	Rental service	1.75	
Shaoxing Jingyue Metro Co., Ltd	Vehicle renovation revenue	235.40	
Beijing cornerstone venture capital management center (limited partnership)	Rental service	265.97	123.30
Beijing subway tong cheng advertising limited.	advertising revenues	190.13	25,947.90
Huaxia Bank Co., Ltd.	Interest income and wealth management product income	6,083.95	3,506.94
Beijing Beiguang Media Metro Television Co., Ltd	advertising revenues	754.72	
Beijing Beiguang Media Metro Television Co., Ltd	Ticket revenue	1.00	
Beijing Beiguang Media Metro Television Co., Ltd	Rental service	29.34	
Beijing Beiguang Media Metro Television Co., Ltd	Training revenue	1.35	
Beijing Beiguang Media Metro Television Co., Ltd	Management service	78.64	

4.2 Guarantees with related parties

Guaranteed company	Nature	Amount (ten thousand yuan)	Due time	Condition of the guaranteed company
Internal				
Line 10 investment limited	State-owned	137,700.00	2027.06	Fine
Jingtou Xinxing limited	State-owned	347,900.00	2022.09	Fine
Beijing Investment Development(Note 1)	State-owned	200,000.00	2023.09	Fine
Beijing Investment Development(Note 2)	State-owned	100,000.00	2024.03	Fine
Beijing Investment Development(Note 3)	State-owned	50,000.00	2024.07	Fine
Beijing Investment Development(Note 4)	State-owned	300,000.00	Refer to Note 4	Fine
Internal (for Beijing Investment Development Ltd.)				
Jingtou Zhidi(Note 5)	State-owned	10,000.00	2022.07	Fine
Jingtou Zhidi(Note 6)	State-owned	520,000.00	2025.09	Fine
Internal (for Jingtou Zhidi)				
Beijing Investment Development(Note 7)	State-owned	20,000.00	2024.03	Fine

Guaranteed company	Nature	Amount (ten thousand yuan)	Due time	Condition of the guaranteed company
Jingtou Xingping(Note 8)	State-owned	240,000.00	2021.11	Fine
Jingtou Xingtan(Note 9)	State-owned	250,000.00	2022.09	Fine
Jingtou Fengde(Note 10)	State-owned	285,000.00	2022.06	Fine
Jingtou Xinghai(Note 11)	State-owned	382,500.00	2022.06	Fine
Jingtou Yingde(Note 12)	State-owned	280,500.00	2022.08	Fine
Total		3,123,600.00		

Notes 1-6 are shown in detailed in notes "IX. 2 Contingency Notes 1-6".

Note 7 is shown in detailed in notes "IX. 2 Contingency Note 9".

Note 8 is shown in detailed in notes "IX. 2 Contingency Note 10".

Note 9 is shown in detailed in notes "IX. 2 Contingency Note 11".

Note 10 is shown in detailed in notes "IX. 2 Contingency Note 12".

Note 11 is shown in detailed in notes "IX. 2 Contingency Note 13".

Note 12 is shown in detailed in notes "IX. 2 Contingency Note 14".

4.3 Amounts due from / to related parties

4.3.1 Amounts due from related parties

Item	Related party	Closing balance		Opening balance	
		Carrying value	Bad debt provision	Carrying value	Bad debt provision
Bank balances	Huaxia Bank Co., Ltd.	103,139,921.49		59,833,566.85	
Other current asset	Huaxia Bank Co., Ltd.			1,286,000,000.00	
Accounts Receivable	Beijing subway tong cheng advertising limited.			114,864,026.89	
Accounts Receivable	Jingtou New Shore Line Technology Co., Ltd	7,980,000.00			
Accounts Receivable	Beijing Urban Construction and Installation Group Co., Ltd	13,506,624.00	1,768,455.71	15,506,624.00	1,094,724.46
Contract asset	Beijing Urban Construction & Design Group Co., Limited	30,725,712.94			
Contract asset	Beijing Beiguang Media Metro Television Co., Ltd	98,245.00			

Item	Related party	Closing balance		Opening balance	
		Carrying value	Bad debt provision	Carrying value	Bad debt provision
Other receivables	Xinjiang Wujing Railway Construction Rail Transit Co., Ltd	609,200.67			
Other receivables	Shaoxing Jingyue Metro Co., Ltd.	938,002.66			
Other receivables	Beijing Jingtou YiXin Health Management Service Co., Ltd.	2,250,000.00	2,250.00	2,250,000.00	2,250.00
Other receivables	Beijing Urban Construction Group Co., Ltd	528,580,601.46			

4.3.2 Amounts due to related parties

Item	Related party	Closing balance	Opening balance
Accounts payable	Beijing Urban Construction & Design Group Co., Limited	301,072,670.18	2,984,885.00
Accounts payable	Beijing Metro Information Development Co., Ltd	45,650,077.90	
Accounts payable	Beijing municipal transportation pass limited	151,778.76	
Receipts in advance	Shaoxing Jingyue Metro Co., Ltd.	310,673,199.60	310,673,199.60
Receipts in advance	Beijing traffic control technology co., Ltd	11,699,449.93	
Receipts in advance	Yintai general merchandise Ningbo Haishu Co., Ltd	638,095.24	638,095.24
Other payables	Beijing Urban Construction & Design Group Co., Limited	239,455,510.00	
Other payables	Beijing Jingtou Sunshine Real Estate Development Co., Ltd	100,450,000.00	100,450,000.00
Other payables	Beijing traffic control technology co., Ltd	10,479,919.32	
Other payables	Yintai general merchandise Ningbo Haishu Co., Ltd	770,000.00	770,000.00
Other payables	Beijing Jiuzhou Yigui Vibration Technology Co., Ltd	200,000.00	232,656.39
Other payables	Shangai Lishi	7,652.86	
Other payables	Beijing Xingchuang Investment Ltd	154,938,144.39	154,938,144.39
Long-term borrowings	Huaxia Bank Co., Ltd.	500,000,000.00	500,000,000.00

4.3.3 Supplementary of credit and debt with related parties

Item	Related party	Closing balance	Opening balance
Interest receivable	Shanghai Lishi	2,885,090.59	8,404,257.54
Provision of interest receivable	Shanghai Lishi	2,885.09	8,404.25
Non-current assets due within one year (entrusted loans)	Tanzhe Xingye		130,345,688.88
Provison of non-current assets due within one	Tanzhe Xingye		130,345.69

Item	Related party	Closing balance	Opening balance
year (entrusted loans)			
Non-current assets due within one year (entrusted loans)	E'erdos program limited		1,130,000.00
Non-current assets due within one year (entrusted loans)	Shanghai Lishi	305,490,178.13	67,901,975.05
Provision of non-current assets due within one year (entrusted loans)	Shanghai Lishi	305,490.18	67,901.98
Debt investment (entrusted loan)	Shanghai Lishi	120,128,217.11	298,249,346.76
Provision of Debt investment (entrusted loan)	Shanghai Lishi	120,128.22	298,249.35
Debt investment (entrusted loan)	Tanzhe Xingye	139,422,488.88	
Provision of Debt investment (entrusted loan)	Tanzhe Xingye	139,422.49	
Debt investment (entrusted loan)	Beijing Jingtou YiXin Health Management Service Co., Ltd.	17,289,188.69	15,703,188.69
Provision of Debt investment (entrusted loan)	Beijing Jingtou YiXin Health Management Service Co., Ltd.	17,289.19	15,703.19
Other non-current assets	Tanzhe Xingye	3,325,624,589.21	3,119,688,589.22
Provision of other non-current assets	Tanzhe Xingye	3,325,624.59	3,119,688.59
Other non-current assets	Beijing Urban Construction & Design Group Co., Limited	155,660.38	
Other non-current assets	E'erdos program limited	1,126,388,721.95	1,122,666,449.20
Provision of other non-current assets	E'erdos program limited	339,907,193.43	339,907,193.43
Other non-current assets	Wuxi Wangyu Metro Ecological Property Co., Ltd.	4,638,946,317.23	2,994,115,380.30
Provision of other non-current assets	Wuxi Wangyu Metro Ecological Property Co., Ltd.	4,638,946.32	2,994,115.38

4.4 The situation of interest income by related party possessing funds

Related party	Details of related party transaction	Amount for the current period (Ten thousand yuan)	Amount for the prior period (Ten thousand yuan)
Shanghai Lixing	Interest income	3,636.59	3,000.49
Tanzhe Xingye	Interest income	20,284.23	20,228.81
Beijing Jingtou YiXin Health Management Service Co., Ltd.	Interest income	149.62	149.21

Related party	Details of related party transaction	Amount for the current period (Ten thousand yuan)	Amount for the prior period (Ten thousand yuan)
Wuxi Wangyu Metro Ecological Property Co., Ltd.	Interest income	24,155.23	513.16

4. 5 Leases with related parties

Leases where the Company is the lessor

Name of lessee	Lessor	Type of leased assets	Commencement date of leases	Expiration date of leases	Basis of determining the lease payment	Lease expenses recognized for the current period (Ten thousand)	Lease expenses recognized for the prior period (Ten thousand)
Yintai general merchandise Ningbo Haishu Co., Ltd (Note)	Beijing investment development	Hualian Building <7-49>、<8-54>	1 January 2017	31 December 2033	Market price/ board of director	255.24	255.24
Total						255.24	255.24

Lease situation description of related party:

Note: On December 29, 2016, Beijing Investment Development signed a house lease contract with Yintai general merchandise Ningbo Haishu Co., Ltd. The lease is marked on the 7th and 8th floors (9,984.70 square meters) of the main building and podium building of Ningbo Hualian Building. The lease term is from January 1, 2017 to December 31, 2033. The annual rent for the first year to the sixth year of the rental year is 2.68 million yuan, the annual rent for the 7th to 12th year is 2.80 million yuan, and the annual rent for the 13th to 17th year is 2.90 million yuan. During the reporting period, rental income was recognized to be 2,552.40 thousand yuan.

4. 6 Borrowings due to related parties

Related party	Amount of borrowing/loan	Inception date	Maturity date	Notes
Shanghai Lishi	8,404,257.54	2020-02-20	2022-02-19	Entrust loans, annual rate 9.50%
Shanghai Lishi	15,400,000.00	2020-03-19	2022-02-19	Entrust loans, annual rate 9.50%
Shanghai Lishi	8,936,477.11	2020-04-01	2022-02-19	Entrust loans, annual rate 9.50%
Shanghai Lishi	69,299,624.04	2020-06-18	2022-02-19	Entrust loans, annual rate 9.50%
Shanghai Lishi	8,186,095.25	2020-07-08	2022-02-19	Entrust loans, annual rate 9.50%
Shanghai Lishi	9,901,763.17	2020-10-13	2022-02-19	Entrust loans, annual rate 9.50%

Related party	Amount of borrowing/loan	Inception date	Maturity date	Notes
E'erdos program limited	3,000,000.00	2020-03-05	2022-01-26	Entrust loans, annual rate 9.50%
E'erdos program limited	400,000.00	2020-12-01	2022-01-26	Agreement loans, annual rate4.90%
E'erdos program limited	500,000.00	2020-12-27	2022-01-26	Agreement loans, annual rate4.90%
Wuxi Wangyu Metro Ecological Property Co., Ltd.	1,388,785,500.00	2020-12-16	2023-12-15	Agreement loans, annual rate4.90%

4.7 Other related matters

4.7.1 The Company and Beijing Investment Corporation signed the Guarantee Agreement on the Public Offering of Corporate Bonds and the Beijing Investment Corporation issued a Guarantee Letter promising to provide unconditional and irrevocable collateral guarantees for the proposed public offering of corporate bonds not exceeding 1.50 billion yuan. The guarantee agreement stipulates that Beijing Investment Company shall charge the relevant guarantee fee, which shall be based on the face value of the outstanding bonds of the company's bonds, at an annual rate of 1%. On March 14, 2019, the company issued 1.00 billion yuan of corporate bonds, and in March 2020, the company paid 10 million yuan in guarantee fees for the current period. On July 17, 2019, the company issued 500.00 million yuan of corporate bonds, and in July 2020, the company paid 500.00 million yuan in guarantee fees for the current period.

4.7.2 The Company and Beijing Investment Corporation signed the Guarantee Agreement on the Public Offering of Corporate Bonds and the Beijing Investment Corporation issued a Guarantee Letter promising to provide unconditional and irrevocable collateral guarantees for the proposed public offering of corporate bonds not exceeding RMB 2.00 billion. The guarantee agreement stipulates that Beijing Investment Company shall charge the relevant guarantee fee, which shall be based on the face value of the outstanding bonds of the company's bonds, at an annual rate of 1%. On September 4, 2020, 2.00 billion yuan of corporate bonds were issued publicly, and in October 2020, a guarantee fee of 20.00 million yuan was paid.

4.7.3 The Company and Beijing Investment Corporation signed the Guarantee Agreement on Sustainable Trust Loans and the Beijing Investment Company issued a Guarantee Letter promising to provide unconditional and irrevocable collateral guarantee for the financing of the proposed sustainable trust loans of not more than 1.80 billion yuan. The guarantee agreement stipulates that Beijing Investment Corporation shall collect the relevant guarantee fee, which shall be based on the outstanding principal of the perpetual trust loan at an annual rate of 1%. On June 8, 2020, 900.00 million yuan was raised from sustainable trust loans, and in June 2020, a guarantee fee of 90.00 million yuan was paid. On November 6, 2020, 900.00 million yuan was raised from sustainable trust loans, and in November 2020, a guarantee fee of 900.00 million yuan was paid.

4.7.4 The Company and Beijing Investment Corporation signed the Guarantee Agreement on Sustainable Trust Loans and the Beijing Investment Company issued a Guarantee Letter promising to provide unconditional and irrevocable collateral guarantee for the financing of the proposed sustainable trust loans not exceeding 1.20 billion yuan. The guarantee agreement stipulates that The Beijing Investment Company shall collect the relevant guarantee fee, which shall be based on the outstanding principal of the perpetual trust loan at an annual rate of 1%. On June 8, 2020, 1.20 billion yuan was raised for sustainable trust loans, and in June 2020, a guarantee fee of 12.00 million yuan was paid.

4.7.5 On December 28, 2018, the Company signed a "Financial Leasing Contract" with Keystone International Financial Leasing Co., Ltd., which will finance some real estate to Keystone International Financial Leasing Co., Ltd. by way of after-sale leaseback, with a financing amount of 200.00 million, a financing term of 60 months and an annual interest rate of 5.80%. This after-sale leaseback by the company's wholly-owned subsidiary Beijing Investment Land to provide the full amount of irrevocable joint and several liability guarantee. On March 11, 2019, the Company received a financing of 200.00 million. The company repays a total of 46.4725 million in the current reporting period.

4.7.6 On December 14, 2012, december 31, 2012, the company's eight nine-time board of directors, the sixth interim shareholders' meeting in 2012 to consider and approve the "on investment in Beijing Keystone Venture Capital Fund and related transactions" motion, agreed to the company as a limited partner to participate in the investment of the fund, the form of investment in cash to pay the fund's contribution amount of 251.50 million yuan. The company recovered 7.1956 million yuan in investment during the reporting period, and has recovered a total of 13,945.77 million yuan.

4.7.7 On April 7, 2015, the company's eight thirty-third board of directors and the 2014 annual general meeting of shareholders deliberated and approved the "On investment in Beijing Keystone Venture Capital Fund II and related transactions", agreed to the company as a limited partner, in the form of monetary funds to participate in the investment of the cornerstone Zhongying, the company's capital contribution amount does not exceed 12.00 million yuan. The company recovered 490.37 million yuan in investment during the reporting period, and has recovered a total of 58.7199 million yuan.

XII. Information that helps financial statement users evaluate the goals, policies, and procedures of corporate management capital

1. The main objective of the company's capital management is to ensure the company's ability to continue to operate and maintain a healthy capital ratio to support business development and maximize shareholder value.

The company is not subject to external mandatory capital requirements. The company manages its capital structure and adjusts it according to changes in the economic situation and the risk characteristics of related assets.

In order to maintain or adjust the capital structure, the company can adjust the profit distribution to shareholders, return capital to shareholders or issue new shares.

2. The company uses debt capital ratio to manage capital. The debt capital ratio refers to the ratio of interest-bearing liabilities to equity and interest-bearing liabilities. The debt capital ratio of the Company on the balance sheet date is as follows:

Item	Closing balance	Opening balance
Short-term borrowings	1,753,217,812.50	1,498,636,760.00
Other payables	500,000,000.00	500,000,000.00
Long-term borrowings due within One Year	13,275,600,823.02	22,229,887,348.90
Long-term borrowings	253,591,638,054.37	224,888,789,019.08
Bonds payable due within One Year		6,000,000,000.00
Bonds payable	55,864,899,921.96	42,430,147,081.61
Long-term payables	55,489,374,680.22	48,124,079,576.80
Total interest-bearing liabilities	380,474,731,292.07	345,671,539,786.39
Total Owners' Equity Attributable To the Company	251,416,083,054.89	238,632,993,337.42
Total Owners' Equity & interest-bearing liabilities	631,890,814,346.96	584,304,533,123.81
Debt capital ratio	**60.21%**	**59.16%**

3. From January 1, 2020 to December 31, 2020, the company's capital management objectives, policies or procedures have not changed.

XIII. NOTES OF PRINCIPAL ITEMS TO THE PARENT COMPANY

1. Accounts Receivable

Item	Closing balance				Opening balance			
	Carrying amount		Bad debt provision		Carrying amount		Bad debt provision	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)
Other receivable that are individually significant and for which bad debt provision that has been assessed individually	28,157,026.99	97.97			43,292,372.40	99.38		
Other receivable that are not individually significant but for which bad debt provision has been	582,050.60	2.03			268,638.25	0.62		

Item	Closing balance				Opening balance			
	Carrying amount		Bad debt provision		Carrying amount		Bad debt provision	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)
assessed individually								
Total	28,739,077.59	100.00			43,561,010.65	100.00		–

2. Other receivables

Item	Closing balance	Opening balance
Dividends receivable	280,000,000.00	1,299,971,839.04
Other receivables	66,979,763,528.93	68,571,957,700.49
Total	67,259,763,528.93	69,871,929,539.53

2.1 Dividends receivable

Item	Closing balance	Opening balance	Unrecoverable reasons	Whether there is impairment and its judgment basis
Dividends receivable within one year		1,019,971,839.04		
Including: Beijing Jingtou Xingye Real Estate Co., Ltd.		1,004,990,000.00		
Beijing information infrastructure		14,981,839.04		
Dividends receivable over one year	280,000,000.00	280,000,000.00		
Including: Jingtou Yintai Real Estate	280,000,000.00	280,000,000.00	Not yet issued	
Total	280,000,000.00	1,299,971,839.04	–	–

2.2 Other receivables

Item	Closing balance	Opening balance

	Carrying amount		Bad debt provision		Carrying amount		Bad debt provision	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)
Other receivable that are individually significant and for which bad debt provision that has been assessed individually	66,973,793,762.41	99.99	2,192,799.41	〈0.01	68,565,819,429.93	99.99	2,192,799.41	〈0.01
Other receivable that are not individually significant but for which bad debt provision has been assessed individually	8,162,565.93	0.01			8,331,069.97	0.01		
Total	66,981,956,328.34	100.00	2,192,799.41		68,574,150,499.90	100.00	2,192,799.41	

3. Long-term equity investments

Item	Opening balance	Increase	Decrease	Closing balance
Investment in subsidiary	150,050,620,657.60	18,701,408,766.94	89,005,199.56	168,663,024,224.98
Investment in associates	19,021,290,919.72	4,270,270,002.13	378,614,059.48	22,912,946,862.37
Subtotal	169,071,911,577.32	22,971,678,769.07	467,619,259.04	191,575,971,087.35
Less: Provision for impairment losses				
Total	169,071,911,577.32	22,971,678,769.07	467,619,259.04	191,575,971,087.35

3.1 Details of long-term equity investment

Investee	Accounting method	Investment cost	Opening balance	Increase/ Decrease for the year		
				Additional investment	Reduce investment	Investment gains and losses recognized in equity method
Total		185,988,194,158.22	169,071,911,577.32	21,522,624,966.94	393,400,000.00	1,894,482,277.39
1.Subsidiary						
Jingtong development	Cost method	2,271,650,000.00	2,271,650,000.00			
Beijing city railway co., Ltd	Cost method	2,212,300,000.00	2,212,300,000.00		55,000,000.00	
Beijing subway line 4 investment limited	Cost method	3,973,000,000.00	3,973,000,000.00			
Beijing subway line 5 investment limited	Cost method	4,000,000,000.00	4,000,000,000.00			
Beijing subway line 10 investment limited	Cost method	11,575,111,500.00	11,575,111,500.00			
Beijing subway line 6 investment limited	Cost method	13,048,073,800.00	10,748,073,800.00	2,300,000,000.00		
Beijing subway line 8 investment limited	Cost method	11,833,150,000.00	9,133,150,000.00	2,700,000,000.00		
Beijing subway line 9 investment limited	Cost method	3,240,169,900.00	3,240,169,900.00			
Beijing dongzhimen airport express limited	Cost method	2,305,000,000.00	2,105,000,000.00	200,000,000.00		
Beijing subway yizhuang line investment limited	Cost method	3,412,293,800.00	3,412,293,800.00			
Beijing subway daxing line investment limited	Cost method	3,133,957,000.00	3,133,957,000.00			
Beijing Metro Network Administration co.,	Cost method	490,735,344.70	490,735,344.70	1,509,215,900.00		

Investee	Accounting method	Investment cost	Opening balance	Increase/ Decrease for the year		
				Additional investment	Reduce investment	Investment gains and losses recognized in equity method
Ltd.						
Beijing infrastructure railway transportation asset operation management limited	Cost method	29,061,700.00	29,061,700.00			
Beijing subway changping line investment limited	Cost method	8,493,685,900.00	6,393,685,900.00	2,100,000,000.00		
Beijing subway fangshan line investment limited	Cost method	2,556,060,000.00	2,556,060,000.00			
Beijing subway line 15 investment limited	Cost method	4,833,344,200.00	4,833,344,200.00			
Beijing subway xijiao line investment limited	Cost method	1,887,562,000.00	1,887,562,000.00			
Beijing subway line 14 investment limited	Cost method	9,517,883,200.00	9,517,883,200.00			
Beijing subway line 7 investment limited	Cost method	7,048,199,200.00	5,968,199,200.00	1,080,000,000.00		
Beijing Jingtou investment Limited	Cost method	16,050,000,000.00	16,050,000,000.00			
Beijing railway transportation mentougou line investment limited	Cost method	2,083,440,000.00	2,083,440,000.00			
Beijing railway transportation haidian shanhou line investment limited	Cost method		338,400,000.00		338,400,000.00	
Beijing railway transportation yanfang line investment limited	Cost method	3,357,140,000.00	3,357,140,000.00			
Beijing subway line 16 investment limited	Cost method	6,541,600,000.00	5,678,200,000.00	863,400,000.00		

Investee	Accounting method	Investment cost	Opening balance	Increase/ Decrease for the year		
				Additional investment	Reduce investment	Investment gains and losses recognized in equity method
Beijing infrastructure land reserve limited	Cost method	4,000,000.00	4,000,000.00			
Beijing infrastructure parking management limited	Cost method	10,000,000.00	10,000,000.00			
Capital construction newspaper	Cost method	2,566,934.13	2,566,934.13			
Beijing city railway construction management limited	Cost method	30,369,378.30	30,369,378.30			
Beijing subway line 17 investment limited	Cost method	5,710,000,000.00	4,710,000,000.00	1,000,000,000.00		
Beijing railway transportation new airport line investment limited	Cost method	2,060,000,000.00	1,060,000,000.00	1,000,000,000.00		
Beijing traffic control silicon valley technology co., Ltd	Cost method	502,684,000.00	502,684,000.00			
Beijing jingtou Investment City Corridor Investment Co., Ltd	Cost method	984,400,000.00	915,000,000.00	69,400,000.00		
Beijing jingtou traffic development co., Ltd	Cost method	3,751,590,000.00	3,751,590,000.00			
Beijing subway line 12 investment limited	Cost method	7,100,000,000.00	7,100,000,000.00			
Beijing subway line 19 investment limited	Cost method	5,810,000,000.00	4,610,000,000.00	1,200,000,000.00		
Beijing subway line 3 investment limited	Cost method	1,360,000,000.00	1,210,000,000.00	150,000,000.00		
Beijing City Deputy Central Station Integrated Hub Construction Management	Cost method	5,100,000.00		5,100,000.00		

Investee	Accounting method	Investment cost	Opening balance	Increase/ Decrease for the year		
				Additional investment	Reduce investment	Investment gains and losses recognized in equity method
Co., Ltd						
Beijing Jingtou Transportation Hub Investment Co., Ltd.	Cost method	315,000,000.00		315,000,000.00		
Beijing subway line 11 investment limited	Cost method	100,000,000.00		100,000,000.00		
Jingchuang Investment	Cost method	70,000,000.00	70,000,000.00			
Beijing Jingtou railway and property development Co., Ltd..	Cost method	50,000,000.00	50,000,000.00			
Beijing Information Infrastructure Construction Co., Ltd.	Cost method	416,524,142.30	416,524,142.30			
Beijing infrastructure Investment (Hong Kong) Ltd	Cost method	517,028,992.31	517,028,992.31			
Jingtou Xinxing	Cost method	134,066,177.20	134,066,177.20			
Jingmi Investment	Cost method	80,000,000.00	80,000,000.00			
Beijing cornerstone fund Management Co., Ltd	Cost method	21,000,000.00	21,000,000.00			
Beijing cornerstone entrepreneurship investment capital (limited partnership)	Cost method	84,087,510.77	89,487,765.05			
Beijing city investment underground space development construction limited	Cost method	111,384,520.00	111,384,520.00			
Jingtou Xingye Zhiye	Cost method	9,800,000.00	9,800,000.00			
Jingtou Yintai	Cost method	9,800,000.00	9,800,000.00			

Investee	Accounting method	Investment cost	Opening balance	Increase/ Decrease for the year		
				Additional investment	Reduce investment	Investment gains and losses recognized in equity method
Asset operation management limited	Cost method	1,510,000,000.00	1,510,000,000.00			
Cornerstone Zhongying.limited	Cost method	35,746,684.83	64,351,630.11			
Jingtou Xingping Zhiye	Cost method	9,800,000.00	9,800,000.00			
Jingtou Yingde Zhiye	Cost method	24,500,000.00	24,500,000.00			
Beijing Investment Development	Cost method	969,945,907.49	969,945,907.49			
Jingtou Yintai Zhiye	Cost method	35,000,000.00	35,000,000.00			
Cornerstone lease	Cost method	1,042,375,698.63	1,042,375,698.63			
Equipment group	Cost method	4,862,978,650.66	4,762,978,650.66	100,000,000.00		
Jingtou Xingchao Zhidi	Cost method	100,000,000.00	100,000,000.00			
Beijing Jingtou Xingtong Real Estate Co., Ltd.	Cost method	20,000,000.00	20,000,000.00			
Investment holding	Cost method	3,412,130,000.00	6,000,000.00	3,406,130,000.00		
Jingtou Xinhai	Cost method	9,800,000.00	9,800,000.00			
Jingtou Fengde	Cost method	5,000,000.00	5,000,000.00			
Beijing Rail Transit Operation and Management Co., Ltd.	Cost method	813,234,017.62		813,234,017.62		
Beijing Subway Operation Co., Ltd.	Cost method	128,328,849.32		128,328,849.32		
Beijing Metro Operating company	Cost method	1,087,149,316.72	1,087,149,316.72			

Investee	Accounting method	Investment cost	Opening balance	Increase/ Decrease for the year		
				Additional investment	Reduce investment	Investment gains and losses recognized in equity method
Subtotal		167,208,808,324.98	150,050,620,657.60	19,039,808,766.94	393,400,000.00	
2. Association						
Beijing municipal transportation pass limited	Equity method	33,614,463.00	35,658,714.61			2,413,516.87
Beijing zhongguancun microcredit limited	Equity method	151,200,000.00	187,956,555.37			15,955,352.60
Beijing transportation control technology corporation	Equity method	96,434,366.00	169,439,671.57			34,468,053.92
Beijing culture technology financing guarantee limited	Equity method	300,000,000.00	457,206,752.59			13,590,626.53
Beijing jiuzhou railway vibration isolation technology co., LTD	Equity method	160,563,612.50	246,337,829.28			7,778,023.57
Xinjiang Wujing Railway Construction Rail Transportation Co., Ltd	Equity method	306,220,000.00	306,220,000.00			
Baoding cornerstone capital investment center (limited partnership)	Equity method	18,000,000.00	45,399,515.86			-3,673.34
Beijing Urban Construction & Design Group Co., Limited	Equity method	335,567,669.34	412,708,829.22			49,425,784.51
Huaxia Bank Co., Ltd.	Equity method	14,902,058,522.40	16,536,531,050.22			1,500,675,000.00
Shaoxing Jingyue Metro Co., Ltd.	Equity method	623,832,000.00	623,832,000.00	630,921,000.00		53,865.86
Capital Securities Li., Ltd	Equity method	1,839,895,200.00		1,839,895,200.00		70,117,374.98

Investee	Accounting method	Investment cost	Opening balance	Increase/ Decrease for the year		
				Additional investment	Reduce investment	Investment gains and losses recognized in equity method
Beijing Yima Tongcheng Technology Co., Ltd.	Equity method	12,000,000.00		12,000,000.00		8,351.89
Subtotal		18,779,385,833.24	19,021,290,919.72	2,482,816,200.00		1,694,482,277.39

Continued:

Investee	Increase/ Decrease for the year					Closing balance	Provision for impairment at the end of the period
	Other comprehensive income adjustment	Other changes in equity	Declaration of cash dividends or profits	Provision for impairment	Others		
Total	-1,458,808.39	60,425,133.57	378,614,059.48			191,575,971,087.35	
1.Subsidiary							
Jingtong development						2,271,650,000.00	
Beijing city railway co., Ltd						2,157,300,000.00	
Beijing subway line 4 investment limited						3,973,000,000.00	
Beijing subway line 5 investment limited						4,000,000,000.00	
Beijing subway line 10 investment limited						11,575,111,500.00	
Beijing subway line 6 investment limited						13,046,073,800.00	

Investee	Increase/ Decrease for the year					Closing balance	Provision for impairment at the end of the period
	Other comprehensive income adjustment	Other changes in equity	Declaration of cash dividends or profits	Provision for impairment	Others		
Beijing subway line 8 investment limited						11,833,150,000.00	
Beijing subway line 9 investment limited						3,240,169,900.00	
Beijing dongzhimen airport express limited						2,305,000,000.00	
Beijing subway yizhuang line investment limited						3,412,293,800.00	
Beijing subway daxing line investment limited						3,133,957,000.00	
Beijing Metro Network Administration co., Ltd.						1,999,951,244.70	
Beijing infrastructure railway transporation asset operation management limited						29,061,700.00	
Beijing subway changping line investment limited						8,493,685,900.00	
Beijing subway fangshan line investment limited						2,556,060,000.00	
Beijing subway line 15 investment limited						4,833,344,200.00	
Beijing subway xijiao line investment limited						1,887,562,000.00	
Beijing subway line 14 investment limited						9,517,883,200.00	
Beijing subway line 7 investment limited						7,048,199,200.00	
Beijing Jingtou investment Limited						16,050,000,000.00	
Beijing railway transportation mentougou line investment limited						2,083,440,000.00	

Investee	Increase/ Decrease for the year					Closing balance	Provision for impairment at the end of the period
	Other comprehensive income adjustment	Other changes in equity	Declaration of cash dividends or profits	Provision for impairment	Others		
Beijing railway transportation haidian shanhou line investment limited							
Beijing railway transportation yanfang line investment limited						3,357,140,000.00	
Beijing subway line 16 investment limited						6,541,600,000.00	
Beijing infrastructure land reserve limited						4,000,000.00	
Beijing infrastructure parking management limited						10,000,000.00	
Capital construction newspaper						2,566,934.13	
Beijing city railway construction management limited						30,369,378.30	
Beijing subway line 17 investment limited						5,710,000,000.00	
Beijing railway transportation new airport line investment limited						2,060,000,000.00	
Beijing cross - controlled Silicon Valley Technology Co., Ltd						502,684,000.00	
Beijing capital investment city tube corridor investment co., Ltd						984,400,000.00	
Beijing jingtou traffic development co., Ltd						3,751,590,000.00	
Beijing subway line 12 investment limited						7,100,000,000.00	

Investee	Increase/ Decrease for the year					Closing balance	Provision for impairment at the end of the period
	Other comprehensive income adjustment	Other changes in equity	Declaration of cash dividends or profits	Provision for impairment	Others		
Beijing subway line 19 investment limited						5,810,000,000.00	
Beijing subway line 3 investment limited						1,360,000,000.00	
Beijing City Deputy Central Station Integrated Hub Construction Management Co., Ltd						5,100,000.00	
Beijing Jingtou Transportation Hub Investment Co., Ltd.						315,000,000.00	
Beijing subway line 11 investment limited						100,000,000.00	
Jingchuang Investment						70,000,000.00	
Beijing Jingtou railway and property development Co., Ltd..						50,000,000.00	
Beijing Information Infrastructure Construction Co., Ltd.						416,524,142.30	
Beijing infrastructure Investment (Hong Kong) Ltd						517,028,992.31	
Jingtou Xinxing						134,066,177.20	
Jingmi Investment						80,000,000.00	
Beijing cornerstone fund Management Co., Ltd						21,000,000.00	
Beijing cornerstone entrepreneurship investment capital (limited partnership)		-5,400,254.28				84,087,510.77	

Investee	Increase/ Decrease for the year					Closing balance	Provision for impairment at the end of the period
	Other comprehensive income adjustment	Other changes in equity	Declaration of cash dividends or profits	Provision for impairment	Others		
Beijing city investment underground space development construction limited						111,384,520.00	
Jingtou Xingye Zhiye						9,800,000.00	
Jingtou Yintai						9,800,000.00	
Asset operation management limited						1,510,000,000.00	
Cornerstone Zhongying.limited		-28,604,945.28				35,746,684.83	
Jingtou Xingping Zhiye						9,800,000.00	
Jingtou Yingde Zhiye						24,500,000.00	
Beijing Investment Development						969,945,907.49	
Jingtou Yintai Zhiye						35,000,000.00	
Cornerstone lease						1,042,375,698.63	
Equipment group						4,862,978,650.66	
Jingtou Xingchao Zhidi						100,000,000.00	
Beijing Jingtou Xingtong Real Estate Co., Ltd.						20,000,000.00	
Investment holding						3,412,130,000.00	
Jingtou Xinghai						9,800,000.00	
Jingtou Fengde						5,000,000.00	

Investee	Increase/ Decrease for the year					Closing balance	Provision for impairment at the end of the period
	Other comprehensive income adjustment	Other changes in equity	Declaration of cash dividends or profits	Provision for impairment	Others		
Beijing Rail Transit Operation and Management Co., Ltd.						813,234,017.62	
Beijing Subway Operation Co., Ltd.						128,328,849.32	
Beijing Metro Operating company						1,087,149,316.72	
Subtotal		-34,005,199.56				168,663,024,224.98	
2. Association							
Beijing municipal transportation pass limited						38,072,231.48	
Beijing zhongguancun microcredit limited			12,594,000.00			191,317,908.97	
Beijing transportation control technology corporation	-21,242.32	77,200,463.60	6,399,340.08			274,687,606.69	
Beijing culture technolcgy financing guarantee limited						470,797,379.12	
Beijing jiuzhou railway vibration isolation technology co., LTD		16,618,275.10	560,857.00			270,173,270.95	
Xinjiang Wujing Railway Construction Rail Transportation Co., Ltd						306,220,000.00	
Baoding cornerstone capital investment center (limited partnership)	4,706,011.96					50,101,854.48	
Beijing Urban Construction & Design Group Co., Limited	-278,578.03	611,594.43	11,332,771.52			451,134,858.61	

Investee	Increase/ Decrease for the year					Closing balance	Provision for impairment at the end of the period
	Other comprehensive income adjustment	Other changes in equity	Declaration of cash dividends or profits	Provision for impairment	Others		
Huaxia Bank Co., Ltd.	-5,865,000.00		325,492,330.88			17,705,848,719.34	
Shaoxing Jingyue Metro Co., Ltd.						1,254,806,865.86	
Capital Securities Li., Ltd			22,234,760.00			1,887,777,814.98	
Beijing Yima Tongcheng Technology Co., Ltd.						12,008,351.89	
Subtotal	-1,458,808.39	94,430,333.13	378,614,059.48			22,912,946,862.37	

3.2. Main financial information of associates

Item	Amount for the current period			
	Huaxia Bank Co., Ltd. (unit: million)	Beijing municipal transportation pass limited	Beijing zhongguancun microcredit limited	Beijing traffic control technology corporation
Current assets	420,042.00	4,537,608,389.21	1,009,463,855.78	3,931,584,959.93
Non-current assets	2,979,774.00	108,232,042.05	6,487,610.56	417,148,744.43
Total assets	3,399,816.00	4,645,840,431.26	1,015,951,466.34	4,348,733,704.36
Current liabilities	2,588,286.00	4,314,112,187.94	127,397,987.25	2,840,926,141.33
Non-current liabilities	528,875.00	56,781,460.50		188,790,801.39
Total liabilities	3,117,161.00	4,370,893,648.44	127,397,987.25	3,029,716,942.72
Equity	282,655.00	274,946,782.82	888,553,479.09	1,319,016,761.64
Net asset calculated at share-held proportion	23,852.11	57,821,308.43	177,710,695.82	215,697,771.68
Adjustment				
Carrying amount of investment in joint venture equity	17,705.85	38,072,231.48	191,317,908.97	274,687,606.69
Operating income	95,309.00	58,363,933.06	124,276,176.88	2,026,170,762.30
Net profit	21,568.00	11,476,542.43	79,776,763.00	239,760,578.85
Total comprehensive income	19,929.00	11,476,542.43	79,776,763.00	239,760,578.85
Dividends received from associates company this year	325.49		12,594,000.00	6,399,340.08

Continued:

Item	Amount for the piror period			
	Huaxia Bank Co., Ltd. (unit: million)	Beijing municipal transportation pass limited	Beijing zhongguancun microcredit limited	Beijing traffic control technology corporation
Current assets	347,069.00	4,596,475,844.95	1,073,751,892.61	3,243,463,210.27
Non-current assets	2,673,720.00	161,990,810.09	4,132,823.76	307,215,137.41
Total assets	3,020,789.00	4,758,466,655.04	1,077,884,716.37	3,550,678,347.68
Current liabilities	2,329,089.00	4,415,619,301.17	221,245,733.31	2,335,079,213.27
Non-current liabilities	422,363.00	79,377,113.48		121,812,539.46
Total liabilities	2,751,452.00	4,494,996,414.65	221,245,733.31	2,456,891,752.73
Equity	269,337.00	263,470,240.39	856,638,983.06	1,093,786,594.95

Item	Amount for the piror period			
	Huaxia Bank Co., Ltd. (unit: million)	Beijing municipal transportation pass limited	Beijing zhongguancun microcredit limited	Beijing traffic control technology corporation
Net asset calculated at share-held proportion	22,744.98	55,407,791.55	171,327,796.61	180,522,412.98
Adjustment				
Carrying amount of investment in joint venture equity	16,536.53	35,658,714.61	187,956,556.37	169,439,671.57
Operating income	84,734.00	120,618,382.32	115,345,089.62	1,651,775,097.71
Net profit	22,115.00	41,218,641.72	71,267,733.03	125,160,804.91
Total comprehensive income	22,046.00	41,218,641.72	71,267,733.03	125,160,754.23
Dividends received from associates company this year	227.45	891,088.59	11,232,000.00	5,999,381.33

Continued:

Item	Amount for the current period		
	Beijing culture technology financing guarantee limited	Beijing jiuzhou railway vibration isolation technology co., LTD	Beijing Urban Construction & Design Group Co., Limited
Current assets	3,706,561,452.02	710,818,268.99	11,691,637,000.00
Non-current assets	335,613,648.13	150,969,154.09	9,367,874,000.00
Total assets	4,042,175,100.15	861,787,423.08	21,059,511,000.00
Current liabilities	1,306,717,451.95	204,474,502.31	9,826,669,000.00
Non-current liabilities	533,325,591.66	18,803,108.38	5,484,769,000.00
Total liabilities	1,840,043,043.61	223,277,610.69	15,311,438,000.00
Equity	2,202,132,056.54	638,509,812.39	5,748,073,000.00
Net asset calculated at share-held proportion	440,426,411.31	127,701,962.48	354,802,161.00
Adjustment			
Carrying amount of investment in joint venture equity	470,797,379.12	270,173,270.95	451,134,858.61
Operating income	345,746,604.13	342,973,745.99	9,984,891,000.00
Net profit	71,676,348.25	60,256,638.62	807,552,000.00
Total comprehensive income	71,676,348.25	60,256,638.62	807,552,000.00
Dividends received from associates company this year		560,857.00	11,332,771.52

Continued:

Item	Amount for the prior period		
	Beijing culture technology financing guarantee limited	Beijing jiuzhou railway vibration isolation technology co., LTD	Beijing Urban Construction & Design Group Co., Limited
Current assets	3,334,499,930.35	501,636,346.42	12,672,929,000.00
Non-current assets	465,300,404.69	147,421,671.19	7,785,918,000.00
Total assets	3,799,800,335.04	649,058,017.61	20,458,847,000.00
Current liabilities	1,134,589,760.90	159,297,547.92	10,331,329,000.00
Non-current liabilities	531,031,650.27	18,640,901.70	5,030,833,000.00
Total liabilities	1,665,621,411.17	177,938,449.62	15,362,162,000.00
Equity	2,134,178,923.87	471,119,567.99	5,096,685,000.00
Net asset calculated at share-held proportion	426,835,784.77	117,779,892.00	314,581,688.40
Adjustment			
Carrying amount of investment in joint venture equity	457,206,752.59	246,337,829.28	412,708,829.22
Operating income	-29,880,461.04	289,063,166.82	8,414,039,000.00
Net profit	-29,880,461.04	53,191,936.60	665,576,000.00
Total comprehensive income	-29,880,461.04	53,191,936.60	665,576,000.00
Dividends received from associates company this year		4,696,022.00	9,681,173.81

4. Operating income and operating costs

Item	Amount for the current period		Amount for the prior period	
	Operating income	Operating costs	Operating income	Operating costs
1.Prime operating income	449,763,233.01	9,789,434,682.51	521,995,196.18	5,789,489,324.26
Development and operation income	291,529,133.37	9,782,319,089.95	259,828,824.49	5,781,594,723.68
Including: Land first-level development	220,214,420.73	60,398,822.08	182,665,428.12	40,214,723.68
Construction compensation funds	71,314,712.64		77,163,396.37	
Entrusted operating service fee		9,721,920,267.87		5,741,380,000.00
Service income	158,234,099.64	7,115,592.56	262,166,371.69	7,894,600.58
Including: Hotel service	6,106,955.66	1,269,384.65	14,631,981.20	2,595,212.73
Rent service	16,598,841.58	5,846,207.91	9,644,397.52	5,299,387.85
Advertisement service	11,320,754.76		11,320,754.76	

Item	Amount for the current period		Amount for the prior period	
	Operating income	Operating costs	Operating income	Operating costs
Operation and communication system resource service	124,207,547.64		226,569,238.21	
2.Other income	99,630,161.46	62,553,580.51	71,518,042.73	74,904,080.47
Including: Guarantee fee income	61,320,154.70		33,018,868.05	
Other income	38,310,006.76	62,553,580.51	38,499,174.68	74,904,080.47
Total	549,393,394.47	9,851,988,263.02	593,513,238.91	5,864,393,404.73

5. Investment income

Item	Amount for the current period	Amount for the prior period
Income from long-term equity investments under cost method	5,982,278.42	1,093,165,424.41
Income from long-term equity investments under equity method	1,694,482,277.39	2,020,090,464.68
Investment income from Entrusted Loan	2,572,900,245.01	2,258,775,846.12
Investment income from Financial product	726,272,668.56	592,437,249.94
Investment income from holding available-for-sale financial assets	61,917,777.46	341,372,885.48
Investment income from disposal of available-for-sale financial assets	59,977,608.27	362,724.10
Total	5,121,532,855.11	6,306,204,594.73

6. Statement of cash flow

6.1 Information of net profit to net cash flows generated from operating activities

Supplementary information	Amount for the current period	Amount for the prior period
1. Reconciliation of net profit to cash flow from operating activities:		
Net profit	2,309,677,286.36	3,868,654,455.94
Add: Provision for impairment losses of assets		194,008,850.96
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of bearer biological assets	20,422,836.16	20,057,886.50
Amortization of intangible assets	1,259,353.28	163,889.25
Amortization of long-term prepaid expenses		
Losses/(gains) on disposal of fixed assets, intangible assets and other long-term asset		
Losses /(gains) on write-off of fixed assets	3,912.60	-145,428.40

Supplementary information	Amount for the current period	Amount for the prior period
Losses/(gains) on changes in fair values	-618,112,622.52	
Financial expenses/ (income)	3,539,850,754.02	2,546,202,386.21
Losses/(gains) arising from investments	-5,121,532,855.11	-6,306,204,594.73
Decrease /(increase) in deferred tax assets		
Increase/(decrease) in deferred tax liabilities	154,528,155.63	
Decrease /(increase) in inventories	-1,210,994,386.20	-2,333,674,662.04
Decrease /(increase) in receivables from operating activities	-1,616,679,988.04	-846,975,464.14
Increase/(decrease) in payables from operating activities	-9,391,254,639.73	-6,507,651,014.44
Others		
Net cash flow from operating activities	-11,932,832,193.55	-9,365,563,694.89
2.Significant investing and financing activities that do not involve cash flow		
Conversion of debt into capital		
Reclassification of current portion of convertible bonds to current liabilities		
Fixed assets capitalized under finance lease		
3. Net changes in cash and cash equivalents:		
Closing balance of cash	978,741,376.85	942,092,237.49
Less: Opening balance of cash	942,092,237.49	7,135,582,899.82
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	36,649,139.36	-6,193,490,662.33

6.2 Composition of Cash and Cash Equivalents

Item	Closing balance	Opening balance
I. Cash	978,741,376.85	942,092,237.49
Including: Cash on hand	9,959.14	11,180.88
Bank deposits	978,340,310.14	941,689,949.04
Other monetary funds	391,107.57	391,107.57
II. Cash equivalents		
Including: Investments in debt securities due within three months		
III. Closing balance of cash and cash equivalents	978,741,376.85	942,092,237.49

XIV. OTHER DISCLOSURE IN ACCORDANCE WITH ACCOUNTING STANDARDS

None.

XV. APPROVAL OF THE FINANCIAL STATEMENTS

The Board of Directors has approved the Company's financial statements.

Beijing Infrastructure Investment Co., Ltd.

26 March 2021

统一社会信用代码

91110108592342556 8

营业执照

（副 本）(15-1)

扫描二维码登录"国家企业信用信息公示系统"了解更多登记、备案、许可、监管信息

名　　称　天职国际会计师事务所（特殊普通合伙）

类　　型　特殊普通合伙企业

执行事务合伙人　邱靖之

经营范围　审查企业会计报表、出具审计报告；验证企业资本，出具验资报告；办理企业合并、分立、清算事宜中的审计业务，出具有关报告；基本建设年度财务决算审计；代理记账；会计咨询、税务咨询、管理咨询、会计培训；法律、法规规定的其他业务；技术开发、技术咨询、技术服务；应用软件服务；软件开发；计算机系统服务；软件咨询；产品设计；基础软件服务；数据处理（数据处理中的银行卡中心、PUE值在1.4以上的云计算数据中心除外）；企业管理咨询；销售计算机、软件及辅助设备。（下期出资时间为2020年6月30日。市场主体依法自主选择经营项目，开展经营活动；依法须经批准的项目，经相关部门批准后依批准的内容开展经营活动；不得从事国家和本市产业政策禁止和限制类项目的经营活动。）

天职国际会计师事务所（特殊普通合伙）与原件核对一致（1）

成立日期　2012年03月05日

合伙期限　2012年03月05日 至 长期

主要经营场所　北京市海淀区车公庄西路19号68号楼A-1和A-5区域

登记机关　北京市海淀区市场监督管理局

2020 年 06 月 05 日

会计师事务所

执业证书

名　　称：	天职国际会计师事务所（特殊普通合伙）
首席合伙人：	邱靖之
主任会计师：	
经营场所：	北京市海淀区车公庄西路19号68号楼A-1和A-5区域
组织形式：	特殊普通合伙
执业证书编号：	11010150
批准执业文号：	京财会许可[2011]0105号
批准执业日期：	2011年11月14日

证书序号：0000175

说　明

1、《会计师事务所执业证书》是证明持有人经财政部门依法审批，准予执行注册会计师法定业务的凭证。

2、《会计师事务所执业证书》记载事项发生变动的，应当向财政部门申请换发。

3、《会计师事务所执业证书》不得伪造、涂改、出租、出借、转让。

4、会计师事务所终止或执业许可注销的，应当向财政部门交回《会计师事务所执业证书》。

发证机关：北京市财政局

二〇一八　七　二十六

年　月　日

中华人民共和国财政部制

110101504705

证书编号：
No. of Certificate

北京注册会计师协会

批准注册协会：
Authorized Institute of CPAs

2014 06 10

发证日期：
Date of Issuance

年 月 日
Year Month Date

年度检验登记
Annual Renewal Registration

本证书经检验合格，继续有效一年。
This certificate is valid for another year after this renewal.

2015

2015年4月13日

姓名 Full name 张建林

性别 Sex 女

出生日期 Date of birth 1983-10-08

工作单位 Working unit 天职国际会计师事务所（特殊普通合伙）

身份证号码 Identity card No. 430603198310032020

THE CHINESE INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

年度检验登记
Annual Renewal Registration

本证书经检验合格，继续有效一年。
This certificate is valid for another year after this renewal.

2016

2016年3月25日

年度检验登记
Annual Renewal Registration

本证书经检验合格，继续有效一年。
This certificate is valid for another year after this renewal.

2017

2017年3月13日

年度检验登记
Annual Renewal Registration

本证书经检验合格，继续有效一年。
This certificate is valid for another year after this renewal.

姓名：张建林
证书编号：110101504705

年 月 日

年度检验登记
Annual Renewal Registration

本证书经检验合格，继续有效一年。
This certificate is valid for another year after this renewal.

年 月 日

年度检验登记
Annual Renewal Registration

本证书经检验合格，继续有效一年。
This certificate is valid for another year after this renewal.

2016

2015

2013

2014

年度检验登记
Annual Renewal Registration

This certificate is valid for another year after this renewal.

2017

2011

2012

注册会计师工作单位变更事项登记
Registration of the Change of Working Unit by a CPA

同意调出
Agree to transfer out

同意调入
Agree to transfer in

天职国际会计师事务所（特殊普通合伙）
核对一致
（1）

110002400249

北京注册会计师协会

二〇〇九 九 一

注册会计师工作单位变更事项登记
Registration of the Change of Working Unit by a CPA

同意调出
Agree to transfer out

同意调入
Agree to transfer in

年度检验登记
Annual Renewal Registration

本证书经检验合格，继续有效一年。
This certificate is valid for another year after this renewal.

2010

2017 年 3 月 2 日

姓名 Full name 莫伟

性别 Sex 男

出生日期 Date of birth 1985-07-19

工作单位 Working unit 天职国际会计师事务所有限公司

身份证号码 Identity card No. 430725198507191216

Beijing Infrastructure Investment (Hong Kong) Ltd.

Consolidated Auditor's Report

Baker Tilly China [2021] No. 15444-1

Contents

Auditor's Report ——— 1

Consolidated Financial Statements ——— 4

Consolidated Notes to the Financial Statements ——— 18

Auditor's Report

Baker Tilly China [2021] No.15444-1

To the shareholder's of Beijing Infrastructure Investment (Hong Kong) Ltd.:

I. Opinion

We have audited the financial statements of Beijing Infrastructure Investment (Hong Kong) Ltd. (hereinafter referred to as the Company), which comprise the consolidated balance sheet as at 31 December 2020, consolidated income statement, consolidated cash flow statement, consolidated statement of changes in owner's equity for the year then ended, and consolidated notes to the financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at 31 December 2020 and the result of operations and the consolidated cash flows for the year then ended in accordance with Accounting Standards for Business Enterprises and Accounting System for Business Enterprises.

II. Basis of opinion

We have conducted the audit in accordance with the regulations of Auditing Standards for Chinese Certified Public Accountants. The part of "Auditor's responsibility" of the report further stated our responsibilities under the standards.

According to the code of professional ethics for the Chinese Certified Public Accountants, We are independent of the Company and perform other responsibilities in the field of professional ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

III. Management's responsibility for the financial statements

Management of the Company (hereinafter referred to as the Management) is responsible for preparing the financial statements in accordance with Accounting Standards for Business Enterprises and Accounting System for Business Enterprises to achieve fair presentation of the financial statements; designing, implementing and maintaining internal control which is necessary to enable that the financial statements are free from material misstatement, whether due to fraud or error.

When preparing financial statements, management is responsible for assessing the sustainability of the

Company's ability of continuous operation, disclosing matters related to continuous operations (if applicable), and applying the assumption of continuous operation unless management plans to clear the company and terminate operating or has no other realistic choice.

Management is responsible for the supervision of the Company's financial reporting process.

IV. Auditor's responsibility

Our goal is to obtain a reasonable assurance for material misstatement caused by fraud or error in the financial statements as a whole and make an audit report containing opinions. Reasonable assurance is a high-level guarantee, but it does not guarantee that every material misstatement can be found when we carried out the audit in accordance with the auditing standards. Misstatement may be caused by fraud or error. If a single misstatement or collected misstatements are expected reasonably to affect the economic decision made by a financial statement user based on the financial statements, it is generally considered significant.

In the process of implementing audit according to the auditing standards, we use professional judgment and maintain professional suspicion. At the same time, we also carried out the following work:

(1) We identified and evaluated the risk of material misstatement caused by fraud or error, designed and implemented audit procedures to cope with these risks and obtain sufficient and appropriate audit evidence as the basis for issuing audit opinions. Fraud may involve collusion, forgery, deliberate omission, misrepresentation or overriding internal control, accordingly, the risk of failing to find major misstatement caused by fraud is higher than that of failing to find the risk of major misstatement due to errors.

(2) We understood the internal control related to audit to design appropriate audit procedures, but the purpose was not to comment on the effectiveness of internal control.

(3) We evaluated the appropriateness of the accounting policy and the reasonableness of accounting estimates and related disclosures.

(4) We drew conclusions on the appropriateness of the continuing operation hypothesis used by the management level. Meanwhile, based on the audit evidence obtained, it is concluded that whether there is significant uncertainty in matters or situations that may cause significant doubts about the sustainability of the Company ability of continuous operation. If we conclude that there is a major uncertainty, the auditing standards require us to draw users' attention to relevant disclosures in the financial statements in the audit

report. If we do not disclose enough information, we should publish unqualified opinions. Our conclusions are based on the information available as of the date of the audit report. However, future events or circumstances may lead to the unsustainable operation of the Company.

(5) We evaluated the overall presentation, structure and content (including disclosure) of the financial statements, and the fairness of the financial statements to reflect the related transactions and matters.

(6) We have obtained sufficient and appropriate audit evidence on the financial information of the entity or business activities in your company, and issue an audit opinion on consolidated financial statements. We are responsible for directing, supervising and performing audits, and take full responsibility for the audit opinion.

We communicated with governance level about the planned audit scope and schedule and significant audit findings, including communicating the notable internal control flaws we identified in the audit.

Beijing, China

Mar. 26th, ,2021

Chinese Certified Public Accountant:

Chinese Certified Public Accountant:

This auditor's report and the accompanying notes to the financial statements are English translation of the Chinese auditor's report. In case of doubt as to the presentation of these documents, the Chinese version shall prevail.

Consolidated Balance Sheet

Company:Beijing Infrastructure Investment (Hong Kong) Ltd. 31 December 2020 Unit: RMB

ITEM	Line	Closing Balance	Opening Balance	Notes
Current Assets:	1			
Cash and bank balances	2	1,130,872,147.53	3,647,101,223.35	VIII.1
Balances with clearing agencies	3			
Removal of funds	4			
Tradable Financial assets	5	185,000,000.00	152,000,000.00	VIII.2
Financial assets measured at fair value through profit or loss	6			
Derivative Financial assets	7		119,086,021.94	VIII.3
Notes receivables	8	274,764,401.35	165,348,459.30	VIII.4
Accounts receivable	9	251,460,914.71	256,574,706.15	VIII.5
Accounts receivable Financing	10			
Prepayments	11	27,740,315.06	42,131,604.29	VIII.6
Premium receivables	12			
Accounts receivable reinsurance	13			
The receivable reinsurance reserve	14			
Other receivables	15	4,015,011,787.49	4,317,274,168.32	VIII.7
Financial assets purchased under resale agreements	16			
Inventories	17	345,671,574.15	450,129,299.81	VIII.8
Inc: Raw materials	18			
Finished products	19	176,307,371.02	236,991,784.49	
Contract assets	20	437,903,073.64	380,464,671.47	VIII.9
Available for sale assets	21			
Non-current assets due within one year	22			
Other current assets	23	3,187,195.63	17,932,247.78	VIII.10
Total current assets	24	6,671,611,409.56	9,548,042,402.41	
Non-current assets:	25			
Loans and advances to customers	26			
Debt investment	27			
Available-for-sale financial assets	28	3,383,881,352.34	3,950,424,710.16	VIII.11
Other Debt investment	29			
Held-to-maturity investments	30			
Long-term receivables	31			
Long-term equity investments	32	1,497,140,803.78	1,417,254,063.80	VIII.12
Other equity instrument investment	33		2,000,000.00	VIII.13
Other non-current assets	34			
Investment properties	35			
Fixed assets	36	113,018,274.80	126,090,021.69	VIII.14
Construction in progress	37	7,847,924.48	12,047,061.47	VIII.15
Bearer biological assets	38			
Oil and gas assets	39			
Right-of-use Assets	40	19,256,766.06	16,773,459.64	VIII.16
Intangible assets	41	199,467,435.22	204,932,949.65	VIII.17
Development expenditure	42			
Goodwill	43	502,742,337.57	503,612,108.09	VIII.18
Long-term prepaid expenses	44	3,093,417.12	1,261,339.30	VIII.19
Deferred tax assets	45	35,612,808.49	31,402,596.87	VIII.20
Other non-current assets	46			
Inc: Physical assets reserve specifically authorized	47			
Total Non-current Assets	48	5,762,061,119.86	6,265,798,310.67	
	49			
	50			
	51			
	52			
	53			
	54			
	55			
	56			
	57			
	58			
	59			
	60			
	61			
	62			
	63			
	64			
	65			
	66			
	67			
	68			
	69			
	70			
	71			
	72			
Total Assets	73	12,433,672,529.42	15,813,840,713.08	

Legal representative: Song Zigiang Supervisor in charge of accounting: Song Zigiang Head of accounting department: Hong Chenggang

Consolidated Balance Sheet (Continued)

Company:Beijing Infrastructure Investment (Hong Kong) Ltd. 31 December 2020 Unit: RMB

ITEM	Line	Closing Balance	Opening Balance	Notes
Current liabilities:	74			
Short-term borrowings	75	60,100,000.00	53,636,760.00	VIII.21
Loans from the central bank	76			
Placements from banks and other financial institutions	77			
Tradable financial liabilities	78			
Financial liabilities measured at fair value through profit or loss	79			
Derivative Financial liabilitiels	80			
Notes payable	81	110,936,050.36	119,651,498.24	VIII.22
Accounts payable	82	506,658,653.67	489,578,736.50	VIII.23
Receipts in advance	83			
Contract liabilities	84	50,261,954.06	28,278,366.18	VIII.24
Financial assets sold under repurchase agreements	85			
Deposits and Statutory deposits	86			
Customer brokerage deposits	87			
Securities underwriting brokerage deposits	88			
Employee benefits payable	89	70,664,542.05	48,005,457.61	VIII.25
Inc: Wages payable	90	67,221,441.05	42,277,801.70	VIII.25
Benefits payable	91			
:Bonus and Welfare Funds	92			
Taxes payable	93	44,423,150.71	35,711,000.40	VIII.26
Inc:Taxes payable	94	43,376,568.61	35,188,913.23	VIII.26
Other payable	95	33,647,537.34	133,594,039.93	VIII.27
Handling charges and commissions pabable	96			
Cession insurance premiums payable	97			
Available-for-sale financial liabilties	98			
Non-current liabilities due within one year	99	3,160,404,150.44	7,325,511,419.72	VIII.28
Other current liabilities	100	7,207,615.40		VIII.29
Total Current Liabilities	101	4,044,303,654.03	8,234,967,278.58	
Non-current Liabilities:	102			
Provision for insurance contracts	103			
Long-term borrowings	104			
Bonds payable	105	7,142,343,246.46	6,306,639,667.63	VIII.30
Inc:preferred stock	106			
Perpetual capital securities	107			
Lease liabilities	108	12,506,170.37	10,335,026.42	VIII.31
Long-term payables	109	15,425,826.21	178,728,529.34	VIII.32
Long-term employee benefits payable	110			
Estimated liabilities	111	1,566,104.04	2,027,619.88	VIII.33
Deferred Income	112	4,635,659.71	4,163,970.92	VIII.34
Deferred tax liabilities	113	44,602,717.16	47,026,483.02	VIII.20
Other non-current liabilities	114			
Inc: Special reserve fund	115			
Total Non-current Liabilities	116	7,221,079,723.95	6,548,921,297.21	
Total Liabilities	117	11,265,383,377.98	14,783,888,575.79	
Owners' equity:	118			
Paid-in capital (share capital)	119	106.37	106.37	VIII.35
Government capital	120			
State-owned capital	121	106.37	106.37	VIII.35
Collective Capital	122			
Private capital	123			
Foreign capital	124			
Deduct: capital redemption	125			
Net paid-in capital	126	106.37	106.37	VIII.35
Other equityt instrument	127			
Inc: preference share	128			
perpetual bond	129			
Capital reserve	130	476,344,553.74	476,114,395.00	VIII.36
Deduct: Treasury shares	131			
Other comprehensive income	132	84,766,439.88	-138,175,785.61	VIII.50
Translation difference arising on translation of financial statements denominated in foreign currencies	133	34,678,695.18	-54,265,296.12	VIII.50
Special reserve	134			
Surplus reserve	135	8,834,383.85	8,834,383.85	VIII.37
Inc: Statutory surplus reserve	136	8,834,383.85	8,834,383.85	VIII.37
Optional surplus reserve	137			
Reserve fund	138			
Enterprise development fund	139			
Return investment by profit	140			
General risk reserve	141			
Unappropriated profits	142	-408,249,405.99	-268,357,055.13	VIII.38
Total Owners' Equity Attributable To the Company	143	161,696,077.85	78,416,044.48	
Minority interests	144	1,006,593,073.59	951,536,092.81	
Total Owners' Equity	145	1,168,289,151.44	1,029,952,137.29	
Total Liabilities and Owners' Equity	146	12,433,672,529.42	15,813,840,713.08	

Legal representative: Song Ziqiang Supervisor in charge of accounting: Song Ziqiang Head of accounting department: Hong Chenggang

Consolidated Income Statement

Company:Beijing Infrastructure Investment (Hong Kong) Ltd. Year 2020 Unit: RMB

ITEM	Line	Amount for the current period	Amount for the prior period	Notes
I. Total operating income	1	1,377,463,253.42	1,053,724,120.73	
Inc: Operating income	2	1,377,463,253.42	1,053,724,120.73	VIII.39
Interest income	3			
Premiums earned	4			
Fee and commission income	5			
II. Total operating costs	6	1,169,218,464.57	1,322,760,911.85	
Inc: Operating costs	7	823,170,297.78	671,665,632.43	VIII.39
Interest expenses	8			
Fee and commission expenses	9			
Refund of insurance claims	10			
Net payments for insurance claims	11			
Net provision for insurance contracts	12			
Commissions on insurance policies	13			
Cession charges	14			
Business taxes and levies	15	7,676,955.10	6,722,080.31	
Selling expenses	16	70,965,183.14	64,426,413.14	
Administrative expenses	17	143,015,445.75	123,755,026.36	
Research and development fee	18	120,206,334.37	104,203,083.45	
Financial expenses	19	4,184,248.43	351,988,676.16	VIII.40
Inc: Interest expense	20	503,719,946.54	483,392,533.55	VIII.40
Interest income	21	303,269,802.07	139,342,507.17	VIII.40
Exchange net losses (gains are indicated by "-")	22	-199,221,042.32	6,809,515.73	VIII.40
Others	23			
Add:Other income	24	23,757,818.93	23,682,715.89	VIII.41
Investment income (Losses are indicated by "-")	25	198,497,128.42	258,320,618.32	VIII.42
Inc: Income from investments in associates and joint ventures	26	-2,930,259.22	77,427,628.03	VIII.42
Income from derecognition of financial assets measured at amortized cost	27			
Foreign exchange gains (Losses are indicated by "-")	28			
Net exposure hedging income(Losses are indicated by "-")	29			
Gains from changes in fair values (Losses are indicated by "-")	30	-22,966,243.83	78,698,475.95	VIII.43
Credit impairment loss (Losses are indicated by "-")	31	-16,083,789.30	-19,880,395.64	VIII.44
Asset impairment loss (Losses are indicated by "-")	32	-380,965,770.36	-301,425,665.94	VIII.45
Assets disposal income (Losses are indicated by "-")	33		-61,597.52	VIII.46
III. Operating profit (Loss is indicated by "-")	34	10,483,932.71	-229,702,640.06	
Add: Non-operating income	35	1,727,209.43	4,371,645.85	VIII.47
Inc: Government subsidies	36	1,560,977.07	4,271,647.52	VIII.47
Less: Non-operating expenses	37	1,173,685.86	9,383,781.72	VIII.48
IV. Total profit (Total Loss is indicated by "-")	38	11,037,456.28	-234,714,775.93	
Less: Income tax expenses	39	70,186,045.32	7,846,122.82	VIII.49
V. Net profit (Net loss is indicated by "-")	40	-59,148,589.04	-242,560,898.75	
1.Classified by attribution of the ownership	41			
Net profit attributable to the parent company	42	-139,892,350.86	-293,065,326.28	
Profit or loss attributable to minority interests	43	80,743,761.82	50,504,427.53	
2. Classified by operation continuity	44			
Profit or loss of continous operation	45	-59,148,589.04	-242,560,898.75	
Profit or loss of discontinued operation	46			
VI. Earnings per share	47	218,307,714.51	364,988,466.94	
Other comprehensive income (net of tax) contributed to the parent company	48	222,942,225.49	365,671,076.06	VIII.50
1. Other comprehensive income not reclassfied into gains or losses	49			
(1)Remeasured defined benefit plan net liabilities or net assets changes	50			
(2) Under the equity method, the share of other comprehensive income not reclassified into gains or losses	51			
(3)Changes of fair value of other equity instruments	52			
(4)Changes of fair value of the enterprise's credit risk	53			
(5) Others	54			
2. Other comprehensive income classified into gains or losses	55	222,942,225.49	365,671,076.06	VIII.50
(1)Under the equity method, the share of other comprehensive income reclassified into gains or losses	56			
(2)Changes of fair value of other creditor's investment	57			
(3) Available for sale financial asset fair value at gains or losses	58	133,998,234.19	442,021,336.36	VIII.50
(4)Financial assets reclassified and accrued into other comprehensive income	59			
(5) Held to maturity investment reclassified into available for sale asset gains or losses	60			
(6) credit impairment provision of other creditor's investment	61			
(7)The effective component of cash flow hedge gains or losses(Effective part of cash flow hedge gains or losses)	62			
(8)Foreign currency financial statement translation difference	63	88,943,991.30	-76,350,260.30	VIII.50
(9) Others	64			
Other comprehensive income (net of tax) contributed to minority interests	65	-4,634,510.98	-682,609.12	
VIII. Total comprehensive income	66	159,159,125.47	122,427,568.19	
Total comprehensive income attributable to the parent company	67	83,049,874.63	72,605,749.78	
Total comprehensive income attributable to minority interests	68	76,109,250.84	49,821,818.41	
IX. Earnings per share	69			
Basic earnings per share	70			
Diluted earnings per share	71			

Legal representative: Song Ziqiang Supervisor in charge of accounting: Song Ziqiang Head of accounting department: Hong Chenggang

Consolidated Cash Flow Statement

Company: Beijing Infrastructure Investment (Hong Kong) Ltd. Year: 2020 Unit: RMB

ITEM	Line	Amount for the current period	Amount for the prior period	Notes
I. Cash Flows from Operating Activities:	1			
Cash receipts from the sale of goods and the rendering of services	2	1,266,116,321.33	970,951,346.63	
Net increase in customer deposits and deposits from banks and other financial institutions	3			
Net increase in loans from the central bank	4			
Net increase in taking from banks and other financial institutions	5			
Cash receipts from premiums under direct insurance contracts	6			
Net cash receipts from reinsurance business	7			
Net cash receipts from policyholders' deposits and investment contract liabilities	8			
Net cash receipts from disposal of financial assets measured by fair value and its change is accrued into profits and losses	9			
Cash receipts from interest, fees and commissions	10			
Net increase in taking from banks	11			
Net increase in financial assets sold under repurchase arrangements	12			
Net income from securities trading brokerage business	13			
Receipts of tax refunds	14	24,366,614.42	19,267,641.74	
Other cash receipts relating to operating activities	15	60,438,841.27	26,489,802.95	
Sub-total of cash inflows from operating activities	16	1,350,921,777.02	1,016,708,791.32	
Cash payments for goods purchased and services received	17	677,195,197.41	598,974,788.87	
Net increase in loans and advances to customers	18			
Net increase in balance with the central bank and due from banks and other financial institutions	19			
Cash payments for claims and policyholders' benefits under direct insurance contracts	20			
Net increase in loans to banks and other financial institutions	21			
Cash payments for interest, fees and commissions	22			
Cash payments for insurance policyholder dividends	23			
Cash payments to and on behalf of employees	24	241,256,141.20	197,836,352.37	
Payments of various types of taxes	25	132,168,469.22	81,948,296.34	
Other cash payments relating to operating activities	26	95,425,456.80	113,928,882.54	
Sub-total of cash outflows from operating activities	27	1,146,045,264.63	992,688,320.12	
Net Cash Flow from Operating Activities	28	204,876,512.39	24,020,471.20	VIII.52
II. Cash Flows from Investing Activities:	29			
Cash receipts from disposals and recovery of investments	30	775,422,334.20	1,996,307,712.38	
Cash receipts from investment income	31	508,342,043.91	807,081,132.11	
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	32	359,120.00	2,065,038.05	
Net cash receipts from disposals of subsidiaries and other business units	33		126,155.94	
Other cash receipts relating to investing activities	34	1,221.35	3,706,022,237.67	
Sub-total of cash inflows from investing activities	35	1,284,124,719.46	6,511,602,276.15	
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	36	9,594,187.84	25,852,328.38	
Cash payments to acquire investments	37	910,469,745.27	1,015,700,738.96	
Net increase in pledged loans receivables	38			
Net cash payments for acquisitions of subsidiaries and other business units	39		723,638,009.12	
Other cash payments relating to investing activities	40	1,516,562.98	1,124,684,469.32	
Sub-total of cash outflows from investing activities	41	921,580,496.09	2,889,875,545.78	
Net Cash Flow from Investing Activities	42	362,544,223.37	3,621,726,730.37	
III. Cash Flows from Financing Activities:	43			
Cash receipts from capital contributions	44	2,062,500.00	2,327,500.00	
Including: cash receipts from capital contributions from minority owners of subsidiaries	45	2,062,500.00	2,327,500.00	
Cash receipts from borrowings	46	4,490,445,724.23	3,084,168,165.74	
Cash receipts from issue of bonds	47			
Other cash receipts relating to financing activities	48		102,458.18	
Sub-total of cash inflows from financing activities	49	4,492,508,224.23	3,086,598,123.92	
Cash repayments of borrowings	50	7,225,939,535.79	7,765,365,928.21	
Cash payments for distribution of dividends or profits or settlement of interest expenses	51	416,943,340.47	509,944,496.64	
Including: payments for distribution of dividends or profits to minority owners of subsidiaries	52	18,942,119.76		
Other cash payments relating to financing activities	53	6,326,894.72	13,604,088.26	
Sub-total of cash outflows from financing activities	54	7,649,209,770.98	8,308,914,515.11	
Net Cash Flow from Financing Activities	55	-3,156,701,546.75	-5,222,316,391.19	
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents	56	68,561,749.52	48,297,317.89	
V. Net Increase in Cash and Cash Equivalents	57	-2,520,719,061.47	-1,530,271,871.73	VIII.52
Add: Opening balance of cash and cash equivalents	58	3,620,834,948.11	5,151,106,819.84	VIII.52
VI. Closing Balance of Cash and Cash Equivalents	59	1,100,115,886.64	3,620,834,948.11	VIII.52

Legal representative: Song Zhilong Supervisor in charge of accounting: Song Zhilong Head of accounting department: Hong Chenggang

Consolidated Statement of Changes in Owner's Equity

Company Beijing Infrastructure Investment (Hong Kong) Ltd. Unit: RMB

ITEM	Line	Amount of current year(2020)													
		Owner's equity belongs to the parent company												Minorty shareholder's equity	Total owner's equity
		Paid-in capital/ Share capital	Other equity instrument			Capital reserves	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	General risk reserves	Unappropriate profits	Sub-total owner's equity		
			Preference share	Perpetual bond	Others										
Column		1	2	3	4	5	6	7	8	9	10	11	12	13	14
I. Closing balance of the preceding year	1	106.37				476,114,395.00		-138,175,785.61		8,834,383.85		-268,357,055.13	78,416,044.48	951,536,092.81	1,029,952,137.29
Add: Changes in accounting policies	2														
Corrections of prior period errors	3														
Others	4														
II. Opening balance of the current year	5	106.37				476,114,395.00		-138,175,785.61		8,834,383.85		-268,357,055.13	78,416,044.48	951,536,092.81	1,029,952,137.29
III. Changes for the year (Decrease is indicated by "-")	6					230,158.74		222,942,225.49				-139,892,350.86	83,280,033.37	55,056,980.78	138,337,014.15
(I) Total comprehensive income	7							222,942,225.49				-139,892,350.86	83,049,874.63	76,109,250.84	159,159,125.47
(II) Owner's contributions and reduction of capital	8					230,158.74							230,158.74	-1,619,510.68	-1,389,351.94
1. Capital contribution from owners	9					-278,769.70							-278,769.70	-318,239.48	-597,009.18
2. Other equity instrument owner's invested capital	10														
3. Share-based payment recognised in owners' equity	11														
4.Others	12					508,928.44							508,928.44	-1,301,271.20	-792,342.76
(III). Extraction and use of special reserve	13														
1. Recognised special reserve	14														
2. Use of special reserve	15														
(IV) Profit distribution	16													-19,432,759.38	-19,432,759.38
1. Transfer of surplus reserves	17														
Inc: Statutory surplus reserve	18														
Optional surplus reserve	19														
Reserve fund	20														
Enterprise development fund	21														
Return investment by profit	22														
2. Transfer of general risk reserve	23														
3. Distribution to owners	24													-19,432,759.38	-19,432,759.38
4. Others	25														
(V) Transfers within owners' equity	26														
1. Capitalisation of capital reserves	27														
2. Capitalisation of surplus reserves	28														
3. Loss offset by surplus reserves	29														
4. Transfer of recalculated defined benefit plan net liabilities or net asset changes	30														
5.Other comprehensive income transferred into retained earnings	31														
6.Others	32														
IV. Closing balance of the current year	33	106.37				476,344,553.74		84,766,439.88		8,834,383.85		-408,249,405.99	161,696,077.85	1,006,593,073.59	1,168,289,151.44

Legal representative: Song Ziqiang Supervisor in charge of accounting: Song Ziqiang Head of accounting department: Hong Chenggang

Consolidated Statement of Changes in Owner's Equity（Continued)

Company:Beijing Infrastructure Investment (Hong Kong) Ltd. Unit: RMB

ITEM	Line	Amount of prior year(2019)													
		Owner's equity blongs to the parent company												Minorty shareholder's equity	Total owner's equity
		Paid-in capital/ Share capital	Other equity instrument			Capital reserves	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	General risk reserves	Unappropriate profits	Sub-total owner's equity		
			Preference share	Perpetual bond	Others										
Column		15	16	17	18	19	20	21	22	23	24	25	26	27	28
I. Closing balance of the preceding year	1	106.37				486,675,761.38		-503,846,861.67		8,834,383.85		24,708,271.15	16,371,661.08	877,233,356.52	893,605,017.60
Add: Changes in accounting policies	2														
Corrections of prior period errors	3														
Others	4														
II. Opening balance of the current year	5	106.37				486,675,761.38		-503,846,861.67		8,834,383.85		24,708,271.15	16,371,661.08	877,233,356.52	893,605,017.60
III. Changes for the year (Decrease is indicated by "-")	6					-10,561,366.38		365,671,076.06				-293,065,326.28	62,044,383.40	74,302,736.29	136,347,119.69
(I) Total comprehensive income	7							365,671,076.06				-293,065,326.28	72,605,749.78	49,821,818.41	122,427,568.19
(II) Owner's contributions and reduction of capital	8													33,066,336.09	33,066,336.09
1. Capital contribution from owners	9														
2. Other equity instrument owner's invested capital	10														
3. Share-based payment recognised in owners' equity	11														
4.Others	12													33,066,336.09	33,066,336.09
(III). Extraction and use of special reserve	13														
1. Recognised special reserve	14														
2. Use of special reserve	15														
(IV) Profit distribution	16					-10,561,366.38							-10,561,366.38	-8,585,418.21	-19,146,784.59
1. Transfer of surplus reserves	17														
Inc: Statutory surplus reserve	18														
Optional surplus reserve	19														
Reserve fund	20														
Enterprise development fund	21														
Return investment by profit	22														
2. Transfer of general risk reserve	23														
3. Distribution to owners	24													-8,585,418.21	-8,585,418.21
4. Others	25					-10,561,366.38							-10,561,366.38		-10,561,366.38
(V) Transfers within owners' equity	26														
1. Capitalisation of capital reserves	27														
2. Capitalisation of surplus reserves	28														
3. Loss offset by surplus reserves	29														
4. Transfer of recalculated defined benefit plan net liabilities or net asset changes	30														
5.Other comprehensive income transferred into retained earnings	31														
6.Others	32														
IV. Closing balance of the current year	33	106.37				476,114,395.00		-138,175,785.61		8,834,383.85		-268,357,055.13	78,416,044.48	951,536,092.81	1,029,952,137.29

Legal representative: Song Ziqiang Supervisor in charge of accounting: Song Ziqiang Head of accounting department: Hong Chenggang

Consolidated Statement of Provision for Impairment of Assets

Company:Beijing Infrastructure Investment (Hong Kong) Ltd. 31 December 2020 Unit: RMB

Item	Line	Opening Balance	Increase for current year				Decrease for current year					Closing Balance	Item	Line	Amount
			Provision amount	Total increase	Increase in other reasons	Total amount	Due to asset value rebound back to the amount	Depreciation reserves written off during the period	Total decrease	Decrease in other reasons	Total amount				
Column		1	2	3	4	5	6	7	8	9	10	11	**Additional materials:**	-	12
I.Bad debt provision	1	15,715,750.82	4,932,386.73			4,932,386.73					-	20,648,137.55	1.Policy-related on account	17	
II.Inventory impairment	2	17,879,913.69	4,867,743.74			4,867,743.74		3,377,368.08			3,377,368.08	19,370,289.35	2. Deal with losses of prior year in current year	18	
III. Impairment of contract assets	3	30,254,177.01	11,151,402.57			11,151,402.57						41,405,579.58	Inc:Deal with losses in current profits and losses from prior years	19	
IV. Impairment of assets held for sale	4													20	
V.Impairment of creditor's investment	5													21	
VI.Impairment of available-for-sale financial assets	6	297,682,529.24	358,182,917.21			358,182,917.21						655,865,446.45		22	
VII.Impairment of held-to-maturity investments	7													23	
VIII.Impairment of long - term equity investment	8													24	
IX.Impairment of investment real estate	9													25	
X.Impairment of fixed assets	10		17,915,109.41			17,915,109.41						17,915,109.41		26	
XI.Impairment of construction in progress	11													27	
XII.Impairment of productive biological assets	12													28	
XIII.Impairment of oil and gas properties	13													29	
XIV.Impairment of right-of-use asset	14													30	
XV.Impairment of intangible assets	15													31	
XVI. Impairment of goodwill	16	152,381,767.71										152,381,767.71		32	
XVII Impairment of contract acquisition cost	17													33	
XVIII.Impairment of contract implementation cost	18													34	
XIX.Others	19													35	
Total	20	513,9'4,138.47	397,049,559.66	-	-	397,049,559.66	-	3,377,368.08			3,377,368.08	907,586,330.05		36	

Legal representative: Song Ziqiang Supervisor in charge of accounting:Song Zqiang Head of accounting department: Hong Chenggang

Consolidated Balance Sheet

Company:Beijing Infrastructure Investment (Hong Kong) Ltd. 31 December 2020 Unit: RMB

ITEM	Line	Closing Balance	Opening Balance	Notes
Current Assets:	1			
Cash and bank balances	2	302,881,254.62	2,884,873,414.17	
Balances with clearing agencies	3			
Removal of funds	4			
Tradable Financial assets	5			
Financial assets measured at fair value through profit or loss	6			
Derivative Financial assets	7		119,086,021.94	
Notes receivables	8			
Accounts receivable	9			
Accounts receivable Financing	10			
Prepayments	11			
Premium receivables	12			
Accounts receivable reinsurance	13			
The receivable reinsurance reserve	14			
Other receivables	15	4,409,904,230.03	4,733,561,468.25	XIII.1
Financial assets purchased under resale agreements	16			
Inventories	17			
Inc: Raw materials	18			
Finished products	19			
Contract assets	20			
Available for sale assets	21			
Non-current assets due within one year	22			
Other current assets	23			
Total current assets	24	4,712,785,484.65	7,737,520,904.36	
Non-current assets:	25			
Loans and advances to customers	26			
Debt investment	27			
Available-for-sale financial assets	28	3,383,825,735.73	3,950,405,265.30	
Other Debt investment	29			
Held-to-maturity investments	30			
Long-term receivables	31			
Long-term equity investments	32	2,377,670,706.73	2,260,989,427.38	XIII.2
Other equity instrument investment	33			
Other non-current assets	34			
Investment properties	35			
Fixed assets	36			
Construction in progress	37			
Bearer biological assets	38			
Oil and gas assets	39			
Right-of-use Assets	40			
Intangible assets	41			
Development expenditure	42			
Goodwill	43			
Long-term prepaid expenses	44			
Deferred tax assets	45			
Other non-current assets	46			
Inc: Physical assets reserve specifically authorized	47			
Total Non-current Assets	48	5,761,496,443.46	6,211,394,692.68	
	49			
	50			
	51			
	52			
	53			
	54			
	55			
	56			
	57			
	58			
	59			
	60			
	61			
	62			
	63			
	64			
	65			
	66			
	67			
	68			
	69			
	70			
	71			
	72			
Total Assets	73	10,474,281,928.11	13,948,915,597.04	

Legal representative: Song Ziqiang Supervisor in charge of accounting: Song Ziqiang Head of accounting department: Hong Chenggang

Consolidated Balance Sheet (Continued)

Company:Beijing Infrastructure Investment (Hong Kong) Ltd. 31 December 2020 Unit: RMB

ITEM	Line	Closing Balance	Opening Balance	Notes
Current liabilities:	74			
Short-term borrowings	75			
Loans from the central bank	76			
Placements from banks and other financial institutions	77			
Tradable financial liabilities	78			
Financial liabilities measured at fair value through profit or loss	79			
Derivative Financial liabilitiels	80			
Notes payable	81			
Accounts payable	82			
Receipts in advance	83			
Contract liabilities	84			
Financial assets sold under repurchase agreements	85			
Deposits and Statutory deposits	86			
Customer brokerage deposits	87			
Securities underwriting brokerage deposits	88			
Employee benefits payable	89			
Inc: Wages payable	90			
Benefits payable	91			
:Bonus and Welfare Funds	92			
Taxes payable	93			
Inc:Taxes payable	94			
Other payable	95		107,266,331.44	
Handling charges and commissions pabable	96			
Cession insurance premiums payable	97			
Available-for-sale financial liabilties	98			
Non-current liabilities due within one year	99	3,077,216,491.82	7,241,294,573.95	
Other current liabilities	100			
Total Current Liabilities	101	3,077,216,491.82	7,348,560,905.39	
Non-current Liabilities:	102			
Provision for insurance contracts	103			
Long-term borrowings	104			
Bonds payable	105	7,142,343,246.46	6,306,639,667.63	
Inc:preferred stock	106			
Perpetual capital securities	107			
Lease liabilities	108			
Long-term payables	109			
Long-term employee benefits payable	110			
Estimated liabilities	111			
Deferred Income	112			
Deferred tax liabilities	113			
Other non-current liabilities	114			
Inc: Special reserve fund	115			
Total Non-current Liabilities	116	7,142,343,246.46	6,306,639,667.63	
Total Liabilities	117	10,219,559,738.28	13,655,200,573.02	
Owners' equity:	118			
Paid-in capital (share capital)	119	106.37	106.37	
Government capital	120			
State-owned capital	121	106.37	106.37	
Collective Capital	122			
Private capital	123			
Foreign capital	124			
Deduct: capital redemption	125			
Net paid-in capital	126	106.37	106.37	
Other equityt instrument	127			
Inc: preference share	128			
perpetual bond	129			
Capital reserve	130	582,782,435.27	582,546,039.41	
Deduct: Treasury shares	131			
Other comprehensive income	132	40,673,293.37	-122,000,992.52	
Translation difference arising on translation of financial statements denominated in foreign currencies	133	-9,414,451.33	-38,090,503.03	
Special reserve	134			
Surplus reserve	135	8,834,383.85	8,834,383.85	
Inc: Statutory surplus reserve	136	8,834,383.85	8,834,383.85	
Optional surplus reserve	137			
Reserve fund	138			
Enterprise development fund	139			
Return investment by profit	140			
General risk reserve	141			
Unappropriated profits	142	-377,568,029.03	-175,664,513.09	
Total Owners' Equity Attributable To the Company	143	254,722,189.83	293,715,024.02	
Minority interests	144			
Total Owners' Equity	145	254,722,189.83	293,715,024.02	
Total Liabilities and Owners' Equity	146	10,474,281,928.11	13,948,915,597.04	

Legal representative: Song Ziqiang Supervisor in charge of accounting: Song Ziqiang Head of accounting department: Hong Chenggang

Consolidated Income Statement

Company:Beijing Infrastructure Investment (Hong Kong) Ltd. Year 2020 Unit: RMB

ITEM	Line	Amount for the current period	Amount for the prior period	Notes
I. Total operating income	1			
Inc: Operating income	2			
Interest income	3			
Premiums earned	4			
Fee and commission income	5			
II. Total operating costs	6	-5,373,134.79	366,063,225.39	
Inc: Operating costs	7			
Interest expenses	8			
Fee and commission expenses	9			
Refund of insurance claims	10			
Net payments for insurance claims	11			
Net provision for insurance contracts	12			
Commissions on insurance policies	13			
Cession charges	14			
Business taxes and levies	15			
Selling expenses	16			
Administrative expenses	17	2,478,315.29	7,168,635.59	
Research and development fee	18			
Financial expenses	19	-7,851,450.08	358,894,589.80	
Inc: Interest expense	20	501,598,846.44	465,392,274.38	
Interest income	21	310,115,776.59	122,833,032.62	
Exchange net losses (gains are indicated by "-")	22	-199,382,592.05	16,308,035.00	
Others	23			
Add:Other Income	24			
Investment income (Losses are indicated by "-")	25	313,370,636.69	266,819,809.65	XIII.3
Inc: Income from investments in associates and joint ventures	26	93,198,558.18	78,029,241.68	XIII.3
Income from derecognition of financial assets measured at amortized cost	27			
Foreign exchange gains (Losses are indicated by "-")	28			
Net exposure hedging income(Losses are indicated by "-")	29			
Gains from changes in fair values (Losses are indicated by "-")	30	-118,150,116.26	84,247,257.15	
Credit impairment loss (Losses are indicated by "-")	31			
Asset impairment loss (Losses are indicated by "-")	32	-358,182,917.21	-292,446,217.19	
Assets disposal income (Losses are indicated by "-")	33			
III. Operating profit (Loss is indicated by "-")	34	-157,589,262.09	-307,442,375.78	
Add: Non-operating income	35			
Inc: Government subsidies	36			
Less: Non-operating expenses	37			
IV. Total profit (Total Loss is indicated by "-")	38	-157,589,262.09	-307,442,375.78	
Less: Income tax expenses	39	44,314,253.85		
V. Net profit (Net loss is indicated by "-")	40	-201,903,515.94	-307,442,375.78	
1.Classified by attribution of the ownership	41			
Net profit attributable to the parent company	42	-201,903,515.94	-307,442,375.78	
Profit or loss attributable to minority interests	43			
2. Classified by operation continuity	44			
Profit or loss of continous operation	45	-201,903,515.94	-307,442,375.78	
Profit or loss of discontinued operation	46			
VI. Earnings per share	47	162,674,285.89	350,787,737.03	
Other comprehensive income (net of tax) contributed to the parent company	48	162,674,285.89	350,787,737.03	
1. Other comprehensive income not reclassfied into gains or losses	49			
(1)Remeasured defined benefit plan net liabilities or net assets changes	50			
(2) Under the equity method, the share of other comprehensive income not reclassified into gains or losses	51			
(3)Changes of fair value of other equity instruments	52			
(4)Changes of fair value of the enterprise's credit risk	53			
(5) Others	54			
2. Other comprehensive income classified into gains or losses	55	162,674,285.89	350,787,737.03	
(1)Under the equity method, the share of other comprehensive income reclassified into gains or losses	56			
(2)Changes of fair value of other creditor's investment	57			
(3) Available for sale financial asset fair value at gains or losses	58	133,998,234.19	442,021,336.36	
(4)Financial assets reclassified and accrued into other comprehensive income	59			
(5) Held to maturity investment reclassified into available for sale asset gains or losses	60			
(6) credit impairment provision of other creditor's investment	61			
(7)The effective component of cash flow hedge gains or losses(Effective part of cash flow hedge gains or losses)	62			
(8)Foreign currency financial statement translation difference	63	28,676,051.70	-91,233,599.33	
(9) Others	64			
Other comprehensive income (net of tax) contributed to minority interests	65			
VII. Total comprehensive income	66	-39,229,230.05	43,345,361.25	
Total comprehensive income attributable to the parent company	67	-39,229,230.05	43,345,361.25	
Total comprehensive income attributable to minority interests	68			
IX. Earnings per share	69			
Basic earnings per share	70			
Diluted earnings per share	71			

Legal representative: Song Ziqiang Supervisor in charge of accounting: Song Ziqiang Head of accounting department: Hong Chengcang

Consolidated Cash Flow Statement

Company: Beijing Infrastructure Investment (Hong Kong) Ltd. Year 2020 Unit: RMB

ITEM	Line	Amount for the current period	Amount for the prior period	Notes
I. Cash Flows from Operating Activities:	1			
Cash receipts from the sale of goods and the rendering of services	2			
Net increase in customer deposits and deposits from banks and other financial institutions	3			
Net increase in loans from the central bank	4			
Net increase in taking from banks and other financial institutions	5			
Cash receipts from premiums under direct insurance contracts	6			
Net cash receipts from reinsurance business	7			
Net cash receipts from policyholders' deposits and investment contract liabilities	8			
Net cash receipts from disposal of financial assets measured by fair value and its change is accrued into profits and losses	9			
Cash receipts from interest, fees and commissions	10			
Net increase in taking from banks	11			
Net increase in financial assets sold under repurchase arrangements	12			
Net income from securities trading brokerage business	13			
Receipts of tax refunds	14			
Other cash receipts relating to operating activities	15	2,767,170.58	13,959,595.32	
Sub-total of cash inflows from operating activities	16	2,767,170.58	13,959,595.32	
Cash payments for goods purchased and services received	17		775,316.30	
Net increase in loans and advances to customers	18			
Net increase in balance with the central bank and due from banks and other financial institutions	19			
Cash payments for claims and policyholders' benefits under direct insurance contracts	20			
Net increase in loans to banks and other financial institutions	21			
Cash payments for interest, fees and commissions	22			
Cash payments for insurance policyholder dividends	23			
Cash payments to and on behalf of employees	24			
Payments of various types of taxes	25	44,314,253.85		
Other cash payments relating to operating activities	26	2,236,107.06	2,889,494.04	
Sub-total of cash outflows from operating activities	27	46,550,360.91	3,664,810.34	
Net Cash Flow from Operating Activities	28	-43,783,190.33	10,294,784.98	XIII.4
II. Cash Flows from Investing Activities:	29			
Cash receipts from disposals and recovery of investments	30		802,321,712.38	
Cash receipts from investment income	31	546,676,541.19	797,122,762.20	
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	32			
Net cash receipts from disposals of subsidiaries and other business units	33			
Other cash receipts relating to investing activities	34	1,221.35	3,714,747,822.47	
Sub-total of cash inflows from investing activities	35	546,677,762.54	5,314,192,297.05	
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	36			
Cash payments to acquire investments	37	33,414,778.66	311,012,678.96	
Net increase in pledged loans receivables	38			
Net cash payments for acquisitions of subsidiaries and other business units	39			
Other cash payments relating to investing activities	40	1,516,562.98	1,564,696,233.33	
Sub-total of cash outflows from investing activities	41	34,931,341.64	1,875,708,912.29	
Net Cash Flow from Investing Activities	42	511,746,420.90	3,438,483,384.76	
III. Cash Flows from Financing Activities:	43			
Cash receipts from capital contributions	44			
Including: cash receipts from capital contributions from minority owners of subsidiaries	45			
Cash receipts from borrowings	46	4,420,499,724.23	3,030,419,689.75	
Cash receipts from issue of bonds	47			
Other cash receipts relating to financing activities	48		102,458.18	
Sub-total of cash inflows from financing activities	49	4,420,499,724.23	3,030,522,147.93	
Cash repayments of borrowings	50	7,160,884,519.79	7,351,368,868.21	
Cash payments for distribution of dividends or profits or settlement of interest expenses	51	393,863,053.35	486,272,557.24	
Including: payments for distribution of dividends or profits to minority owners of subsidiaries	52			
Other cash payments relating to financing activities	53	4,833.55	6,486,954.45	
Sub-total of cash outflows from financing activities	54	7,554,752,406.69	7,844,128,379.90	
Net Cash Flow from Financing Activities	55	-3,134,252,682.46	-4,813,606,231.97	
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents	56	84,297,292.34	25,400,003.64	
V. Net Increase in Cash and Cash Equivalents	57	-2,581,992,159.55	-1,339,428,058.59	XIII.4
Add: Opening balance of cash and cash equivalents	58	2,884,873,414.17	4,224,301,472.76	XIII.4
VI. Closing Balance of Cash and Cash Equivalents	59	302,881,254.62	2,884,873,414.17	XIII.4

Legal representative: Song Zigiang Supervisor in charge of accounting: Song Zigiang Head of accounting department: Hong Changgang

Statement of Changes in Owner's Equity

Company: Beijing Infrastructure Investment (Hong Kong) Ltd. Unit: RMB

ITEM	Line	Amount of current year(2020)												
		Owner's equity belongs to the parent company											Minorty shareholder's equity	Total owner's equity
		Paid-in capital/ Share capital	Other equity instrument			Capital reserves	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	General risk reserves	Unappropriate profits	Sub-total owner's equity	
			Preference share	Perpetual bond	Others									
Column		1	2	3	4	5	6	7	8	9	10	11	12	13	14
I. Closing balance of the preceding year	1	106.37				582,546,039.41		-122,000,992.52		8,834,383.85		-175,664,513.09	293,715,024.02		293,715,024.02
Add: Changes in accounting policies	2														
Corrections of prior period errors	3														
Others	4														
II. Opening balance of the current year	5	106.37				582,546,039.41		-122,000,992.52		8,834,383.85		-175,664,513.09	293,715,024.02		293,715,024.02
III. Changes for the year (Decrease is indicated by "-")	6					236,395.86		162,674,285.89				-201,903,515.94	-38,992,834.19		-38,992,834.19
(I) Total comprehensive income	7							162,674,285.89				-201,903,515.94	-39,229,230.05		-39,229,230.05
(II) Owner's contributions and reduction of capital	8					236,395.86									
1. Capital contribution from owners	9														
2. Other equity instrument owner's invested capital	10														
3. Share-based payment recognised in owners' equity	11														
4.Others	12					236,395.86									
(III). Extraction and use of special reserve	13														
1. Recognised special reserve	14														
2. Use of special reserve	15														
(IV) Profit distribution	16														
1. Transfer of surplus reserves	17														
Inc: Statutory surplus reserve	18														
Optional surplus reserve	19														
Reserve fund	20														
Enterprise development fund	21														
Return investment by profit	22														
2. Transfer of general risk reserve	23														
3. Distribution to owners	24														
4. Others	25														
(V) Transfers within owners' equity	26														
1. Capitalisation of capital reserves	27														
2. Capitalisation of surplus reserves	28														
3. Loss offset by surplus reserves	29														
4. Transfer of recalculated defined benefit plan net liabilities or net asset changes	30														
5.Other comprehensive income transferred into retained earnings	31														
6.Others	32														
IV. Closing balance of the current year	33	106.37				582,782,435.27		40,673,293.37		8,834,383.85		-377,568,029.03	254,722,189.83		254,722,189.83

Legal representative: Song Ziqiang Supervisor in charge of accounting: Song Ziqiang Head of accounting department: Hong Chenggang

Statement of Changes in Owner's Equity（Continued)

Company:Beijing Infrastructure Investment (Hong Kong) Ltd. Unit: RMB

ITEM	Line	Amount of prior year(2019)												
		Owner's equity blongs to the parent company												
		Paid-in capital/ Share capital	Other equity instrument			Capital reserves	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	General risk reserves	Unappropriate profits	Sub-total owner's equity	Minorty shareholder's equity	Total owner's equity
			Preference share	Perpetual bond	Others										
Column		15	16	17	18	19	20	21	22	23	24	25	26	27	28
I. Closing balance of the preceding year	1	106.37				582,546,039.41		-472,788,729.55		8,834,383.85		131,777,862.69	250,369,662.77		250,369,662.77
Add: Changes in accounting policies	2														
Corrections of prior period errors	3														
Others	4														
II. Opening balance of the current year	5	106.37				582,546,039.41		-472,788,729.55		8,834,383.85		131,777,862.69	250,369,662.77		250,369,662.77
III. Changes for the year (Decrease is indicated by "-")	6							350,787,737.03				-307,442,375.78	43,345,361.25		43,345,361.25
(I) Total comprehensive income	7							350,787,737.03				-307,442,375.78	43,345,361.25		43,345,361.25
(II) Owner's contributions and reduction of capital	8												-		-
1. Capital contribution from owners	9														
2. Other equity instrument owner's invested capital	10														
3. Share-based payment recognised in owners' equity	11														
4.Others	12												-		-
(III). Extraction and use of special reserve	13														
1. Recognised special reserve	14														
2. Use of special reserve	15														
(IV) Profit distribution	16														
1. Transfer of surplus reserves	17														
Inc: Statutory surplus reserve	18														
Optional surplus reserve	19														
Reserve fund	20														
Enterprise development furd	21														
Return investment by profit	22														
2. Transfer of general risk reserve	23														
3. Distribution to owners	24														
4. Others	25														
(V) Transfers within owners' equity	26														
1. Capitalisation of capital reserves	27														
2. Capitalisation of surplus reserves	28														
3. Loss offset by surplus reserves	29														
4. Transfer of recalculated definec benefit plan net liabilities or net asset changes	30														
5.Other comprehensive income transferred into retained earnings	31														
6.Others	32														
IV. Closing balance of the current year	33	106.37				582,546,039.41		-122,000,992.52		8,834,383.85		-175,664,513.09	293,715,024.02		293,715,024.02

Legal representative: Song Ziqiang　　Supervisor in charge of accounting: Song Ziqiang　　Head of accounting department: Hong Chenggang

Consolidated Statement of Provision for Impairment of Assets

Company:Beijing Infrastructure Investment (Hong Kong) Ltd. 31 December 2020 Unit: RMB

Item	Line	Opening Balance	Increase for current year				Decrease for current year					Closing Balance	Item	Line	Amount
			Provision amount	Total increase	Increase in other reasons	Total amount	Due to asset value rebound back to the amount	Depreciation reserves written off during the period	Total decrease	Decrease in other reasons	Total amount				
Column		1	2	3	4	5	6	7	8	9	10	11	**Additional materials:**	-	12
I.Bad debt provision	1												1.Policy-related on account	17	
II.Inventory impairment	2												2. Deal with losses of prior year in current year	18	
III. Impairment of contract assets	3												Inc:Deal with losses in current profits and losses from prior years	19	
IV. impairment of assets held for sale	4													20	
V Impairment of creditor's investment	5													21	
VI.Impairment of available-for-sale financial assets	6	297,682,529.24	358,182,917.21			358,182,917.21						655,865,446.45		22	
VII.Impairment of held-to-maturity investments	7													23	
VIII.Impairment of long - term equity investment	8													24	
IX.Impairment of investment real estate	9													25	
X Impairment of fixed assets	10													26	
XI.Impairment of construction in progress	11													27	
XII.Impairment of productive biological assets	12													28	
XIII.Impairment of oil and gas properties	13													29	
XIV.Impairment of right-of-use asset	14													30	
XV.Impairment of intangible assets	15													31	
XVI. Impairment of goodwill	16													32	
XVII Impairment of contract acquisition cost	17													33	
XVIII.Impairment of contract implementation cost	18													34	
XIX.Others	19													35	
Total	20	297,682,529.24	358,182,917.21		-	358,182,917.21						655,865,446.45		36	

Legal representative: Song Ziqiang Supervisor in charge of accounting:Song Ziqiang Head of accounting department: Hong Chenggang

BEIJING INFRASTRUCTURE INVESTMENT (HONG KONG) LTD.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts are denominated in RMB unless otherwise stated)

I.BASIC INFORMATION ABOUT THE COMPANY

Beijing Infrastructure Investment (Hong Kong) Ltd. (the "Company"), established in 23 May, 1997, renamed from Xin Yi Development Co., Ltd. on 21 November, 2011. The Company is invested by Beijing Infrastructure Investment Co., Ltd. with the business license No. 110000011928488. The legal representative is Song Ziqiang; Register location: Room 2210, No. 302 Hennessy Road, Wan Chai, Hong Kong; Register capital: RMB 106.37.

Organization structure: General management under the leadership of Board of Directors.

Business scope: project investment and assets management.

II. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statement is based upon the hypothesis of continuous operation, according to the practical transaction and matters, in accordance with Accounting Standards for Business Enterprises and supplementary regulations and the significant accounting policies and accounting estimates as follows.

III. STATEMENT OF COMPLIANCE WITH THE ASBE

The Company has adopted the Accounting Standards for Business Enterprises ("ASBE") issued by the Ministry of Finance ("MOF"). The financial statements present truly and completely the Company's and consolidated financial position as at 31 December 2020, and the Company's and consolidated result of operations and cash flows for the year then ended.

IV. THE COMPANY'S SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

1. Accounting period

The Company adopts the calendar year as its accounting year, i.e. from 1 January to 31 December.

2. Standard accounting currency

The Company adopts HKD as functional currency used in bookkeeping.

3. Accounting base and principle of measurement

The company's accounting is based on accrual basis. The company normally adopts historical cost as its principle of measurement, excluding some financial instruments.

4. Business combination

4.1 The accounting treatment of business combinations involving enterprises under common control

Assets and liabilities obtaining from the merger of enterprise is measured according to the share of book value of consolidated financial statements of final controlling party under the owner's equity of combined party within combining date. The difference between the book value of the net assets obtained from company and the book value of the consideration the combination of payment (or the aggregate face value of shares issued as consideration) is adjusted to the share premium in capital reserves. If the capital reserve is insufficient to offset, the retained earnings shall be adjusted.

4.2 The accounting treatment of business combinations involving enterprises under uncommon control

Where the cost of combination exceeds the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is treated as an asset and recognized as goodwill, which is measured at cost on initial recognition. If the combination cost is less than the share of identifiable fair value of net assets of acquiree, firstly, conducting the review of measurement is necessary to achieve the acquiree the identifiable assets, liabilities and the fair value of contingent liabilities as well as the combination costs. The acquiree combination costs after reviews are still less than the fair value of identifiable net asset, the difference will be included into the current profits and losses.

4.3 The consolidation scope of company's consolidated financial statements will be confirmed on the basis of control.

Company will directly or indirectly through subsidiaries have half of the voting rights or owning half voting right of the invested entity, but at the same time, the subsidiaries that can meet the following conditions enable to be included in consolidation scope of consolidated financial statements.

4.3.1 Through the agreement with other investors of the invested entity, the Company will have more than half of the voting rights by the invested entity;

4.3.2 According to the articles of association or agreement, the Company shall have the right to decide the invested entity's financial and operating policies;

4.3.3 Company shall have the right to appoint the board of directors of invested entities or the majority of the members of similar institutions;

4.3.4 Company could own voting majority in the board of directors invested entities or similar institutions.

4.4 The Company will do the adjustment to opening balance of consolidated financial statements and comparative statements through the subsidiary under the same control enterprise merger, when

preparing consolidated financial statements of the current period, are regarded as be consolidated subsidiaries in the Company when the Company begin to implement the control into the scope of the company merger eventually. When preparing consolidated financial statements, since the final controlling party of this Company eventually on the controlling party starts to implement control to consolidated subsidiaries, this company could combine whole assets, liabilities and book value of combined subsidiaries and merge into consolidated balance sheet of Company. The business performance of combined subsidiaries will be inserted into financial statements of this Company.

4.5 The Company will do the adjustment to financial statements of subsidiaries based on identifiable assets, fair value of liabilities through the subsidiary under the same control enterprise merger, when preparing consolidated financial statements of the current period. The Company assets, liabilities and business performance of acquired company will be inserted into financial statements of this Company.

4.6 The Company will buy the equity from minority shareholders of subsidiaries, the long-term equity investment obtained by buying a minority equity and own the difference of share of net assets by continuously calculate from date of acquisition (or combining date) according to newly increased shareholding ratio, adjust capital reserve of combined balance sheet, and will adjust retained earnings to the insufficient capital reserve to write-downs.

4.7 The rights and interests and profits and losses owning by minority shareholders of subsidiaries are shown separately in stockholders' equity of consolidated balance sheet and net income of income statement. If the deficit belongs to minority shareholders is more than the attributable share of owner's equity of these subsidiaries.

4.8 Consolidated balance sheet is based on the balance sheet of parent company and subsidiaries, and is compiled by parent company according to further related information. When the accounting period and accounting policies employed by subsidiaries is different from this company, it has been adjusted to the balance sheet of subsidiaries according to accounting period and accounting policies of this company. Combination offset insider transaction and balance including unrealized gains or losses on internal transaction. The unrealized losses of company's inner trading, there are evidences that can indicate this is the loss of related asset decrease, will be affirmed as full loss.

5. Preparative Method of consolidated financial statements

All the controlled subsidiaries are consolidated in the financial statements. Consolidated financial statements are based on the Company's and its subsidiaries' financial statements in according to ASBE No.33 – Consolidated financial statement.

6. Determine standard of cash and cash equivalents

The term "cash" of cash flow statement refers to cash on hand and deposits that are available for payment at any time. The term of "cash equivalents" refers to short-term (usually due within 3 months from the acquisition date) and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value

7. Translation of transactions and financial statements denominated in foreign currencies

7.1 Transactions denominated in foreign currencies

On initial recognition, a foreign currency amount, including share capital and capital reserves, is translated into functional currency by applying the spot exchange rate on the date of the transaction announced by People's Bank of China. At the balance sheet date, foreign currency balance comprised of foreign currency monetary items and foreign currency non-monetary items, shall be adjusted: foreign currency monetary items, of which the exchange difference between initial exchange rate and the spot exchange rate at the end of the period, shall be recognized into profit and loss for the period; exchange differences related to a specific-purpose borrowing denominated in foreign currency for constructing an asset that qualifies for capitalization shall be capitalized before it's ready for intended use and recognized into cost of construction in progress; foreign currency non-monetary items measured at fair value, the difference of which shall be recognized into profit and loss for the period as fair value changes.

7.2 Translation of financial statements denominated in foreign currencies

The asset and liability of balance sheet adopt spot rate to convert. Except the undistributed profits of owners' right, other will adopt the spot rate in the occurrence of transaction. The income and expense of income statement will employ par exchange rate conversion of middle rate that is authorized the People's Bank of China to China Foreign Exchange Trade System (CFETS). According to the conversion difference of foreign currencies accounting statement by this conversion will be illustrated in owners' right of balance sheet.

8. Financial instruments

8.1 Classification of financial assets and financial liabilities

Financial assets are classified into four categories at initial recognition below: financial assets at Fair Value through Profit or Loss ("FVTPL") (including financial assets held for trading and those designated as at fair value through profit or loss), held-to-maturity investments, loans and receivables and available-for-sale financial assets.

Financial liabilities are classified into two categories at initial recognition below: financial liabilities at Fair Value through Profit or Loss ("FVTPL") (including financial liabilities held for trading and those designated as at fair value through profit or loss), other financial liabilities.

8.2 Recognition basis, measurement, de-recognition condition of financial assets and financial liabilities

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. For financial assets and financial liabilities at fair value through profit or loss, transaction costs are immediately recognized in profit or loss. For other financial assets and financial liabilities, transaction costs are included in their initial recognized amounts.

The Company subsequently measures financial assets at fair value in effective interest method and shall not deduct the transaction costs incurred in the future, except: (1) held-to-maturity investment and

loans and receivables are measured at amortized costs in effective interest method; (2) for investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, and derivative financial assets that are linked to and must be settled by delivery of such unquoted equity instruments, they should be stated at their historical costs.

The Company subsequently measures financial liabilities at amortized costs in effective interest method, except: (1) financial liabilities at FVTPL are measured at fair value, for which the transaction cost incurred in the future shall not be deducted; (2) for investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, and derivative financial liabilities that are linked to and must be settled by delivery of such unquoted equity instruments, they are measured at cost; (3) Financial guaranteed contracts that are not financial liabilities at FVTPL, or loans commitments that are not financial liabilities at FVTPL and will be made with the interest lower than the market interest, are subsequently recognized at the higher of:1)amount recognized in accordance with "ASBE No.13 - Contingencies"; 2)initial recognition amount deducted at the balance after accumulated amortization in accordance with "ASBE No.14 - Revenue".

In addition to hedging, gains or losses formed due to the changes of the fair value of financial asset and financial liability, are handled as follow: (1) At balance sheet date, any gains or loss from changes in the fair value of financial asset and financial liability at FVTPL shall be recognized in profit and loss for the period. The interest or cash dividend under the contractual calculation, within the period in which the financial asset is held, shall be recognized in investment income when it is actually received. Difference between the fair value on disposal and initial recognition amount of the financial asset or financial liability shall be recognized to investment income; (2) Available-for-sale financial assets are subsequently measured at fair value, and gains or losses arising from changes in the fair value are recognized as other comprehensive income and included in the capital reserves, except that impairment losses and exchange differences related to amortized cost of monetary financial assets denominated in foreign currencies are recognized in profit or loss, until the financial assets are derecognized, at which time the gains or losses are released and recognized in profit or loss. Interests obtained and the dividends declared by the investee during the period in which the available-for-sale financial assets are held, are recognized in investment gains.

The Company will terminate to affirm that financial assets when the right of receiving cash flow of the financial asset ends or almost all risks and remuneration of the ownership of financial assets have been transferred. The corporation will suspend the financial liability (or part of it) when the present obligation of financial liabilities is discharged (or part of it).

8.3 Recognition basis of transfer of financial assets and computational method

The enterprise has transferred almost all risk and compensation on the ownership of financial assets and ended to identify the financial assets; those maintaining almost all risk and compensation on the ownership of financial assets will continue to confirm the transferred financial assets, and affirm the received consideration as a kind of financial liability. The corporation neither move nor keep almost all the risks and rewards on financial asset's ownership, processing in the following circumstances respectively: (1) those giving up controlling the financial asset, stop to recognize that financial assets; (2) those does not give up its controlling right over the financial asset, in accordance with continuing to the degree of transferred financial asset to confirm the related financial assets and recognize the relevant liability accordingly.

For a transfer of a financial asset in its entirety that satisfies the de-recognition criteria, the difference between (1) the carrying amount of the financial asset transferred; and (2) the sum of the consideration received from the transfer and any cumulative gain or loss that has been recognized in other comprehensive income, is recognized in profit or loss. If a part of the transferred financial asset qualifies for de-recognition, the carrying amount of the transferred financial asset is allocated between the part that continues to be recognized and the part that is derecognized, based on the respective fair values of those parts. The difference between (1) the carrying amount allocated to the part derecognized; and (2) the sum of the consideration received for the part derecognized and any cumulative gain or loss allocated to the part derecognized which has been previously recognized in other comprehensive income, is recognized in profit or loss.

8.4 Determination method of fair value of main financial assets and liabilities

The financial assets and liabilities of active market confirm its fair value in accordance with active market. The financial assets and liabilities that do not exist active market, will utilize estimation technique (includes refer to familiar with the situation and voluntary transaction parties in the recent market transactions using the price of other financial instruments, the reference is essentially the same current fair value, discounted cash flow method and the option pricing model, etc.) to affirm its fair value. Initially obtained or sourced financial asset or financial liability will be the basis of its fair value by the price of market transaction.

8.5 Impairment test of financial assets and depreciation reserve provision method

The balance sheet date enable to check to the fair value and whose fluctuations included in the current profits and losses of the financial assets other than the book value of the financial assets, if there is any objective evidence that imply the impairment of financial assets, proceed the provision for impairment loss.

The single major financial assets conduct impairment test individually; financial assets that single amount is insignificant can proceed impairment test individually, or include in combination of financial assets with similar credit risk characteristics of impairment test; financial assets that do not decrease in value in individual test (including single amount is significant and insignificant financial assets), including in combination of financial assets with similar credit risk characteristics to conduct impairment test again.

Financial assets, according to the measurement of amortized cost, there are objective evidence at the end to prove that happened impairment, according to its book value and the difference between the present values of the expected future cash flow to confirm the impairment loss. the equity instrument investments that has no offer in the active market and whose fair value cannot be reliably measured, or linked to the equity instrument and must be settled by delivery of the equity instruments of the derivative financial assets impairment occurs, the equity instrument investments or the book value of the derivative financial assets, and according to the similar financial assets when the market returns to discount future cash flows to determine the present value of the difference recognized as the impairment loss. The fair value available for sale financial assets is in a sharp drop, or after considering various factors, expected this decline is temporary, confirm the impairment loss, and the fair value originally recorded in other comprehensive income accumulated losses and go out into the impairment loss.

The relevant accounting policies implemented by BII Railway Transportation Technology Holdings Company Limited(the company's subsidiary, hereinafter referred as "BII Transportation Technology"), are as follow:

8.5.1 Recognition and derecognition of financial instruments

BII Transportation Technology recognizes a financial asset or a financial liability when it becomes party to the contractual provisions of the instrument.

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales, means that receive or deliver financial assets within the time limit stipulated by regulations or common practices, as agreed in the terms of the contract. Trade date, is the date BII Transportation Technology promises to buy in or sell out the financial assets.

The company derecognize the financial assets(either a part, or a part of a similar group),which is writing it off the balance sheet, if following conditions are met:

8.5.1.1 Expiration of the right to receive cash flow from financial assets.

8.5.1.2 The right to receive cash flow from financial assets has been transferred, or bear the obligation to pay all cash received to third party in time due to "Hand-0ver arrangement"; and (a) all risks and benefits of the financial assets has been transferred virtually, or (b) though not all risks and benefits of the financial assets has been transferred, but lose the control of the financial assets.

8.5.2 Classification and measurement of financial assets

According to the business model for managing financial assets and the contractual cash flow characteristics of financial assets, BII Transportation Technology's financial assets has initially been classified as follows: financial assets at fair value through profit or loss, financial assets at amortized cost, and financial assets at fair value through other comprehensive income.

For financial assets at fair value through profit or loss, related transaction expenses are directly recognized in current profit or loss, or included in initial recognition amount for other two categories.

Subsequent measurement of financial assets depends on its categories:

Financial assets at amortized cost

Financial assets are classified as financial assets at amortized cost when following conditions are met: BII Transportation Technology's business model for managing financial assets targets to receive contractual cash flow; The contractual terms of the financial asset stipulate that the cash flow generated on a specific date is only the payment of the principal and the interest based on the outstanding principal amount. For such financial assets, using effective interest rate method and subsequently measure at amortized cost, gains or losses arising from amortization or impairment are recognized in current profit or loss.

Liability investment at fair value through other comprehensive income

Financial assets are classified as liability investment at fair value through other comprehensive income when following conditions are met: BII Transportation Technology's business model for managing financial assets targets both the collection of contractual cash flows and the sale of financial assets; The contractual terms of the financial asset stipulate that the cash flow generated on a specific date is only the payment of the principal and the interest based on the outstanding principal amount. For such financial assets, subsequently measure at fair value. The discount or premium is amortized using the effective interest method and recognized as interest income or expense. Except for the impairment loss and the exchange differences of foreign monetary financial assets are recognized as profit or loss for the period, the changes in the fair value of such financial assets are recognized in other comprehensive income, the accumulated gains or losses is transferred to profit or loss until it's derecognized. Interest income related to such financial assets is included in the current profit and loss.

Equity investment at fair value through other comprehensive income

BII Transportation Technology irrevocably designated the non-trading equity investment as financial assets at fair value through other comprehensive income, and only the related dividend income is recognized in profit or loss. The accumulated gains or losses is transferred to retained earnings until it's derecognized

Financial assets at fair value through profit or loss

Any financial assets that are not held in one of the two business models mentioned above are measured at fair value through profit or loss. For such financial assets, subsequently measured at fair value, and all changes in fair value are recognized in profit or loss.

When and only when, BII Transportation Technology changes its business model for managing financial assets it must reclassify all affected financial assets.

8.5.3 Classification and measurement of financial liabilities

BII Transportation Technology's financial assets have initially been classified as follows: financial liabilities at amortized cost and financial liabilities at fair value through profit or loss.

BII Transportation Technology determines the classification of financial liabilities at initial recognition. For financial liabilities measured at fair value through profit or loss, the related transaction expense is directly recognized in current profit or loss. The related transaction expense of other financial liabilities is included in the initial recognition amount.

Subsequent measurement of financial liabilities depends on its categories:

Financial liabilities at amortized cost

Based on amortized cost, subsequently measure it using the effective interest rate method.

Financial liabilities at fair value through profit or loss

It includes financial liabilities (including derivatives that are financial liabilities) and financial liabilities that are designated at fair value through profit or loss.

8.5.4 Financial instruments offset

If the following conditions are met, the financial assets and financial liabilities are presented in the balance sheet with the net offset from each other. Have a statutory right to offset the confirmed amount, and such legal right is currently enforceable; Plan to settle at net amount, or to realize the financial assets and pay off the financial liabilities at the same time.

8.5.5 Impairment of financial instruments

Based on the expected credit losses, BII Transportation Technology devalues the financial assets and recognizes the losses.

Expected credit losses, means that based on the difference between all contractual cash flows receivable under the contract and all cash flows expected to be received, BII Transportation Technology discounts at the original effective interest rate, is the present value of all cash shortfalls. For original or purchased financial assets with credit impairment, BII Transportation Technology shall discount according to the actual interest rate adjusted by the credit.

8.5.6 Financial asset transfer

If almost all the risks and rewards of ownership of financial assets have been transferred to the transferee, the financial assets are derecognized; if almost all the risks and rewards of ownership of the financial assets are retained, the financial assets are not derecognized.

Neither transfer nor retain almost all risks and rewards of ownership of financial assets, which are dealt with as follows: If the financial assets are abandoned, derecognize the financial assets and recognize the assets and liabilities; If not abandoned, recognize the relevant financial assets according to the extent to which they continue to be involved in the transferred financial assets, and recognize the related liabilities.

If the transferred financial assets are continued to be involved by financial warranty, the assets should be recognized at lower of the book value of the financial assets and the financial warranty amount. The financial warranty amount refers to the maximum amount of the consideration received that will be required to be repaid.

9. Hedging Instruments

9.1 The hedging is classified into fair value hedging, cash flow hedging, and net investment hedging in an overseas operation.

9.2 Processing for adopting the hedging accounting method for a hedging instrument meeting the following conditions: (1) at the beginning of the hedging, the Company has formally appointed for the hedging relationship (the relationship between the hedging instrument and the hedged item), and prepared the formal written document for the hedging relationship, risk management objectives and hedging strategy; (2) this hedging expectation is highly effective, and conform to the company which is confirmed for the hedging relationship by the initial risk management strategy; (3) the hedging to cash flow of the expected transaction is likely to happen, and must make the company face will ultimately affect the profits and losses of the fluctuation risk of cash flow; (4) the hedging effectiveness can be measured reliably; (5) continuously evaluate the hedging effectiveness, and to ensure that the hedging is highly effective when the hedging relation is specified.

This company will affirm the hedging is highly effective when it can meet all conditions at the same time: (1) During and after the start of the hedging, the hedging expectation could be highly effective to offset the changes in the fair value or cash flow caused by the hedged risk in a specified period; (2) actual offset results of the hedging is in the range of 80% to 125%.

9. 3 Hedging accounting method

9.3.1 Fair value hedging

Hedging instruments are derivatives; the profit or loss formed by the fair value fluctuation of hedging instruments will record in current gains and losses. A hedging instrument is not derivative, the book value of the hedging instrument resulting from the profit or loss changes in exchange rate could include in the current profits and losses.

The profit or loss formed by the risk of hedged items need to record into the current profits and losses, and adjust the book value of the hedged item at the same time.

9.3.2 Cash flow hedging

(1) The profit or loss of hedging instrument belongs to the part of effective hedging, can be directly recognized as the other comprehensive income and partially include invalidly in the current profits and losses.

(2) A hedged item is the expectation transaction, and the expectation transaction makes the Company confirmed a financial asset or a financial liability, the original gains or losses that directly recognized as the other comprehensive income, roll out profit and loss in the financial asset or financial liability during the same time that affects the enterprise, include in the current profits and losses; If the forecasted transaction makes the Company confirm a non-financial asset or non-financial liability subsequently, original related gains or losses confirmed in other comprehensive income roll out, included in the amount of initial recognition of the non-financial asset or non-financial liability. And the forecast transaction makes the Company confirmed an asset or liability, the original profit or loss directly recognized as the other comprehensive income in the assets and liabilities influence enterprise profit

and loss turn out during the same time, included in the current profits and losses.

Other cash flow hedging, initial profits and losses that directly record in hedging instruments of other comprehensive income, could turn out at the same period of hedged expectation transaction.

9.3.3 The net investment hedging in an overseas operation

The part of effective hedging of profits and losses developed from hedging instruments, directly recognize as other comprehensive income, turn out and record in current gains and losses during the disposal of operating abroad; the ineffective hedging of the gains and losses formed by hedging instruments.

9.4 In order to avoid the exchange rate risk of foreign currency, this Company signed contract of hedging instruments with the banks and other financial institutions, utilize the treatment of fair value hedging, appoint the accounting period of this hedging relationship as the start and end of contract trading, and specify accounting relationship and hedging period in the light of specific hedging product contract. The Company uses the ratio analysis method to evaluate the effectiveness of hedging.

9.5 The relevant accounting policies by BII Transportation Technology are as follow:

Hedging is the risk management activity of an enterprise, which is aim To manage risk exposures arising from specific risks such as foreign exchange risk, interest rate risk, price risk and credit risk. Designating financial instruments as hedging instruments so that the changes in fair value or cash flow of hedging instruments will expectedly offsets the changes in all or part of the fair value or cash flow of the hedged item.

9.5.1 In hedging accounting, it's classified into fair value hedging, cash flow hedging, and net investment hedging in an overseas operation.

9.5.2 Processing for adopting the hedging accounting method for a hedging instrument meeting the following conditions: (1) the hedging relationship consists only of eligible hedging instruments and eligible hedged items. (2) at the inception of the hedging relationship there is formal designation and documentation of the hedging relationship and the entity's risk management objective and strategy for undertaking the hedge, and the document contains at least hedging tools, hedged items, the nature of hedged risks, and methods for evaluating hedging effectiveness (including the analysis of the causes of the ineffective part of the hedging and the method for determining the hedging ratio). (3) the hedging relationship meets all of the hedge effectiveness requirements.

If the hedging meets the following conditions at the same time, the enterprise shall determine that the hedging relationship meets the hedge effectiveness requirements:

(a) There is an economic relationship between the hedged item and the hedging instrument. This economic relationship causes the value of the hedging instrument and the hedged item to change in the opposite direction due to the same risk of being hedged.

(b) The impact of credit risk is not dominant in the value changes arising from the economic relationship between the hedged item and the hedging instrument.

(c) The hedging ratio of the hedging relationship shall be equal to the ratio of the number of hedged items actually hedged by the enterprise to the actual number of hedging instruments that are hedged, but shall not reflect the imbalance of the relative weight of the hedged item and the hedging instrument. This imbalance can result in ineffective hedging and may result in accounting results inconsistent with the hedge accounting objectives.

The enterprise shall continuously assess whether the hedging relationship meets the effectiveness requirements on the start date of the hedge and in the following period. In particular, it shall analyze the reasons for the ineffective part of the hedge that is expected to affect the hedging relationship within the remaining period of the hedge. The enterprise shall at least assess the hedging relationship on the balance sheet date and when significant changes in the relevant circumstances will affect the effectiveness of the hedge.

The hedging relationship no longer meets the hedging effectiveness requirements due to the hedging ratio, but if the risk management objectives specifying the hedging relationship are not changed, the enterprise should rebalance the hedging relationship.

9.5.3 Hedging accounting

(1) Fair value hedging

If the fair value hedging meets the conditions for applying the hedge accounting method, it shall be handled in accordance with the following provisions:

(a) The gain or loss on the hedging instrument is recognized in profit or loss, if it's hedged over a non-trading equity instrument investment (or its components) at FVTOCI, the gains or losses arising from hedging instruments should be included in other comprehensive income.

(b) The gains or losses arising from the hedging risk exposure of the hedged items shall be included in the current profit and loss, and the book value of the confirmed hedged items not measured at fair value shall be adjusted.

(2) Cash flow hedging

If the cash flow hedging meets the conditions for applying the hedge accounting method, it shall be handled in accordance with the following provisions.

(a) The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized in other comprehensive income as cash flow hedge reserves. The amount of cash flow hedge reserve that is included in other comprehensive income in each period shall be the amount of change in the current cash flow hedge reserve.

(b) The portion of the gains or losses arising from the hedging instrument that is ineffective (ie, other gains or losses after deducting other comprehensive income) shall be included in the current profits and losses.

(3) The net investment hedging in an overseas operation

For the net investment hedging in an overseas operation, including a hedge of a monetary item that is accounted for as part of the net investment, is accounted for similarly to cash flow hedges:

(a) The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized in other comprehensive income.

On the disposal or partial disposal of the foreign operation, the cumulative gain or loss on the hedging instrument relating to the effective portion shall be reclassified to profit or loss.

(b) The ineffective portion is recognized in profit or loss.

10. Accounts receivable

Receivables include accounts receivable and other receivables.

10.1 Receivables of significant individual amount and individual provision bad debt preparation

Judgment or money standard for significant individual amount	An ending balance of receivable that exceeds RMB 1 Million (including RMB 1 Million) is deemed as an individually significant receivable
Significant individual amount and bad debt provision method	Conduct the loss testing in accordance with the difference between the future cash flow and the carrying amount

10.2 Receivables for which bad debt provision is collectively assessed on a portfolio basis

The Company classifies the receivables that are not individually significant and those that are individually significant but are not impaired individually into companies of financial assets according to the similarity and relevance of credit risk characteristics.

Basis for determining a portfolio	Basis for determining a portfolio	Bad debt provision method
Aging Portfolio	Aging status	Aging analysis
Accounts receivable portfolio between consolidated related parties	Asset types	Future cash flow estimated on the basis of historical loss rate
Accounts receivable portfolio with a closing date	Asset types	Future cash flow estimated on the basis of historical loss rate

10.2.1 Aging analysis

Aging	Provision as a proportion of accounts receivable (%)	Provision as a proportion of other receivables (%)
Within 1 year (Within 1 year (inclusive)	-	-
More than 1 year but not exceeding 2 years	5.00	5.00
More than 2 year but not exceeding 3 years	15.00	15.00
More than 3 year but not exceeding 4 years	25.00	25.00
More than 4 year but not exceeding 5 years	50.00	50.00
More than 5 years	90.00	90.00

10.2.2 For other portfolios, bad debts are provided in the method as follows:

Portfolio	Bad debt provision method
Accounts receivable portfolio between consolidated related parties	Future cash flow estimated on the basis of historical loss rate
Accounts receivable portfolio with a closing date	Future cash flow estimated on the basis of historical loss rate

10.3 Accounts receivable that are not individually significant but for which bad debt provision is individually assessed:

Basis for determining a Accounts receivable that are not individually significant but for which bad debt provision is individually assessed	Accounts receivables portfolio with significant risks that don't exceed RMB Million，including these non-related party receivables with a age more than 3 years
Bad debt provision method	Bad debt is provided as the following credit risk characteristics

Bad debt provision according to credit risk characteristics

Basis for determining a portfolio	Basis for determining a portfolio	Bad debt provision method
Portfolio	Aging status	Aging analysis
Accounts receivable portfolio between consolidated related parties	Asset types	Future cash flow estimated on the basis of historical loss rate
Accounts receivable portfolio with a closing date	Asset types	Future cash flow estimated on the basis of historical loss rate

For the notes receivable, interest receivable, long-term receivable etc., bad debt is provided according to the difference between the future cash flow and the carrying amount.

The relevant accounting policies implemented by BII Transportation Technology are as follow:

As defined in the "Accounting Standards for Business Enterprises No. 14 – Revenue", receivables that do not contain significant financing components, (including financing components of contracts not exceeding one year that not considered according to the standard) ,the subsidiary uses a simplified measurement approach to measure loss provisions in accordance with the amount of expected credit losses equivalent to the entire lifetime, and the increase or reversal of the loss provision formed as an impairment loss or gain is included in the current profit and loss.

Expected credit losses are measured on one of the following benchmarks:

(1) 12 months expected credit loss: the loss expected to occur due to possible default events within 12 months after the reporting period.

(2) Full-term expected credit loss: The expected loss of the project due to all possible default events during the expected life of the project used for the expected credit loss model.

The provision for bad debts of accounts receivable is generally measured at the amount equal to the full-term expected credit loss. The expected credit losses of this type of receivables are estimated using bad debts sheet, based on the historical credit loss experience of BII Transportation Technology, and make adjustments to the specific debt factors and the assessment of the reporting date and the overall economic situation.

Confirmed standard of bad debt losses of this Company:

When one of following cases occurs, according to the approved prescribed procedures it should be recognized as bad debts, write off the bad debt for reverse.

A, the debtor is declared to be bankrupt, revocation pursuant to law, receiving bankruptcy, cancellation of business registration or revoke license certification or the file information that government department shall be ordered to close and debtors will regard the receivable that still cannot recover as bad debts after deducting the part of clearing the pay-off.

B, debtor is declared to be dead or missing in accordance with the law, the receivables about his property or heritage less than payoff and there is no heir, is treated as bad debt losses after having obtained the relevant legal documents;

C, receivable of lawsuits, executed court verdict of the People's Court, judged ruling, ruling of losing in lawsuit, or although won but could not be executed terminated by ruling, could be regarded as bad debt losses;

D, the receivable overdue three years, has consultation record of enterprises in accordance with the collection, and able to identify three years without any business, after dealing with the debtor's all kinds of the balance of the money and the compensation of the relevant responsible personnel, the difference is regarded as bad debt losses;

E, the receivable overdue three years, The debtor in overseas and our country Hong Kong, Macao and Taiwan regions, the collection in accordance with the law is still not recovered, and no any business within three years, receiving the termination submissions issued by overseas agencies, or obtain the certification of escape, bankruptcy of debtor by the State Department or our embassies, as bad debt losses. If debtors are dead or bankrupt or death, their bankruptcy property or heritage still cannot get those back after payments;

F, Debtors do not pay their due debts for a long time, and there is enough evidence to show that the possibility of irrecoverable and recoverable debts is unlikelihood.

11. Inventories

11.1 Categories of inventories

The Company's inventories mainly include materials in transit, raw materials, and materials on consignment for further processing, materials in transit, work in progress, finished goods and development costs.

11.2 Valuation method of inventories upon delivery

The cost of inventories upon acquisition is calculated at actual costs. The actual cost of inventories upon delivery is calculated using the weighted average method.

11.3 Basis for determining net realizable value of inventories and provision methods for decline in value of inventories

At the balance sheet date, inventories are measured at the lower of cost and net realizable value. If the net realizable value is below the cost of inventories, a provision for decline in value of inventories is made. After the provision for decline in value of inventories is made, if the circumstances that previously caused inventories to be written down below cost no longer exist so that the net realizable value of inventories is higher than their cost, the original provision for decline in value is reversed and the reversal is included in profit or loss for the period.

11.4 Inventory count system

The perpetual inventory system is maintained for stock system.

11.5 Amortization method for low cost and short-lived consumable items and packaging materials

Be on the basis of the immediate write-off method to amortize.

12. Contract asset

The relevant accounting policies of contract asset by BII Transportation Technology are as follow:

12.1 Recognition method and standard of contract asset

The Company presents contract assets or contract liabilities in the balance sheet based on the relationship between performance obligations and customer payments. The consideration (except for receivables) that the Company has the right to receive for transferred goods or provided services to customers is listed as contract assets.

12.2 Method for determining expected credit loss of contract assets and accounting treatment

For contract assets that do not contain significant financing components, the company adopts a simplified model of expected credit losses, that is, it always measures its loss provision according to the amount of expected credit loss for the entire life period, and the increase or reversal of the loss provision thus formed is included in current profit and loss, as an impairment loss or gain.

For contract assets that contains significant financing components, the company adopts a simplified model of expected credit losses, that is, it always measures its loss provision according to the amount of expected credit loss for the entire life period, and the increase or reversal of the loss provision thus formed is included in current profit and loss, as an impairment loss or gain.

13. Long-term equity investments

13.1 Determination of investment cost

13.1.1 The business combinations under common control, the combined party to pay in cash, transfers non-cash assets, assumed debt or equity securities as combined consideration, on the combining date according to the owner's equity in the combined party on the final control party's share of the book value of the consolidated financial statements as its initial investment cost. The difference between initial investment cost in the long-term equity investment and book value of the paid merger consideration of the total amount of the face value of the issued shares to adjust capital reserves; if capital reserves are insufficient to write-downs, it needs to adjust the retained earnings.

13.1.2 The business combinations not under common control, in accordance with the payment of the fair value of the merger consideration is its initial investment cost on the acquisition date.

13.1.3 For a long-term equity investment acquired through business combination not involving enterprises under common control and achieved in stages, the investment cost of the long-term equity investment is the aggregate of the carrying amount of the equity interest held in the acquiree prior to the acquisition date and the cost of the additional investment at the acquisition date. The long-term equity investment acquired otherwise than through a business combination is initially measured at its cost.

13.2 Subsequent measurement and profit & loss recognition

The invested entity of a long-term equity investment to the invested unit can utilize accounting with cost method; accounting with equity method will be used to have joint control or significant influence of a

long-term equity investment.

13.3 Basis for determining joint control and significant influence over investee

Joint control is the contractually agreed sharing of control over an economic activity, and exists only when the strategic financial and operating policy decisions relating to the activity require the unanimous consent of the parties sharing control. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

13.4 Methods of impairment assessment and determining the provision for impairment loss

For the long term investment in subsidiaries, joint venture and associates, The Company reviews the long-term equity investments at each balance sheet date to determine whether there is any indication that they have suffered an impairment loss. If an impairment indication exists, the recoverable amount is estimated. If such recoverable amount is less than its carrying amount, a provision for impairment losses in respect of the deficit is recognized in profit or loss for the period.

14. Investment properties

14.1 The Company's investment properties include a land use right that is leased out; a land use right held for transfer upon capital appreciation; and a building that is leased out.

14.2 The Company uses the cost model for subsequent measurement of investment property, and adopts a depreciation or amortization policy for the investment property, which is consistent with that for fixed assets or intangible assets. The Company reviews the investment properties at each balance sheet date to determine whether there is any indication that they have suffered an impairment loss. If there is any indication that such assets may be impaired, the recoverable amounts are estimated for such assets. If the recoverable amount of an asset or an asset Company is less than its carrying amount, the deficit is accounted for as an impairment loss and is recognized in profit or loss for the period.

15. Fixed assets

15.1 Recognition, measurement and depreciation criteria for fixed assets

Fixed assets are tangible assets that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and have useful lives of more than one accounting year. Fixed assets are initially measured at acquisition cost, and depreciated over its useful life using the straight-line method since the month subsequent to the one in which it is ready for intended use.

15.2 Deprecation methods for each category of fixed assets

Fixed assets are depreciated as follows:

Category	Depreciation period (years)	Residual value rate (%)	Annual depreciation rate (%)
Electronic equipment	3	5	31.67
Office equipment	5	5	19.00
Transportation equipment	8	5	11.88

The Company reviews the useful life and estimated net residual value of a fixed asset and the depreciation method applied at least once at each financial year-end, and account for any change as a change in an accounting estimate.

If any deficit occurs from original estimation or estimated net residual value of a fixed asset, the Company then makes adjust accordingly.

15.3 Methods of impairment assessment and determining the provision for impairment losses of fixed assets

The Company assesses at each balance sheet date whether there is any indication that the fixed assets may be impaired. If there is any indication that such assets may be impaired, recoverable amounts are estimated for such assets. If the recoverable amount of an asset or an asset company is less than its carrying amount, the deficit is accounted for as an impairment loss and is recognized in profit or loss for the period.

16. Construction in progress

16.1 Construction in progress should be transferred into fixed assets at its actual costs after it has reached the working condition for its intended use. Construction in progress that has reached the working condition but not completed, shall be transferred at its estimated costs. The estimated cost of construction in progress should be adjusted against the actual costs after completion of settlement, while the depreciation already provided will not be adjusted.

16.2 The Company assesses at each balance sheet date whether there is any indication that construction in progress may be impaired. If there is any indication that such assets may be impaired, recoverable amounts are estimated for such assets.

17. Borrowing cost

17.1 Recognition criteria of capitalization

Borrowing costs are capitalized when expenditures for such asset and borrowing costs are incurred and activities relating to the acquisition, construction or production of the asset that are necessary to prepare

the asset for its intended use or sale have commenced. Other borrowing costs are recognized as an expense in the period in which they are incurred.

17.2 Period of capitalization

17.2.1 Borrowing costs directly attributable to the acquisition, construction or production of qualifying asset are capitalized when expenditures for such asset and borrowing costs are incurred and activities relating to the acquisition, construction or production of the asset that are necessary to prepare the asset for its intended use or sale have commenced.

17.2.2 Capitalization of borrowing costs ceases when the qualifying asset being acquired, constructed or produced becomes ready for its intended use or sale. Capitalization of borrowing costs is suspended during periods in which the acquisition, construction or production of a qualifying asset is suspended abnormally and when the suspension is for a continuous period of more than 3 months. Capitalization is suspended until the acquisition, construction or production of the asset is resumed.

17.2.3 Capitalization of borrowing costs ceases when the qualifying asset being acquired, constructed or produced becomes ready for its intended use or sale， the borrowing costs stop capitalization.

17.3 Capitalization amount of borrowing costs

Where funds are borrowed under a specific-purpose borrowing, the amount of interest to be capitalized is the actual interest expense incurred on that borrowing for the period less any bank interest earned from depositing the borrowed funds before being used on the asset or any investment income on the temporary investment of those funds. Where funds are borrowed under general-purpose borrowings, the Company determines the amount of interest to be capitalized on such borrowings by applying a capitalization rate to the weighted average of the excess of cumulative expenditures on the asset over the amounts of specific-purpose borrowings. The capitalization rate is the weighted average of the interest rates applicable to the general-purpose borrowings.

18. Intangible assets

18.1 Intangible assets, including land use rights, patents and concessions etc. are recognized at costs.

18.2 An intangible asset is measured initially at cost. When an intangible asset with a finite useful life is available for use, its original cost less net residual value and any accumulated impairment losses is amortized over its estimated useful life using the straight-line method. An intangible asset with an indefinite useful life is not amortized. The Company doesn't exist any intangible assets with indefinite useful life for the year.

For an intangible asset with a finite useful life, the Company reviews the useful life and amortization method at the end of the period, and makes adjustments when necessary.

At balance sheet date, if an intangible asset is estimated not to bring any future economic benefits, the carrying amount of the intangible asset will be transferred into profit and loss completely.

18.3 The Company assesses at each balance sheet date whether there is any indication that the intangible assets with definite life may be impaired. If there is any indication that such assets may be impaired, recoverable amounts are estimated for such assets. If the recoverable amount of an asset or an asset group is less than its carrying amount, the deficit is accounted for as an impairment loss and is recognized in profit or loss for the period. For an intangible asset with infinite useful life, the Company reviews the useful life and amortization method at the end of the period.

18.4 Expenditure during the development phase that meets all of the following conditions at the same time is recognized as intangible asset. Expenditure during development phase that does not meet the following conditions is recognized in profit or loss for the period.

(1) It is technically feasible to complete the intangible asset so that it will be available for use or sale;

(2) The Company has the intention to complete the intangible asset and use or sell it;

(3) The Company can demonstrate the ways in which the intangible asset will generate economic benefits, including the evidence of the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;

(4) The availability of adequate technical, financial and other resources to complete the development and the ability to use or sell the intangible asset; and

(5) The expenditure attributable to the intangible asset during its development phase can be reliably measured.

The Company's relevant items proceed into development process when it can meet all conditions above and through the technical feasibility and research of economic feasibility to approve and initiate a project. The capitalized payment of development phase illustrated as development payment on the balance sheet, and transfer to intangible assets after the items achieve expected serviceable condition.

19. Long-term prepaid expenses

Long-term prepaid expenses represent expenses incurred that should be borne and amortized over the current and subsequent periods (together of more than one year). Long-term prepaid expenses are amortized using the straight-line method over the expected periods in which benefits are derived.

20. Goodwill

Goodwill is the difference between the equity investment costs or the cost of business combination not under the same control over or obtaining from the merger of enterprises shall enjoy the invested entity or identifiable net assets and the fair value of the share in the grant day or purchase date.

Goodwill associated with subsidiary shows separately in the consolidated financial statements, the goodwill associated with associated enterprises and joint ventures, included in the book value of the long-term equity investment.

The Company is not amortized to goodwill, impairment test at the end of each year, according to the difference that recoverable amount is lower than the book value will conduct the provision for impairment loss, the corresponding asset impairment loss record into the current profits and losses. Impairment losses will no longer return in the future accounting periods upon confirmation.

21. Contract liabilities

The Company presents contract assets or contract liabilities in the balance sheet based on the relationship between performance obligations and customer payments. The obligation of the company to transfer goods or provide services to customers due to considerations received or receivable is presented as contract liabilities.

22. Employee compensation

Employee compensation is to point to the all forms of remuneration or compensation that Company receive services rendered by employees or give except share-based payment in order to terminate the labor relationship. Employee compensation includes short-term compensation, severance welfare, dismissal benefits and other long-term employee benefits. The compensation that Company offered to the worker spouse, children, dependents, the deceased employee survivors and other beneficiaries, also belong to employee compensation.

22.1Short-term employee benefits

The related expenditures are either included in cost of related assets or charged to profit or loss in the period when they are incurred. Non-monetary benefits are measured at fair value.

22.2 termination benefits

When the Company terminates the employment relationship with employees before the expiry of the employment contracts or provides compensation as an offer to encourage employees to accept voluntary redundancy, if the Company has a formal plan for termination of employment relationship or has made an offer for voluntary redundancy which will be implemented immediately, and the Company cannot unilaterally withdraw from the termination plan or the redundancy offer, a provision for the compensation payable arising from the termination of employment relationship with employees is recognized with a corresponding charge to the profit or loss for the period, and include in current profits and losses.

When the Group terminates the employment relationship with employees before the employment contracts expire, or provides compensation as an offer to encourage employees to accept voluntary redundancy, a provision for the termination benefits provided is recognized in profit or loss when both of the following conditions are satisfied:

(1) The Company has a formal plan for the termination of employment or has made an offer to employees for voluntary redundancy, which will be implemented shortly;

(2) The Company is not allowed to withdraw from termination plan or redundancy offer unilaterally.

For the termination plans that the employees don't have options, employee benefits are provided in according to the terms of numbers of dismissed employees' compensation criteria in termination plans.

For the termination plans that the employees are willing to accept, employee benefits are provided in according to the terms of numbers of dismissed employees' compensation criteria in termination plans within ASEB No. 13 – Contingency.

The termination benefits that meets the recognition, of which actual dismission has been finished with one year while the payment lasts for over one year, shall be discounted to present value.

22.3 Defined contribution plan

Pursuant to the relevant laws and regulations of the PRC, employees of the Company participate in the social insurance system established and managed by government organization. The Company makes social insurance contributions, including contributions to basic pension insurance at the applicable benchmarks and rates stipulated by the government for the benefit of its employees. The pension insurance contributions are recognized as part of the cost of assets or charged to profit or loss on an accrual basis.

Except for the basic pension insurance, employees of the Company participate in the retirement welfare plan. Both the employee and the Company make contribution to the annuity plan at a certain rate, and the contribution is recognized at profit and loss when occurs.

23. Share-based payment and equity instrument

23.1The categories of share-based payment

Equity-settled share-based payments and cash-settled share-based payment are included.

23.2The method for determining of the fair value of the equity instruments

23.2.1 There are active markets, according to the determined in the active market quotation.

23.2.2 There is no active market, the valuation techniques, including reference to familiar with the situation and voluntary transaction parties in the recent market transactions using the price of other financial instruments; the reference is essentially the same current fair value, discounted cash flow method and the option pricing model, etc.

23.3 Confirming the basis of the best estimate of vested equity instruments

According to the latest acquired subsequent information staff size change of the vesting to estimate.

23.4 Related accounting treatment of implement, modification, termination of share-based payment plan

23.4.1 Equity-settled share-based payment

If the right may be exercised immediately after the equity-settled share-based payment granted in return for services of employees, included in the relevant costs or expenses in accordance with the fair value of the equity instruments in the grant date, capital reserves should be adjusted. Complete the service of waiting period or meet the prescribed performance conditions in return for services of employees, if only the vesting of equity-settled share-based payment, waiting for the period of each balance sheet date, to the number of vested equity instruments is based on best estimate, according to the fair value of the equity instruments granted to date, the current service included in the relevant costs or expenses, capital reserves shall be adjusted.

Rights and interests of clearing share-based payment in return for services of the other party, if the fair value of the other party service can be reliably measured, according to the other party service of the fair value in the grant day; If the fair value of the other party service cannot be reliably measured, but the fair value of the equity instruments can be reliably measured, in accordance with the fair value of the equity instruments in service, metering, included in the relevant costs or expenses, the owner's equity shall be increased accordingly.

23.4.2 Cash-settled share-based payment

The cash-settled share-based payment after the right may be exercised immediately granted in return for services of employees, fair value of the Company to undertake liabilities in the grant date included in the relevant costs or expenses, the liabilities shall be increased accordingly. Complete service of the waiting period or meet performance conditions before the vesting in return for employee services cash-settled share-based payment, each balance sheet date in waiting period, based on the best estimate of the vesting conditions, according to the fair value of the Company to undertake liabilities, the current service should be recorded in the relevant costs or expenses and the corresponding liabilities.

23.4.3 Modify, terminate the share-based payment plan

If modification increases the fair value of the granted equity instruments, the Company accordingly confirm the increase of the service in accordance with the increase of the fair value of the equity instruments; If you change to increase the number of the granted equity instruments, the Company will increase the fair value of the equity instruments and confirm accordingly as the increase of the service; If the Company modify the vesting conditions in accordance with the conducive way to worker, the Company will think about the modified vesting conditions in dealing with the vesting condition.

If the modification reduce the fair value of the granted equity instruments, Company continues to be on the basis of the fair value of equity instruments in grant date, confirm the amount of service, regardless of the reduction of fair value of the equity instruments; If the modification decrease the number of the granted equity instruments, the Company will reduce part as the cancellation of the granted equity

instruments to process; If the modification changes the vesting conditions based on the unfavorable way to the workers, in dealing with the vesting conditions, not to consider the revised vesting conditions.

If the Company cancel the granted equity instruments over the vesting period or clearing the granted equity instruments (except the cancellation due to not satisfying the vesting conditions), will be canceled or settlement as accelerated vesting, immediately confirm the amount that was confirmed in the rest of the vesting period.

24. Bonds payable

The Company initially recognizes the bonds payable at the fair value. Related costs are recognized into initial amount, and subsequently recognized into amortized costs.

The deficits between the actual price and face value are amortized using interest rate method when interest is provided accordingly to the treatment criteria of borrowing costs.

25. Estimated liability

25.1. For external guarantee, litigation matters, quality guarantee of products, deficit contracts or the duty to matters form to become a present obligation of the Company to undertake, the duty is likely to result in the outflow of economic benefits from the Company, and the amount of the obligation can be measured reliably, the obligation to the Company will confirm for the estimated debts.

25.2. In accordance with the best estimate of the expenses necessary for the performance of the current obligation, the Company conducts initial measurement to estimated debts, and rechecks the book value of the estimated debts on the balance sheet date.

26. Revenue

26.1 sales of goods

Revenue from sales of goods is recognized when (1) the Company has transferred to the buyer the significant risks and rewards of ownership of the goods; (2) the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; (3) the amount of revenue can be measured reliably; (4) it is probable that the associated economic benefits will flow to the Company; and (5) the associated costs incurred or to be incurred can be measured reliably.

26.2 offering services

Revenue from rendering of services is recognized when the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the enterprise; the stage of completion of the transaction can be determined reliably; and the associated costs incurred or to be incurred can be measured reliably. Revenue from rendering of services is recognized using the percentage of completion method at the balance sheet date. The stage of completion of a transaction

for rendering for services is determined based on surveys of work performed. When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognized only to the extent of the costs incurred that will be recoverable, and the costs incurred are recognized as expenses for the period. When it is not probable that the costs incurred will be recovered, revenue is not recognized.

26.3 Revenue from alienating of right to use assets

When the economic benefit will probably flow into the Company and the revenue can be measured reliably, the amount of revenue from alienating of right to use assets shall be recognized as follows: revenue of interest shall be confirmed by the time and actual interest of the assets that have been used; revenue of charge for use shall be confirmed by the agreed time and methods in the contract.

26.4 The relevant accounting policies by BII Transportation Technology are as follow:

Revenue refers to the total inflow of economic benefits that the company has formed in its daily activities that will lead to an increase in owner's equity but irrelevant with the owner's investment in capital.

26.4.1 Recognition of revenue

The enterprise shall fulfill the performance obligation in the contract, that is, the revenue is recognized when the customer obtains control of the relevant commodity. Obtaining control of related commodities means being able to dominate the use of the commodity and obtain almost all of its economic benefits.

When the contract between the company and the customer meets the following conditions at the same time, the enterprise shall recognize the revenue when the customer obtains the control of the relevant commodity:

(1) The parties to the contract have approved the contract and promised to fulfill their respective obligations;

(2) The contract clarifies the rights and obligations of the parties to the contract relating to the goods transferred or the services offered;

(3) The contract has a clear payment terms associated with the transferred goods;

(4) The contract has commercial substance, that is, fulfilling the contract will change the risk, time distribution or amount of future cash flow of the company;

(5) The consideration that an enterprise is entitled to for the transfer of goods to a customer is likely to be recovered.

26.4.2 According to the relevant provisions of the revenue standard, the Company judges that the nature of the relevant performance obligation belongs to "performance obligations performed within a

certain period of time" or "performance obligations performed at a certain point in time", and the revenue is recognized according to the following principles:

(1) For the performance obligations performed during a certain period of time, the company recognizes the revenue according to the progress of the performance during the period, except that the progress of the performance cannot be reasonably determined.

(2) For performance obligations performed at a certain point in time, the company shall recognize the revenue when the customer obtains control of the relevant commodity.

26.4.3 Measurement of revenue

The company shall measure the income according to the transaction price allocated to each individual performance obligation. In determining the transaction price, the company considers the impact of variable consideration, major financing components in the contract, non-cash consideration, and payable customer consideration.

(1) Variable consideration

The Company determines the best estimate of the variable consideration based on the expected value or the most likely amount, but the transaction price including the variable consideration shall not exceed the amount at which the cumulative recognized revenue is likely to not be significantly reversed when the relevant uncertainty is eliminated. In assessing whether the cumulative recognized revenue is unlikely to be significantly reversed, the company should consider both the likelihood of reversal and its proportion.

(2) Significant financing components in the contract

Where there is a significant financing component in the contract, the company shall determine the transaction price in accordance with the amount payable assuming that customer pays in cash. The difference between the transaction price and the contractual consideration shall be amortized using the effective interest method during the contract period.

(3) Non-cash consideration

If the customer pays a non-cash consideration, the company determines the transaction price based on the fair value of the non-cash consideration. Where the fair value cannot be reasonably estimated, the company indirectly determines the transaction price with reference to the only selling price of the goods it has promised to transfer to the customer.

(4) Payable customer consideration

For the payable customer consideration, the payable consideration shall be offset against the transaction price, and the current revenue shall be offset against at the later of the recognition of the

relevant revenue and the payment (or promised payment) of the customer's consideration, except for which is in order to obtain other clearly distinguishable goods from the customer.

If the company pays the customer's consideration in order to obtain other clearly distinguishable goods from the customer, it shall recognize the purchased goods in a manner consistent with other purchases of the company. If the payable customer consideration is more than the fair value of the commodity that can be clearly distinguished from the customer, the excess amount will offset the transaction price. If the fair value cannot be reasonably estimated, the enterprise shall offset the transaction price in full amount.

27. Government grants

27.1 Government grants include asset related government grants and income related government grants.

27.2 If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable. If a government grant is in the form of a non-monetary asset, it is measured at fair value. If the fair value cannot be reliably determined, it is measured at a nominal amount.

27.3 The government grant adopts the total method:

27.3.1 A government grant related to an asset is recognized as deferred income, and amortized to profit or loss on a reasonable and systematic basis over the useful life of the related asset. If the relevant assets are sold, transferred, scrapped or damaged before the end of their useful lives, the undistributed balance of related deferred income will be transferred to the profit or loss of the asset disposal in the current period.

27.3.2 If a government grant related to income is used to compensate for the related expenses or losses in the subsequent period, it shall be recognized as deferred income and shall be recorded in the current profit or loss in the period in which the relevant expenses are recognized; For the compensation of related expenses or losses that have occurred, they shall be directly included in the current profits and losses.

27.4 For government grants that include both the asset-related portion and the income-related portion, the different parts are separately accounted for; if it is indistinguishable, the overall classification is revenue-related government subsidies.

27.5 The Company will include government grants related to the company's daily activities in accordance with the nature of the economic business and include it in other income or write down the related costs; government grants that are unrelated to the daily activities of the company shall be included in non-operating income and expenditure.

27.6 The company will obtain the policy discount loan interest discount in accordance with the government to allocate the interest-bearing fund to the loan bank and the finance will directly disburse the interest-bearing fund to the company in two cases:

27.6.1 The finance allocates the interest-subsidy funds to the loan bank. If the lending bank provides loans to the company at a policy-based preferential interest rate, the company chooses to conduct accounting treatment according to the following methods:

(1) The borrowing amount actually received is taken as the entry value of the borrowings, and the relevant borrowing costs are calculated according to the principal of the loan and the policy preferential interest rate.

(2) The fair value of borrowings is taken as the recorded value of borrowings and the borrowing costs are calculated according to the actual interest rate method. The difference between the actual amount received and the fair value of the borrowings is recognized as deferred income. Deferred income is amortized over the life of the borrowing using the effective interest method to offset the related borrowing costs.

27.6.2 If the financial department directly distributes the discounted interest funds to the company, the company will offset the relevant borrowing costs by the corresponding discount interest.

28. The deferred income tax assets and the deferred income tax liabilities

28.1 According to the book value of the assets, liabilities and its tax base the difference between the (not confirmed project as assets and liabilities of its tax base can be determined in accordance with the provisions of the tax law, the tax base and the difference between the book number), according to the forecast of the asset is recovered or the applicable tax rate calculation during the debt confirmed deferred income tax assets and deferred income tax liabilities.

28.2 Confirm the deferred income tax assets to probably get used to making the deductible temporary differences are limited to the amount of taxable income. During the balance sheet date, there is strong evidence that the future is likely to obtain sufficient taxable income to offset the deductible temporary difference, confirm the unconfirmed deferred income tax assets in previous accounting periods.

28.3 On the balance sheet date, review the book value of the deferred income tax assets, and if during the period of the future may not be able to obtain sufficient taxable income to offset the benefit of the deferred income tax assets, the write-downs on the book value of the deferred income tax assets. If it is likely to obtain sufficient taxable income, return the amount of write-downs.

28.4 The Company's current income tax and deferred income tax as recorded into the profits and losses of the current income tax expenses, or earnings, but does not include the income tax in the following circumstances:

(1) The business combination;

(2) Direct confirmation of transactions or events in the owner's equity.

Corporate income tax should pay taxes individually, and adopt self-declaration and verify payment method.

29. Lease

29.1 Operating leases

The Company as lessee under operating leases: operating lease payments are recognized on a straight-line basis over the term of the relevant lease, and are either included in the cost of related asset or charged to profit or loss for the period. Initial direct costs incurred are charged to profit or loss for the period. Contingent rents are charged to profit or loss in the period in which they are actually incurred.

The Company as lessor under operating leases: rental income from operating leases is recognized in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs with more than an insignificant amount are capitalized when incurred, and are recognized in profit or loss on the same basis as rental income over the lease term. Other initial direct costs with an insignificant amount are charged to profit or loss in the period in which they are incurred. Contingent rents are charged to profit or loss in the period in which they actually arise.

29.2 Financial leases

The Company as lessee under finance leases: at the commencement of the lease term, the Company records the leased asset at an amount equal to the lower of the fair value of the leased asset and the present value of the minimum lease payments at the inception of the lease, and recognizes a long-term payable at an amount equal to the minimum lease payments. The difference between the recorded amounts is accounted for as unrecognized finance charge. Unrecognized finance charges are recognized as finance charge for the period using the effective interest method over the lease term.

The Company as lessor under finance leases: at the commencement of the lease term, the aggregate of the minimum lease receivable at the inception of the lease and the initial direct costs is recognized as a finance lease receivable, and the unguaranteed residual value is recorded at the same time. The difference between the aggregate of the minimum lease receivable, the initial direct costs and the unguaranteed residual value, and the aggregate of their present values is recognized as unearned finance income. Unearned finance income is recognized as finance income for the period using the effective interest method over the lease term.

The relevant policies of BII Transportation Technology are as follows:

1. Lessee

When the company is the lessee, at the beginning of the lease period, in addition to choosing short-term leases and low-value asset leases that use simplified processing, the company uses the cost model for subsequent measurement of right-of-use assets. With reference to the relevant depreciation provisions of "ASBE No. 4 Fixed Assets", depreciation is accrued for right-of-use assets. If the lessee can reasonably remain the ownership of the leased asset when the lease term expires, it should make depreciation within the remaining useful life of the leased asset. If the ownership of the leased asset cannot be reasonably remained at the end of the lease period, depreciation shall be made within the

shorter of the lease period and the remaining useful life of the leased asset. The company determines whether the right-of-use asset is impaired in accordance with the provisions of "ASBE No. 8 Impairment of Assets", and performs accounting treatment for the identified impairment losses.

Recognition of right-of-use assets and lease liabilities

The company calculates the interest expense of the lease liability in each period of the lease period according to a fixed cyclic interest rate, and is included in the current profit and loss. According to the "ASBE No. 17 Borrowing Costs" and other standards that should be included in the cost of relevant assets, the provisions shall prevail.

For short-term leases and low-value asset leases, the company chooses not to recognize right-of-use assets and lease liabilities, and recognize the lease payments in the cost of related assets or current profit and loss in the straight-line method during each period of the lease.

2. Lessor

(1) Financial leases

If the company is the lessor, at the beginning of the lease period, the financial lease receivable is recognized for the financial lease, and the financial lease assets are terminated.

(2) Operating leases

As a lessor, the company uses the straight-line method to confirm the lease receipts of operating leases as rental income during each period of the lease. Capitalize the initial related direct expenses incurred, and allocate them on the same basis as the recognition of rental income during the lease period, and recognize them in the current profit or loss in installments.

For fixed assets in operating leased assets, the company should adopt depreciation policies for similar assets to accrue depreciation; for other operating lease assets, amortization should be carried out in a systematic and reasonable manner according to the enterprise accounting standards applicable to the asset. In accordance with the provisions of "ASBE No.8 Impairment of Assets", the company determines whether the operating lease assets are impaired and performs corresponding accounting treatment.

30. Hold for sale

The company divides the corporate components that meet all of the following conditions into holding for sale:

(1) Based on the usual practice of selling such assets or disposal groups in similar transactions, they can be sold immediately under current conditions;

(2) The sale is highly probable, a resolution has been made on a sale plan and a firm purchase commitment has been obtained and it is expected that the sale will be completed within one year.

Approvals from relevant authorities or regulatory authorities have been obtained in accordance with relevant regulations.

The Company adjusts the expected net salvage value held for sale to reflect the net amount of its fair value less costs to sell. The difference between the original book value and the adjusted net residual value is included in the profit or loss of the current period as an asset impairment loss. At the same time, provision for impairment of assets held for sale was made. For the amount of impairment loss of assets confirmed by the disposal group held for sale, the book value of goodwill in the disposal group should be offset first, and then the proportion of the book value of various non-current assets measured in the disposal group according to the application of this standard measurement. Proportionately deducts its book value.

If the fair value of the non-current assets held for sale on the balance sheet date is less than the net value of the selling expenses, the amount of the previous write-down shall be restored and the impairment of assets recognized after being classified as held for sale shall be made. The amount of the loss is reversed and the amount reversed is included in the current profit or loss. Impairment losses on assets recognized prior to classification as held for sale shall not be reversed. If the fair value of the disposal group held for sale on the subsequent balance sheet day is increased, the net amount after the sale expense is increased, the amount of the previously written down amount shall be restored, and shall apply to the measurement requirements of this standard after being classified as held for sale. The impairment loss of assets confirmed by non-current assets is reversed within the amount, and the reversed amount is included in the current profit or loss. The carrying amount of the goodwill that has been eliminated and the non-current assets applicable to the measurement of this standard will not be reversed if it is recognized before the assets are classified as held for sale. The subsequent reversal of the asset impairment loss confirmed by the disposal group held for sale shall be based on the proportion of the book value of various non-current assets measured and applied in the disposal group in addition to goodwill, and shall increase its book value proportionately.

31. Replacement of non-monetary assets

31.1 Meeting the requirements at the same period: 1) the exchange possesses business nature and 2) the fair value of the assets received or assets surrendered can be measured in a reliable way of condition, the exchange of non-monetary assets regard the fair value and relevant payable taxes as the cost of assets received, the difference between the fair value and book value of the assets surrendered shall be recorded as current profit or loss. When companies pay a premium, it will make the fair value of assets surrendered and payable relevant taxes as assets receives cost, the difference between the book value of assets received and surrendered and the sum of payable premium and payable taxes, records into current profit and loss; when Company receive the premium, as the cost of assets received based on fair value of assets received and payable taxes, the difference between the sum asset received cost add received premium and the sum of book value of asset surrendered add payable taxes, will include in current profit and loss.

31.2 The non-monetary assets transaction that do not meeting all requirements above, make the book value of asset surrendered and payable relevant taxes as the cost of assets received, and not confirm the profits and losses. When paying the premium, making the book value of assets surrendered add payable premium and payable taxes as the cost of assets received, not confirm the profits and losses. When receiving the premium, using the book value of assets surrendered minus assets received and adding payable relevant taxes as the costs for assets received, not affirm the gains and losses.

32. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement of the Company is carried out in accordance with the relevant provisions of the "Accounting Standards for Business Enterprises No. 39 – Fair Value Measurement", including:

32.1 Initial measurement of fair value

Based on the nature of the transaction and the characteristics of the relevant assets or liabilities, the company determines whether the fair value at the initial recognition is equal to its transaction price. If other relevant accounting standards require or allow the enterprise to initially measure the relevant assets or liabilities at fair value, and the transaction price is not equal to the fair value, the company will account for the related gains or losses in the current profit and loss. Except for otherwise provided in other relevant accounting standards.

32.2 Fair value valuation techniques

Valuation techniques used by the company to measure related assets or liabilities at fair value mainly include market law, income method and cost method. When the Company uses a variety of valuation techniques to measure fair value, it will fully consider the reasonableness of each valuation result, and select the amount that best represents the fair value in the current situation as the fair value. In the application of valuation techniques, the company prioritizes the use of relevant observable inputs and uses unobservable inputs only if the relevant observable inputs are not available or impracticable to be obtained.

32.3 Hierarchical division of values

The company divides the input values used in fair value measurement into three levels, and first uses the level 1 input value, then the level 2 input value, and finally the level 3 input value.

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities which can be accessed at the measurement date; Level 2 – based on inputs other than those included within level 1 that are observable for the relevant asset or liability, either directly or indirectly; and Level 3 – based on unobservable inputs for the relevant asset and liability.

The above hierarchy is specifically expressed as follows: If there is an active market for financial instruments, the company uses the quoted price in an active market to determine its fair value. Quotations in an active market refer to prices that are readily available from exchanges, brokers, industry associations, pricing services, etc., and represent the prices of market transactions that actually occur in an arm's length transaction. If there is no active market for financial instruments, the company uses valuation techniques to determine its fair value. Valuation techniques include reference to prices used in recent market transactions by parties familiar with the situation and voluntary transactions, current fair values of other financial instruments that are substantially identical, discounted cash flow methods, and option pricing models.

33. Asset Securitization

Accounting method of asset securitization business: the general sale of basic assets to a specific purpose entity, and then by the entity to investors to issue securities. The interests of securitized financial assets are manifested in the form of priority asset-backed securities or sub-asset-backed securities.

When the Company has transferred almost all of the risks and rewards of ownership of the financial asset, the Company will terminate the recognition of the financial asset. When the Company retains almost all of the risks and rewards of the ownership of the financial asset, the Company will continue to confirm that the financial asset; If the Company does not transfer or retain almost all of the risks and rewards of ownership of the financial asset, the Company will consider whether there is any control over the financial assets. If the Company does not retain control, the Company will terminate the recognition of the financial assets and recognize the rights and obligations arising or retained in the transfer as assets or liabilities. If the Company retains control, the financial asset is recognized based on the degree of continued involvement of the financial asset.

34. Discontinuing Operation

Termination of business refers to a separately identifiable component of an enterprise that satisfies one of the following conditions and that has been disposed of or divided into categories for sale:

34.1 This component represents an independent main business or a separate major business area;

34.2 This component is part of an associated plan that is intended to be disposed of in an independent main business or a separate major business area;

34.3 This component is a subsidiary that was specifically acquired for resale.

Enterprises should list continuing operations and terminate operating profits and losses separately in the income statement. For non-current assets or disposal groups held for sale that do not meet the definition of termination of business, the impairment loss, reversal amount, and disposal gains and losses should be presented as continuing profits and losses. The operating profit or loss and disposal

gains and losses, such as impairment loss and reversal amount of the termination of the business, shall be presented as the profit and loss from discontinued operations.

V. CHANGES IN ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES, AND CORRECTIONS OF ACCOUNTING ERRORS

1. Changes in Accounting Policies

None

2. Changes in Accounting Estimates

None.

3. Corrections of Accounting Errors of Prior Period

None.

VI. TAXES

1. Major categories of taxes and tax rates

Category of tax	Basis of tax computation	Tax rate(%)
VAT	Taxable revenue for sales of goods and supply of services	6
City maintenance and construction tax	Turnover tax	7
Education surplus	Turnover tax	3
Local education surplus	Turnover tax	2
Enterprise income tax	Taxable income	16.5, 25

2. Tax incentive and approval

Suzhou Huaqi Intelligent Technology Co., Ltd., BII Information Security (Beijing) Co., Ltd ,ERG Transit Systems(China)Ltd., Beijing BII-ERG Transportation Technology Co.,Ltd, and Beijing BII Technology Development Co., subsidiary of BII Transportation Technology, have been approved by the Taxation Bureau as a high-tech enterprise to pay taxes. Therefore, the aforementioned affiliated companies enjoy a preferential 15% corporate income tax rate for the year ended December 31, 2020. In addition to the

preferential corporate income tax rate in China, the affiliated companies are also entitled to an additional tax deduction based on 75% of the eligible R & D costs incurred by it.

According to The development of the western region, Chengdu Huaqi Zongheng Intelligent Technology Co., Ltd and Chengdu Huaqi Hi-Tech Intelligent Technology Co, Ltd enjoy 15% CIT ， as of the end of 2020.The aforementioned companies are subsidiaries of BII Transportation Technology.

Litmus Technologies(BeiJing)Co,Ltd , Henan Huaqi Sichuang Intelligent Technology Co., Ltd. and Suzhou Naiteli Intelligent Technology Co., Ltd.., Ltd., subsidiaries of BII Transportation Technology, are entitled to a two-year Chinese corporate income tax exemption, and then enjoy a 50% reduction in Chinese corporate income tax for three years from the end of the two-year exemption. Therefore, the aforementioned affiliated companies enjoy Chinese corporate income tax exemption for the year ended December 31, 2020.

Beijing Cornerstone Vision Digital Technology Co Ltd., a subsidiary of BII Transportation Technology, meets the standards of small and profit-making enterprises and enjoys the corporate income tax policy. Accordingly, the portion of the company's annual taxable income that does not exceed RMB 1 million is taxed at the actual tax rate of 20%; the portion of the annual taxable income of more than RMB 1 million but not more than RMB 3 million is taxed at the actual tax rate of 10 %.

VII. BUSINESS COMBINATIONS AND CONSOLIDATED FINANCIAL STATEMENTS

1. Basic information of subsidiaries included in the consolidated statements

No.	Full name of the subsidiary	Level	Type	Place of incorporation	Place of business	Business scope	Registered capital	Proportion of ownership interest (%)	Proportion of voting power (%)	Investment amount	Acquisition method
1	BII railway transportation technology holdings Co. LTD	2	3	Hong Kong	Hong Kong	Railway transportation	17,318,749.99	55.20	55.20	1,179,223,219.25	3
2	Jie Heng Investment Co., Ltd.	2	3	Hong Kong	Hong Kong	Investment Management	100,000.00	100.00	100.00	100,000.00	3

Note 1: Enterprise type: 1 Foreign non-financial subsidiary, 2 Domestic financial subsidiaries, 3 Foreign subsidiaries, 4 Institutions, 5 Construction units

Note 2: Acquisition method: 1 Investment, 2 Business combinations involving enterprises under common control, 3 Business combinations not involving enterprises under common control, 4 Other

2. Significant non-wholly owned subsidiaries

2.1 Minority shareholders

No.	Short name of subsidiary	Proportion of minority interest (%)	Profit or loss attributable to minority interests for the period	Dividend attributed to minority shareholders for the period	Accumulated minority shareholders' equity at the end of period
1	BII railway transportation technology holdings Co. LTD	44.80	80,743,761.82	18,942,119.76	1,006,593,073.59

2.2 Main financial information

Item	Amount for the current period	Amount for the prior period
Current assets	2, 380, 511, 208. 61	2, 247, 951, 135. 33
Non-current assets	1, 235, 529, 732. 45	1, 365, 260, 489. 53
Total assets	3, 616, 040, 941. 06	3, 613, 211, 624. 86
Current liabilities	1, 388, 696, 835. 89	887, 597, 266. 86
Non-current liabilities	78, 736, 477. 49	690, 181, 629. 58
Total liabilities	1, 467, 433, 313. 38	1, 577, 778, 896. 44
Total operating income	1, 377, 463, 253. 42	1, 053, 724, 120. 73
Net profit	163, 335, 605. 11	97, 878, 163. 82
Total comprehensive income	154, 741, 715. 63	95, 931, 146. 16
Net cash flow from operating activities	248, 659, 702. 72	13, 725, 686. 22

VIII. NOTES TO IMPORTANT ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS

The" opening balance" refers to the balance on 1 January 2020 and the "closing balance" refers to the balance on 31 December2020. The "prior period" is the year of 2019 and the "current period" is the year of 2020.

1. Cash and bank balances

Item	Closing balance	Opening balance
Cash	2,302,061.18	42,017.86
Bank balances	1,006,689,143.42	3,607,444,449.67
Other currency funds	121,880,942.93	39,614,755.82
Total	1,130,872,147.53	3,647,101,223.35

Note: RMB 30,756,260.89n other currency funds is limited.

2. Tradable Financial assets

Item	Closing balance	Opening balance
Financial assets classified as at fair value through profit or loss	185,000,000.00	152,000,000.00
Including: Debt instrument investment	185,000,000.00	152,000,000.00
Total	185,000,000.00	152,000,000.00

3. Derivative financial assets

Item	Closing balance	Opening balance
Foreign exchange hedging contract		119,086,021.94
Total		119,086,021.94

Note: In the period of 2015, the company signed five foreign exchange hedging contracts with the Bank of China London Branch, Goldman Sachs International, HSBC; in the period of 2016, the company signed twelve foreign exchange hedging contracts with the Bank of China London Branch, Goldman Sachs International, HSBC; in the period of 2018, the company signed ten foreign exchange hedging contracts with HSBC, SGCIB, and Deutsche Bank. For the Capped CCS and Coupon Only Swap + USD Call Spread vs CNH which the contracts carrying out. ALL of foreign exchange hedging contracts use the same evaluation method: the evaluation of the market value of the interest is mainly based upon the forward exchange rate which discounting and adding up the two groups of cash flow; the evaluation of the market value of share option is mainly based upon Black-Scholes Model， As of December 31, 2020, all of the above-mentioned 27 foreign exchange hedging product contracts have expired.

4. Notes Receivable

Item	Closing balance			Opening balance		
	Gross carrying amount	Bad debt provision	Net carrying amount	Gross carrying amount	Bad debt provision	Net carrying amount
Bank acceptance bill	118,652,656.89		118,652,656.89	27,036,101.20		27,036,101.20
Commercial acceptance bill	156,111,744.46		156,111,744.46	138,312,358.10		138,312,358.10
Total	274,764,401.35		274,764,401.35	165,348,459.30		165,348,459.30

5. Accounts Receivable

Item	Closing balance			
	Carrying amount		Bad debt provision	
	Amount	Proportion (%)	Amount	Proportion (%)
Accounts receivables for which bad debt provision has been assessed by credit risk portfolios	271,912,275.81	100.00	20,451,361.10	7.52
Inc: Expected credit loss model with impairment portfolio	271,912,275.81	100.00	20,451,361.10	7.52
Total	271,912,275.81	–	20,451,361.10	–

Continued:

Item	Opening balance			
	Carrying amount		Bad debt provision	
	Amount	Proportion (%)	Amount	Proportion (%)
Accounts receivables for which bad debt provision has been assessed by credit risk portfolios	272,148,372.53	100.00	15,573,666.38	5.72
Inc: Expected credit loss model with impairment portfolio	272,148,372.53	100.00	15,573,666.38	5.72
Total	272,148,372.53	–	15,573,666.38	–

6. Prepayments

6.1 Listed by aging

Aging	Closing balance			Opening balance		
	Carrying amount		Bad debt provision	Carrying amount		Bad debt provision
	Amount	Proportion (%)		Amount	Proportion (%)	
Within 1 year	27,740,315.06	100.00		42,131,604.29	100.00	
Total	27,740,315.06	–		42,131,604.29	–	

7.Other receivables

Item	Closing balance	Opening balance
Interest receivable	1,064,353,984.09	1,261,326,991.34
Other receivables	2,950,657,803.40	3,055,947,176.98
Total	4,015,011,787.49	4,317,274,168.32

7.1. Interest receivable

Item	Closing balance	Opening balance
Debenture interest	42,916,973.10	43,789,933.31
Inter - enterprise loan interest	1,021,437,010.99	1,217,537,058.03
Total	1,064,353,984.09	1,261,326,991.34

7.2. Other receivables

Item	Closing balance				Opening balance			
	Carrying amount		Bad debt provision		Carrying amount		Bad debt provision	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)
Other receivable that are individually significant and for which bad debt provision that has been assessed individually	2,923,864,962.24	99.09			3,034,804,839.63	99.30		
Other receivables for which bad debt provision has been assessed by credit risk portfolios	26,989,617.61	0.91	196,776.45	0.73	21,284,421.79	0.70	142,084.44	0.67
Inc: Expected credit loss model with impairment portfolio	21,284,421.79	0.91	196,776.45	0.73	21,284,421.79	0.70	142,084.44	0.67
Total	2,950,854,579.85	–	196,776.45	–	3,056,089,261.42	–	142,084.44	–

8. Inventories

Item	Closing balance			Opening balance		
	Gross carrying amount	Bad debt provision	Net carrying amount	Gross carrying amount	Bad debt provision	Net carrying amount
Finished goods	195,677,660.37	19,370,289.35	176,307,371.02	254,871,698.18	17,879,913.69	236,991,784.49
Goods in transit	1,614,830.20		1,614,830.20	4,253,556.97		4,253,556.97
Project construction (finished and unsettled)	101,025,649.55		101,025,649.55	39,585,727.83		39,585,727.83
Goods in Transit	66,723,723.38		66,723,723.38	169,298,230.52		169,298,230.52
Total	365,041,863.50	19,370,289.35	345,671,574.15	468,009,213.50	17,879,913.69	450,129,299.81

9. Contract assets

9.1. Contract assets

Item	Closing balance			Opening balance		
	Gross carrying amount	Bad debt provision	Net carrying amount	Gross carrying amount	Bad debt provision	Net carrying amount
Contract assets settled within one year	479,308,653.22	41,405,579.58	437,903,073.64	410,718,848.48	30,254,177.01	380,464,671.47
Total	479,308,653.22	41,405,579.58	437,903,073.64	410,718,848.48	30,254,177.01	380,464,671.47

9.2. Contract assets bad debt provision

Item	Opening balance	Increase	Decrease	Closing balance
Contract assets settled within one year	30,254,177.01	11,151,402.57		41,405,579.58
Total	30,254,177.01	11,151,402.57		41,405,579.58

10. Other current assets

Item	Closing balance	Opening balance
VAT tax credit	3,187,195.63	17,932,247.78
Total	3,187,195.63	17,932,247.78

11. Available-for-sale financial assets

Item	Closing balance			Opening balance		
	Gross carrying amount	Bad debt provision	Net carrying amount	Gross carrying amount	Bad debt provision	Net carrying amount
1. Available-for-sale liability investment	2,827,516,622.38		2,827,516,622.38	2,972,351,279.86		2,972,351,279.86
2. Available-for-sale equity investment	1,164,109,675.75	607,744,945.79	556,364,729.96	1,275,755,959.54	297,682,529.24	978,073,430.30
Measured by fair value	1,032,717,656.47	607,744,945.79	424,972,710.68	1,135,951,661.68	297,682,529.24	838,269,132.44
Measured by cost	131,392,019.28		131,392,019.28	139,804,297.86		139,804,297.86
Total	3,991,626,298.13	607,744,945.79	3,383,881,352.34	4,248,107,239.40	297,682,529.24	3,950,424,710.16

12. Long-term equity investments

12.1. Disclosure by categories

Item	Opening balance	Increase	Decrease	Closing balance
Investment in associates	1,047,257,718.91	185,376,073.19	784,000.00	1,231,849,792.10
Investment in joint venture	369,996,344.89		104,705,333.21	265,291,011.68
Subtotal	1,417,254,063.80	185,376,073.19	105,489,333.21	1,497,140,803.78
Less: Provision for impairment losses				
Total	1,417,254,063.80	185,376,073.19	105,489,333.21	1,497,140,803.78

12.2. Details

Investee	Accounting method	Investment cost	Opening balance	Increase/ Decrease for the year		
				Additional investment	Reduce investment	Investment gains and losses recognized in equity method
Total		1,254,399,768.63	1,417,254,063.80	135,194,485.85		-2,930,259.22
1. Joint ventures						
Beijing Cornerstone Chuangying Investment Center (Limited Partnership)	Equity method	50,000,000.00	45,244,848.21			509,041.23
Beijing Cornerstone Chuangying Investment Management Center (Limited Partnership)	Equity method	400,000.00	400,078.04			8,887.00
Beijing Metro Technology Development Co.,	Equity	15,838,111.73	52,427,743.55			5,598,810.00

Investee	Accounting method	Investment cost	Opening balance	Increase/ Decrease for the year		
				Additional investment	Reduce investment	Investment gains and losses recognized in equity method
Ltd.	method					
Beijing Jingcheng Metro Co., Ltd.	Equity method	264,200,454.00	271,923,675.09			-101,400,730.41
Subtotal		330,438,565.73	369,996,344.89			-95,283,992.18
2.Associations						
Beijing Urban Construction Design & Development Group Co., Limited	Equity method	260,679,372.92	288,638,683.78			38,146,389.52
Cornerstone International financial lease Ltd., Co.	Equity method	494,657,344.13	716,140,433.47			46,169,183.33
Hebei Yichen Industrial Group Corporation Limited	Equity method	131,479,485.85		131,479,485.85		8,882,985.33
Baoding Cornerstone Venture Capital Funding Center (Limited Partnership)	Equity method	25,000,000.00	31,955,605.68			-5,332.20
Suzhou YQK Electronic Technology Co., Ltd.	Equity method	2,000,000.00	4,775,863.11			1,593,870.58
Suzhou ShidaXunyuan Electronic Technology Co., Ltd.	Equity method	1,280,000.00	1,635,773.00			522,789.67
Guangdong Zhongcheng Transportation Technology Co., Ltd.	Equity method	5,150,000.00	4,111,359.87			-843,204.05
Tianjin Wuyang Zhitong Intelligent Technology Co., Ltd.	Equity method	1,715,000.00		1,715,000.00		-1,037,957.46
Zhongci Jiangsu Transportation Industry Co., Ltd.	Equity method	2,000,000.00		2,000,000.00		-1,074,991.76
Subtotal		923,961,202.90	1,047,257,718.91	135,194,485.85		92,353,732.96

Continued:

Investee	Increase/ Decrease for the year					Closing balance	Provision for impairment at the end of the period
	Other comprehensive income adjustment	Other changes in equity	Declaration of cash dividends or profits	Provision for impairment	Others		
Total	-51,312,336.81	-281,149.84	784,000.00			1,497,140,803.78	
1. Joint ventures							
Beijing Cornerstone Chuangying Investment Center (Limited Partnership)	3,497,171.68					49,251,061.12	
Beijing Cornerstone Chuangying Investment Management Center (Limited Partnership)	-26,825.28					382,139.76	
Beijing Metro Technology Development Co., Ltd.	-9,733,399.71					48,293,153.84	
Beijing Jingcheng Metro Co., Ltd.	-3,158,287.72					167,364,656.96	
Subtotal	-9,421,341.03					265,291,011.68	
2.Associations							
Beijing Urban Construction Design & Development Group Co., Limited	-28,249,023.59	223,867.74				298,759,917.45	
Cornerstone international financial lease Ltd., Co.	-1,761,770.13					760,547,846.67	
Hebei Yichen Industrial Group Corporation Limited	-2,354,193.96					138,008,277.22	
Baoding Cornerstone Venture Capital Funding Center (Limited Partnership)	-9,018,708.52					22,931,564.96	
Suzhou YQK Electronic Technology Co., Ltd.	-1,012,936.71	-367,284.74	400,000.00			4,589,512.24	
Suzhou ShidaXunyuan Electronic Technology Co., Ltd.	28,555.69	-137,732.84	384,000.00			1,665,385.52	
Guangdong Zhongcheng Transportation Technology Co., Ltd.	573,204.48					3,841,360.30	

Tianjin Wuyang Zhitong Intelligent Technology Co., Ltd.	-40,622.55				636,419.99
Zhongci Jiangsu Transportation Industry Co., Ltd.	-55,500.49				869,507.75
Subtotal	-41,890,995.78	-281,149.84	784,000.00		1,231,849,792.10

13. Other equity instrument investment

Item	Closing balance	Opening balance
Equity investment at fair value through other comprehensive income		2,000,000.00
Total		2,000,000.00

14. Fixed assets

Item	Opening balance	Increase	Decrease	Closing balance
I. Total original carrying amount	276,706,949.84	36,014,878.94	4,734,311.63	307,987,517.15
Inc. Buildings & construction	15,458,076.00			15,458,076.00
Transportation vehicles	2,867,540.60			2,867,540.60
Electronic & Office equipment	15,256,620.69	5,781,577.05	4,734,311.63	16,303,886.11
Others	243,124,712.55	30,233,301.89		273,358,014.44
II. Total accumulated depreciation	150,616,928.15	31,020,233.50	4,583,028.71	177,054,132.94
Inc. Buildings & construction	671,958.20	1,131,066.14		1,803,024.34
Transportation vehicles	937,321.01	573,508.12		1,510,829.13
Electronic & Office equipment	5,873,375.83	4,711,969.92	4,583,028.71	6,002,317.04
Others	143,134,273.11	24,603,689.32		167,737,962.43
III. Total net carrying amount of fixed assets	126,090,021.69	—	—	130,933,384.21
Inc. Buildings & construction	14,786,117.80	—	—	13,655,051.66
Transportation vehicles	1,930,219.59	—	—	1,356,711.47
Electronic & Office equipment	9,383,244.86	—	—	10,301,569.07
Others	99,990,439.44	—	—	105,620,052.01
IV. Total accumulated provision for impairment losses of fixed assets		17,915,109.41		17,915,109.41
Inc. Buildings & construction				

Item	Opening balance	Increase	Decrease	Closing balance
Transportation vehicles				
Electronic & Office equipment				
Others		17,915,109.41		17,915,109.41
V. Total carrying amount of fixed	126,090,021.69	–	–	113,018,274.80
Inc. Buildings & construction	14,786,117.80	–	–	13,655,051.66
Transportation vehicles	1,930,219.59	–	–	1,356,711.47
Electronic & Office equipment	9,383,244.86	–	–	10,301,569.07
Others	99,990,439.44	–	–	87,704,942.60

15. Construction in progress

Item	Closing balance			Opening balance		
	Gross carrying amount	Provision for decline in value of inventories	Net carrying amount	Gross carrying amount	Provision for decline in value of inventories	Net carrying amount
Total	7,847,924.48		7,847,924.48	12,047,061.47		12,047,061.47
Line 7 Eest Extension Project				6,633,040.28		6,633,040.28
Civil Communication Project of the New Metro Airport Line				4,112,743.85		4,112,743.85
Merchants procurement platform	1,774,413.08		1,774,413.08	1,236,183.00		1,236,183.00
China Railway Optical Fiber Transmission Project	3,020,389.78		3,020,389.78	65,094.34		65,094.34
Line Fangshan Noth Extension project	3,053,121.62		3,053,121.62			

16. Right-of-use asset

Item	Opening balance	Increase	Decrease	Closing balance
I. Total original carrying amount	21,604,234.53	9,840,064.82	5,265,969.38	26,178,329.97
Inc. Buildings & construction	21,604,234.53	9,840,064.82	5,265,969.38	26,178,329.97
II. Total accumulated depreciation	4,830,774.89	6,581,942.07	4,491,153.05	6,921,563.91
Inc. Buildings & construction	4,830,774.89	6,581,942.07	4,491,153.05	6,921,563.91
III. Total accumulated provision for				

Item	Opening balance	Increase	Decrease	Closing balance
impairment losses of Right-of-use asset				
Inc. Buildings & construction				
IV. Total carrying amount of fixed	16,773,459.64	–	–	19,256,766.06
Inc. Buildings & construction	16,773,459.64	–	–	19,256,766.06

17. Intangible assets

Item	Opening balance	Increase	Decrease	Closing balance
I. Total original carrying amount	260,051,497.54	6,734,231.45		266,785,728.99
Including: Software	30,752,490.44	6,734,231.45		37,486,721.89
patent	135,000,000.00			135,000,000.00
Franchise	94,299,007.10			94,299,007.10
II. Total accumulated amortization	55,118,547.89	12,199,745.88		67,318,293.77
Including: Software	12,607,769.33	1,015,088.33		13,622,857.66
patent	4,161,355.61	5,178,846.73		9,340,202.34
Franchise	38,349,422.95	6,005,810.82		44,355,233.77
III. Total provision for impairment				
Including: Software				
patent				
Franchise				
IV. Total net book value of intangible assets	204,932,949.65	–	–	199,467,435.22
Including: Software	18,144,721.11	–	–	23,863,864.23
patent	130,838,644.39	–	–	125,659,797.66
Franchise	55,949,584.15	–	–	49,943,773.33

18. Goodwill

Name of the investee and item resulting in goodwill	Opening balance	Provision for impairment at Opening balance	Increase	Decrease	Closing balance	Provision for impairment at Closing balance
BII railway transportation technology holdings Co. LTD	152,381,767.71	152,381,767.71			152,381,767.71	152,381,767.71

Name of the investee and item resulting in goodwill	Opening balance	Provision for impairment at Opening balance	Increase	Decrease	Closing balance	Provision for impairment at Closing balance
Beijing Investment Zhongfu Technology Co., Ltd.	503,612,108.09			869,770.52	502,742,337.57	
Total	655,993,875.80	152,381,767.71		869,770.52	655,124,105.28	152,381,767.71

19. Long-term prepaid expenses

Item	Opening balance	Increase in the current year	Amortization in the current year	Other reductions	Closing balance
Fitment cost	1,261,339.30	3,009,143.56	1,177,065.74		3,093,417.12
Total	1,261,339.30	3,009,143.56	1,177,065.74		3,093,417.12

20. Deferred tax assets/deferred tax liabilities

Item	Closing balance		Opening balance	
	Deferred tax assets/liabilities	Deductible /taxable temporary difference	Deferred tax assets/liabilities	Deductible /taxable temporary difference
1. Deferred tax assets	35,612,808.49	197,738,610.91	31,402,596.87	179,792,031.44
Provision for impairment losses of assets	18,967,058.33	90,782,392.96	11,194,289.95	56,035,462.40
Deductible losses			1,424,855.54	9,499,036.93
Depreciation difference between accounting standards and tax laws of fixed assets	2,809,692.00	18,731,280.00	2,869,765.04	11,479,060.16
Amortization difference between accounting standards and tax laws of intangible assets	388,541.14	2,590,274.27	1,242,288.21	4,969,152.84
Internal unrecognized profits offset in consolidation			3,637,490.61	24,249,937.40
Temporary differences in revenue recognition by accounting and tax laws	189,735.75	758,943.00	144,735.75	964,905.00
Other expense provided	11,941,723.35	79,611,489.00	9,425,632.23	62,837,548.20
Estimated liabilities	1,316,057.92	5,264,231.68	1,463,539.54	9,756,928.51
2. Deferred tax liabilities	44,602,717.16	297,351,447.73	47,026,483.02	222,763,161.69
Evaluation increase, amortization and disposal of intangible assets	44,602,717.16	297,351,447.73	47,026,483.02	222,763,161.69

21. Short-term borrowings

Item	Closing balance	Opening balance
credit garanteed	32,100,000.00	30,636,760.00
Credit loan	28,000,000.00	23,000,000.00
Total	60,100,000.00	53,636,760.00

22. Notes payables

Item	Closing balance	Opening balance
Bank acceptances	110,936,050.36	119,651,498.24
Total	110,936,050.36	119,651,498.24

23. Accounts payables

Aging	Closing balance	Opening balance
Within 1 year (inclusive)	506,658,653.67	489,578,736.50
Total	506,658,653.67	489,578,736.50

24. Contract liabilities

Item	Closing balance	Opening balance
Within one year of the settlement period	50,261,954.06	28,278,366.18
Total	50,261,954.06	28,278,366.18

25 Employee benefits payable

25.1. Accrued payroll

Item	Opening balance	Increase	Decrease	Closing balance
Short-term pay	45,515,437.54	263,257,872.85	239,086,601.40	69,686,708.99
Post-employment welfare- defined contribution plan liability	1,961,353.25	1,386,373.31	3,067,365.32	280,361.24
Demission welfare		2,735,788.23	2,566,983.23	168,805.00
Others	528,666.82			528,666.82
Total	48,005,457.61	267,380,034.39	244,720,949.95	70,664,542.05

25.2. Short-term pay

Item	Opening balance	Increase	Decrease	Closing balance
Wages or salaries, bonuses, allowances and subsidies	42,277,801.70	236,522,687.59	211,579,048.24	67,221,441.05
Welfare expense		3,987,396.84	3,987,396.84	
Social insurance:	2,695,102.77	6,900,582.94	8,259,128.42	1,336,557.29
Medical insurance premium	2,448,889.65	6,700,524.22	8,056,198.21	1,093,215.66
Employment injury insurance	27,138.14	31,186.84	34,045.14	24,279.84
Maternity insurance	219,074.98	168,871.88	168,885.07	219,061.79
Housing fund		12,581,944.99	11,911,471.63	670,473.36
Labor union expenditure and education fund	542,533.07	3,265,260.49	3,349,556.27	458,237.29
Short-term paid absences				
Short-term profit sharing plan				
Other short-term compensation				
Total	45,515,437.54	263,257,872.85	239,086,601.40	69,686,708.99

25.3. Compensation for demission-defined contribution plan

Item	Opening balance	Increase	Decrease	Closing balance
Basic Pension insurance premium	1,764,983.65	1,216,125.47	2,967,782.38	13,326.74
Unemployment insurance premium	196,369.60	170,247.84	99,582.94	267,034.50
Total	1,961,353.25	1,386,373.31	3,067,365.32	280,361.24

26. Tax payable

Item	Closing balance	Opening balance
Value added tax	20,152,974.07	11,327,725.16
Business tax		559,597.73
Enterprise income tax	20,811,029.62	21,951,421.26
City construction and maintenance tax	1,416,283.22	692,012.51
Individual income tax	996,281.70	658,156.57
Education surplus	1,034,501.81	510,424.22
Other	12,080.29	11,662.95
Total	44,423,150.71	35,711,000.40

27. Other payable

Item	Closing balance	Opening balance
Interest payable		107,632,466.09
Dividends payable	490,639.62	
Other payables	33,156,897.72	25,961,573.84
Total	33,647,537.34	133,594,039.93

27.1. Interest payable

Item	Closing balance	Opening balance
Interest of corporate borrowings		107,266,331.44
Interest of Short-term borrowings		366,134.65
Total		107,632,466.09

27.2. Dividends payable

Item	Closing balance	Opening balance
Common stock dividends	490,639.62	
Total	490,639.62	

27.3. Other payables

Aging	Closing balance	Opening balance
Within 1 year (inclusive)	33,156,897.72	25,943,346.46
2-3 years (inclusive)		18,227.38
Total	33,156,897.72	25,961,573.84

28. Non-current liabilities due within one year

Item	Closing balance	Opening balance
Bonds payable due within one year		7,241,294,573.95
lease liability due within one year	3,027,522,517.61	5,046,742.43
Long-term payables due within one year	74,759,625.42	
Other	58,122,007.41	80,170,103.34
Total	3,160,404,150.44	7,326,511,419.72

29. Other current liabilities

Item	Closing balance	Opening balance
Short-term Lease liabilities	7,207,615.40	
Total	7,207,615.40	

30. Bonds payable

Item	Closing balance	Opening balance
400 million USD bond (issued in 2018)		2,780,696,505.13
200 million USD bond(issued in 2019)	1,301,627,416.87	1,389,330,762.85
1 billion RMB bond(issued in 2019)	995,791,697.60	993,149,441.37
100 million USD bond(issued in 2019)	651,807,109.83	696,423,081.29
500 million HKD private bond (issued in 2018)		447,039,876.99
650 million USD bond (issued in 2020)	4,193,117,022.16	
Total	7,142,343,246.46	6,306,639,667.63

31. Lease liabilities

Item	Closing balance	Opening balance
Operating lease payable	12,506,170.37	10,335,026.42
Total	12,506,170.37	10,335,026.42

32. Long-term payables

Item	Opening balance	Increase	Decrease	Closing balance
Long-term payables	178,728,529.34		163,302,703.13	15,425,826.21
Total	178,728,529.34		163,302,703.13	15,425,826.21

Five entities with largest final balances of the debtor

Item	Closing balance	Opening balance
Total	15,425,826.21	
Beijing NetPosa Technologies Co.,Ltd.	15,425,826.21	

33. Estimated liabilities

Item	Closing balance	Opening balance
product quality assurance	1,566,104.04	2,027,619.88
Total	1,566,104.04	2,027,619.88

34. Deferred Income

Item	Opening balance	Increase	Decrease	Closing balance
Science and Technology Commission Special Fund	2,250,000.00	471,688.79		2,721,688.79
Beijing Municipal Transportation Commission-New Airport Expressway Research Project	949,065.92			949,065.92
Development of Airborne Intelligent Integrated Information Service and Management System of C919	869,000.00			869,000.00
The subject of Rail Transit Passenger Flow	95,905.00			95,905.00
Total	4,163,970.92	471,688.79		4,635,659.71

35. Paid-in capital

Investor	Opening balance		Increase	Decrease	Closing balance	
	Investment	Proportion (%)			Investment	Proportion (%)
Total	106.37	100.00			106.37	100.00
Beijing Infrastructure Investment Co., Ltd.	106.37	100.00			106.37	100.00

36. Capital reserve

Item	Opening balance	Increase	Decrease	Closing balance
Capital premium	562,245,134.12			562,245,134.12
Other capital reserves	-86,130,739.12	508,928.44	278,769.70	-85,900,580.38
Total	476,114,395.00	508,928.44	278,769.70	476,344,553.74

37. Surplus reserve

Item	Opening balance	Increase	Decrease	Closing balance
Statutory surplus reserves	8,834,383.85			8,834,383.85
Total	8,834,383.85			8,834,383.85

38. Unappropriated profits

Item	Amount for the current period	Amount for the prior period
Retained earnings at beginning of year	-268,357,055.13	24,708,271.15
Increase	-139,892,350.86	-293,065,326.28
Including: Net profit attributable to owners of the Company for the period	-139,892,350.86	-293,065,326.28
Retained earnings at the end of the period	-408,249,405.99	-268,357,055.13

39. Operating income and operating costs

Item	Amount for the current period		Amount for the prior period	
	Operating income	Operating costs	Operating income	Operating costs
1. Principal operating income	1,377,463,253.42	823,005,911.39	1,053,724,120.73	671,665,632.43
Inc: Smart Rail Transit Service	1,192,723,358.51	749,102,044.85	890,595,880.73	571,508,432.43
Infrastructure Information Service	184,739,894.91	73,903,866.54	163,128,240.00	100,157,200.00
2. Other operating income		164,386.39		
Inc: Other		164,386.39		
Total	1,377,463,253.42	823,170,297.78	1,053,724,120.73	671,665,632.43

40. Financial expenses

Item	Amount for the current period	Amount for the prior period
Interest expense	503,719,946.54	483,392,533.55
Less: Interest income	303,269,802.07	139,342,507.17
Exchange loss	-199,221,042.32	6,809,515.73
Financial institution fees	2,955,146.28	1,129,134.05
Total	4,184,248.43	351,988,676.16

41. Other income

Item	Amount for the current period	Amount for the prior period
VAT levied and refunded	22,446,199.79	19,306,776.63
R & D, technical transformation fund	754,716.98	4,000,000.00
VAT refund for welfare enterprises	488,676.71	375,939.26
Personal income tax refunded	68,225.45	
Total	23,757,818.93	23,682,715.89

42. Investment income

Item	Amount for the current period	Amount for the prior period
Income from long-term equity investments under equity method	-2,930,259.22	77,427,628.03
Investment income from holding available-for-sale financial assets	170,757,884.88	173,828,002.20
Investment income from disposal of available-for-sale financial assets	28,833,515.32	4,784,176.63
Other	1,835,987.44	2,280,811.46
Total	198,497,128.42	258,320,618.32

43. Gains from changes in fair values

Item	Amount for the current period	Amount for the prior period
Gains arising on changes in fair value of financial assets designated as at FVTPL	-22,966,243.83	78,698,475.95
Inc. Gains/(losses) arising on changes in fair value of derivative financial instruments	-118,150,116.26	84,247,257.15
Other	95,183,872.43	-5,548,781.20
Total	-22,966,243.83	78,698,475.95

44. Credit impairment loss

Item	Amount for the current period	Amount for the prior period
Bad debt losses	-16,083,789.30	-19,880,395.64
Total	-16,083,789.30	-19,880,395.64

45. Asset impairment loss

Item	Amount for the current period	Amount for the prior period
1. Written-down of inventories	-4,867,743.74	-8,979,448.75
2.Impairment loss of Available-for-sale financial assets	-358,182,917.21	-292,446,217.19
3..Impairment loss of Fixed assets	-17,915,109.41	
Total	-380,965,770.36	-301,425,665.94

46. Assets disposal income

Item	Amount for the current period	Amount for the prior period	Amount included in current non-recurring gains and losses
fixed assets		-61,597.52	
Total		-61,597.52	

47. Non-operating income

Item	Amount for the current period	Amount for the prior period	Amount included in current non-recurring gains and losses
Government grants	1,560,977.07	4,271,647.52	1,560,977.07
Others	166,232.36	99,998.33	166,232.36
Total	1,727,209.43	4,371,645.85	1,727,209.43

48. Non-operating expenses

Item	Amount for the current period	Amount for the prior period	Amount included in current non-recurring gains and losses
Non-current assets damage		9,276,930.23	
Others	1,173,685.86	106,851.49	1,173,685.86
Total	1,173,685.86	9,383,781.72	1,173,685.86

49. Income tax expenses

Item	Amount for the current period	Amount for the prior period
Current tax expense	76,820,022.80	21,407,068.76
Deferred tax expense	-6,633,977.48	-13,560,945.94
Total	70,186,045.32	7,846,122.82

50. Net other comprehensive income attributable to the owners of the parent company

50.1. Category of other comprehensive income

Item	Amount for the current period		
	Amount before tax	Income tax	Net of tax
I. Other comprehensive income not to be reclassified into profit and loss in the future			
1. Movements from remeasurement on defined benefit plan net assets or liabilities			
2. Shares in other comprehensive Income of investee not to be reclassified into profit and loss under equity method			
II. Other comprehensive income to be reclassified into profit and loss	222,942,225.49		222,942,225.49
1. Shares in other comprehensive income of investee to be reclassified into profit and loss under equity method			
Less: Net amount included in other comprehensive income in the prior periods that is transferred to profit or loss for the period			
Subtotal			
2. Gains (losses) arising from available-for-sale financial assets	408,438,717.63		408,438,717.63
Less: Net amount included in other comprehensive income in the prior periods that is transferred to profit or loss for the period	274,440,483.44		274,440,483.44
Subtotal	133,998,234.19		133,998,234.19
3. Profit and loss from held-to-maturity investment reclassified into available-for-sale asset			
Less: Net amount included in other comprehensive income in the prior periods that is transferred to profit or loss for the period			
Subtotal			
4. The effective component of profit and loss in cash flow hedging instruments			
Adjustments to the initial recognized amounts of hedged items			
Less: Net amount included in other comprehensive income in the prior periods that is transferred to profit or loss for the period			
Subtotal			
5. Translation differences of financial statements denominated in foreign currencies	88,943,991.30		88,943,991.30
Less: Net amount included in other comprehensive income in the prior periods that is transferred to profit or loss for the period			

Item	Amount for the current period		
	Amount before tax	Income tax	Net of tax
Subtotal	88,943,991.30		88,943,991.30
III、Total comprehensive income	222,942,225.49		222,942,225.49

Continued:

Item	Amount for the prior period		
	Amount before tax	Income tax	Net of tax
I. Other comprehensive income not to be reclassified into profit and loss in the future			
1. Movements from remeasurement on defined benefit plan net assets or liabilities			
2. Shares in other comprehensive income of investee not to be reclassified into profit and loss under equity method			
II. Other comprehensive income to be reclassified into profit and loss	365,671,076.06		365,671,076.06
1. Shares in other comprehensive income of investee to be reclassified into profit and loss under equity method			
Less: Net amount included in other comprehensive income in the prior periods that is transferred to profit or loss for the period			
Subtotal			
2. Gains (losses) arising from available-for-sale financial assets	149,575,119.18		149,575,119.18
Less: Net amount included in other comprehensive income in the prior periods that is transferred to profit or loss for the period	-292,446,217.18		-292,446,217.18
Subtotal	442,021,336.36		442,021,336.36
3. Profit and loss from held-to-maturity investment reclassified into available-for-sale asset			
Less: Net amount included in other comprehensive income in the prior periods that is transferred to profit or loss for the period			
Subtotal			
4. The effective component of profit and loss in cash flow hedging instruments			
Adjustments to the initial recognized amounts of hedged items			
Less: Net amount included in other comprehensive income in the prior periods that is transferred to profit or loss for the period			
Subtotal			

Item	Amount for the prior period		
	Amount before tax	Income tax	Net of tax
5. Translation differences of financial statements denominated in foreign currencies	-76,350,260.30		-76,350,260.30
Less: Net amount included in other comprehensive income in the prior periods that is transferred to profit or loss for the period			
Subtotal	-76,350,260.30		-76,350,260.30
III. Total comprehensive income	365,671,076.06		365,671,076.06

50.2. Adjustment to other comprehensive income

Item	Shares in other comprehensive income of investee to be reclassified into profit and loss under equity method	Fair value changes in available for sale financial assets	Translation differences of financial statements denominated in foreign currencies	Subtotal
1. Amount at the beginning of last year		-525,931,825.85	22,084,964.18	-503,846,861.67
2.Increase in last year (decrease is indicated by "—")		442,021,336.36	-76,350,260.30	365,671,076.06
3. Amount at the beginning of this year		-83,910,489.49	-54,265,296.12	-138,175,785.61
4.Increase n this year(decrease is indicated by "—")		133,998,234.19	88,943,991.30	222,942,225.49
5.Amount at the end of this year		50,087,744.70	34,678,695.18	84,766,439.88

51. Foreign currency translation

The exchange loss included in the current profit and loss was RMB-199,221,042.32.

52. Consolidated cash flow statement

52.1. Information of net profit to net cash flows generated from operating activities

Supplementary information	Amount for the current period	Amount for the prior period
1. Reconciliation of net profit to cash flow from operating activities:		
Net profit	-59,148,589.04	-242,560,898.75
Add: Provision for impairment losses of assets	380,965,770.36	301,425,665.94

Supplementary information	Amount for the current period	Amount for the prior period
Provision for impairment of credit assets	16,083,789.304	19,880,395.64
Depreciation of fixed assets, Petrol assets and productive biological assets	31,020,233.50	27,133,258.69
Depreciation of right-of-use assets		
Amortization of intangible assets	12,199,745.88	21,734,361.56
Amortization of long-term deferred expenses	1,177,065.74	365,231.33
Losses/(Gains) on disposal of fixed assets, intangible assets and other long-term assets		61,597.52
Losses/(Gains) on scrapping of fixed assets		9,276,930.23
Losses on changes in fair values (gains are indicated by "—")	22,966,243.83	-78,698,475.95
Financial expenses (income is indicated by "—")	22,460,284.07	377,848,794.99
Losses arising from investments (gains are indicated by "—")	-198,497,128.42	-258,320,618.32
Decrease in deferred tax assets (increase is indicated by "—")	-4,210,211.62	-10,260,247.95
Increase in deferred tax liabilities (decrease is indicated by "—")	-2,423,765.86	-3,300,697.99
Decrease in inventories (increase is indicated by "—")	106,344,718.08	-71,912,697.21
Decrease in receivables from operating activities (increase is indicated by "—")	-201,357,592.01	-421,699,985.37
Increase in payables from operating activities (decrease is indicated by "—")	77,295,948.58	353,047,856.84
Others		
Net cash flow from operating activities	204,876,512.39	24,020,471.20
2. Investing and financing activities that do not involve cash receipts and payments:		
Conversion of debt into capital		
Convertible bonds to be expired within one year		
Fixed assets under finance lease		
3.Net increase in cash and cash equivalents:		
Cash at the end of the period	1,100,115,886.64	3,620,834,948.11
Less: Cash at the beginning of the period	3,620,834,948.11	5,151,106,819.84
Plus: Cash equivalents at the end of the period		
Less: Cash equivalents at the beginning of the period		
Net increase/(Decrease) in cash and cash equivalents	-2,520,719,061.47	-1,530,271,871.73

52.2 Composition of Cash and Cash Equivalents

Item	Closing balance	Opening balance
I. Cash	1,100,115,886.64	3,620,834,948.11
Including: Cash on hand	2,302,061.18	42,017.86
Bank deposits	1,006,689,143.42	3,607,444,449.67
Other monetary funds	91,124,682.04	13,348,480.58
Deposit in the central bank		
Deposit in the industry		
Disbursement of interbank payments		
II. Cash equivalents		
Including: Investments in debt securities due within three months		
III. Closing balance of cash and cash equivalents	1,100,115,886.64	3,620,834,948.11
Including: Cash and cash equivalents with restricted use of parent company or subsidiaries within the group		

53. Assets whose ownership and right to use are restricted

Item	Closing balance	reason of restricted
Cash and bank balances	30,756,260.89	Bank acceptance bill deposit
Total	30,756,260.89	

IX. Contingency

None.

X. Events after the balance sheet date

None.

XI. Related party relationships and transactions

1. Parent of the Company

Name of the parent	Place of incorporation	Nature of business	Registered capital (10 thousand yuan)	Proportion of the Company's ownership interest held by the parent (%)	Proportion of the Company's voting power held by the parent (%)
Beijing Infrastructure Investment Co., Ltd.	Beijing	Infrastructure investment	16,420,658.49	100.00	100.00

The company is ultimately controlled by Beijing State-owned Assets Supervision and Administration Commission.

2. Subsidiaries of the Company: Please refer to Note VII.1 Basic information of subsidiaries included in the consolidated statements

3. Related party

3.1. Transaction of related party

Transaction type	Company name	Nature of related party relations	Transaction amount	Proportion of the amount of related party transaction to that of similar transactions (%)	Unsettled amount	Amount of bad debt provision for unsettled project	Pricing policy
The related transaction of purchasing goods and receiving labor services.							
..terest income	Cornerstone international financial lease Co., Ltd	Same final control	261,519,816.07	86.23			market pricing
Goods selling	Beijing Metro Vehicle Equipment Co., Ltd.	Same final control	410,428.00	0.03			market pricing
_oods selling	Beijing rail transit technology and equipment group Co., Ltd.	Same final control	10,638,398.06	0.77			market pricing
Goods selling	Beijing Metro Network Administration Co., Ltd.	Same final control	75,963,635.13	5.51			market pricing
_oods selling	Beijing subway line Xijiao Investment Co., Ltd.	Same final control	284,850.01	0.02			market pricing
Goods selling	Beijing Rail Transit Construction Management Co., Ltd.	Same final control	3,785,263.88	0.27			market pricing

Transaction type	Company name	Nature of related party relations	Transaction amount	Proportion of the amount of related party transaction to that of similar transactions (%)	Unsettled amount	Amount of bad debt provision for unsettled project	Pricing policy
_ oods selling	Beijing Infrastructure Investment Co., Ltd.	Parent Company	9,296,493.00	0.67			market pricing
Goods selling	Beijing Rail Transit Operation Management Co., Ltd.	Same final control	45,007.22	0.01			market pricing
_oods selling	Beijing Subway Operation Co., Ltd.	Same final control	18,326,412.89	1.33			market pricing
oods selling	Beijing Urban Construction Design&Development Group Co., Limited	Affiliated business	44,255,316.33	3.21			market pricing
Goods selling	Hebei Railway Vehicle Transportation Equipment Co., Ltd.	Same final control	38,340,305.97	2.78			market pricing

2. The related transaction of selling goods and providing labor services.

Rental costs	Beijing Metro Network Administration Co., Ltd.	Same final control	4,140,435.02	54.55			market pricing
Guarantee fee	Beijing Infrastructure Investment Co., Ltd.	Parent Company	135,209,151.52	26.84			market pricing

3.2. Receivables and payables of related parties

Name of related parties	Item	Closing balance
Beijing Metro Vehicle Equipment Co., Ltd.	Contract assets	3,049,536.74
Beijing Metro Vehicle Equipment Co., Ltd.	Accounts payables	2,425,000.00
Beijing rail transit technology and equipment group Co., Ltd.	Contract liabilities	2,173,560.84
Beijing rail transit technology and equipment group Co., Ltd.	Contract asset	2,002,623.15
Beijing rail transit technology and equipment group Co., Ltd.	Other receivable	49,308.94
Beijing Metro Network Administration Co., Ltd.	Contract liabilities	3,437,430.76
Beijing Metro Network Administration Co., Ltd.	Contract asset	31,472,385.75
Beijing Metro Network Administration Co., Ltd.	Other payables	189,560.00
Beijing Metro Network Administration Co., Ltd.	Account receivable	2,868,416.83
Beijing Metro Mentougou Line Investment Co. Ltd	Contract assets	257,550.00

Name of related parties	Item	Closing balance
Beijing Rail Transit Construction Management Co., Ltd.	Contract liabilities	10,639,781.86
Beijing Rail Transit Construction Management Co., Ltd.	Contract asset	21,751,000.58
Beijing Rail Transit Construction Management Co., Ltd.	Account receivable	1,219,496.07
Beijing Infrastructure Investment Co., Ltd.	Contract assets	60,160.00
Beijing Infrastructure Investment Co., Ltd.	Contract liabilities	226,657.68
Hebei Railway Vehicle Transportation Equipment Co., Ltd.	Contract assets	24,574,693.97
Beijing Municipal Administration & Communication Card Co., Ltd.	Other receivable	144,500.00
Beijing Municipal Administration & Communication Card Co., Ltd.	Account payable	151,778.76
Beijing Beiguang Media Subway Tv Co., Ltd	Contract assets	98,245.00
Beijing Urban Construction Design&Development Group Co., Limited	Contract assets	30,725,712.94
Beijing Urban Construction Intelligent CONTROL Co., Ltd.	Account payable	4,043,887.16
Cornerstone international financial lease Co., Ltd	Other receivable	2,892,221,045.77
Cornerstone international financial lease Co., Ltd	Interest receivable	27,601,458.66
Beijing Subway Operation Co., Ltd.	Account payable	2,711,739.65
Beijing Subway Operation Co., Ltd.	Contract assets	25,585,276.88
Beijing Infrastructure Investment Co., Ltd.	Interest receivable	993,835,552.33

XII. Information that helps financial statement users evaluate the goals, policies, and procedures of corporate management capital

1. The main objective of the company's capital management is to ensure the company's ability to continue to operate and maintain a healthy capital ratio to support business development and maximize shareholder value.

The company is not subject to external mandatory capital requirements. The company manages its capital structure and adjusts it according to changes in the economic situation and the risk characteristics of related assets.

In order to maintain or adjust the capital structure, the company can adjust the profit distribution to shareholders, return capital to shareholders or issue new shares.

2. The company uses debt capital ratio to manage capital. The debt capital ratio refers to the ratio of interest-bearing liabilities to equity and interest-bearing liabilities. The debt capital ratio of the Company on the balance sheet date is as follows:

Item	Closing balance	Opening balance
Short-term borrowings	60,100,000.00	53,636,760.00
Bonds payable due within One Year	3,160,404,150.44	7,326,511,419.72
Long-term borrowings		
Short-term financing bonds		
Bonds payable	7,142,343,246.46	6,306,639,667.63
Long-term payables	15,425,826.21	178,728,529.34
Other equityt instrument (preference share)		
Total interest-bearing liabilities	10,378,273,223.11	13,865,516,376.69
Total Owners' Equity Attributable To the Company	1,168,289,151.44	1,029,952,137.29
Total Owners' Equity & interest-bearing liabilities	11,546,562,374.55	14,895,468,513.98
Debt capital ratio	**89.88%**	**93.09%**

3. From January 1, 2020 to December 31, 2020, the company's capital management objectives, policies or procedures have not changed.

XIII. Notes to the parent company

1. Other receivables

Item	Closing balance	Opening balance
Interest receivable	1,065,185,286.58	1,262,537,327.91
Other receivables	3,344,718,943.45	3,471,024,140.34
Total	4,409,904,230.03	4,733,561,468.25

1.1. Interest receivable

Item	Closing balance	Opening balance
Debenture interest	42,916,973.10	43,789,933.31
Inter - enterprise loan interest	1,022,268,313.48	1,218,747,394.60
Total	1,065,185,286.58	1,262,537,327.91

1.2. Other receivables

Item	Closing balance				Opening balance			
	Carrying amount		Bad debt provision		Carrying amount		Bad debt provision	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)
Other receivable that are individually significant and for which bad debt provision that has been assessed individually	3,313,075,026.99	99.05			3,470,987,973.22	100.00		
Other receivable that are not individually significant but for which bad debt provision has been assessed individually	31,643,916.46	0.95			36,167.12			
Total	3,344,718,943.45	–		–	3,471,024,140.34	–		–

2. Long-term equity investments

Item	Opening balance	Increase	Decrease	Closing balance
Investment in subsidiary	1,255,078,864.28		75,855,645.03	1,179,223,219.25
Investment in associates	1,005,910,563.10	192,536,924.38		1,198,447,487.48
Subtotal	2,260,989,427.38	192,536,924.38	75,855,645.03	2,377,670,706.73
Less: Provision for impairment losses				
Total	2,260,989,427.38	192,536,924.38	75,855,645.03	2,377,670,706.73

3. Investment income

Item	Amount for the current period	Amount for the prior period
Income from long-term equity investments under cost method	20,580,678.21	10,178,389.14
Income from long-term equity investments under equity method	93,198,558.18	78,029,241.68
Investment income from holding available-for-sale financial assets	170,757,884.88	173,828,002.20
Investment income from disposal of available-for-sale financial assets	28,833,515.32	4,784,176.63
Total	313,370,636.59	266,819,809.65

4. Reconciliation of net profit to cash flow from operating activities

4.1. Information of net profit to net cash flows generated from operating activities

Supplementary information	Amount for the current period	Amount for the prior period
1. Reconciliation of net profit to cash flow from operating activities:		
Net profit	-201,903,515.94	-307,442,375.78
Add: Provision for impairment losses of assets	358,182,917.21	292,446,217.19
Provision for impairment of credit assets		
Depreciation of fixed assets, Petrol assets and productive biological assets		
Depreciation of right-of-use assets		
Amortization of intangible assets		
Amortization of long-term deferred expenses		
Losses/(Gains) on disposal of fixed assets, intangible assets and other long-term assets	118,150,116.26	-84,247,257.15
Losses/(Gains) on scrapping of fixed assets	-4,842,071.27	376,358,010.37
Losses on changes in fair values (gains are indicated by "—")	-313,370,636.59	-266,819,809.65
Financial expenses (income is indicated by "—")		
Losses arising from investments (gains are indicated by "—")		
Decrease in deferred tax assets (increase is indicated by "—")		
Increase in deferred tax liabilities (decrease is indicated by "—")		
Decrease in inventories (increase is indicated by "—")		
Decrease in receivables from operating activities (increase is indicated by "—")		
Increase in payables from operating activities (decrease is indicated by "—")	-43,783,190.33	10,294,784.98
Others		
Net cash flow from operating activities		
2. Investing and financing activities that do not involve cash receipts and payments:		
Conversion of debt into capital		
Convertible bonds to be expired within one year		
Fixed assets under finance lease		
3.Net increase in cash and cash equivalents:		
Cash at the end of the period	302,881,254.62	2,884,873,414.17

Supplementary information	Amount for the current period	Amount for the prior period
Less: Cash at the beginning of the period	2,884,873,414.17	4,224,301,472.76
Plus: Cash equivalents at the end of the period		
Less: Cash equivalents at the beginning of the period		
Net increase/(Decrease) in cash and cash equivalents	-1,339,428,058.59	-1,339,428,058.59

4.2. Composition of Cash and Cash Equivalents

Item	Closing balance	Opening balance
I. Cash	2,884,873,414.17	2,884,873,414.17
Including: Cash on hand	2,604.88	2,772.50
Bank deposits	302,260,186.51	2,871,522,161.09
Other cash	618,463.23	13,348,480.58
II. Cash equivalents		
Including: Investments in debt securities due within three months		
III. Closing balance of cash and cash equivalents	302,881,254.62	2,884,873,414.17

XIV. Other disclosure in accordance with accounting standards

None.

XV. APPROVAL OF THE FINANCIAL STATEMENTS

The Company's financial statements have been approved by the Board of Directors.

Beijing Infrastructure Investment (Hong Kong) Ltd

26 March, 2021

统一社会信用代码

91110108592342556 8

营业执照

（副 本）（15-1）

扫描二维码登录"国家企业信用信息公示系统"了解更多登记、备案、许可、监管信息

名　　称　天职国际会计师事务所（特殊普通合伙）

类　　型　特殊普通合伙企业

执行事务合伙人　邱靖之

经营范围　审查企业会计报表、出具审计报告；验证企业资本，出具验资报告；办理企业合并、分立、清算事宜中的审计业务，出具有关报告；基本建设年度财务决算审计；代理记账；会计咨询、税务咨询、管理咨询、会计培训；法律、法规规定的其他业务；技术开发、技术咨询、技术服务；应用软件服务；软件开发；计算机系统服务；软件咨询；产品设计；基础软件服务；数据处理（数据处理中的银行卡中心、PUE值在1.4以上的云计算数据中心除外）；企业管理咨询；销售计算机、软件及辅助设备。（下期出资时间为2020年6月30日。市场主体依法自主选择经营项目，开展经营活动；依法须经批准的项目，经相关部门批准后依批准的内容开展经营活动；不得从事国家和本市产业政策禁止和限制类项目的经营活动。）

成立日期　2012年03月05日

合伙期限　2012年03月05日 至 长期

主要经营场所　北京市海淀区车公庄西路19号68号楼A-1和A-5区域

登记机关　北京市海淀区市场监督管理局

2020 年 06 月 05 日

国家企业信用信息公示系统网址：http://www.gsxt.gov.cn

市场主体应当于每年1月1日至6月30日通过国家企业信用信息公示系统报送公示年度报告。

国家市场监督管理总局监制

会计师事务所

执业证书

名　　称：天职国际会计师事务所（特殊普通合伙）

首席合伙人：邱靖之

主任会计师：

经营场所：北京市海淀区车公庄西路19号68号楼A-1和A-5区域

组织形式：特殊普通合伙

执业证书编号：11010150

批准执业文号：京财会许可[2011]0105号

批准执业日期：2011年11月14日

证书序号：0000175

说　明

1、《会计师事务所执业证书》是证明持有人经财政部门依法审批，准予执行注册会计师法定业务的凭证。

2、《会计师事务所执业证书》记载事项发生变动的，应当向财政部门申请换发。

3、《会计师事务所执业证书》不得伪造、涂改、出租、出借、转让。

4、会计师事务所终止或执业许可注销的，应当向财政部门交回《会计师事务所执业证书》。

发证机关：北京市财政局

二〇一八　七　二十六

年　月　日

中华人民共和国财政部制

110101504705

证书编号：
No. of Certificate　北京注册会计师协会

批准注册协会：
Authorized Institute of CPAs　2014　06　10

发证日期：
Date of Issuance　年 月 日

年度检验登记
Annual Renewal Registration

本证书经检验合格，继续有效一年。
This certificate is valid for another year after this renewal.

CPA任职资格检查合格 BICPA 2015

2015年 4 月 13 日

姓名
Full name　张兹林

性别
Sex　女

出生日期
Date of birth　1983-10-08

工作单位
Working unit　天职国际会计师事务所（特殊普通合伙）

身份证号码
Identity card No.　430603198310082020

THE CHINESE INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
中国注册会计师协会

年度检验登记
Annual Renewal Registration

本证书经检验合格，继续有效一年。
This certificate is valid for another year after this renewal.

CPA任职资格检查合格 BICPA 2016

2016年 3 月 25 日

年度检验登记
Annual Renewal Registration

本证书经检验合格，继续有效一年。
This certificate is valid for another year after this renewal.

CPA任职资格检查合格 BICPA 2017

2017年 3 月 13 日

年度检验
Annual Renewal R

本证书经检验
This certificate
this renewal.

姓名：张兹林
证书编号：110101504705

年 月 日

年度检验登记
Annual Renewal Registration

本证书经检验合格，继续有效一年。
This certificate is valid for another year after this renewal.

年 月 日

年度检验登记
Annual Renewal Registration
This certificate is valid for another year after this renewal
2016
2015
2013
2014

注册会计师工作单位变更事项登记
Registration of the Change of Working Unit by a CPA
注册会计师工作单位变更事项登记
Registration of the Change of Working Unit by a CPA
110002400249
北京注册会计师协会
二〇〇九
年度检验登记
Annual Renewal Registration
This certificate is valid for another year after this renewal.
2010

年度检验登记
Annual Renewal Registration
This certificate is valid for another year after this renewal.
2011
2017
2012

THE CHINESE INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
中国注册会计师协会
姓名 Full name 莫伟
性别 Sex 男
出生日期 Date of birth 1985-07-19
工作单位 Working unit 天职国际会计师事务所有限公司
身份证号码 Identity card No. 430725198507191216

Beijing Infrastructure Investment Co., Ltd.
Auditor's Report
Baker Tilly China [2020] No. 25672
(English Translation for reference only)

Contents

Auditor's Report ——— 1

Financial Statements ——— 4

Notes to the Financial Statements ——— 18

AUDITOR'S REPORT

BAKER TILLY CHINA [2020] No.25672

Beijing Infrastructure Investment Co., Ltd:

Ⅰ. Opinion

We have audited the financial statements of Beijing Infrastructure Investment Co., Ltd (hereinafter referred to as the "Company"), which comprise the Company's and consolidated balance sheets as at 31 December 2019, Company's and consolidated income statements, Company's and consolidated statements of cash flow, Company's and consolidated statements of changes in owners' equity for the year then ended, and notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the Company's and consolidated financial position as at 31 December 2019, and the Company's and consolidated result of operations and cash flows for the year then ended in accordance with Accounting Standards for Business Enterprises and Accounting System for Business Enterprises.

Ⅱ. Basis of opinion

We have conducted the audit in accordance with the regulations of Auditing Standards for Chinese Certified Public Accountants. The part of "Auditor's responsibility" of the report further stated our responsibilities under the standards.

According to the code of professional ethics for the Chinese Certified Public Accountants, we are independent of the Company and perform other responsibilities in the field of professional ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Ⅲ. Management's responsibility for the financial statements

Management of the Company（hereinafter referred to as the "Management"） is responsible for preparing the financial statements in accordance with Accounting Standards for Business Enterprises and Accounting System for Business Enterprises to achieve fair presentation of the financial statements; designing, implementing and maintaining internal control which is necessary to enable that the financial statements are free from material misstatement, whether due to fraud or error.

When preparing financial statements, management is responsible for assessing the sustainability of the Company's ability of continuous operation, disclosing matters related to continuous operations (if

applicable), and applying the assumption of continuous operation unless management plans to clear the company and terminate operating or has no other realistic choice.

Management is responsible for the supervision of the Company's financial reporting process.

Ⅳ. Auditor's responsibility

Our goal is to obtain a reasonable assurance for material misstatement caused by fraud or error in the financial statements as a whole and make an audit report containing opinions. Reasonable assurance is a high-level guarantee, but it does not guarantee that every material misstatement can be found when we carried out the audit in accordance with the auditing standards. Misstatement may be caused by fraud or error. If a single misstatement or collected misstatements are expected reasonably to affect the economic decision made by a financial statement user based on the financial statements, it is generally considered significant.

In the process of implementing audit according to the auditing standards, we use professional judgment and maintain professional suspicion. At the same time, we also carried out the following work:

(1) We identified and evaluated the risk of material misstatement caused by fraud or error, designed and implemented audit procedures to cope with these risks and obtain sufficient and appropriate audit evidence as the basis for issuing audit opinions. Fraud may involve collusion, forgery, deliberate omission, misrepresentation or overriding internal control, accordingly, the risk of failing to find major misstatement caused by fraud is higher than that of failing to find the risk of major misstatement due to errors.

(2) We understood the internal control related to audit to design appropriate audit procedures, but the purpose was not to comment on the effectiveness of internal control.

(3) We evaluated the appropriateness of the accounting policy and the reasonableness of accounting estimates and related disclosures.

(4) We drew conclusions on the appropriateness of the continuing operation hypothesis used by the management level. Meanwhile, based on the audit evidence obtained, it is concluded that whether there is significant uncertainty in matters or situations that may cause significant doubts about the sustainability of the Company's ability of continuous operation. If we conclude that there is a major uncertainty, the auditing standards require us to draw users' attention to relevant disclosures in the financial statements in the audit report. If we do not disclose enough information, we should publish unqualified opinions. Our conclusions are based on the information available as of the date of the audit report. However, future events or circumstances may lead to the unsustainable operation of the Company.

(5) We evaluated the overall presentation, structure and content (including disclosure) of the financial statements, and the fairness of the financial statements to reflect the related transactions and matters.

(6) We have obtained sufficient and appropriate audit evidence on the financial information of the entity or business activities in the company, and issue an audit opinion on the financial statements. We are responsible for directing, supervising and performing audits, and take full responsibility for the audit opinion.

We communicated with governance level about the planned audit scope and schedule and significant audit findings, including communicating the notable internal control flaws we identified in the audit.

BAKER TILLY CHINA
Beijing, China
27 March 2020

Chinese Certified Public Accountant:

Chinese Certified Public Accountant:

This auditor's report and the accompanying notes to the financial statements are English translation of the Chinese auditor's report. In case of doubt as to the presentation of these documents, the Chinese version shall prevail.

Consolidated Balance Sheet

Company: Beijing Infrastructure Investment Co., Ltd | 31 December 2019 | Unit: RMB

ITEM	Line	Closing Balance	Opening Balance	Notes
Current Assets:	1			
Cash and bank balances	2	14,881,691,058.52	23,781,207,250.78	VIII.1
Balances with clearing agencies	3			
Removal of funds	4			
Tradable Financial assets	5	262,935,286.08	877,150,000.00	VIII.2
Financial assets measured at fair value through profit or loss	6			
Derivative Financial assets	7	119,086,021.94	32,601,764.43	VIII.3
Notes receivables	8	166,348,459.30	47,851,237.23	VIII.4
Accounts receivable	9	2,164,180,399.81	2,089,261,409.38	VIII.5
Accounts receivable Financing	10			
Prepayments	11	749,720,396.71	1,153,087,267.49	VIII.6
Premium receivables	12			
Accounts receivable reinsurance	13			
The receivable reinsurance reserve	14			
Other receivables	15	9,186,399,224.00	10,415,105,641.52	VIII.7
Financial assets purchased under resale agreements	16			
Inventories	17	58,739,180,676.07	43,056,162,213.89	VIII.8
Inc: Raw materials	18	448,700,213.26	579,594,750.38	VIII.8
Finished products	19	1,069,435,649.40	759,809,300.19	VIII.8
Contract assets	20	348,023,389.15	104,087,930.08	VIII.9
Available for sale assets	21			
Non-current assets due within one year	22	4,880,850,099.44	4,937,277,809.07	VIII.10
Other current assets	23	22,148,042,438.90	17,900,252,087.29	VIII.11
Total current assets	24	113,646,457,449.92	104,394,044,611.16	
Non-current assets:	25			
Loans and advances to customers	26			
Debt investment	27	313,638,582.91	196,704,522.04	VIII.12
Available-for-sale financial assets	28	44,505,076,917.46	37,477,205,110.71	VIII.13
Other Debt investment	29			
Held-to-maturity investments	30	109,450,000.00	107,250,000.00	VIII.14
Long-term receivables	31	6,220,912,130.49	6,664,338,909.74	VIII.15
Long-term equity investments	32	19,957,865,084.51	17,260,083,398.73	VIII.16
Other equity instrument investment	33	2,310,000.00	310,000.00	VIII.17
Other non-current assets	34			
Investment properties	35	968,067,722.09	674,385,127.34	VIII.18
Fixed assets	36	147,289,480,346.69	146,904,473,625.83	VIII.19
Construction in progress	37	277,020,361,863.48	237,935,902,294.86	VIII.20
Bearer biological assets	38			
Oil and gas assets	39			
Right-of-use Assets	40	16,773,459.64		VIII.21
Intangible assets	41	1,707,347,142.59	1,376,080,974.01	VIII.22
Development expenditure	42	160,701,304.33	74,799,158.94	VIII.23
Goodwill	43	929,709,259.80	426,097,151.71	VIII.24
Long-term prepaid expenses	44	77,175,661.05	49,760,068.95	VIII.25
Deferred tax assets	45	1,118,992,543.92	797,398,131.21	VIII.26
Other non-current assets	46	7,120,349,319.07	4,041,637,964.68	VIII.27
Inc: Physical assets reserve specifically authorized	47			
Total Non-current Assets	48	507,518,211,340.03	453,986,426,438.75	
	49			
	50			
	51			
	52			
	53			
	54			
	55			
	56			
	57			
	58			
	59			
	60			
	61			
	62			
	63			
	64			
	65			
	66			
	67			
	68			
	69			
	70			
	71			
	72			
Total Assets	73	621,164,668,789.95	558,380,471,049.91	

Legal representative: Zhang Yanyou | Supervisor in charge of accounting: Song Ziqiang | Head of accounting department: Hong Chenggang

Consolidated Balance Sheet (Continued)

Company: Beijing Infrastructure Investment Co., Ltd 31 December 2019 Unit: RMB

ITEM	Line	Closing Balance	Opening Balance	Notes
Current liabilities:	74			
Short-term borrowings	75	1,498,636,760.00	4,085,629,729.77	VIII.28
Loans from the central bank	76			
Placements from banks and other financial institutions	77			
Tradable financial liabilities	78			
Financial liabilities measured at fair value through profit or loss	79			
Derivative Financial liabilitiels	80			
Notes payable	81	599,851,498.24	319,263,618.97	VIII.29
Accounts payable	82	8,156,497,867.98	6,302,843,240.38	VIII.30
Receipts in advance	83	5,142,733,307.85	2,814,533,421.36	VIII.31
Contract liabilities	84	23,331,320.43	57,868,897.37	VIII.32
Financial assets sold under repurchase agreements	85			
Deposits and Statutory deposits	86			
Customer brokerage deposits	87			
Securities underwriting brokerage deposits	88			
Employee benefits payable	89	580,656,084.04	536,126,335.59	VIII.33
Inc: Wages payable	90	350,140,942.97	329,785,879.57	VIII.33
Benefits payable	91	1,207,450.59		VIII.33
Bonus and Welfare Funds	92			
Taxes payable	93	1,675,547,674.61	3,542,661,024.01	VIII.34
Inc:Taxes payable	94	1,664,667,936.36	3,520,891,020.84	VIII.34
Other payable	95	8,700,644,485.69	6,517,466,584.28	VIII.35
Handling charges and commissions pabable	96			
Cession insurance premiums payable	97			
Available-for-sale financial liabilties	98			
Non-current liabilities due within one year	99	22,229,887,348.90	32,086,016,471.88	VIII.36
Other current liabilities	100	6,002,678,430.35	6,003,782,813.01	VIII.37
Total Current Liabilities	101	54,610,464,778.09	62,266,192,136.62	
Non-current Liabilities:	102			
Provision for insurance contracts	103			
Long-term borrowings	104	219,327,364,719.08	193,146,462,100.55	VIII.38
Bonds payable	105	42,430,147,081.61	36,051,586,797.88	VIII.39
Inc:preferred stock	106			
Perpetual capital securities	107			
Lease liabilities	108	10,335,026.42		VIII.41
Long-term payables	109	48,410,975,118.51	31,821,593,264.49	VIII.42
Long-term employee benefits payable	110			
Provisions	111	41,807,619.88	39,780,000.00	VIII.43
Deferred Income	112	21,496,606,375.54	25,993,181,816.52	VIII.44
Deferred tax liabilities	113	774,139,877.96	632,424,782.99	VIII.25
Other non-current liabilities	114	904,844,212.80	980,253,946.53	VIII.45
Inc: Special reserve fund	115			
Total Non-current Liabilities	116	333,396,220,031.80	288,665,282,708.96	
Total Liabilities	117	388,006,684,809.89	350,931,474,845.58	
Owners' equity:	118			
Paid-in capital (share capital)	119	164,206,584,901.27	145,290,549,069.49	VIII.46
Government capital	120	164,206,584,901.27	145,290,549,069.49	VIII.46
State-owned capital	121			
Collective Capital	122			
Private capital	123			
Foreign capital	124			
Deduct: capital redemption	125			
Net paid-in capital	126	164,206,584,901.27	145,290,549,069.49	VIII.46
Other equityt instrument	127	16,000,000,000.00	11,000,000,000.00	VIII.40
Inc: preference share	128			
perpetual bond	129	16,000,000,000.00	11,000,000,000.00	VIII.40
Capital reserve	130	15,261,759,297.74	15,329,476,029.71	VIII.47
Deduct: Treasury shares	131			
Other comprehensive income	132	50,216,276.03	-342,431,135.18	VIII.64
Translation difference arising on translation of financial statements denominated in foreign currencies	133	-35,146,954.44	-37,088,232.39	VIII.64
Special reserve	134			
Surplus reserve	135	1,629,100,554.84	1,242,235,109.25	VIII.48
Inc: Statutory surplus reserve	136	1,629,100,554.84	1,242,235,109.25	VIII.48
Optional surplus reserve	137			
Reserve fund	138			
Enterprise development fund	139			
Return investment by profit	140			
General risk reserve	141			
Unappropriated profits	142	10,177,556,809.46	9,070,396,425.37	VIII.49
Total Owners' Equity Attributable To the Company	143	207,325,217,839.34	181,590,225,498.64	
Minority interests	144	25,832,766,140.72	25,858,770,705.69	
Total Owners' Equity	145	233,157,983,980.06	207,448,996,204.33	
Total Liabilities and Owners' Equity	146	621,164,668,789.95	558,380,471,049.91	

Legal representative: Zhang Yanyou Supervisor in charge of accounting: Song Ziqiang Head of accounting department: Hong Chenggang

Consolidated Income Statement

Company: Beijing Infrastructure Investment Co., Ltd | Year 2019 | Unit: RMB

ITEM	Line	Current period	Prior period	Notes
I. Total operating income	1	15,924,825,540.04	18,907,707,322.16	
Inc: Operating income	2	15,924,825,540.04	18,907,707,322.16	VIII.50
Interest income	3			
Premiums earned	4			
Fee and commission income	5			
II. Total operating costs	6	21,189,585,874.17	21,628,813,594.99	
Inc: Operating costs	7	16,994,496,342.30	18,080,567,908.20	VIII.50
Interest expenses	8			
Fee and commission expenses	9			
Refund of insurance claims	10			
Net payments for insurance claims	11			
Net provision for insurance contracts	12			
Commissions on insurance policies	13			
Cession charges	14			
Business taxes and levies	15	281,565,002.16	1,064,783,926.72	
Selling expenses	16	308,531,326.39	195,095,659.99	VIII.51
Administrative expenses	17	1,876,434,161.63	1,712,087,198.79	VIII.52
Research and development expenses	18	197,707,410.39	94,762,797.72	VIII.53
Financial expenses	19	1,530,851,631.30	481,516,103.57	VIII.54
Inc: Interest expense	20	2,067,686,937.95	823,897,954.70	VIII.54
Interest income	21	561,005,991.48	570,284,967.42	VIII.54
Exchange net losses (gains are indicated by "-")	22	6,700,236.95	213,881,278.93	VIII.54
Others	23			
Add:Other Income	24	6,303,134,621.18	4,785,472,624.53	VIII.55
Investment income (Losses are indicated by "-")	25	3,440,015,914.41	1,231,318,968.31	VIII.56
Inc: Income from investments in associates and joint ventures	26	2,102,021,420.35	182,317,625.88	VIII.56
Income from derecognition of financial assets measured at amortized cost	27			
Foreign exchange gains (Losses are indicated by "-")	28			
Net exposure hedging income(Losses are indicated by "-")	29			
Gains from changes in fair values (Losses are indicated by "-")	30	79,413,762.03	-7,935,358.28	VIII.57
Credit impairment loss (Losses are indicated by "-")	31	-25,190,336.94	-191,382.59	VIII.58
Asset impairment loss (Losses are indicated by "-")	32	-801,597,600.39	-77,458,387.03	VIII.59
Assets disposal income (Losses are indicated by "-")	33	1,439,481.09	64,086,588.41	VIII.60
III. Operating profit (Loss is indicated by "-")	34	3,732,455,507.25	3,274,186,780.52	
Add: Non-operating income	35	45,088,419.16	13,209,344.98	VIII.61
Inc: Government subsidies	36	33,257,063.13	4,676,446.77	VIII.61
Less: Non-operating expenses	37	62,469,668.28	5,576,121.31	VIII.62
IV. Total profit (Total Loss is indicated by "-")	38	3,715,074,258.13	3,281,820,004.19	
Less: Income tax expenses	39	533,642,472.61	679,126,523.55	VIII.63
V. Net profit (Net loss is indicated by "-")	40	3,181,431,785.52	2,602,693,480.64	
1.Classified by attribution of the ownership	41			
Net profit attributable to the parent company	42	3,033,862,029.68	2,205,994,565.97	
Profit or loss attributable to minority interests	43	147,569,755.84	396,698,914.67	
2. Classified by operation continuity	44			
Profit or loss of continous operation	45	3,181,431,785.52	2,602,693,480.64	
Profit or loss of discontinued operation	46			
VI. Earnings per share	47	580,978,124.39	-541,730,530.10	
Other comprehensive income (net of tax) contributed to the parent company	48	392,647,411.21	-563,277,868.39	VIII.64
1. Other comprehensive income not reclassfied into gains or losses	49			
(1)Remeasured defined benefit plan net liablities or net assets changes	50			
(2) Under the equity method, the share of other comprehensive income not reclassified into gains or losses	51			
(3)Changes of fair value of other equity instruments	52			
(4)Changes of fair value of the enterprise's credit risk	53			
(5) Others	54			
2. Other comprehensive income classified into gains or losses	55	392,647,411.21	-563,277,868.39	VIII.64
(1)Under the equity method, the share of other comprehensive income reclassified into gains or losses	56	9,601,668.10	16,997,934.15	VIII.64
(2)Changes of fair value of other creditor's investment	57			
(3) Available for sale financial asset fair value at gains or losses	58	381,104,465.16	-517,087,456.59	VIII.64
(4)Financial assets reclassified and accrued into other comprehensive income	59			
(5) Held to maturity investment reclassified into available for sale asset gains or losses	60			
(6) credit impairment provision of other creditor's investment	61			
(7)The effective component of cash flow hedge gains or losses(Effective part of cash flow hedge gains or losses)	62			
(8)Foreign currency financial statement translation difference	63	1,941,277.95	-63,188,345.95	VIII.64
(9) Others	64			
Other comprehensive income (net of tax) contributed to minority interests	65	188,330,713.18	21,547,338.29	
VII. Total comprehensive income	66	3,762,409,909.91	2,060,962,950.54	
Total comprehensive income attributable to the parent company	67	3,426,509,440.89	1,642,716,697.58	
Total comprehensive income attributable to minority interests	68	335,900,469.02	418,246,252.96	
IX. Earnings per share	69			
Basic earnings per share	70			
Diluted earnings per share	71			

Legal representative: Zhang Yanyou | Supervisor in charge of accounting: Song Ziqiang | Head of accounting department: Hong Chenggang

Consolidated Statement of Cash Flow

Company: Beijing Infrastructure Investment Co., Ltd | Year 2019 | Unit: RMB

ITEM	Line	Current period	Prior period	Notes
I. Cash Flows from Operating Activities:	1			
Cash receipts from the sale of goods and the rendering of services	2	24,665,578,708.77	21,713,110,952.49	
Net increase in customer deposits and deposits from banks and other financial institutions	3			
Net increase in loans from the central bank	4			
Net increase in taking from banks and other financial institutions	5			
Cash receipts from premiums under direct insurance contracts	6			
Net cash receipts from reinsurance business	7			
Net cash receipts from policyholders' deposits and investment contract liabilities	8			
Net cash receipts from disposal of financial assets measured by fair value and its change is accrued into profits and losses	9			
Cash receipts from interest, fees and commissions	10			
Net increase in taking from banks	11			
Net increase in financial assets sold under repurchase arrangements	12			
Net income from securities trading brokerage business	13			
Receipts of tax refunds	14	55,017,643.62	17,728,562.10	
Other cash receipts relating to operating activities	15	9,405,870,332.51	4,679,537,066.82	
Sub-total of cash inflows from operating activities	16	34,126,466,684.90	26,410,376,581.41	
Cash payments for goods purchased and services received	17	26,617,167,011.04	14,526,276,691.37	
Net increase in loans and advances to customers	18			
Net increase in balance with the central bank and due from banks and other financial institutions	19			
Cash payments for claims and policyholders' benefits under direct insurance contracts	20			
Net increase in loans to banks and other financial institutions	21			
Cash payments for interest, fees and commissions	22			
Cash payments for insurance policyholder dividends	23			
Cash payments to and on behalf of employees	24	7,933,115,758.21	6,935,369,078.20	
Payments of various types of taxes	25	4,321,071,611.15	1,994,882,770.99	
Other cash payments relating to operating activities	26	11,599,383,603.66	8,439,462,541.07	
Sub-total of cash outflows from operating activities	27	50,470,737,984.06	31,895,991,081.63	
Net Cash Flow from Operating Activities	28	-16,344,271,299.16	-5,485,614,500.22	VIII.68
II. Cash Flows from Investing Activities:	29			
Cash receipts from disposals and recovery of investments	30	87,058,352,194.56	80,777,626,566.58	
Cash receipts from investment income	31	2,429,979,953.40	1,188,235,650.51	
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	32	8,066,767.09	44,354,677.40	
Net cash receipts from disposals of subsidiaries and other business units	33	126,155.94		
Other cash receipts relating to investing activities	34	1,351,606,973.45	10,980,713,242.36	
Sub-total of cash inflows from investing activities	35	90,848,132,044.44	92,990,930,136.85	
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	36	35,659,430,871.50	47,899,602,567.85	
Cash payments to acquire investments	37	95,850,166,752.27	112,275,113,247.07	
Net increase in pledged loans receivables	38			
Net cash payments for acquisitions of subsidiaries and other business units	39	723,638,009.12		
Other cash payments relating to investing activities	40	5,723,790,304.20	1,803,104,778.86	
Sub-total of cash outflows from investing activities	41	137,957,025,937.09	161,977,820,593.78	
Net Cash Flow from Investing Activities	42	-47,108,893,892.65	-68,986,890,456.93	
III. Cash Flows from Financing Activities:	43			
Cash receipts from capital contributions	44	28,885,893,715.52	9,630,104,072.75	
Including: cash receipts from capital contributions from minority owners of subsidiaries	45	-30,142,116.26	10,834,151.34	
Cash receipts from borrowings	46	76,816,954,035.14	94,317,817,860.77	
Cash receipts from issue of bonds	47			
Other cash receipts relating to financing activities	48	22,006,768,615.06	17,269,402,025.53	
Sub-total of cash inflows from financing activities	49	127,709,616,365.72	121,217,323,959.05	
Cash repayments of borrowings	50	50,348,582,136.88	33,935,736,527.13	
Cash payments for distribution of dividends or profits or settlement of interest expenses	51	16,588,834,151.62	12,520,243,781.88	
Including: payments for distribution of dividends or profits to minority owners of subsidiaries	52	125,262,837.45	117,893,764.86	
Other cash payments relating to financing activities	53	6,282,439,758.67	1,759,237,428.96	
Sub-total of cash outflows from financing activities	54	73,219,856,047.17	48,215,217,737.97	
Net Cash Flow from Financing Activities	55	54,489,760,318.55	73,002,106,221.08	
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents	56	52,768,453.35	174,427,168.56	
V. Net Increase in Cash and Cash Equivalents	57	-8,910,636,419.91	-1,295,971,567.51	VIII.68
Add: Opening balance of cash and cash equivalents	58	23,755,010,419.79	25,050,981,987.30	VIII.68
VI. Closing Balance of Cash and Cash Equivalents	59	14,844,373,999.88	23,755,010,419.79	VIII.68

Legal representative: Zhang Yanyou | Supervisor in charge of accounting: Song Ziqiang | Head of accounting department: Hong Chenggang

Consolidated Statement of Changes in Owners' Equity

Company: Beijing Infrastructure Investment Co., Ltd

Unit: RMB

ITEM	Line	Amount of current period(2019)													
		Owner's equity belongs to the parent company												Minority shareholder's equity	Total owner's equity
		Paid-in capital/ Share capital	Other equity instrument			Capital reserves	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	General risk reserves	Unappropriate profits	Sub-total owner's equity		
			Preference share	Perpetual bond	Others										
Column		1	2	3	4	5	6	7	8	9	10	11	12	13	14
I. Closing balance of the preceding year	1	145,290,549,069.49		11,000,000,000.00		15,329,476,029.71		-342,431,135.18		1,242,235,109.25		9,071,498,146.12	181,591,327,219.39	25,861,142,005.82	207,452,469,225.21
Add: Changes in accounting policies	2											-1,101,720.75	-1,101,720.75	-2,371,300.13	-3,473,020.88
Corrections of prior period errors	3														
Others	4														
II. Opening balance of the current year	5	[illegible]		11,000,000,000.00		15,329,476,029.71		-342,431,135.18		1,242,235,109.25		9,070,396,425.37	181,590,225,498.64	25,858,770,705.69	207,448,996,204.33
III. Changes for the year (Decrease is indicated by "-")	6	18,916,035,831.78		5,000,000,000.00		-67,716,731.97		392,647,411.21		386,865,445.59		1,107,160,384.09	25,734,992,340.70	-26,004,564.97	25,708,987,775.73
(I) Total comprehensive income	7							392,647,411.21				3,033,862,029.68	3,426,509,440.89	335,900,469.02	3,762,409,909.91
(II) Owner's contributions and reduction of capital	8	18,916,035,831.78		5,000,000,000.00									23,916,035,831.78	-228,056,778.33	23,687,979,053.45
1. Capital contribution from owners	9	18,916,035,831.78											18,916,035,831.78	-262,228,837.44	18,653,806,994.34
2. Other equity instrument owner's invested capital	10			5,000,000,000.00									5,000,000,000.00		5,000,000,000.00
3. Share-based payment recognised in owners' equity	11														
4.Others	12													34,172,059.11	34,172,059.11
(III). Extraction and use of special reserve	13														
1. Recognised special reserve	14														
2. Use of special reserve	15														
(IV) Profit distribution	16					-67,716,731.97				386,865,445.59		-1,926,701,645.59	-1,607,552,931.97	-133,848,255.66	-1,741,401,187.63
1. Transfer of surplus reserves	17									386,865,445.59		-386,865,445.59			
Inc: Statutory surplus reserve	18									386,865,445.59		-386,865,445.59			
Optional surplus reserve	19														
Reserve fund	20														
Enterprise development fund	21														
Return investment by profit	22														
2. Transfer of general risk reserve	23														
3. Distribution to owners	24											-1,539,836,200.00	-1,539,836,200.00	-133,848,255.66	-1,673,684,455.66
4. Others	25					-67,716,731.97							-67,716,731.97		-67,716,731.97
(V) Transfers within owners' equity	26														
1. Capitalisation of capital reserves	27														
2. Capitalisation of surplus reserves	28														
3. Loss offset by surplus reserves	29														
4. Transfer of recalculated defined benefit plan net liabilities or net asset changes	30														
5.Other comprehensive income transferred into retained earnings	31														
6.Others	32														
IV. Closing balance of the current year	33	164,206,584,901.27		16,000,000,000.00		15,261,759,297.74		50,216,276.03		1,629,100,554.84		10,177,556,809.46	207,325,217,839.34	25,832,766,140.72	233,157,983,980.06

Legal representative: Zhang Yanyou

Supervisor in charge of accounting: Song Ziqiang

Head of accounting department: Hong Chenggang

Consolidated Statement of Changes in Owners' Equity（Continued)

Company: Beijing Infrastructure Investment Co., Ltd

Unit: RMB

ITEM	Line	Amount of prior period(2018)													
		Owner's equity blongs to the parent company													
		Paid-in capital/ Share capital	Other equity instrument			Capital reserves	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	General risk reserves	Unappropriate profits	Sub-total owner's equity	Minority shareholder's equity	Total owner's equity
			Preference share	Perpetual bond	Others										
Column		15	16	17	18	19	20	21	22	23	24	25	26	27	28
I. Closing balance of the preceding year	1	135,671,279,148.08		5,000,000,000.00		14,652,950,388.85		220,846,733.21		1,059,015,180.23		7,277,287,753.60	163,881,379,203.97	26,416,436,113.40	190,297,815,317.37
Add: Changes in accounting policies	2														
Corrections of prior period errors	3											21,407,455.57	21,407,455.57	6,457,815.79	27,865,271.36
Others	4														
II. Opening balance of the current year	5	135,671,279,148.08		5,000,000,000.00		14,652,950,388.85		220,846,733.21		1,059,015,180.23		7,298,695,209.17	163,902,786,659.54	26,422,893,929.19	190,325,680,588.73
III. Changes for the year (Decrease is indicated by "-")	6	9,619,269,921.41		6,000,000,000.00		676,525,640.86		-563,277,868.39		183,219,929.02		1,772,802,936.95	17,688,540,559.85	-561,751,923.37	17,126,788,636.48
(I) Total comprehensive income	7							-563,277,868.39				2,205,994,565.97	1,642,716,697.58	418,246,252.96	2,060,962,950.54
(II) Owner's contributions and reduction of capital	8	9,619,269,921.41		6,000,000,000.00		676,525,640.86							16,295,795,562.27	-743,531,984.31	15,552,263,577.96
1. Capital contribution from owners	9	9,619,269,921.41				700,000,000.00							10,319,269,921.41	-705,447,373.32	9,613,822,548.09
2. Other equity instrument owner's invested capital	10			6,000,000,000.00									6,000,000,000.00		6,000,000,000.00
3. Share-based payment recognised in owners' equity	11														
4.Others	12					-23,474,359.14							-23,474,359.14	-38,084,610.99	-61,558,970.13
(III). Extraction and use of special reserve	13														
1. Recognised special reserve	14														
2. Use of special reserve	15														
(IV) Profit distribution	16									183,219,929.02		-433,191,629.02	-249,971,700.00	-236,466,192.02	-486,437,892.02
1. Transfer of surplus reserves	17									183,219,929.02		-183,219,929.02			
Inc: Statutory surplus reserve	18									183,219,929.02		-183,219,929.02			
Optional surplus reserve	19														
Reserve fund	20														
Enterprise development fund	21														
Return investment by profit	22														
2. Transfer of general risk reserve	23														
3. Distribution to owners	24											-249,971,700.00	-249,971,700.00	-236,466,192.02	-486,437,892.02
4. Others	25														
(V) Transfers within owners' equity	26														
1. Capitalisation of capital reserves	27														
2. Capitalisation of surplus reserves	28														
3. Loss offset by surplus reserves	29														
4. Transfer of recalculated defined benefit plan net liabilities or net asset changes	30														
5.Other comprehensive income transferred into retained earnings	31														
6.Others	32														
IV. Closing balance of the current year	33	145,290,549,069.49		11,000,000,000.00		15,329,476,029.71		-342,431,135.18		1,242,235,109.25		9,071,498,146.12	181,591,327,219.39	25,861,142,005.82	207,452,469,225.21

Legal representative: Zhang Yanyou

Supervisor in charge of accounting: Song Ziqiang

Head of accounting department: Hong Chengang

Consolidated Statement of Provision for Impairment of Assets

Company: Beijing Infrastructure Investment Co., Ltd | 31 December 2019 | Unit: RMB

Item	Line	Opening Balance	Increase for current period				Decrease for current period					Closing Balance	Item	Line	Amount
			Provision amount	Total increase	Increase in other reasons	Total amount	Due to asset value rebound back to the amount	Depreciation reserves written off during the period	Total decrease	Decrease in other reasons	Total amount				
Column		1	2	3	4	5	6	7	8	9	10	11	**Additional materials:**	-	12
I.Bad debt provision	1	423,791,986.53	237,701,685.65	9,196,016.74	1,659.94	246,899,362.33	4,602,861.74	109,967.50		148,081,072.49	152,793,901.73	517,897,447.13	1.Policy-related on account	17	
II.Inventory impairment	2	363,393,058.59	238,449,253.56	10,808,562.81		249,257,816.37		1,908,097.87			1,908,097.87	610,742,777.09	2. Deal with losses of prior year in current year	18	
III. Impairment of contract assets	3	7,635,982.78	22,610,072.41		8,121.82	22,618,194.23						30,254,177.01	Inc:Deal with losses in current profits and losses from pric	19	
IV. impairment of assets held for sale	4													20	
V.Impairment of creditor's investment	5	195,770.29	118,182.25			118,182.25						313,952.54		21	
VI.Impairment of available-for-sale financial assets	6	78,736,017.18	292,446,217.19		5,236,312.05	297,682,529.24						376,418,546.42		22	
VII.Impairment of held-to-maturity investments	7	2,750,000.00					2,200,000.00				2,200,000.00	550,000.00		23	
VIII.Impairment of long - term equity investment	8													24	
IX.Impairment of investment real estate	9													25	
X.Impairment of fixed assets	10	102,468,069.12						284,414.24			284,414.24	102,183,654.88		26	
XI.Impairment of construction in progress	11		39,120,500.00			39,120,500.00						39,120,500.00		27	
XII.Impairment of productive biological assets	12													28	
XIII.Impairment of oil and gas properties	13													29	
XIV.Impairment of right-of-use asset	14													30	
XV.Impairment of intangible assets	15													31	
XVI. Impairment of goodwill	16	173,770,745.72										173,770,745.72		32	
XVII Impairment of contract acquisition cost	17													33	
XVIII.Impairment of contract implementation cost	18													34	
XIX.Others	19	343,074,357.06	3,144,888.01		148,081,072.49	151,225,960.50						494,300,317.56		35	
Total	20	1,495,815,987.27	833,590,799.07	20,004,579.55	153,327,166.30	1,006,922,544.92	6,802,861.74	2,302,479.61		148,081,072.49	157,186,413.84	2,345,552,118.35		36	

Legal representative: Zhang Yanyou | Supervisor in charge of accounting: Song Ziqiang | Head of accounting department: Hong Chenggang

Consolidated Balance Sheet

Company: Beijing Infrastructure Investment Co., Ltd 31 December 2019 Unit: RMB

ITEM	Line	Closing Balance	Opening Balance	Notes
Current Assets:	1			
Cash and bank balances	2	942,092,237.49	7,135,582,899.82	
Balances with clearing agencies	3			
Removal of funds	4			
Tradable Financial assets	5			
Financial assets measured at fair value through profit or loss	6			
Derivative Financial assets	7			
Notes receivables	8			
Accounts receivable	9	43,561,010.65	31,008,402.24	XIII.1
Accounts receivable Financing	10			
Prepayments	11	310,900,753.72	310,243,162.86	
Premium receivables	12			
Accounts receivable reinsurance	13			
The receivable reinsurance reserve	14			
Other receivables	15	69,871,929,539.53	70,832,549,024.19	XIII.2
Financial assets purchased under resale agreements	16			
Inventories	17	6,386,181,620.59	4,126,644,414.31	
Inc: Raw materials	18	150,004.26	197,186.15	
Finished products	19	78,754.03	82,901.50	
Contract assets	20			
Available for sale assets	21			
Non-current assets due within one year	22			
Other current assets	23	58,061,350,653.14	43,380,108,014.72	
Total current assets	24	135,616,015,815.12	125,816,135,918.14	
Non-current assets:	25			
Loans and advances to customers	26			
Debt investment	27			
Available-for-sale financial assets	28	38,582,719,768.42	31,255,890,312.01	
Other Debt investment	29			
Held-to-maturity investments	30			
Long-term receivables	31			
Long-term equity investments	32	169,071,911,577.32	148,902,611,078.02	XIII.3
Other equity instrument investment	33			
Other non-current assets	34			
Investment properties	35			
Fixed assets	36	19,704,146,105.62	19,719,214,034.12	
Construction in progress	37	9,793,409,889.82	8,853,290,500.29	
Bearer biological assets	38			
Oil and gas assets	39			
Right-of-use Assets	40			
Intangible assets	41	4,955,859.72	5,006,541.43	
Development expenditure	42			
Goodwill	43			
Long-term prepaid expenses	44			
Deferred tax assets	45	18,323,948.60	12,776,544.70	
Other non-current assets	46	9,913,037,551.14	7,622,583,061.83	
Inc: Physical assets reserve specifically authorized	47			
Total Non-current Assets	48	247,088,504,700.64	216,371,372,072.40	
	49			
	50			
	51			
	52			
	53			
	54			
	55			
	56			
	57			
	58			
	59			
	60			
	61			
	62			
	63			
	64			
	65			
	66			
	67			
	68			
	69			
	70			
	71			
	72			
Total Assets	73	382,704,520,515.76	342,187,507,990.54	

Legal representative: Zhang Yanyou Supervisor in charge of accounting: Song Ziqiang Head of accounting department: Hong Chenggang

Consolidated Balance Sheet (Continued)

Company: Beijing Infrastructure Investment Co., Ltd | 31 December 2019 | Unit: RMB

ITEM	Line	Closing Balance	Opening Balance	Notes
Current liabilities:	74			
Short-term borrowings	75	1,200,000,000.00	3,200,000,000.00	
Loans from the central bank	76			
Placements from banks and other financial institutions	77			
Tradable financial liabilities	78			
Financial liabilities measured at fair value through profit or loss	79			
Derivative Financial liabilities	80			
Notes payable	81			
Accounts payable	82	502,605,678.55	65,367,325.07	
Receipts in advance	83	32,454,842.10	20,750,930.61	
Contract liabilities	84			
Financial assets sold under repurchase agreements	85			
Deposits and Statutory deposits	86			
Customer brokerage deposits	87			
Securities underwriting brokerage deposits	88			
Employee benefits payable	89	80,825,541.66	59,679,328.55	
Inc: Wages payable	90	59,751,544.42	42,259,084.95	
Benefits payable	91			
Bonus and Welfare Funds	92			
Taxes payable	93	77,423,809.20	1,574,626,290.12	
Inc:Taxes payable	94	75,826,688.27	1,573,250,182.38	
Other payable	95	48,458,100,851.11	42,566,833,715.97	
Handling charges and commissions pabable	96			
Cession insurance premiums payable	97			
Available-for-sale financial liabilties	98			
Non-current liabilities due within one year	99	12,517,873,368.82	15,895,977,204.20	
Other current liabilities	100	6,000,000,000.00	6,000,000,000.00	
Total Current Liabilities	101	68,869,284,091.44	69,383,234,794.52	
Non-current Liabilities:	102			
Provision for insurance contracts	103			
Long-term borrowings	104	3,329,423,425.09	4,766,338,803.43	
Bonds payable	105	32,136,769,000.00	25,840,112,000.00	
Inc:preferred stock	106			
Perpetual capital securities	107			
Lease liabilities	108			
Long-term payables	109	49,483,014,288.16	35,419,337,124.39	
Long-term employee benefits payable	110			
Provisions	111			
Deferred Income	112	21,198,572,727.49	25,749,572,217.48	
Deferred tax liabilities	113			
Other non-current liabilities	114	50,000,000.00	50,000,000.00	
Inc: Special reserve fund	115			
Total Non-current Liabilities	116	106,197,779,440.74	91,825,360,145.30	
Total Liabilities	117	175,067,063,532.18	161,208,594,939.82	
Owners' equity:	118			
Paid-in capital (share capital)	119	164,206,584,901.27	145,290,549,069.49	
Government capital	120	164,206,584,901.27	145,290,549,069.49	
State-owned capital	121			
Collective Capital	122			
Private capital	123			
Foreign capital	124			
Deduct: capital redemption	125			
Net paid-in capital	126	164,206,584,901.27	145,290,549,069.49	
Other equityt instrument	127	16,000,000,000.00	11,000,000,000.00	
Inc: preference share	128			
perpetual bond	129	16,000,000,000.00	11,000,000,000.00	
Capital reserve	130	16,227,349,599.45	16,201,641,575.24	
Deduct: Treasury shares	131			
Other comprehensive income	132	-48,393,702.95	-31,545,823.88	
Translation difference arising on translation of financial statements denominated in foreign currencies	133			
Special reserve	134			
Surplus reserve	135	1,601,118,213.03	1,214,252,767.44	
Inc: Statutory surplus reserve	136	1,601,118,213.03	1,214,252,767.44	
Optional surplus reserve	137			
Reserve fund	138			
Enterprise development fund	139			
Return investment by profit	140			
General risk reserve	141			
Unappropriated profits	142	9,650,797,972.78	7,304,015,462.43	
Total Owners' Equity Attributable To the Company	143	207,637,456,983.58	180,978,913,050.72	
Minority interests	144			
Total Owners' Equity	145	207,637,456,983.58	180,978,913,050.72	
Total Liabilities and Owners' Equity	146	382,704,520,515.76	342,187,507,990.54	

Legal representative: Zhang Yanyou | Supervisor in charge of accounting: Song Ziqiang | Head of accounting department: Hong Chenggang

Consolidated Income Statement

Company: Beijing Infrastructure Investment Co., Ltd | Year 2019 | Unit: RMB

ITEM	Line	Current period	Prior period	Notes
I. Total operating income	1	593,513,238.91	603,426,352.61	
Inc: Operating income	2	593,513,238.91	603,426,352.61	XIII.4
Interest income	3			
Premiums earned	4			
Fee and commission income	5			
II. Total operating costs	6	8,562,911,138.28	5,956,321,447.88	
Inc: Operating costs	7	5,864,393,404.73	4,354,532,089.09	XIII.4
Interest expenses	8			
Fee and commission expenses	9			
Refund of insurance claims	10			
Net payments for insurance claims	11			
Net provision for insurance contracts	12			
Commissions on insurance policies	13			
Cession charges	14			
Business taxes and levies	15	50,802,740.72	43,344,170.11	
Selling expenses	16	8,551,644.19	8,812,633.59	
Administrative expenses	17	174,231,568.28	178,579,640.21	
Research and development expenses	18			
Financial expenses	19	2,464,931,780.36	1,371,052,914.88	
Inc: Interest expense	20	3,275,790,668.79	1,915,292,241.96	
Interest income	21	816,773,395.74	556,232,758.41	
Exchange net losses (gains are indicated by "-")	22			
Others	23			
Add:Other Income	24	5,741,664,353.37	4,269,069,396.73	
Investment income (Losses are indicated by "-")	25	6,306,204,594.73	2,915,624,620.67	XIII.5
Inc: Income from investments in associates and joint ventures	26	2,020,090,464.68	107,101,562.05	XIII.5
Income from derecognition of financial assets measured at amortized cost	27			
Foreign exchange gains (Losses are indicated by "-")	28			
Net exposure hedging income(Losses are indicated by "-")	29			
Gains from changes in fair values (Losses are indicated by "-")	30			
Credit impairment loss (Losses are indicated by "-")	31			
Asset impairment loss (Losses are indicated by "-")	32	-194,008,850.96		
Assets disposal income (Losses are indicated by "-")	33		149,593.99	
III. Operating profit (Loss is indicated by "-")	34	3,884,462,197.77	1,831,948,516.12	
Add: Non-operating income	35	23,371,362.18	353,260.85	
Inc: Government subsidies	36	20,705,737.25		
Less: Non-operating expenses	37	39,150,041.48	77,166.80	
IV. Total profit (Total Loss is indicated by "-")	38	3,868,683,518.47	1,832,224,610.17	
Less: Income tax expenses	39	29,062.53	25,319.95	
V. Net profit (Net loss is indicated by "-")	40	3,868,654,455.94	1,832,199,290.22	
1.Classified by attribution of the ownership	41			
Net profit attributable to the parent company	42	3,868,654,455.94	1,832,199,290.22	
Profit or loss attributable to minority interests	43			
2. Classified by operation continuity	44			
Profit or loss of continous operation	45	3,868,654,455.94	1,832,199,290.22	
Profit or loss of discontinued operation	46			
VI. Earnings per share	47	-16,847,879.07	-100,882,713.08	
Other comprehensive income (net of tax) contributed to the parent company	48	-16,847,879.07	-100,882,713.08	
1. Other comprehensive income not reclassfied into gains or losses	49			
(1)Remeasured defined benefit plan net liabilities or net assets changes	50			
(2) Under the equity method, the share of other comprehensive income not reclassified into gains or losses	51			
(3)Changes of fair value of other equity instruments	52			
(4)Changes of fair value of the enterprise's credit risk	53			
(5) Others	54			
2. Other comprehensive income classified into gains or losses	55	-16,847,879.07	-100,882,713.08	
(1)Under the equity method, the share of other comprehensive income reclassified into gains or losses	56	-205,667.38	13,293,783.56	
(2)Changes of fair value of other creditor's investment	57			
(3) Available for sale financial asset fair value at gains or losses	58	-16,642,211.69	-114,176,496.64	
(4)Financial assets reclassified and accrued into other comprehensive income	59			
(5) Held to maturity investment reclassified into available for sale asset gains or losses	60			
(6) credit impairment provision of other creditor's investment	61			
(7)The effective component of cash flow hedge gains or losses(Effective part of cash flow hedge gains or losses)	62			
(8)Foreign currency financial statement translation difference	63			
(9) Others	64			
Other comprehensive income (net of tax) contributed to minority interests	65			
VII. Total comprehensive income	66	3,851,806,576.87	1,731,316,577.14	
Total comprehensive income attributable to the parent company	67	3,851,806,576.87	1,731,316,577.14	
Total comprehensive income attributable to minority interests	68			
IX. Earnings per share	69			
Basic earnings per share	70			
Diluted earnings per share	71			

Legal representative: Zhang Yanyou | Supervisor in charge of accounting: Song Qiqiang | Head of accounting department: Hong Chenggang

Consolidated Statement of Cash Flow

Company: Beijing Infrastructure Investment Co., Ltd | Year 2019 | Unit: RMB

ITEM	Line	Current period	Prior period	Notes
I. Cash Flows from Operating Activities:	1			
Cash receipts from the sale of goods and the rendering of services	2	1,638,592,157.63	1,951,315,890.33	
Net increase in customer deposits and deposits from banks and other financial institutions	3			
Net increase in loans from the central bank	4			
Net increase in taking from banks and other financial institutions	5			
Cash receipts from premiums under direct insurance contracts	6			
Net cash receipts from reinsurance business	7			
Net cash receipts from policyholders' deposits and investment contract liabilities	8			
Net cash receipts from disposal of financial assets measured by fair value and its change is accrued into profits and losses	9			
Cash receipts from interest, fees and commissions	10			
Net increase in taking from banks	11			
Net increase in financial assets sold under repurchase arrangements	12			
Net income from securities trading brokerage business	13			
Receipts of tax refunds	14	1,988,278.04		
Other cash receipts relating to operating activities	15	2,120,476,946.15	91,622,715.93	
Sub-total of cash inflows from operating activities	16	3,761,057,381.82	2,042,938,606.26	
Cash payments for goods purchased and services received	17	9,406,158,218.76	5,170,865,757.23	
Net increase in loans and advances to customers	18			
Net increase in balance with the central bank and due from banks and other financial institutions	19			
Cash payments for claims and policyholders' benefits under direct insurance contracts	20			
Net increase in loans to banks and other financial institutions	21			
Cash payments for interest, fees and commissions	22			
Cash payments for insurance policyholder dividends	23			
Cash payments to and on behalf of employees	24	191,487,275.05	173,133,485.34	
Payments of various types of taxes	25	1,752,664,796.55	170,575,037.92	
Other cash payments relating to operating activities	26	1,776,310,785.35	2,738,888,132.74	
Sub-total of cash outflows from operating activities	27	13,126,621,076.71	8,253,462,413.23	
Net Cash Flow from Operating Activities	28	-9,365,563,694.89	-6,210,523,806.97	XIII.6
II. Cash Flows from Investing Activities:	29			
Cash receipts from disposals and recovery of investments	30	85,111,973,008.36	86,965,900,200.00	
Cash receipts from investment income	31	3,926,659,351.90	2,674,490,860.58	
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	32		594,584.80	
Net cash receipts from disposals of subsidiaries and other business units	33			
Other cash receipts relating to investing activities	34	56,168,256,297.85	57,327,720,079.99	
Sub-total of cash inflows from investing activities	35	145,206,888,658.11	146,968,705,725.37	
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	36	1,217,806,494.97	440,668,044.21	
Cash payments to acquire investments	37	125,912,870,344.39	133,698,162,284.99	
Net increase in pledged loans receivables	38			
Net cash payments for acquisitions of subsidiaries and other business units	39			
Other cash payments relating to investing activities	40	56,334,754,635.86	60,739,251,179.87	
Sub-total of cash outflows from investing activities	41	183,465,431,475.22	194,878,081,509.07	
Net Cash Flow from Investing Activities	42	-38,258,542,817.11	-47,909,375,783.70	
III. Cash Flows from Financing Activities:	43			
Cash receipts from capital contributions	44	28,916,035,831.78	9,619,269,921.41	
Including: cash receipts from capital contributions from minority owners of subsidiaries	45			
Cash receipts from borrowings	46	43,058,000,000.00	52,161,615,000.00	
Cash receipts from issue of bonds	47			
Other cash receipts relating to financing activities	48	10,928,883,985.80	17,292,943,945.86	
Sub-total of cash inflows from financing activities	49	82,902,919,817.58	79,073,828,867.27	
Cash repayments of borrowings	50	33,260,734,843.27	24,308,055,979.92	
Cash payments for distribution of dividends or profits or settlement of interest expenses	51	6,352,335,494.97	4,113,715,683.84	
Including: payments for distribution of dividends or profits to minority owners of subsidiaries	52			
Other cash payments relating to financing activities	53	1,859,233,629.67	430,539,224.69	
Sub-total of cash outflows from financing activities	54	41,472,303,967.91	28,852,310,888.45	
Net Cash Flow from Financing Activities	55	41,430,615,849.67	50,221,517,978.82	
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents	56			
V. Net Increase in Cash and Cash Equivalents	57	-6,193,490,662.33	-3,898,381,611.85	XIII.6
Add: Opening balance of cash and cash equivalents	58	7,135,582,899.82	11,033,964,511.67	XIII.6
VI. Closing Balance of Cash and Cash Equivalents	59	942,092,237.49	7,135,582,899.82	XIII.6

Legal representative: Zhang Yanyou | Supervisor in charge of accounting: Song Ziqiang | Head of accounting department: Hong Chenggang

Consolidated Statement of Changes in Owners' Equity

Company: Beijing Infrastructure Investment Co., Ltd

Unit: RMB

ITEM	Line	Amount of current period(2019)													
		Owner's equity belongs to the parent company													
		Paid-in capital/ Share capital	Other equity instrument			Capital reserves	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	General risk reserves	Unappropriate profits	Sub-total owner's equity	Minority shareholder's equity	Total owner's equity
			Preference share	Perpetual bond	Others										
Column		1	2	3	4	5	6	7	8	9	10	11	12	13	14
I. Closing balance of the preceding year	1	145,290,549,069.49		11,000,000,000.00		16,201,641,575.24		-31,545,823.88		1,214,252,767.44		7,304,015,462.43	180,978,913,050.72		180,978,913,050.72
Add: Changes in accounting policies	2														
Corrections of prior period errors	3														
Others	4														
II. Opening balance of the current year	5	145,290,549,069.49		11,000,000,000.00		16,201,641,575.24		-31,545,823.88		1,214,252,767.44		7,304,015,462.43	180,978,913,050.72		180,978,913,050.72
III. Changes for the year (Decrease is indicated by "-")	6	18,916,035,831.78		5,000,000,000.00		25,708,024.21		-16,847,879.07		386,865,445.59		2,346,782,510.35	26,658,543,932.86		26,658,543,932.86
(I) Total comprehensive income	7							-16,847,879.07				3,868,654,455.94	3,851,806,576.87		3,851,806,576.87
(II) Owner's contributions and reduction of capital	8	18,916,035,831.78		5,000,000,000.00		25,708,024.21							23,941,743,855.99		23,941,743,855.99
1. Capital contribution from owners	9	18,916,035,831.78											18,916,035,831.78		18,916,035,831.78
2. Other equity instrument owner's invested capital	10			5,000,000,000.00									5,000,000,000.00		5,000,000,000.00
3. Share-based payment recognised in owners' equity	11														
4.Others	12					25,708,024.21							25,708,024.21		25,708,024.21
(III). Extraction and use of special reserve	13														
1. Recognised special reserve	14														
2. Use of special reserve	15														
(IV) Profit distribution	16									386,865,445.59		-1,521,871,945.59	-1,135,006,500.00		-1,135,006,500.00
1. Transfer of surplus reserves	17									386,865,445.59		-386,865,445.59			
Inc: Statutory surplus reserve	18									386,865,445.59		-386,865,445.59			
Optional surplus reserve	19														
Reserve fund	20														
Enterprise development fund	21														
Return investment by profit	22														
2. Transfer of general risk reserve	23														
3. Distribution to owners	24											-1,135,006,500.00	-1,135,006,500.00		-1,135,006,500.00
4. Others	25														
(V) Transfers within owners' equity	26														
1. Capitalisation of capital reserves	27														
2. Capitalisation of surplus reserves	28														
3. Loss offset by surplus raserves	29														
4. Transfer of recalculated defined benefit plan net liabilities or net asset changes	30														
5.Other comprehensive income transferred into retained earnings	31														
6.Others	32														
IV. Closing balance of the current year	33	164,206,584,901.27		16,000,000,000.00		16,227,349,599.45		-48,393,702.95		1,601,118,213.03		9,650,797,972.78	207,637,456,983.58		207,637,456,983.58

Legal representative: Zhang Yanyou

Supervisor in charge of accounting: Song Ziqiang

Head of accounting department: Hong Chenggang

Consolidated Statement of Changes in Owners' Equity (Continued)

Company: Beijing Infrastructure Investment Co., Ltd

Unit: RMB

ITEM	Line	Amount of prior period(2018)													
		Owner's equity blongs to the parent company												Minority shareholder's equity	Total owner's equity
		Paid-in capital/ Share capital	Other equity instrument			Capital reserves	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	General risk reserves	Unappropriate profits	Sub-total owner's equity		
			Preference share	Perpetual bond	Others										
Column		15	16	17	18	19	20	21	22	23	24	25	26	27	28
I. Closing balance of the preceding year	1	135,671,279,148.08		5,000,000,000.00		15,501,456,230.54		69,336,889.20		1,031,032,838.42		5,865,435,001.23	163,138,540,107.47		163,138,540,107.47
Add: Changes in accounting policies	2														
Corrections of prior period errors	3														
Others	4														
II. Opening balance of the current year	5	135,671,279,148.08		5,000,000,000.00		15,501,456,230.54		69,336,889.20		1,031,032,838.42		5,865,435,001.23	163,138,540,107.47		163,138,540,107.47
III. Changes for the year (Decrease is indicated by "-")	6	9,619,269,921.41		6,000,000,000.00		700,185,344.70		-100,882,713.08		183,219,929.02		1,438,580,461.20	17,840,372,943.25		17,840,372,943.25
(I) Total comprehensive income	7							-100,882,713.08				1,832,199,290.22	1,731,316,577.14		1,731,316,577.14
(II) Owner's contributions and reduction of capital	8	9,619,269,921.41		6,000,000,000.00		700,185,344.70							16,319,455,266.11		16,319,455,266.11
1. Capital contribution from owners	9	9,619,269,921.41				700,185,344.70							10,319,455,266.11		10,319,455,266.11
2. Other equity instrument owner's invested capital	10			6,000,000,000.00									6,000,000,000.00		6,000,000,000.00
3. Share-based payment recognised in owners' equity	11														
4.Others	12														
(III). Extraction and use of special reserve	13														
1. Recognised special reserve	14														
2. Use of special reserve	15														
(IV) Profit distribution	16									183,219,929.02		-393,618,829.02	-210,398,900.00		-210,398,900.00
1. Transfer of surplus reserves	17									183,219,929.02		-183,219,929.02			
Inc: Statutory surplus reserve	18									183,219,929.02		-183,219,929.02			
Optional surplus reserve	19														
Reserve fund	20														
Enterprise development fund	21														
Return investment by profit	22														
2. Transfer of general risk reserve	23														
3. Distribution to owners	24											-210,398,900.00	-210,398,900.00		-210,398,900.00
4. Others	25														
(V) Transfers within owners' equity	26														
1. Capitalisation of capital reserves	27														
2. Capitalisation of surplus reserves	28														
3. Loss offset by surplus reserves	29														
4. Transfer of recalculated defined benefit plan net liabilities or net asset changes	30														
5.Other comprehensive income transferred into retained earnings	31														
6.Others	32														
IV. Closing balance of the current year	33	145,290,549,069.49		11,000,000,000.00		16,201,641,575.24		-31,545,823.88		1,214,252,767.44		7,304,015,462.43	180,978,913,050.72		180,978,913,050.72

Legal representative: Zhang Yanyou

Supervisor in charge of accounting: Song Ziqiang

Head of accounting department: Hong Chenggang

Consolidated Statement of Provision for Impairment of Assets

Company: Beijing Infrastructure Investment Co., Ltd | 31 December 2019 | Unit: RMB

Item	Line	Opening Balance	Increase for current period				Decrease for current period					Closing Balance	Item	Line	Amount
			Provision amount	Total increase	Increase in other reasons	Total amount	Due to asset value rebound back to the amount	Depreciation reserves written off during the period	Total decrease	Decrease in other reasons	Total amount				
Column		1	2	3	4	5	6	7	8	9	10	11	**Additional materials:**	-	12
I.Bad debt provision	1	2,192,799.41										2,192,799.41	1.Policy-related on account	17	
II.Inventory impairment	2	9,665,771.01	194,008,850.96			194,008,850.96						203,674,621.97	2. Deal with losses of prior year in current year	18	
III. Impairment of contract assets	3												Inc:Deal with losses in current profits and losses from prior years	19	
IV. Impairment of assets held for sale	4													20	
V.Impairment of creditor's investment	5													21	
VI.Impairment of available-for-sale financial assets	6	5,000,000.00										5,000,000.00		22	
VII.Impairment of held-to-maturity investments	7													23	
VIII.Impairment of long - term equity investment	8													24	
IX.Impairment of investment real estate	9													25	
X.Impairment of fixed assets	10	99,932,094.58										99,932,094.58		26	
XI.Impairment of construction in progress	11													27	
XII.Impairment of productive biological assets	12													28	
XIII.Impairment of oil and gas properties	13													29	
XIV.Impairment of right-of-use asset	14													30	
XV.Impairment of intangible assets	15													31	
XVI. Impairment of goodwill	16													32	
XVII Impairment of contract acquisition cost	17													33	
XVIII.Impairment of contract implementation cost	18													34	
XIX.Others	19													35	
Total	20	116,790,665.00	194,008,850.96			194,008,850.96						310,799,515.96		36	

Legal representative: Zhang Yanyou | Supervisor in charge of accounting:Song Ziqiang | Head of accounting department: Hong Chenggang

BEIJING INFRASTRUCTURE INVESTMENT Co., Ltd.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

(Amounts are denominated in RMB unless otherwise stated)

I.BASIC INFORMATION ABOUT THE COMPANY

Beijing Infrastructure Investment Co., Ltd. (hereinafter referred to as the "Company") is a state-owned company controlled by Beijing State-Owned Assets Supervision and Administration Commission (Beijing SASAC). The Company, in the name of Beijing Subway Group Limited ("Beijing Subway Group"), was established in 7 December 2001 on approval of Jing zheng han [2001] No. 110 by Beijing Municipal Government on the basis of Beijing Subway Corporation. On 10 March, 2004, the Company was renamed as Beijing Infrastructure Investment Co., Ltd. on approval of Jing guo zi han [2004] No.14. On 15 December 2005, and the business license No. 100001003122 was issued by Beijing Industrial and Commercial Bureau. The Company's original registered address is: A zone, level 8, Jade palace hotel, Zhichun road No. 76, Haidian district, Beijing; original registered capital is: 46,113,052,600 Yuan.

On 19 January 2010, the Company increased its registered capital to 48,513,052,600 Yuan. The capital increase was verified by Beijing Zhong Ping Jian Hua Hao accounting firm in Zhong Ping Jian Hua Hao verify report (2010) No. 11015. The Company renewed its business license number as 110000000031223 and its registered address as: Room 908, level 9, Beijing infrastructure investment building 2, Xiaoying north road No.6, Chaoyang district, Beijing.

On 31 December 2019, the paid-in capital of the Company is 164,206,584,900 yuan, and the registered capital is 145,290,549,100 yuan.

The legal representative of the Company is Zhang Yanyou.

The Company's business operation period is from 25 December 2001 to 24 December 2051.

Organization structure: General management under the leadership of Board of Directors. The Company has 7 branches: Yi Huan line branch, Fu Ba line construction branch, new line front expense construction branch, Beijing subway resort branch, Fangshan investment management branch, Pinggu investment management branch and Mentougou investment management branch.

The Company has 55 second-level subsidiaries, including: 31 wholly owned subsidiaries and 24 controlling subsidiaries.

Business scope: 1. Subway trains and equipment manufacture; 2. Project investment and assets management, subway new line planning and construction; completed subway lines operation and management; import-export of commodities and technique, but excluding the commodities and techniques of import-export which are prohibited by the country; design, manufacture and repairing of subway vehicles; engineering project supervision; design, manufacture and repairing of subway equipment; property management; real estate; subway advertisement design and production etc.

The Company is ultimately controlled by Beijing State-Owned Assets Supervision and Administration Commission.

II. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statement is based upon the hypothesis of continuous operation, according to the practical transaction and matters, in accordance with Accounting Standards for Business Enterprises and supplementary regulations and the significant accounting policies and accounting estimates as follows.

Beijing Subway Operation Limited Company (hereinafter referred to as the "Operating Company") is consolidated in the financial statements.

III. STATEMENT OF COMPLIANCE WITH THE ASBE

The Company has adopted the Accounting Standards for Business Enterprises (hereinafter referred to as the "ASBE") issued by the Ministry of Finance (hereinafter referred to as the "MOF"). The financial statements present truly and completely the Company's and consolidated financial position as at 31 December 2019, and the Company's and consolidated result of operations and cash flows for the year then ended.

IV. THE COMPANY'S SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

1. Accounting period

The Company adopts the calendar year as its accounting year, i.e. from 1 January to 31 December.

2. Standard accounting currency

The Company adopts Renminbi yuan as functional currency used in bookkeeping.

The functional currency used by subsidiary company Beijing Infrastructure Investment (Hong Kong) Co., Ltd. (hereinafter referred to as "Bil Hong Kong") is HKD, since it was established in Hong Kong.

3. Accounting base and principle of measurement

The company's accounting is based on accrual basis. The company normally adopts historical cost as its principle of measurement, excluding some financial instruments.

4. Business combination

4.1 The accounting treatment of business combinations involving enterprises under common control

Assets and liabilities obtaining from the merger of enterprise is measured according to the share of book value of consolidated financial statements of final controlling party under the owner's equity of combined party within combining date. The difference between the book value of the net assets obtained from company and the book value of the consideration the combination of payment (or the aggregate face value of shares issued as consideration) is adjusted to the share premium in capital reserves. If the capital reserve is insufficient to offset, the retained earnings shall be adjusted.

4.2 The accounting treatment of business combinations involving enterprises under uncommon control

Where the cost of combination exceeds the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is treated as an asset and recognized as goodwill, which is measured at cost on initial recognition. If the combination cost is less than the share of identifiable fair value of net assets of acquiree, firstly, conducting the review of measurement is necessary to achieve the acquiree the identifiable assets, liabilities and the fair value of contingent liabilities as well as the combination costs. The acquiree combination costs after reviews are still less than the fair value of identifiable net asset, the difference will be included into the current profits and losses.

4.3 The consolidation scope of company's consolidated financial statements will be confirmed on the basis of control.

Company will directly or indirectly through subsidiaries have half of the voting rights or owning half voting right of the invested entity, but at the same time, the subsidiaries that can meet the following conditions enable to be included in consolidation scope of consolidated financial statements.

(1) Through the agreement with other investors of the invested entity, the Company will have more than half of the voting rights by the invested entity;

(2) According to the articles of association or agreement, the Company shall have the right to decide the invested entity's financial and operating policies;

(3) Company shall have the right to appoint the board of directors of invested entities or the majority of the members of similar institutions;

(4) Company could own voting majority in the board of directors invested entities or similar institutions.

4.4 The Company will do the adjustment to opening balance of consolidated financial statements and comparative statements through the subsidiary under the same control enterprise merger, when preparing consolidated financial statements of the current period, are regarded as be consolidated subsidiaries in the Company when the Company begin to implement the control into the scope of the company merger eventually. When preparing consolidated financial statements, since the final controlling party of this Company eventually on the controlling party starts to implement control to

consolidated subsidiaries, this company could combine whole assets, liabilities and book value of combined subsidiaries and merge into consolidated balance sheet of Company. The business performance of combined subsidiaries will be inserted into financial statements of this Company.

4.5 The Company will do the adjustment to financial statements of subsidiaries based on identifiable assets, fair value of liabilities through the subsidiary under the same control enterprise merger, when preparing consolidated financial statements of the current period. The Company assets, liabilities and business performance of acquired company will be inserted into financial statements of this Company.

4.6 The Company will buy the equity from minority shareholders of subsidiaries, the long-term equity investment obtained by buying a minority equity and own the difference of share of net assets by continuously calculate from date of acquisition (or combining date) according to newly increased shareholding ratio, adjust capital reserve of combined balance sheet, and will adjust retained earnings to the insufficient capital reserve to write-downs.

4.7 The rights and interests and profits and losses owning by minority shareholders of subsidiaries are shown separately in stockholders' equity of consolidated balance sheet and net income of income statement. If the deficit belongs to minority shareholders is more than the attributable share of owner's equity of these subsidiaries.

4.8 Consolidated balance sheet is based on the balance sheet of parent company and subsidiaries, and is compiled by parent company according to further related information. When the accounting period and accounting policies employed by subsidiaries is different from this company, it has been adjusted to the balance sheet of subsidiaries according to accounting period and accounting policies of this company. Combination offset insider transaction and balance including unrealized gains or losses on internal transaction. The unrealized losses of company's inner trading, there are evidences that can indicate this is the loss of related asset decrease, will be affirmed as full loss.

5. Preparative Method of consolidated financial statements

All the controlled subsidiaries are consolidated in the financial statements. Consolidated financial statements are based on the Company's and its subsidiaries' financial statements in according to "ASBE No.33 Consolidated financial statement".

6. Determine standard of cash and cash equivalents

The term "cash" of cash flow statement refers to cash on hand and deposits that are available for payment at any time. The term of "cash equivalents" refers to short-term (usually due within 3 months from the acquisition date) and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value

7. Translation of transactions and financial statements denominated in foreign currencies

7.1 Transactions denominated in foreign currencies

On initial recognition, a foreign currency amount, including share capital and capital reserves, is translated into functional currency by applying the spot exchange rate on the date of the transaction announced by People's Bank of China. At the balance sheet date, foreign currency balance comprised of foreign currency monetary items and foreign currency non-monetary items, shall be adjusted: foreign currency monetary items, of which the exchange difference between initial exchange rate and the spot exchange rate at the end of the period, shall be recognized into profit and loss for the period; exchange differences related to a specific-purpose borrowing denominated in foreign currency for constructing an asset that qualifies for capitalization shall be capitalized before it's ready for intended use and recognized into cost of construction in progress; foreign currency non-monetary items measured at fair value, the difference of which shall be recognized into profit and loss for the period as fair value changes.

7.2 Translation of financial statements denominated in foreign currencies

The asset and liability of balance sheet adopt spot rate to convert. Except the undistributed profits of owners' right, other will adopt the spot rate in the occurrence of transaction. The income and expense of income statement will employ par exchange rate conversion of middle rate that is authorized the People's Bank of China to China Foreign Exchange Trade System (CFETS). According to the conversion difference of foreign currencies accounting statement by this conversion will be illustrated in owners' right of balance sheet.

8. Fair value measurement

Fair value refers to the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The company's fair value measurement is implemented in accordance with the relevant provisions of "ASBE No.39 Fair Value Measurement", including:

8.1 Initial measurement of fair value

The company determines whether the fair value at initial recognition is equal to its transaction price based on the nature of the transaction and the characteristics of the relevant assets or liabilities. Relevant accounting standards require or allow the enterprise to initially measure related assets or liabilities at fair value, if the transaction price is not equal to the fair value, the company should recognize the relevant gains or losses as current profit or loss, except as otherwise provided in other relevant accounting standards.

8.2 Fair value valuation techniques

The valuation techniques used by the company to measure related assets or liabilities at fair value mainly include the market method, revenue method and cost method. When the company uses a variety of valuation techniques to measure fair value, it will fully consider the reasonableness of each valuation result and select the amount that best represents the fair value in the current situation as the fair value. In the application of valuation techniques, the company preferentially uses the relevant observable input

value, and only uses the unobservable input value when the relevant observable input value cannot be or is not feasible to obtained.

8.3 Value hierarchy

The company divides the input values used in fair value measurement into three levels, firstly uses the first level input value, then second level input value, and lastly the third level input value.

The first level of input value is the unadjusted quotation of the same asset or liability that can be obtained in an active market on the measurement date. The second level is the input value of the related assets or liabilities that are directly or indirectly observable except the first level. The third level is the unobservable input value of related assets or liabilities.

The above level of division is specifically expressed as follows: if there is an active market for financial instruments, the company uses the quoted price in the active market to determine its fair value. The quoted price in an active market refers to the price that can be easily obtained regularly from exchanges, brokers, industry associations, pricing service agencies, etc., and represents the price of market transactions that actually occur in fair trading. If there is no active market for financial instruments, the company uses valuation techniques to determine its fair value. Valuation techniques include reference to prices used in recent market transactions by parties who are familiar with the situation and voluntary transactions, reference to the current fair value of other financial instruments that are substantially the same, discounted cash flow method, and option pricing models.

9. Financial Instruments

9.1 Classification of financial assets and financial liabilities

Financial assets are classified into four categories at initial recognition below: financial assets at Fair Value through Profit or Loss ("FVTPL") (including financial assets held for trading and those designated as at fair value through profit or loss), held-to-maturity investments, loans and receivables and available-for-sale financial assets.

Financial liabilities are classified into two categories at initial recognition below: financial liabilities at Fair Value through Profit or Loss ("FVTPL") (including financial liabilities held for trading and those designated as at fair value through profit or loss), other financial liabilities.

9.2 Recognition basis, measurement, de-recognition condition of financial assets and financial liabilities

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. For financial assets and financial liabilities at fair value through profit or loss, transaction costs are immediately recognized in profit or loss. For other financial assets and financial liabilities, transaction costs are included in their initial recognized amounts.

The Company subsequently measures financial assets at fair value in effective interest method and shall not deduct the transaction costs incurred in the future, except: (1) held-to-maturity investment and loans and receivables are measured at amortized costs in effective interest method; (2) for investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, and derivative financial assets that are linked to and must be settled by delivery of such unquoted equity instruments, they should be stated at their historical costs.

The Company subsequently measures financial liabilities at amortized costs in effective interest method, except: (1) financial liabilities at FVTPL are measured at fair value, for which the transaction cost incurred in the future shall not be deducted; (2) for investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, and derivative financial liabilities that are linked to and must be settled by delivery of such unquoted equity instruments, they are measured at cost; (3) Financial guaranteed contracts that are not financial liabilities at FVTPL, or loans commitments that are not financial liabilities at FVTPL and will be made with the interest lower than the market interest, are subsequently recognized at the higher of:1)amount recognized in accordance with "ASBE No.13 Contingencies"; 2)initial recognition amount deducted at the balance after accumulated amortization in accordance with "ASBE No.14 Revenue".

In addition to hedging, gains or losses formed due to the changes of the fair value of financial asset and financial liability, are handled as follow: (1) At balance sheet date, any gains or loss from changes in the fair value of financial asset and financial liability at FVTPL shall be recognized in profit and loss for the period. The interest or cash dividend under the contractual calculation, within the period in which the financial asset is held, shall be recognized in investment income when it is actually received. Difference between the fair value on disposal and initial recognition amount of the financial asset or financial liability shall be recognized to investment income; (2) Available-for-sale financial assets are subsequently measured at fair value, and gains or losses arising from changes in the fair value are recognized as other comprehensive income and included in the capital reserves, except that impairment losses and exchange differences related to amortized cost of monetary financial assets denominated in foreign currencies are recognized in profit or loss, until the financial assets are derecognized, at which time the gains or losses are released and recognized in profit or loss. Interests obtained and the dividends declared by the investee during the period in which the available-for-sale financial assets are held, are recognized in investment gains.

The Company will terminate to affirm that financial assets when the right of receiving cash flow of the financial asset ends or almost all risks and remuneration of the ownership of financial assets have been transferred. The corporation will suspend the financial liability (or part of it) when the present obligation of financial liabilities is discharged (or part of it).

9.3 Recognition basis of transfer of financial assets and computational method

The enterprise has transferred almost all risk and compensation on the ownership of financial assets and ended to identify the financial assets; those maintaining almost all risk and compensation on the ownership of financial assets will continue to confirm the transferred financial assets, and affirm the received consideration as a kind of financial liability. The corporation neither move nor keep almost all the risks and rewards on financial asset's ownership, processing in the following circumstances respectively: (1) those giving up controlling the financial asset, stop to recognize that financial assets; (2) those does not give up its controlling right over the financial asset, in accordance with continuing to the degree of transferred financial asset to confirm the related financial assets and recognize the relevant liability accordingly.

For a transfer of a financial asset in its entirety that satisfies the de-recognition criteria, the difference between (1) the carrying amount of the financial asset transferred; and (2) the sum of the consideration received from the transfer and any cumulative gain or loss that has been recognized in other comprehensive income, is recognized in profit or loss. If a part of the transferred financial asset qualifies

for de-recognition, the carrying amount of the transferred financial asset is allocated between the part that continues to be recognized and the part that is derecognized, based on the respective fair values of those parts. The difference between (1) the carrying amount allocated to the part derecognized; and (2) the sum of the consideration received for the part derecognized and any cumulative gain or loss allocated to the part derecognized which has been previously recognized in other comprehensive income, is recognized in profit or loss.

9.4 Determination method of fair value of main financial assets and liabilities

The financial assets and liabilities of active market confirm its fair value in accordance with active market. The financial assets and liabilities that do not exist active market, will utilize estimation technique (includes refer to familiar with the situation and voluntary transaction parties in the recent market transactions using the price of other financial instruments, the reference is essentially the same current fair value, discounted cash flow method and the option pricing model, etc.) to affirm its fair value. Initially obtained or sourced financial asset or financial liability will be the basis of its fair value by the price of market transaction.

9.5 Impairment test of financial assets and depreciation reserve provision method

The balance sheet date enable to check to the fair value and whose fluctuations included in the current profits and losses of the financial assets other than the book value of the financial assets, if there is any objective evidence that imply the impairment of financial assets, proceed the provision for impairment loss.

The single major financial assets conduct impairment test individually; financial assets that single amount is insignificant can proceed impairment test individually, or include in combination of financial assets with similar credit risk characteristics of impairment test; financial assets that do not decrease in value in individual test (including single amount is significant and insignificant financial assets), including in combination of financial assets with similar credit risk characteristics to conduct impairment test again.

Financial assets, according to the measurement of amortized cost, there are objective evidence at the end to prove that happened impairment, according to its book value and the difference between the present values of the expected future cash flow to confirm the impairment loss. the equity instrument investments that has no offer in the active market and whose fair value cannot be reliably measured, or linked to the equity instrument and must be settled by delivery of the equity instruments of the derivative financial assets impairment occurs, the equity instrument investments or the book value of the derivative financial assets, and according to the similar financial assets when the market returns to discount future cash flows to determine the present value of the difference recognized as the impairment loss. The fair value available for sale financial assets is in a sharp drop, or after considering various factors, expected this decline is temporary, confirm the impairment loss, and the fair value originally recorded in other comprehensive income accumulated losses and go out into the impairment loss.

The relevant accounting policies implemented by Metro Land Corporation Ltd. (hereinafter referred to as "Beijing Investment Development") and BII Railway Transportation Technology Holdings Company Limited(hereinafter referred to as "BII Transportation Technology"), which is the subsidiary of BII Hong Kong, are as follow:

9.5.1 Recognition and initial measurement of financial assets and financial liabilities

(1) BII Transportation Technology and Beijing Investment Development recognize a financial asset or a financial liability when it becomes party to the contractual provisions of the instrument.

(2) Except for accounts receivable that do not have a significant financing component, BII Transportation Technology and Beijing Investment Development initially measure financial assets and financial liabilities at fair value.

(3) For financial assets and financial liabilities measured at fair value through profit or loss, related transaction expenses are directly recognized in current profit or loss.

(4) For other types of financial assets or financial liabilities, the related transaction expenses are included in the initial recognition amount.

9.5.2 Classification and Subsequent measurement of financial assets

(1) Classification of financial assets

At the initial recognition, BII Transportation Technology and Beijing Investment Development divided the financial assets into the following three categories based on the business model for managing financial assets and the contractual cash flow characteristics of the financial assets.

Financial assets measured at amortized cost;

Financial assets measured at fair value through other comprehensive income;

Financial assets measured at fair value through profit or loss.

Unless BII Transportation Technology and Beijing Investment Development change the business model for managing financial assets, in this case, all affected financial assets will be reclassified on the first day of the first reporting period after the change of business model, assets cannot be reclassified after initial recognition.

The business model for managing financial assets refers to how BII Transportation Technology and Beijing Investment Development manage financial assets to generate cash flow. The business model determines whether the source of managing financial asset cash flows is to collect contractual cash flows, sell financial assets, or both.

BII Transportation Technology and Beijing Investment Development determine the business model for managing financial assets, based on objective facts and specific business objectives determined by key management personnel.

BII Transportation Technology and Beijing Investment Development evaluate the contractual cash flow characteristics of financial assets, to determine whether the contractual cash flow generated on a specific date is only for the payment of principal and interest based on the outstanding principal. Among them, principal refers to the fair value of financial assets at initial recognition; interest includes the time value of money, credit risk related to the amount of principal outstanding in a specific period, and consideration of other basic borrowing risks, costs, and profits. In addition, Beijing Investment Development evaluates contract terms that may result in changes in the time distribution or amount of contractual cash flows of financial assets to determine whether they meet the requirements of the

contractual cash flow characteristics described above.

① Financial assets are classified as financial assets at amortized cost when following conditions are met:

For BII Transportation Technology and Beijing Investment Development, the targets of the business model for managing financial assets are to receive contractual cash flow;

The contractual terms of the financial asset stipulate that the cash flow generated on a specific date is only for the payment of principal and interest based on the outstanding principal amount.

② Financial assets are classified as financial assets measured at fair value through other comprehensive income when following conditions are met:

For BII Transportation Technology and Beijing Investment Development, the targets of the business model for managing financial assets are both the collection of contractual cash flows and the sale of financial assets

The contractual terms of the financial asset stipulate that the cash flow generated on a specific date is only for the payment of the principal and the interest based on the outstanding principal amount.

For investment in non-trading equity instruments, BII Transportation Technology and Beijing Investment Development may irrevocably designate them as financial assets measured at fair value through other comprehensive income. The designation is made on the basis of a single investment, and the relevant investment meets the definition of equity instruments from the perspective of the issuer.

③ Financial assets measured at fair value through profit or loss include financial assets measured at fair value through profit or loss and financial assets designated as measured t fair value through profit or loss.

Financial assets that do not meet the criteria for being classified as financial assets measured at amortized cost or financial assets measured at fair value through other comprehensive income are classified as financial assets measured at fair value with changes included in current profit or loss assets.

In the initial recognition, in order to eliminate or significantly reduce accounting mismatches, BII Transportation Technology and Beijing Investment Development can irrevocably designate financial assets as financial assets measured at fair value through profit or loss.

(2) Subsequent measurement of financial assets

① Financial assets measured at fair value through profit or loss

After initial recognition, such financial assets subsequently measure at fair value, the resulting gains or losses (including interest and dividend income) are recognized in current profit and loss, unless the financial asset is part of the hedging relationship.

② Liability investment at fair value through other comprehensive income

After initial recognition, such financial assets subsequently measure at fair value. Except for impairment losses or gains, exchange gains and losses, and interest on the financial asset calculated using the actual interest rate method, they are included in other comprehensive income until the financial asset is

derecognized or reclassified. Upon termination of recognition, the accumulated gains or losses previously recognized in other comprehensive income are transferred out of other comprehensive income and recognized in current profit and loss.

③ Equity investment at fair value through other comprehensive income

After initial recognition, such financial assets subsequently measure at fair value. Dividend income is recognized in current profit and loss, and other gains or losses are recognized in other comprehensive income. Upon termination of recognition, the accumulated gains or losses previously recognized in other comprehensive income are transferred out of other comprehensive income and recognized in retained earnings.

④ Financial assets measured at amortized cost

After initial recognition, such financial assets are measured at amortized cost using the actual interest rate method. Gains or losses arising from financial assets that are not part of any hedging relationship, measuring at amortized cost, are recognized in the current profit or loss when they are derecognized, amortized in accordance with the effective interest rate method, or recognized for impairment.

9.5.3 Classification and Subsequent measurement of financial liabilities

The financial liabilities of BII Transportation Technology and Beijing Investment Development are initially classified as: financial liabilities measured at fair value through profit or loss and financial liabilities measured at amortized cost.

(1) Financial liabilities at fair value through profit or loss

Financial liabilities measured at fair value through profit or loss include tradable financial liabilities and financial liabilities designated as measured at fair value through profit or loss at initial recognition. For such financial liabilities, subsequent measurements are made at fair value, and gains or losses (including interest expenses) generated are included in the current profit and loss, except those related to hedge accounting.

(2) Financial liabilities at amortized cost

After initial recognition, such financial liabilities are measured at amortized cost using the effective interest rate method.

9.5.4 Derivative financial instruments

(1) Derivative financial instruments are initially measured at the fair value of the day when the derivative transaction contract is signed, and subsequent measurement is conducted at their fair value. Derivative financial instruments with a positive fair value are recognized as an asset, and those with a negative fair value are recognized as a liability.

(2) Any gains or losses arising from changes in fair value that do not meet the hedge accounting requirements are directly included in the current profit and loss.

9.5.5 Fair value of financial instruments

For the determination method of fair value, refer to "Notes IV.8 Fair value measurement".

9.5.6 Impairment of financial assets

(1) BII Transportation Technology and Beijing Investment Development recognize the loss provisions on the basis of expected credit losses model for financial assets measured at amortized costs and financial assets measured at fair value through other comprehensive income.

(2) The other financial assets measured at fair value held by BII Transportation Technology and Beijing Investment Development do not apply the expected credit loss model, including Equity investment at fair value through profit or loss, Equity investment at fair value through other comprehensive income, and Derivative financial assets.

(3) BII Transportation Technology and Beijing Investment Development considers reasonable and well-founded information about past events, current conditions, and predictions of future economic conditions, and takes the risk of default as a weight to calculate weighted amount of the present value of the difference between cash flow expected and contractual cash flow receivable.

① On each balance sheet date, BII Transportation Technology and Beijing Investment Development separately measure the expected credit losses of financial instruments at different stages.

If the credit risk of financial instruments has not increased significantly since the initial recognition, it is in the first stage. BII Transportation Technology and Beijing Investment Development measure the loss reserve according to the expected credit losses in the next 12 months;

If the credit risk of the financial instrument has increased significantly but no credit impairment has occurred, it is in the second stage. BII Transportation Technology and Beijing Investment Development measure the loss reserve according to the expected credit loss of the entire duration of the instrument.

If the financial instrument has undergone credit impairment since its initial recognition, it is in the third stage. BII Transportation Technology and Beijing Investment Development measure the loss provision based on the expected credit loss for the entire duration of the instrument.

② For financial instruments with lower credit risk on the balance sheet date, BII Transportation Technology and Beijing Investment Development assume that their credit risk has not increased significantly since initial recognition, and measure the loss provision based on expected credit losses in the next 12 months.

③ In the previous accounting period, BII Transportation Technology and Beijing Investment Development have measured the loss provision according to the amount of expected credit losses for the entire duration of the financial instrument, but at the balance sheet date, the financial instrument is no longer the situation where credit risk increases significantly after initial recognition, BII Transportation Technology and Beijing Investment Development measure the loss provision for the financial instrument at the current balance sheet date by the amount equivalent to the expected credit loss in the next 12 months, and the reverse amount of the resulting losses is included in the current profit and loss as an impairment gain.

④ BII Transportation Technology and Beijing Investment Development calculate the interest income based on the book balance with no provision and actual interest rate for financial instruments in the first and second stages and with lower credit risk. For the financial instruments in the third stage, the interest income is calculated based on the amortized cost which is book balance minus provision and actual

interest rate after the provision for impairment has been made.

(4) Credit risk increased significantly

BII Transportation Technology and Beijing Investment Development use the reasonable and evidence-based forward-looking information available to determine whether the risk has increased significantly since the initial recognition, by comparing the risks of defaults on the balance sheet date of financial instruments with the risks of default on the initial recognition date.

BII Transportation Technology and Beijing Investment Development will consider the following factors when evaluating whether the credit risk has increased significantly:

① Whether the actual or expected external credit ratings of financial instruments have changed significantly;

② Whether the external market indicators of credit risk of the same financial instrument or similar financial instruments with the same expected duration have changed significantly;

③ Whether the debtor's actual or expected internal credit rating is downgraded;

④ Are there any adverse changes in the business, financial or economic conditions that are expected to cause a significant change in the debtor's ability to meet its debt obligations, such as the debtor 's market share decline significantly, the prices of major products continue to fall sharply, the prices of major raw materials rise significantly, working capital severely in short supply, and asset quality declines;

⑤ Whether the actual or expected operating results of the debtor have changed significantly, such as obvious adverse changes in operating indicators such as income and profit, and it is difficult to improve in the short term;

⑥ Whether the debtor's regulatory, economic or technological environment has undergone significant adverse changes, such as technological changes and whether the relevant policies proposed by the national or local government have a significant adverse impact on the debtor;

⑦ Whether the value of the collateral used as debt collateral or the guarantee provided by a third party or the quality of credit enhancement has changed significantly;

⑧ whether the debtor 's economic motivation for repayment according to the contractual agreed period has changed significantly, such as a reduction in financial support that the parent company or other related party can provide, or a significant change in the quality of credit enhancement;

⑨ Whether the debtor's expected performance and repayment behavior have changed significantly;

⑩ Whether BII Transportation Technology and Beijing Investment Development has changed the credit management methods of financial instruments.

At balance sheet date, if BII Transportation Technology and Beijing Investment Development judge that a financial instrument has only a low credit risk, they would assume that the credit risk of the financial instrument has not increased significantly since initial recognition.

(5) Financial assets with credit impairment

When BII Transportation Technology and Beijing Investment Development expect that one or more things will have an adverse impact on the future cash flow of financial assets, the financial asset becomes a financial asset with credit impairment.

① Issuer or debtor has major financial difficulties;

② Debtor has breach the contract, such as interest or principal default or overdue, etc;

③ Considering the debtor's financial difficulties, creditors give concessions that will not make under any other circumstances;

④ Debtor is likely to go bankrupt or undergo another financial reorganization;

⑤ The financial difficulties of the issuer or the debtor have led to the disappearance of the active market for the financial asset.

(6) Determination of expected credit losses

① Accounts receivable

Regardless of whether there is a significant financing component, BII Transportation Technology and Beijing Investment Development measure the loss provision for notes receivables and accounts receivable, based on the expected credit losses throughout the duration.

Among them, when a single financial asset can evaluate the expected credit loss information at a reasonable cost, Beijing Investment Development chooses a singly accrue credit loss. When a single financial asset cannot estimate the expected credit loss information at a reasonable cost, Beijing Investment Development divides the receivables into several combinations based on the characteristics of credit risk, calculates the expected credit loss on the basis of the combination, and determines the combination based on the following:

Type of portfolio	Basis for determining the portfolio
Accounts receivable portfolio 1	Amount due from related parties
Accounts receivable portfolio 2	Amount due from house purchase
Accounts receivable portfolio 3	Property fees receivable
Accounts receivable portfolio 4	Lease receivable
Accounts receivable portfolio 5	Other accounts receivables
Other receivable portfolio 1	Amount due from related parties
Other receivable portfolio 2	Other receivables from partners (minority shareholders)
Other receivable portfolio 3	Export tax refund receivable
Other receivable portfolio 4	Land-related and other deposits
Other receivable portfolio 5	Receivables related to equity transfer
Other receivable portfolio 6	Other receivables

For receivables that are divided into portfolios, Beijing Investment Development refers to the historical credit loss experience, combines the current situation and the prediction of the future economic situation, compiles a table of receivables aging and expected credit loss rate for entire duration, and calculates the expected credit loss.

For other receivables that are divided into portfolios, Beijing Investment Development refers to the historical credit loss experience, combines the current situation and the prediction of the future economic situation, and calculates the expected credit loss through the default risk exposure and the expected credit loss rate within the next 12 months or the entire duration.

② Entrusted loans and debt investment

Provision of entrusted loans and debt investment losses: With reference to the provision of other accounts receivable, Beijing Investment Development combines the historical credit loss experience, the current situation and the prediction of the future economic situation to calculate the credit loss provision.

③ Beijing Investment Development will accrue the loss provision withdrawn or transferred back into the current profit and loss.

(7) Presentation of expected credit loss provisions

To reflect the changes in the credit risk of financial instruments since initial recognition, BII Transportation Technology and Beijing Investment Development remeasure the expected credit losses on each balance sheet date, and impairment losses or gains are included in the current profit and loss. For financial assets measured at amortized cost, the loss allowance offsets the book value of the financial asset listed in the balance sheet.

(8) Written-off of expected credit loss

If BII Transportation Technology and Beijing Investment Development no longer reasonably expect that the contractual cash flows of financial assets can be fully or partially recovered, the book balance of the financial asset will be directly written down. Such write-downs constitute the derecognition of related financial assets. This situation usually occurs when BII Transportation Technology and Beijing Investment Development determine that the debtor has no assets or a source of income to generate sufficient cash flow to cover the amount that will be written down. If the financial asset that has been written down is recovered later, the amount is included in the current profit and loss.

9.5.7 Transfer of financial assets

(1) The transfer of financial assets refers to the transfer or delivery of financial assets to another party (transferee) other than the issuer of the financial asset.;

(2) If BII Transportation Technology and Beijing Investment Development have transferred almost all the risks and rewards of the ownership of financial assets to the transferee, then derecognize the financial asset; if they retain almost all the risks and rewards of the ownership of financial assets, they will not derecognize the financial asset.

(3) If BII Transportation Technology and Beijing Investment Development neither transfer nor retain almost all the risks and rewards of the ownership of financial assets, they will deal with in the following

cases: If the control of the financial asset is abandoned, this financial asset is derecognized and the resulting assets and liabilities are recognized; if the control of the financial asset is not abandoned, the relevant financial asset is recognized according to the extent of its continued involvement in the transferred financial asset, and the relevant confirmation is confirmed accordingly debt.

9.5.8 Offset of financial assets and financial liabilities

When BII Transportation Technology and Beijing Investment Development have the legal right to offset the confirmed financial assets and financial liabilities, and can currently execute such legal rights, and plan to settle the net assets or liquidate the financial assets and financial liabilities at the same time, the financial assets and financial liabilities are listed in the balance sheet at the offset amounts. Otherwise, financial assets and financial liabilities are listed separately in the balance sheet, and are not offset against each other.

9.5.9 Termination of financial assets and financial liabilities

(1) When one of the following conditions is met, BII Transportation Technology and Beijing Investment Development terminate the recognition of the financial asset:

① The contract right to receive the cash flow of the financial asset is terminated;

② The financial asset has been transferred, and BII Transportation Technology and Beijing Investment Development transferred almost all risks and rewards of financial asset ownership to the transferee;

③ Although BII Transportation Technology and Beijing Investment Development neither transfer nor retain almost all the risks and rewards of ownership of financial assets, they do not retain control of the financial assets.

(2) If the overall transfer of financial assets meets the conditions for termination confirmation, BII Transportation Technology and Beijing Investment Development will recognize the difference between the following two amounts in the current profit and loss:

① The book value of the transferred financial assets on the date of termination confirmation;

② The consideration received for the transfer of financial assets.

(3) If the current obligation of the financial liability (or part of it) has been lifted, BII Transportation Technology and Beijing Investment Development will derecognize the financial liability (or part of the financial liability).

10. Hedging Instruments

10.1 The hedging is classified into fair value hedging, cash flow hedging, and net investment hedging in an overseas operation.

10.2 Processing for adopting the hedging accounting method for a hedging instrument meeting the following conditions: (1) at the beginning of the hedging, the Company has formally appointed for the hedging relationship (the relationship between the hedging instrument and the hedged item), and prepared the formal written document for the hedging relationship, risk management objectives and hedging strategy; (2) this hedging expectation is highly effective, and conform to the company which is

confirmed for the hedging relationship by the initial risk management strategy; (3) the hedging to cash flow of the expected transaction is likely to happen, and must make the company face will ultimately affect the profits and losses of the fluctuation risk of cash flow; (4) the hedging effectiveness can be measured reliably; (5) continuously evaluate the hedging effectiveness, and to ensure that the hedging is highly effective when the hedging relation is specified.

This company will affirm the hedging is highly effective when it can meet all conditions at the same time: (1) During and after the start of the hedging, the hedging expectation could be highly effective to offset the changes in the fair value or cash flow caused by the hedged risk in a specified period; (2) actual offset results of the hedging is in the range of 80% to 125%.

10. 3 Hedging accounting method

10.3.1 Fair value hedging

Hedging instruments are derivatives; the profit or loss formed by the fair value fluctuation of hedging instruments will record in current gains and losses. A hedging instrument is not derivative, the book value of the hedging instrument resulting from the profit or loss changes in exchange rate could include in the current profits and losses.

The profit or loss formed by the risk of hedged items need to record into the current profits and losses, and adjust the book value of the hedged item at the same time.

10.3.2 Cash flow hedging

(1) The profit or loss of hedging instrument belongs to the part of effective hedging, can be directly recognized as the other comprehensive income and partially include invalidly in the current profits and losses.

(2) A hedged item is the expectation transaction, and the expectation transaction makes the Company confirmed a financial asset or a financial liability, the original gains or losses that directly recognized as the other comprehensive income, roll out profit and loss in the financial asset or financial liability during the same time that affects the enterprise, include in the current profits and losses; If the forecasted transaction makes the Company confirm a non-financial asset or non-financial liability subsequently, original related gains or losses confirmed in other comprehensive income roll out, included in the amount of initial recognition of the non-financial asset or non-financial liability. And the forecast transaction makes the Company confirmed an asset or liability, the original profit or loss directly recognized as the other comprehensive income in the assets and liabilities influence enterprise profit and loss turn out during the same time, included in the current profits and losses.

Other cash flow hedging, initial profits and losses that directly record in hedging instruments of other comprehensive income, could turn out at the same period of hedged expectation transaction.

10.3.3 The net investment hedging in an overseas operation

The part of effective hedging of profits and losses developed from hedging instruments, directly recognize as other comprehensive income, turn out and record in current gains and losses during the disposal of operating abroad; the ineffective hedging of the gains and losses formed by hedging instruments.

10.4 In order to avoid the exchange rate risk of foreign currency, this Company signed contract of hedging instruments with the banks and other financial institutions, utilize the treatment of fair value hedging, appoint the accounting period of this hedging relationship as the start and end of contract trading, and specify accounting relationship and hedging period in the light of specific hedging product contract. The Company uses the ratio analysis method to evaluate the effectiveness of hedging.

10.5 BII Transportation Technology, subsidiary of BII Hong Kong, implements new standards of arbitrage tool in 2018, the relevant accounting policies are as follow:

Hedging is the risk management activity of an enterprise, which is aim To manage risk exposures arising from specific risks such as foreign exchange risk, interest rate risk, price risk and credit risk. Designating financial instruments as hedging instruments so that the changes in fair value or cash flow of hedging instruments will expectedly offsets the changes in all or part of the fair value or cash flow of the hedged item.

10.5.1 In hedging accounting, it's classified into fair value hedging, cash flow hedging, and net Investment hedging in an overseas operation.

10.5.2 Processing for adopting the hedging accounting method for a hedging instrument meeting the following conditions: (1) the hedging relationship consists only of eligible hedging instruments and eligible hedged items. (2) at the inception of the hedging relationship there is formal designation and documentation of the hedging relationship and the entity's risk management objective and strategy for undertaking the hedge, and the document contains at least hedging tools, hedged items, the nature of hedged risks, and methods for evaluating hedging effectiveness (including the analysis of the causes of the ineffective part of the hedging and the method for determining the hedging ratio). (3) the hedging relationship meets all of the hedge effectiveness requirements.

If the hedging meets the following conditions at the same time, the enterprise shall determine that the hedging relationship meets the hedge effectiveness requirements:

(a) There is an economic relationship between the hedged item and the hedging instrument. This economic relationship causes the value of the hedging instrument and the hedged item to change in the opposite direction due to the same risk of being hedged.

(b) The impact of credit risk is not dominant in the value changes arising from the economic relationship between the hedged item and the hedging instrument.

(c) The hedging ratio of the hedging relationship shall be equal to the ratio of the number of hedged items actually hedged by the enterprise to the actual number of hedging instruments that are hedged, but shall not reflect the imbalance of the relative weight of the hedged item and the hedging instrument. This imbalance can result in ineffective hedging and may result in accounting results inconsistent with the hedge accounting objectives.

The enterprise shall continuously assess whether the hedging relationship meets the effectiveness requirements on the start date of the hedge and in the following period. In particular, it shall analyze the reasons for the ineffective part of the hedge that is expected to affect the hedging relationship within the remaining period of the hedge. The enterprise shall at least assess the hedging relationship on the balance sheet date and when significant changes in the relevant circumstances will affect the effectiveness of the hedge.

The hedging relationship no longer meets the hedging effectiveness requirements due to the hedging ratio, but if the risk management objectives specifying the hedging relationship are not changed, the enterprise should rebalance the hedging relationship.

10.5.3 Hedging accounting

(1) Fair value hedging

If the fair value hedging meets the conditions for applying the hedge accounting method, it shall be handled in accordance with the following provisions:

(a) The gain or loss on the hedging instrument is recognized in profit or loss, if it's hedged over a non-trading equity instrument investment (or its components) at FVTOCI, the gains or losses arising from hedging instruments should be included in other comprehensive income.

(b) The gains or losses arising from the hedging risk exposure of the hedged items shall be included in the current profit and loss, and the book value of the confirmed hedged items not measured at fair value shall be adjusted.

(2) Cash flow hedging

If the cash flow hedging meets the conditions for applying the hedge accounting method, it shall be handled in accordance with the following provisions.

(a) The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized in other comprehensive income as cash flow hedge reserves. The amount of cash flow hedge reserve that is included in other comprehensive income in each period shall be the amount of change in the current cash flow hedge reserve.

(b) The portion of the gains or losses arising from the hedging instrument that is ineffective (ie, other gains or losses after deducting other comprehensive income) shall be included in the current profits and losses.

(3) The net investment hedging in an overseas operation

For the net investment hedging in an overseas operation, including a hedge of a monetary item that is accounted for as part of the net investment, is accounted for similarly to cash flow hedges:

(a) The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized in other comprehensive income.

On the disposal or partial disposal of the foreign operation, the cumulative gain or loss on the hedging instrument relating to the effective portion shall be reclassified to profit or loss.

(b) The ineffective portion is recognized in profit or loss.

11. Accounts receivable

Receivables include accounts receivable and other receivables.

11.1 Receivables of significant individual amount and individual provision bad debt preparation

Judgment or money standard for significant individual amount	An ending balance of receivable that exceeds RMB 1 Million (including RMB 1 Million) is deemed as an individually significant receivable
Significant individual amount and bad debt provision method	Conduct the loss testing in accordance with the difference between the future cash flow and the carrying amount

11.2 Receivables for which bad debt provision is collectively assessed on a portfolio basis

The Company classifies the receivables that are not individually significant and those that are individually significant but are not impaired individually into companies of financial assets according to the similarity and relevance of credit risk characteristics.

Basis for determining a portfolio	Basis for determining a portfolio	Bad debt provision method
Aging Portfolio	Aging status	Aging analysis
Accounts receivable portfolio between consolidated related parties	Asset types	Future cash flow estimated on the basis of historical loss rate
Accounts receivable portfolio with a closing date	Asset types	Future cash flow estimated on the basis of historical loss rate

11.2.1 Aging analysis

Aging	Provision as a proportion of accounts receivable (%)	Provision as a proportion of other receivables (%)
Within 1 year (Within 1 year (inclusive)	-	-
More than 1 year but not exceeding 2 years	5.00	5.00
More than 2 year but not exceeding 3 years	15.00	15.00
More than 3 year but not exceeding 4 years	25.00	25.00
More than 4 year but not exceeding 5 years	50.00	50.00
More than 5 years	90.00	90.00

11.2.2 For other portfolios, bad debts are provided in the method as follows:

Portfolio	Bad debt provision method
Accounts receivable portfolio between consolidated related parties	Future cash flow estimated on the basis of historical loss rate
Accounts receivable portfolio with a closing date	Future cash flow estimated on the basis of historical loss rate

11.3 Accounts receivable that are not individually significant but for which bad debt provision is individually assessed:

Basis for determining a Accounts receivable that are not individually significant but for which bad debt provision is individually assessed	Accounts receivables portfolio with significant risks that don't exceed RMB Million，including these non-related party receivables with a age more than 3 years
Bad debt provision method	Bad debt is provided as the following credit risk characteristics

Bad debt provision according to credit risk characteristics

Basis for determining a portfolio	Basis for determining a portfolio	Bad debt provision method
Portfolio	Aging status	Aging analysis
Accounts receivable portfolio between consolidated related parties	Asset types	Future cash flow estimated on the basis of historical loss rate
Accounts receivable portfolio with a closing date	Asset types	Future cash flow estimated on the basis of historical loss rate

For the notes receivable, interest receivable, long-term receivable etc., bad debt is provided according to the difference between the future cash flow and the carrying amount.

12. Inventories

12.1 Categories of inventories

The Company's inventories mainly include materials in transit, raw materials, and materials on consignment for further processing, materials in transit, work in progress, finished goods and development costs.

12.2 Valuation method of inventories upon delivery

The cost of inventories upon acquisition is calculated at actual costs. The actual cost of inventories upon delivery is calculated using the weighted average method.

12.3 Basis for determining net realizable value of inventories and provision methods for decline in value of inventories

At the balance sheet date, inventories are measured at the lower of cost and net realizable value. If the net realizable value is below the cost of inventories, a provision for decline in value of inventories is made. After the provision for decline in value of inventories is made, if the circumstances that previously caused inventories to be written down below cost no longer exist so that the net realizable value of inventories is higher than their cost, the original provision for decline in value is reversed and the reversal is included in profit or loss for the period.

12.4 Inventory count system

The perpetual inventory system is maintained for stock system.

12.5 Amortization method for low cost and short-lived consumable items and packaging materials

Be on the basis of the immediate write-off method to amortize.

13. Contract asset

BII Transportation Technology, subsidiary of BII Hong Kong, implements new revenue standards in 2018, the relevant accounting policies of contract asset are as follow:

13.1 Recognition method and standard of contract asset

The Company presents contract assets or contract liabilities in the balance sheet based on the relationship between performance obligations and customer payments. The consideration (except for receivables) that the Company has the right to receive for transferred goods or provided services to customers is listed as contract assets.

13.2 Method for determining expected credit loss of contract assets and accounting treatment

For contract assets that do not contain significant financing components, the company adopts a simplified model of expected credit losses, that is, it always measures its loss provision according to the amount of expected credit loss for the entire life period, and the increase or reversal of the loss

provision thus formed is included in current profit and loss, as an impairment loss or gain.

For contract assets that contains significant financing components, the company adopts a simplified model of expected credit losses, that is, it always measures its loss provision according to the amount of expected credit loss for the entire life period, and the increase or reversal of the loss provision thus formed is included in current profit and loss, as an impairment loss or gain.

14. Debt investment

Beijing Investment Development adopts a general model of expected credit losses for debt investment.

For the determination method and accounting treatment method of the expected credit loss of debt investment, refer to "Notes IV 9 Financial Instruments".

15. Long-term equity investments

15.1 Determination of investment cost

15.1.1 The business combinations under common control, the combined party to pay in cash, transfers non-cash assets, assumed debt or equity securities as combined consideration, on the combining date according to the owner's equity in the combined party on the final control party's share of the book value of the consolidated financial statements as its initial investment cost. The difference between initial investment cost in the long-term equity investment and book value of the paid merger consideration of the total amount of the face value of the issued shares to adjust capital reserves; if capital reserves are insufficient to write-downs, it needs to adjust the retained earnings.

15.1.2 The business combinations not under common control, in accordance with the payment of the fair value of the merger consideration is its initial investment cost on the acquisition date.

15.1.3 For a long-term equity investment acquired through business combination not involving enterprises under common control and achieved in stages, the investment cost of the long-term equity investment is the aggregate of the carrying amount of the equity interest held in the acquiree prior to the acquisition date and the cost of the additional investment at the acquisition date. The long-term equity investment acquired otherwise than through a business combination is initially measured at its cost.

15.2 Subsequent measurement and profit & loss recognition

The invested entity of a long-term equity investment to the invested unit can utilize accounting with cost method; accounting with equity method will be used to have joint control or significant influence of a long-term equity investment.

15.3 Basis for determining joint control and significant influence over investee

Joint control is the contractually agreed sharing of control over an economic activity, and exists only when the strategic financial and operating policy decisions relating to the activity require the unanimous consent of the parties sharing control. Significant influence is the power to participate in the financial

and operating policy decisions of the investee but is not control or joint control over those policies.

15.4 Methods of impairment assessment and determining the provision for impairment loss

For the long term investment in subsidiaries, joint venture and associates, The Company reviews the long-term equity investments at each balance sheet date to determine whether there is any indication that they have suffered an impairment loss. If an impairment indication exists, the recoverable amount is estimated. If such recoverable amount is less than its carrying amount, a provision for impairment losses in respect of the deficit is recognized in profit or loss for the period.

16. Investment properties

16.1 The Company's investment properties include a land use right that is leased out; a land use right held for transfer upon capital appreciation; and a building that is leased out.

16.2 The Company uses the cost model for subsequent measurement of investment property, and adopts a depreciation or amortization policy for the investment property, which is consistent with that for fixed assets or intangible assets. The Company reviews the investment properties at each balance sheet date to determine whether there is any indication that they have suffered an impairment loss. If there is any indication that such assets may be impaired, the recoverable amounts are estimated for such assets. If the recoverable amount of an asset or an asset Company is less than its carrying amount, the deficit is accounted for as an impairment loss and is recognized in profit or loss for the period.

17. Fixed assets

17.1 Recognition, measurement and depreciation criteria for fixed assets

Fixed assets are tangible assets that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and have useful lives of more than one accounting year. Fixed assets are initially measured at acquisition cost, and depreciated over its useful life using the straight-line method since the month subsequent to the one in which it is ready for intended use.

17.2 Deprecation methods for each category of fixed assets

According to the No.1576 [2008] Document of Beijing Finance Bureau, the Company no longer makes depreciation to subway Line 1 and Line 2. Because Beijing subway is a public service program and the income is not corresponding to the costs, the other subway lines don't depreciate as well.

According to the Temporary management methods for special fund of Beijing subway fixed assets replacement (Jing Finance – [2010] No.1881), Public transportation enterprise financial subsides in 2008 by Beijing Finance Bureau (Jing Finance – [2008] No.1116) etc., the subsides for subway transportation replacement changes from depreciation subsides to special funds, the subway transportation assets meets the above criterion and no longer depreciates.

According to the [2009] No.370 Document of Beijing Finance Bureau, as one of the Company's subsidiaries, Beijing subway network management Co., Ltd. no longer makes depreciation to fixed assets invested by the government.

At the same time, based on the particularity of rail line assets, Beijing subway public belong to the government welfare project, in order to guarantee the normal operation of the subway, the Beijing municipal government will pay special funds for upgrading after the fixed assets impairment, so as to ensure the book value of the line assets is not fall during the period of operations. Therefore, our Company does not depreciate the related assets of all lines according to relevant documents of the Beijing municipal bureau and the situation. Other fixed assets are depreciated as follows:

Category	Depreciation period (years)	Residual value rate (%)	Annual depreciation rate (%)
Machine and equipment	20-35	5	2.71- 4.75
Buildings	10-15	5	6.33- 9.50
Transporting Tools	8	5	11.88
Electronic equipment	3	5	31.67
Office equipment	5	5	19.00
Hotel furniture	5	5	19.00

At the end of each year, the Company will recheck the service life of fixed assets; expect net salvage value, and depreciation methods.

There are differences between the expected number of service life and the original estimate, adjust the service life of the fixed assets; there are differences between expect net salvage value expected number and the original estimate and adjust the expected net salvage value.

17.3 Impairment method of fixed assets, impairment preparation provision method

The date of balance sheet, some indications state clearly that the fixed assets conduct impairment, according to the difference between the book value and recoverable amount provision the corresponding impairment loss.

17.4 Fixed assets under financial lease and valuation method

Comply with one or several standard the followings, it will be identified as: (1) at the expiration of the lease term, ownership of the leased asset transfer to the lessee; (2) the lessee has option to buy the leased asset, the purchase price is expected to be far lower than the exercise of choice power the fair value of the leased asset, thus it is reasonably certain that the lessee will exercise the option on the lease beginning date. (3) Even if the ownership assets do not transfer, but the lease period owns most service life of the leased asset [usually account for more than 75% of the service life of the leased asset (including 75%)]; (4) the present value of the minimum lease payments of the lessee on the lease beginning date, is almost equivalent to the fair value of the leased asset in beginning date [more than 90%

(including 90%)]; the present value of the minimum lease receipts of the lessors on the lease beginning date, the fair value of the leased asset is almost equivalent to the lease beginning date [more than 90% (including 90%)]; (5) the nature of the leased asset is special, , only the lessee can use without making major modifications.

Fixed assets under financial lease, according to the lease beginning date of the fair value of the leased asset and the present value of the minimum lease payments in lower books, according to its own depreciation of fixed assets depreciation policy.

17.5 Overhaul expense

The Company accesses the overhaul expense regularly. If an evidence exists that the fixed assets meet the conditions of the recognition criteria, the overhaul expense shall be recognized into cost of fixed assets, otherwise it will be recognized into profit and loss for the period. The fixed assets shall be depreciated during the overhaul period.

18. Construction in progress

18.1 Construction in progress should be transferred into fixed assets at its actual costs after it has reached the working condition for its intended use. Construction in progress that has reached the working condition but not completed, shall be transferred at its estimated costs. The estimated cost of construction in progress should be adjusted against the actual costs after completion of settlement, while the depreciation already provided will not be adjusted.

18.2 The Company assesses at each balance sheet date whether there is any indication that construction in progress may be impaired. If there is any indication that such assets may be impaired, recoverable amounts are estimated for such assets.

19. Borrowing cost

19.1 Recognition criteria of capitalization

Borrowing costs are capitalized when expenditures for such asset and borrowing costs are incurred and activities relating to the acquisition, construction or production of the asset that are necessary to prepare the asset for its intended use or sale have commenced. Other borrowing costs are recognized as an expense in the period in which they are incurred.

19.2 Period of capitalization

19.2.1 Borrowing costs directly attributable to the acquisition, construction or production of qualifying asset are capitalized when expenditures for such asset and borrowing costs are incurred and activities relating to the acquisition, construction or production of the asset that are necessary to prepare the asset for its intended use or sale have commenced.

19.2.2 Capitalization of borrowing costs ceases when the qualifying asset being acquired, constructed or produced becomes ready for its intended use or sale. Capitalization of borrowing costs is suspended during periods in which the acquisition, construction or production of a qualifying asset is suspended abnormally and when the suspension is for a continuous period of more than 3 months. Capitalization is suspended until the acquisition, construction or production of the asset is resumed.

19.2.3 Capitalization of borrowing costs ceases when the qualifying asset being acquired, constructed or produced becomes ready for its intended use or sale， the borrowing costs stop capitalization.

19.3 Capitalization amount of borrowing costs

Where funds are borrowed under a specific-purpose borrowing, the amount of interest to be capitalized is the actual interest expense incurred on that borrowing for the period less any bank interest earned from depositing the borrowed funds before being used on the asset or any investment income on the temporary investment of those funds. Where funds are borrowed under general-purpose borrowings, the Company determines the amount of interest to be capitalized on such borrowings by applying a capitalization rate to the weighted average of the excess of cumulative expenditures on the asset over the amounts of specific-purpose borrowings. The capitalization rate is the weighted average of the interest rates applicable to the general-purpose borrowings.

20. Intangible assets

20.1 Intangible assets, including land use rights, patents and concessions etc. are recognized at costs.

20.2 An intangible asset is measured initially at cost. When an intangible asset with a finite useful life is available for use, its original cost less net residual value and any accumulated impairment losses is amortized over its estimated useful life using the straight-line method. An intangible asset with an indefinite useful life is not amortized. The Company doesn't exist any intangible assets with indefinite useful life for the year.

For an intangible asset with a finite useful life, the Company reviews the useful life and amortization method at the end of the period, and makes adjustments when necessary.

At balance sheet date, if an intangible asset is estimated not to bring any future economic benefits, the carrying amount of the intangible asset will be transferred into profit and loss completely.

20.3 The Company assesses at each balance sheet date whether there is any indication that the intangible assets with definite life may be impaired. If there is any indication that such assets may be impaired, recoverable amounts are estimated for such assets. If the recoverable amount of an asset or an asset group is less than its carrying amount, the deficit is accounted for as an impairment loss and is recognized in profit or loss for the period. For an intangible asset with infinite useful life, the Company reviews the useful life and amortization method at the end of the period.

20.4 Expenditure during the development phase that meets all of the following conditions at the same time is recognized as intangible asset. Expenditure during development phase that does not meet the following conditions is recognized in profit or loss for the period.

(1) It is technically feasible to complete the intangible asset so that it will be available for use or sale;

(2) The Company has the intention to complete the intangible asset and use or sell it;

(3) The Company can demonstrate the ways in which the intangible asset will generate economic benefits, including the evidence of the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;

(4) The availability of adequate technical, financial and other resources to complete the development and the ability to use or sell the intangible asset; and

(5) The expenditure attributable to the intangible asset during its development phase can be reliably measured.

The Company's relevant items proceed into development process when it can meet all conditions above and through the technical feasibility and research of economic feasibility to approve and initiate a project. The capitalized payment of development phase illustrated as development payment on the balance sheet, and transfer to intangible assets after the items achieve expected serviceable condition.

21. Long-term prepaid expenses

Long-term prepaid expenses represent expenses incurred that should be borne and amortized over the current and subsequent periods (together of more than one year). Long-term prepaid expenses are amortized using the straight-line method over the expected periods in which benefits are derived.

22. Goodwill

Goodwill is the difference between the equity investment costs or the cost of business combination not under the same control over or obtaining from the merger of enterprises shall enjoy the invested entity or identifiable net assets and the fair value of the share in the grant day or purchase date.

Goodwill associated with subsidiary shows separately in the consolidated financial statements, the goodwill associated with associated enterprises and joint ventures, included in the book value of the long-term equity investment.

The Company is not amortized to goodwill, impairment test at the end of each year, according to the difference that recoverable amount is lower than the book value will conduct the provision for impairment loss, the corresponding asset impairment loss record into the current profits and losses. Impairment losses will no longer return in the future accounting periods upon confirmation.

23. Contract liabilities

The Company presents contract assets or contract liabilities in the balance sheet based on the relationship between performance obligations and customer payments. The obligation of the company to transfer goods or provide services to customers due to considerations received or receivable is presented as contract liabilities.

24. Employee compensation

Employee compensation is to point to the all forms of remuneration or compensation that Company receive services rendered by employees or give except share-based payment in order to terminate the labor relationship. Employee compensation includes short-term compensation, severance welfare, dismissal benefits and other long-term employee benefits. The compensation that Company offered to the worker spouse, children, dependents, the deceased employee survivors and other beneficiaries, also belong to employee compensation.

24.1Short-term employee benefits

The related expenditures are either included in cost of related assets or charged to profit or loss in the period when they are incurred. Non-monetary benefits are measured at fair value.

24.2 termination benefits

When the Company terminates the employment relationship with employees before the expiry of the employment contracts or provides compensation as an offer to encourage employees to accept voluntary redundancy, if the Company has a formal plan for termination of employment relationship or has made an offer for voluntary redundancy which will be implemented immediately, and the Company cannot unilaterally withdraw from the termination plan or the redundancy offer, a provision for the compensation payable arising from the termination of employment relationship with employees is recognized with a corresponding charge to the profit or loss for the period, and include in current profits and losses.

When the Group terminates the employment relationship with employees before the employment contracts expire, or provides compensation as an offer to encourage employees to accept voluntary redundancy, a provision for the termination benefits provided is recognized in profit or loss when both of the following conditions are satisfied:

(1) The Company has a formal plan for the termination of employment or has made an offer to employees for voluntary redundancy, which will be implemented shortly;

(2) The Company is not allowed to withdraw from termination plan or redundancy offer unilaterally.

For the termination plans that the employees don't have options, employee benefits are provided in according to the terms of numbers of dismissed employees' compensation criteria in termination plans.

For the termination plans that the employees are willing to accept, employee benefits are provided in according to the terms of numbers of dismissed employees' compensation criteria in termination plans within ASEB No. 13 – Contingency.

The termination benefits that meets the recognition, of which actual dismission has been finished with one year while the payment lasts for over one year, shall be discounted to present value.

24.3 Defined contribution plan

Pursuant to the relevant laws and regulations of the PRC, employees of the Company participate in the social insurance system established and managed by government organization. The Company makes social insurance contributions, including contributions to basic pension insurance at the applicable benchmarks and rates stipulated by the government for the benefit of its employees. The pension insurance contributions are recognized as part of the cost of assets or charged to profit or loss on an accrual basis.

Except for the basic pension insurance, employees of the Company participate in the retirement welfare plan. Both the employee and the Company make contribution to the annuity plan at a certain rate, and the contribution is recognized at profit and loss when occurs.

25. Share-based payment and equity instrument

25.1The categories of share-based payment

Equity-settled share-based payments and cash-settled share-based payment are included.

25.2The method for determining of the fair value of the equity instruments

25.2.1 There are active markets, according to the determined in the active market quotation.

25.2.2 There is no active market, the valuation techniques, including reference to familiar with the situation and voluntary transaction parties in the recent market transactions using the price of other financial instruments; the reference is essentially the same current fair value, discounted cash flow method and the option pricing model, etc.

25.3 Confirming the basis of the best estimate of vested equity instruments

According to the latest acquired subsequent information staff size change of the vesting to estimate.

25.4 Related accounting treatment of implement, modification, termination of share-based payment plan

25.4.1 Equity-settled share-based payment

If the right may be exercised immediately after the equity-settled share-based payment granted in return for services of employees, included in the relevant costs or expenses in accordance with the fair value of the equity instruments in the grant date, capital reserves should be adjusted. Complete the service of waiting period or meet the prescribed performance conditions in return for services of employees, if only

the vesting of equity-settled share-based payment, waiting for the period of each balance sheet date, to the number of vested equity instruments is based on best estimate, according to the fair value of the equity instruments granted to date, the current service included in the relevant costs or expenses, capital reserves shall be adjusted.

Rights and interests of clearing share-based payment in return for services of the other party, if the fair value of the other party service can be reliably measured, according to the other party service of the fair value in the grant day; If the fair value of the other party service cannot be reliably measured, but the fair value of the equity instruments can be reliably measured, in accordance with the fair value of the equity instruments in service, metering, included in the relevant costs or expenses, the owner's equity shall be increased accordingly.

25.4.2 Cash-settled share-based payment

The cash-settled share-based payment after the right may be exercised immediately granted in return for services of employees, fair value of the Company to undertake liabilities in the grant date included in the relevant costs or expenses, the liabilities shall be increased accordingly. Complete service of the waiting period or meet performance conditions before the vesting in return for employee services cash-settled share-based payment, each balance sheet date in waiting period, based on the best estimate of the vesting conditions, according to the fair value of the Company to undertake liabilities, the current service should be recorded in the relevant costs or expenses and the corresponding liabilities.

25.4.3 Modify, terminate the share-based payment plan

If modification increases the fair value of the granted equity instruments, the Company accordingly confirm the increase of the service in accordance with the increase of the fair value of the equity Instruments; If you change to increase the number of the granted equity instruments, the Company will increase the fair value of the equity instruments and confirm accordingly as the increase of the service; If the Company modify the vesting conditions in accordance with the conducive way to worker, the Company will think about the modified vesting conditions in dealing with the vesting condition.

If the modification reduce the fair value of the granted equity instruments, Company continues to be on the basis of the fair value of equity instruments in grant date, confirm the amount of service, regardless of the reduction of fair value of the equity instruments; If the modification decrease the number of the granted equity instruments, the Company will reduce part as the cancellation of the granted equity instruments to process; If the modification changes the vesting conditions based on the unfavorable way to the workers, in dealing with the vesting conditions, not to consider the revised vesting conditions.

If the Company cancel the granted equity instruments over the vesting period or clearing the granted equity instruments (except the cancellation due to not satisfying the vesting conditions), will be canceled or settlement as accelerated vesting, immediately confirm the amount that was confirmed in the rest of the vesting period.

26. Bonds payable

The Company initially recognizes the bonds payable at the fair value. Related costs are recognized into initial amount, and subsequently recognized into amortized costs.

The deficits between the actual price and face value are amortized using interest rate method when interest is provided accordingly to the treatment criteria of borrowing costs.

27. Accrued liability

27.1. For external guarantee, litigation matters, quality guarantee of products, deficit contracts or the duty to matters form to become a present obligation of the Company to undertake, the duty is likely to result in the outflow of economic benefits from the Company, and the amount of the obligation can be measured reliably, the obligation to the Company will confirm for the estimated debts.

27.2. In accordance with the best estimate of the expenses necessary for the performance of the current obligation, the Company conducts initial measurement to estimated debts, and rechecks the book value of the estimated debts on the balance sheet date.

28. Revenue

28.1 sales of goods

Revenue from sales of goods is recognized when (1) the Company has transferred to the buyer the significant risks and rewards of ownership of the goods; (2) the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; (3) the amount of revenue can be measured reliably; (4) it is probable that the associated economic benefits will flow to the Company; and (5) the associated costs incurred or to be incurred can be measured reliably.

28.2 offering services

Revenue from rendering of services is recognized when the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the enterprise; the stage of completion of the transaction can be determined reliably; and the associated costs incurred or to be incurred can be measured reliably. Revenue from rendering of services is recognized using the percentage of completion method at the balance sheet date. The stage of completion of a transaction for rendering for services is determined based on surveys of work performed. When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognized only to the extent of the costs incurred that will be recoverable, and the costs incurred are recognized as expenses for the period. When it is not probable that the costs incurred will be recovered, revenue is not recognized.

28.3 Revenue from alienating of right to use assets

When the economic benefit will probably flow into the Company and the revenue can be measured reliably, the amount of revenue from alienating of right to use assets shall be recognized as follows: revenue of interest shall be confirmed by the time and actual interest of the assets that have been used; revenue of charge for use shall be confirmed by the agreed time and methods in the contract.

28.4 BII Transportation Technology, subsidiary of BII Hong Kong, applies new revenue standards in 2018, the relevant accounting policies are as follow:

Revenue refers to the total inflow of economic benefits that the company has formed in its daily activities that will lead to an increase in owner's equity but irrelevant with the owner's investment in capital.

28.4.1 Recognition of revenue

The enterprise shall fulfill the performance obligation in the contract, that is, the revenue is recognized when the customer obtains control of the relevant commodity. Obtaining control of related commodities means being able to dominate the use of the commodity and obtain almost all of its economic benefits.

When the contract between the company and the customer meets the following conditions at the same time, the enterprise shall recognize the revenue when the customer obtains the control of the relevant commodity:

(1) The parties to the contract have approved the contract and promised to fulfill their respective obligations;

(2) The contract clarifies the rights and obligations of the parties to the contract relating to the goods transferred or the services offered;

(3) The contract has a clear payment terms associated with the transferred goods;

(4) The contract has commercial substance, that is, fulfilling the contract will change the risk, time distribution or amount of future cash flow of the company;

(5) The consideration that an enterprise is entitled to for the transfer of goods to a customer is likely to be recovered.

28.4.2 According to the relevant provisions of the revenue standard, the Company judges that the nature of the relevant performance obligation belongs to "performance obligations performed within a certain period of time" or "performance obligations performed at a certain point in time", and the revenue is recognized according to the following principles:

(1) For the performance obligations performed during a certain period of time, the company recognizes the revenue according to the progress of the performance during the period, except that the progress of the performance cannot be reasonably determined.

(2) For performance obligations performed at a certain point in time, the company shall recognize the revenue when the customer obtains control of the relevant commodity.

28.4.3 Measurement of revenue

The company shall measure the income according to the transaction price allocated to each individual performance obligation. In determining the transaction price, the company considers the impact of variable consideration, major financing components in the contract, non-cash consideration, and payable customer consideration.

(1) Variable consideration

The Company determines the best estimate of the variable consideration based on the expected value or the most likely amount, but the transaction price including the variable consideration shall not exceed the amount at which the cumulative recognized revenue is likely to not be significantly reversed when the relevant uncertainty is eliminated. In assessing whether the cumulative recognized revenue is unlikely to be significantly reversed, the company should consider both the likelihood of reversal and its proportion.

(2) Significant financing components in the contract

Where there is a significant financing component in the contract, the company shall determine the transaction price in accordance with the amount payable assuming that customer pays in cash. The difference between the transaction price and the contractual consideration shall be amortized using the effective interest method during the contract period.

(3) Non-cash consideration

If the customer pays a non-cash consideration, the company determines the transaction price based on the fair value of the non-cash consideration. Where the fair value cannot be reasonably estimated, the company indirectly determines the transaction price with reference to the only selling price of the goods it has promised to transfer to the customer.

(4) Payable customer consideration

For the payable customer consideration, the payable consideration shall be offset against the transaction price, and the current revenue shall be offset against at the later of the recognition of the relevant revenue and the payment (or promised payment) of the customer's consideration, except for which is in order to obtain other clearly distinguishable goods from the customer.

If the company pays the customer's consideration in order to obtain other clearly distinguishable goods from the customer, it shall recognize the purchased goods in a manner consistent with other purchases of the company. If the payable customer consideration is more than the fair value of the commodity that can be clearly distinguished from the customer, the excess amount will offset the transaction price. If the fair value cannot be reasonably estimated, the enterprise shall offset the transaction price in full amount.

29. Government grants

29.1 Government grants include asset related government grants and income related government grants.

29.2 If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable. If a government grant is in the form of a non-monetary asset, it is measured at fair value. If the fair value cannot be reliably determined, it is measured at a nominal amount.

29.3 The government grant adopts the total method:

29.3.1 A government grant related to an asset is recognized as deferred income, and amortized to profit or loss on a reasonable and systematic basis over the useful life of the related asset. If the relevant assets are sold, transferred, scrapped or damaged before the end of their useful lives, the undistributed balance of related deferred income will be transferred to the profit or loss of the asset disposal in the current period.

29.3.2 If a government grant related to income is used to compensate for the related expenses or losses in the subsequent period, it shall be recognized as deferred income and shall be recorded in the current profit or loss in the period in which the relevant expenses are recognized; For the compensation of related expenses or losses that have occurred, they shall be directly included in the current profits and losses.

29.4 For government grants that include both the asset-related portion and the income-related portion, the different parts are separately accounted for; if it is indistinguishable, the overall classification is revenue-related government subsidies.

29.5 The Company will include government grants related to the company's daily activities in accordance with the nature of the economic business and include it in other income or write down the related costs; government grants that are unrelated to the daily activities of the company shall be included in non-operating income and expenditure.

29.6 The company will obtain the policy discount loan interest discount in accordance with the government to allocate the interest-bearing fund to the loan bank and the finance will directly disburse the interest-bearing fund to the company in two cases:

29.6.1 The finance allocates the interest-subsidy funds to the loan bank. If the lending bank provides loans to the company at a policy-based preferential interest rate, the company chooses to conduct accounting treatment according to the following methods:

(1) The borrowing amount actually received is taken as the entry value of the borrowings, and the relevant borrowing costs are calculated according to the principal of the loan and the policy preferential interest rate.

(2) The fair value of borrowings is taken as the recorded value of borrowings and the borrowing costs are calculated according to the actual interest rate method. The difference between the actual amount received and the fair value of the borrowings is recognized as deferred income. Deferred income is amortized over the life of the borrowing using the effective interest method to offset the related borrowing costs.

29.6.2 If the financial department directly distributes the discounted interest funds to the company, the company will offset the relevant borrowing costs by the corresponding discount interest.

30. The deferred income tax assets and the deferred income tax liabilities

30.1 According to the book value of the assets, liabilities and its tax base the difference between the (not confirmed project as assets and liabilities of its tax base can be determined in accordance with the provisions of the tax law, the tax base and the difference between the book number), according to the forecast of the asset is recovered or the applicable tax rate calculation during the debt confirmed deferred income tax assets and deferred income tax liabilities.

30.2 Confirm the deferred income tax assets to probably get used to making the deductible temporary differences are limited to the amount of taxable income. During the balance sheet date, there is strong evidence that the future is likely to obtain sufficient taxable income to offset the deductible temporary difference, confirm the unconfirmed deferred income tax assets in previous accounting periods.

30.3 On the balance sheet date, review the book value of the deferred income tax assets, and if during the period of the future may not be able to obtain sufficient taxable income to offset the benefit of the deferred income tax assets, the write-downs on the book value of the deferred income tax assets. If it is likely to obtain sufficient taxable income, return the amount of write-downs.

30.4 The Company's current income tax and deferred income tax as recorded into the profits and losses of the current income tax expenses, or earnings, but does not include the income tax in the following circumstances:

(1) The business combination;

(2) Direct confirmation of transactions or events in the owner's equity.

Corporate income tax should pay taxes individually, and adopt self-declaration and verify payment method.

31. Lease

31.1 Operating leases

The Company as lessee under operating leases: operating lease payments are recognized on a straight-line basis over the term of the relevant lease, and are either included in the cost of related asset or charged to profit or loss for the period. Initial direct costs incurred are charged to profit or loss for the

period. Contingent rents are charged to profit or loss in the period in which they are actually incurred.

The Company as lessor under operating leases: rental income from operating leases is recognized in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs with more than an insignificant amount are capitalized when incurred, and are recognized in profit or loss on the same basis as rental income over the lease term. Other initial direct costs with an insignificant amount are charged to profit or loss in the period in which they are incurred. Contingent rents are charged to profit or loss in the period in which they actually arise.

31.2 Financial leases

The Company as lessee under finance leases: at the commencement of the lease term, the Company records the leased asset at an amount equal to the lower of the fair value of the leased asset and the present value of the minimum lease payments at the inception of the lease, and recognizes a long-term payable at an amount equal to the minimum lease payments. The difference between the recorded amounts is accounted for as unrecognized finance charge. Unrecognized finance charges are recognized as finance charge for the period using the effective interest method over the lease term.

The Company as lessor under finance leases: at the commencement of the lease term, the aggregate of the minimum lease receivable at the inception of the lease and the initial direct costs is recognized as a finance lease receivable, and the unguaranteed residual value is recorded at the same time. The difference between the aggregate of the minimum lease receivable, the initial direct costs and the unguaranteed residual value, and the aggregate of their present values is recognized as unearned finance income. Unearned finance income is recognized as finance income for the period using the effective interest method over the lease term.

The relevant policies of BII Transportation Technology, a subsidiary of BII Hong Kong, are as follows:

1. Lessee

When the company is the lessee, at the beginning of the lease period, in addition to choosing short-term leases and low-value asset leases that use simplified processing, the company uses the cost model for subsequent measurement of right-of-use assets. With reference to the relevant depreciation provisions of "ASBE No. 4 Fixed Assets", depreciation is accrued for right-of-use assets. If the lessee can reasonably remain the ownership of the leased asset when the lease term expires, it should make depreciation within the remaining useful life of the leased asset. If the ownership of the leased asset cannot be reasonably remained at the end of the lease period, depreciation shall be made within the shorter of the lease period and the remaining useful life of the leased asset. The company determines whether the right-of-use asset is impaired in accordance with the provisions of "ASBE No. 8 Impairment of Assets", and performs accounting treatment for the identified impairment losses.

Recognition of right-of-use assets and lease liabilities

The company calculates the interest expense of the lease liability in each period of the lease period

according to a fixed cyclic interest rate, and is included in the current profit and loss. According to the "ASBE No. 17 Borrowing Costs" and other standards that should be included in the cost of relevant assets, the provisions shall prevail.

For short-term leases and low-value asset leases, the company chooses not to recognize right-of-use assets and lease liabilities, and recognize the lease payments in the cost of related assets or current profit and loss in the straight-line method during each period of the lease.

2. Lessor

(1) Financial leases

If the company is the lessor, at the beginning of the lease period, the financial lease receivable is recognized for the financial lease, and the financial lease assets are terminated.

(2) Operating leases

As a lessor, the company uses the straight-line method to confirm the lease receipts of operating leases as rental income during each period of the lease. Capitalize the initial related direct expenses incurred, and allocate them on the same basis as the recognition of rental income during the lease period, and recognize them in the current profit or loss in installments.

For fixed assets in operating leased assets, the company should adopt depreciation policies for similar assets to accrue depreciation; for other operating lease assets, amortization should be carried out in a systematic and reasonable manner according to the enterprise accounting standards applicable to the asset. In accordance with the provisions of "ASBE No.8 Impairment of Assets", the company determines whether the operating lease assets are impaired and performs corresponding accounting treatment.

32. Hold for sale

The company divides the corporate components that meet all of the following conditions into holding for sale:

(1) Based on the usual practice of selling such assets or disposal groups in similar transactions, they can be sold immediately under current conditions;

(2) The sale is highly probable, a resolution has been made on a sale plan and a firm purchase commitment has been obtained and it is expected that the sale will be completed within one year. Approvals from relevant authorities or regulatory authorities have been obtained in accordance with relevant regulations.

The Company adjusts the expected net salvage value held for sale to reflect the net amount of its fair value less costs to sell. The difference between the original book value and the adjusted net residual value is included in the profit or loss of the current period as an asset impairment loss. At the same time, provision for impairment of assets held for sale was made. For the amount of impairment loss of assets

confirmed by the disposal group held for sale, the book value of goodwill in the disposal group should be offset first, and then the proportion of the book value of various non-current assets measured in the disposal group according to the application of this standard measurement. Proportionately deducts its book value.

If the fair value of the non-current assets held for sale on the balance sheet date is less than the net value of the selling expenses, the amount of the previous write-down shall be restored and the impairment of assets recognized after being classified as held for sale shall be made. The amount of the loss is reversed and the amount reversed is included in the current profit or loss. Impairment losses on assets recognized prior to classification as held for sale shall not be reversed. If the fair value of the disposal group held for sale on the subsequent balance sheet day is increased, the net amount after the sale expense is increased, the amount of the previously written down amount shall be restored, and shall apply to the measurement requirements of this standard after being classified as held for sale. The impairment loss of assets confirmed by non-current assets is reversed within the amount, and the reversed amount is included in the current profit or loss. The carrying amount of the goodwill that has been eliminated and the non-current assets applicable to the measurement of this standard will not be reversed if it is recognized before the assets are classified as held for sale. The subsequent reversal of the asset impairment loss confirmed by the disposal group held for sale shall be based on the proportion of the book value of various non-current assets measured and applied in the disposal group in addition to goodwill, and shall increase its book value proportionately.

33. Replacement of non-monetary assets

33.1 Meeting the requirements at the same period: 1) the exchange possesses business nature and 2) the fair value of the assets received or assets surrendered can be measured in a reliable way of condition, the exchange of non-monetary assets regard the fair value and relevant payable taxes as the cost of assets received, the difference between the fair value and book value of the assets surrendered shall be recorded as current profit or loss. When companies pay a premium, it will make the fair value of assets surrendered and payable relevant taxes as assets receives cost, the difference between the book value of assets received and surrendered and the sum of payable premium and payable taxes, records into current profit and loss; when Company receive the premium, as the cost of assets received based on fair value of assets received and payable taxes, the difference between the sum asset received cost add received premium and the sum of book value of asset surrendered add payable taxes, will include in current profit and loss.

33.2 The non-monetary assets transaction that do not meeting all requirements above, make the book value of asset surrendered and payable relevant taxes as the cost of assets received, and not confirm the profits and losses. When paying the premium, making the book value of assets surrendered add payable premium and payable taxes as the cost of assets received, not confirm the profits and losses. When receiving the premium, using the book value of assets surrendered minus assets received and adding payable relevant taxes as the costs for assets received, not affirm the gains and losses.

34. Asset Securitization

Accounting method of asset securitization business: the general sale of basic assets to a specific purpose entity, and then by the entity to investors to issue securities. The interests of securitized financial assets are manifested in the form of priority asset-backed securities or sub-asset-backed securities.

When the Company has transferred almost all of the risks and rewards of ownership of the financial asset, the Company will terminate the recognition of the financial asset. When the Company retains almost all of the risks and rewards of the ownership of the financial asset, the Company will continue to confirm that the financial asset; If the Company does not transfer or retain almost all of the risks and rewards of ownership of the financial asset, the Company will consider whether there is any control over the financial assets. If the Company does not retain control, the Company will terminate the recognition of the financial assets and recognize the rights and obligations arising or retained in the transfer as assets or liabilities. If the Company retains control, the financial asset is recognized based on the degree of continued involvement of the financial asset.

35. Discontinuing Operation

Termination of business refers to a separately identifiable component of an enterprise that satisfies one of the following conditions and that has been disposed of or divided into categories for sale:

35.1 This component represents an independent main business or a separate major business area;

35.2 This component is part of an associated plan that is intended to be disposed of in an independent main business or a separate major business area;

35.3 This component is a subsidiary that was specifically acquired for resale.

Enterprises should list continuing operations and terminate operating profits and losses separately in the income statement. For non-current assets or disposal groups held for sale that do not meet the definition of termination of business, the impairment loss, reversal amount, and disposal gains and losses should be presented as continuing profits and losses. The operating profit or loss and disposal gains and losses, such as impairment loss and reversal amount of the termination of the business, shall be presented as the profit and loss from discontinued operations.

V. CHANGES IN ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES, AND CORRECTIONS OF ACCOUNTING ERRORS

1. Changes in Accounting Policies

1.1 Since January 1, 2019, the company has adopted the relevant provisions of "Notice on Revising and Issuing the Format of General Enterprise Financial Statements for 2019" (Cai Kuai [2019] No. 6). The impact of accounting policy changes is as follows:

The character, contents and reasons for the changes of accounting policies	Affected financial statements line items
Split "Notes receivable and Accounts receivable" Into "Notes receivable" and "Accounts receivable"	Consolidated Notes receivable as at 31 December 2019 and 31 December 2018 are stated as RMB 166,348,459.30 and RMB 47,851,237.23; Consolidated Accounts receivable as at 31 December 2019 and 31 December 2018 are stated as RMB 2,164,180,399.81 and RMB 2,089,261,409.38. Notes receivable as at 31 December 2019 and 31 December 2018 are stated as RMB 0.00 and 0.00; Accounts receivable as at 31 December 2019 and 31 December 2018 are stated as RMB 43,561,010.65 and RMB 31,008,402.24.
Split " Notes payables and accounts payables" into "Notes payable" and "Accounts payable"	Consolidated Notes payable as at 31 December 2019 and 31 December 2018 are stated as RMB 599,851,498.24 and RMB 319,263,618.97; Consolidated Accounts payable as at 31 December 2019 and 31 December 2018 are stated as RMB 8,156,497,867.98 and RMB 6,302,843,240.38. Notes payable as at 31 December 2019 and 31 December 2018 are stated as RMB 0.00 and RMB 0.00; Accounts payable as at 31 December 2019 and 31 December 2018 are stated as RMB 502,605,678.55 and RMB 65,367,325.07.

1.2 Since January 1, 2019, Beijing Investment Development has adopted the relevant provisions of "ASBE No.22 – Recognition and Measurement of Financial Instruments" (Cai Kuai [2017] No.7), "ASBE No.23 – Transfer of Financial Assets" (Cai Kuai [2017] No.8), Corporate Accounting Guideline No. 24 - Hedge Accounting (Cai Kuai [2017] No.9) and " ASBE No.37 - Financial Instruments Presentation" (Cai Kuai [2017] No.14), according to cumulative impacts, the retained earnings at the beginning of the year and other related items in the financial statements are not adjusted for the comparable period information. The impact of changes in accounting policies is as follows:

The character, contents and reasons for the changes of accounting policies	Affected financial statements line items
Reclassify and remeasure related subjects by applying new financial instrument standards	The consolidated statements increased Tradable Financial assets at 1 January 2019 by RMB 811,450,000.00 The consolidated statements increased Accounts receivable at 1 January 2019 by RMB 675,121.98 The consolidated statements increased Other receivables at 1 January 2019 by RMB 5,696,669.54 The consolidated statements increased Non-current assets due within one year at 1 January 2019 by RMB 252,595,536.04 The consolidated statements reduced Other current assets at 1 January 2019 by RMB 1,071,845,278.04 The consolidated statements increased Debt investment at 1 January 2019 by RMB 196,704,522.04 The consolidated statements reduced Available-for-sale financial assets at 1 January 2019 by RMB 310,000.00 The consolidated statements increased Other equity instrument investment at 1 January 2019 by RMB 310,000.00 The consolidated statements Increased Deferred tax assets at 1 January 2019 by RMB 1,065,015.14 The consolidated statements reduced Other non-current assets at 1 January 2019 by RMB 199,814,607.58 The consolidated statements reduced Unappropriated profits at 1 January 2019 by RMB 1,101,720.75 The consolidated statements reduced Minority interests at 1 January 2019 by RMB 2,371,300.13

1.3 The company's subsidiary Beijing Investment Development has adopted the relevant regulations of "ASBE No.7 Exchange of Non-Monetary Assets" (Cai Kuai [2019] No.8) from June 10, 2019. The exchange of non-monetary assets occurring between 1 January 2019 and implementation date shall be adjusted in accordance with the provisions of the standard. The company does not make retroactive adjustments to non-monetary asset exchanges that occurred before 1 January 2019. And this change has no impact on the company's financial statements.

1.4 The company has adopted the relevant provisions of "ASBE No.12 Debt Restructuring" (Cai Kuai [2019] No. 9) from June 17, 2019. The debt restructuring occurred between 1 January 2019 and implementation date should be adjusted according to the guidelines. The company does not make retroactive adjustments to debt restructuring that occurred before 1 January 2019. The impact of changes in accounting policies is as follows:

The character, contents and reasons for the changes of accounting policies	Affected financial statements line items
List assets obtained from debt restructuring in "Non-current assets due within one year" and "Other non-current assets"	Consolidated "Non-current assets due within one year" is RMB 4,880,850,099.44, of which the amount of debt-receiving assets is RMB 46,965,576.71; Consolidated "Other non-current assets" is RMB 7,120,349,319.07, of which the amount of debt-receiving assets is RMB 75,514,273.76. "Non-current assets due within one year" is RMB 0.00, of which the amount of debt-receiving assets is RMB 0.00; "Other non-current assets" is RMB 9,913,037,551.14, of which the amount of debt-receiving assets is RMB 0.00.

2. Changes in Accounting Estimates

None.

3. Corrections of Accounting Errors of Prior Period

This accounting Error is mainly that Li Tong Company, the subsidiary of the company's subsidiary Metro Operation Company, made adjustments for prior annual events, based on the second board of directors 'resolution in 2019, relevant shareholders' agreements and the Dahua Audit [2019] 0010336 issued by Dahua Certified Public Accountants. The main adjustment items are as follows:

Company	Correction of accounting errors	Affected account name	Amount of cumulative effects	Current balance			Prior balance			
				Retained earning in the beginning of the year	including: Surplus reserves	Unappropriated profits	Retained earning in the beginning of the year	including: Surplus reserves	Unappropriated profits	Net profit of current period
Asset Management Center	Adjust repeat accounts of Asset Management Center in 2018	Prime operating costs、Accounts payable	5,109,204.09	5,109,204.09		5,109,204.09			5,109,204.09	5,109,204.09
Li Tong Company	Withdrawal of 2018 settlement and payment of income tax	Income tax expenses、Taxes payable	-866,711.26	-866,711.26		-866,711.26			-866,711.26	-866,711.26
Li Tong Company	Write off 2011-2014 executive salaries	Employee benefits payable、Administrative expenses	1,148,993.39	1,148,993.39		1,148,993.39	1,148,993.39		1,148,993.39	
Li Tong Company	Adjusted income from August to December 2015	Receipts in advance、Operating income	1,406,250.00	1,406,250.00		1,406,250.00	1,406,250.00		1,406,250.00	
Li Tong Company	Adjusted franchise royalties from August to December 2015	Accounts payable、Operating cost	-7,355,850.85	-7,355,850.85		-7,355,850.85	-7,355,850.85		-7,355,850.85	

Company	Correction of accounting errors	Affected account name	Amount of cumulative effects	Current balance			Prior balance			Net profit of current period
				Retained earning in the beginning of the year	including: Surplus reserves	Unappropriated profits	Retained earning in the beginning of the year	including: Surplus reserves	Unappropriated profits	
Li Tong Company	Adjust the revenue of machinery and new lines in 2016	Receipts in advance、Operating income	-56,501,467.30	-56,501,467.30		-56,501,467.30	-56,501,467.30		-56,501,467.30	
Li Tong Company	Adjusted the cost of machinery and new lines in 2016	Accounts payable、Operating income、Selling expenses、Administrative expenses、Financial expenses、income tax expenses	54,905,428.24	54,905,428.24		54,905,428.24	54,905,428.24		54,905,428.24	
Li Tong Company	Adjust 2017 new line revenue	Operating income、Operating income	10,104,992.48	10,104,992.48		10,104,992.48	10,104,992.48		10,104,992.48	
Li Tong Company	Adjust 2017 costs	Accounts payable、Operating income、Selling expenses、Administrative expenses、Financial expenses、income tax expenses	9,470,869.93	9,470,869.93		9,470,869.93	9,470,869.93		9,470,869.93	
Metro Operation Merger	Adjust inter-period confirmation of profit within Li Tong Company and Asset Management Center	Operating income、Operating income、Accounts payable	14,686,055.47	14,686,055.47		14,686,055.47	14,686,055.47		14,686,055.47	
	Total		32,107,764.19	32,107,764.19		32,107,764.19	27,855,271.36		32,107,764.19	4,242,492.83

3.2 Cumulative effects accounting errors correction above

Item	Current balance						
	Total assets in at beginning of the year	Total liabilities at the beginning of the year	Total owners 'equity attributed to parent company at the beginning of the year	Capital reserve at the beginning of the year	Surplus reserve at the beginning of the year	Unappropriated profits at the beginning of the year	Minority interests at the beginning of the year
Balance before retroactive treatment	558,385,095,349.86	350,968,206,909.72	181,564,150,861.72	15,329,476,029.71	1,242,235,109.25	9,044,321,788.45	25,852,737,578.42
Retroactive treatment	-4,624,299.95	-36,732,064.14	26,074,636.92			26,074,636.92	6,033,127.27
Balance after retroactive treatment	558,380,471,049.91	350,931,474,845.58	181,590,225,498.64	15,329,476 029.71	1,242,235,109.25	9,070,396,425.37	25,858,770,705.69

3.3 Other Matters

In this year, the previous year 's real estate tax was repaid by RMB 1,495,339,949.61, and the unappropriated profits at the beginning of the period was reduced.

VI.TAXES

1. Major categories of taxes and tax rates

Category of tax	Basis of tax computation	Tax rate
VAT	Taxable revenue for sales of goods and supply of services	16%, 13%, 10%, 9%, 6%, 5%(Levy rate), 3%(Levy rate)
VAT of land	Increased value from bargained transfer state-owned land and properties and other attachments	(Surpassing rates or prestige rate)1%-3%
Property tax	For value taxation, 1.2% of original amount of the property less its 30%; for rent taxation, 12% of the rent income	1.2% or 12%
City maintenance and construction tax	Turnover tax	7%,5%
Education surplus	Turnover tax	3%
Local education surplus	Turnover tax	2%
Enterprise income tax	Taxable income	25%, 20%, 15%

2. Tax incentive and approval

2.1 One of the Company's subsidiary Beijing information infrastructure construction Co., Ltd. (hereinafter referred to as "Beijing information infrastructure") qualifies for a high and new technology enterprise with the certificate GR 201711003551, as approved by National and local tax bureau, Beijing Finance Bureau and Beijing science and technique committee has been subject to the enterprise income tax rate of 15% for 3 years from October, 2017.

2.2 Beijing Metro Vehicle Equipment Co., Ltd., a subsidiary of Beijing Rail Transit Technology Equipment Group Co., Ltd. (hereinafter referred to as "Equipment Group"), was jointly recognized as a high-tech enterprise by Beijing Science and Technology Commission, Beijing Finance Bureau, Beijing State Taxation Bureau and Beijing Local Taxation Bureau in December 2017. The certificate code is No.GR201711005272, and it has been subject to the enterprise income tax rate of 15% for 3 years.

2.3 Beijing Enterprises Holdings Maglev Technology Development Co., Ltd. (hereinafter referred to as "Maglev Transportation"), the subsidiary of the Equipment Group, was jointly recognized as a high-tech

enterprise by Beijing Science and Technology Commission, Beijing Finance Bureau, Beijing State Taxation Bureau and Beijing Local Taxation Bureau in October 2018. The certificate code is No.GR201811006434, and it has been subject to the enterprise income tax rate of 15% for 3 years.

2.4 Beijing Tian Lu Times Electric Equipment Co., Ltd., the subsidiary of the Equipment Group, was jointly recognized as a high-tech enterprise by Beijing Science and Technology Commission, Beijing Finance Bureau, Beijing State Taxation Bureau and Beijing Local Taxation Bureau in November 2018. The certificate code is No.GR201811007609, and it has been subject to the enterprise income tax rate of 15% for 3 years.

2.5 As subsidiaries of Beijing Investment Development, Capital construction newspaper, Beijing Investment Technology (Beijing) Co., Ltd., BII RuiDe property management service Co., Beijing Investment Yintai（Ningbo）property services Co., and Ningbo Yintai Foreign Economic and Trade Co., Ltd. meet the requirements of the "Enterprise Income Tax Law of the People's Republic of China" and its implementation regulations for small low-profit enterprises. According to the Notice of the State Administration of Taxation on the Implementation of the Inclusive Tax Relief Policy for Small and Micro Enterprises (Cai Shui [2019] No.13), and the Announcement of the State Administration of Taxation on the Issues Concerning the Implementation of the Inclusive Income Tax Relief Policy for Small and Micro-profit Enterprises (Announcement No.2 of 2019 by the State Administration of Taxation) stipulates: From January 1, 2019 to December 31, 2021, the portion of the annual taxable income of small profit-making enterprises that does not exceed 1 million yuan will be reduced to 25% of the taxable income and income tax be paid at the rate of 20%; for the portion of annual taxable income exceeding 1 million yuan but not exceeding 3 million yuan, 50% is deducted from the taxable income and income tax be paid at a tax rate of 20%.

VII. BUSINESS COMBINATIONS AND CONSOLIDATED FINANCIAL STATEMENTS

1. Basic information of subsidiaries included in the consolidated statements

No.	Full name of the subsidiary	Short name	Level (Note 1)	Type (Note 2)	Place of incorporation	Place of business	Nature of business	paid-in capital(in ten thousand yuan)	Proportion of ownership interest (%)	Proportion of voting power (%)	Investment amount(in ten thousand yuan)	Acquisition method
1	Beijing subway line 4 Investment Co., Ltd.	Line 4 Co., Ltd.	2	1	Beijing	Beijing	City subway transportation	605,100.00	85.66	85.66	397,300.00	1
2	Beijing subway line 5 Investment Co., Ltd.	Line 5 Co., Ltd.	2	1	Beijing	Beijing	City subway transportation	400,000.00	100.00	100.00	400,000.00	1
3	Beijing subway line 6 Investment Co., Ltd.	Line 6 Co., Ltd.	2	1	Beijing	Beijing	City subway transportation	1,275,737.38	100.00	100.00	1,275,737.38	1
4	Beijing subway line 7 Investment Co., Ltd.	Line 7 Co., Ltd.	2	1	Beijing	Beijing	City subway transportation	771,819.92	79.27	100.00	611,819.92	1
5	Beijing subway line 8 Investment Co., Ltd.	Line 8 Co., Ltd.	2	1	Beijing	Beijing	City subway transportation	1,048,315.00	97.14	100.00	1,018,315.00	1
6	Beijing subway line 9 Investment Co., Ltd.	Line 9 Co., Ltd.	2	1	Beijing	Beijing	City subway transportation	437,016.99	100.00	100.00	437,016.99	1
7	Beijing subway line 10 Investment Co., Ltd.	Line 10 Co., Ltd.	2	1	Beijing	Beijing	City subway transportation	1,547,245.07	90.00	90.00	1,392,511.15	1
8	Beijing subway line 14 Investment Co., Ltd.	Line 14 Co., Ltd.	2	1	Beijing	Beijing	City subway transportation	997,788.32	100.00	100.00	997,788.32	1
9	Beijing subway line 15 Investment Co., Ltd.	Line 15 Co., Ltd.	2	1	Beijing	Beijing	City subway transportation	745,334.42	100.00	100.00	745,334.42	1

No.	Full name of the subsidiary	Short name	Level (Note 1)	Type (Note 2)	Place of incorporation	Place of business	Nature of business	paid-in capital(in ten thousand yuan)	Proportion of ownership interest (%)	Proportion of voting power (%)	Investment amount(in ten thousand yuan)	Acquisition method
10	Beijing subway line 16 Investment Co., Ltd.	Line 16 Co., Ltd.	2	1	Beijing	Beijing	City subway transportation	1,267,820.00	44.79	100.00	567,820.00	1
11	Beijing subway line 17 Investment Co., Ltd.	Line 17 Co., Ltd.	2	1	Beijing	Beijing	Construction program management	611,000.00	77.09	77.09	471,000.00	1
12	Beijing subway line Fangshan Investment Co., Ltd.	Line Fangshan Co., Ltd.	2	1	Beijing	Beijing	City subway transportation	599,606.00	93.33	100.00	559,606.00	1
13	Beijing subway line Daxing Investment Co., Ltd.	Line Daxing Co., Ltd.	2	1	Beijing	Beijing	City subway transportation	456,395.70	100.00	100.00	456,395.70	1
14	Beijing subway line Changping Investment Co., Ltd.	Line Changping Co., Ltd.	2	1	Beijing	Beijing	City subway transportation	743,368.59	100.00	100.00	743,368.59	1
15	Beijing subway line Mentougou Investment Co., Ltd.	Line Mentougou Co., Ltd.	2	1	Beijing	Beijing	City subway transportation	208,344.00	100.00	100.00	208,344.00	1
16	Beijing subway line Xijiao Investment Co., Ltd.	Line Xijiao Co., Ltd.	2	1	Beijing	Beijing	City subway transportation	188,756.20	100.00	100.00	188,756.20	1
17	Beijing subway line Yanfang Investment Co., Ltd.	Line Yanfang Co., Ltd.	2	1	Beijing	Beijing	City subway transportation	335,714.00	100.00	100.00	335,714.00	1
18	Beijing railway transportation line new airport investment limited	Line new airport investment limited	2	1	Beijing	Beijing	Construction program management	286,000.00	37.06	100.00	106,000.00	1
19	Beijing subway line Yizhuang investment limited	Line yizhuang investment limited	2	1	Beijing	Beijing	City subway transportation	418,299.38	100.00	100.00	418,299.38	1
20	Beijing Jingmi investment Limited	Jingmi investment	2	1	Beijing	Beijing	Land first-level development	10,000.00	80.00	80.00	8,000.00	1

No.	Full name of the subsidiary	Short name	Level (Note 1)	Type (Note 2)	Place of incorporation	Place of business	Nature of business	paid-in capital(in ten thousand yuan)	Proportion of ownership interest (%)	Proportion of voting power (%)	Investment amount(in ten thousand yuan)	Acquisition method
21	Beijing Jingchuang Investment Limited	Jingchuang Investment	2	1	Beijing	Beijing	Land first-level development	10,000.00	70.00	70.00	7,000.00	1
22	Beijing Jingtou Xinxing investment limited	Jingtou Xinxing limited	2	1	Beijing	Beijing	Land first-level development	10,000.00	80.00	80.00	13,406.62	1
23	Beijing infrastructure land reserve limited	Land reserve limited	2	1	Beijing	Beijing	Land rearrangement and real estate	400.00	100.00	100.00	400.00	1
24	Beijing Jingtou investment Limited	Jingtou investment Limited	2	1	Beijing	Beijing	Investment and investment management	1,605,000.00	100.00	100.00	1,605,000.00	1
25	Beijing cornerstone entrepreneurship investment capital (limited partnership)	Cornerstone entrepreneurship investment	2	1	Beijing	Beijing	Non-securities investment and consultant	27,676.00	78.92	78.92	21,844.49	1
26	Beijing cornerstone fund Management Co., Ltd	Beijing cornerstone fund Management	2	1	Beijing	Beijing	Non-securities investment and consultant	3,000.00	70.00	70.00	2,100.00	1
27	Beijing information infrastructure construction Co., Ltd.	Subway network management	2	1	Beijing	Beijing	Investment, construction and operation for railway transportation command center and clearing center	49,055.00	100.00	100.00	49,055.00	1
28	Beijing city investment underground space development construction limited	Underground space limited	2	1	Beijing	Beijing	Underground space development	10,000.00	100.00	100.00	11,138.45	1

No.	Full name of the subsidiary	Short name	Level (Note 1)	Type (Note 2)	Place of incorporation	Place of business	Nature of business	paid-in capital(in ten thousand yuan)	Proportion of ownership interest (%)	Proportion of voting power (%)	Investment amount(in ten thousand yuan)	Acquisition method
29	Beijing dongzhimen airport express limited	Dongzhimen airport express limited	2	1	Beijing	Beijing	City subway transportation	245,000.00	85.92	85.92	210,500.00	1
30	Beijing Urban Rapid Rail Construction Management Ltd.	Rail Construction Ltd	2	1	Beijing	Beijing	Construction program management	3,500.00	85.71	85.71	3,036.94	1
31	Beijing Jingtou railway and property development Co., Ltd..	Jingtou Zhiye	2	1	Beijing	Beijing	Underground space development	5,000.00	100.00	100.00	5,000.00	1
32	Capital construction newspaper	Capital construction newspaper	2	4	Beijing	Beijing	News agency	85.85	100.00	100.00	256.69	4
33	Beijing Jingtou parking management limited	Parking limited	2	1	Beijing	Beijing	Public parking service	1,000.00	100.00	100.00	1,000.00	1
34	Beijing infrastructure railway transportation asset operation management limited	Asset operation management limited	2	1	Beijing	Beijing	Rail transit network asset management.	2,906.17	100.00	100.00	2,906.17	1
35	Beijing subway jingtong development limited	Jingtong development limited	2	1	Beijing	Beijing	City subway transportation	268,165.00	84.71	84.71	227,165.00	1
36	Beijing city railway limited	City railway limited	2	1	Beijing	Beijing	City subway transportation	259,646.69	85.20	85.20	221,230.00	1
37	Beijing Information Infrastructure Construction Co., Ltd.	Beijing information infrastructure	2	1	Beijing	Beijing	Information infrastructure construction	62,985.41	59.46	59.46	41,652.41	1
38	Beijing Jingtou asset management limited	Jingtou asset management limited	2	1	Beijing	Beijing	Construction program management	151,000.00	100.00	100.00	151,000.00	1
39	Beijing infrastructure Investment (Hong Kong) Ltd	Bil Hong Kong	2	3	Hong Kong	Hong Kong	Investment and operation management	0.01	100.00	100.00	51,702.90	1

No.	Full name of the subsidiary	Short name	Level (Note 1)	Type (Note 2)	Place of incorporation	Place of business	Nature of business	paid-in capital(in ten thousand yuan)	Proportion of ownership interest (%)	Proportion of voting power (%)	Investment amount(in ten thousand yuan)	Acquisition method
40	Metro Land Corporation Ltd.	Beijing Investment Development	2	1	Ningbo	Ningbo	Real estate	74,077.76	38.00	38.00	96,994.59	3
41	Beijing cornerstone Zhongying entrepreneur investment center (limited partner)	Cornerstone Zhongying.limited	2	1	Beijing	Beijing	Non-securitized investment management, consultant	24,361.69	73.21	73.21	17,926.53	1
42	Beijing subway line3 investment Co., Ltd.	Line 3 Co., Ltd.	2	1	Beijing	Beijing	City subway transportation	361,000.00	33.52	100.00	121,000.00	1
43	Beijing subway line 12 Investment Co., Ltd.	Line 12 Co., Ltd.	2	1	Beijing	Beijing	City subway transportation	790,000.00	89.87	100.00	710,000.00	1
44	Beijing subway line 19 Investment Co., Ltd.	Line 19 Co., Ltd	2	1	Beijing	Beijing	City subway transportation	581,000.00	79.35	100.00	461,000.00	1
45	Beijing jingtou Investment City Corridor Investment Co., Ltd	City Corridor Investment	2	1	Beijing	Beijing	Non-securitized investment management, consultant	91,500.00	100.00	100.00	91,500.00	1
46	Beijing traffic control silicon valley technology co., Ltd	Traffic control silicon valley Co., Ltd	2	1	Beijing	Beijing	Technology development, technical services, technical advice, technology transfer	50,000.00	100.00	100.00	50,268.40	1
47	Beijing jingtou traffic development co., Ltd	Traffic development Co., Ltd	2	1	Beijing	Beijing	Road, urban road management	375,159.00	100.00	100.00	375,159.00	1
48	Beijing jingtou Xingchao land development Co., Ltd	Xingchao land development	2	1	Beijing	Beijing	Land first-level development	10,000.00	100.00	100.00	10,000.00	1

No.	Full name of the subsidiary	Short name	Level (Note 1)	Type (Note 2)	Place of incorporation	Place of business	Nature of business	paid-in capital(in ten thousand yuan)	Proportion of ownership interest (%)	Proportion of voting power (%)	Investment amount(in ten thousand yuan)	Acquisition method
49	Beijing rail transit technology and equipment group Co., Ltd.	Equipment group	2	1	Beijing	Beijing	Investment management	446,140.00	100.00	100.00	476,297.87	3
50	Beijing Jingtou Xingtong property development Co., Ltd	Xingtong zhiye	2	1	Beijing	Beijing	Land first-level development	2,000.00	100.00	100.00	2,000.00	1
51	Beijing subway line 28 Investment Co., Ltd.	Line 28 Co., Ltd.	2	1	Beijing	Beijing	City subway transportation		100.00	100.00		1
52	Cornerstone international financial lease Co., Ltd	Cornerstone lease	2	1	Beijing	Beijing	Financial lease	147,816.81	90.43	90.43	156,885.28	1
53	Beijing Jingtou Transportation Hub Investment Co., Ltd.	Transportation Hub	2	1	Beijing	Beijing	Investment management		100.00	100.00		1
54	Beijing Jingtou Investment Holdings Co., Ltd.	Investment Holdings	2	1	Beijing	Beijing	Investment management	600.00	100.00	100.00	600.00	1
55	Beijing Subway Operation Co., Ltd.	Operation company	2	1	Beijing	Beijing	City subway transportation	40,570.00	100.00	100.00	108,714.93	4

Note 1: Enterprise type: 1 Foreign non-financial subsidiary, 2 Domestic financial subsidiaries, 3 Foreign subsidiaries, 4 Institutions, 5 Construction units

Note 2: Acquisition method: 1 Investment, 2 Business combinations involving enterprises under common control, 3 Business combinations not involving enterprises under common control, 4 Others

2. Reasons for entities where the Company holds half or less than half of the voting power but has been controlled

No	Short name of subsidiary	Proportion of ownership interest (%)	Proportion of voting power (%)	Registered capital(in ten thousand yuan)	Investment amount(in ten thousand yuan)	Level	Reason for consolidation
1	Beijing investment development	38.00	38.00	74,077.76	96,994.59	2	The Company has actual control right.

3. Reasons for entities where the Company holds or holds through other subsidiaries half or more than half of the voting power but has not been controlled

In February 2018, Beijing Investment Development, Landton Limited and Trillion Full signed the "Equity Transfer Agreement of Shanghai Lixing Hotel Co., Ltd." and the "Equity Transfer Agreement of Shanghai Lishi Hotel Co., Ltd." Upon completion of this equity transfer, Beijing Investment Development holds a 55% stake in Shanghai Lishi Hotel Co., Ltd. (hereinafter "Shanghai Lishi") and Trillion Full holds a 45% stake in Shanghai Lishi. Beijing Investment Development and Trillion Full no longer hold shares in Shanghai Lixing Hotel Co., Ltd. After the completion of the separation and equity transfer, Beijing Investment Development and Trillion Full jointly control Shanghai Lishi, which will not cause changes in the scope of the company's consolidated statements.

4. Significant non-wholly owned subsidiaries

4.1 Minority shareholders

No.	Short name of subsidiary	Proportion of minority interest (%)	Profit or loss attributable to minority interests for the period	Dividend attributed to minority shareholders for the period	Accumulated minority shareholders' equity at the end of period
1	Beijing investment development	62.00	431,048,582.74	93,337,977.22	2,996,149,638.48
2	Beijing information infrastructure	40.54	11,170,344.23	10,212,324.64	626,416,121.42
3	Jingchuang investment	30.00	8,303,545.76		62,828,884.99
4	Jingmi investment	20.00	1,292,204.11		39,337,122.66

4.2 Main financial information

Item	Amount for the period			
	Jingtou development	Beijing information infrastructure	Jingchuang investment	Jingmi investment
Current assets	36,865,062,920.96	1,504,137,958.46	4,590,620,575.38	2,079,864,312.57
Non-current assets	9,072,160,372.09	658,751,734.76	133,509.14	91,337.65
Total assets	45,937,223,293.05	2,162,889,693.22	4,590,754,084.52	2,079,955,650.22

Item	Amount for the period			
	Jingtou development	Beijing information infrastructure	Jingchuang investment	Jingmi investment
Current liabilities	20,587,190,521.47	558,323,217.30	2,421,324,467.91	891,543,856.40
Non-current liabilities	21,405,625,589.02	59,386,107.35	1,960,000,000.00	991,726,180.52
Total liabilities	41,992,816,110.49	617,709,324.65	4,381,324,467.91	1,883,270,036.92
Total operating income	4,327,692,677.72	247,097,181.74	52,036,703.21	32,804,019.44
Net profit	460,252,332.71	27,553,883.14	27,678,485.86	6,461,020.56
Total comprehensive income	467,114,523.24	32,282,468.68	27,678,485.86	6,461,020.56
Net Cash Flow from Operating Activities	-7,241,802,983.40	-71,372,434.19	-45,293,829.25	487,723,302.12

Continued:

Item	Amount for the prior period			
	Jingtou development	Beijing information infrastructure	Jing chuang investment	Jingmi investment
Current assets	26,347,579,770.87	1,444,797,201.58	4,157,171,045.75	2,435,853,242.27
Non-current assets	5,516,529,787.47	650,969,677.15	288,589.16	57,059.63
Total assets	31,864,109,558.34	2,095,766,878.73	4,157,459,634.91	2,435,910,301.90
Current liabilities	9,523,985 301.15	499,073,639.16	2,115,708,504.16	1,205,685,709.16
Non-current liabilities	17,728,219,279.40	58,601,176.00	1,860,000,000.00	1,040,000,000.00
Total liabilities	27,252,204,580.55	557,674,815.16	3,975,708,504.16	2,245,685,709.16
Total operating income	7,974,908,473.92	290,168,412.56	689,661.02	
Net profit	909,818,124.85	103,648,321.89	34,398.22	
Total comprehensive income	911,956,124.85	-380,560.14	34,398.22	
Net Cash Flow from Operating Activities	146,512,514.89	-138,020,496.96	-240,633,101.86	252,165,573.46

5. New entities that have been consolidated in the current period and entities that are excluded from consolidation in the current period

5.1 New entities that have been consolidated in the current period

No.	Short name of subsidiary	Level	Nature of business	Proportion of ownership interest (%)	Proportion of voting power (%)	Net asset on the end of the year	Net profit for the period
1	Transportation Hub	2	Investment management	100.00	100.00		
2	Investment Holdings	2	Investment management	100.00	100.00	6,000,000.00	

5.2 Entities that are excluded from consolidation in the current period

No.	Short name of subsidiary	Level	Nature of business	Proportion of ownership interest (%)	Proportion of voting power (%)	Net asset on the end of the year	Net profit for the period
1	Beijing subway line Haidianshanhou Investment Co., Ltd.	2	City subway transportation	100.00	100.00		
2	Zhangjiakou Jinghuan Infrastructure Construction Co., Ltd.	2	City subway transportation	70.00	100.00		

Continued:

No.	Short name of subsidiary	31 December 2018			From the beginning to the disposal date		
		Total assets	Total liabilities	Total equity	Total income	Total cost	Total profit
1	Beijing subway line Haidianshanhou Investment Co., Ltd.	1,486,696,571.18	1,148,296,571.18	338,400,000.00			
2	Zhangjiakou Jinghuan Infrastructure Construction Co., Ltd.	301,521.93	1,164,443.47	-862,921.54			

Note: The listed two companies have been disposed of this year and will no longer be included in the scope of consolidation.

5.3 Changes in the scope of consolidation for other reasons

None.

6. Business combinations involving enterprises under common control occurred in the current period

None.

7. Business combinations not involving enterprises under common control occurred in the current period (in ten thousand yuan)

None.

8. Reverse purchase in this issue

None.

9. Merge in this issue

None.

10. Major restrictions that subsidiary enterprises use the assets of enterprise group and pay off the debts of the enterprise group

None.

11. Relevant information of structuring main body included scope of consolidated balance sheet

None.

VIII. NOTES TO IMPORTANT ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS

The" opening balance" refers to the balance on 1 January 2019 and the "closing balance" refers to the balance on 31 December2019. The "prior period" is the year of 2018 and the "current period" is the year of 2019.

1. Cash and bank balances

Item	Closing balance	Opening balance
Cash	588,283.65	532,084.31
Bank balances	14,784,888,993.77	22,665,453,372.03
Other currency funds	96,213,781.10	1,115,221,794.44
Total	14,881,691,058.52	23,781,207,250.78

Note: RMB 37,317,058.64 in other currency funds is limited.

2. Tradable Financial assets

Item	Closing balance	Opening balance
Financial assets classified as at fair value through profit or loss	262,935,286.08	877,150,000.00
Including: Bank wealth management products	212,935,286.08	877,150,000.00
Structured deposit	50,000,000.00	
Total	262,935,286.08	877,150,000.00

3. Derivative Financial assets

Item	Closing balance	Opening balance
Foreign exchange hedging contract	119,086,021.94	32,601,764.43
Total	119,086,021.94	32,601,764.43

Note: In the period of 2015, the company signed five foreign exchange hedging contracts with the Bank of China London Branch, Goldman Sachs International, HSBC; in the period of 2016, the company signed twelve foreign exchange hedging contracts with the Bank of China London Branch, Goldman Sachs International, HSBC; in the period of 2018, the company signed ten foreign exchange hedging contracts with HSBC, SGCIB, and Deutsche Bank. For the Capped CCS and Coupon Only Swap + USD Call Spread vs CNH which the contracts carrying out. ALL of foreign exchange hedging contracts use the same evaluation method: the evaluation of the market value of the interest is mainly based upon the forward exchange rate which discounting and adding up the two groups of cash flow; the evaluation of the market value of share option is mainly based upon Black-Scholes Model， As of December 31, 2019, 23 of the above-mentioned 27 foreign exchange hedging product contracts have expired.

4. Notes Receivable

Item	Closing balance			Opening balance		
	Gross carrying amount	Bad debt provision	Net carrying amount	Gross carrying amount	Bad debt provision	Net carrying amount
Bank acceptance bill	28,036,101.20		28,036,101.20	13,303,583.33		13,303,583.33
Commercial acceptance bill	138,312,358.10		138,312,358.10	34,547,653.90		34,547,653.90
Total	166,348,459.30		166,348,459.30	47,851,237.23		47,851,237.23

5. Accounts Receivable

Item	Closing balance			
	Carrying amount		Bad debt provision	
	Amount	Proportion (%)	Amount	Proportion (%)
Accounts receivable that are individually significant and for which bad debt provision has been assessed individually	823,680,803.38	36.63	12,994,922.56	1.58
Accounts receivables for which bad debt provision has been assessed by credit risk portfolios	1,424,939,514.14	63.34	72,290,736.60	5.07
Including: Aging combination	784,669,331.07	34.88	56,717,070.22	7.23
Expected credit loss model with impairment portfolio	640,270,183.07	28.46	15,573,666.38	2.43
Accounts receivable that are not individually significant but for which bad debt provision has been assessed individually	645,741.45	0.03		
Total	2,249,466,058.97	100.00	85,285,659.16	-

Continued:

Item	Opening balance			
	Carrying amount		Bad debt provision	
	Amount	Proportion (%)	Amount	Proportion (%)
Accounts receivable that are individually significant and for which bad debt provision has been assessed individually	1,175,051,954.81	54.68	8,316,778.89	0.71
Accounts receivables for which bad debt provision has been assessed by portfolios	974,061,995.00	45.31	52,167,481.37	5.36
Including: Aging combination	361,994,467.78	16.84	42,919,730.46	11.86
Expected credit loss model with impairment portfolio	612,067,527.22	28.47	9,247,750.91	1.51
Accounts receivable that are not individually significant but for which bad debt provision has been assessed individually	631,719.83	0.03		
Total	2,149,745,669.64	100.00	60,484,260.26	-

5.1 Accounts receivable that are individually significant and for which bad debt provision has been assessed individually

Debtor	Closing balance	Bad debt provision	Aging	Proportion of provision (%)	Reasons for the provision
CRRC Changchun Railway Vehicles Co., Ltd	210,623,241.76		2-3 years, over 3 years		No recovery risk
China Raailway Sixth group Co., Ltd	197,328,000.00		1-2 years, over 3 years		No recovery risk
Beijing Miyun land reserve sub center	102,827,060.61		Within1 year, 2-3 years,		No recovery risk
CRRC Qingdao Sifang Co., Ltd.	69,115,790.20		Within1 year, 1-2 years, 2-3 years,		No recovery risk
China CREC Railway electrification bureau (Group) Co., Ltd	47,600,792.39	11,900,198.10	over 3 years	25.00	Partly high recovery risk
Beijing Urban Construction and Installation Group Co., Ltd.	15,506,624.00	1,094,724.46	Within1 year, 1-2 years, over 3 years	7.06	Partly high recovery risk
Others	180,879,294.42		Within1 year, 1-2 years, 2-3 years, over 3 years		No recovery risk
Total	823,880,803.38	12,994,922.56	-	-	-

5.2 Accounts receivables for which bad debt provision has been assessed by credit risk portfolios

5.2.1 Accounts receivable portfolios for which bad debt provision has been assessed using the aging analysis approach

Aging	Closing balance			Opening balance		
	Carrying amount		Bad debt provision	Carrying amount		Bad debt
	Amount	Proportion (%)		Amount	Proportion (%)	
Within 1 year	624,013,124.49	79.53		199,286,561.63	55.05	
More than 1 year but not exceeding 2 years	42,039,132.56	5.36	2,086,450.19	50,345,667.39	13.91	2,510,024.91
More than 2 years but not exceeding 3	32,034,039.61	4.08	4,795,259.06	11,339,888.32	3.13	1,696,035.95
More than 3 years	86,583,034.41	11.03	49,835,360.97	101,022,350.44	27.91	38,713,669.60
Total	784,669,331.07	100.00	56,717,070.22	361,994,467.78	100.00	42,919,730.46

5.3 Accounts receivable that are not individually significant but for which bad debt provision has been assessed individually

Debtor	Closing balance	Bad debt provision	Aging	Proportion of provision (%)	Reasons for the provision
Beijing Jinggang Metro Co., Ltd.	200,000.00		Within1 year		No recovery risk
Beijing State-owned Assets Supervision and Administration Commission	78,927.00		Within1 year		No recovery risk
Zhuolu Jingxitai Real Estate Development Co., Ltd.	48,000.00		Within1 year		No recovery risk
Beijing Huahui Real Estate Development Center	20,000.00		over 3 years		No recovery risk
Others	298,814.45		Within1 year , 1-2 years		No recovery risk
Total	645,741.45				

6. Prepayments

6.1 Listed by aging

Aging	Closing balance			Opening balance		
	Carrying amount		Bad debt provision	Carrying amount		Bad debt provision
	Amount	Proportion (%)		Amount	Proportion (%)	
Within 1 year	268,177,888.43	35.77		551,581,258.30	47.83	
More than 1 year but not exceeding 2 years	191,457,385.20	25.54	11,520.80	104,355,099.19	9.05	11,520.80
More than 2 years but not exceeding 3	99,738,154.08	13.30		1,027,032.32	0.09	
More than 3 years	190,358,489.80	25.39		496,135,398.48	43.03	
Total	749,731,917.51	100.00	11,520.80	1,153,098,788.29	100.00	11,520.80

6.2 Top five entities with the largest balances of prepayments over 1 year

Creditor	Debtor	Amount	Aging	Reasons for unsettlement
Line Yanfang Co., Ltd.	Beijing Rail Transit Operation Management Co., Ltd.	82,262,800.27	1-2 years	Construction uncompleted
Beijing Investment Development	The people's Government of Tanzhe Temple Town, Mentougou District, Beijing	73,041,315.00	over 3 years	Land acquisition and demolition compensation which doesn't meet the settlement conditions
Dongzhimen airport	China CREC railway electrification bureau (Group)	43,680,621.00	1-2 years	Construction uncompleted

Creditor	Debtor	Amount	Aging	Reasons for unsettlement
express limited	Co., Ltd			
Dongzhimen airport express limited	Beijing Construction Engineering Group Co., Ltd	36,792,675.00	1-2 years	Construction uncompleted
Beijing Investment Development	Beijing Mentougou District Finance Bureau	25,000,000.00	over 3 years	Construction uncompleted
	Total	260,777,411.27	--	--

7. Other receivables

Item	Closing balance	Opening balance
Interest receivable	52,185,786.60	439,549,950.20
Dividends receivable	25,206.80	
Other receivables	9,134,188,230.60	9,975,555,691.32
Total	9,186,399,224.00	10,415,105,641.52

7.1. Interest receivable

Item	Closing balance	Opening balance
Periodical deposit		376,483,835.30
Entrusted Loan	8,395,853.29	7,539,346.72
Bond investment	43,789,933.31	49,676,268.18
Others		5,850,500.00
Total	52,185,786.60	439,549,950.20

7.2 Dividends receivable

Item	Closing balance	Opening balance	Reasons for not recovering	Whether impairment occurred And its basis of judgment
Dividends receivable within one year	25,206.80			
Inc: Guangdong Amethyst Information Storage Technology Co., Ltd.	25,206.80		Has been declared not yet issued	No
Total	25,206.80		--	--

7.3 Other receivables

Item	Closing balance			
	Carrying amount		Bad debt provision	
	Amount	Proportion (%)	Amount	Proportion (%)
Other receivables that are individually significant and for which bad debt provision that has been assessed individually	7,896,842,894.23	85.79	1,068,405.76	0.05
Other receivables for which bad debt provision has been assessed by portfolios	1,287,548,388.28	13.99	65,216,565.09	5.07
Including: 1.Aging combination	1,133,787,913.51	12.32	64,942,004.59	6.73
2. A combination of settlement periods	153,760,474.77	1.67	274,560.50	0.18
Other receivables that are not individually significant but for which bad debt provision has been assessed individually	20,535,663.20	0.22	1,453,744.26	7.08
Total	9,204,926,945.71	100.00	70,738,715.11	

Continued:

Item	Opening balance			
	Carrying amount		Bad debt provision	
	Amount	Proportion (%)	Amount	Proportion (%)
Other receivables that are individually significant and for which bad debt provision that has been assessed individually	9,200,453,592.85	91.61	3,195,307.59	0.03
Other receivables for which bad debt provision has been assessed by portfolios	828,762,313.93	8.25	63,255,118.56	7.63
Including: 1.Aging combination	145,652,244.22	1.45	63,004,810.97	43.26
2. A combination of settlement periods	683,110,069.71	6.80	250,307.59	0.04
Other receivables that are not individually significant but for which bad debt provision has been assessed individually	14,243,654.95	0.14	1,453,744.26	10.21
Total	10,043,459,561.73	100.00	67,903,870.41	

7.3.1 Other receivables that are individually significant at the end of the period for which bad debt provision has been assessed individual

Debtor	Closing balance	Bad debt provision	Aging	Proportion of provision (%)	Reasons for the provision
Comprehensive Utilization Project of Bei'anhe Depot	1,260,542,717.15		Within 1 year, 1-2 year		No recovery risk
Yallnxi Land first-level development Project - government cost refund of land parcels 1#,5#,7#	1,032,953,515.00		Over 3 years		No recovery risk
Beijing MTR Constructon Administration Corporation	940,199,012.22		Within 1 year, 1-2 year, 2-3 year, Over 3 years		No recovery risk
Beijing Miyun land reserve sub center	875,171,479.68		Within 1 year		No recovery risk
Fangshan line bei tian tang village housing demolition (Note 1)	602,707,752.34		Over 3 years		No recovery risk
Direct line between Beijing railway station and Beijing west railway station (Note 2)	600,000,000.00		Over 3 years		No recovery risk
Beijing south station (Note 3)	517,359,059.00		Over 3 years		No recovery risk
Jing hu railway investment (Note 4)	455,836,149.70		Over 3 years		No recovery risk
Daxing line fan zhuang zi village housing demolition	197,879,325.05		Over 3 years		No recovery risk
Daxing district treasury bureau	170,299,544.00		Within 1 year, ,2-3 year		No recovery risk
Fangshan district treasury bureau	119,877,526.03		Within 1 year, Over 3 years		No recovery risk
Line 3 subway project	108,329,510.00		1-2 year		No recovery risk
Others	1,015,687,304.06	4,068,405.76	Within 1 year, 1-2 year, 2-3 year, Over 3 years	0.40	Partly high recovery risk
Total	7,896,842,894.23	4,068,405.76	-	-	-

Note 1: Fangshan line bei tian tang village housing demolition 630.00 million yuan: as a special fund from the government, it will be written off after government grants and no bad debt provision shall be made.

Note 2: Direct line between Beijing railway station and Beijing west railway station 600.00 million yuan: according to documents Jing fa gai (2007) 2414, No. 575 and No. 2415 as a special fund from the government, it will be written off after government grants and no bad debt provision shall be made.

Note 3: Beijing south station 517.00 million yuan: according to documents Jing fa gai (2007) 2414, No. 575 and No. 2415 as a special fund from the government, it will be written off after government grants and no bad debt provision shall be made.

Note 4: Jing hu railway investment 456.00 million yuan: according to "Implement agreement to land demolition in domestic Beijing for Jing hu express railway" between Beijing SASAC and Jing hu express railway limited, the Company invested 3,286.00 million yuan to Jing hu railway. According to the third shareholder meeting resolution for Jing hu railway in 2015, 2,830.00 million yuan is shifted to available-for-sale financial assets, the rest will not be shifted to available-for-sale financial assets until the final account for completed project is performed and the audit report is issued. It is guaranteed by the government, the Company doesn't make any bad debt provision.

7.3.2 Other receivables for which bad debt provision has been assessed by credit risk portfolios

Other receivable portfolios for which bad debt provision has been assessed using the aging analysis approach

Aging	Closing balance			Closing balance		
	Carrying amount		Bad debt provision	Carrying amount		Bad debt provision
	Amount	Proportion (%)		Amount	Proportion (%)	
Within 1 year	1,004,325,729.09	88.58	1,609,977.71	20,435,597.49	14.03	1,743,192.34
More than 1 year but not exceeding 2 years	5,724,416.53	0.50	1,137,931.30	3,284,401.80	2.25	472,760.38
More than 2 years but not exceeding 3	1,334,403.71	0.12	436,350.02	4,080,594.20	2.80	1,323,741.12
More than 3 years	122,403,364.18	10.80	61,757,745.56	117,851,650.73	80.92	59,464,917.13
Total	1,133,787,913.51	100.00	64,942,004.59	145,652,244.22	100.00	63,004,610.97

7.3.3 Other receivables that are not individually significant but for which bad debt provision has been assessed individually

Debtor	Closing balance	Bad debt provision	Aging	Proportion of provision (%)	Reasons for the provision
Beijing Urban Construction Group Co., Ltd.	993,832.80		Over 3 years		No recovery risk
Export-Import Bank of China	888,305.90		Within 1 year		No recovery risk
CITIC Bank Enterprise Annuity Plan Trusted Property	872,780.30		Within 1 year		No recovery risk
Taiyuan Railway Engineering Corporation	845,627.74		Over 3 years		No recovery risk
Jingshi Railway Passenger Dedicated Line Co., Ltd.	684,920.00		1-2 year, 2-3 year, Over 3 years		No recovery risk
Jingshen Railway Passenger Dedicated Line Beijing-Hebei Co., Ltd.	670,000.00		Over 3 years		No recovery risk

Debtor	Closing balance	Bad debt provision	Aging	Proportion of provision (%)	Reasons for the provision
Beijing Zhaowei electronic (Group) Ltd.	643,814.63		1-2 year, 2-3 year, Over 3 years		No recovery risk
Beijing Gonglian Highway Linkage Company	600,000.00		Over 3 years		No recovery risk
Beijing Jinggang Metro Co., Ltd.	557,000.00		Over 3 years		No recovery risk
Beijing Gonglian Jieda Highway Maintenance Engineering Co., Ltd.	500,000.00		1-2 year		No recovery risk
Others	13,279,381.83	1,453,744.26	Within 1 year, 1-2 year, 2-3 year, Over 3 years	10.95	Partly high recovery risk
Total	20,535,663.20	1,453,744.26		--	

8. Inventories

Item	Closing balance			Opening balance		
	Gross carrying amount	Provision for decline in value of inventories	Net carrying amount	Gross carrying amount	Provision for decline in value of inventories	Net carrying amount
Raw materials	448,858,743.08	158,529.82	448,700,213.26	579,753,280.20	158,529.82	579,594,750.38
Semi-finished products and in the product	784,948,049.09	9,059,282.26	775,888,766.83	654,463,078.17	8,777,756.54	645,685,321.63
Finished goods	1,466,859,115.81	397,423,466.41	1,069,435,649.40	1,104,173,424.78	344,364,124.59	759,809,300.19
Materials in transit	4,274,001.41		4,274,001.41	11,777,784.22		11,777,784.22
Turnover materials	49,846.81		49,846.81	882,996.80		882,996.80
goods in transit	169,298,230.52		169,298,230.52			
Consumable biological assets	580,065.33		580,065.33	619,311.33		619,311.33
Project construction (completed unsettled payment)	39,585,727.83		39,585,727.83	17,225,962.73		17,225,962.73
Real estate development cost	21,330,734,728.84		21,330,734,728.84	15,065,358,202.82		15,065,358,202.82
Real estate development product	9,854,419,737.31	426,876.63	9,853,992,860.68	4,345,637,633.20	426,876.63	4,345,210,756.57
Land first-level development	25,240,649,142.12	194,008,850.96	25,046,640,291.16	21,629,997,827.22		21,629,997,827.22
Others	9,666,065.01	9,665,771.01	294.00	9,665,771.01	9,665,771.01	
Total	59,349,923,453.16	610,742,777.09	58,739,180,676.07	43,419,555,272.48	363,393,058.59	43,056,162,213.89

9. Contract assets

9.1 Contract assets

Item	Closing balance			Opening balance		
	Gross carrying amount	Bad debt provision	Net carrying amount	Gross carrying amount	Bad debt provision	Net carrying amount
Contract assets settled within one year	378,277,566.16	30,254,177.01	348,023,389.15	104,674,719.86	586,789.78	104,087,930.08
Total	378,277,566.16	30,254,177.01	348,023,389.15	104,674,719.86	586,789.78	104,087,930.08

9.2 Contract assets bad debt provision

Item	Opening balance	Increase	Decrease	Closing balance
Contract assets settled within one year	586,789.78	29,667,387.23		30,254,177.01
Total	586,789.78	29,667,387.23		30,254,177.01

10. Non-current assets due within one year

Item	Closing balance	Opening balance
Debt investment due within one year	199,179,416.26	252,595,536.04
Long-term receivables due within one year	4,634,705,106.47	4 684,682,273.03
Other long-term assets due within one year	46,965,576.71	
Total	4,880,850,099.44	4,937,277,809.07

11. Other current assets

Item	Closing balance	Opening balance
Entrusted loan and entrusted investment	1,069,424,300.00	568,000,000.00
Pending property gains and losses		4 358,579.02
Deductible input tax	2,372,230,099.38	1,390,333,825.50
Prepaid other taxes and levies	127,788,199.96	114,280,204.18
Financial product	18,578,510,000.00	15,823,199,800.00
Others	89,839.56	79,678.59
Total	22,148,042,438.90	17,900,252,087.29

12. Debt investment

12.1 Debt investment

Item	Closing balance			Opening balance		
	Gross carrying amount	Bad debt provision	Net carrying amount	Gross carrying amount	Bad debt provision	Net carrying amount
Entrusted Loan	313,952,535.45	313,952.54	313,638,582.91	196,900,292.33	195,770.29	196,704,522.04
Total	313,952,535.45	313,952.54	313,638,582.91	196,900,292.33	195,770.29	196,704,522.04

12.2 Important debt investment at the end of the period

Borrower	Principal	Accrued interest	Subtotal	Bad debt provision	Annual interest rate (%)
Shanghai Lishi	298,249,346.76		298,249,346.76	298,249.35	9.50
Beijing Jingtou Yixin Health Management Service Co., Ltd.	13,000,000.00	2,703,188.69	15,703,188.69	15,703.19	12.00
Total	311,249,346.76	2,703,188.69	313,952,535.45	313,952.54	

13. Available-for-sale financial assets

Item	Closing balance			Opening balance		
	Gross carrying amount	Bad debt provision	Net carrying amount	Gross carrying amount	Bad debt provision	Net carrying amount
Available-for-sale liability investment	2,972,351,279.86		2,972,351,279.86	3,173,989,598.45		3,173,989,598.45
Available-for-sale equity investment	41,909,144,184.02	376,418,546.42	41,532,725,637.60	34,381,951,529.44	78,736,017.18	34,303,215,512.26
Incl.: fair value measurement	2,606,578,670.16	297,682,529.24	2,308,896,140.92	2,389,798,739.07		2,389,798,739.07
Cost measurement	39,302,565,513.86	78,736,017.18	39,223,829,496.68	31,992,152,790.37	78,736,017.18	31,913,416,773.19
Total	44,881,495,463.88	376,418,546.42	44,505,076,917.46	37,555,941,127.89	78,736,017.18	37,477,205,110.71

Note: For the share investment in available-for-sale investment, the closing carrying amount is recognized at the amount of public market price multiplied by the numbers of shares; for the available-for-sale equity instruments that are not public, they are recognized at the direct or indirect observable value or observable value.

Available-for-sale financial assets that have public market price are as follows:

No.	Name of share	Stock code	Number of shares held at the end of period	Closing price at the end of period	Fair value at the end of period
1	Sinochem international	Shanghai stock (600500)	30,412,980.00	5.30	161,188,794.00
2	Jiangnan red arrow	Shenzhen stock (000519)	9,924,505.00	7.62	75,624,728.10
3	Kangni Mechanical & Electrical	Shanghai stock (603111)	9,824,561.00	5.28	51,873,682.08
4	Bank of beijing	Shanghai stock (601169)	79,472,026.00	5.68	451,401,107.68
5	Citic Ltd	HK stock (00267)	4,210,000.00	HKD 10.42	39,296,256.20
6	Asiaray	HK stock (01993)	12,250,000.00	HKD 6.20	68,034,491.00
7	BUMA	HK stock (02666)	18,953,000.00	HKD 5.90	100,168,538.21
8	CRSC	HK stock (03969)	51,300,000.00	HKD 4.35	199,897,785.90
9	China Reinsurance	HK stock (01508)	229,626,000.00	HKD 1.28	263,288,804.20
10	Jichen industries	HK stock (01596)	38,102,000.00	HKD 4.91	167,583,256.94
11	Guolian shares	Stock transfer system (603613)	2,140,000.00	75.67	161,933,800.00
12	Vauthier media	Stock transfer system (430174)	9,750,000.00	0.85	8,287,500.00
13	The construction of information	Stock transfer system (834082)	3,000,000.00	22.44	67,320,000.00
14	Huafeng co	SME board (002806)	2,741,967.00	13.89	38,085,921.63
	Total	--	--	--	1,853,964,665.94

Note: We take December 31, 2019 Hong Kong dollar against the RMB exchange rate of the central parity of 0.89578 as related exchange rate.

14. Held to maturity investments

Item	Closing balance			Opening balance		
	Gross carrying amount	Bad debt provision	Net carrying amount	Gross carrying amount	Bad debt provision	Net carrying amount
Jiangsu Metallurgy Design Institute Co., Ltd.	110,000,000.00	550,000.00	109,450,000.00	110,000,000.00	2,750,000.00	107,250,000.00
Total	110,000,000.00	550,000.00	109,450,000.00	110,000,000.00	2,750,000.00	107,250,000.00

15. Long-term receivables

Item	Closing balance			Opening balance		
	Gross carrying amount	Bad debt provision	Net carrying amount	Gross carrying amount	Bad debt provision	Net carrying amount
Finance leases	5,958,998,091.48	151,676,804.18	5,807,321,287.30	6,669,881,466.44	184,642,556.70	6,485,238,909.74
Incl.: unrealized financing profits	1,922,393,182.74		1,922,393,182.74	1,785,473,674.35		1,785,473,674.35
Factoring business	417,768,528.47	4,177,685.28	413,590,843.19	180,000,000.00	900,000.00	179,100,000.00
Total	6,376,766,619.95	155,854,489.46	6,220,912,130.49	6,849,881,466.44	185,542,556.70	6,664,338,909.74

16. Long-term equity investments

16.1 Categories:

Item	Opening balance	Increase	Decrease	Closing balance
Investment in joint venture	17,193,016,556.58	3,116,531,385.54	439,268,950.54	19,870,278,991.58
Investment in associates	67,066,842.15	27,940,016.25	7,420,765.47	87,586,092.93
Subtotal	17,260,083,398.73	3,144,471,401.79	446,689,716.01	19,957,865,084.51
Less: Provision for impairment losses				
Total	17,260,083,398.73	3,144,471,401.79	446,689,716.01	19,957,865,084.51

16.2 Details:

Investee	Accounting method	Investment cost	Opening balance	Increase/ Decrease for the year		
				Additional investment	Reduce investment	Investment gains and losses recognized in equity method
Total		17,811,412,602.00	17,260,083,398.73	1,013,170,643.73	63,717,219.55	2,102,021,420.35
Joint ventures						
Erdos beijing metro land corporation ltd. real estate development limited(Note1)	Equity method	14,700,000.00				
Beijing jingtou yixin health management services co., LTD	Equity method	15,000,000.00	3,581,202.11			-976,439.51
Beijing Tanzhe Xingye Real Estate Development Co., Ltd.	Equity method	20,000,000.00				
Shanghai Lishi（Note 2）	Equity method	362,098,911.79				
Beijing cornerstone investment center (limited partnership)	Equity method	50,000,000.00	41,909,800.76			-8,659,031.55
Beijing cornerstone innovation investment management center (limited partnership)	Equity method	400,000.00	391,402.85			8,675.19
Wuxi Wangyu Metro Ecological Property Co., Ltd.	Equity method	25,000,000.00		25,000,000.00		-902,893.29
Beijing subway tongcheng advertising limited	Equity method		21,184,436.43			1,475,626.41
Subtotal		487,198,911.79	67,066,842.15	25,000,000.00		-9,054,062.75
Associations						
Beijing municipal transportation pass limited	Equity method	33,614,463.00	47,624,216.58			-11,074,413.38
Beijing zhongguancun microcredit limited	Equity method	151,200,000.00	184,935,009.76			14,253,546.61
Beijing traffic control technology corporation	Equity method	118,134,366.00	172,092,120.16			34,742,793.38
Beijing culture technology financing guarantee limited	Equity method	300,000,000.00	402,677,903.39			54,783,537.56

Investee	Accounting method	Investment cost	Opening balance	Increase/ Decrease for the year		
				Additional investment	Reduce investment	Investment gains and losses recognized in equity method
Beijing jiuzhou railway vibration isolation technology co., LTD	Equity method	227,891,552.06	276,330,898.53		55,848,553.37	21,421,939.00
Xinjiang Wujing Railway Construction Rail Transportation Co., Ltd	Equity method	52,020,000.00	52,020,000.00	254,200,000.00		
Baoding cornerstone capital investment center (limited partnership)	Equity method	109,600,000.00	61,337,197.48	89,400,000.00		-1,722,326.89
Beijing Urban Construction & Design Group Co., Limited	Equity method	536,477,669.34	691,523,692.06			79,534,782.00
Huaxia Bank Co., Ltd.	Equity method	14,902,058,522.40	14,902,058,522.40			1,661,925,000.00
Beijing cornerstone venture capital management center (limited partnership)	Equity method	1,456,000.00	4,859,352.18	399,000.00		1,717,080.11
Beijing cornerstone Xinan Venture Capital Co., Ltd.	Equity method	36,000,000.00	37,138,796.74			-366,451.06
Beijing Biggerjia Technology Co., Ltd(Note 3)	Equity method	4,500,000.00	4,272,579.14			-182,429.66
Beijing Jingtou Sunshine Real Estate Development Co., Ltd.	Equity method	117,600,000.00	144,166,705.49			-5,877,158.95
Hangzhou Zhongke Aurora Semiconductor Co., Ltd.	Equity method	20,000,000.00	7,868,666.18		7,868,666.18	
Beijing Jingkuan Network Technology Co., Ltd.	Equity method	3,500,000.00	3,101,127.61			272,627.23
Beijing road Longxiang traffic equipment Co. Ltd.	Equity method	7,000,000.00	7,731,333.93			-120,881.83
Beijing Jinxin Federation information Corporation	Equity method	1,500,000.00	1,404,153.58			-67,702.02
Beijing Bei Xin Zhi Yun Technology Co., Ltd.	Equity method	6,000,000.00	4,954,093.20			-2,120,104.66
Shaoxing Jingyue Metro Co., Ltd.	Equity method	623,832,000.00		623,832,000.00		
Huangshan City Tourism Railway Investment and Development Co., Ltd.	Equity method	12,000,000.00		12,000,000.00		

Investee	Accounting method	Investment cost	Opening balance	Increase/ Decrease for the year		Investment gains and losses recognized in equity method
				Additional investment	Reduce investment	
Suzhou Yiqikang Electronic Technology Co., Ltd.	Equity method	3,870,000.00		3,870,000.00		538,360.67
Suzhou Shida Xunyuan Electronic Technology Co., Ltd.	Equity method	1,222,100.29		1,222,100.29		548,677.59
Guangdong Zhongcheng Transportation Technology Co., Ltd.	Equity method	3,247,543.44		3,247,543.44		863,816.43
Beijing Ditie Information Development Co., Ltd	Equity method	15,000,000.00	148,053,650.64			69,746,363.25
Beijing broadcast media subway TV limited	Equity method	14,700,000.00	31,640,427.91			204,537.34
Beijing Jing Jian Shuncheng Construction Investment Co., Ltd.	Equity method	21,789,473.68	7,226,109.62			7,226,109.62
Subtotal		17,324,213,690.21	17,193,016,556.58	986,170,643.73	63,717,219.55	2,111,075,483.10

Continued:

Investee	Increase/ Decrease for the year					Closing balance	Provision at the end of the period
	Other comprehensive income adjustment	Other changes in equity	Declaration of cash dividends or profits	Provision for impairment	Others		
Total	13,856,226.23	27,475,193.88	382,972,496.45		-12,052,082.40	19,957,865,084.51	

Joint ventures

Investee	Increase/ Decrease for the year					Closing balance	Provision at the end of the period
	Other comprehensive income adjustment	Other changes in equity	Declaration of cash dividends or profits	Provision for impairment	Others		
Erdos beijing metro land corporation ltd. real estate development limited(Note1)							
Beijing jingtou yixin health management services co. LTD						2,604,762.60	
Beijing Tanzhe Xingye Real Estate Development Co., Ltd.							
Shanghai Lishi （Note 2）							
Beijing cornerstone investment center (limited partnership)					11,994,079.00	45,244,848.21	
Beijing cornerstone innovation investment management center (limited partnership)						400,078.04	
Wuxi Wangyu Metro Ecological Property Co., Ltd.						24,097,106.71	
Beijing subway tongcheng advertising limited			7,420,765.47			15,239,297.37	
Subtotal			7,420,765.47		11,994,079.00	87,586,092.93	
Associations							
Beijing municipal transportation pass limited			891,088.59			35,658,714.61	
Beijing zhongguancun microcredit limited			11,232,000.00			187,956,556.37	
Beijing traffic control technology corporation	33,099.69		5,999,381.33			203,868,631.90	

Investee	Increase/ Decrease for the year					Closing balance	Provision at the end of the period
	Other comprehensive income adjustment	Other changes in equity	Declaration of cash dividends or profits	Provision for impairment	Others		
Beijing culture technology financing guarantee limited	-254,688.36					457,206,752.59	
Beijing jiuzhou railway vibration isolation technology co., LTD		27,741,992.95	5,072,353.00			264,573,924.11	
Xinjiang Wujing Railway Construction Rail Transportation Co., Ltd						306,220,066.00	
Baoding cornerstone capital investment center (limited partnership)	7,698,174.03					156,713,044.62	
Beijing Urban Construction & Design Group Co., Limited	-482,549.66		16,589,876.82		-23,978,658.96	730,027,388.62	
Huaxia Bank Co., Ltd.			227,452,472.18			16,536,531,050.22	
Beijing cornerstone venture capital management center (limited partnership)			3,403,352.18			3,572,080.11	
Beijing cornerstone Xinan Venture Capital Co., Ltd.	6,862,190.53	-265,799.07				43,347,737.14	
Beijing Biggerjia Technology Co., Ltd(Note 3)						4,090,149.48	
Beijing Jingtou Sunshine Real Estate Development Co., Ltd.						137,289,546.54	
Hangzhou Zhongke Aurora Semiconductor Co., Ltd.							
Beijing Jingkuan Network Technology Co., Ltd.						3,373,754.84	
Beijing road Longxiang traffic equipment Co. Ltd.						7,610,452.10	

Investee	Increase/ Decrease for the year					Closing balance	Provision at the end of the period
	Other comprehensive income adjustment	Other changes in equity	Declaration of cash dividends or profits	Provision for impairment	Others		
Beijing Jinxin Federation information Corporation						1,336,451.56	
Beijing Bei Xin Zhi Yun Technology Co., Ltd.						2,633,988.54	
Shaoxing Jingyue Metro Co., Ltd.						623,832,000.00	
Huangshan City Tourism Railway Investment and Development Co., Ltd.						12,000,000.00	
Suzhou Yiqikang Electronic Technology Co., Ltd.					67,502.44	4,775,863.11	
Suzhou Shida Xunyuan Electronic Technology Co., Ltd.					-135,004.86	1,635,773.00	
Guangdong Zhongcheng Transportation Technology Co., Ltd.						4,111,359.87	
Beijing Dite Information Development Co., Ltd.			104,931,206.89			112,868,807.00	
Beijing broadcast media subway TV limited						31,844,965.25	
Beijing Jing Jian Shuncheng Construction Investment Co., Ltd.							
Subtotal	13,856,226.23	27,475,193.88	375,551,730.99		-24,046,161.40	19,870,278,991.56	

Note 1: In the year 2013, the Company made a decrease in the investment of E'erdos program limited and E'erdos program limited then became the Company's joint venture. Long-term equity investment to E'erdos program limited decreased to nil after equity method on December 31, 2013. E'erdos program limited still goes deficit this period.

Note 2: Shanghai Lixing owns two plots of land at block 88, Songshan Road, Huangpu District, Shanghai (hereinafter "plot 107"), and 99 land mass in Ma Dang Road, Huangpu District, Shanghai (hereinafter "plot 108"). The Andashi hotel (hereinafter "107 hotel") is built on plot 107, and the New world Langting Hotel (hereinafter "108 hotel") is built on plot 108. According to the "shareholder agreement of Shanghai Lixing Hotel Co., Ltd." signed in November 2010, Shanghai Lixing is to split into 107 hotel and 108 hotel. In December 2016, Shanghai Lixing tripartite shareholders signed the "Separation Agreement". It was agreed that after the separation, Shanghai Lixing continued to exist, owning and operating 108 hotel; the new company owns and operates 107 hotel. Shanghai Lishi, the newly established company, has completed its business registration on March 10, 2017. In September 2017, Shanghai Lishi completed property change procedures of 107 hotel. Shanghai Lishi continued the financial status and operating results of Shanghai Lixing (107 Hotel) before the separation. The shareholders and shareholding ratio of the newly established company and the continuing company are exactly the same. At the end of 2017, Beijing Investment Development holds a 27.5% stake in Shanghai Lishi, which belongs to the joint venture of Beijing Investment Development. In February 2018, Beijing Investment Development, Landton Limited and Trillion Full signed the "Equity Transfer Agreement of Shanghai Lixing Hotel Co., Ltd." and the "Equity Transfer Agreement of Shanghai Lishi Hotel Co., Ltd." Upon completion of this equity transfer, Beijing Investment Development holds a 55% stake in Shanghai Lishi Hotel Co., Ltd. (hereinafter "Shanghai Lishi") and Trillion Full holds a 45% stake in Shanghai Lishi. Beijing Investment Development and Trillion Full no longer hold shares in Shanghai Lixing. According to the relevant regulations of the Shanghai Lishi Regulations on the procedure of the board of directors, the company and TrillionFull form a joint control over Shanghai Lishi, and the nature is changed to a joint venture.

Note 3: In April 2018, Beijing Investment Development added investment of RMB 450,000 to Beijing Biggerjia Technology Co., Ltd., with a shareholding ratio of 3%. According to agreement on capital and stock increase and the company's articles of association, Beijing Biggerjia Technology Co., Ltd. has a board of directors with 5 members, who are appointed by shareholders. Among them, the original shareholders jointly appoint 4 directors, and the company appoints one director. Voting on Board Resolutions by One Person One Vote. The following matters shall be adopted by more than two-thirds of the board of directors: (1) The formulation, major revision of the company's development strategy, investment plan; (2) To formulate the company's annual financial budget plan and final accounts plan; (3) To formulate the company's profit distribution plan and loss compensation plan; (4) Decide the company's equity incentive plan; (5) Formulate the plan of merger, division, change of company form and dissolution of the company; (6) Resolve on related transaction matters of the company. In addition,

other board matters shall be approved by the more than two-thirds of the directors.

Note4: Other changes are translation differences in foreign currency statements

16.3 Information of significant joint venture

Item	E'erdos program limited		Beijing subway tong cheng advertising limited	
	Amount for the current period	Amount for the prior period	Amount for the current period	Amount for the current period
Current assets	1,118,409,148.90	1,120,086,501.88	223,556,670.14	321,650,277.44
Non-current assets	31,601.20	36,401.32	82,666,698.48	103,973,065.17
Total assets	1,118,440,750.10	1,120,122,903.20	306,223,368.62	425,623,342.61
Current liabilities	1,760,377,073.78	1,688,962,443.73	226,329,991.61	285,797,477.83
Non-current liabilities		1,130,000.00	300,560.97	408,601.72
Total liabilities	1,760,377,073.78	1,690,092,443.73	226,630,552.58	286,206,079.55
Minority interests				
Equity interests attributable to parent company	-641,936,323.68	-569,969,540.53	79,592,816.04	139,417,263.06
Net asset calculated at share-held proportion	-314,548,798.60	-279,285,074.86	7,959,281.60	13,941,726.31
Adjustment	-496,458.47	-496,458.47		
--Goodwill				
--Unrealized profit of related party transaction	-496,458.47	-496,458.47		
--Others				
Carrying amount of investment in joint venture equity			15,239,297.37	21,184,436.43
Fair value of equity investment with public price				
Operating income			500,831,892.63	738,763,585.47
Financial expense	70,577,437.64	70,421,308.03	-772,858.91	-1,546,800.52
Income expense			6,097,516.04	26,545,843.98
Net profit	-71,966,783.15	-75,141,469.80	14,756,187.29	74,580,557.49
Net profit from discontinued operations				
Other comprehensive income				
Total comprehensive income	-71,966,783.15	-75,141,469.80	14,756,187.29	74,580,557.49
Dividend from joint venture			7,420,765.47	9,131,079.12

16.4 Information of significant associates

Item	Amount for the current period		
	Huaxia Bank Co., Ltd. (unit: million)	Beijing municipal transportation pass limited	Beijing zhongguancun microcredit limited
Current assets	347,069.00	4,643,412,728.88	1,073,751,892.61
Non-current assets	2,673,720.00	170,887,049.89	4,132,823.76
Total assets	3,020,789.00	4,814,299,778.77	1,077,884,716.37
Current liabilities	2,329,089.00	4,545,602,545.61	221,245,733.31
Non-current liabilities	422,363.00	99,136,060.50	
Total liabilities	2,751,452.00	4,644,738,606.11	221,245,733.31
Equity	269,337.00	169,561,172.66	856,638,983.06
Net asset calculated at share-held proportion	22,744.98	35,658,714.61	171,327,796.61
Adjustment			
Carrying amount of investment in joint venture equity	16,536.53	35,658,714.61	187,956,556.37
Operating income	84,734.00	2,561,558.98	115,345,089.62
Net profit	22,115.00	-52,660,073.13	71,267,733.03
Total comprehensive income	22,046.00	-52,660,073.13	71,267,733.03
Dividend from joint venture	227.45	891,088.59	11,232,000.00

Continued:

Item	Amount for the current period		
	Beijing traffic control technology corporation	Beijing culture technology financing guarantee limited	Beijing jiuzhou railway vibration isolation technology co., Ltd
Current assets	3,243,463,210.27	3,334,499,930.35	501,636,346.42
Non-current assets	307,215,137.41	465,300,404.69	147,421,671.19
Total assets	3,550,678,347.68	3,799,800,335.04	649,058,017.61
Current liabilities	2,335,079,213.27	1,134,589,760.90	159,297,547.92
Non-current liabilities	121,812,539.46	531,031,650.27	18,640,901.70
Total liabilities	2,456,891,752.73	1,665,621,411.17	177,938,449.62
Equity	1,093,786,594.95	2,134,178,923.87	471,119,567.99
Net asset calculated at share-held proportion	198,617,996.99	426,835,784.77	127,202,283.36
Adjustment			

Item	Amount for the current period		
	Beijing traffic control technology corporation	Beijing culture technology financing guarantee limited	Beijing jiuzhou railway vibration isolation technology co., Ltd
Carrying amount of investment in joint venture equity	200,868,631.90	457,206,752.59	264,573,924.11
Operating income	1,651,775,097.71	71,970,777.17	289,063,166.82
Net profit	125,160,804.91	-29,880,461.04	53,191,936.60
Total comprehensive income	125,160,754.23	-29,880,461.04	53,191,936.60
Dividend from joint venture	5,999,381.33		5,072,353.00

Continued:

Item	Amount for the current period		
	Beijing Urban Construction & Design Group Co., Limited	Xinjiang Wujing Railway Construction Rail Transportation Co., Ltd	Shaoxing Jingyue Metro Co., Ltd.
Current assets	12,672,929,000.00	1,361,460,960.87	1,759,346,230.29
Non-current assets	7,785,918,000.00	3,572,315,277.51	1,755,801,852.83
Total assets	20,458,847,000.00	4,933,776,238.38	3,515,148,083.12
Current liabilities	10,331,329,000.00	158,560,743.71	1,716,631.62
Non-current liabilities	5,030,833,000.00	2,406,029,934.00	1,753,431,451.50
Total liabilities	15,362,162,000.00	2,564,590,677.71	1,755,148,083.12
Equity	5,096,685,000.00	2,369,185,560.67	1,760,000,000.00
Net asset calculated at share-held proportion	559,095,258.80	616,225,164.33	623,744,000.00
Adjustment			
Carrying amount of investment in joint venture equity	730,027,388.62	306,220,000.00	623,832,000.00
Operating income	8,414,039,000.00		
Net profit	665,576,000.00		
Total comprehensive income	665,576,000.00		
Dividend from joint venture	16,569,876.82		

Continued:

Item	Amount for the prior period		
	Huaxia Bank Co., Ltd. (unit: million)	Beijing municipal transportation pass limited	Beijing zhongguancun microcredit limited
Current assets	305,411.00	4,658,675,914.54	1,073,751,892.61
Non-current assets	2,375,169.00	195,448,424.47	4,132,823.76
Total assets	2,680,580.00	4,854,124,339.01	1,077,884,716.37
Current liabilities	2,081,288.00	4,530,686,894.15	221,245,733.31
Non-current liabilities	380,577.00	96,978,972.50	
Total liabilities	2,461,865.00	4,627,665,866.65	221,245,733.31
Equity	218,715.00	226,458,472.36	856,638,983.06
Net asset calculated at share-held proportion	18,456.99	47,624,216.74	171,327,796.61
Adjustment			
Carrying amount of investment in joint venture equity	14,902.06	47,624,216.58	184,935,009.76
Operating income	72,227.00	135,787,578.05	117,475,205.12
Net profit	20,986.00	45,026,084.58	64,423,754.86
Total comprehensive income	22,763.00	45,026,084.58	64,423,754.86
Dividend from joint venture			

Continued:

Item	Amount for the prior period		
	Beijing traffic control technology corporation	Beijing culture technology financing guarantee limited	Beijing jiuzhou railway vibration isolation technology co., Ltd
Current assets	1,862,307,804.13	2,112,835,856.88	499,480,014.08
Non-current assets	188,873,634.06	901,278,086.60	157,065,169.64
Total assets	2,051,181,438.19	3,014,113,943.48	656,545,183.72
Current liabilities	1,516,836,832.56	925,274,168.73	144,058,898.85
Non-current liabilities	132,077,875.95	80,263,648.38	20,316,348.33
Total liabilities	1,648,914,708.51	1,005,537,817.11	164,375,247.18
Equity	402,266,729.68	2,008,576,126.37	492,169,936.54
Net asset calculated at share-held proportion	98,367,087.94	401,715,225.27	157,705,028.43
Adjustment			

Item	Amount for the prior period		
	Beijing traffic control technology corporation	Beijing culture technology financing guarantee limited	Beijing jiuzhou railway vibration isolation technology co., Ltd
Carrying amount of investment in joint venture equity	172,092,120.16	402,677,903.39	276,330,898.53
Operating income	324,626,862.41	119,848,871.40	243,739,612.10
Net profit	32,995,300.60	-6,579,311.04	52,500,745.07
Total comprehensive income	32,995,300.60	-6,579,311.04	52,500,745.07
Dividend from joint venture	2,934,630.68		

Continued:

Item	Amount for the prior period		
	Beijing Urban Construction & Design Group Co., Limited	Xinjiang Wujing Railway Construction Rail Transportation Co., Ltd	Shaoxing Jingyue Metro Co., Ltd.
Current assets	10,601,525,258.90	1,366,830,183.72	
Non-current assets	5,800,659,377.21	1,563,235,841.93	
Total assets	16,402,184,636.11	2,930,066,025.65	
Current liabilities	7,319,904,571.73	104,066,025.65	
Non-current liabilities	4,499,277,460.63	2,034,000,000.00	
Total liabilities	11,819,182,032.36	2,138,066,025.65	
Equity	4,583,002,603.75	792,000,000.00	
Net asset calculated at share-held proportion	499,567,535.07	205,999,200.00	
Adjustment			
Carrying amount of investment in joint venture equity	691,523,692.06	52,020,000.00	
Operating income	6,418,140,000.00		
Net profit	450,190,000.00		
Total comprehensive income	450,190,000.00		
Dividend from joint venture	25,187,059.07		

16.5 Aggregate information of insignificant joint venture and associate

Item	Amount for the period	Amount for the prior period
Joint venture	——	——
Total carrying amount of investment	72,346,795.56	45,882,405.72
Total amount calculated at the share- held proportion:		
Net profit	-10,529,689.16	-17,520,735.02
Total comprehensive income	-10,529,689.16	-17,520,735.02
Associate	——	——
Total carrying amount of investment	527,403,973.16	453,754,193.70
Total amount calculated at the share- held proportion:		
Net profit	55,760,925.16	59,976,130.08
Total comprehensive income	70,321,289.72	66,074,381.39

16.6 Related risk information in joint venture and associates equity

16.6.1 Significant restrict to cash transfer

None.

16.6.2 Excess loss

Investee	Accumulated unrecognized loss for prior period	Unrecognized loss for the period	Accumulated unrecognized loss for the period
Joint venture:			
E'erdos program limited	279,781,533.33	35,263,723.74	315,045,257.07
Shanghai Lishi	99,587,640.33	75,220,776.14	174,808,416.47
Total	379,369,173.66	110,484,499.88	489,853,673.54

16.6.3 Unconfirmed commitment relating to joint venture investment

None.

16.6.4 Contingent liability relating to joint venture or associate

None.

17. Other equity instrument investment

Item	Closing balance	Opening balance
Beijing China Railway Transportation Research Institute Co., Ltd.	250,000.00	250,000.00
Hangzhou Angel Real Estate Co., Ltd.	60,000.00	60,000.00
China Magnetics Jiangsu Transportation Industry Co., Ltd.	2,000,000.00	
Total	2,310,000.00	310,000.00

18. Investment properties

Investment properties measured at cost:

Item	Opening carrying amount	Increase in the current period	Decrease in the current period	Closing carrying amount
I. Total original carrying amount	846,795,402.37	333,489,758.60		1,180,285,160.97
Including: 1. Buildings	845,884,110.90	333,489,758.60		1,179,373,869.50
2. Land use rights	911,291.47			911,291.47
II. Total accumulated depreciation and amortization	172,410,275.03	39,807,163.85		212,217,438.88
Including: 1. Buildings	172,080,118.78	39,781,142.87		211,861,261.65
2. Land use rights	330,156.25	26,020.98		356,177.23
III. Total net book value of investment properties	674,385,127.34	--	--	968,067,722.09
Including: 1. Buildings	673,803,992.12	--	--	967,512,607.85
2. Land use rights	581,135.22	--	--	555,114.24
IV. Total accumulated provision for impairment losses of investment properties				
Including: 1. Buildings				
2. Land use rights				
V. Total book value of investment properties	674,385,127.34	--	--	968,067,722.09
Including: 1. Buildings	673,803,992.12	--	--	967,512,607.85
2. Land use rights	581,135.22	--	--	555,114.24

Note: The book value of investment properties mortgaged at the end of the year was 106,946,500.00 yuan, refer to Notes VIII.69. Assets whose ownership and right to use are restricted.

19. Fixed assets

Item	Closing balance	Opening balance
Fixed assets	147,288,261,616.50	146,904,473,625.83
Fixed assets cleanup	1,218,732.19	
Total	147,289,480,348.69	146,904,473,625.83

Classification of fixed assets

Item	Opening balance	Increase	Decrease	Closing balance
I. Total original carrying amount	150,459,699,131.14	3,909,943,578.44	3,411,755,967.24	150,957,886,742.34
Including: Land asset	99,138,157.32			99,138,157.32
Buildings	118,894,137,909.86	2,951,974,591.85	3,355,345,733.01	118,490,766,768.70
Machinery and equipment	27,537,400,037.10	857,402,253.55	36,745,210.13	28,358,057,080.52
Transportation vehicles	3,540,635,943.50	6,063,638.69	9,173,108.60	3,537,526,473.59
Electronic & Office equipment	256,030,928.35	44,599,284.66	10,491,915.50	290,138,297.51
Others	132,356,155.01	49,903,809.69		182,259,964.70
II. Total accumulated depreciation	3,452,757,436.19	148,450,635.57	33,766,600.80	3,567,441,470.96
Including: Land asset				
Buildings	1,164,660,203.49	58,420,660.41	9,125,801.39	1,213,955,062.51
Machinery and equipment	1,160,671,374.42	30,233,736.86	7,921,842.47	1,182,983,268.81
Transportation vehicles	841,057,656.64	5,589,487.04	8,271,450.13	838,375,693.55
Electronic & Office equipment	178,986,015.73	27,261,047.59	8,447,506.81	197,799,556.51
Others	107,382,185.91	26,945,703.67		134,327,889.58
III. Total carrying amount of fixed assets	147,006,941,694.95	--	--	147,390,445,271.38
Including: Land asset	99,138,157.32	--	--	99,138,157.32
Buildings	117,729,477,706.37	--	--	117,276,811,706.19
Machinery and equipment	26,376,728,662.68	--	--	27,175,073,811.71
Transportation vehicles	2,699,578,286.86	--	--	2,699,150,780.04
Electronic & Office equipment	77,044,912.62	--		92,338,741.00
Others	24,973,969.10	--	--	47,932,075.12
IV. Total accumulated provision for impairment losses of fixed assets	102,468,069.12		284,414.24	102,183,654.88
Including: Land asset				
Buildings	1,364,506.82			1,364,506.82
Machinery and equipment	100,963,572.19		185,518.13	100,778,054.06
Transportation vehicles	75,893.56		34,799.56	41,094.00

Item	Opening balance	Increase	Decrease	Closing balance
Electronic & Office equipment	64,096.55		64,096.55	
Others				
V. Total net carrying amount of fixed assets	146,904,473,625.83	–	–	147,288,261,616.50
Including: Land asset	99,138,157.32	–	–	99,138,157.32
Buildings	117,728,113,199.55	–	–	117,275,447,199.37
Machinery and equipment	26,275,765,090.49			27,074,295,757.65
Transportation vehicles	2,699,502,393.30	–	–	2,699,109,686.04
Electronic & Office equipment	76,980,816.07	–	–	92,338,741.00
Others	24,973,969.10	–	–	47,932,075.12

20. Construction in progress

20.1 Top 10 details of construction in progress are as follows:

Item	Closing balance			Opening balance		
	Gross carrying amount	Provision for decline	Net carrying amount	Gross carrying amount	Provision for decline	Net carrying amount
Total	277,059,462,363.48	39,120,500.00	277,020,361,863.48	237,935,902,294.86		237,935,902,294.86
Including: subtotal of important items:	193,887,027,897.49		193,887,027,897.49	176,382,949,195.48		176,382,949,195.48
1. Line 6 construction	41,830,252,731.62		41,830,252,731.62	40,315,260,822.40		40,315,260,822.40
2. Line 7 construction	30,146,254,075.06		30,146,254,075.06	25,967,373,824.49		25,967,373,824.49
3. Line 8 construction	27,187,751,101.59		27,187,751,101.59	24,881,930,631.94		24,881,930,631.94
4. Line 14 construction	23,875,112,491.57		23,875,112,491.57	22,892,039,251.70		22,892,039,251.70
5. Line 16 construction	20,136,069,303.03		20,136,069,303.03	16,428,634,014.80		16,428,634,014.80
6. Line 9 construction	11,688,036,153.64		11,688,036,153.64	11,360,807,771.76		11,360,807,771.76
7. Line changing construction	12,490,555,927.26		12,490,555,927.26	10,961,346,820.63		10,961,346,820.63
8. Beijing New Airport Expressway (South Fifth Ring Road - Beijing New	11,865,631,980.08		11,865,631,980.08	9,459,400,613.98		9,459,400,613.98

Item	Closing balance			Opening balance		
	Gross carrying amount	Provision for decline	Net carrying amount	Gross carrying amount	Provision for decline	Net carrying amount
Airport)						
9. Line 15 construction	7,938,780,808.52		7,938,780,808.52	7,895,282,900.87		7,895,282,900.87
10. Line mentougou construction	6,728,583,325.12		6,728,583,325.12	6,220,872,542.91		6,220,872,542.91

20.2 Top 10 details of changes of important construction in progress are as follows:

Item	Budget amount	Opening balance	Increase in the current period	Transfer to fixed assets	Other decreases
Total	767,096,720,000.00	176,382,949,195.48	17,504,078,702.01		
1.Line 6 construction	127,711,100,000.00	40,315,260,822.40	1,514,991,909.22		
2. Line 7 construction	107,531,810,000.00	25,967,373,824.49	4,178,880,250.57		
3. Line 8 construction	86,311,620,000.00	24,881,930,631.94	2,305,820,469.65		
4. Line 14 construction	149,183,930,000.00	22,892,039,251.70	983,073,239.87		
5. Line 16 construction	97,727,090,000.00	16,428,634,014.80	3,707,435,288.23		
6. Line 9 construction	42,779,500,000.00	11,360,807,771.76	327,228,381.88		
7. Line changing construction	54,505,790,000.00	10,961,346,820.63	1,529,209,106.53		
8. Beijing New Airport Expressway (South Fifth Ring Road - Beijing New Airport)	17,101,380,000.00	9,459,400,613.98	2,406,231,366.10		
9. Line 15 construction	66,617,130,000.00	7,895,282,900.87	43,497,907.65		
10. Line mentougou construction	17,627,370,000.00	6,220,872,542.91	507,710,782.21		

Continued:

Item	Closing balance	Amount injected as a proportion of budget amount (%)	Construction progress (%)	Amount of accumulated capitalized interest	Including: capitalized interest for the period	Interest capitalization rate for the period (%)	Source of funds
Total	193,887,027,897.49	--	--	15,220,920,337.78	2,005,007,776.00	--	--
1.Line 6 construction	41,830,252,731.62	32.75	32.75	2,070,853,756.19	2,216,608.49	4.41	Borrowings and self-funds
2. Line 7 construction	30,146,254,075.06	28.03	28.03	1,560,074,223.94	221,472,852.6	4.90	Borrowings and self-funds

Item	Closing balance	Amount injected as a proportion of budget amount (%)	Construction progress (%)	Amount of accumulated capitalized interest	Including: capitalized interest for the period	Interest capitalization rate for the period (%)	Source of funds
3. Line 8 construction	27,187,751,101.59	31.50	31.50	1,657,691,161.40	359,458,047.18	4.90	Borrowings and self-funds
4. Line 14 construction	23,875,112,491.57	16.00	16.00	5,430,057,945.94	623,637,068.62	4.41	Borrowings and self-funds
5. Line 16 construction	20,136,069,303.03	20.60	20.60	1,132,344,410.35	560,153,351.12	4.90	Borrowings and self-funds
6. Line 9 construction	11,688,036,153.64	27.32	27.32	576,112,834.23		4.90	Borrowings and self-funds
7. Line changing construction	12,490,555,927.26	22.92	22.92	937,980,850.37	44,265,799.97	4.64	Borrowings and self-funds
8. Beijing New Airport Expressway (South Fifth Ring Road - Beijing New Airport)	11,865,631,980.08	69.38	69.38	125,258,675.45		4.90	Borrowings and self-funds
9. Line 15 construction	7,938,780,808.52	11.92	11.92	1,132,344,410.35			Borrowings and self-funds
10. Line mentougou construction	6,728,583,325.12	38.17	38.17	598,202,069.56	193,804,046.02	4.41	Borrowings and self-funds

20.3 Impairment provision for construction in progress

Item	Opening balance	Increase	Decrease	Closing balance
Line 8 Nanluoguxiang Weaving Land Project		8,690,500.00		8,690,500.00
S1 Line Engineering Construction Project		30,430,000.00		30,430,000.00
Total		39,120,500.00		39,120,500.00

21. Right-of-use Assets

Item	Opening balance	Increase	Decrease	Closing balance
I. Total original carrying amount		21,604,234.53		21,604,234.53
Including: Land asset		21,604,234.53		21,604,234.53
II. Total accumulated depreciation		4,830,774.89		4,830,774.89
Including: Land asset		4,830,774.89		4,830,774.89
III. Total carrying amount		--	--	16,773,459.64
Including: Land asset		--	--	16,773,459.64
IV. Total accumulated provision for impairment losses				
Including: Land asset				
V. Total net carrying amount		--	--	16,773,459.64
Including: Land asset		--	--	16,773,459.64

22. Intangible assets

Item	Opening balance	Increase	Decrease	Closing balance
I. Total original carrying amount	1,600,744,996.34	519,487,881.22	148,620,645.52	1,971,612,232.04
Including: Software	140,696,147.97	33,692,592.57	58,620,645.52	115,768,095.02
Land use right	766,038,200.00	341,878,615.29	90,000,000.00	1,017,916,815.29
Patent	473,623,872.11	143,416,674.35		617,040,546.46
Non-patented technology	96,087,769.16	499,999.01		96,587,768.17
Trademark	30,000,000.00			30,000,000.00
Concessions	94,299,007.10			94,299,007.10
II. Total accumulated amortization	224,664,022.33	89,007,785.41	49,406,718.29	264,265,089.45
Including: Software	78,867,514.80	21,728,229.53	49,406,718.29	51,189,026.04
Land use right		6,837,572.30		6,837,572.30
Patent	96,600,030.78	43,406,355.42		140,006,386.20
Non-patented technology	10,444,529.58	6,188,152.32		16,632,681.90
Trademark	8,250,000.00	3,000,000.00		11,250,000.00
Concessions	30,501,947.17	7,847,475.84		38,349,423.01
III. Total provision for impairment				
Including: Software				
Land use right				
Patent				

Item	Opening balance	Increase	Decrease	Closing balance
Non-patented technology				
Trademark				
Concessions				
IV. Total net book value of intangible assets	1,376,080,974.01		-	1,707,347,142.59
Including: Software	61,828,633.17	--	-	64,579,068.98
Land use right	766,038,200.00			1,011,079,242.99
Patent	377,023,841.33	--		477,034,160.26
Non-patented technology	85,643,239.58	--	--	79,955,086.27
Trademark	21,750,000.00	--	--	18,750,000.00
Concessions	63,797,059.93		--	55,949,584.09

23. Development expenditure

Item	Opening balance	Increase for this period		Decrease for this period			Closing balance
		Development expenditure	Others	Recognized as intangible assets	Turn into current profit and loss	Others	
City line model research and development project	57,603,611.16	47,505,357.79			783,478.63		104,325,490.32
Others	17,195,547.78	55,863,116.61		9,668,735.28	7,014,115.10		56,375,814.01
Total	74,799,158.94	103,368,474.40		9,668,735.28	7,797,593.73		160,701,304.33

24. Goodwill

Name of the investee and item resulting in goodwill	Opening balance	Opening balance of provision for impairment	Increase in the current period	Decrease in the current period	Closing balance	Closing balance of provision for impairment
Beijing Investment Development	153,754,012.22	21,388,978.01			153,754,012.22	21,388,978.01
BII Hong Kong	152,498,932.32	152,381,767.71			152,498,932.32	152,381,767.71
Suzhou Huaqi Equipment Group	293,614,952.89		503,612,108.09		503,612,108.09 293,614,952.89	
Total	599,867,897.43	173,770,745.72	503,612,108.09		1,103,480,005.52	173,770,745.72

25. Long-term prepaid expenses

Item	Opening balance	Increase in the period	Amortization for the period	Other reductions	Closing balance
Decoration expenditure	9,703,708.39	36,187,850.27	6,638,907.81		39,252,650.85
Rent	25,959,421.68	600,000.00	2,616,119.87		23,943,301.81
Greening project expense	1,544,788.85		451,922.12		1,092,866.73
Relocate expense	9,775,033.66		1,274,317.08		8,500,716.58
Others	2,777,116.37	3,294,761.88	1,685,753.17		4,386,125.08
Total	49,760,068.95	40,082,612.15	12,667,020.05		77,175,661.05

26. Deferred tax assets/deferred tax liabilities

26.1 Deferred tax assets and deferred tax liabilities that are not presented at the net amount after offset

Item	Closing balance		Opening balance	
	Deferred tax assets/liabilities	Deductible /taxable temporary difference	Deferred tax assets/liabilities	Deferred tax assets/liabilities
1、Deferred tax assets	1,118,992,543.92	4,716,694,037.67	797,398,131.21	3,377,557,627.51
Provision for impairment losses of assets	210,412,425.00	1,037,191,431.35	141,781,939.33	734,471,398.89
Deductible losses	248,068,454.73	998,328,974.08	157,236,116.47	628,944,465.84
Depreciation difference between accounting standards and tax laws of fixed assets	2,877,342.46	11,512,618.80	2,829,349.91	11,317,399.64
Amortization difference between accounting standards and tax laws of intangible assets	1,242,288.21	4,969,152.84	3,397,283.83	15,135,912.38
Internal unrecognized profits offset in consolidation	52,709,422.08	220,537,663.28	41,070,105.07	172,253,353.98
Temporary difference between accounting standards and tax laws	98,283,565.55	393,520,224.19	55,475,301.67	221,901,206.68
Employee benefits provided but not paid	6,432,886.18	25,731,544.72	6,520,104.59	26,080,418.36
Other expense provided	9,425,632.23	62,837,548.20	4,120,902.94	27,476,766.33
Provisions	1,463,539.54	9,756,928.51	9,945,000.00	39,780,000.00
Fair value movement (impairment)of financial assets available for sale recognized in other comprehensive income	18,323,948.60	73,295,794.40	12,776,544.70	51,106,178.80
Inventory tax difference	469,753,039.34	1,879,012,157.30	362,245,482.70	1,449,090,526.61
2、Deferred tax liabilities	774,139,877.96	3,133,076,377.39	632,424,782.99	2,540,036,572.86

Item	Closing balance		Opening balance	
	Deferred tax assets/liabilities	Deductible /taxable temporary difference	Deferred tax assets/liabilities	Deferred tax assets/liabilities
Fair value movement of financial assets available for sale recognized in other comprehensive income	62,049,843.26	248,199,373.04	59,842,410.43	239,369,641.72
Assessment appreciation, depreciation and disposal of fixed assets	17,321,782.55	69,285,863.92	20,005,695.45	80,022,865.67
Assessment appreciation, depreciation and disposal of investment properties	697,726.42	4,651,509.47	747,251.35	4,981,675.67
Amount of receivables in accounting is higher than it on the basis of tax	204,443,455.72	817,773,822.88	140,630,672.31	562,522,689.24
Assessment appreciation of long-term equity investment	111.92	746.12	111.92	746.12
Assessment appreciation, amortization and disposal of intangible assets	303,427,975.40	1,248,369,131.21	281,677,088.84	1,135,052,943.73
Deferred income tax arising from the cancellation of internal unrealized losses	3,833,023.63	15,332,094.52	3,833,023.63	15,332,094.52
Assessment appreciation of other assets	182,365,959.06	729,463,836.23	125,688,529.06	502,754,116.19

26.2 Details of unrecognized deferred tax assets

Item	Closing balance	Opening balance
Deductible temporary differences	1,190,214,002.38	587,136,355.59
Deductible losses	1,605,034,155.94	1,219,530,566.27
Total	2,795,248,158.32	1,806,666,921.86

26.3 Deductible losses, for which no deferred tax assets are recognized, will expire in the following years

Year	Closing balance	Opening balance
2019		93,780,902.36
2020	90,486,477.01	153,172,167.98
2021	142,881,900.04	242,692,483.42
2022	398,948,232.44	398,948,232.44
2023	329,629,553.76	330,936,780.07
2024	643,087,992.69	
Total	1,605,034,155.94	1,219,530,566.27

27. Other non-current asset

Item	Closing balance	Opening balance
Lending of current funds(Note 1)	6,890,449,421.32	3,692,160,196.41
Funds for Renovation project	50,939,109.94	209,271,087.04
Suzhou hutong no. 61 transforming project fund	3,454,312.94	3,454,312.94
Prepayment for software development	48,491.38	1,013,653.92
Contract assets with a settlement period of more than one year		135,738,714.37
Others	175,457,983.49	
Total	7,120,349,319.07	4,041,637,964.68

Note 1: Details for lending of current funds

Debtor	Principal	Accrued interest	Subtotal	Impairment provision	Annual interest rate(%)
Beijing Tanzhe Xingye Real Estate Development Co., Ltd.	2,532,000,000.00	587,688,589.22	3,119,688,589.22	3,119,688.59	8.00
E'erdos program limited	1,122,666,449.20		1,122,666,449.20	339,907,193.43	4.90
Wuxi Wangyu Metro Ecological Property Co., Ltd.	2,988,714,500.00	5,400,880.30	2,994,115,380.30	2,994,115.38	
Total	6,643,380,949.20	593,089,469.52	7,236,470,418.72	346,020,997.40	–

Note 2: As is shown by the account, Beijing Investment Development lent 1,122,666,449.20 yuan to E'erduosi Project Company. In order to truly reflect the financial position of 31 December 2019 and financial performance till the end of year 2019 of Beijing Investment Development Co., Ltd., it made provision for the lending of 339,907,193.43 yuan in total, on the basis of ASBE, accounting policies of Beijing Investment Development Co., Ltd., and prudence principle. Annual interest rate for the lending is 4.90%, and it suspends the recognition of interest income from E'erduosi Project Company on the basis of prudence.

28. Short-term borrowings

Item	Closing balance	Opening balance
Mortgage loans	145,000,000.00	198,000,000.00
Guaranteed loans	30,636,760.00	
Credit loans	1,323,000,000.00	3,887,629,729.77
Total	1,498,636,760.00	4,085,629,729.77

29. Notes payables

Item	Closing balance	Opening balance
Bank acceptances	599,851,498.24	319,263,618.97
Total	599,851,498.24	319,263,618.97

30. Accounts payable

Aging	Closing balance	Opening balance
Within 1 year (including 1 year)	5,498,817,730.99	4,207,782,608.39
1-2 years(including 2 years)	1,913,997,010.08	1,118,723,536.82
2-3 years(including 3 years)	475,426,636.35	567,162,121.58
Over 3 years	268,256,490.56	409,174,973.59
Total	8,156,497,867.98	6,302,843,240.38

Top 5 creditors of accounts payable over 1 year:

creditor	Amount	Reason for outstanding
CRRC Changchun Railway Bus Co., Ltd.	207,436,432.91	The project is not completed
China CREC Railway electrification bureau (Group) Co., Ltd	148,320,739.00	The project is not completed
Beijing Construction Engineering Group Co., Ltd	72,790,462.00	The project is not completed
China Emerging Construction Engineering Co., Ltd.	61,012,075.00	The project is not completed
China Railway 16th Bureau Group Co., Ltd.	50,370,129.00	The project is not completed
Total	539,929,837.91	--

31. Receipts in advance

Aging	Closing balance	Opening balance
Within 1 year (including 1 year)	4,267,468,005.05	2,324,069,575.58
Over 1 year	875,265,302.80	490,463,845.78
Total	5,142,733,307.85	2,814,533,421.36

Top 5 creditors of receipts in advance over 1 year:

creditor	Amount	Reason for unsettlement
Wuxi Park Yuefu Project	54,258,467.00	The project doesn't satisfy the condition of revenue recognition
Jingyuefu Project	56,456,472.00	The project doesn't satisfy the condition of revenue recognition
Kunyufu Project	47,947,049.00	The project doesn't satisfy the condition of revenue recognition

creditor	Amount	Reason for unsettlement
Beijing Guogongzhuang investment and management Co., Ltd.	47,700,000.00	The project doesn't satisfy the condition of revenue recognition
Beijing Tongrui Wanhua Real Estate Co., Ltd.	40,291,190.60	The project doesn't satisfy the condition of revenue recognition
Total	246,653,178.60	-

32. Contract liabilities

Item	Closing balance	Opening balance
Within one year of the settlement period	23,331,320.43	57,868,897.37
Total	23,331,320.43	57,868,897.37

33. Employee benefits payable

33.1 Employee benefits payable

Item	Opening balance	Increase	Decrease	Closing balance
I. Short-term compensation	454,351,616.82	7,117,525,246.47	7,063,786,064.55	508,090,798.74
II. Post-employment welfare- defined contribution plan liability	81,731,343.77	952,502,769.58	962,284,556.14	71,949,557.21
III. Demission welfare	43,375.00	7,900,849.04	7,857,162.77	87,061.27
IV. Others		10,047,135.80	9,518,468.98	528,666.82
Total	536,126,335.59	8,087,976,000.89	8,043,446,252.44	580,656,084.04

33.2 Short-term compensation

Item	Opening balance	Increase	Decrease	Closing balance
I. Wages or salaries, bonuses, allowances and subsidies	329,785,879.57	5,665,851,547.21	5,645,496,483.81	350,140,942.97
II. Staff welfare		225,658,392.61	224,450,942.02	1,207,450.59
III. Social security contributions	44,128,025.94	507,830,637.41	501,863,617.82	50,095,045.53
Including: 1. Medical insurance	39,982,682.35	455,727,649.79	449,626,468.26	46,084,063.88
2. Employment injury insurance	1,629,287.69	16,980,440.91	17,172,168.24	1,437,560.36
3. Maternity insurance	2,515,855.90	35,122,546.71	35,064,981.32	2,573,421.29
IV. Housing fund	969,358.53	531,922,704.99	530,444,103.12	2,447,960.40
V. Labor union expenditure and employee education expenditure	79,455,720.92	184,521,961.25	159,786,950.47	104,190,731.70
VI. Short-term compensated absences	12,631.86	1,723,273.39	1,727,237.70	8,667.55
VII. Short-term profit sharing plan				
VIII. Others		16,729.61	16,729.61	
Total	454,351,616.82	7,117,525,246.47	7,063,786,064.55	508,090,798.74

33.3 Post-employment welfare- defined contribution plan liability

Item	Opening balance	Increase	Decrease	Closing balance
I. Basic endowment insurance	56,898,425.66	747,955,092.69	749,500,758.13	55,352,760.22
II. Unemployment insurance	2,058,829.01	35,271,238.62	34,780,903.99	2,549,163.64
III. Annuity	22,774,089.10	142,050,759.79	150,777,215.54	14,047,633.35
IV. Others		27,225,678.48	27,225,678.48	
Total	81,731,343.77	952,502,769.58	962,284,556.14	71,949,557.21

34. Taxes payable

Item	Closing balance	Opening balance
Value added tax	254,667,367.22	442,211,783.81
Business tax	616,947.83	616,947.83
Enterprise income tax	408,783,630.06	567,155,886.60
City construction and maintenance tax	13,807,455.79	29,115,925.20
Property tax	3,006,890.61	1,496,992,109.86
Land use tax	306,709.74	291,530.87
Individual income tax	80,519,797.50	62,385,906.31
Education surplus	7,699,000.82	17,448,891.50
Other	906,137,875.04	926,442,042.03
Total	1,675,547,674.61	3,542,661,024.01

35. Other payable

Item	Closing balance	Opening balance
Interest payable	918,681,963.98	674,546,199.97
Dividend payable	122,649,762.78	122,649,762.78
Other payables	7,659,312,758.93	5,720,270,621.53
Total	8,700,644,485.69	6,517,466,584.28

35.1 Interest payable

Item	Closing balance	Opening balance
Interest of long-term borrowings	35,296,707.89	24,390,130.77
Interest of corporate borrowings	768,166,954.92	512,278,743.24
Interest of short-term borrowings	855,134.65	16,809,234.85
Interest of long-term payables	114,363,166.52	119,852,593.11
Other Interests		1,215,498.00
Total	918,681,963.98	674,546,199.97

35.2 Dividends payable

Name of entity	Closing balance	Opening balance	Reasons for dividends payable aged more than one year
Beijing MTR Construction Administration Corporation	10,000.00	10,000.00	The other party did not ask for payment
Beijing Investment Development legal representative shareholder	2,639,762.78	2,639,762.78	Note1
Beijing Vanke Enterprise Co., Ltd. (Note 2)	120,000,000.00	120,000,000.00	Note2
Total	122,649,762.78	122,649,762.78	-

Note 1: The legal representative hasn't received the cash dividend for the prior year because of rename, deregistration and lack of licenses.

Note 2: In May 2018, Beijing Jingtou Yintai Real Estate Co., Ltd. (hereinafter "Jingtou Yintai Real Estate"), a subsidiary of Beijing Investment development, decided to distribute profits amounted 800 million to all shareholders, including 120 million to Beijing Vanke Enterprise Co., Ltd. (hereinafter "Beijing Vanke"). As of the end of the reporting year, the dividends have not been paid.

35.3 Other payable

Aging	Closing balance	Opening balance
Within 1 year (including 1 year)	3,954,987,160.77	1,587,169,953.56
1-2 years(including 2 years)	344,969,312.39	970,687,071.74
2-3 years(including 3 years)	668,538,604.81	386,943,299.48
Over 3 years	2,690,817,680.96	2,775,470,296.75
Total	7,659,312,758.93	5,720,270,621.53

Top 5 creditors of other payables over 1 year:

Creditors	Amount	Reason for unsettlement
Beijing Daxing land reserve center	1,707,222,638.40	Not yet settled
Compensation for house demolition fund	575,070,000.00	Not yet settled
Compensation for house demolition fund	566,807,500.00	Not yet settled
Line 10 five-way depot project	366,131,129.23	Not yet settled
Beijing Jingtou Sunshine Real Estate Development Co., Ltd.	100,450,000.00	Not yet settled
Total	3,315,681,267.63	-

36. Non-current Liabilities due within one Year

Item	Closing balance	Opening balance
Long-term borrowings due within one year	6,262,881,933.19	12,035,676,396.42
Bonds payable due within one year	14,041,294,573.95	12,815,668,479.22
Long-term payables due within one year	1,840,493,995.99	6,734,825,420.55
Lease liabilities due within one year	5,046,742.43	
Debt financing plan due within one year		499,846,175.69
Equity payable due within one year	72,440,794.72	
Estimated liabilities-after-sales maintenance costs	7,729,308.62	
Total	22,229,887,348.90	32,086,016,471.88

37. Other current liabilities

Item	Closing balance	Opening balance
Short-term financial bond	6,000,000,000.00	6,000,000,000.00
Reclassification of VAT (pending sales tax)	2,678,430.35	3,782,813.01
Total	6,002,678,430.35	6,003,782,813.01

38. Long-term borrowings

Item	Closing balance	Opening balance	Interest rate at the end of period
Mortgage loan	269,476,502.35	1,102,715,322.67	4.75%-6.00%
Guaranteed borrowings	9,353,289,907.45	10,015,210,491.39	1.20%-6.55%
Credit borrowings	209,704,598,309.28	182,028,536,286.49	4.00%-11.00%
Total	219,327,364,719.08	193,146,462,100.55	-

39. Bonds payable

Item	Par value	Issue date	Bond duration	Par value in total	Opening balance	Issued in the current year	Reimbursement in the current year	Rearrange in the end of year	others	Closing balance
13 Beijing infrastructure bond (Yin he)	100	2013-3-11	7 Years	2,800,000,000.00	2,800,000,000.00			2,800,000,000.00		
14 Beijing infrastructure bond (Hai tong)	100	2014-4-16	15 Years	5,000,000,000.00	5,000,000,000.00		4,863,231,000.00			136,769,000.00
300 million HKD private bond	HKD100.00	2015-2-13	5 Years	HKD300,000,000.00	263,573,457.26	5,874,000.00		270,290,205.47	842,748.21	
16 Beijing infrastructure bond note 1	100	2016-11-2	5 Years	3,000,000,000.00	40,112,000.00		40,112,000.00			
700 million USD bond	USD99.436	2017-9-26	3 Years	USD700,000,000.00	4,788,600,215.12	79,099,978.22		4,876,556,901.80	8,856,708.46	
400 million USD bond	US100.00	2018-12-4	36 Month	USD400,000,000.00	2,730,741,771.54	45,199,987.55			4,754,746.04	2,780,696,505.13
500 million HKD private bond	HKD100.00	2018-12-18	36 Month	HKD500,000,000.00	436,845,150.15	9,790,000.00			404,726.84	447,039,876.99
18 Jingfa 01	100.00	2018-9-21	3 Years	2,000,000,000.00	1,991,714,203.81				3,103,466.87	1,994,817,670.68
18 Beijing infrastructure bond MTN001A	100.00	2018-12-19	10 Years	1,500,000,000.00	1,500,000,000.00					1,500,000,000.00
18 Beijing infrastructure bond MTN001B	100.00	2018-12-19	10 Years	1,500,000,000.00	1,500,000,000.00					1,500,000,000.00
18 Beijing infrastructure bond 01	100.00	2018-8-9	5 Years	1,500,000,000.00	1,500,000,000.00					1,500,000,000.00
18 Beijing infrastructure bond 02	100.00	2018-8-9	15 Years	500,000,000.00	500,000,000.00					500,000,000.00
18 Beijing infrastructure bond 03	100.00	2018-4-12	5 Years	3,300,000,000.00	3,300,000,000.00					3,300,000,000.00
18 Beijing infrastructure bond 04	100.00	2018-4-12	10 Years	1,700,000,000.00	1,700,000,000.00					1,700,000,000.00
18 Beijing infrastructure bond 05	100.00	2018-8-20	5 Years	2,000,000,000.00	2,000,000,000.00					2,000,000,000.00
18 Beijing infrastructure bond 06	100.00	2018-8-20	10 Years	500,000,000.00	500,000,000.00					500,000,000.00
18 Beijing infrastructure bond 07	100.00	2018-9-7	5 Years	2,200,000,000.00	2,200,000,000.00					2,200,000,000.00

Item	Par value	Issue date	Bond duration	Par value in total	Opening balance	Issued in the current year	Reimbursement in the current year	Rearrange in the end of year	others	Closing balance
18 Beijing infrastructure bond 08	100.00	2018-9-7	10 Years	300,000,000.00	300,000,000.00					300,000,000.00
18 Beijing infrastructure bond 09	100.00	2018-11-26	10 Years	2,000,000,000.00	2,000,000,000.00					2,000,000,000.00
18 Beijing infrastructure bond 10	100.00	2018-11-26	15 Years	1,000,000,000.00	1,000,000,000.00					1,000,000,000.00
19 Beijing infrastructure bond 01	100.00	2019-1-14	3 Years	3,000,000,000.00		3,000,000,000.00				3,000,000,000.00
19 Beijing infrastructure bond 02	100.00	2019-1-14	5 Years	3,000,000,000.00		3,000,000,000.00				3,000,000,000.00
19 Beijing infrastructure bond 03	100.00	2019-5-27	3 Years	3,500,000,000.00		3,500,000,000.00				3,500,000,000.00
19 Beijing infrastructure bond 04	100.00	2019-5-27	5 Years	500,000,000.00		500,000,000.00				500,000,000.00
19 Beijing infrastructure bond 05	100.00	2019-11-13	3 Years	2,000,000,000.00		2,000,000,000.00				2,000,000,000.00
19 Beijing infrastructure bond MTN001A	100.00	2019-9-5	5 Years	1,200,000,000.00		1,200,000,000.00				1,200,000,000.00
19 Beijing infrastructure bond MTN001B	100.00	2019-9-5	8 Years	800,000,000.00		800,000,000.00				800,000,000.00
19 Jingfa G1	100.00	2019-3-14	5 Years	1,000,000,000.00		1,000,000,000.00			-3,743,166.69	996,256,833.31
19 Jingfa G2	100.00	2019-7-17	5 Years	500,000,000.00		500,000,000.00			-2,022,350.75	497,977,649.25
19 Jingfa MTN001	100.00	2019-8-27	3 Years	500,000,000.00		500,000,000.00			-2,313,739.26	497,686,260.74
200 million USD bond	100.00	2019-7-15	3 Years	USD200,000,000.00		1,395,240,000.85			-5,909,238.00	1,389,330,762.85
100 million USD bond	100.00	2019-7-23	3 Years	USD100,000,000.00		697,620,000.43			-1,196,919.14	696,423,081.29
1,000 million RMB bond	100.00	2019-11-26	3 Years	1,000,000,000.00		999,999,971.99			-6,850,530.62	993,149,441.37
Total	——	——	——	——	36,051,586,797.88	19,232,823,939.04	4,903,343,000.00	7,946,847,107.27	-4,073,548.04	42,430,147,081.61

Note 1: Changes in exchange rate

The above bonds contain foreign currency bonds, so the year-end balance of foreign currency bonds is affected by the exchange rate. The Company adopted the exchange rate intermediate price on December 31, 2019 as the conversion rate of the relevant items in the statement.

Note 2: Other changes are mainly due to foreign currency translation and amortization of premium.

40. Preferred shares, perpetual capital securities and other financial instruments

40.1 Issued preferred shares, perpetual capital securities and other financial instruments at the end of the period

Item	Issue date	Accounting classification	Rates (Note 1)	Issue price	Size	Amount	Due date	Condition for transfer	Transfer status
G18 Jing Y1	2018-9-12	Equity instrument	4.91%	100.00 per bond	10 million	1 billion		None	None
G18 Jing Y3	2018-11-23	Equity instrument	4.45%	100.00 per bond	29 million	2.9 billion		None	None
G18 Jing Y4	2018-11-23	Equity instrument	4.70%	100.00 per bond	21 million	2.1 billion		None	None
The perpetual debt No.1 in September 2019	2019-9-11	Equity instrument	3.85%	100.00 per bond	20 million	2 billion		None	None
The perpetual debt No.2 in September 2019	2019-9-11	Equity instrument	4.15%	100.00 per bond	20 million	2 billion	Note2	None	None
The 10+N perpetual debt in December 2019	2019-12-3	Equity instrument	5.10%	100.00 per bond	20 million	2 billion		None	None
The 10+N perpetual debt No.2 in December 2019	2019-12-23	Equity instrument	5.10%	100.00 per bond	40 million	4 billion		None	None

Note 1: The bonds are in the form of floating interest rates, with a single interest rate at the end of each re-pricing cycle. The first revaluation cycle is defined by the initial benchmark interest rate plus the base spread and fixed in the first repricing period.

Note 2: The issuer has the right to choose to extend the term of the bonds for a period of 3 or 5 years or choose to pay the full amount at the end of the revaluation period at the end of each repricing period.

40.2 A breakdown of the main terms of a financial instrument

(1) Issuer (the company) renewal option: At the end of each repricing period, the issuer has the right to choose to extend the period of the bonds for a period of 3 or 5 years or elect to pay the bonds in full during the period of the revaluation period. The issuer shall publish a notice of renewal in the relevant media at least 30 working days before the date of interest of the 3rd or 5th interest-bearing period of each repricing period.

(2) Deferred payment of interest: Unless there is a mandatory interest payment event, the issuer may, upon the consent of the board of directors of the issuer, choose to postpone all or part of the interest

payable on any interest day to the next interest payment date, and the number of deferred payment is unlimited. Interest payable includes current interest and all interest and its yield that have been deferred in accordance with these Terms. The aforesaid interest deferred payment does not constitute that the issuer fails to pay interest in full amount as agreed. The deferred payment interest shall be paid at the prevailing annual interest rate during the deferred period. The issuer should be at least 15 days before the payment date to publish a notice in the relevant media about the payment of the right.

(3) Forced interest payments: Within 12 months prior to the date of interest, the issuer will not be able to exercise the deferred payment interest if the issuer has the following conduct:1)Dividends to shareholders (Except for the transfer of state-owned capital income as required);2) Reduce the registered capital.

(4) Deferred payment of interest under the terms of the restrictions: If the issuer chooses to exercise the deferred payment of interest, the issuer shall not have the following conduct until the deferred payment of interest and its yield is outstanding: 1)Dividends to shareholders (Except for the transfer of state-owned capital income as required);2) Reduce the registered capital.

(5) Payment order: The order of repayment of bonds at the time of bankruptcy liquidation is equivalent to the issuer's ordinary debt.

40.3 Movements in issued preferred shares, perpetual capital securities and other financial instruments at the end of the period

Item	Opening balance		Increase		Decrease		Closing balance	
	Size	Carrying amount	Size	Carrying amount	Size	Carrying amount	Size	Carrying amount
14 perpetual capital securities 01	10 million	1 billion			10 million	1 billion		
14 perpetual capital securities 02	40 million	4 billion			40 million	4 billion		
G18 Jing Y1	10 million	1 billion					10 million	1 billion
G18 Jing Y3	29 million	2.9 billion					29 million	2.9 billion
G18 Jing Y4	21 million	2.1 billion					21 million	2.1 billion
The perpetual debt No.1 in September 2019			20 million	2 billion			20 million	2 billion
The perpetual debt No.2 in September 2019			20 million	2 billion			20 million	2 billion
The 10+N perpetual debt in December 2019			20 million	2 billion			20 million	2 billion
The 10+N perpetual debt No.2 in December 2019			40 million	4 billion			40 million	4 billion
Total	110 million	11 billion	100 million	10 billion	50 million	5 billion	160 million	16 billion

40.4 Setting mechanism of dividend or interest

Refer to VIII. 40 Note 1 and Note 2.

40.5 Information attributed to equity instrument holders

Item	Closing balance	Opening balance
1. Total owners' equity attributable to the Company	207,325,217,839.34	181,590,225,498.64
（1）Equity Attributable to ordinary shareholders of the Company	191,325,217,839.34	170,590,225,498.64
（2）Equity Attributable to other equity instruments shareholders of the Company	16,000,000,000.00	11,000,000,000.00
Including: Net profit		
Total comprehensive income		
Distributed dividend for the period		
Accumulated undistributed dividend		
2. Minority interests	25,832,766,140.72	25,858,770,705.69
（1）Equity Attributable to ordinary minority shareholders	25,832,766,140.72	25,858,770,705.69
（2）Equity Attributable to other equity instruments minority shareholders		

41. Lease liabilities

Item	Closing balance	Opening balance
Operating lease payable	10,335,026.42	
Total	10,335,026.42	

42. Long-term payables

Item	Opening balance	Increase	Decrease	Closing balance
Long-term payables	31,643,531,257.77	19,790,838,891.12	3,351,025,476.94	48,083,344,671.95
Special payables	178,062,006.72	3,029,888,119.40	2,880,319,679.56	327,630,446.56
Total	31,821,593,264.49	22,820,727,010.52	6,231,345,156.50	48,410,975,118.51

Top 5 Long-term payables at the end of period:

Item	Closing balance	Opening balance
Total	16,496,000,000.00	16,498,000,000.00
Including:1. Bank of Communications International Trust	5,496,000,000.00	5,498,000,000.00
2. China Everbright Bank first Entrusted claims	3,000,000,000.00	3,000,000,000.00
3. Shanxi international trust Co., Ltd. second Trust	3,000,000,000.00	3,000,000,000.00
4. Shanxi international trust Co., Ltd. Fourth Trust	3,000,000,000.00	3,000,000,000.00
5. China Everbright Bank second Entrusted claims	2,000,000,000.00	2,000,000,000.00

43. Provisions

Item	Closing balance	Opening balance
Product quality assurance	2,027,619.88	
Others	39,780,000.00	39,780,000.00
Total	41,807,619.88	39,780,000.00

Note: In December 2014, one of subsidiaries of the Company, Beijing Investment Development, transferred 51% stock rights of Beijing chenfeng real estate development co., limited to Shengfeng Botai (Shenzhen) equity investment management partnership (limited partnership). According to the equity transfer agreement, for the contingent deduction items when paying for the third transaction price, Beijing Investment Development may undertake land-transferring fees no more than 39,780,000.00 yuan. Based on conservatism principle, the provision of 39,780,000.00 yuan should be recognized as the maximum land-transferring fee in advance.

44. Deferred income

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Daxing line government grants (Note 1)	145,812,281.97	165,920,700.00	189,003,679.22	122,729,302.75
Subsidy to Subway network management	24,101,128.05		1,203,006.48	22,898,121.57
National research topics to Subway network management	450,000.00	250,000.00		700,000.00
Subsidy to parking management company (Note 2)	6,423,066.64	2,685,000.00	6,962,611.24	2,145,455.40
1.3 billion yuan treasury bureau special fund	971,492,792.23			971,492,792.23
Railway transportation construction special fund (Note 3)	19,097,487,732.25	10,987,614,843.37	15,024,393,500.94	15,060,709,074.68

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Subsidy for acoustic screen of line 13 from Beijing treasury bureau	21,871,950.00			21,871,950.00
Subsidy for security program of bridge tunnel of line 1, 2, 13 and batong	56,000,000.00			56,000,000.00
Subsidy for equipment renewal and purchase of line 13 and batong from Beijing Finance bureau	51,000,000.00			51,000,000.00
Renewal fund from Beijing Finance bureau	4,679,030,235.76			4,679,030,235.76
Subsidy to sihui platform fund from Beijing Finance bureau	209,000,000.00			209,000,000.00
Subsidy to new line front line construction	43,920,000.00			43,920,000.00
Subsidy to fuba line	150,529,600.00			150,529,600.00
Consultation Fee Subsidy to New Airport Line PPP Project	1,040,000.00			1,040,000.00
Subject of the Beijing Municipal Science and Technology Committee	5,356,022.18		2,264,269.37	3,091,752.81
Difference of interest of land parcel D of Beijing Investment Development (Note 5)	29,033,440.93	19,600,412.02		48,633,852.95
The municipal finance allocated funds for the turnover of the Dongxiaoying depot	483,000,000.00		483,000,000.00	
Technical project of safety guarantee for urban railway system	16,466,900.00	41,213,000.00	19,196,300.00	38,483,600.00
Public training demonstration base program	1,166,666.51		200,000.04	966,666.47
Financial appropriation for the construction of national high-skilled personnel training base		7,500,000.00		7,500,000.00
Others		11,537,913.42	6,673,942.50	4,863,970.92
Total	25,993,181,816.52	11,236,321,868.81	15,732,897,309.79	21,496,606,375.54

Note 1: Beijing subway line Daxing Co., Ltd. received loss subsidy of 165,920,700.00 yuan from Beijing financial bureau.

Note 2: The company received loss subsidy of 2,685,000.00 yuan from Beijing financial bureau.

Note 3: The amount increases this year in railway transportation construction special fund arises from reduction back of authorized service fee. The reasons for the decrease in special funds for rail transit

construction this year: one is the transfer to paid-in capital; the second is the payment of operating subsidies for subsidiaries.

Note 4: Beijing Jingtou Land Real Estate Co., Ltd.(hereinafter referred to as "Jingtou Zhidi"), the wholly owned subsidiary of Beijing Investment Development, holds 40% stake in Beijing Tanzhe Xingye Real Estate Development Co., Ltd. (hereinafter referred to as "Tanzhe Xingye"), which is joint venture of Beijing Investment Development. This year, Jingtou Zhidi has payed part of land price on behalf of Tanzhe Xingye, so Beijing Investment Development recognizes it as deferred income where the unrealized profit in the borrowing interest income generated by paying the land price less the book value of Long-term equity investments.

Government grant recognized into profit and loss for the period:

No.	Company name	Government grant recognized into profit and loss for the period
1	Beijing Infrastructure Investment Co., Ltd.	5,741,380,000.00
2	Line Daxing Co., Ltd.	189,003,679.22
3	Subway network management	242,583,006.48
4	Parking limited	6,962,611.24
5	Maglev Transportation	2,264,269.37
6	Line Yanfang Co., Ltd.	223,219,488.73
7	BII Hong Kong	6,673,942.50
8	Line Xijiao Co., Ltd.	59,223,081.19
9	Operating Company	19,396,300.04
	Total	6,490,706,378.77

45. Other non-current liabilities

Item	Closing balance	Opening balance
National government offices administration(Note 1)	50,000,000.00	50,000,000.00
Guaranteed deposit payable	585,859,922.33	678,697,791.91
Overhead tax	268,984,290.47	251,556,154.62
Total	904,844,212.80	980,253,946.53

Note 1: The Company is the substitute of national government offices administration that invests in Beijing cornerstone (international) financial leasing limited.

46. Paid-in capital

Investor	Opening balance		Increase	Decrease	Closing balance	
	Investment	Proportion (%)			Investment	Proportion (%)
Total	145,290,549,069.49	100.00	18,916,035,831.78		164,206,584,901.27	100.00
National capital fund	145,290,549,069.49	100.00	18,916,035,831.78		164,206,584,901.27	100.00

Note : Paid-in capital received is authorized operating service fee of railway transit of 18,821,535,831.78 yuan, funds of 82.50 billion yuan from Municipal Finance to City Corridor Investment, funds of 120.00 million yuan from Beijing State-Owned Assets Supervision and Administration Commission for project of A-type aluminum alloy car equipped with 120 kilometers per hour.

47. Capital reserve

Item	Opening balance	Increase	Increase	Closing balance
Other capital reserve	15,329,476,029.71	26,515,417.79	94,232,149.76	15,261,759,297.74
Total	15,329,476,029.71	26,515,417.79	94,232,149.76	15,261,759,297.74

Note1: The company and its subsidiaries have increased the capital reserve by RMB 26,515,417.79 due to the equity method simulation of associates and joint ventures.

Note2: The acquisition of minority shareholders 'equity by subsidiaries reduced the capital reserve by RMB 64,234,372.05; of which: the acquisition of minority shareholders' equity by Equipment group and its subsidiaries reduced the capital reserve by RMB 55,353,021.08; the acquisition of minority shareholders' equity by the company and its subsidiaries decreased the capital reserve by RMB 10,561,366.38, the subsidiary of the subway operating company acquired minority shareholders 'equity and increased the capital reserve by RMB 1,680,015.41.

Note3: The company's acquisition resulted in a decrease of 29,997,777.71 yuan in capital reserves, of which a minority stake in Underground space limited was reduced by 11,025,758.78 yuan, a minority stake in Beijing Investment Development was reduced by 13,565,264.18 yuan, a minority stake in Traffic control silicon valley Co., Ltd was reduced by 2,613,099.69 yuan, and a minority stake in Cornerstone lease was reduced by 2,793,655.06 yuan.

48. Surplus reserve

Item	Opening balance	Increase	Decrease	Closing balance
Statutory surplus reserve	1,242,235,109.25	386,865,445.59		1,629,100,554.84
Total	1,242,235,109.25	386,865,445.59		1,629,100,554.84

Note: The Company appropriated 10% of the net profit to the statutory surplus reserve.

49. Unappropriated profits

Item	Amount for the current period	Amount for the prior period
Retained earnings at beginning of year	9,070,396,425.37	7,297,593,488.42
Increase	3,033,862,029.68	2,205,994,565.97
Including: Net profit attributable to owners of the Company for the period	3,033,862,029.68	2,205,994,565.97
Decrease	1,926,701,645.59	433,191,629.02
Including: Appropriation to statutory surplus reserves	386,865,445.59	183,219,929.02
Appropriation to cash dividend	1,539,836,200.00	249,971,700.00
Retained earnings at the end of the period	10,177,556,809.46	9,070,396,425.37

50. Operating income and operating costs

Item	Amount recognized in the current period		Amount recognized in the prior period	
	Operating income	Operating costs	Operating income	Operating costs
1.Prime operating income	15,575,859,568.37	16,794,150,361.84	18,785,198,221.61	17,994,937,830.33
Development and operation income	5,484,436,504.90	3,176,935,003.01	9,199,732,974.92	5,802,722,741.27
Including: Real estate development	4,185,676,953.91	2,610,698,876.96	7,814,537,879.26	5,247,434,005.40
Land first-level development	266,851,753.22	68,033,798.70	289,921,472.02	27,549,264.25
Pipeline	217,972,153.13	141,684,092.59	264,227,557.85	149,995,391.81
Construction compensation fund	72,446,415.22		122,496,381.40	
Financial leasing income	741,491,229.42	356,518,234.74	708,549,684.39	377,744,079.81
Sales income	807,909,919.60	696,693,573.26	785,337,006.74	571,927,085.42
Including: Import and export	95,236,412.43	93,361,426.86	111,224,294.52	109,041,373.81
Rail transport equipment and its extended products and services	700,788,579.59	600,879,098.32	671,055,875.61	460,699,854.41
Newspaper income	11,884,927.58	2,453,148.08	3,056,836.61	2,185,857.20
Service income	9,283,511,143.87	12,920,521,685.57	8,800,128,239.95	11,620,288,003.64

Item	Amount recognized in the current period		Amount recognized in the prior period	
	Operating income	Operating costs	Operating income	Operating costs
Including: Consultancy service	65,922,148.59	15,632,723.05	28,045,887.67	15,672,520.74
Hotel service	38,176,577.22	21,587,679.14	37,936,202.66	19,955,536.88
Rent service	190,311,601.64	150,436,453.15	175,438,966.09	127,778,876.63
Advertisement income	873,147,398.38	270,575,436.87	665,440,605.15	183,990,212.88
Construction settlement income	52,961,635.03	45,028,307.75	37,896,226.39	33,960,693.50
Tickets income	7,079,431,878.87	11,816,822,219.02	7,271,290,013.89	10,849,740,106.91
Smart Rail Transit Service	820,431,564.14	500,281,666.59	431,206,992.16	292,120,112.81
Infrastructure Information Service	163,126,240.00	100,157,200.00	152,873,345.94	97,069,943.29
2、Other operating income	348,965,971.67	200,345,980.46	122,509,100.55	85,630,077.87
Including: Rent	64,588,152.55	22,764,908.99	75,981,619.82	13,287,414.31
Consultancy income	21,599,056.64		9,056,603.80	
Technical service income	18,050,003.99	1,940,548.95	10,576,802.04	6,612,741.66
Property energy income	32,240,933.63	32,496,365.42	21,674,186.55	32,536,039.16
Others	212,487,824.86	143,144,157.10	5,219,888.34	33,193,882.74
Total	15,924,825,540.04	16,994,496,342.30	18,907,707,322.16	18,080,567,908.20

51. Selling expenses

Item	Amount for the current period	Amount for the prior period
Advertising expense	77,927,455.85	42,141,928.17
Salary expense	75,475,149.11	48,286,036.84
Sales service fee	43,297,272.38	33,557,677.23
Social security, welfare and others	21,077,665.13	16,521,762.39
Travel expense	15,192,943.49	5,676,533.02
Sales commission expense	12,966,182.06	17,678,573.64
Water and electricity	10,750,408.18	11,889,388.33
Entertainment expense	5,513,945.78	2,918,425.64
Others	46,330,304.41	16,425,334.73
Total	308,531,326.39	195,095,659.99

52. Administrative expenses

Item	Amount for the current period	Amount for the prior period
Salary expense	1,123,500,070.92	1,090,730,692.36
Social security, welfare and others	200,110,030.14	176,476,899.35
Depreciation and amortization	124,641,608.41	100,297,002.01
Entertainment expense	9,835,753.84	11,730,220.33
Business expenses	77,411,445.26	74,685,331.99
Water and electricity	12,026,691.13	17,991,554.98
Rental fee	29,780,698.50	26,134,395.91
Employment fee of intermediary	23,988,164.44	21,846,569.28
Consulting fee	56,239,149.69	35,366,233.38
Advertising expense	24,538,929.62	14,898,151.49
Technical services fee	33,153,922.68	9,795,162.50
Labor outsourcing fee	6,881,573.42	6,881,573.42
Expenses for Party building	45,830,866.14	42,652,416.61
Others	108,495,257.44	82,600,995.18
Total	1,876,434,161.63	1,712,087,198.79

53. Research and development expenses

Item	Amount for the current period	Amount for the prior period
Salary expense	110,445,870.66	78,351,386.31
Depreciation	2,091,493.58	1,703,086.26
Amortization	12,528,690.77	8,140,834.23
Material consumption fee	16,158,574.55	
Office expenses	4,254,790.88	
Travel expenses	4,727,996.28	
Others	47,499,993.67	6,567,490.92
Total	197,707,410.39	94,762,797.72

54. Financial expenses

Item	Amount for the current period	Amount for the prior period
Interest expense	2,067,686,937.95	823,897,954.70
Less: Interest income	561,005,991.48	570,284,967.42
Exchanges losses	6,700,236.95	213,881,278.93
Others	17,470,447.88	14,021,837.36
Total	1,530,851,631.30	481,516,103.57

55. Other income

Item	Amount for the current period	Amount for the prior period
Subsidy for operating loss	6,232,670,146.36	4,722,698,549.87
VAT levied and refunded	19,682,715.89	3,009,453.33
Awards for support of key enterprises attracting investment and key project development	18,471,000.00	31,442,000.00
Property tax subsidy		13,153,061.06
Personal income tax refunded	4,043,237.32	4,776,856.79
Stable subsidy	13,841,309.08	3,964,223.76
Boiler renovation subsidy	9,737,586.89	3,633,000.00
Tianjin Dongjiang Tax Port Management Committee Enterprise Development Fund	743,060.84	1,449,651.37
Others	3,945,564.80	1,345,828.35
Total	6,303,134,621.18	4,785,472,624.53

56. Investment income

Item	Amount for the current period	Amount for the prior period
Income from long-term equity investments under equity method	2,102,021,420.35	182,317,625.88
Investment income from holding held-to-maturity investments	645,640,945.36	664,961,589.28
Investment income from holding available-for-sale financial assets	556,596,957.32	338,721,842.75
Investment income from disposal of available-for-sale financial assets	94,135,295.15	45,317,910.40
Investment income on disposal of long-term equity investments	1,574,610.72	
Investment income from holding debt investment	40,036,685.51	
Investment income from holding other equity instruments	10,000.00	
Total	3,440,015,914.41	1,231,318,968.31

57. Gains from changes in fair values

Item	Amount for the current period	Amount for the prior period
Tradable Financial assets	715,266.08	
Gains arising on changes in fair value of financial assets designated as at FVTPL	84,247,257.15	-7,935,358.28
Including: Gains/(losses) arising on changes in fair value of derivative financial instruments	84,247,257.15	-7,935,358.28
Others	-5,548,761.20	
Total	79,413,762.03	-7,935,358.28

58. Credit impairment loss

Item	Amount for the current period	Amount for the prior period
Bad debt losses	682,805.73	-191,382.59
Impairment loss of debt investment	-118,182.25	
Impairment loss of other financial assets	-3,144,888.01	
Impairment loss of contract asset	-22,610,072.41	
Total	-25,190,336.94	-191,382.59

59. Asset impairment loss

Item	Amount for the current period	Amount for the prior period
1. Bad debt losses	-233,781,629.64	-121,891,245.63
2. Written-down of inventories	-238,449,253.56	53,380,318.68
3.Impairment loss of Available-for-sale financial assets	-292,446,217.19	
4.Impairment loss of Held-to-maturity investments	2,200,000.00	-2,750,000.00
5. Impairment loss of Fixed asset		-1,171,467.72
6. Impairment loss of Construction in progress	-39,120,500.00	
7. Others		-5,025,992.16
Total	-801,597,600.39	-77,458,387.03

60. Assets disposal income

Item	Amount for the current period	Amount for the prior period	Amount included in current non-recurring gains and losses
Disposal gains or losses arising from the disposal of fixed assets, construction in progress, productive biological assets and intangible assets that are not classified as held for sale (Note)	1,439,481.09	64,086,588.41	1,439,481.09
Total	1,439,481.09	64,086,588.41	1,439,481.09

61. Non-operating income

61.1 Details of non-operating income

Item	Amount for the current period	Amount for the prior period	Amount included in current non-recurring gains and losses
Government grants	33,257,063.13	4,676,446.77	33,257,063.13
Income of default	670,109.45	226,883.57	670,109.45
Insurance compensation income	901,469.58	2,964,086.96	901,469.58
Others	10,259,777.00	5,341,927.68	10,259,777.00
Total	45,088,419.16	13,209,344.96	45,088,419.16

61.2 Details of non-operating income

Item	Amount for the current period	Amount for the prior period
Total	33,257,063.13	4,676,446.77
1. Non-operating assets transfer subsidy income	20,705,737.25	
2. Land financial repayment		452,508.08
3. Beijing Fengtai District Environmental Protection Bureau Beijing gas (oil) boiler low-nitrogen transformation to award reimbursement		875,000.00
4. Construction subsidies	1,770,000.00	600,000.00
5. Income of national science and technology support project	914,823.27	1,132,863.87
6. Zhongguancun special fund for technological innovation capacity building		208,000.00
7. Others	9,866,502.61	1,408,074.82

62. Non-operating expenses

Item	Amount for the current period	Amount for the prior period	Amount included in current non-recurring gains and losses
Donations to third parties	556,633.30	1,221,268.59	556,633.30
Penalty expense	200,032.42	1,733,784.35	200,032.42
Compensation and liquidated damages	7,146,939.80	164,076.42	7,146,939.80
Losses on written-off of fixed assets	13,882,845.30	521,384.26	13,882,845.30
Comprehensive subsidy	39,077,332.63		39,077,332.63
Others	1,605,884.83	1,935,607.69	1,605,884.83
Total	62,469,668.28	5,576,121.31	62,469,668.28

63. Income tax expenses

Item	Amount for the current period	Amount for the prior period
Current tax expense	713,521,790.35	861,050,679.44
Deferred tax expense	-179,879,317.74	-181,924,155.89
Total	533,642,472.61	679,126,523.55

64. Other comprehensive income attributable to shareholders of the parent company

64.1 Category of other comprehensive income

Item	Amount for the current period		
	Amount before tax	Income tax	Net of tax
I. Other comprehensive income not to be reclassified into profit and loss in the future			
1. Movements from remeasurement on defined benefit plan net assets or liabilities			
2. Shares in other comprehensive income of investee not to be reclassified into profit and loss under equity method			
II. Other comprehensive income to be reclassified into profit and loss	389,307,440.13	-3,339,971.08	392,647,411.21
1. Shares in other comprehensive income of investee to be reclassified into profit and loss under equity method	9,601,668.10		9,601,668.10
Less: Net amount included in other comprehensive income in the prior periods that is transferred to profit or loss for the period			
Subtotal	9,601,668.10		9,601,668.10

Item	Amount for the current period		
	Amount before tax	Income tax	Net of tax
2. Gains (losses) arising from available-for-sale financial assets	85,318,276.90	-3,339,971.08	88,658,247.98
Less: Net amount included in other comprehensive income in the prior periods that is transferred to profit or loss for the period	-292,446,217.18		-292,446,217.18
Subtotal	377,764,494.08	-3,339,971.08	381,104,465.16
3. Profit and loss from held-to-maturity investment reclassified into available-for-sale asset			
Less: Net amount included in other comprehensive income in the prior periods that is transferred to profit or loss for the period			
Subtotal			
4. The effective component of profit and loss in cash flow hedging instruments			
Adjustments to the initial recognized amounts of hedged items			
Less: Net amount included in other comprehensive income in the prior periods that is transferred to profit or loss for the period			
Subtotal			
5. Translation differences of financial statements denominated in foreign currencies	1,941,277.95		1,941,277.95
Less: Net amount included in other comprehensive income in the prior periods that is transferred to profit or loss for the period			
Subtotal	1,941,277.95		1,941,277.95
III. Total comprehensive income	389,307,440.13	-3,339,971.08	392,647,411.21

Continued:

Item	Amount for the prior period		
	Amount before tax	Income tax	Net of tax
I. Other comprehensive income not to be reclassified into profit and loss in the future			
1. Movements from remeasurement on defined benefit plan net assets or liabilities			
2. Shares in other comprehensive income of investee not to be reclassified into profit and loss under equity method			
II. Other comprehensive income to be reclassified into profit and loss	-624,777,525.53	-61,499,657.14	-563,277,868.39
1. Shares in other comprehensive income of investee to be reclassified into profit and loss under equity method	16,997,934.15		16,997,934.15
Less: Net amount included in other comprehensive income in the prior periods that is transferred to profit or loss for the period			

Item	Amount for the prior period		
	Amount before tax	Income tax	Net of tax
Subtotal	16,997,934.15		16,997,934.15
2. Gains (losses) arising from available-for-sale financial assets	-584,260,540.26	-61,168,630.85	-523,091,909.41
Less: Net amount included in other comprehensive income in the prior periods that is transferred to profit or loss for the period	-5,673,426.53	331,026.29	-6,004,452.82
Subtotal	-578,587,113.73	-61,499,657.14	-517,087,456.59
3. Profit and loss from held-to-maturity investment reclassified into available-for-sale asset			
Less: Net amount included in other comprehensive income in the prior periods that is transferred to profit or loss for the period			
Subtotal			
4. The effective component of profit and loss in cash flow hedging instruments			
Adjustments to the initial recognized amounts of hedged items			
Less: Net amount included in other comprehensive income in the prior periods that is transferred to profit or loss for the period			
Subtotal			
5. Translation differences of financial statements denominated in foreign currencies	-63,188,345.95		-63,188,345.95
Less: Net amount included in other comprehensive income in the prior periods that is transferred to profit or loss for the period			
Subtotal	-63,188,345.95		-63,188,345.95
III、Total comprehensive income	-624,777,525.53	-61,499,657.14	-563,277,868.39

64.2 Adjustment to other comprehensive income

Item	Shares in other comprehensive income of investee to be reclassified into profit or loss under equity method	Fair value changes in available for sale financial assets	Translation differences of financial statements denominated in foreign currencies	Subtotal
1. Amount at the beginning of last year	1,833,174.10	192,913,445.55	26,100,113.56	220,846,733.21
2. Increase in last year (decrease is indicated by "—")	16,997,934.15	-517,087,456.59	-63,188,345.95	-563,277,868.39
3. Amount at the beginning of this year	18,831,108.25	-324,174,011.04	-37,088,232.39	-342,431,135.18
4. Increase in this year(decrease is indicated by "—")	9,601,668.10	381,104,465.16	1,941,277.95	392,647,411.21
5. Amount at the end of this year	28,432,776.35	56,930,454.12	-35,146,954.44	50,216,276.03

65. Borrowing cost

The capitalized borrowing cost is 4,793,454,800.14 yuan for the current period.

66. Translation of transactions denominated in foreign currencies

The exchange loss recognized into profit and loss is 6,700,236.95 yuan for the current period.

67. Lease

67.1 Financial lease

Residual lease term	Minimum lease receivable
Within 1 year	4,768,782,083.91
More than 1 year but not exceeding 2 years	4,592,327,699.77
More than 2 year but not exceeding 3	2,668,038,923.85
More than 3 years	2,094,978,928.55
Total	14,124,127,636.08

Note: The balance of unrealized financing profits is 1,922,393,182.74 yuan at the end of the period.

67.2 Significant operating lease

Type of leased assets	Closing balance	Opening balance
Houses and buildings	1,728,725,096.81	1,158,413,998.99
Total	1,728,725,096.81	1,158,413,998.99

67.3 Significant finance lease (as the lessee)

67.3.1 Leased assets

Type of leased assets	Closing balance			Opening balance		
	Original value	Accumulated depreciation	Impairment provision	Original value	Accumulated depreciation	Impairment provision
Houses and buildings	40,725,412,400.94			28,474,953,704.62		
Total	40,725,412,400.94			28,474,953,704.62		

67.3.2 Minimum lease payable in the future

Residual lease term	Minimum lease payable
Within 1 year	1,813,493,995.99
More than 1 year but not exceeding 2 years	2,613,059,865.93
More than 2 year but not exceeding 3	37,500,000.70
More than 3 years	7,889,348,755.38
Total	12,353,402,618.00

67.4 Disclosure of the important terms of each sale and leaseback transaction and after-sale leaseback contract

With regard to sale and leaseback, the Company collects the consultancy fee from the lessee. The Company collects consulting fees from the lessee in the financial leasing contract to provide financial leasing services and charge the service fee or separate the finance leasing contract. The lessee shall have the preferential right to choose to purchase after the expiration of the term of the lease. and the company adopts the principal amount of principal payment or the same amount of rent before payment, after payment method to pay each period of rent.

68. Consolidated statement of cash flow

68.1 Reconciliation of net profit to cash flow from operating activities:

Supplementary information	Amount for the current period	Amount for the prior period
1. Reconciliation of net profit to cash flow from operating activities:		
Net profit	3,181,431,785.52	2,602,693,480.64
Add: Provision for impairment losses of assets	801,597,600.39	77,458,387.03
Credit asset impairment losses	25,190,336.94	191,382.59
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of bearer biological assets	170,405,623.23	151,928,471.11
Amortization of intangible assets	88,217,228.14	64,028,317.12
Amortization of long-term prepaid expenses	12,667,020.05	10,884,458.73
Losses/(gains) on disposal of fixed assets, intangible assets and other long-term asset	-1,439,481.09	-64,086,588.41
Losses /(gains) on write-off of fixed assets	13,053,168.36	521,384.26
Losses/(gains) on changes in fair values	-79,413,762.03	7,935,358.28
Financial expenses/ (income)	1,836,205,571.10	738,539,595.29
Losses/(gains) arising from investments	-3,440,015,914.41	-1,231,318,968.31

Supplementary information	Amount for the current period	Amount for the prior period
Decrease /(increase) in deferred tax assets	-311,293,314.90	-294,458,132.85
Increase/(decrease) in deferred tax liabilities	104,965,913.26	112,197,121.62
Decrease /(increase) in inventories	-14,013,303,221.14	-1,215,479,826.36
Decrease /(increase) in receivables from operating activities	-1,444,437,823.57	-1,353,649,341.78
increase/(decrease) in payables from operating activities	-3,288,102,029.01	-5,092,999,599.18
Others		
Net cash flow from operating activities	-16,344,271,299.16	-5,485,614,500.22
2.Significant investing and financing activities that do not involve cash flow		
Conversion of debt into capital		
Reclassification of current portion of convertible bonds to current liabilities		
Fixed assets capitalized under finance lease		
Invest with non-monetary assets		
3. Net changes in cash and cash equivalents:		
Closing balance of cash	14,844,373,999.88	23,755,010,419.79
Less: Opening balance of cash	23,755,010,419.79	25,050,981,987.30
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	-8,910,636,419.91	-1,295,971,567.51

68.2 Net cash from acquisition and disposal of subsidiaries or businesses during the period

Item	Amount
1.Cash or cash equivalents paid during the current business combination	807,879,643.63
Less: cash and cash equivalents held by subsidiary on the purchase day	84,241,634.51
Plus: Cash or cash equivalents paid in the current period for a business combination that occurred in a previous period	
Net cash paid to obtain the subsidiary	723,638,009.12
2. Cash or cash equivalents received from disposal of subsidiaries during the current period	2,177,440.33
Less: Cash and cash equivalents held by the company on the day when control is lost	2,051,284.39
Plus: Cash or cash equivalents paid in the current period for a business combination that occurred in a previous period	
Net cash received from disposal of subsidiaries	126,155.94

68.3 Composition of Cash and Cash Equivalents

Item	Closing balance	Opening balance
I. Cash	14,844,373,999.88	23,755,010,419.79
Including: Cash on hand	588,283.65	532,084.31
Bank deposits	14,784,888,993.77	22,665,453,372.03
Other monetary funds	58,896,722.46	1,089,024,963.45
II. Cash equivalents		
Including: Investments in debt securities due within three months		
III. Closing balance of cash and cash equivalents	14,844,373,999.88	23,755,010,419.79
Including: Cash and cash equivalents with restricted use of parent company or subsidiaries within the group		

69. Assets whose ownership and right to use are restricted

Restricted ownership assets	Closing balance	Opening balance
Cash and bank balances	37,317,058.64	26,196,830.99
Inventory (Note 1)	6,332,073,873.43	8,434,868,511.52
Fixed asset (Note 2)	29,719,576,933.70	28,444,719,904.62
Construction in progress (Note 2)	11,034,579,588.18	8,754,160,099.00
Investment properties(Note 3)	106,946,502.13	121,106,612.19
Long-term equity investment(Note 4)	90,100,000.00	65,900,000.00
Total	47,320,593,956.08	45,846,951,958.32

Note 1: Restricted inventory at the end of period is 6,332,073.87 thousand yuan.

(1) The closing amount of long-term borrowings due within 1year, whose pledges are some constructions in progress (carrying value is 1,382,101.60 thousand yuan) located in and part of usage right to Jing Hai Guo Yong (2013 Chu) No 00276, landing area B-2, B-3, B-1, and upper cover area A, No 13 and No 15 of Beijing Jingtouxingye properties Limited (thereinafter referred to as "xingye properties"), subsidiary of Beijing Investment Development, is 332,683.90 thousand yuan.

(2) The closing amount of long-term borrowings, whose pledges are some constructions in progress (carrying value is 2,360,588.40 thousand yuan) located in and part of usage right to No MY00-0103-6002, Tanying Township, Miyun District, Beijing, Beijing Jingtou Xingtan Real Estate Co., Ltd. (hereinafter referred to as the "Jingtou Xingtan"), subsidiary of Beijing Investment Development, is 214,976.50 thousand yuan.

(3) The closing amount of long-term borrowings, whose pledges are some constructions in progress (carrying value is 2,589,383.90 thousand yuan) located in and part of usage right to No MC01-0003-6004/6003/0078, Tanzhe Temple in Mentougou District, Beijing Jingtou Yingde Real Estate Co., Ltd. (hereinafter referred to as the "Yingde Zhiye"), subsidiary of Beijing Investment Development, is 300,326.70 thousand yuan.

Note 2: Net book value of fixed assets limited is 29,719,576.90 thousand yuan and net book value of constructions in progress limited is 11,034,579.60 thousand yuan.

(1) The company carries out after-sale and leaseback finance lease by assets of its subsidiaries lines Co., involving the book value of fixed assets of 29,690,832.80 thousand yuan and the book value of restricted construction projects of 11,034,579.60 thousand yuan.

The short-term liabilities of 100,000.00 thousand yuan are guaranteed by fixed assets B1, B2 of Hualian building 2 (Carrying amount is 24,942.40 thousand yuan) in the possession of Beijing Investment Development, and part of floor 6 of Hengtai building (Carrying amount is 3,801.70 thousand yuan) and investment properties mentioned in Note 3(2) in the possession of Beijing Investment Development of Ningbo Hualian estate development Co., Ltd (hereinafter referred to as the "Ningbo Hualian").

Note 3: The closing amount of Investment properties limited is 106,946.50 thousand yuan.

(1) The closing amount of long-term borrowings due within one year and long-term borrowings, whose pledges are investment properties of Ningbo Hualian floor, 1 to 4 (Carrying amount is 42,798.40 thousand yuan.) of Hengtai building in Ningbo, are 2,000.00 thousand yuan and 54,500.00 thousand yuan respectively.

(2) Short-term borrowings of 100,000.00 thousand yuan in the closing account of the company is guaranteed with investment properties floor 5, 6, and 17 to 20 (Carrying amount is 43,226.30 thousand yuan.) of Hengtai building in Ningbo, and fixed assets mentioned in Note 2.

(3) The closing amount of short-term borrowings, whose pledges are partial properties (Carrying amount is 20,921.80 thousand yuan) of No 55, Haishu zone, Dongdu Rode in Ningbo of Beijing Investment Development, is 45.00 million yuan.

Note 4: The closing amount of limited long-term equity investments is 90,100.00 thousand yuan

(1) The closing amount of long-term borrowings, whose pledge is Shangde Zhiye's 51% shareholding (Carrying amount is 10,200.00 thousand yuan) held by Jingtou Zhidi, subsidiary of Beijing Investment Development, is 1,535,500.00 thousand yuan.

(2) The closing amount of long-term borrowings, whose pledge is Xingping Zhiye's 51% shareholding (Carrying amount is 10,200.00 thousand yuan) held by Jingtou Zhidi, subsidiary of Beijing Investment Development, is 1,012,000.00 thousand yuan.

(3) The closing amount of long-term borrowings due within one year, whose pledge is Yingde Zhiye's 51% shareholding (Carrying amount is 25,500.00 thousand yuan) held by Jingtou Zhidi, subsidiary of Beijing Investment Development, is 3,060,000.00 thousand yuan.

(4) The closing amount of long-term borrowings, whose pledge is Tanzhe Xingye's 40% shareholding (Carrying amount is 0.00 thousand yuan) held by Jingtou Zhidi, subsidiary of Beijing Investment Development, is 2,760,000.00 thousand yuan.

(5) The closing amount of long-term borrowings, whose pledge is Jingtou Xingtan's 100% shareholding (Carrying amount is 20,000.00 thousand yuan) held by Jingtou Zhidi, subsidiary of Beijing Investment Development, is 1,984,000.00 thousand yuan.

(6) The closing amount of long-term borrowings, whose pledge is Jingtou Fengde's 70% shareholding (Carrying amount is 14,000.00 thousand yuan) held by Jingtou Zhidi, subsidiary of Beijing Investment Development, is 2,767,500.00 thousand yuan.

(7) The closing amount of long-term borrowings, whose pledge is Jingtou Xinghai's 51% shareholding (Carrying amount is 10,200.00 thousand yuan) held by Jingtou Zhidi, subsidiary of Beijing Investment Development, is 3,549,294.00 thousand yuan.

IX. Commitment and Contingency

1. Commitment

In the year 2010, two of investment development's subsidiaries, Jingtou Zhidi and Beijing Vanke invested in a project company. The two parties agreed to the followings: Jingtou Zhidi consolidates financial statements and adjusted the shareholders structure as 20% held by Beijing Vanke and 80% held by Jingtou Zhidi. When the net profit is higher than 9%, Jingtou Zhidi and Beijing Vanke distribute the profit at 70% and 30% respectively; when the net profit is lower than 9%, Jingtou Zhidi and Beijing w Vanke distribute the profit at 74% and 26% respectively. This year, the two companies adopted the latter distribution proportion.

Up to December 31, 2019, the Company doesn't have other commitment to be disclosed.

2. Contingency

2.1 Details of internal and external guarantee up to December 31, 2019

Guaranteed company	Nature	Amount (ten thousand yuan)	Due time	Condition of the guaranteed company
Internal				
Line 10 investment limited	State-owned	137,700.00	2027.06	Fine
Line 5 investment limited	State-owned	34,040.00	2020.10	Fine
Beijing infrastructure xinxing investment limited	State-owned	347,900.00	2022.09	Fine
Beijing Investment Development(Note 1)	State-owned	200,000.00	2021.09	Fine
Beijing Investment Development(Note 2)	State-owned	100,000.00	2024.03	Fine
Beijing Investment Development(Note 3)	State-owned	50,000.00	2024.07	Fine
External				
Beijing Energy Investment (Group) Co., Ltd	State-owned	80,000.00	2026.05	Fine
Internal (for Beijing Investment Development Ltd.)				
Jingtou Zhidi(Note 4)	State-owned	10,000.00	2022.07	Fine
External (for Beijing Investment Development Ltd.)				
Shanghai Lixing (Note 5)	State-owned	128,000.00	2027.01	Fine
Shanghai Lixing (Note 6)	State-owned	10,000.00	2021.07	Fine
Total		1,097,640.00		

Note 1: Beijing Investment Development issued public bonds offering full unconditional irrevocable joint liability guarantee fewer than 2.00 billion yuan. On 20 September 2018, Beijing Investment Development issued public bonds ("18 Jingfa 01") of 2.00 billion yuan within 3years.

Note 2: The company provides an irrevocable joint and several liability guarantee guarantee for Beijing Investment Development's public issuance of bonds ("19 Jingfa G1"), with a guarantee amount of 1.0 billion yuan and a guarantee period of March 14, 2019 to March 14, 2024.

Note 3: The company provides an irrevocable joint and several liability guarantee guarantee for Beijing Investment Development's public issuance of bonds ("19 Jingfa G2"), with a guarantee amount of 0.5 billion yuan and a guarantee period of July 17, 2019 to July 17, 2024.

Note 4: Beijing Investment Development provided a joint liability guarantee for the 100 million loan of the Jingtou Zhidi Land and Xiamen International Bank Beijing Branch. As of the end of the reporting period, the loan balance was 90 million yuan, and the guarantee period was July 2019 23rd to July 22nd, 2022.

Note 5: In the help of Bank of Hangzhou Ltd. Shanghai branch, Shanghai Lixing applies 1.28 billion entrustment loans from the principal Guang Fa securities asset management (Guangdong) Co., Ltd. (2 directional asset management plan of Guang Fa securities Qian Chao) from 23 January 2017 to 22 January 2027. Joint and several liability guarantees are provided by Beijing Investment Development for full amount during loan period. Partner Shanghai Forte Land Co., Ltd. is willing to provide counter guarantee for 20% of Shanghai Lixing's right of recourse (up to 256.00 million yuan). After separation of Shanghai Lixing, the original, contract subject has been changed to Shanghai Lishi from Shanghai Lixing, and rights and obligations of Beijing Investment Development to Shanghai Lixing are transferred to Shanghai Lishi.

Note 6: The Company provides joint and several liability guarantee for 0.10 billion yuan leaseback of Shanghai Lishi and Shanghai Metro financing lease Co., Ltd. from 8 June 2018 to 10 July 2021.The loan is 0.10 billion yuan in the end of the year. Partner Shanghai Forte Land Co., Ltd. is willing to provide counter guarantee for 20% of Shanghai Lishi's right of recourse(up to 20,000.00 thousand yuan).

2.2 Up to the 31 December 2019, the Company provides mortgage loan of 5,006.57 million yuan to the bank for the purchaser of commercial residential building. The amount of guarantee includes loan principal and interest (including penalty interest) and related expenses that bank to achieve the realization of creditor's rights, the amount of guarantee will increase accordingly with the repayment period by borrowers. Guarantee period since the effective day that owner signed the contract with bank, to the date that Company completed the "Building ownership Certificate" of purchasing house for the owners and completed the mortgage registration, submit house ownership certificate such as "Building ownership Certificate" to the bank.

X. EVENTS AFTER BALANCE SHEET DATE

None.

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

1. The Company's ultimate controller is Beijing state-owned assets supervision and administration commission.

2. Subsidiaries of the Company: Refer to VII. 1 Basic information of subsidiaries included in the consolidated statements.

3. The relevant information of associates and joint venture of the Company is shown in detailed in notes VIII. 16 Long-term equity investments.

4. Related party

4.1 Transaction of related party

4.1.1 Purchase of goods/ receipt of services

Related party	Details of related party transaction	Amount for the current period (Ten thousand yuan)	Amount for the prior period (Ten thousand yuan)
Beijing yintai zhiye limited.	Catering, accommodation and meeting expense		123.43
Shanghai Lishi	Catering, accommodation and meeting expense	7.52	13.99
Beijing Urban Construction & Design Group Co., Limited	Consulting design service fee	202.85	22.75
Beijing Biggerjia Technology Co., Ltd.	Residential project fee		10.83
Huaxia Bank Co., Ltd.	Interest expense	2,235.60	
Huaxia Bank Co., Ltd.	Handling expenses	2.06	

4.1.2 related transaction in selling goods and providing services

Related party	Details of related party transaction	Amount for the current period (Ten thousand yuan)	Amount for the prior period (Ten thousand yuan)
Yintai general merchandise Ningbo Haishu Co., Ltd	Property management	250.67	280.94
Beijing municipal transportation pass limited	Rental service	17.18	
Beijing cornerstone venture capital management center (limited partnership)	Rental service	123.30	
Beijing subway tong cheng advertising limited.	advertising revenues	25,947.90	36,027.45
Huaxia Bank Co., Ltd.	Interest income and wealth management product income	3,506.94	

4.2 Guarantees with related parties

(1) Beijing Investment Development signed a "Guarantee Agreement on the Public Offering of Corporate Bonds" with the Company, and the Company issued the "Irrevocable Letter of Guarantee for the Company Bond of Beijing Investment Development Co., Ltd." The guarantee agreement stipulates that the company shall charge relevant guarantee fees, which are based on the outstanding par value of the company's bonds at an annual rate of 1%, on September 21, 2018, 2.00 billion yuan of corporate bonds were issued, and in October, 2018, 20.00 million yuan of guaranteed fees were paid. In October 2019, a guarantee fee of RMB 20 million was paid.

(2) Beijing Investment Development and the Company signed the "Guarantee Agreement on the Public Issuance of Corporate Bonds", and the Company issued a "Guarantee Letter" promising to provide unconditional and irrevocable joint and several liability guarantee guarantees for the planned public issuance of corporate bonds not exceeding RMB 1.5 billion. The guarantee agreement stipulates that the company shall charge relevant guarantee fees. The guarantee fee shall be based on the face value of the outstanding bonds of the company bonds, with an annual fee rate of 1%. On March 14, 2019, the company issued public bonds of RMB 1.0 billion, and in March 2019 it paid a guarantee fee of RMB 100.0 million. On July 17, 2019, a corporate bond of RMB 500 million was issued publicly, and a guarantee fee of RMB 5.0 million was paid in July 2019.

4.2.2 Other guarantees

Guarantor	Secured party	Amount of guarantees (Ten thousand yuan)	Commencement date of guarantees	Expiration date of guarantees	Whether the guarantee has been fulfilled
Beijing Investment Development as Secured party					
Beijing Investment Development、Ningbo hualian (Note 1)	Beijing Investment Development	10,000.00	17 December 2018	16 December 2021	Not yet
Guarantees between Beijing Investment Development and its subsidiaries:					
Jingtou Zhidi (Note 2)	Yingde Zhiye	306,000.00	22 August 2017	22 August 2020	Not yet
Jingtou Zhidi (Note 3)	Xingping Zhiye	240,000.00	22 November 2018	22 November 2021	Not yet
Jingtou Zhidi (Note 4)	Jingtou Xingtan	250,000.00	18 September 2018	18 September 2022	Not yet
Jingtou Zhidi (Note 5)	Jingtou Fengde	285,000.00	June 05 2019	June 05 2022	Not yet
Jingtou Zhidi (Note 6)	Jingtou Xinghai	382,500.00	June 06 2019	June 06 2022	Not yet

Note 1: Ningbo hualian, the wholly owned subsidiary of Beijing Investment Development, provides mortgage guarantee for the loan of Beijing Investment Development from Ningbo Branch of Minsheng Bank with 5, 6 and 17-20 floors of Hengtai Building, and Beijing Investment Development itself provides mortgage guarantee with B1 and B2 garage of Hualian Building 2. As of the end of the year, the loan balance was 100.00 million, and the mortgage period was from 17 December 2018 to 16 December 2021.

Note 2: Jingtou land estate Co., the wholly owned subsidiary of Beijing Investment Development, using its 51% stock rights in Yingde Zhiye, provides mortgage guarantee for the loan of Yingde Zhiye from

Jinyun branch of Bank of Beijing, which is amounted 30.60 billion. As of the end of the year, the loan balance was 30.60 billion, and the mortgage period was from 22 August 2017 to 22 August 2020.

Note 3: Jingtou land estate Co., the wholly owned subsidiary of Beijing Investment Development, using its 51% stock rights in Xingping Zhiye, provides mortgage guarantee for the loan of Xingping Zhiye from Jinyun branch of Bank of Beijing, which is amounted 24.00 billion. As of the end of the year, the loan balance was 10.12 billion, and the mortgage period was from 22 November 2018 to 22 November 2021.

Note 4: Jingtou land estate Co., the wholly owned subsidiary of Beijing Investment Development, using its 100% stock rights in Jingtou Xingtan, provides mortgage guarantee for the loan of Jingtou Xingtan from Jinyun branch of Bank of Beijing, which is amounted 25.00 billion. As of the end of the year, the loan balance was 19.84 billion, and the mortgage period was from 18 September 2018 to 18 September 2022.

Note 5: Jingtou Zhidi, a wholly-owned subsidiary of Beijing Investment Development, provided 70% of its equity in Jingtou Fengde to provide pledge guarantee for B Jingtou Fengde's entrusted loan of RMB 285 million in Bank of Beijing Jinyun Sub-branch. 276.75 million yuan, the guarantee period is from June 5, 2019 to June 4, 2022.

Note 6: Jingtou Zhidi, a wholly-owned subsidiary of Beijing Investment Development, used its 51% stake in Jingtou Xinghai to provide pledged guarantee for Jingtou Xinghai 's entrusted loan of RMB 382.50 million at Bank of Beijing Jinyun Sub-branch. As of the end of the reporting period, the balance of secured claims RMB 354,929,400, the guarantee period is from June 6, 2019 to June 5, 2022.

4.3 Amounts due from / to related parties

4.3.1 Amounts due from related parties

Item	Related party	Closing balance		Opening balance	
		Carrying value	Bad debt provision	Carrying value	Bad debt provision
Bank balances	Huaxia Bank Co., Ltd.	59,833,566.85		96,066,952.96	
Other current asset	Huaxia Bank Co., Ltd.	1,286,000,000.00		1,319,000,000.00	
Accounts Receivable	Beijing subway tong cheng advertising limited.	114,864,026.89		138,712,608.41	
Prepayments	Beijing Yintai Real Estate Co., Ltd			802,960.75	
Other receivables	Beijing Jingtou YiXin Health Management Service Co., Ltd.	2,250,000.00	2,250.00	2,250,000.00	
Other receivables	Beijing Yintai Real Estate Co., Ltd			1,893,543.75	
Other receivables	Beijing subway tong cheng advertising limited.			9,460,411.38	

4.3.2 Amounts due to related parties

Item	Related party	Closing balance	Opening balance
Other payables	Yintai general merchandise Ningbo Haishu Co., Ltd	770,000.00	770,000.00
Other payables	Beijing Jingtou Sunshine Real Estate Development Co., Ltd	100,450,000.00	100,450,000.00
Long-term borrowings	Huaxia Bank Co., Ltd.	500,000,000.00	500,000,000.00

4.3.3 Supplementary of credit and debt with related parties

Item	Related party	Closing balance	Opening balance
Interest receivable	Shanghai Lishi	8,404,257.54	7,546,893.62
Provision of interest receivable	Shanghai Lishi	8,404.25	7,546.90
Non-current assets due within one year (entrusted loans)	Tanzhe Xingye	130,345,688.88	
Non-current assets due within one year (entrusted loans)	E'erdos program limited	1,130,000.00	
Non-current assets due within one year (entrusted loans)	Shanghai Lishi	67,901,975.05	252,848,384.42
Debt investment (entrusted loan)	Shanghai Lishi	298,249,346.76	60,355,081.43
Provision of Debt investment (entrusted loan)	Shanghai Lishi	298,249.35	60,355.08
Debt investment (entrusted loan)	Tanzhe Xingye		121,293,688.88
Provision of Debt investment (entrusted loan)	Tanzhe Xingye		121,293.69
Debt investment (entrusted loan)	E'erdos program limited		1,130,000.00
Debt investment (entrusted loan)	Beijing Jingtou YiXin Health Management Service Co., Ltd.	15,703,188.69	14,121,522.02
Provision of Debt investment (entrusted loan)	Beijing Jingtou YiXin Health Management Service Co., Ltd.	15,703.19	14,121.52
Other non-current assets	Tanzhe Xingye	3,119,688,589.22	2,914,315,255.89
Provision of other non-current assets	Tanzhe Xingye	3,119,688.59	2,914,315.25
Other non-current assets	E'erdos program limited	1,122,666,449.20	1,120,666,449.20
Provision of other non-current assets	E'erdos program limited	339,907,193.43	339,907,193.43
Other non-current assets	Wuxi Wangyu Metro Ecological Property Co., Ltd.	2,994,115,380.30	
Provision of other non-current assets	Wuxi Wangyu Metro Ecological Property Co., Ltd.	2,994,115.38	

4.4 The situation of interest income by related party possessing funds

Related party	Details of related party transaction	Amount for the current period (Ten thousand yuan)	Amount for the prior period (Ten thousand yuan)
Shanghai Lixing	Interest income	3,000.49	2,728.76
Tanzhe Xingye	Interest income	20,228.81	20,228.81
Beijing Jingtou YiXin Health Management Service Co., Ltd.	Interest income	149.21	105.80
Wuxi Wangyu Metro Ecological Property Co., Ltd.	Interest income	513.16	

4. 5 Leases with related parties

Leases where the Company is the lessor

Name of lessee	Lessor	Type of leased assets	Commencement date of leases	Expiration date of leases	Basis of determining the lease payment	Lease expenses recognized for the current period (Ten thousand)	Lease expenses recognized for the prior period (Ten thousand)
Beijing-Tianjin-Hebei Intercity Railway investment Co., Ltd (Note 1)	Xingye Zhiye	KunYufu Project East District 2#、3# office building 1-3 floors	1 November2018	31 October 2021	Market price/ board of director	1,299.63	216.60
Beijing-Tianjin-Hebei Intercity Railway investment Co., Ltd (Note 2)	Xingye Zhiye	KunYufu Project Upper parking space	1 November2018	31 October 2021	Market price/ board of director	34.29	5.71
Yintai general merchandise Ningbo Haishu Co., Ltd (Note 3)	Beijing investment development	Hualian Building <7-49>、<8-54>	1 January 2017	31 December 2033	Market price/ board of director	255.24	255.24
Yintai general merchandise Ningbo Haishu Co., Ltd	Ningbo Hualian	Hualian Building 11th Floor <11-40>、<11-41>	1 May 2015	30 April 2018	Market price/ board of director		19.05
Total						1,589.16	496.60

Lease situation description of related party:

Note1: On July 24, 2018, Beijing investment development's subsidiary, Xingye Zhiye, signed "Lease contract for 2#、3# office building in east district of the KunYufu Project" with Beijing-Tianjin-Hebei

Intercity Railway investment Co., Ltd. The rent of office buildings is 1,137,174.53 yuan per month, and the lease term is from November 1, 2018 to October 31, 2021. During the reporting period, office rental income was recognized to be 12,996,300.00 yuan.

Note2: On July 24, 2018, Beijing investment development's subsidiary, Xingye Zhiye, signed "Lease contract for 2#、3# office building in east district of the KunYufu Project" with Beijing-Tianjin-Hebei Intercity Railway investment Co., Ltd. The rent of parking space is 1,500.00 yuan per month, and the lease term is from November 1, 2018 to October 31, 2021. During the reporting period, parking income was recognized to be 342,900.00 yuan.

Note 3: On December 29, 2016, Beijing Investment Development signed a house lease contract with Yintai general merchandise Ningbo Haishu Co., Ltd. The lease is marked on the 7th and 8th floors (9,984.70 square meters) of the main building and podium building of Ningbo Hualian Building. The lease term is from January 1, 2017 to December 31, 2033. The annual rent for the first year to the sixth year of the rental year is 2.68 million yuan, the annual rent for the 7th to 12th year is 2.80 million yuan, and the annual rent for the 13th to 17th year is 2.90 million yuan. During the reporting period, rental income was recognized to be 2,552.40 thousand yuan.

4. 6 Borrowings due to related parties

Related party	Amount of borrowing/loan	Inception date	Maturity date	Notes
Shanghai Lishi	7,546,893.62	2019-03-27	2020-06-18	Entrust loans, annual rate 9.50%
Shanghai Lishi	7,438,582.31	2019-04-25	2021-04-24	Entrust loans, annual rate 9.50%
Shanghai Lishi	7,843,939.47	2019-07-30	2021-04-24	Entrust loans, annual rate 9.50%
Shanghai Lishi	200,000,000.00	2019-09-16	2021-04-24	Entrust loans, annual rate 9.50%
Shanghai Lishi	57,986,123.10	2019-09-16	2021-04-24	Entrust loans, annual rate 9.50%
Shanghai Lishi	2,980,701.88	2019-11-11	2021-04-24	Entrust loans, annual rate 9.50%
Shanghai Lishi	22,000,000.00	2019-12-18	2021-04-24	Entrust loans, annual rate 9.50%
E'erdos program limited	2,000,000.00	2019-05-17	2022-01-26	Agreement loans, annual rate4.90%
Wuxi Wangyu Metro Ecological Property Co., Ltd.	850,000,000.00	2019-12-16	2023-12-15	Agreement loans, annual rate8.00%
Wuxi Wangyu Metro Ecological Property Co., Ltd.	1,558,714,500.00	2019-12-27	2023-12-15	Agreement loans, annual rate8.00%
Wuxi Wangyu Metro Ecological Property Co., Ltd.	580,000,000.00	2019-12-27	2023-12-15	Agreement loans, annual rate8.00%

4.7 Other related matters

On November 15, 2017, the 26th Board of Directors of Beijing Investment Development reviewed and approved the Proposal on Investment in Baoding Cornerstone Lianying Venture Capital Fund (Limited Partnership) and Related Transactions, and agreed that Beijing Investment Development should be a limited partner participating in the investment, Beijing Investment Development subscribed a capital contribution of 50 million yuan in cash. In January and October 2019, Beijing Investment Development paid a total of 30 million yuan in capital contributions, and completed all 50 million yuan in capital contributions.

XII. Information that helps financial statement users evaluate the goals, policies, and procedures of corporate management capital

1. The main objective of the company's capital management is to ensure the company's ability to continue to operate and maintain a healthy capital ratio to support business development and maximize shareholder value.

The company is not subject to external mandatory capital requirements. The company manages its capital structure and adjusts it according to changes in the economic situation and the risk characteristics of related assets.

In order to maintain or adjust the capital structure, the company can adjust the profit distribution to shareholders, return capital to shareholders or issue new shares.

2. The company uses debt capital ratio to manage capital. The debt capital ratio refers to the ratio of interest-bearing liabilities to equity and interest-bearing liabilities. The debt capital ratio of the Company on the balance sheet date is as follows:

Item	Closing balance	Opening balance
Short-term borrowings	1,498,636,760.00	4,085,629,729.77
Long-term borrowings due within One Year	22,229,887,348.90	32,086,016,471.88
Long-term borrowings	219,327,364,719.08	193,146,462,100.55
Bonds payable due within One Year	6,000,000,000.00	6,000,000,000.00
Bonds payable	42,430,147,081.61	36,051,586,797.88
Long-term payables	48,410,975,118.51	31,821,593,264.49
Other equity instrument(Perpetual bond)	16,000,000,000.00	11,000,000,000.00
Total interest-bearing liabilities	355,897,011,028.10	314,191,288,364.57
Total Owners' Equity Attributable To the Company	233,157,983,980.06	207,448,996,204.33
Total Owners' Equity & interest-bearing liabilities	589,054,995,008.16	521,640,284,568.90
Debt capital ratio	**60.42%**	**60.23%**

3. From January 1, 2019 to December 31, 2019, the company's capital management objectives, policies or procedures have not changed.

XIII. NOTES OF PRINCIPAL ITEMS TO THE PARENT COMPANY

1. Accounts Receivable

Item	Closing balance				Opening balance			
	Carrying amount		Bad debt provision		Carrying amount		Bad debt provision	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)
Other receivable that are individually significant and for which bad debt provision that has been assessed individually	43,292,372.40	99.38			30,939,763.99	99.78		
Accounts receivables for which bad debt provision has been assessed by credit risk portfolios								
Other receivable that are not individually significant but for which bad debt provision has been assessed individually	268,638.25	0.62			68,638.25	0.22		
Total	43,561,010.65	100.00	--		31,008,402.24	100.00	--	

2. Other receivables

Item	Closing balance	Opening balance
Dividends receivable	1,299,971,839.04	280,000,000.00
Other receivables	68,571,957,700.49	70,552,549,024.19
Total	69,871,929,539.53	70,832,549,024.19

2.1 Dividends receivable

Item	Closing balance	Opening balance	Unrecoverable reasons	Whether there is impairment and its judgment basis
Dividends receivable within one year	1,019,971,839.04			
Including: Beijing Jingtou Xingye Real Estate Co., Ltd.	1,004,990,000.00		Not yet issued	
Beijing information infrastructure	14,981,839.04		Not yet issued	
Dividends receivable over one year	280,000,000.00	280,000,000.00		
Including: Jingtou Yintai Real Estate	280,000,000.00	280,000,000.00	Not yet issued	
Total	1,299,971,839.04	280,000,000.00	-	--

2.2 Other receivables

Item	Closing balance				Opening balance			
	Carrying amount		Bad debt provision		Carrying amount		Bad debt provision	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)
Other receivable that are individually significant and for which bad debt provision that has been assessed individually	68,565,819,429.93	99.99	2,192,799.41	0.01	70,549,231,321.16	99.99	2,192,799.41	0.01
Expected credit loss model with impairment portfolio								
Other receivable that are not individually significant but for which bad debt provision has been assessed individually	8,331,069.97	0.01			5,510,502.44	0.01		
Total	68,574,150,499.90	100.00	2,192,799.41		70,554,741,823.60	100.00	2,192,799.41	

3. Long-term equity investments

Item	Opening balance	Increase	Decrease	Closing balance
Investment in subsidiary	132,571,992,841.90	17,532,501,024.06	53,873,208.36	150,050,620,657.60
Investment in associates	16,330,618,236.12	2,950,624,821.51	259,952,137.91	19,021,290,919.72
Subtotal	148,902,611,078.02	20,483,125,845.57	313,825,346.27	169,071,911,577.32
Less: Provision for impairment losses				
Total	148,902,611,078.02	20,483,125,845.57	313,825,346.27	169,071,911,577.32

3.1 Details of long-term equity investment

Investee	Accounting method	Investment cost	Opening balance	Increase/ Decrease for the year		
				Additional investment	Reduce investment	Investment gains and losses recognized in equity method
Total		166,978,111,290.84	148,902,611,078.02	18,437,533,024.06	53,873,208.36	2,020,090,464.68
1.Subsidiary						
Jingtong development	Cost method	2,271,650,000.00	990,000,000.00	1,281,650,000.00		
Beijing city railway co., Ltd	Cost method	2,212,300,000.00	2,212,300,000.00			
Beijing subway line 4 investment limited	Cost method	3,973,000,000.00	3,973,000,000.00			
Beijing subway line 5 investment limited	Cost method	4,000,000,000.00	4,000,000,000.00			
Beijing subway line 10 investment limited	Cost method	11,575,111,500.00	11,575,111,500.00			
Beijing subway line 6 investment limited	Cost method	10,748,073,800.00	10,348,073,800.00	400,000,000.00		
Beijing subway line 8 investment limited	Cost method	9,133,150,000.00	6,482,290,000.00	2,650,860,000.00		
Beijing subway line 9 investment limited	Cost method	3,240,169,900.00	3,240,169,900.00			
Beijing dongzhimen airport express limited	Cost method	2,105,000,000.00	2,005,000,000.00	100,000,000.00		
Beijing subway yizhuang line investment limited	Cost method	3,412,293,800.00	3,412,293,800.00			
Beijing subway daxing line investment limited	Cost method	3,133,957,000.00	3,133,957,000.00			

Investee	Accounting method	Investment cost	Opening balance	Increase/ Decrease for the year		
				Additional investment	Reduce investment	Investment gains and losses recognized in equity method
Beijing Metro Network Administration co., Ltd.	Cost method	490,735,344.70	490,735,344.70			
Beijing infrastructure railway transporation asset operation management limited	Cost method	29,061,700.00	29,061,700.00			
Beijing jingchuang investment limited	Cost method	70,000,000.00	70,000,000.00			
Beijing infrastructure railway transportation estate development limited	Cost method	50,000,000.00	50,000,000.00			
Beijing informatior infrastructure construction Co., ltd	Cost method	416,524,142.30	416,524,142.30			
Beijing Infrastructure Investment (Hongkong)	Cost method	517,028,992.31	517,028,992.31			
Beijing subway changping line investment limited	Cost method	6,393,685,900.00	4,433,685,900.00	1,960,000,000.00		
Beijing subway fangshan line investment limited	Cost method	2,556,060,000.00	1,485,060,000.00	1,071,000,000.00		
Beijing subway line 15 investment limited	Cost method	4,833,344,200.00	4,833,344,200.00			
Beijing subway xijiao line investment limited	Cost method	1,887,562,000.00	1,887,562,000.00			
Beijing subway line 14 investment limited	Cost method	9,517,883,200.00	9,517,883,200.00			
Beijing subway line 7 investment limited	Cost method	5,968,199,200.00	5,968,199,200.00			

Investee	Accounting method	Investment cost	Opening balance	Increase/ Decrease for the year		
				Additional investment	Reduce investment	Investment gains and losses recognized in equity method
Beijing Jingtou investment Limited	Cost method	16,050,000,000.00	16,050,000,000.00			
Beijing Infrastructure xinxing investment limited	Cost method	134,066,177.20	134,066,177.20			
Beijing railway transportation mentougou line investment limited	Cost method	2,083,440,000.00	2,083,440,000.00			
Beijing Cornerstone fund management	Cost method	80,000,000.00	80,000,000.00			
Beijing Cornerstone fund management	Cost method	21,000,000.00	21,000,000.00			
Beijing railway transportation haidian shanhou line investment limited	Cost method	338,400,000.00	338,400,000.00			
Beijing railway transportation yanfang line investment limited	Cost method	3,357,140,000.00	1,557,140,000.00	1,800,000,000.00		
Beijing subway line 16 investment limited	Cost method	5,678,200,000.00	4,328,200,000.00	1,350,000,000.00		
Beijing cornerstone investment management center (limited partner)	Cost method	89,487,765.05	139,602,772.32		50,115,007.27	
Beijing infrastructure land reserve limited	Cost method	4,000,000.00	4,000,000.00			
Beijing city investment underground space development construction limited	Cost method	111,384,520.00	70,000,000.00	41,384,520.00		
Beijing infrastructure parking management limited	Cost method	10,000,000.00	10,000,000.00			

Investee	Accounting method	Investment cost	Opening balance	Increase/ Decrease for the year		
				Additional investment	Reduce investment	Investment gains and losses recognized in equity method
Capital construction newspaper	Cost method	2,566,934.13	2,566,934.13			
Beijing city railway construction management limited	Cost method	30,369,378.30	30,369,378.30			
Beijing infrastructure industrial estate limited	Cost method	9,800,000.00	9,800,000.00			
Shangde estate limited	Cost method	9,800,000.00	9,800,000.00			
Beijing subway line 17 investment limited	Cost method	4,710,000,000.00	2,560,000,000.00	2,150,000,000.00		
Beijing railway transportation new airport line investment limited	Cost method	1,060,000,000.00	1,060,000,000.00			
Beijing infrastructure asset operation limited	Cost method	1,510,000,000.00	1,510,000,000.00			
Beijing cornerstone zhongying entrepreneur investment center (limited partner)	Cost method	64,351,630.11	68,109,831.20		3,758,201.09	
Xingping estate limited	Cost method	9,800,000.00	9,800,000.00			
Yingde estate limited	Cost method	24,500,000.00	24,500,000.00			
Beijing cross - controlled Silicon Valley Technology Co., Ltd	Cost method	502,684,000.00	475,000,000.00	27,684,000.00		
Beijing capital investment city tube corridor investment co., Ltd	Cost method	915,000,000.00	761,642,142.33	153,357,857.67		
Beijing investment development	Cost method	969,945,907.49	906,674,881.14	63,271,026.35		

Investee	Accounting method	Investment cost	Opening balance	Increase/ Decrease for the year		
				Additional investment	Reduce investment	Investment gains and losses recognized in equity method
Beijing Yintai Real Estate Co., Ltd	Cost method	35,000,000.00	35,000,000.00			
Beijing capital investment transportation development co., LTD	Cost method	3,751,590,000.00	3,013,310,078.59	738,279,921.41		
Cornerstone international financial leasing limited	Cost method	1,042,375,698.63	908,162,000.00	134,213,698.63		
Equipment group	Cost method	4,762,978,650.66	4,172,978,650.66	590,000,000.00		
Beijing Xingchao land development Co., Ltd	Cost method	100,000,000.00	100,000,000.00			
Beijing subway line 12 investment limited	Cost method	7,100,000,000.00	4,200,000,000.00	2,900,000,000.00		
Beijing subway line 19 investment limited	Cost method	4,610,000,000.00	4,510,000,000.00	100,000,000.00		
Beijing subway line 3 investment limited	Cost method	1,210,000,000.00	1,210,000,000.00			
Beijing Jingtou Xingtong Real Estate Co., Ltd.	Cost method	20,000,000.00	20,000,000.00			
Investment holding	Cost method	6,000,000.00		6,000,000.00		
Jingtou Fengde	Cost method	9,800,000.00		9,800,000.00		
Jingtou Xinghai	Cost method	5,000,000.00		5,000,000.00		
Beijing Metro Operating company	Cost method	1,087,149,316.72	1,087,149,316.72			
Subtotal		150,050,620,657.60	132,571,992,841.90	17,532,501,024.06	53,873,208.36	

Investee	Accounting method	Investment cost	Opening balance	Increase/ Decrease for the year		
				Additional investment	Reduce investment	Investment gains and losses recognized in equity method
2. Association						
Beijing municipal transportation pass limited	Equity method	33,614,463.00	47,624,216.58			-11,074,413.38
Beijing zhongguancun microcredit limited	Equity method	151,200,000.00	184,935,009.76			14,253,546.61
Beijing transportation control technology corporation	Equity method	96,434,366.00	147,684,496.21			27,726,609.31
Beijing culture technology financing guarantee limited	Equity method	300,000,000.00	402,677,903.39			54,783,537.56
Beijing jiuzhou railway vibration isolation technology co., LTD	Equity method	160,563,612.50	199,079,351.58			26,246,475.49
Xinjiang Wujing Railway Construction Rail Transportation Co., Ltd	Equity method	306,220,000.00	52,020,000.00	254,200,000.00		
Baoding cornerstone capital investment center (limited partnership)	Equity method	18,000,000.00	18,393,151.78	27,000,000.00		-497,259.18
Beijing Urban Construction & Design Group Co., Limited	Equity method	335,567,669.34	376,145,584.42			46,726,968.27
Huaxia Bank Co., Ltd.	Equity method	14,902,058,522.40	14,902,058,522.40			1,861,925,000.00
Shaoxing Jingyue Metro Co., Ltd.	Equity method	623,832,000.00		623,832,000.00		
Subtotal		16,927,490,633.24	16,330,618,236.12	905,032,000.00		2,020,090,464.68

Continued:

Investee	Increase/ Decrease for the year					Closing balance	Provision for impairment at the end of the period
	Other comprehensive income adjustment	Other changes in equity	Declaration of cash dividends or profits	Provision for impairment	Others		
Total	-205,667.38	25,708,024.21	259,952,137.91			169,071,911,577.32	
1.Subsidiary							
Jingtong development						2,271,650,000.00	
Beijing city railway co., ltd						2,212,300,000.00	
Beijing subway line 4 investment limited						3,973,000,000.00	
Beijing subway line 5 investment limited						4,000,000,000.00	
Beijing subway line 10 investment limited						11,575,111,500.00	
Beijing subway line 6 investment limited						10,748,073,800.00	
Beijing subway line 8 investment limited						9,133,150,000.00	
Beijing subway line 9 investment limited						3,240,169,900.00	
Beijing dongzhimen airport express limited						2,105,000,000.00	
Beijing subway yizhuang line investment limited						3,412,293,800.00	
Beijing subway daxing line investment limited						3,133,957,000.00	
Beijing Metro Network Administration co., Ltd.						490,735,344.70	
Beijing infrastructure railway transporation asset operation management limited						29,051,700.00	

Investee	Increase/ Decrease for the year					Closing balance	Provision for impairment at the end of the period
	Other comprehensive income adjustment	Other changes in equity	Declaration of cash dividends or profits	Provision for impairment	Others		
Beijing jingchuang investment limited						70,000,000.00	
Beijing infrastructure railway transportation estate development limited						50,000,000.00	
Beijing information infrastructure construction Co., ltd						416,524,142.30	
Beijing Infrastructure Investment (Hongkong)						517,026,992.31	
Beijing subway changping line investment limited						6,393,685,900.00	
Beijing subway fangshan line investment limited						2,556,060,000.00	
Beijing subway line 15 investment limited						4,833,344,200.00	
Beijing subway xijiao line investment limited						1,887,562,000.00	
Beijing subway line 14 investment limited						9,517,883,200.00	
Beijing subway line 7 investment limited						5,968,199,200.00	
Beijing Jingtou investment Limited						16,050,000,000.00	
Beijing Infrastructure xinxing investment limited						134,066,177.20	
Beijing railway transportation mentougou line investment limited						2,083,440,000.00	
Beijing Cornerstone fund management						80,000,000.00	
Beijing Cornerstone fund management						21,000,000.00	

Investee	Increase/ Decrease for the year					Closing balance	Provision for impairment at the end of the period
	Other comprehensive income adjustment	Other changes in equity	Declaration of cash dividends or profits	Provision for impairment	Others		
Beijing railway transportation haidian shanhou line investment limited		-338,400,000.00					
Beijing railway transportation yanfang line investment limited						3,357,140,000.00	
Beijing subway line 16 investment limited		338,400,000.00				6,016,600,000.00	
Beijing cornerstone investment management center (limited partner)						89,487,795.05	
Beijing infrastructure land reserve limited						4,000,000.00	
Beijing city investment underground space development construction limited						111,384,520.00	
Beijing infrastructure parking management limited						10,000,000.00	
Capital construction newspaper						2,566,934.13	
Beijing city railway construction management limited						30,369,378.30	
Beijing infrastructure industrial estate limited						9,800,000.00	
Shangde estate limited						9,800,000.00	
Beijing subway line 17 investment limited						4,710,000,000.00	
Beijing railway transportation new airport line investment limited						1,060,000,000.00	

Investee	Increase/ Decrease for the year					Closing balance	Provision for impairment at the end of the period
	Other comprehensive income adjustment	Other changes in equity	Declaration of cash dividends or profits	Provision for impairment	Others		
Beijing infrastructure asset operation limited						1,510,000,000.00	
Beijing cornerstone zhongying entrepreneur investment center (limited partner)						64,351,630.11	
Xingping estate limited						9,800,000.00	
Yingde estate limited						24,500,000.00	
Beijing cross - controlled Silicon Valley Technology Co., Ltd						502,684,000.00	
Beijing capital investment city tube corridor investment co., Ltd						915,000,000.00	
Beijing investment development						969,945,907.49	
Beijing Yintai Real Estate Co., Ltd						35,000,000.00	
Beijing capital investment transportation development co., LTD						3,751,590,000.00	
Cornerstone international financial leasing limited						1,042,375,698.63	
Equipment group						4,762,978,650.66	
Beijing Xingchao land development Co., Ltd						100,000,000.00	
Beijing subway line 12 investment limited						7,100,000,000.00	

Investee	Increase/ Decrease for the year					Closing balance	Provision for impairment at the end of the period
	Other comprehensive income adjustment	Other changes in equity	Declaration of cash dividends or profits	Provision for impairment	Others		
Beijing subway line 19 investment limited						4,610,000,000.00	
Beijing subway line 3 investment limited						1,210,000,000.00	
Beijing Jingtou Xingtong Real Estate Co., Ltd.						20,000,000.00	
Investment holding						6,000,000.00	
Jingtou Fengde						9,800,000.00	
Jingtou Xinghai						5,000,000.00	
Beijing Metro Operating company						1,087,149,316.72	
Subtotal						150,050,620,657.60	
2. Association							
Beijing municipal transportation pass limited			891,088.59			35,659,714.61	
Beijing zhongguancun microcredit limited			11,232,000.00			187,956,556.37	
Beijing transportation control technology corporation	27,947.38		5,999,381.33			169,439,671.57	
Beijing culture technology financing guarantee limited	-254,688.36					457,206,752.59	
Beijing jiuzhou railway vibration isolation technology co., LTD		25,708,024.21	4,696,022.00			246,337,829.28	
Xinjiang Wujing Railway Construction Rail Transportation Co., Ltd						306,220,000.00	

Investee	Other comprehensive income adjustment	Increase/ Decrease for the year				Closing balance	Provision for impairment at the end of the period
		Other changes in equity	Declaration of cash dividends or profits	Provision for impairment	Others		
Baoding cornerstone capital investment center (limited partnership)	503,623.26					45,399,515.86	
Beijing Urban Construction & Design Group Co., Limited	-482,549.66		9,681,173.81			412,706,829.22	
Huaxia Bank Co., Ltd.			227,452,472.18			16,536,531,050.22	
Shaoxing Jingyue Metro Co., Ltd.						623,832,000.00	
Subtotal	-205,667.38	25,708,024.21	259,952,137.91			19,021,290,919.72	

3.2. Main financial information of associates

Item	Amount for the current period			
	Huaxia Bank Co., Ltd. (unit: million)	Beijing municipal transportation pass limited	Beijing zhongguancun microcredit limited	Beijing traffic control technology corporation
Current assets	347,069.00	4,643,412,728.88	1,073,751,892.61	3,243,463,210.27
Non-current assets	2,673,720.00	170,887,049.89	4,132,823.76	307,215,137.41
Total assets	3,020,789.00	4,814,299,778.77	1,077,884,716.37	3,550,678,347.68
Current liabilities	2,329,089.00	4,457,340,738.31	221,245,733.31	2,335,079,213.27
Non-current liabilities	422,363.00	99,136,060.50		121,812,539.46
Total liabilities	2,751,452.00	4,556,476,798.81	221,245,733.31	2,456,891,752.73
Equity	269,337.00	257,822,979.96	856,638,983.06	1,093,786,594.95
Net asset calculated at share-held proportion	22,744.98	35,658,714.61	171,327,796.61	180,522,412.98
Adjustment				
Carrying amount of investment in joint venture equity	16,536.53	35,658,714.61	187,956,556.37	169,439,671.57
Operating income	84,734.00	2,561,558.98	115,345,089.62	1,651,775,097.71
Net profit	22,115.00	-6,145,214.58	71,267,733.03	125,160,804.91
Total comprehensive income	22,046.00	-6,145,214.58	71,267,733.03	125,160,754.23
Dividends received from associates company this year	227.45	891,088.59	11,232,000.00	5,999,381.33

Continued:

Item	Amount for the current period		
	Beijing culture technology financing guarantee limited	Beijing jiuzhou railway vibration isolation technology co., LTD	Beijing Urban Construction & Design Group Co., Limited
Current assets	3,334,499,930.35	501,636,346.42	12,672,929,000.00
Non-current assets	465,300,404.69	147,421,671.19	7,785,918,000.00
Total assets	3,799,800,335.04	649,058,017.61	20,458,847,000.00
Current liabilities	1,134,589,760.90	159,297,547.92	10,331,329,000.00
Non-current liabilities	531,031,650.27	18,640,901.70	5,030,833,000.00
Total liabilities	1,665,621,411.17	177,938,449.62	15,362,162,000.00
Equity	2,134,178,923.87	471,119,567.99	5,096,685,000.00
Net asset calculated at share-	426,835,784.77	117,779,892.00	314,581,688.40

Item	Amount for the current period		
	Beijing culture technology financing guarantee limited	Beijing jiuzhou railway vibration isolation technology co., LTD	Beijing Urban Construction & Design Group Co., Limited
held proportion			
Adjustment			
Carrying amount of investment in joint venture equity	71,970,777.17	264,573,924.11	412,708,829.22
Operating income	-29,880,461.04	289,063,166.82	8,414,039,000.00
Net profit	-29,880,461.04	53,191,936.60	665,576,000.00
Total comprehensive income	-29,880,461.04	53,191,936.60	665,576,000.00
Dividends received from associates company this year		4,696,022.00	9,681,173.61

Continued:

Item	Amount for the prior period			
	Huaxia Bank Co., Ltd. (unit：million)	Beijing municipal transportation pass limited	Beijing zhongguancun microcredit limited	Beijing traffic control technology corporation
Current assets	305,411.00	4,658,675,914.54	1,073,751,892.61	1,862,307,804.13
Non-current assets	2,375,169.00	195,448,424.47	4,132,823.76	188,873,634.06
Total assets	2,680,580.00	4,854,124,339.01	1,077,884,716.37	2,051,181,438.19
Current liabilities	2,081,288.00	4,530,686,894.15	221,245,733.31	1,516,836,832.56
Non-current liabilities	380,577.00	96,978,972.50		132,077,875.95
Total liabilities	2,461,865.00	4,627,665,866.65	221,245,733.31	1,648,914,708.51
Equity	218,715.00	226,458,472.36	856,638,983.06	402,266,729.68
Net asset calculated at share-held proportion	18,456.99	47,624,216.74	171,327,796.61	88,694,661.21
Adjustment				
Carrying amount of investment in joint venture equity	14,902.06	47,624,216.58	184,935,009.76	147,684,496.21
Operating income	72,227.00	135,787,578.05	117,475,205.12	324,626,862.41
Net profit	20,986.00	45,026,084.58	64,423,754.86	32,995,300.60
Total comprehensive income	22,763.00	45,026,084.58	64,423,754.86	32,995,300.60
Dividends received from associates company this year				2,934,630.68

Continued:

Item	Amount for the prior period		
	Beijing culture technology financing guarantee limited	Beijing jiuzhou railway vibration isolation technology co., LTD	Beijing Urban Construction & Design Group Co., Limited
Current assets	2,112,835,856.88	499,480,014.08	10,601,525,258.90
Non-current assets	901,278,086.60	157,065,169.64	5,800,659,377.21
Total assets	3,014,113,943.48	656,545,183.72	16,402,184,636.11
Current liabilities	925,274,168.73	144,058,898.85	7,319,904,571.73
Non-current liabilities	80,263,648.38	20,316,348.33	4,499,277,460.63
Total liabilities	1,005,537,817.11	164,375,247.18	11,819,182,032.36
Equity	2,008,576,126.37	492,169,936.54	4,583,002,603.75
Net asset calculated at share-held proportion	401,715,225.27	123,042,484.14	281,087,696.92
Adjustment			
Carrying amount of investment in joint venture equity	402,677,903.39	276,330,898.53	376,145,584.42
Operating income	119,848,871.40	243,739,612.10	6,418,140,000.00
Net profit	-6,579,311.04	52,500,745.07	450,190,000.00
Total comprehensive income	-6,579,311.04	52,500,745.07	450,190,000.00
Dividends received from associates company this year			

4. Operating income and operating costs

Item	Amount for the current period		Amount for the prior period	
	Operating income	Operating costs	Operating income	Operating costs
1.Prime operating income	521,995,196.18	5,789,489,324.26	546,138,394.89	4,291,102,825.82
Development and operation income	259,828,824.49	5,781,594,723.68	373,690,434.51	4,283,465,599.91
Including: Land first-level development	182,665,428.12	40,214,723.68	289,921,472.02	27,549,264.25
Construction compensation funds	77,163,396.37		83,768,962.49	
Entrusted operating service fee		5,741,380,000.00		4,255,916,335.66
Service income	262,166,371.69	7,894,600.58	172,447,960.38	7,637,225.91
Including: Hotel service	14,631,981.20	2,595,212.73	14,082,066.95	2,411,743.28
Rent service	9,644,397.52	5,299,387.85	9,637,342.03	5,225,462.63

Item	Amount for the current period		Amount for the prior period	
	Operating income	Operating costs	Operating income	Operating costs
Advertisement service	11,320,754.76		11,320,754.76	
Operation and communication system resource service	226,569,238.21		137,407,796.64	
2.Other Income	71,518,042.73	74,904,080.47	57,287,957.72	63,429,263.27
Including: Guarantee fee income	33,018,868.05		19,098,786.80	
Other income	38,499,174.68	74,904,080.47	38,189,170.92	63,429,263.27
Total	593,513,238.91	5,864,393,404.73	603,426,352.61	4,354,532,089.09

5. Investment income

Item	Amount for the current period	Amount for the prior period
Income from long-term equity investments under cost method	1,093,165,424.41	356,456,564.99
Income from long-term equity investments under equity method	2,020,090,464.68	107,101,562.05
Investment income from Entrusted Loan	2,258,775,846.12	1,685,417,370.07
Investment income from Financial product	592,437,249.94	627,203,521.21
Investment income from holding available-for-sale financial assets	341,372,885.48	138,052,055.26
Investment income from disposal of available-for-sale financial assets	362,724.10	1,393,547.09
Total	6,306,204,594.73	2,915,624,620.67

6. Statement of cash flow

6.1 Information of net profit to net cash flows generated from operating activities

Supplementary information	Amount for the current period	Amount for the prior period
1. Reconciliation of net profit to cash flow from operating activities:		
Net profit	3,868,654,455.94	1,832,199,290.22
Add: Provision for impairment losses of assets	194,008,850.96	
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of bearer biological assets	20,057,886.50	20,007,125.61
Amortization of intangible assets	163,889.25	83,333.65
Amortization of long-term prepaid expenses		
Losses/(gains) on disposal of fixed assets, intangible assets and other long-term asset		149,593.99

Supplementary information	Amount for the current period	Amount for the prior period
Losses /(gains) on write-off of fixed assets	-145,428.40	57,640.47
Losses/(gains) on changes in fair values		
Financial expenses/ (income)	2,546,202,386.21	1,437,216,629.46
Losses/(gains) arising from investments	-6,306,204,594.73	-2,915,624,620.67
Decrease /(increase) in deferred tax assets		
Increase/(decrease) in deferred tax liabilities		
Decrease /(increase) in inventories	-2,333,674,662.04	1,621,220,654.86
Decrease /(increase) in receivables from operating activities	-846,975,464.14	-1,384,923,279.60
Increase/(decrease) in payables from operating activities	-6,507,651,014.44	-6,820,610,986.98
Others		
Net cash flow from operating activities	-9,365,563,694.89	-6,210,523,806.97
2.Significant investing and financing activities that do not involve cash flow		
Conversion of debt into capital		
Reclassification of current portion of convertible bonds to current liabilities		
Fixed assets capitalized under finance lease		
3. Net changes in cash and cash equivalents:		
Closing balance of cash	942,092,237.49	7,135,582,899.82
Less: Opening balance of cash	7,135,582,899.82	11,033,964,511.67
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	-6,193,490,662.33	-3,898,381,611.85

6.2 Composition of Cash and Cash Equivalents

Item	Closing balance	Opening balance
I. Cash	942,092,237.49	7,135,582,899.82
Including: Cash on hand	11,180.88	18,068.34
Bank deposits	941,689,949.04	7,135,173,723.91
Other monetary funds	391,107.57	391,107.57
II. Cash equivalents		
Including: Investments in debt securities due within three months		
III. Closing balance of cash and cash equivalents	942,092,237.49	7,135,582,899.82

XIV. OTHER DISCLOSURE IN ACCORDANCE WITH ACCOUNTING STANDARDS

None.

XV. APPROVAL OF THE FINANCIAL STATEMENTS

The Board of Directors has approved the Company's financial statements.

Beijing Infrastructure Investment Co., Ltd.

27 March 2020

统一社会信用代码

91110108592342556 8

营业执照

(副 本)(15-1)

扫描二维码登录"国家企业信用信息公示系统"了解更多登记、备案、许可、监管信息。

名　　称　天职国际会计师事务所（特殊普通合伙）

类　　型　特殊普通合伙企业

执行事务合伙人　邱靖之

经营范围　审查企业会计报表、出具审计报告；验证企业资本、出具验资报告；办理企业合并、分立、清算事宜中的审计业务，出具有关报告；基本建设年度财务决算审计；代理记账；会计咨询、税务咨询、管理咨询、会计培训；法律、法规规定的其他业务；技术开发、技术咨询、技术服务；应用软件服务；软件开发；计算机系统服务；软件咨询；产品设计；基础软件服务；数据处理（数据处理中的银行卡中心、PUE值在1.4以上的云计算数据中心除外）；企业管理咨询；销售计算机、软件及辅助设备。（依法须经批准的项目，经相关部门批准后依批准的内容开展经营活动。）

成立日期　2012年03月05日

合伙期限　2012年03月05日至 长期

主要经营场所　北京市海淀区车公庄西路19号68号楼A-1和A-5区域

登记机关　北京市海淀区市场监督管理局

2020 年 03 月 12 日

证书序号：000406

会计师事务所
证券、期货相关业务许可证

经财政部、中国证券监督管理委员会审查，批准

天职国际会计师事务所（特殊普通合伙）执行证券、期货相关业务。

首席合伙人：邱靖之

证书号：08　　发证时间：二〇一八年五月二十八日

证书有效期至：二〇二〇年五月二十八日

F-450

会计师事务所

执业证书

名　　称：	天职国际会计师事务所（特殊普通合伙）
首席合伙人：	邱靖之
主任会计师：	
经营场所：	北京市海淀区车公庄西路19号68号楼A-1和A-5区域
组织形式：	特殊普通合伙
执业证书编号：	11010150
批准执业文号：	京财会许可[2011]0105号
批准执业日期：	2011年11月14日

证书序号：0000175

说　明

1、《会计师事务所执业证书》是证明持有人经财政部门依法审批，准予执行注册会计师法定业务的凭证。

2、《会计师事务所执业证书》记载事项发生变动的，应当向财政部门申请换发。

3、《会计师事务所执业证书》不得伪造、涂改、出租、出借、转让。

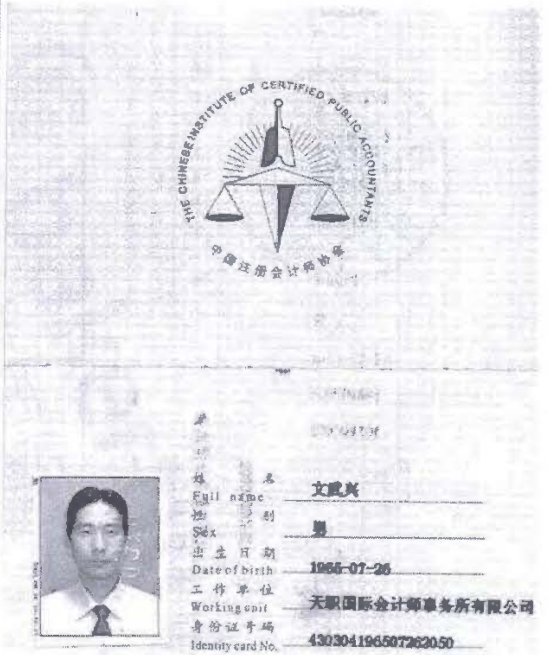
4、会计师事务所终止或执业许可注销的，应当向财政部门交回《会计师事务所执业证书》。

发证机关：北京市财政局

二〇一八　七　二十六
年　月　日

中华人民共和国财政部制

（联）国际会计师事务所（特殊普通合伙）
与原件核对一致
（1）



F-453

姓　　名
Full name 袁伟
性　　别
Sex 男
出生日期
Date of birth 1985-07-19
工作单位
Working unit 天职国际会计师事务所有限公司
身份证号码
Identity card No. 430725198507191216

Beijing Infrastructure Investment (Hong Kong) Ltd.

Consolidated Auditor's Report

Baker Tilly China [2020] No. 18686-4

Contents

Auditor's Report ——— 1

Consolidated Financial Statements ——— 4

Consolidated Notes to the Financial Statements ——— 18

Auditor's Report

Baker Tilly China [2020] No.18686-4

To the shareholder's of Beijing Infrastructure Investment (Hong Kong) Ltd.:

I. Opinion

We have audited the financial statements of Beijing Infrastructure Investment (Hong Kong) Ltd. (hereinafter referred to as the Company), which comprise the consolidated balance sheet as at 31 December 2019, consolidated income statement, consolidated cash flow statement, consolidated statement of changes in owner's equity for the year then ended, and consolidated notes to the financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at 31 December 2019, and the result of operations and the consolidated cash flows for the year then ended in accordance with Accounting Standards for Business Enterprises and Accounting System for Business Enterprises.

II. Basis of opinion

We have conducted the audit in accordance with the regulations of Auditing Standards for Chinese Certified Public Accountants. The part of "Auditor's responsibility" of the report further stated our responsibilities under the standards.

According to the code of professional ethics for the Chinese Certified Public Accountants, We are independent of the Company and perform other responsibilities in the field of professional ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

III. Management's responsibility for the financial statements

Management of the Company (hereinafter referred to as the Management) is responsible for preparing the financial statements in accordance with Accounting Standards for Business Enterprises and Accounting System for Business Enterprises to achieve fair presentation of the financial statements; designing, implementing and maintaining internal control which is necessary to enable that the financial statements are free from material misstatement, whether due to fraud or error.

When preparing financial statements, management is responsible for assessing the sustainability of the

Company's ability of continuous operation, disclosing matters related to continuous operations (if applicable), and applying the assumption of continuous operation unless management plans to clear the company and terminate operating or has no other realistic choice.

Management is responsible for the supervision of the Company's financial reporting process.

IV. Auditor's responsibility

Our goal is to obtain a reasonable assurance for material misstatement caused by fraud or error in the financial statements as a whole and make an audit report containing opinions. Reasonable assurance is a high-level guarantee, but it does not guarantee that every material misstatement can be found when we carried out the audit in accordance with the auditing standards. Misstatement may be caused by fraud or error. If a single misstatement or collected misstatements are expected reasonably to affect the economic decision made by a financial statement user based on the financial statements, it is generally considered significant.

In the process of implementing audit according to the auditing standards, we use professional judgment and maintain professional suspicion. At the same time, we also carried out the following work:

(1) We identified and evaluated the risk of material misstatement caused by fraud or error, designed and implemented audit procedures to cope with these risks and obtain sufficient and appropriate audit evidence as the basis for issuing audit opinions. Fraud may involve collusion, forgery, deliberate omission, misrepresentation or overriding internal control, accordingly, the risk of failing to find major misstatement caused by fraud is higher than that of failing to find the risk of major misstatement due to errors.

(2) We understood the internal control related to audit to design appropriate audit procedures, but the purpose was not to comment on the effectiveness of internal control.

(3) We evaluated the appropriateness of the accounting policy and the reasonableness of accounting estimates and related disclosures.

(4) We drew conclusions on the appropriateness of the continuing operation hypothesis used by the management level. Meanwhile, based on the audit evidence obtained, it is concluded that whether there is significant uncertainty in matters or situations that may cause significant doubts about the sustainability of the Company ability of continuous operation. If we conclude that there is a major uncertainty, the auditing standards require us to draw users' attention to relevant disclosures in the financial statements in the audit

report. If we do not disclose enough information, we should publish unqualified opinions. Our conclusions are based on the information available as of the date of the audit report. However, future events or circumstances may lead to the unsustainable operation of the Company.

(5) We evaluated the overall presentation, structure and content (including disclosure) of the financial statements, and the fairness of the financial statements to reflect the related transactions and matters.

(6) We have obtained sufficient and appropriate audit evidence on the financial information of the entity or business activities in your company, and issue an audit opinion on consolidated financial statements. We are responsible for directing, supervising and performing audits, and take full responsibility for the audit opinion.

We communicated with governance level about the planned audit scope and schedule and significant audit findings, including communicating the notable internal control flaws we identified in the audit.

大信国际会计师事务所（特殊普通合伙）
Beijing, China
Mar. 27th, ,2020
1101080212359

Chinese Certified Public Accountant:

中国注册会计师
130400030002

Chinese Certified Public Accountant:

中国注册会计师
110002400249

This auditor's report and the accompanying notes to the financial statements are English translation of the Chinese auditor's report. In case of doubt as to the presentation of these documents, the Chinese version shall prevail.

Consolidated Balance Sheet

Company:Beijing Infrastructure Investment (Hong Kong) Ltd. 31 December 2019 Unit: RMB

ITEM	Line	Closing Balance	Opening Balance	Notes
Current Assets:	1			
Cash and bank balances	2	3,647,101,223.35	5,161,451,253.56	VIII.1
Balances with clearing agencies	3			
Removal of funds	4			
Tradable Financial assets	5	152,000,000.00	65,700,000.00	VIII.2
Financial assets measured at fair value through profit or loss	6			
Derivative Financial assets	7	119,086,021.94	32,601,764.43	VIII.3
Notes receivables	8	165,348,459.30		VIII.4
Accounts receivable	9	256,574,706.15	235,006,706.65	VIII.5
Accounts receivable Financing	10			
Prepayments	11	42,131,604.29	21,312,266.43	VIII.6
Premium receivables	12			
Accounts receivable reinsurance	13			
The receivable reinsurance reserve	14			
Other receivables	15	4,317,274,168.32	7,712,665,399.78	VIII.7
Financial assets purchased under resale agreements	16			
Inventories	17	450,129,299.81	69,243,662.86	VIII.8
Inc: Raw materials	18			
Finished products	19	236,991,784.49	40,260,360.35	VIII.8
Contract assets	20	380,464,671.47	118,659,870.49	VIII.9
Available for sale assets	21			
Non-current assets due within one year	22			
Other current assets	23	17,932,247.78		VIII.10
Total current assets	24	9,548,042,402.41	13,416,640,924.20	
Non-current assets:	25			
Loans and advances to customers	26			
Debt investment	27			
Available-for-sale financial assets	28	3,950,424,710.16	4,347,854,081.43	VIII.11
Other Debt investment	29			
Held-to-maturity investments	30			
Long-term receivables	31			
Long-term equity investments	32	1,417,254,063.80	1,372,157,956.03	VIII.12
Other equity instrument investment	33	2,000,000.00		VIII.13
Other non-current assets	34			
Investment properties	35			
Fixed assets	36	126,090,021.69	82,962,056.82	VIII.14
Construction in progress	37	12,047,061.47	10,964,712.25	VIII.15
Bearer biological assets	38			
Oil and gas assets	39			
Right-of-use Assets	40	16,773,459.64		VIII.16
Intangible assets	41	204,932,949.65	88,880,007.25	VIII.17
Development expenditure	42			
Goodwill	43	503,612,108.09		VIII.18
Long-term prepaid expenses	44	1,261,339.30	190,257.67	VIII.19
Deferred tax assets	45	31,402,596.87	16,388,655.01	VIII.20
Other non-current assets	46		167,617,828.21	VIII.21
Inc: Physical assets reserve specifically authorized	47			
Total Non-current Assets	48	6,265,798,310.67	6,087,015,554.67	
	49			
	50			
	51			
	52			
	53			
	54			
	55			
	56			
	57			
	58			
	59			
	60			
	61			
	62			
	63			
	64			
	65			
	66			
	67			
	68			
	69			
	70			
	71			
	72			
Total Assets	73	15,813,840,713.08	19,503,656,478.87	

Legal representative: Song Ziqiang Supervisor in charge of accounting: Song Ziqiang Head of accounting department: Hong Chenggang

Consolidated Balance Sheet (Continued)

Company:Beijing Infrastructure Investment (Hong Kong) Ltd. 31 December 2019 Unit: RMB

ITEM	Line	Closing Balance	Opening Balance	Notes
Current liabilities:	74			
Short-term borrowings	75	53,636,760.00	987,629,729.77	VIII.22
Loans from the central bank	76			
Placements from banks and other financial institutions	77			
Tradable financial liabilities	78			
Financial liabilities measured at fair value through profit or loss	79			
Derivative Financial liabilitiels	80			
Notes payable	81	119,651,498.24	17,586,338.97	VIII.23
Accounts payable	82	489,578,736.50	266,723,835.97	VIII.24
Receipts in advance	83			
Contract liabilities	84	28,278,366.18	57,868,897.37	VIII.25
Financial assets sold under repurchase agreements	85			
Deposits and Statutory deposits	86			
Customer brokerage deposits	87			
Securities underwriting brokerage deposits	88			
Employee benefits payable	89	48,005,457.61	19,013,967.04	VIII.26
Inc: Wages payable	90	42,277,801.70	16,572,717.29	VIII.26
Benefits payable	91		190,800.00	VIII.26
:Bonus and Welfare Funds	92			
Taxes payable	93	35,711,000.40	42,450,805.22	VIII.27
Inc:Taxes payable	94	35,188,913.23	41,860,125.06	VIII.27
Other payable	95	133,594,039.93	165,468,885.18	VIII.28
Handling charges and commissions pabable	96			
Cession insurance premiums payable	97			
Available-for-sale financial liabilities	98			
Non-current liabilities due within one year	99	7,326,511,419.72	8,817,762,975.55	VIII.29
Other current liabilities	100			
Total Current Liabilities	101	8,234,967,278.58	10,374,505,435.07	
Non-current Liabilities:	102			
Provision for insurance contracts	103			
Long-term borrowings	104			
Bonds payable	105	6,306,639,667.63	8,219,760,594.07	VIII.30
Inc:preferred stock	106			
Perpetual capital securities	107			
Lease liabilities	108	10,335,026.42		VIII.31
Long-term payables	109	178,728,529.34		VIII.32
Long-term employee benefits payable	110			
Estimated liabilities	111	2,027,619.88		VIII.33
Deferred Income	112	4,163,970.92		VIII.34
Deferred tax liabilities	113	47,026,483.02	15,785,432.13	VIII.20
Other non-current liabilities	114			
Inc: Special reserve fund	115			
Total Non-current Liabilities	116	6,548,921,297.21	8,235,546,026.20	
Total Liabilities	117	14,783,888,575.79	18,610,051,461.27	
Owners' equity:	118			
Paid-in capital (share capital)	119	106.37	106.37	VIII.35
Government capital	120			
State-owned capital	121	106.37	106.37	VIII.35
Collective Capital	122			
Private capital	123			
Foreign capital	124			
Deduct: capital redemption	125			
Net paid-in capital	126	106.37	106.37	VIII.35
Other equityt instrument	127			
Inc: preference share	128			
perpetual bond	129			
Capital reserve	130	476,114,395.00	486,675,761.38	VIII.36
Deduct: Treasury shares	131			
Other comprehensive income	132	-138,175,785.61	-503,846,861.67	VIII.50
Translation difference arising on translation of financial statements denominated in foreign currencies	133	-54,265,296.12	22,084,964.18	VIII.50
Special reserve	134			
Surplus reserve	135	8,834,383.85	8,834,383.85	VIII.37
Inc: Statutory surplus reserve	136	8,834,383.85	8,834,383.85	VIII.37
Optional surplus reserve	137			
Reserve fund	138			
Enterprise development fund	139			
Return investment by profit	140			
General risk reserve	141			
Unappropriated profits	142	-268,357,055.13	24,708,271.15	VIII.38
Total Owners' Equity Attributable To the Company	143	78,416,044.48	16,371,661.08	
Minority interests	144	951,536,092.81	877,233,356.52	
Total Owners' Equity	145	1,029,952,137.29	893,605,017.60	
Total Liabilities and Owners' Equity	146	15,813,840,713.08	19,503,656,478.87	

Legal representative: Song Ziqiang Supervisor in charge of accounting: Song Ziqiang Head of accounting department: Hong Chenggang

Consolidated Income Statement

Company:Beijing Infrastructure Investment (Hong Kong) Ltd. | Year 2019 | Unit: RMB

ITEM	Line	Amount for the current period	Amount for the prior period	Notes
I. Total operating income	1	1,053,724,120.73	786,210,309.14	
Inc: Operating income	2	1,053,724,120.73	786,210,309.14	VIII.39
Interest income	3			
Premiums earned	4			
Fee and commission income	5			
II. Total operating costs	6	1,322,760,911.85	851,035,120.83	
Inc: Operating costs	7	671,665,632.43	585,189,504.70	VIII.39
Interest expenses	8			
Fee and commission expenses	9			
Refund of insurance claims	10			
Net payments for insurance claims	11			
Net provision for insurance contracts	12			
Commissions on insurance policies	13			
Cession charges	14			
Business taxes and levies	15	6,722,080.31	3,222,434.82	
Selling expenses	16	64,426,413.14	9,937,556.02	
Administrative expenses	17	123,755,026.36	78,565,930.54	
Research and development fee	18	104,203,083.45	30,279,199.12	
Financial expenses	19	351,988,676.16	143,840,495.63	VIII.40
Inc: Interest expense	20	681,877,680.66	258,528,521.11	VIII.40
Interest income	21	337,827,654.28	328,884,894.01	VIII.40
Exchange net losses (gains are indicated by "-")	22	6,809,515.73	214,115,984.99	VIII.40
Others	23			
Add:Other Income	24	23,682,715.89	4,721,116.44	VIII.41
Investment income (Losses are indicated by "-")	25	258,320,618.32	228,161,823.55	VIII.42
Inc: Income from investments in associates and joint ventures	26	77,427,628.03	61,950,791.91	VIII.42
Income from derecognition of financial assets measured at amortized cost	27			
Foreign exchange gains (Losses are indicated by "-")	28			
Net exposure hedging income(Losses are indicated by "-")	29			
Gains from changes in fair values (Losses are indicated by "-")	30	78,698,475.95	-7,935,358.28	VIII.43
Credit impairment loss (Losses are indicated by "-")	31	-19,880,395.64	-191,382.59	VIII.44
Asset impairment loss (Losses are indicated by "-")	32	-301,425,665.94	-7,838,327.45	VIII.45
Assets disposal income (Losses are indicated by "-")	33	-61,597.52	411,685.72	VIII.46
III. Operating profit (Loss is indicated by "-")	34	-229,702,640.06	152,504,745.70	
Add: Non-operating income	35	4,371,645.85	1,622,445.32	VIII.47
Inc: Government subsidies	36	4,271,647.52	836,357.87	VIII.47
Less: Non-operating expenses	37	9,383,781.72	101,187.34	VIII.48
IV. Total profit (Total Loss is indicated by "-")	38	-234,714,775.93	154,026,003.68	
Less: Income tax expenses	39	7,846,122.82	23,946,251.76	VIII.49
V. Net profit (Net loss is indicated by "-")	40	-242,560,898.75	130,079,751.92	
1.Classified by attribution of the ownership	41			
Net profit attributable to the parent company	42	-293,065,326.28	72,111,603.58	
Profit or loss attributable to minority interests	43	50,504,427.53	57,968,148.34	
2. Classified by operation continuity	44			
Profit or loss of continous operation	45	-242,560,898.75	130,079,751.92	
Profit or loss of discontinued operation	46			
VI. Earnings per share	47	364,988,466.94	-238,179,840.96	
Other comprehensive income (net of tax) contributed to the parent company	48	365,671,076.06	-263,826,304.11	VIII.50
1. Other comprehensive income not reclassfied into gains or losses	49			
(1)Remeasured defined benefit plan net liablities or net assets changes	50			
(2) Under the equity method, the share of other comprehensive income not reclassified into gains or losses	51			
(3)Changes of fair value of other equity instruments	52			
(4)Changes of fair value of the enterprise's credit risk	53			
(5) Others	54			
2. Other comprehensive income classified into gains or losses	55	365,671,076.06	-263,826,304.11	VIII.50
(1)Under the equity method, the share of other comprehensive income reclassified into gains or losses	56			
(2)Changes of fair value of other creditor's investment	57			
(3) Available for sale financial asset fair value at gains or losses	58	442,021,336.36	-298,238,369.05	VIII.50
(4)Financial assets reclassified and accrued into other comprehensive income	59			
(5) Held to maturity investment reclassified into available for sale asset gains or losses	60			
(6) credit impairment provision of other creditor's investment	61			
(7)The effective component of cash flow hedge gains or losses(Effective part of cash flow hedge gains or losses)	62			
(8)Foreign currency financial statement translation difference	63	-76,350,260.30	34,412,064.94	VIII.50
(9) Others	64			
Other comprehensive income (net of tax) contributed to minority interests	65	-682,609.12	25,646,463.15	
VIII. Total comprehensive income	66	122,427,568.19	-108,100,089.04	
Total comprehensive income attributable to the parent company	67	72,605,749.78	-191,714,700.53	
Total comprehensive income attributable to minority interests	68	49,821,818.41	83,614,611.49	
IX. Earnings per share	69			
Basic earnings per share	70			
Diluted earnings per share	71			

Legal representative: Song Ziqiang | Supervisor in charge of accounting: Song Ziqiang | Head of accounting department: Hong Chenggang

Consolidated Cash Flow Statement

Company:Beijing Infrastructure Investment (Hong Kong) Ltd. Year 2019 Unit: RMB

ITEM	Line	Amount for the current period	Amount for the prior period	Notes
I. Cash Flows from Operating Activities:	1			
Cash receipts from the sale of goods and the rendering of services	2	970,951,346.63	3,934,019,739.50	
Net increase in customer deposits and deposits from banks and other financial institutions	3			
Net increase in loans from the central bank	4			
Net increase in taking from banks and other financial institutions	5			
Cash receipts from premiums under direct insurance contracts	6			
Net cash receipts from reinsurance business	7			
Net cash receipts from policyholders' deposits and investment contract liabilities	8			
Net cash receipts from disposal of financial assets measured by fair value and its change is accrued into profits and losses	9			
Cash receipts from interest, fees and commissions	10			
Net increase in taking from banks	11			
Net increase in financial assets sold under repurchase arrangements	12			
Net income from securities trading brokerage business	13			
Receipts of tax refunds	14	19,267,641.74	3,247,474.31	
Other cash receipts relating to operating activities	15	26,489,802.95	172,724,204.10	
Sub-total of cash inflows from operating activities	16	1,016,708,791.32	4,109,991,417.91	
Cash payments for goods purchased and services received	17	598,974,788.87	2,160,775,299.37	
Net increase in loans and advances to customers	18			
Net increase in balance with the central bank and due from banks and other financial institutions	19			
Cash payments for claims and policyholders' benefits under direct insurance contracts	20			
Net increase in loans to banks and other financial institutions	21			
Cash payments for interest, fees and commissions	22			
Cash payments for insurance policyholder dividends	23			
Cash payments to and on behalf of employees	24	197,836,352.37	121,319,977.70	
Payments of various types of taxes	25	81,948,296.34	74,742,881.61	
Other cash payments relating to operating activities	26	113,928,882.54	1,039,608,937.44	
Sub-total of cash outflows from operating activities	27	992,688,320.12	3,396,447,096.12	
Net Cash Flow from Operating Activities	28	24,020,471.20	713,544,321.79	VIII.52
II. Cash Flows from Investing Activities:	29			
Cash receipts from disposals and recovery of investments	30	1,996,307,712.38	1,048,624,222.26	
Cash receipts from investment income	31	807,081,132.11	220,675,722.36	
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	32	2,065,038.05	664,600.00	
Net cash receipts from disposals of subsidiaries and other business units	33	126,155.94		
Other cash receipts relating to investing activities	34	3,706,022,237.67		
Sub-total of cash inflows from investing activities	35	6,511,602,276.15	1,269,964,544.62	
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	36	25,852,328.38	14,687,096.67	
Cash payments to acquire investments	37	1,015,700,738.96	1,441,434,190.28	
Net increase in pledged loans receivables	38			
Net cash payments for acquisitions of subsidiaries and other business units	39	723,638,009.12		
Other cash payments relating to investing activities	40	1,124,684,469.32	2,460,315,238.12	
Sub-total of cash outflows from investing activities	41	2,889,875,545.78	3,916,436,525.07	
Net Cash Flow from Investing Activities	42	3,621,726,730.37	-2,646,471,980.45	
III. Cash Flows from Financing Activities:	43			
Cash receipts from capital contributions	44	2,327,500.00	245,000.00	
Including: cash receipts from capital contributions from minority owners of subsidiaries	45	2,327,500.00	245,000.00	
Cash receipts from borrowings	46	3,084,168,165.74	5,023,780,544.43	
Cash receipts from issue of bonds	47			
Other cash receipts relating to financing activities	48	102,458.18	450,000,000.00	
Sub-total of cash inflows from financing activities	49	3,086,598,123.92	5,474,025,544.43	
Cash repayments of borrowings	50	7,785,365,928.21	4,810,462,684.70	
Cash payments for distribution of dividends or profits or settlement of interest expenses	51	509,944,498.64	672,555,467.74	
Including: payments for distribution of dividends or profits to minority owners of subsidiaries	52		8,269,456.18	
Other cash payments relating to financing activities	53	13,604,088.26	999,960,694.73	
Sub-total of cash outflows from financing activities	54	8,308,914,515.11	6,482,978,847.17	
Net Cash Flow from Financing Activities	55	-5,222,316,391.19	-1,008,953,302.74	
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents	56	46,297,317.89	174,252,664.63	
V. Net Increase in Cash and Cash Equivalents	57	-1,530,271,871.73	-2,767,628,296.77	VIII.52
Add: Opening balance of cash and cash equivalents	58	5,151,106,819.84	7,918,735,116.61	VIII.52
VI. Closing Balance of Cash and Cash Equivalents	59	3,620,834,948.11	5,151,106,819.84	VIII.52

Legal representative: Song Ziqiang Supervisor in charge of accounting: Song Ziqiang Head of accounting department: Hong Chenggang

Consolidated Statement of Changes in Owner's Equity

Company:Beijing Infrastructure Investment (Hong Kong) Ltd.

Unit: RMB

ITEM	Line	Amount of current year(2019)												
		Owner's equity belongs to the parent company											Minorty shareholder's equity	Total owner's equity
		Paid-in capital/ Share capital	Other equity instrument			Capital reserves	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	General risk reserves	Unappropriate profits	Sub-total owner's equity	
			Preference share	Perpetual bond	Others									
Column		1	2	3	4	5	6	7	8	9	10	11	12	13	14
I. Closing balance of the preceding year	1	106.37				486,675,761.38		-503,846,861.67		8,834,383.85		24,708,271.15	16,371,661.08	877,233,356.52	893,605,017.60
Add: Changes in accounting policies	2														
Corrections of prior period errors	3														
Others	4														
II. Opening balance of the current year	5	106.37				486,675,761.38		-503,846,861.67		8,834,383.85		24,708,271.15	16,371,661.08	877,233,356.52	893,605,017.60
III. Changes for the year (Decrease is indicated by "-")	6					-10,561,366.38		365,671,076.06				-293,065,326.28	62,044,383.40	74,302,736.29	136,347,119.69
(I) Total comprehensive income	7							365,671,076.06				-293,065,326.28	72,605,749.78	49,821,818.41	122,427,568.19
(II) Owner's contributions and reduction of capital	8													33,066,336.09	33,066,336.09
1. Capital contribution from owners	9														
2. Other equity instrument owner's invested capital	10														
3. Share-based payment recognised in owners' equity	11														
4.Others	12													33,066,336.09	33,066,336.09
(III). Extraction and use of special reserve	13														
1. Recognised special reserve	14														
2. Use of special reserve	15														
(IV) Profit distribution	16					-10,561,366.38							-10,561,366.38	-8,585,418.21	-19,146,784.59
1. Transfer of surplus reserves	17														
Inc: Statutory surplus reserve	18														
Optional surplus reserve	19														
Reserve fund	20														
Enterprise development fund	21														
Return investment by profit	22														
2. Transfer of general risk reserve	23														
3. Distribution to owners	24													-8,585,418.21	-8,585,418.21
4. Others	25					-10,561,366.38							-10,561,366.38		-10,561,366.38
(V) Transfers within owners' equity	26														
1. Capitalisation of capital reserves	27														
2. Capitalisation of surplus reserves	28														
3. Loss offset by surplus reserves	29														
4. Transfer of recalculated defined benefit plan net liabilities or net asset changes	30														
5.Other comprehensive income transferred into retained earnings	31														
6.Others	32														
IV. Closing balance of the current year	33	106.37				476,114,395.00		-138,175,785.61		8,834,383.85		-268,357,055.13	78,416,044.48	951,536,092.81	1,029,952,137.29

Legal representative: Song Ziqiang

Supervisor in charge of accounting: Song Ziqiang

Head of accounting department: Hong Chenggang

Consolidated Statement of Changes in Owner's Equity（Continued）

Company: Beijing Infrastructure Investment (Hong Kong) Ltd.　　Unit: RMB

ITEM	Line	Amount of prior year(2018)													
		Owner's equity blongs to the parent company												Minorty shareholder's equity	Total owner's equity
		Paid-in capital/ Share capital	Other equity instrument			Capital reserves	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	General risk reserves	Unappropriate profits	Sub-total owner's equity		
			Preference share	Perpetual bond	Others										
Column		15	16	17	18	19	20	21	22	23	24	25	26	27	28
I. Closing balance of the preceding year	1	106.37				486,675,761.38		-240,020,557.56		8,834,383.85		-47,403,332.43	208,086,361.61	1,738,732,134.00	1,946,818,495.61
Add: Changes in accounting policies	2														
Corrections of prior period errors	3														
Others	4														
II. Opening balance of the current year	5	106.37				486,675,761.38		-240,020,557.56		8,834,383.85		-47,403,332.43	208,086,361.61	1,738,732,134.00	1,946,818,495.61
III. Changes for the year (Decrease is indicated by "-")	6							-263,826,304.11				72,111,603.58	-191,714,700.53	-861,498,777.48	-1,053,213,478.01
(I) Total comprehensive income	7							-263,826,304.11				72,111,603.58	-191,714,700.53	83,614,611.49	-108,100,089.04
(II) Owner's contributions and reduction of capital	8													-936,843,932.79	-936,843,932.79
1. Capital contribution from owners	9													-934,373,205.31	-934,373,205.31
2. Other equity instrument owner's invested capital	10														
3. Share-based payment recognised in owners' equity	11														
4.Others	12													-2,470,727.48	-2,470,727.48
(III). Extraction and use of special reserve	13														
1. Recognised special reserve	14														
2. Use of special reserve	15														
(IV) Profit distribution	16													-8,269,456.18	-8,269,456.18
1. Transfer of surplus reserves	17														
Inc: Statutory surplus reserve	18														
Optional surplus reserve	19														
Reserve fund	20														
Enterprise development fund	21														
Return investment by profit	22														
2. Transfer of general risk reserve	23														
3. Distribution to owners	24													-8,269,456.18	-8,269,456.18
4. Others	25														
(V) Transfers within owners' equity	26														
1. Capitalisation of capital reserves	27														
2. Capitalisation of surplus reserves	28														
3. Loss offset by surplus reserves	29														
4. Transfer of recalculated defined benefit plan net liabilities or net asset changes	30														
5.Other comprehensive income transferred into retained earnings	31														
6.Others	32														
IV. Closing balance of the current year	33	106.37				486,675,761.38		-503,846,861.67		8,834,383.85		24,708,271.15	16,371,661.08	877,233,356.52	893,605,017.60

Legal representative: Song Ziqiang　　Supervisor in charge of accounting: Song Ziqiang　　Head of accounting department: Hong Chenggang

Consolidated Statement of Provision for Impairment of Assets

Company:Beijing Infrastructure Investment (Hong Kong) Ltd. 31 December 2019 Unit: RMB

Item	Line	Opening Balance	Increase for current year				Decrease for current year					Closing Balance	Item	Line	Amount
			Provision amount	Total increase	Increase in other reasons	Total amount	Due to asset value rebound back to the amount	Depreciation reserves written off during the period	Total decrease	Decrease in other reasons	Total amount				
Column		1	2	3	4	5	6	7	8	9	10	11	Additional materials:	-	12
I.Bad debt provision	1	9,247,750.91	32,880.70	9,196,016.74	1,659.94	9,230,557.38	2,762,557.47				2,762,557.47	15,715,750.82	1.Policy-related on account	17	
II.Inventory impairment	2		8,979,448.75	10,808,562.81		19,788,011.56		1,908,097.87			1,908,097.87	17,879,913.69	2. Deal with losses of prior year in current year	18	
III. Impairment of contract assets	3	7,635,982.78	22,610,072.41		8,121.82	22,618,194.23						30,254,177.01	Inc:Deal with losses in current profits and losses from prior year	19	
IV. impairment of assets held for sale	4													20	
V.Impairment of creditor's investment	5													21	
VI.Impairment of available-for-sale financial assets	6		292,446,217.19		5,236,312.05	297,682,529.24						297,682,529.24		22	
VII.Impairment of held-to-maturity investments	7													23	
VIII.Impairment of long - term equity investment	8													24	
IX.Impairment of investment real estate	9													25	
X.Impairment of fixed assets	10													26	
XI.Impairment of construction in progress	11													27	
XII.Impairment of productive biological assets	12													28	
XIII.Impairment of oil and gas properties	13													29	
XIV.Impairment of right-of-use asset	14													30	
XV.Impairment of intangible assets	15													31	
XVI. Impairment of goodwill	16	152,381,767.71										152,381,767.71		32	
XVII Impairment of contract acquisition cost	17													33	
XVIII.Impairment of contract implementation cost	18													34	
XIX.Others	19													35	
Total	20	169,265,501.40	324,068,619.05	20,004,579.55	5,246,093.81	349,319,292.41	2,762,557.47	1,908,097.87			4,670,655.34	513,914,138.47		36	

Legal representative: Song Ziqiang Supervisor in charge of accounting: Song Ziqiang Head of accounting department: Hong Chenggang

Consolidated Balance Sheet

Company:Beijing Infrastructure Investment (Hong Kong) Ltd. 31 December 2019 Unit: RMB

ITEM	Line	Closing Balance	Opening Balance	Notes
Current Assets:	1			
Cash and bank balances	2	2,884,873,414.17	4,224,301,472.76	
Balances with clearing agencies	3			
Removal of funds	4			
Tradable Financial assets	5			
Financial assets measured at fair value through profit or loss	6			
Derivative Financial assets	7	119,086,021.94	32,601,764.43	
Notes receivables	8			
Accounts receivable	9			
Accounts receivable Financing	10			
Prepayments	11			
Premium receivables	12			
Accounts receivable reinsurance	13			
The receivable reinsurance reserve	14			
Other receivables	15	4,733,561,468.25	7,277,067,788.77	XIII.1
Financial assets purchased under resale agreements	16			
Inventories	17			
Inc: Raw materials	18			
Finished products	19			
Contract assets	20			
Available for sale assets	21			
Non-current assets due within one year	22			
Other current assets	23			
Total current assets	24	7,737,520,904.36	11,533,971,025.96	
Non-current assets:	25			
Loans and advances to customers	26			
Debt investment	27			
Available-for-sale financial assets	28	3,950,405,265.30	4,347,835,063.51	
Other Debt investment	29			
Held-to-maturity investments	30			
Long-term receivables	31			
Long-term equity investments	32	2,260,989,427.38	2,237,524,249.08	XIII.2
Other equity instrument investment	33			
Other non-current assets	34			
Investment properties	35			
Fixed assets	36			
Construction in progress	37			
Bearer biological assets	38			
Oil and gas assets	39			
Right-of-use Assets	40			
Intangible assets	41			
Development expenditure	42			
Goodwill	43			
Long-term prepaid expenses	44			
Deferred tax assets	45			
Other non-current assets	46			
Inc: Physical assets reserve specifically authorized	47			
Total Non-current Assets	48	6,211,394,692.68	6,585,359,312.59	
	49			
	50			
	51			
	52			
	53			
	54			
	55			
	56			
	57			
	58			
	59			
	60			
	61			
	62			
	63			
	64			
	65			
	66			
	67			
	68			
	69			
	70			
	71			
	72			
Total Assets	73	13,948,915,597.04	18,119,330,338.55	

Legal representative: Song Ziqiang Supervisor in charge of accounting: Song Ziqiang Head of accounting department: Hong Chenggang

Consolidated Balance Sheet (Continued)

Company:Beijing Infrastructure Investment (Hong Kong) Ltd. 31 December 2019 Unit: RMB

ITEM	Line	Closing Balance	Opening Balance	Notes
Current liabilities:	74			
Short-term borrowings	75		687,629,729.77	
Loans from the central bank	76			
Placements from banks and other financial institutions	77			
Tradable financial liabilities	78			
Financial liabilities measured at fair value through profit or loss	79			
Derivative Financial liabilitiels	80			
Notes payable	81			
Accounts payable	82			
Receipts in advance	83			
Contract liabilities	84			
Financial assets sold under repurchase agreements	85			
Deposits and Statutory deposits	86			
Customer brokerage deposits	87			
Securities underwriting brokerage deposits	88			
Employee benefits payable	89			
Inc: Wages payable	90			
Benefits payable	91			
:Bonus and Welfare Funds	92			
Taxes payable	93			
Inc:Taxes payable	94			
Other payable	95	107,266,331.44	143,807,376.39	
Handling charges and commissions pabable	96			
Cession insurance premiums payable	97			
Available-for-sale financial liabilties	98			
Non-current liabilities due within one year	99	7,241,294,573.95	8,817,762,975.55	
Other current liabilities	100			
Total Current Liabilities	101	7,348,560,905.39	9,649,200,081.71	
Non-current Liabilities:	102			
Provision for insurance contracts	103			
Long-term borrowings	104			
Bonds payable	105	6,306,639,667.63	8,219,760,594.07	
Inc:preferred stock	106			
Perpetual capital securities	107			
Lease liabilities	108			
Long-term payables	109			
Long-term employee benefits payable	110			
Estimated liabilities	111			
Deferred Income	112			
Deferred tax liabilities	113			
Other non-current liabilities	114			
Inc: Special reserve fund	115			
Total Non-current Liabilities	116	6,306,639,667.63	8,219,760,594.07	
Total Liabilities	117	13,655,200,573.02	17,868,960,675.78	
Owners' equity:	118			
Paid-in capital (share capital)	119	106.37	106.37	
Government capital	120			
State-owned capital	121	106.37	106.37	
Collective Capital	122			
Private capital	123			
Foreign capital	124			
Deduct: capital redemption	125			
Net paid-in capital	126	106.37	106.37	
Other equityt instrument	127			
Inc: preference share	128			
perpetual bond	129			
Capital reserve	130	582,546,039.41	582,546,039.41	
Deduct: Treasury shares	131			
Other comprehensive income	132	-122,000,992.52	-472,788,729.55	
Translation difference arising on translation of financial statements denominated in foreign currencies	133	-38,090,503.03	53,143,096.30	
Special reserve	134			
Surplus reserve	135	8,834,383.85	8,834,383.85	
Inc: Statutory surplus reserve	136	8,834,383.85	8,834,383.85	
Optional surplus reserve	137			
Reserve fund	138			
Enterprise development fund	139			
Return investment by profit	140			
General risk reserve	141			
Unappropriated profits	142	-175,664,513.09	131,777,862.69	
Total Owners' Equity Attributable To the Company	143	293,715,024.02	250,369,662.77	
Minority interests	144			
Total Owners' Equity	145	293,715,024.02	250,369,662.77	
Total Liabilities and Owners' Equity	146	13,948,915,597.04	18,119,330,338.55	

Legal representative: Song Ziqiang Supervisor in charge of accounting: Song Ziqiang Head of accounting department: Hong Chenggang

Consolidated Income Statement

Company:Beijing Infrastructure Investment (Hong Kong) Ltd. | Year 2019 | Unit: RMB

ITEM	Line	Amount for the current period	Amount for the prior period	Notes
I. Total operating income	1			
Inc: Operating income	2			
Interest income	3			
Premiums earned	4			
Fee and commission income	5			
II. Total operating costs	6	366,063,225.39	174,252,105.36	
Inc: Operating costs	7			
Interest expenses	8			
Fee and commission expenses	9			
Refund of insurance claims	10			
Net payments for insurance claims	11			
Net provision for insurance contracts	12			
Commissions on insurance policies	13			
Cession charges	14			
Business taxes and levies	15			
Selling expenses	16			
Administrative expenses	17	7,168,635.59	1,941,562.02	
Research and development fee	18			
Financial expenses	19	358,894,589.80	172,310,543.34	
Inc: Interest expense	20	663,877,421.49	417,469,389.99	
Interest income	21	321,318,179.73	458,909,657.72	
Exchange net losses (gains are indicated by "-")	22	16,308,035.00	213,720,671.62	
Others	23			
Add:Other Income	24			
Investment income (Losses are indicated by "-")	25	266,819,809.65	276,607,033.70	XIII.3
Inc: Income from investments in associates and joint ventures	26	78,029,241.68	100,978,147.86	XIII.3
Income from derecognition of financial assets measured at amortized cost	27			
Foreign exchange gains (Losses are indicated by "-")	28			
Net exposure hedging income(Losses are indicated by "-")	29			
Gains from changes in fair values (Losses are indicated by "-")	30	84,247,257.15	-7,935,358.28	
Credit impairment loss (Losses are indicated by "-")	31			
Asset impairment loss (Losses are indicated by "-")	32	-292,446,217.19		
Assets disposal income (Losses are indicated by "-")	33			
III. Operating profit (Loss is indicated by "-")	34	-307,442,375.78	94,419,570.06	
Add: Non-operating income	35			
Inc: Government subsidies	36			
Less: Non-operating expenses	37			
IV. Total profit (Total Loss is indicated by "-")	38	-307,442,375.78	94,419,570.06	
Less: Income tax expenses	39			
V. Net profit (Net loss is indicated by "-")	40	-307,442,375.78	94,419,570.06	
1.Classified by attribution of the ownership	41			
Net profit attributable to the parent company	42	-307,442,375.78	94,419,570.06	
Profit or loss attributable to minority interests	43			
2. Classified by operation continuity	44			
Profit or loss of continous operation	45	-307,442,375.78	94,419,570.06	
Profit or loss of discontinued operation	46			
VI. Earnings per share	47	350,787,737.03	-284,721,814.83	
Other comprehensive income (net of tax) contributed to the parent company	48	350,787,737.03	-284,721,814.83	
1. Other comprehensive income not reclassfied into gains or losses	49			
(1)Remeasured defined benefit plan net liablities or net assets changes	50			
(2) Under the equity method, the share of other comprehensive income not reclassified into gains or losses	51			
(3)Changes of fair value of other equity instruments	52			
(4)Changes of fair value of the enterprise's credit risk	53			
(5) Others	54			
2. Other comprehensive income classified into gains or losses	55	350,787,737.03	-284,721,814.83	
(1)Under the equity method, the share of other comprehensive income reclassified into gains or losses	56			
(2)Changes of fair value of other creditor's investment	57			
(3) Available for sale financial asset fair value at gains or losses	58	442,021,336.36	-298,238,369.05	
(4)Financial assets reclassified and accrued into other comprehensive income	59			
(5) Held to maturity investment reclassified into available for sale asset gains or losses	60			
(6) credit impairment provision of other creditor's investment	61			
(7)The effective component of cash flow hedge gains or losses(Effective part of cash flow hedge gains or losses)	62			
(8)Foreign currency financial statement translation difference	63	-91,233,599.33	13,516,554.22	
(9) Others	64			
Other comprehensive income (net of tax) contributed to minority interests	65			
VIII. Total comprehensive income	66	43,345,361.25	-190,302,244.77	
Total comprehensive income attributable to the parent company	67	43,345,361.25	-190,302,244.77	
Total comprehensive income attributable to minority interests	68			
IX. Earnings per share	69			
Basic earnings per share	70			
Diluted earnings per share	71			

Legal representative: Song Ziqiang | Supervisor in charge of accounting: Song Ziqiang | Head of accounting department: Hong Chenggang

Consolidated Cash Flow Statement

Company:Beijing Infrastructure Investment (Hong Kong) Ltd. Year 2019 Unit: RMB

ITEM	Line	Amount for the current period	Amount for the prior period	Notes
I. Cash Flows from Operating Activities:	1			
Cash receipts from the sale of goods and the rendering of services	2			
Net increase in customer deposits and deposits from banks and other financial institutions	3			
Net increase in loans from the central bank	4			
Net increase in taking from banks and other financial institutions	5			
Cash receipts from premiums under direct insurance contracts	6			
Net cash receipts from reinsurance business	7			
Net cash receipts from policyholders' deposits and investment contract liabilities	8			
Net cash receipts from disposal of financial assets measured by fair value and its change is accrued into profits and losses	9			
Cash receipts from interest, fees and commissions	10			
Net increase in taking from banks	11			
Net increase in financial assets sold under repurchase arrangements	12			
Net income from securities trading brokerage business	13			
Receipts of tax refunds	14			
Other cash receipts relating to operating activities	15	13,959,595.32	22,608,162.93	
Sub-total of cash inflows from operating activities	16	13,959,595.32	22,608,162.93	
Cash payments for goods purchased and services received	17	775,316.30		
Net increase in loans and advances to customers	18			
Net increase in balance with the central bank and due from banks and other financial institutions	19			
Cash payments for claims and policyholders' benefits under direct insurance contracts	20			
Net increase in loans to banks and other financial institutions	21			
Cash payments for interest, fees and commissions	22			
Cash payments for insurance policyholder dividends	23			
Cash payments to and on behalf of employees	24			
Payments of various types of taxes	25			
Other cash payments relating to operating activities	26	2,889,494.04	1,977,566.31	
Sub-total of cash outflows from operating activities	27	3,664,810.34	1,977,566.31	
Net Cash Flow from Operating Activities	28	10,294,784.98	20,630,596.62	XIII.4
II. Cash Flows from Investing Activities:	29			
Cash receipts from disposals and recovery of investments	30	802,321,712.38	16,007,709.92	
Cash receipts from investment income	31	797,122,762.20	566,534,160.89	
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	32			
Net cash receipts from disposals of subsidiaries and other business units	33			
Other cash receipts relating to investing activities	34	3,714,747,822.47	1,161,239,818.01	
Sub-total of cash inflows from investing activities	35	5,314,192,297.05	1,743,781,688.82	
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	36			
Cash payments to acquire investments	37	311,012,678.96	450,034,190.28	
Net increase in pledged loans receivables	38			
Net cash payments for acquisitions of subsidiaries and other business units	39			
Other cash payments relating to investing activities	40	1,564,696,233.33	1,936,539,081.68	
Sub-total of cash outflows from investing activities	41	1,875,708,912.29	2,386,573,271.96	
Net Cash Flow from Investing Activities	42	3,438,483,384.76	-642,791,583.14	
III. Cash Flows from Financing Activities:	43			
Cash receipts from capital contributions	44			
Including: cash receipts from capital contributions from minority owners of subsidiaries	45			
Cash receipts from borrowings	46	3,030,419,689.75	3,723,780,544.43	
Cash receipts from issue of bonds	47			
Other cash receipts relating to financing activities	48	102,458.18		
Sub-total of cash inflows from financing activities	49	3,030,522,147.93	3,723,780,544.43	
Cash repayments of borrowings	50	7,351,368,868.21	4,419,115,997.74	
Cash payments for distribution of dividends or profits or settlement of interest expenses	51	486,272,557.24	390,614,645.28	
Including: payments for distribution of dividends or profits to minority owners of subsidiaries	52			
Other cash payments relating to financing activities	53	6,486,954.45		
Sub-total of cash outflows from financing activities	54	7,844,128,379.90	4,809,730,643.02	
Net Cash Flow from Financing Activities	55	-4,813,606,231.97	-1,085,950,098.59	
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents	56	25,400,003.64	130,597,860.64	
V. Net Increase in Cash and Cash Equivalents	57	-1,339,428,058.59	-1,577,513,224.47	XIII.4
Add: Opening balance of cash and cash equivalents	58	4,224,301,472.76	5,801,814,697.23	XIII.4
VI. Closing Balance of Cash and Cash Equivalents	59	2,884,873,414.17	4,224,301,472.76	XIII.4

Legal representative: Song Ziqiang Supervisor in charge of accounting: Song Ziqiang Head of accounting department: Hong Chenggang

Statement of Changes in Owner's Equity

Company:Beijing Infrastructure Investment (Hong Kong) Ltd. Unit: RMB

ITEM	Line	Amount of current year(2019)													
		Owner's equity belongs to the parent company												Minorty shareholder's equity	Total owner's equity
		Paid-in capital/ Share capital	Other equity instrument			Capital reserves	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	General risk reserves	Unappropriate profits	Sub-total owner's equity		
			Preference share	Perpetual bond	Others										
Column		1	2	3	4	5	6	7	8	9	10	11	12	13	14
I. Closing balance of the preceding year	1	106.37				582,546,039.41		-472,788,729.55		8,834,383.85		131,777,862.69	250,369,662.77		250,369,662.77
Add: Changes in accounting policies	2														
Corrections of prior period errors	3														
Others	4														
II. Opening balance of the current year	5	106.37				582,546,039.41		-472,788,729.55		8,834,383.85		131,777,862.69	250,369,662.77		250,369,662.77
III. Changes for the year (Decrease is indicated by "-")	6							350,787,737.03				-307,442,375.78	43,345,361.25		43,345,361.25
(I) Total comprehensive income	7							350,787,737.03				-307,442,375.78	43,345,361.25		43,345,361.25
(II) Owner's contributions and reduction of capital	8														
1. Capital contribution from owners	9														
2. Other equity instrument owner's invested capital	10														
3. Share-based payment recognised in owners' equity	11														
4.Others	12														
(III). Extraction and use of special reserve	13														
1. Recognised special reserve	14														
2. Use of special reserve	15														
(IV) Profit distribution	16														
1. Transfer of surplus reserves	17														
Inc: Statutory surplus reserve	18														
Optional surplus reserve	19														
Reserve fund	20														
Enterprise development fund	21														
Return investment by profit	22														
2. Transfer of general risk reserve	23														
3. Distribution to owners	24														
4. Others	25														
(V) Transfers within owners' equity	26														
1. Capitalisation of capital reserves	27														
2. Capitalisation of surplus reserves	28														
3. Loss offset by surplus reserves	29														
4. Transfer of recalculated defined benefit plan net liabilities or net asset changes	30														
5.Other comprehensive income transferred into retained earnings	31														
6.Others	32														
IV. Closing balance of the current year	33	106.37				582,546,039.41		-122,000,992.52		8,834,383.85		-175,664,513.09	293,715,024.02		293,715,024.02

Legal representative: Song Zidiang Supervisor in charge of accounting: Song Zidiang Head of accounting department: Hong Chenggang

Statement of Changes in Owner's Equity（Continued)

Company: Beijing Infrastructure Investment (Hong Kong) Ltd.

Unit: RMB

ITEM	Line	Amount of prior year(2018)												
		Owner's equity blongs to the parent company											Minorty shareholder's equity	Total owner's equity
		Paid-in capital/ Share capital	Other equity instrument			Capital reserves	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	General risk reserves	Unappropriate profits	Sub-total owner's equity	
			Preference share	Perpetual bond	Others									
Column		15	16	17	18	19	20	21	22	23	24	25	26	27	28
I. Closing balance of the preceding year	1	106.37				563,889,503.87		-188,066,914.72		8,834,383.85		-62,959,618.71	321,697,460.66		321,697,460.66
Add: Changes in accounting policies	2														
Corrections of prior period errors	3														
Others	4														
II. Opening balance of the current year	5	106.37				563,889,503.87		-188,066,914.72		8,834,383.85		-62,959,618.71	321,697,460.66		321,697,460.66
III. Changes for the year (Decrease is indicated by "-")	6					18,656,535.54		-284,721,814.83				194,737,481.40	-71,327,797.89		-71,327,797.89
(I) Total comprehensive income	7							-284,721,814.83				94,419,570.06	-190,302,244.77		-190,302,244.77
(II) Owner's contributions and reduction of capital	8					18,656,535.54						100,317,911.34	118,974,446.88		118,974,446.88
1. Capital contribution from owners	9														
2. Other equity instrument owner's invested capital	10														
3. Share-based payment recognised in owners' equity	11														
4.Others	12					18,656,535.54						100,317,911.34	118,974,446.88		118,974,446.88
(III). Extraction and use of special reserve	13														
1. Recognised special reserve	14														
2. Use of special reserve	15														
(IV) Profit distribution	16														
1. Transfer of surplus reserves	17														
Inc: Statutory surplus reserve	18														
Optional surplus reserve	19														
Reserve fund	20														
Enterprise development fund	21														
Return investment by profit	22														
2. Transfer of general risk reserve	23														
3. Distribution to owners	24														
4. Others	25														
(V) Transfers within owners' equity	26														
1. Capitalisation of capital reserves	27														
2. Capitalisation of surplus reserves	28														
3. Loss offset by surplus reserves	29														
4. Transfer of recalculated defined benefit plan net liabilities or net asset changes	30														
5.Other comprehensive income transferred into retained earnnings	31														
6.Others	32														
IV. Closing balance of the current year	33	106.37				582,546,039.41		-472,788,729.55		8,834,383.85		131,777,862.69	250,369,662.77		250,369,662.77

Legal representative: Song Ziqiang

Supervisor in charge of accounting: Song Ziqiang

Head of accounting department: Hong Chenggang

Consolidated Statement of Provision for Impairment of Assets

Company:Beijing Infrastructure Investment (Hong Kong) Ltd. 31 December 2019 Unit: RMB

Item	Line	Opening Balance	Increase for current year				Decrease for current year					Closing Balance	Item	Line	Amount
			Provision amount	Total increase	Increase in other reasons	Total amount	Due to asset value rebound back to the amount	Depreciation reserves written off during the period	Total decrease	Decrease in other reasons	Total amount				
Column		1	2	3	4	5	6	7	8	9	10	11	Additional materials:	-	12
I.Bad debt provision	1												1.Policy-related on account	17	
II.Inventory impairment	2												2. Deal with losses of prior year in current year	18	
III. Impairment of contract assets	3												Inc:Deal with losses in current profits and losses from prior year	19	
IV. impairment of assets held for sale	4													20	
V.Impairment of creditor's investment	5													21	
VI.Impairment of available-for-sale financial assets	6		292,446,217.19		5,236,312.05	297,682,529.24						297,682,529.24		22	
VII.Impairment of held-to-maturity investments	7													23	
VIII.Impairment of long - term equity investment	8													24	
IX.Impairment of investment real estate	9													25	
X.Impairment of fixed assets	10													26	
XI.Impairment of construction in progress	11													27	
XII.Impairment of productive biological assets	12													28	
XIII.Impairment of oil and gas properties	13													29	
XIV.Impairment of right-of-use asset	14													30	
XV.Impairment of intangible assets	15													31	
XVI. Impairment of goodwill	16													32	
XVII Impairment of contract acquisition cost	17													33	
XVIII.Impairment of contract implementation cost	18													34	
XIX.Others	19													35	
Total	20		292,446,217.19		5,236,312.05	297,682,529.24						297,682,529.24		36	

Legal representative: Song Ziqiang Supervisor in charge of accounting:Song Ziqiang Head of accounting department: Hong Chenggang

BEIJING INFRASTRUCTURE INVESTMENT (HONG KONG) LTD.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

(Amounts are denominated in RMB unless otherwise stated)

I.BASIC INFORMATION ABOUT THE COMPANY

Beijing Infrastructure Investment (Hong Kong) Ltd. (the "Company"), established in 23 May, 1997, renamed from Xin Yi Development Co., Ltd. on 21 November, 2011. The Company is invested by Beijing Infrastructure Investment Co., Ltd. with the business license No. 110000011928488. The legal representative is Song Ziqiang; Register location: Room 2210, No. 302 Hennessy Road, Wan Chai, Hong Kong; Register capital: RMB 106.37.

Organization structure: General management under the leadership of Board of Directors.

Business scope: project investment and assets management.

II. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statement is based upon the hypothesis of continuous operation, according to the practical transaction and matters, in accordance with Accounting Standards for Business Enterprises and supplementary regulations and the significant accounting policies and accounting estimates as follows.

III. STATEMENT OF COMPLIANCE WITH THE ASBE

The Company has adopted the Accounting Standards for Business Enterprises ("ASBE") issued by the Ministry of Finance ("MOF"). The financial statements present truly and completely the Company's and consolidated financial position as at 31 December 2019, and the Company's and consolidated result of operations and cash flows for the year then ended.

IV. THE COMPANY'S SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

1. Accounting period

The Company adopts the calendar year as its accounting year, i.e. from 1 January to 31 December.

2. Standard accounting currency

The Company adopts HKD as functional currency used in bookkeeping.

3. Accounting base and principle of measurement

The company's accounting is based on accrual basis. The company normally adopts historical cost as its principle of measurement, excluding some financial instruments.

4. Business combination

4.1 The accounting treatment of business combinations involving enterprises under common control

Assets and liabilities obtaining from the merger of enterprise is measured according to the share of book value of consolidated financial statements of final controlling party under the owner's equity of combined party within combining date. The difference between the book value of the net assets obtained from company and the book value of the consideration the combination of payment (or the aggregate face value of shares issued as consideration) is adjusted to the share premium in capital reserves. If the capital reserve is insufficient to offset, the retained earnings shall be adjusted.

4.2 The accounting treatment of business combinations involving enterprises under uncommon control

Where the cost of combination exceeds the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is treated as an asset and recognized as goodwill, which is measured at cost on initial recognition. If the combination cost is less than the share of identifiable fair value of net assets of acquiree, firstly, conducting the review of measurement is necessary to achieve the acquiree the identifiable assets, liabilities and the fair value of contingent liabilities as well as the combination costs. The acquiree combination costs after reviews are still less than the fair value of identifiable net asset, the difference will be included into the current profits and losses.

4.3 The consolidation scope of company's consolidated financial statements will be confirmed on the basis of control.

Company will directly or indirectly through subsidiaries have half of the voting rights or owning half voting right of the invested entity, but at the same time, the subsidiaries that can meet the following conditions enable to be included in consolidation scope of consolidated financial statements.

4.3.1 Through the agreement with other investors of the invested entity, the Company will have more than half of the voting rights by the invested entity;

4.3.2 According to the articles of association or agreement, the Company shall have the right to decide the invested entity's financial and operating policies;

4.3.3 Company shall have the right to appoint the board of directors of invested entities or the majority of the members of similar institutions;

4.3.4 Company could own voting majority in the board of directors invested entities or similar institutions.

4.4 The Company will do the adjustment to opening balance of consolidated financial statements and comparative statements through the subsidiary under the same control enterprise merger, when

preparing consolidated financial statements of the current period, are regarded as be consolidated subsidiaries in the Company when the Company begin to implement the control into the scope of the company merger eventually. When preparing consolidated financial statements, since the final controlling party of this Company eventually on the controlling party starts to implement control to consolidated subsidiaries, this company could combine whole assets, liabilities and book value of combined subsidiaries and merge into consolidated balance sheet of Company. The business performance of combined subsidiaries will be inserted into financial statements of this Company.

4.5 The Company will do the adjustment to financial statements of subsidiaries based on identifiable assets, fair value of liabilities through the subsidiary under the same control enterprise merger, when preparing consolidated financial statements of the current period. The Company assets, liabilities and business performance of acquired company will be inserted into financial statements of this Company.

4.6 The Company will buy the equity from minority shareholders of subsidiaries, the long-term equity investment obtained by buying a minority equity and own the difference of share of net assets by continuously calculate from date of acquisition (or combining date) according to newly increased shareholding ratio, adjust capital reserve of combined balance sheet, and will adjust retained earnings to the insufficient capital reserve to write-downs.

4.7 The rights and interests and profits and losses owning by minority shareholders of subsidiaries are shown separately in stockholders' equity of consolidated balance sheet and net income of income statement. If the deficit belongs to minority shareholders is more than the attributable share of owner's equity of these subsidiaries.

4.8 Consolidated balance sheet is based on the balance sheet of parent company and subsidiaries, and is compiled by parent company according to further related information. When the accounting period and accounting policies employed by subsidiaries is different from this company, it has been adjusted to the balance sheet of subsidiaries according to accounting period and accounting policies of this company. Combination offset insider transaction and balance including unrealized gains or losses on internal transaction. The unrealized losses of company's inner trading, there are evidences that can indicate this is the loss of related asset decrease, will be affirmed as full loss.

5. Preparative Method of consolidated financial statements

All the controlled subsidiaries are consolidated in the financial statements. Consolidated financial statements are based on the Company's and its subsidiaries' financial statements in according to ASBE No.33 – Consolidated financial statement.

6. Determine standard of cash and cash equivalents

The term "cash" of cash flow statement refers to cash on hand and deposits that are available for payment at any time. The term of "cash equivalents" refers to short-term (usually due within 3 months from the acquisition date) and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value

7. Translation of transactions and financial statements denominated in foreign currencies

7.1 Transactions denominated in foreign currencies

On initial recognition, a foreign currency amount, including share capital and capital reserves, is translated into functional currency by applying the spot exchange rate on the date of the transaction announced by People's Bank of China. At the balance sheet date, foreign currency balance comprised of foreign currency monetary items and foreign currency non-monetary items, shall be adjusted: foreign currency monetary items, of which the exchange difference between initial exchange rate and the spot exchange rate at the end of the period, shall be recognized into profit and loss for the period; exchange differences related to a specific-purpose borrowing denominated in foreign currency for constructing an asset that qualifies for capitalization shall be capitalized before it's ready for intended use and recognized into cost of construction in progress; foreign currency non-monetary items measured at fair value, the difference of which shall be recognized into profit and loss for the period as fair value changes.

7.2 Translation of financial statements denominated in foreign currencies

The asset and liability of balance sheet adopt spot rate to convert. Except the undistributed profits of owners' right, other will adopt the spot rate in the occurrence of transaction. The income and expense of income statement will employ par exchange rate conversion of middle rate that is authorized the People's Bank of China to China Foreign Exchange Trade System (CFETS). According to the conversion difference of foreign currencies accounting statement by this conversion will be illustrated in owners' right of balance sheet.

8. Financial instruments

8.1 Classification of financial assets and financial liabilities

Financial assets are classified into four categories at initial recognition below: financial assets at Fair Value through Profit or Loss ("FVTPL") (including financial assets held for trading and those designated as at fair value through profit or loss), held-to-maturity investments, loans and receivables and available-for-sale financial assets.

Financial liabilities are classified into two categories at initial recognition below: financial liabilities at Fair Value through Profit or Loss ("FVTPL") (including financial liabilities held for trading and those designated as at fair value through profit or loss), other financial liabilities.

8.2 Recognition basis, measurement, de-recognition condition of financial assets and financial liabilities

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. For financial assets and financial liabilities at fair value through profit or loss, transaction costs are immediately recognized in profit or loss. For other financial assets and financial liabilities, transaction costs are included in their initial recognized amounts.

The Company subsequently measures financial assets at fair value in effective interest method and shall not deduct the transaction costs incurred in the future, except: (1) held-to-maturity investment and

loans and receivables are measured at amortized costs in effective interest method; (2) for investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, and derivative financial assets that are linked to and must be settled by delivery of such unquoted equity instruments, they should be stated at their historical costs.

The Company subsequently measures financial liabilities at amortized costs in effective interest method, except: (1) financial liabilities at FVTPL are measured at fair value, for which the transaction cost incurred in the future shall not be deducted; (2) for investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, and derivative financial liabilities that are linked to and must be settled by delivery of such unquoted equity instruments, they are measured at cost; (3) Financial guaranteed contracts that are not financial liabilities at FVTPL, or loans commitments that are not financial liabilities at FVTPL and will be made with the interest lower than the market interest, are subsequently recognized at the higher of:1)amount recognized in accordance with "ASBE No.13 - Contingencies"; 2)initial recognition amount deducted at the balance after accumulated amortization in accordance with "ASBE No.14 - Revenue".

In addition to hedging, gains or losses formed due to the changes of the fair value of financial asset and financial liability, are handled as follow: (1) At balance sheet date, any gains or loss from changes in the fair value of financial asset and financial liability at FVTPL shall be recognized in profit and loss for the period. The interest or cash dividend under the contractual calculation, within the period in which the financial asset is held, shall be recognized in investment income when it is actually received. Difference between the fair value on disposal and initial recognition amount of the financial asset or financial liability shall be recognized to investment income; (2) Available-for-sale financial assets are subsequently measured at fair value, and gains or losses arising from changes in the fair value are recognized as other comprehensive income and included in the capital reserves, except that impairment losses and exchange differences related to amortized cost of monetary financial assets denominated in foreign currencies are recognized in profit or loss, until the financial assets are derecognized, at which time the gains or losses are released and recognized in profit or loss. Interests obtained and the dividends declared by the investee during the period in which the available-for-sale financial assets are held, are recognized in investment gains.

The Company will terminate to affirm that financial assets when the right of receiving cash flow of the financial asset ends or almost all risks and remuneration of the ownership of financial assets have been transferred. The corporation will suspend the financial liability (or part of it) when the present obligation of financial liabilities is discharged (or part of it).

8.3 Recognition basis of transfer of financial assets and computational method

The enterprise has transferred almost all risk and compensation on the ownership of financial assets and ended to identify the financial assets; those maintaining almost all risk and compensation on the ownership of financial assets will continue to confirm the transferred financial assets, and affirm the received consideration as a kind of financial liability. The corporation neither move nor keep almost all the risks and rewards on financial asset's ownership, processing in the following circumstances respectively: (1) those giving up controlling the financial asset, stop to recognize that financial assets; (2) those does not give up its controlling right over the financial asset, in accordance with continuing to the degree of transferred financial asset to confirm the related financial assets and recognize the relevant liability accordingly.

For a transfer of a financial asset in its entirety that satisfies the de-recognition criteria, the difference between (1) the carrying amount of the financial asset transferred; and (2) the sum of the consideration received from the transfer and any cumulative gain or loss that has been recognized in other comprehensive income, is recognized in profit or loss. If a part of the transferred financial asset qualifies for de-recognition, the carrying amount of the transferred financial asset is allocated between the part that continues to be recognized and the part that is derecognized, based on the respective fair values of those parts. The difference between (1) the carrying amount allocated to the part derecognized; and (2) the sum of the consideration received for the part derecognized and any cumulative gain or loss allocated to the part derecognized which has been previously recognized in other comprehensive income, is recognized in profit or loss.

8.4 Determination method of fair value of main financial assets and liabilities

The financial assets and liabilities of active market confirm its fair value in accordance with active market. The financial assets and liabilities that do not exist active market, will utilize estimation technique (includes refer to familiar with the situation and voluntary transaction parties in the recent market transactions using the price of other financial instruments, the reference is essentially the same current fair value, discounted cash flow method and the option pricing model, etc.) to affirm its fair value. Initially obtained or sourced financial asset or financial liability will be the basis of its fair value by the price of market transaction.

8.5 Impairment test of financial assets and depreciation reserve provision method

The balance sheet date enable to check to the fair value and whose fluctuations included in the current profits and losses of the financial assets other than the book value of the financial assets, if there is any objective evidence that imply the impairment of financial assets, proceed the provision for impairment loss.

The single major financial assets conduct impairment test individually; financial assets that single amount is insignificant can proceed impairment test individually, or include in combination of financial assets with similar credit risk characteristics of impairment test; financial assets that do not decrease in value in individual test (including single amount is significant and insignificant financial assets), including in combination of financial assets with similar credit risk characteristics to conduct impairment test again.

Financial assets, according to the measurement of amortized cost, there are objective evidence at the end to prove that happened impairment, according to its book value and the difference between the present values of the expected future cash flow to confirm the impairment loss. the equity instrument investments that has no offer in the active market and whose fair value cannot be reliably measured, or linked to the equity instrument and must be settled by delivery of the equity instruments of the derivative financial assets impairment occurs, the equity instrument investments or the book value of the derivative financial assets, and according to the similar financial assets when the market returns to discount future cash flows to determine the present value of the difference recognized as the impairment loss. The fair value available for sale financial assets is in a sharp drop, or after considering various factors, expected this decline is temporary, confirm the impairment loss, and the fair value originally recorded in other comprehensive income accumulated losses and go out into the impairment loss.

The relevant accounting policies implemented by BII Railway Transportation Technology Holdings Company Limited(the company's subsidiary, hereinafter referred as "BII Transportation Technology"), are as follow:

8.5.1 Recognition and derecognition of financial instruments

BII Transportation Technology recognizes a financial asset or a financial liability when it becomes party to the contractual provisions of the instrument.

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales, means that receive or deliver financial assets within the time limit stipulated by regulations or common practices, as agreed in the terms of the contract. Trade date, is the date BII Transportation Technology promises to buy in or sell out the financial assets.

The company derecognize the financial assets(either a part, or a part of a similar group),which is writing it off the balance sheet, if following conditions are met:

8.5.1.1 Expiration of the right to receive cash flow from financial assets.

8.5.1.2 The right to receive cash flow from financial assets has been transferred, or bear the obligation to pay all cash received to third party in time due to "Hand-0ver arrangement"; and (a) all risks and benefits of the financial assets has been transferred virtually, or (b) though not all risks and benefits of the financial assets has been transferred, but lose the control of the financial assets.

8.5.2 Classification and measurement of financial assets

According to the business model for managing financial assets and the contractual cash flow characteristics of financial assets, BII Transportation Technology's financial assets has initially been classified as follows: financial assets at fair value through profit or loss, financial assets at amortized cost, and financial assets at fair value through other comprehensive income.

For financial assets at fair value through profit or loss, related transaction expenses are directly recognized in current profit or loss, or included in initial recognition amount for other two categories.

Subsequent measurement of financial assets depends on its categories:

Financial assets at amortized cost

Financial assets are classified as financial assets at amortized cost when following conditions are met: BII Transportation Technology's business model for managing financial assets targets to receive contractual cash flow; The contractual terms of the financial asset stipulate that the cash flow generated on a specific date is only the payment of the principal and the interest based on the outstanding principal amount. For such financial assets, using effective interest rate method and subsequently measure at amortized cost, gains or losses arising from amortization or impairment are recognized in current profit or loss.

Liability investment at fair value through other comprehensive income

Financial assets are classified as liability investment at fair value through other comprehensive income when following conditions are met: BII Transportation Technology's business model for managing financial assets targets both the collection of contractual cash flows and the sale of financial assets; The contractual terms of the financial asset stipulate that the cash flow generated on a specific date is only the payment of the principal and the interest based on the outstanding principal amount. For such financial assets, subsequently measure at fair value. The discount or premium is amortized using the effective interest method and recognized as interest income or expense. Except for the impairment loss and the exchange differences of foreign monetary financial assets are recognized as profit or loss for the period, the changes in the fair value of such financial assets are recognized in other comprehensive income, the accumulated gains or losses is transferred to profit or loss until it's derecognized. Interest income related to such financial assets is included in the current profit and loss.

Equity investment at fair value through other comprehensive income

BII Transportation Technology irrevocably designated the non-trading equity investment as financial assets at fair value through other comprehensive income, and only the related dividend income is recognized in profit or loss. The accumulated gains or losses is transferred to retained earnings until it's derecognized

Financial assets at fair value through profit or loss

Any financial assets that are not held in one of the two business models mentioned above are measured at fair value through profit or loss. For such financial assets, subsequently measured at fair value, and all changes in fair value are recognized in profit or loss.

When and only when, BII Transportation Technology changes its business model for managing financial assets it must reclassify all affected financial assets.

8.5.3 Classification and measurement of financial liabilities

BII Transportation Technology's financial assets have initially been classified as follows: financial liabilities at amortized cost and financial liabilities at fair value through profit or loss.

BII Transportation Technology determines the classification of financial liabilities at initial recognition. For financial liabilities measured at fair value through profit or loss, the related transaction expense is directly recognized in current profit or loss. The related transaction expense of other financial liabilities is included in the initial recognition amount.

Subsequent measurement of financial liabilities depends on its categories:

Financial liabilities at amortized cost

Based on amortized cost, subsequently measure it using the effective interest rate method.

Financial liabilities at fair value through profit or loss

It includes financial liabilities (including derivatives that are financial liabilities) and financial liabilities that are designated at fair value through profit or loss.

8.5.4 Financial instruments offset

If the following conditions are met, the financial assets and financial liabilities are presented in the balance sheet with the net offset from each other. Have a statutory right to offset the confirmed amount, and such legal right is currently enforceable; Plan to settle at net amount, or to realize the financial assets and pay off the financial liabilities at the same time.

8.5.5 Impairment of financial instruments

Based on the expected credit losses, BII Transportation Technology devalues the financial assets and recognizes the losses.

Expected credit losses, means that based on the difference between all contractual cash flows receivable under the contract and all cash flows expected to be received, BII Transportation Technology discounts at the original effective interest rate, is the present value of all cash shortfalls. For original or purchased financial assets with credit impairment, BII Transportation Technology shall discount according to the actual interest rate adjusted by the credit.

8.5.6 Financial asset transfer

If almost all the risks and rewards of ownership of financial assets have been transferred to the transferee, the financial assets are derecognized; if almost all the risks and rewards of ownership of the financial assets are retained, the financial assets are not derecognized.

Neither transfer nor retain almost all risks and rewards of ownership of financial assets, which are dealt with as follows: If the financial assets are abandoned, derecognize the financial assets and recognize the assets and liabilities; If not abandoned, recognize the relevant financial assets according to the extent to which they continue to be involved in the transferred financial assets, and recognize the related liabilities.

If the transferred financial assets are continued to be involved by financial warranty, the assets should be recognized at lower of the book value of the financial assets and the financial warranty amount. The financial warranty amount refers to the maximum amount of the consideration received that will be required to be repaid.

9. Hedging Instruments

9.1 The hedging is classified into fair value hedging, cash flow hedging, and net investment hedging in an overseas operation.

9.2 Processing for adopting the hedging accounting method for a hedging instrument meeting the following conditions: (1) at the beginning of the hedging, the Company has formally appointed for the hedging relationship (the relationship between the hedging instrument and the hedged item), and prepared the formal written document for the hedging relationship, risk management objectives and hedging strategy; (2) this hedging expectation is highly effective, and conform to the company which is confirmed for the hedging relationship by the initial risk management strategy; (3) the hedging to cash flow of the expected transaction is likely to happen, and must make the company face will ultimately affect the profits and losses of the fluctuation risk of cash flow; (4) the hedging effectiveness can be measured reliably; (5) continuously evaluate the hedging effectiveness, and to ensure that the hedging is highly effective when the hedging relation is specified.

This company will affirm the hedging is highly effective when it can meet all conditions at the same time: (1) During and after the start of the hedging, the hedging expectation could be highly effective to offset the changes in the fair value or cash flow caused by the hedged risk in a specified period; (2) actual offset results of the hedging is in the range of 80% to 125%.

9. 3 Hedging accounting method

9.3.1 Fair value hedging

Hedging instruments are derivatives; the profit or loss formed by the fair value fluctuation of hedging instruments will record in current gains and losses. A hedging instrument is not derivative, the book value of the hedging instrument resulting from the profit or loss changes in exchange rate could include in the current profits and losses.

The profit or loss formed by the risk of hedged items need to record into the current profits and losses, and adjust the book value of the hedged item at the same time.

9.3.2 Cash flow hedging

(1) The profit or loss of hedging instrument belongs to the part of effective hedging, can be directly recognized as the other comprehensive income and partially include invalidly in the current profits and losses.

(2) A hedged item is the expectation transaction, and the expectation transaction makes the Company confirmed a financial asset or a financial liability, the original gains or losses that directly recognized as the other comprehensive income, roll out profit and loss in the financial asset or financial liability during the same time that affects the enterprise, include in the current profits and losses; If the forecasted transaction makes the Company confirm a non-financial asset or non-financial liability subsequently, original related gains or losses confirmed in other comprehensive income roll out, included in the amount of initial recognition of the non-financial asset or non-financial liability. And the forecast transaction makes the Company confirmed an asset or liability, the original profit or loss directly recognized as the other comprehensive income in the assets and liabilities influence enterprise profit

and loss turn out during the same time, included in the current profits and losses.

Other cash flow hedging, initial profits and losses that directly record in hedging instruments of other comprehensive income, could turn out at the same period of hedged expectation transaction.

9.3.3 The net investment hedging in an overseas operation

The part of effective hedging of profits and losses developed from hedging instruments, directly recognize as other comprehensive income, turn out and record in current gains and losses during the disposal of operating abroad; the ineffective hedging of the gains and losses formed by hedging instruments.

9.4 In order to avoid the exchange rate risk of foreign currency, this Company signed contract of hedging instruments with the banks and other financial institutions, utilize the treatment of fair value hedging, appoint the accounting period of this hedging relationship as the start and end of contract trading, and specify accounting relationship and hedging period in the light of specific hedging product contract. The Company uses the ratio analysis method to evaluate the effectiveness of hedging.

9.5 The relevant accounting policies by BII Transportation Technology are as follow:

Hedging is the risk management activity of an enterprise, which is aim To manage risk exposures arising from specific risks such as foreign exchange risk, interest rate risk, price risk and credit risk. Designating financial instruments as hedging instruments so that the changes in fair value or cash flow of hedging instruments will expectedly offsets the changes in all or part of the fair value or cash flow of the hedged item.

9.5.1 In hedging accounting, it's classified into fair value hedging, cash flow hedging, and net investment hedging in an overseas operation.

9.5.2 Processing for adopting the hedging accounting method for a hedging instrument meeting the following conditions: (1) the hedging relationship consists only of eligible hedging instruments and eligible hedged items. (2) at the inception of the hedging relationship there is formal designation and documentation of the hedging relationship and the entity's risk management objective and strategy for undertaking the hedge, and the document contains at least hedging tools, hedged items, the nature of hedged risks, and methods for evaluating hedging effectiveness (including the analysis of the causes of the ineffective part of the hedging and the method for determining the hedging ratio). (3) the hedging relationship meets all of the hedge effectiveness requirements.

If the hedging meets the following conditions at the same time, the enterprise shall determine that the hedging relationship meets the hedge effectiveness requirements:

(a) There is an economic relationship between the hedged item and the hedging instrument. This economic relationship causes the value of the hedging instrument and the hedged item to change in the opposite direction due to the same risk of being hedged.

(b) The impact of credit risk is not dominant in the value changes arising from the economic relationship between the hedged item and the hedging instrument.

(c) The hedging ratio of the hedging relationship shall be equal to the ratio of the number of hedged items actually hedged by the enterprise to the actual number of hedging instruments that are hedged, but shall not reflect the imbalance of the relative weight of the hedged item and the hedging instrument. This imbalance can result in ineffective hedging and may result in accounting results inconsistent with the hedge accounting objectives.

The enterprise shall continuously assess whether the hedging relationship meets the effectiveness requirements on the start date of the hedge and in the following period. In particular, it shall analyze the reasons for the ineffective part of the hedge that is expected to affect the hedging relationship within the remaining period of the hedge. The enterprise shall at least assess the hedging relationship on the balance sheet date and when significant changes in the relevant circumstances will affect the effectiveness of the hedge.

The hedging relationship no longer meets the hedging effectiveness requirements due to the hedging ratio, but if the risk management objectives specifying the hedging relationship are not changed, the enterprise should rebalance the hedging relationship.

9.5.3 Hedging accounting

(1) Fair value hedging

If the fair value hedging meets the conditions for applying the hedge accounting method, it shall be handled in accordance with the following provisions:

(a) The gain or loss on the hedging instrument is recognized in profit or loss, if it's hedged over a non-trading equity instrument investment (or its components) at FVTOCI, the gains or losses arising from hedging instruments should be included in other comprehensive income.

(b) The gains or losses arising from the hedging risk exposure of the hedged items shall be included in the current profit and loss, and the book value of the confirmed hedged items not measured at fair value shall be adjusted.

(2) Cash flow hedging

If the cash flow hedging meets the conditions for applying the hedge accounting method, it shall be handled in accordance with the following provisions.

(a) The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized in other comprehensive income as cash flow hedge reserves. The amount of cash flow hedge reserve that is included in other comprehensive income in each period shall be the amount of change in the current cash flow hedge reserve.

(b) The portion of the gains or losses arising from the hedging instrument that is ineffective (ie, other gains or losses after deducting other comprehensive income) shall be included in the current profits and losses.

(3) The net investment hedging in an overseas operation

For the net investment hedging in an overseas operation, including a hedge of a monetary item that is accounted for as part of the net investment, is accounted for similarly to cash flow hedges:

(a) The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized in other comprehensive income.

On the disposal or partial disposal of the foreign operation, the cumulative gain or loss on the hedging instrument relating to the effective portion shall be reclassified to profit or loss.

(b) The ineffective portion is recognized in profit or loss.

10. Accounts receivable

Receivables include accounts receivable and other receivables.

10.1 Receivables of significant individual amount and individual provision bad debt preparation

Judgment or money standard for significant individual amount	An ending balance of receivable that exceeds RMB 1 Million (including RMB 1 Million) is deemed as an individually significant receivable
Significant individual amount and bad debt provision method	Conduct the loss testing in accordance with the difference between the future cash flow and the carrying amount

10.2 Receivables for which bad debt provision is collectively assessed on a portfolio basis

The Company classifies the receivables that are not individually significant and those that are individually significant but are not impaired individually into companies of financial assets according to the similarity and relevance of credit risk characteristics.

Basis for determining a portfolio	Basis for determining a portfolio	Bad debt provision method
Aging Portfolio	Aging status	Aging analysis
Accounts receivable portfolio between consolidated related parties	Asset types	Future cash flow estimated on the basis of historical loss rate
Accounts receivable portfolio with a closing date	Asset types	Future cash flow estimated on the basis of historical loss rate

10.2.1 Aging analysis

Aging	Provision as a proportion of accounts receivable (%)	Provision as a proportion of other receivables (%)
Within 1 year (Within 1 year (inclusive)	-	-
More than 1 year but not exceeding 2 years	5.00	5.00
More than 2 year but not exceeding 3 years	15.00	15.00
More than 3 year but not exceeding 4 years	25.00	25.00
More than 4 year but not exceeding 5 years	50.00	50.00
More than 5 years	90.00	90.00

10.2.2 For other portfolios, bad debts are provided in the method as follows:

Portfolio	Bad debt provision method
Accounts receivable portfolio between consolidated related parties	Future cash flow estimated on the basis of historical loss rate
Accounts receivable portfolio with a closing date	Future cash flow estimated on the basis of historical loss rate

10.3 Accounts receivable that are not individually significant but for which bad debt provision is individually assessed:

Basis for determining a Accounts receivable that are not individually significant but for which bad debt provision is individually assessed	Accounts receivables portfolio with significant risks that don't exceed RMB Million，Including these non-related party receivables with a age more than 3 years
Bad debt provision method	Bad debt is provided as the following credit risk characteristics

Bad debt provision according to credit risk characteristics

Basis for determining a portfolio	Basis for determining a portfolio	Bad debt provision method
Portfolio	Aging status	Aging analysis
Accounts receivable portfolio between consolidated related parties	Asset types	Future cash flow estimated on the basis of historical loss rate
Accounts receivable portfolio with a closing date	Asset types	Future cash flow estimated on the basis of historical loss rate

For the notes receivable, interest receivable, long-term receivable etc., bad debt is provided according to the difference between the future cash flow and the carrying amount.

The relevant accounting policies implemented by BII Transportation Technology are as follow:

As defined in the "Accounting Standards for Business Enterprises No. 14 - Revenue", receivables that do not contain significant financing components, (including financing components of contracts not exceeding one year that not considered according to the standard) ,the subsidiary uses a simplified measurement approach to measure loss provisions in accordance with the amount of expected credit losses equivalent to the entire lifetime, and the increase or reversal of the loss provision formed as an impairment loss or gain is included in the current profit and loss.

Expected credit losses are measured on one of the following benchmarks:

(1) 12 months expected credit loss: the loss expected to occur due to possible default events within 12 months after the reporting period.

(2) Full-term expected credit loss: The expected loss of the project due to all possible default events during the expected life of the project used for the expected credit loss model.

The provision for bad debts of accounts receivable is generally measured at the amount equal to the full-term expected credit loss. The expected credit losses of this type of receivables are estimated using bad debts sheet, based on the historical credit loss experience of BII Transportation Technology, and make adjustments to the specific debt factors and the assessment of the reporting date and the overall economic situation.

Confirmed standard of bad debt losses of this Company:

When one of following cases occurs, according to the approved prescribed procedures it should be recognized as bad debts, write off the bad debt for reverse.

A, the debtor is declared to be bankrupt, revocation pursuant to law, receiving bankruptcy, cancellation of business registration or revoke license certification or the file information that government department shall be ordered to close and debtors will regard the receivable that still cannot recover as bad debts after deducting the part of clearing the pay-off.

B, debtor is declared to be dead or missing in accordance with the law, the receivables about his property or heritage less than payoff and there is no heir, is treated as bad debt losses after having obtained the relevant legal documents;

C, receivable of lawsuits, executed court verdict of the People's Court, judged ruling, ruling of losing in lawsuit, or although won but could not be executed terminated by ruling, could be regarded as bad debt losses;

D, the receivable overdue three years, has consultation record of enterprises in accordance with the collection, and able to identify three years without any business, after dealing with the debtor's all kinds of the balance of the money and the compensation of the relevant responsible personnel, the difference is regarded as bad debt losses;

E, the receivable overdue three years, The debtor in overseas and our country Hong Kong, Macao and Taiwan regions, the collection in accordance with the law is still not recovered, and no any business within three years, receiving the termination submissions issued by overseas agencies, or obtain the certification of escape, bankruptcy of debtor by the State Department or our embassies, as bad debt losses. If debtors are dead or bankrupt or death, their bankruptcy property or heritage still cannot get those back after payments;

F, Debtors do not pay their due debts for a long time, and there is enough evidence to show that the possibility of irrecoverable and recoverable debts is unlikelihood.

11. Inventories

11.1 Categories of inventories

The Company's inventories mainly include materials in transit, raw materials, and materials on consignment for further processing, materials in transit, work in progress, finished goods and development costs.

11.2 Valuation method of inventories upon delivery

The cost of inventories upon acquisition is calculated at actual costs. The actual cost of inventories upon delivery is calculated using the weighted average method.

11.3 Basis for determining net realizable value of inventories and provision methods for decline in value of inventories

At the balance sheet date, inventories are measured at the lower of cost and net realizable value. If the net realizable value is below the cost of inventories, a provision for decline in value of inventories is made. After the provision for decline in value of inventories is made, if the circumstances that previously caused inventories to be written down below cost no longer exist so that the net realizable value of inventories is higher than their cost, the original provision for decline in value is reversed and the reversal is included in profit or loss for the period.

11.4 Inventory count system

The perpetual inventory system is maintained for stock system.

11.5 Amortization method for low cost and short-lived consumable items and packaging materials

Be on the basis of the immediate write-off method to amortize.

12. Contract asset

The relevant accounting policies of contract asset by BII Transportation Technology are as follow:

12.1 Recognition method and standard of contract asset

The Company presents contract assets or contract liabilities in the balance sheet based on the relationship between performance obligations and customer payments. The consideration (except for receivables) that the Company has the right to receive for transferred goods or provided services to customers is listed as contract assets.

12.2 Method for determining expected credit loss of contract assets and accounting treatment

For contract assets that do not contain significant financing components, the company adopts a simplified model of expected credit losses, that is, it always measures its loss provision according to the amount of expected credit loss for the entire life period, and the increase or reversal of the loss provision thus formed is included in current profit and loss, as an impairment loss or gain.

For contract assets that contains significant financing components, the company adopts a simplified model of expected credit losses, that is, it always measures its loss provision according to the amount of expected credit loss for the entire life period, and the increase or reversal of the loss provision thus formed is included in current profit and loss, as an impairment loss or gain.

13. Long-term equity investments

13.1 Determination of investment cost

13.1.1 The business combinations under common control, the combined party to pay in cash, transfers non-cash assets, assumed debt or equity securities as combined consideration, on the combining date according to the owner's equity in the combined party on the final control party's share of the book value of the consolidated financial statements as its initial investment cost. The difference between initial investment cost in the long-term equity investment and book value of the paid merger consideration of the total amount of the face value of the issued shares to adjust capital reserves; if capital reserves are insufficient to write-downs, it needs to adjust the retained earnings.

13.1.2 The business combinations not under common control, in accordance with the payment of the fair value of the merger consideration is its initial investment cost on the acquisition date.

13.1.3 For a long-term equity investment acquired through business combination not involving enterprises under common control and achieved in stages, the investment cost of the long-term equity investment is the aggregate of the carrying amount of the equity interest held in the acquiree prior to the acquisition date and the cost of the additional investment at the acquisition date. The long-term equity investment acquired otherwise than through a business combination is initially measured at its cost.

13.2 Subsequent measurement and profit & loss recognition

The invested entity of a long-term equity investment to the invested unit can utilize accounting with cost method; accounting with equity method will be used to have joint control or significant influence of a

long-term equity investment.

13.3 Basis for determining joint control and significant influence over investee

Joint control is the contractually agreed sharing of control over an economic activity, and exists only when the strategic financial and operating policy decisions relating to the activity require the unanimous consent of the parties sharing control. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

13.4 Methods of impairment assessment and determining the provision for impairment loss

For the long term investment in subsidiaries, joint venture and associates, The Company reviews the long-term equity investments at each balance sheet date to determine whether there is any indication that they have suffered an impairment loss. If an impairment indication exists, the recoverable amount is estimated. If such recoverable amount is less than its carrying amount, a provision for impairment losses in respect of the deficit is recognized in profit or loss for the period.

14. Investment properties

14.1 The Company's investment properties include a land use right that is leased out; a land use right held for transfer upon capital appreciation; and a building that is leased out.

14.2 The Company uses the cost model for subsequent measurement of investment property, and adopts a depreciation or amortization policy for the investment property, which is consistent with that for fixed assets or intangible assets. The Company reviews the investment properties at each balance sheet date to determine whether there is any indication that they have suffered an impairment loss. If there is any indication that such assets may be impaired, the recoverable amounts are estimated for such assets. If the recoverable amount of an asset or an asset Company is less than its carrying amount, the deficit is accounted for as an impairment loss and is recognized in profit or loss for the period.

15. Fixed assets

15.1 Recognition, measurement and depreciation criteria for fixed assets

Fixed assets are tangible assets that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and have useful lives of more than one accounting year. Fixed assets are initially measured at acquisition cost, and depreciated over its useful life using the straight-line method since the month subsequent to the one in which it is ready for intended use.

15.2 Deprecation methods for each category of fixed assets

Fixed assets are depreciated as follows:

Category	Depreciation period (years)	Residual value rate (%)	Annual depreciation rate (%)
Electronic equipment	3	5	31.67
Office equipment	5	5	19.00
Transportation equipment	8	5	11.88

The Company reviews the useful life and estimated net residual value of a fixed asset and the depreciation method applied at least once at each financial year-end, and account for any change as a change in an accounting estimate.

If any deficit occurs from original estimation or estimated net residual value of a fixed asset, the Company then makes adjust accordingly.

15.3 Methods of impairment assessment and determining the provision for impairment losses of fixed assets

The Company assesses at each balance sheet date whether there is any indication that the fixed assets may be impaired. If there is any indication that such assets may be impaired, recoverable amounts are estimated for such assets. If the recoverable amount of an asset or an asset company is less than its carrying amount, the deficit is accounted for as an impairment loss and is recognized in profit or loss for the period.

16. Construction in progress

16.1 Construction in progress should be transferred into fixed assets at its actual costs after it has reached the working condition for its intended use. Construction in progress that has reached the working condition but not completed, shall be transferred at its estimated costs. The estimated cost of construction in progress should be adjusted against the actual costs after completion of settlement, while the depreciation already provided will not be adjusted.

16.2 The Company assesses at each balance sheet date whether there is any indication that construction in progress may be impaired. If there is any indication that such assets may be impaired, recoverable amounts are estimated for such assets.

17. Borrowing cost

17.1 Recognition criteria of capitalization

Borrowing costs are capitalized when expenditures for such asset and borrowing costs are incurred and activities relating to the acquisition, construction or production of the asset that are necessary to prepare

the asset for its intended use or sale have commenced. Other borrowing costs are recognized as an expense in the period in which they are incurred.

17.2 Period of capitalization

17.2.1 Borrowing costs directly attributable to the acquisition, construction or production of qualifying asset are capitalized when expenditures for such asset and borrowing costs are incurred and activities relating to the acquisition, construction or production of the asset that are necessary to prepare the asset for its intended use or sale have commenced.

17.2.2 Capitalization of borrowing costs ceases when the qualifying asset being acquired, constructed or produced becomes ready for its intended use or sale. Capitalization of borrowing costs is suspended during periods in which the acquisition, construction or production of a qualifying asset is suspended abnormally and when the suspension is for a continuous period of more than 3 months. Capitalization is suspended until the acquisition, construction or production of the asset is resumed.

17.2.3 Capitalization of borrowing costs ceases when the qualifying asset being acquired, constructed or produced becomes ready for its intended use or sale， the borrowing costs stop capitalization.

17.3 Capitalization amount of borrowing costs

Where funds are borrowed under a specific-purpose borrowing, the amount of interest to be capitalized is the actual interest expense incurred on that borrowing for the period less any bank interest earned from depositing the borrowed funds before being used on the asset or any investment income on the temporary investment of those funds. Where funds are borrowed under general-purpose borrowings, the Company determines the amount of interest to be capitalized on such borrowings by applying a capitalization rate to the weighted average of the excess of cumulative expenditures on the asset over the amounts of specific-purpose borrowings. The capitalization rate is the weighted average of the interest rates applicable to the general-purpose borrowings.

18. Intangible assets

18.1 Intangible assets, including land use rights, patents and concessions etc. are recognized at costs.

18.2 An intangible asset is measured initially at cost. When an intangible asset with a finite useful life is available for use, its original cost less net residual value and any accumulated impairment losses is amortized over its estimated useful life using the straight-line method. An intangible asset with an indefinite useful life is not amortized. The Company doesn't exist any intangible assets with indefinite useful life for the year.

For an intangible asset with a finite useful life, the Company reviews the useful life and amortization method at the end of the period, and makes adjustments when necessary.

At balance sheet date, if an intangible asset is estimated not to bring any future economic benefits, the carrying amount of the intangible asset will be transferred into profit and loss completely.

18.3 The Company assesses at each balance sheet date whether there is any indication that the intangible assets with definite life may be impaired. If there is any indication that such assets may be impaired, recoverable amounts are estimated for such assets. If the recoverable amount of an asset or an asset group is less than its carrying amount, the deficit is accounted for as an impairment loss and is recognized in profit or loss for the period. For an intangible asset with infinite useful life, the Company reviews the useful life and amortization method at the end of the period.

18.4 Expenditure during the development phase that meets all of the following conditions at the same time is recognized as intangible asset. Expenditure during development phase that does not meet the following conditions is recognized in profit or loss for the period.

(1) It is technically feasible to complete the intangible asset so that it will be available for use or sale;

(2) The Company has the intention to complete the intangible asset and use or sell it;

(3) The Company can demonstrate the ways in which the intangible asset will generate economic benefits, including the evidence of the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;

(4) The availability of adequate technical, financial and other resources to complete the development and the ability to use or sell the intangible asset; and

(5) The expenditure attributable to the intangible asset during its development phase can be reliably measured.

The Company's relevant items proceed into development process when it can meet all conditions above and through the technical feasibility and research of economic feasibility to approve and initiate a project. The capitalized payment of development phase illustrated as development payment on the balance sheet, and transfer to intangible assets after the items achieve expected serviceable condition.

19. Long-term prepaid expenses

Long-term prepaid expenses represent expenses incurred that should be borne and amortized over the current and subsequent periods (together of more than one year). Long-term prepaid expenses are amortized using the straight-line method over the expected periods in which benefits are derived.

20. Goodwill

Goodwill is the difference between the equity investment costs or the cost of business combination not under the same control over or obtaining from the merger of enterprises shall enjoy the invested entity or identifiable net assets and the fair value of the share in the grant day or purchase date.

Goodwill associated with subsidiary shows separately in the consolidated financial statements, the goodwill associated with associated enterprises and joint ventures, included in the book value of the long-term equity investment.

The Company is not amortized to goodwill, impairment test at the end of each year, according to the difference that recoverable amount is lower than the book value will conduct the provision for impairment loss, the corresponding asset impairment loss record into the current profits and losses. Impairment losses will no longer return in the future accounting periods upon confirmation.

21. Contract liabilities

The Company presents contract assets or contract liabilities in the balance sheet based on the relationship between performance obligations and customer payments. The obligation of the company to transfer goods or provide services to customers due to considerations received or receivable is presented as contract liabilities.

22. Employee compensation

Employee compensation is to point to the all forms of remuneration or compensation that Company receive services rendered by employees or give except share-based payment in order to terminate the labor relationship. Employee compensation includes short-term compensation, severance welfare, dismissal benefits and other long-term employee benefits. The compensation that Company offered to the worker spouse, children, dependents, the deceased employee survivors and other beneficiaries, also belong to employee compensation.

22.1Short-term employee benefits

The related expenditures are either included in cost of related assets or charged to profit or loss in the period when they are incurred. Non-monetary benefits are measured at fair value.

22.2 termination benefits

When the Company terminates the employment relationship with employees before the expiry of the employment contracts or provides compensation as an offer to encourage employees to accept voluntary redundancy, if the Company has a formal plan for termination of employment relationship or has made an offer for voluntary redundancy which will be implemented immediately, and the Company cannot unilaterally withdraw from the termination plan or the redundancy offer, a provision for the compensation payable arising from the termination of employment relationship with employees is recognized with a corresponding charge to the profit or loss for the period, and include in current profits and losses.

When the Group terminates the employment relationship with employees before the employment contracts expire, or provides compensation as an offer to encourage employees to accept voluntary redundancy, a provision for the termination benefits provided is recognized in profit or loss when both of the following conditions are satisfied:

(1) The Company has a formal plan for the termination of employment or has made an offer to employees for voluntary redundancy, which will be implemented shortly;

(2) The Company is not allowed to withdraw from termination plan or redundancy offer unilaterally.

For the termination plans that the employees don't have options, employee benefits are provided in according to the terms of numbers of dismissed employees' compensation criteria in termination plans.

For the termination plans that the employees are willing to accept, employee benefits are provided in according to the terms of numbers of dismissed employees' compensation criteria in termination plans within ASEB No. 13 – Contingency.

The termination benefits that meets the recognition, of which actual dismission has been finished with one year while the payment lasts for over one year, shall be discounted to present value.

22.3 Defined contribution plan

Pursuant to the relevant laws and regulations of the PRC, employees of the Company participate in the social insurance system established and managed by government organization. The Company makes social insurance contributions, including contributions to basic pension insurance at the applicable benchmarks and rates stipulated by the government for the benefit of its employees. The pension insurance contributions are recognized as part of the cost of assets or charged to profit or loss on an accrual basis.

Except for the basic pension insurance, employees of the Company participate in the retirement welfare plan. Both the employee and the Company make contribution to the annuity plan at a certain rate, and the contribution is recognized at profit and loss when occurs.

23. Share-based payment and equity instrument

23.1The categories of share-based payment

Equity-settled share-based payments and cash-settled share-based payment are included.

23.2The method for determining of the fair value of the equity instruments

23.2.1 There are active markets, according to the determined in the active market quotation.

23.2.2 There is no active market, the valuation techniques, including reference to familiar with the situation and voluntary transaction parties in the recent market transactions using the price of other financial instruments; the reference is essentially the same current fair value, discounted cash flow method and the option pricing model, etc.

23.3 Confirming the basis of the best estimate of vested equity instruments

According to the latest acquired subsequent information staff size change of the vesting to estimate.

23.4 Related accounting treatment of implement, modification, termination of share-based payment plan

23.4.1 Equity-settled share-based payment

If the right may be exercised immediately after the equity-settled share-based payment granted in return for services of employees, included in the relevant costs or expenses in accordance with the fair value of the equity instruments in the grant date, capital reserves should be adjusted. Complete the service of waiting period or meet the prescribed performance conditions in return for services of employees, if only the vesting of equity-settled share-based payment, waiting for the period of each balance sheet date, to the number of vested equity instruments is based on best estimate, according to the fair value of the equity instruments granted to date, the current service included in the relevant costs or expenses, capital reserves shall be adjusted.

Rights and interests of clearing share-based payment in return for services of the other party, if the fair value of the other party service can be reliably measured, according to the other party service of the fair value in the grant day; If the fair value of the other party service cannot be reliably measured, but the fair value of the equity instruments can be reliably measured, in accordance with the fair value of the equity instruments in service, metering, included in the relevant costs or expenses, the owner's equity shall be increased accordingly.

23.4.2 Cash-settled share-based payment

The cash-settled share-based payment after the right may be exercised immediately granted in return for services of employees, fair value of the Company to undertake liabilities in the grant date included in the relevant costs or expenses, the liabilities shall be increased accordingly. Complete service of the waiting period or meet performance conditions before the vesting in return for employee services cash-settled share-based payment, each balance sheet date in waiting period, based on the best estimate of the vesting conditions, according to the fair value of the Company to undertake liabilities, the current service should be recorded in the relevant costs or expenses and the corresponding liabilities.

23.4.3 Modify, terminate the share-based payment plan

If modification increases the fair value of the granted equity instruments, the Company accordingly confirm the increase of the service in accordance with the increase of the fair value of the equity instruments; If you change to increase the number of the granted equity instruments, the Company will increase the fair value of the equity instruments and confirm accordingly as the increase of the service; If the Company modify the vesting conditions in accordance with the conducive way to worker, the Company will think about the modified vesting conditions in dealing with the vesting condition.

If the modification reduce the fair value of the granted equity instruments, Company continues to be on the basis of the fair value of equity instruments in grant date, confirm the amount of service, regardless of the reduction of fair value of the equity instruments; If the modification decrease the number of the granted equity instruments, the Company will reduce part as the cancellation of the granted equity

instruments to process; If the modification changes the vesting conditions based on the unfavorable way to the workers, in dealing with the vesting conditions, not to consider the revised vesting conditions.

If the Company cancel the granted equity instruments over the vesting period or clearing the granted equity instruments (except the cancellation due to not satisfying the vesting conditions), will be canceled or settlement as accelerated vesting, immediately confirm the amount that was confirmed in the rest of the vesting period.

24. Bonds payable

The Company initially recognizes the bonds payable at the fair value. Related costs are recognized into initial amount, and subsequently recognized into amortized costs.

The deficits between the actual price and face value are amortized using interest rate method when interest is provided accordingly to the treatment criteria of borrowing costs.

25. Estimated liability

25.1. For external guarantee, litigation matters, quality guarantee of products, deficit contracts or the duty to matters form to become a present obligation of the Company to undertake, the duty is likely to result in the outflow of economic benefits from the Company, and the amount of the obligation can be measured reliably, the obligation to the Company will confirm for the estimated debts.

25.2. In accordance with the best estimate of the expenses necessary for the performance of the current obligation, the Company conducts initial measurement to estimated debts, and rechecks the book value of the estimated debts on the balance sheet date.

26. Revenue

26.1 sales of goods

Revenue from sales of goods is recognized when (1) the Company has transferred to the buyer the significant risks and rewards of ownership of the goods; (2) the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; (3) the amount of revenue can be measured reliably; (4) it is probable that the associated economic benefits will flow to the Company; and (5) the associated costs incurred or to be incurred can be measured reliably.

26.2 offering services

Revenue from rendering of services is recognized when the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the enterprise; the stage of completion of the transaction can be determined reliably; and the associated costs incurred or to be incurred can be measured reliably. Revenue from rendering of services is recognized using the percentage of completion method at the balance sheet date. The stage of completion of a transaction

for rendering for services is determined based on surveys of work performed. When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognized only to the extent of the costs incurred that will be recoverable, and the costs incurred are recognized as expenses for the period. When it is not probable that the costs incurred will be recovered, revenue is not recognized.

26.3 Revenue from alienating of right to use assets

When the economic benefit will probably flow into the Company and the revenue can be measured reliably, the amount of revenue from alienating of right to use assets shall be recognized as follows: revenue of interest shall be confirmed by the time and actual interest of the assets that have been used; revenue of charge for use shall be confirmed by the agreed time and methods in the contract.

26.4 The relevant accounting policies by BII Transportation Technology are as follow:

Revenue refers to the total inflow of economic benefits that the company has formed in its daily activities that will lead to an increase in owner's equity but irrelevant with the owner's investment in capital.

26.4.1 Recognition of revenue

The enterprise shall fulfill the performance obligation in the contract, that is, the revenue is recognized when the customer obtains control of the relevant commodity. Obtaining control of related commodities means being able to dominate the use of the commodity and obtain almost all of its economic benefits.

When the contract between the company and the customer meets the following conditions at the same time, the enterprise shall recognize the revenue when the customer obtains the control of the relevant commodity:

(1) The parties to the contract have approved the contract and promised to fulfill their respective obligations;

(2) The contract clarifies the rights and obligations of the parties to the contract relating to the goods transferred or the services offered;

(3) The contract has a clear payment terms associated with the transferred goods;

(4) The contract has commercial substance, that is, fulfilling the contract will change the risk, time distribution or amount of future cash flow of the company;

(5) The consideration that an enterprise is entitled to for the transfer of goods to a customer is likely to be recovered.

26.4.2 According to the relevant provisions of the revenue standard, the Company judges that the nature of the relevant performance obligation belongs to "performance obligations performed within a

certain period of time" or "performance obligations performed at a certain point in time", and the revenue is recognized according to the following principles:

(1) For the performance obligations performed during a certain period of time, the company recognizes the revenue according to the progress of the performance during the period, except that the progress of the performance cannot be reasonably determined.

(2) For performance obligations performed at a certain point in time, the company shall recognize the revenue when the customer obtains control of the relevant commodity.

26.4.3 Measurement of revenue

The company shall measure the income according to the transaction price allocated to each individual performance obligation. In determining the transaction price, the company considers the impact of variable consideration, major financing components in the contract, non-cash consideration, and payable customer consideration.

(1) Variable consideration

The Company determines the best estimate of the variable consideration based on the expected value or the most likely amount, but the transaction price including the variable consideration shall not exceed the amount at which the cumulative recognized revenue is likely to not be significantly reversed when the relevant uncertainty is eliminated. In assessing whether the cumulative recognized revenue is unlikely to be significantly reversed, the company should consider both the likelihood of reversal and its proportion.

(2) Significant financing components in the contract

Where there is a significant financing component in the contract, the company shall determine the transaction price in accordance with the amount payable assuming that customer pays in cash. The difference between the transaction price and the contractual consideration shall be amortized using the effective interest method during the contract period.

(3) Non-cash consideration

If the customer pays a non-cash consideration, the company determines the transaction price based on the fair value of the non-cash consideration. Where the fair value cannot be reasonably estimated, the company indirectly determines the transaction price with reference to the only selling price of the goods it has promised to transfer to the customer.

(4) Payable customer consideration

For the payable customer consideration, the payable consideration shall be offset against the transaction price, and the current revenue shall be offset against at the later of the recognition of the

relevant revenue and the payment (or promised payment) of the customer's consideration, except for which is in order to obtain other clearly distinguishable goods from the customer.

If the company pays the customer's consideration in order to obtain other clearly distinguishable goods from the customer, it shall recognize the purchased goods in a manner consistent with other purchases of the company. If the payable customer consideration is more than the fair value of the commodity that can be clearly distinguished from the customer, the excess amount will offset the transaction price. If the fair value cannot be reasonably estimated, the enterprise shall offset the transaction price in full amount.

27. Government grants

27.1 Government grants include asset related government grants and income related government grants.

27.2 If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable. If a government grant is in the form of a non-monetary asset, it is measured at fair value. If the fair value cannot be reliably determined, it is measured at a nominal amount.

27.3 The government grant adopts the total method:

27.3.1 A government grant related to an asset is recognized as deferred income, and amortized to profit or loss on a reasonable and systematic basis over the useful life of the related asset. If the relevant assets are sold, transferred, scrapped or damaged before the end of their useful lives, the undistributed balance of related deferred income will be transferred to the profit or loss of the asset disposal in the current period.

27.3.2 If a government grant related to income is used to compensate for the related expenses or losses in the subsequent period, it shall be recognized as deferred income and shall be recorded in the current profit or loss in the period in which the relevant expenses are recognized; For the compensation of related expenses or losses that have occurred, they shall be directly included in the current profits and losses.

27.4 For government grants that include both the asset-related portion and the income-related portion, the different parts are separately accounted for; if it is indistinguishable, the overall classification is revenue-related government subsidies.

27.5 The Company will include government grants related to the company's daily activities in accordance with the nature of the economic business and include it in other income or write down the related costs; government grants that are unrelated to the daily activities of the company shall be included in non-operating income and expenditure.

27.6 The company will obtain the policy discount loan interest discount in accordance with the government to allocate the interest-bearing fund to the loan bank and the finance will directly disburse the interest-bearing fund to the company in two cases:

27.6.1 The finance allocates the interest-subsidy funds to the loan bank. If the lending bank provides loans to the company at a policy-based preferential interest rate, the company chooses to conduct accounting treatment according to the following methods:

(1) The borrowing amount actually received is taken as the entry value of the borrowings, and the relevant borrowing costs are calculated according to the principal of the loan and the policy preferential interest rate.

(2) The fair value of borrowings is taken as the recorded value of borrowings and the borrowing costs are calculated according to the actual interest rate method. The difference between the actual amount received and the fair value of the borrowings is recognized as deferred income. Deferred income is amortized over the life of the borrowing using the effective interest method to offset the related borrowing costs.

27.6.2 If the financial department directly distributes the discounted interest funds to the company, the company will offset the relevant borrowing costs by the corresponding discount interest.

28. The deferred income tax assets and the deferred income tax liabilities

28.1 According to the book value of the assets, liabilities and its tax base the difference between the (not confirmed project as assets and liabilities of its tax base can be determined in accordance with the provisions of the tax law, the tax base and the difference between the book number), according to the forecast of the asset is recovered or the applicable tax rate calculation during the debt confirmed deferred income tax assets and deferred income tax liabilities.

28.2 Confirm the deferred income tax assets to probably get used to making the deductible temporary differences are limited to the amount of taxable income. During the balance sheet date, there is strong evidence that the future is likely to obtain sufficient taxable income to offset the deductible temporary difference, confirm the unconfirmed deferred income tax assets in previous accounting periods.

28.3 On the balance sheet date, review the book value of the deferred income tax assets, and if during the period of the future may not be able to obtain sufficient taxable income to offset the benefit of the deferred income tax assets, the write-downs on the book value of the deferred income tax assets. If it is likely to obtain sufficient taxable income, return the amount of write-downs.

28.4 The Company's current income tax and deferred income tax as recorded into the profits and losses of the current income tax expenses, or earnings, but does not include the income tax in the following circumstances:

(1) The business combination;

(2) Direct confirmation of transactions or events in the owner's equity.

Corporate income tax should pay taxes individually, and adopt self-declaration and verify payment method.

29. Lease

29.1 Operating leases

The Company as lessee under operating leases: operating lease payments are recognized on a straight-line basis over the term of the relevant lease, and are either included in the cost of related asset or charged to profit or loss for the period. Initial direct costs incurred are charged to profit or loss for the period. Contingent rents are charged to profit or loss in the period in which they are actually incurred.

The Company as lessor under operating leases: rental income from operating leases is recognized in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs with more than an insignificant amount are capitalized when incurred, and are recognized in profit or loss on the same basis as rental income over the lease term. Other initial direct costs with an insignificant amount are charged to profit or loss in the period in which they are incurred. Contingent rents are charged to profit or loss in the period in which they actually arise.

29.2 Financial leases

The Company as lessee under finance leases: at the commencement of the lease term, the Company records the leased asset at an amount equal to the lower of the fair value of the leased asset and the present value of the minimum lease payments at the inception of the lease, and recognizes a long-term payable at an amount equal to the minimum lease payments. The difference between the recorded amounts is accounted for as unrecognized finance charge. Unrecognized finance charges are recognized as finance charge for the period using the effective interest method over the lease term.

The Company as lessor under finance leases: at the commencement of the lease term, the aggregate of the minimum lease receivable at the inception of the lease and the initial direct costs is recognized as a finance lease receivable, and the unguaranteed residual value is recorded at the same time. The difference between the aggregate of the minimum lease receivable, the initial direct costs and the unguaranteed residual value, and the aggregate of their present values is recognized as unearned finance income. Unearned finance income is recognized as finance income for the period using the effective interest method over the lease term.

The relevant policies of BII Transportation Technology are as follows:

1. Lessee

When the company is the lessee, at the beginning of the lease period, in addition to choosing short-term leases and low-value asset leases that use simplified processing, the company uses the cost model for subsequent measurement of right-of-use assets. With reference to the relevant depreciation provisions of "ASBE No. 4 Fixed Assets", depreciation is accrued for right-of-use assets. If the lessee can reasonably remain the ownership of the leased asset when the lease term expires, it should make depreciation within the remaining useful life of the leased asset. If the ownership of the leased asset cannot be reasonably remained at the end of the lease period, depreciation shall be made within the

shorter of the lease period and the remaining useful life of the leased asset. The company determines whether the right-of-use asset is impaired in accordance with the provisions of "ASBE No. 8 Impairment of Assets", and performs accounting treatment for the identified impairment losses.

Recognition of right-of-use assets and lease liabilities

The company calculates the interest expense of the lease liability in each period of the lease period according to a fixed cyclic interest rate, and is included in the current profit and loss. According to the "ASBE No. 17 Borrowing Costs" and other standards that should be included in the cost of relevant assets, the provisions shall prevail.

For short-term leases and low-value asset leases, the company chooses not to recognize right-of-use assets and lease liabilities, and recognize the lease payments in the cost of related assets or current profit and loss in the straight-line method during each period of the lease.

2. Lessor

(1) Financial leases

If the company is the lessor, at the beginning of the lease period, the financial lease receivable is recognized for the financial lease, and the financial lease assets are terminated.

(2) Operating leases

As a lessor, the company uses the straight-line method to confirm the lease receipts of operating leases as rental income during each period of the lease. Capitalize the initial related direct expenses incurred, and allocate them on the same basis as the recognition of rental income during the lease period, and recognize them in the current profit or loss in installments.

For fixed assets in operating leased assets, the company should adopt depreciation policies for similar assets to accrue depreciation; for other operating lease assets, amortization should be carried out in a systematic and reasonable manner according to the enterprise accounting standards applicable to the asset. In accordance with the provisions of "ASBE No.8 Impairment of Assets", the company determines whether the operating lease assets are impaired and performs corresponding accounting treatment.

30. Hold for sale

The company divides the corporate components that meet all of the following conditions into holding for sale:

(1) Based on the usual practice of selling such assets or disposal groups in similar transactions, they can be sold immediately under current conditions;

(2) The sale is highly probable, a resolution has been made on a sale plan and a firm purchase commitment has been obtained and it is expected that the sale will be completed within one year.

Approvals from relevant authorities or regulatory authorities have been obtained in accordance with relevant regulations.

The Company adjusts the expected net salvage value held for sale to reflect the net amount of its fair value less costs to sell. The difference between the original book value and the adjusted net residual value is included in the profit or loss of the current period as an asset impairment loss. At the same time, provision for impairment of assets held for sale was made. For the amount of impairment loss of assets confirmed by the disposal group held for sale, the book value of goodwill in the disposal group should be offset first, and then the proportion of the book value of various non-current assets measured in the disposal group according to the application of this standard measurement. Proportionately deducts its book value.

If the fair value of the non-current assets held for sale on the balance sheet date is less than the net value of the selling expenses, the amount of the previous write-down shall be restored and the impairment of assets recognized after being classified as held for sale shall be made. The amount of the loss is reversed and the amount reversed is included in the current profit or loss. Impairment losses on assets recognized prior to classification as held for sale shall not be reversed. If the fair value of the disposal group held for sale on the subsequent balance sheet day is increased, the net amount after the sale expense is increased, the amount of the previously written down amount shall be restored, and shall apply to the measurement requirements of this standard after being classified as held for sale. The impairment loss of assets confirmed by non-current assets is reversed within the amount, and the reversed amount is included in the current profit or loss. The carrying amount of the goodwill that has been eliminated and the non-current assets applicable to the measurement of this standard will not be reversed if it is recognized before the assets are classified as held for sale. The subsequent reversal of the asset impairment loss confirmed by the disposal group held for sale shall be based on the proportion of the book value of various non-current assets measured and applied in the disposal group in addition to goodwill, and shall increase its book value proportionately.

31. Replacement of non-monetary assets

31.1 Meeting the requirements at the same period: 1) the exchange possesses business nature and 2) the fair value of the assets received or assets surrendered can be measured in a reliable way of condition, the exchange of non-monetary assets regard the fair value and relevant payable taxes as the cost of assets received, the difference between the fair value and book value of the assets surrendered shall be recorded as current profit or loss. When companies pay a premium, it will make the fair value of assets surrendered and payable relevant taxes as assets receives cost, the difference between the book value of assets received and surrendered and the sum of payable premium and payable taxes, records into current profit and loss; when Company receive the premium, as the cost of assets received based on fair value of assets received and payable taxes, the difference between the sum asset received cost add received premium and the sum of book value of asset surrendered add payable taxes, will include in current profit and loss.

31.2 The non-monetary assets transaction that do not meeting all requirements above, make the book value of asset surrendered and payable relevant taxes as the cost of assets received, and not confirm the profits and losses. When paying the premium, making the book value of assets surrendered add payable premium and payable taxes as the cost of assets received, not confirm the profits and losses. When receiving the premium, using the book value of assets surrendered minus assets received and adding payable relevant taxes as the costs for assets received, not affirm the gains and losses.

32. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement of the Company is carried out in accordance with the relevant provisions of the "Accounting Standards for Business Enterprises No. 39 – Fair Value Measurement", including:

32.1 Initial measurement of fair value

Based on the nature of the transaction and the characteristics of the relevant assets or liabilities, the company determines whether the fair value at the initial recognition is equal to its transaction price. If other relevant accounting standards require or allow the enterprise to initially measure the relevant assets or liabilities at fair value, and the transaction price is not equal to the fair value, the company will account for the related gains or losses in the current profit and loss. Except for otherwise provided in other relevant accounting standards.

32.2 Fair value valuation techniques

Valuation techniques used by the company to measure related assets or liabilities at fair value mainly include market law, income method and cost method. When the Company uses a variety of valuation techniques to measure fair value, it will fully consider the reasonableness of each valuation result, and select the amount that best represents the fair value in the current situation as the fair value. In the application of valuation techniques, the company prioritizes the use of relevant observable inputs and uses unobservable inputs only if the relevant observable inputs are not available or impracticable to be obtained.

32.3 Hierarchical division of values

The company divides the input values used in fair value measurement into three levels, and first uses the level 1 input value, then the level 2 input value, and finally the level 3 input value.

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities which can be accessed at the measurement date; Level 2 – based on inputs other than those included within level 1 that are observable for the relevant asset or liability, either directly or indirectly; and Level 3 – based on unobservable inputs for the relevant asset and liability.

The above hierarchy is specifically expressed as follows: If there is an active market for financial instruments, the company uses the quoted price in an active market to determine its fair value. Quotations in an active market refer to prices that are readily available from exchanges, brokers, industry associations, pricing services, etc., and represent the prices of market transactions that actually occur in an arm's length transaction. If there is no active market for financial instruments, the company uses valuation techniques to determine its fair value. Valuation techniques include reference to prices used in recent market transactions by parties familiar with the situation and voluntary transactions, current fair values of other financial instruments that are substantially identical, discounted cash flow methods, and option pricing models.

33. Asset Securitization

Accounting method of asset securitization business: the general sale of basic assets to a specific purpose entity, and then by the entity to investors to issue securities. The interests of securitized financial assets are manifested in the form of priority asset-backed securities or sub-asset-backed securities.

When the Company has transferred almost all of the risks and rewards of ownership of the financial asset, the Company will terminate the recognition of the financial asset. When the Company retains almost all of the risks and rewards of the ownership of the financial asset, the Company will continue to confirm that the financial asset; If the Company does not transfer or retain almost all of the risks and rewards of ownership of the financial asset, the Company will consider whether there is any control over the financial assets. If the Company does not retain control, the Company will terminate the recognition of the financial assets and recognize the rights and obligations arising or retained in the transfer as assets or liabilities. If the Company retains control, the financial asset is recognized based on the degree of continued involvement of the financial asset.

34. Discontinuing Operation

Termination of business refers to a separately identifiable component of an enterprise that satisfies one of the following conditions and that has been disposed of or divided into categories for sale:

34.1 This component represents an independent main business or a separate major business area;

34.2 This component is part of an associated plan that is intended to be disposed of in an independent main business or a separate major business area;

34.3 This component is a subsidiary that was specifically acquired for resale.

Enterprises should list continuing operations and terminate operating profits and losses separately in the income statement. For non-current assets or disposal groups held for sale that do not meet the definition of termination of business, the impairment loss, reversal amount, and disposal gains and losses should be presented as continuing profits and losses. The operating profit or loss and disposal

gains and losses, such as impairment loss and reversal amount of the termination of the business, shall be presented as the profit and loss from discontinued operations.

V. CHANGES IN ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES, AND CORRECTIONS OF ACCOUNTING ERRORS

1. Changes in Accounting Policies

1.1 Since January 1, 2019, the company has adopted the relevant provisions of "Notice on Revising and Issuing the Format of General Enterprise Financial Statements for 2019" (Cai Kuai [2019] No. 6). The impact of accounting policy changes is as follows:

The character, contents and reasons for the changes of accounting policies	Affected financial statements line items
Split "Notes receivable and Accounts receivable" into "Notes receivable" and "Accounts receivable"	Consolidated Notes receivable as at 31 December 2019 and 31 December 2018 are stated as RMB 165,348,459.30 and RMB 0.00; Consolidated Accounts receivable as at 31 December 2019 and 31 December 2018 are stated as RMB 256,574,706.15 and RMB 235,006,706.65. Notes receivable as at 31 December 2019 and 31 December 2018 are stated as RMB 0.00 and RMB0.00; Accounts receivable as at 31 December 2019 and 31 December 2018 are stated as RMB 0.00 and RMB 0.00.
Split " Notes payables and accounts payables" into "Notes payable" and "Accounts payable"	Consolidated Notes payable as at 31 December 2019 and 31 December 2018 are stated as RMB 119,651,498.24 and RMB 17,586,338.97; Consolidated Accounts payable as at 31 December 2019 and 31 December 2018 are stated as RMB 489,578,736.50 and 266,723,835.97. Notes payable as at 31 December 2019 and 31 December 2018 are stated as RMB 0.00 and RMB 0.00; Accounts payable as at 31 December 2019 and 31 December 2018 are stated as RMB 0.00 and RMB 0.00.

2. Changes in Accounting Estimates

None.

3. Corrections of Accounting Errors of Prior Period

None.

VI. TAXES

1. Major categories of taxes and tax rates

Category of tax	Basis of tax computation	Tax rate(%)
VAT	Taxable revenue for sales of goods and supply of services	6
City maintenance and construction tax	Turnover tax	7
Education surplus	Turnover tax	3
Local education surplus	Turnover tax	2
Enterprise income tax	Taxable income	16.5, 25

2. Tax incentive and approval

Suzhou Huaqi Intelligent Technology Co., Ltd., ERG Transit Systems(China)Ltd., Beijing BII-ERG Transportation Technology Co.,Ltd., Beijing BII Technology Development Co., Ltd., and Limus Technologies (Beijing) Co., Ltd., subsidiary of BII Transportation Technology, have been approved by the Taxation Bureau as a high-tech enterprise to pay taxes. Therefore, the aforementioned affiliated company enjoys a preferential 15% corporate income tax rate for the year ended December 31, 2019. In addition to the preferential corporate income tax rate in China, the affiliated company is also entitled to an additional tax deduction based on 75% of the eligible R & D costs incurred by it.

Chengdu Huaqi Hi-Tech Intelligent Technology Co., Ltd. and Suzhou Knightli Intelligent Technology Co., Ltd., subsidiaries of BII Transportation Technology, are entitled to a two-year Chinese corporate income tax exemption, and then enjoy a 50% reduction in Chinese corporate income tax from the end of two years Three years. Therefore, the aforementioned affiliated companies enjoy Chinese corporate income tax exemption for the year ended December 31, 2019.

BII Information Security (Beijing) Co., Ltd., a subsidiary of BII Transportation Technology, meets the standards of small and profit-making enterprises and enjoys the corporate income tax policy. Accordingly, the portion of the company's annual taxable income that does not exceed RMB 1 million is taxed at 5% of the actual tax rate; the portion of the annual taxable income of more than 1 million but not more than RMB 3 million is calculated at the actual tax rate of 10 % Pay taxes.

VII. BUSINESS COMBINATIONS AND CONSOLIDATED FINANCIAL STATEMENTS

1. Basic information of subsidiaries included in the consolidated statements

No.	Full name of the subsidiary	Level	Type	Place of incorporation	Place of business	Business scope	Registered capital	Proportion of ownership interest (%)	Proportion of voting power (%)	Investment amount	Acquisition method
1	BII railway transportation technology holdings Co. LTD	2	3	Hong Kong	Hong Kong	Railway transportation	17,343,359.56	55.16	55.16	1,171,194,906.33	3
2	Jie Heng Investment Co., Ltd.	2	3	Hong Kong	Hong Kong	Investment Management	100,000.00	100.00	100.00	100,000.00	3

Note 1: Enterprise type: 1 Foreign non-financial subsidiary, 2 Domestic financial subsidiaries, 3 Foreign subsidiaries, 4 Institutions, 5 Construction units

Note 2: Acquisition method: 1 Investment, 2 Business combinations involving enterprises under common control, 3 Business combinations not involving enterprises under common control, 4 Other

2. Significant non-wholly owned subsidiaries

2.1 Minority shareholders

No.	Short name of subsidiary	Proportion of minority interest (%)	Profit or loss attributable to minority interests for the period	Dividend attributed to minority shareholders for the period	Accumulated minority shareholders' equity at the end of period
1	BII railway transportation technology holdings Co. LTD	44.84	50,504,427.53	8,585,418.21	951,536,092.81

2.2 Main financial information

Item	Amount for the current period	Amount for the prior period
Current assets	2,247,951,135.33	1,882,705,274.82
Non-current assets	1,365,260,489.53	783,948,523.50
Total assets	3,613,211,624.86	2,666,653,798.32
Current liabilities	887,597,266.86	725,286,335.44
Non-current liabilities	690,181,629.58	15,785,432.13
Total liabilities	1,577,778,896.44	741,071,767.57
Total operating income	1,053,724,120.73	384,080,338.10
Net profit	97,878,163.82	45,134,839.11
Total comprehensive income	95,931,146.16	102,779,068.82
Net cash flow from operating activities	13,725,686.22	50,065,984.74

VIII. NOTES TO IMPORTANT ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS

The" opening balance" refers to the balance on 1 January 2019 and the "closing balance" refers to the balance on 31 December2019. The "prior period" is the year of 2018 and the "current period" is the year of 2019.

1. Cash and bank balances

Item	Closing balance	Opening balance
Cash	42,017.86	20,639.88
Bank balances	3,607,444,449.67	5,147,155,360.41
Other currency funds	39,614,755.82	14,275,253.27
Total	3,647,101,223.35	5,161,451,253.56

Note: RMB 26,266,275.24 in other currency funds is limited.

2. Tradable Financial assets

Item	Closing balance	Opening balance
Financial assets classified as at fair value through profit or loss	152,000,000.00	65,700,000.00
Including: Debt instrument investment	152,000,000.00	65,700,000.00
Total	152,000,000.00	65,700,000.00

3. Derivative financial assets

Item	Closing balance	Opening balance
Foreign exchange hedging contract	119,086,021.94	32,601,764.43
Total	119,086,021.94	32,601,764.43

Note: In the period of 2015, the company signed five foreign exchange hedging contracts with the Bank of China London Branch, Goldman Sachs International, HSBC; in the period of 2016, the company signed twelve foreign exchange hedging contracts with the Bank of China London Branch, Goldman Sachs International, HSBC; in the period of 2018, the company signed ten foreign exchange hedging contracts with HSBC, SGCIB, and Deutsche Bank. For the Capped CCS and Coupon Only Swap + USD Call Spread vs CNH which the contracts carrying out. ALL of foreign exchange hedging contracts use the same evaluation method: the evaluation of the market value of the interest is mainly based upon the forward exchange rate which discounting and adding up the two groups of cash flow; the evaluation of the market value of share option is mainly based upon Black-Scholes Model， As of December 31, 2019, 23 of the above-mentioned 27 foreign exchange hedging product contracts have expired.

4. Notes Receivable

Item	Closing balance			Opening balance		
	Gross carrying amount	Bad debt provision	Net carrying amount	Gross carrying amount	Bad debt provision	Net carrying amount
Bank acceptance bill	27,036,101.20		27,036,101.20			
Commercial acceptance bill	138,312,358.10		138,312,358.10			
Total	165,348,459.30		165,348,459.30			

5. Accounts Receivable

Item	Closing balance			
	Carrying amount		Bad debt provision	
	Amount	Proportion (%)	Amount	Proportion (%)
Accounts receivables for which bad debt provision has been assessed by credit risk portfolios	272,148,372.53	100.00	15,573,666.38	5.72
Inc: Expected credit loss model with impairment portfolio	272,148,372.53	100.00	15,573,666.38	5.72
Total	272,148,372.53	--	15,573,666.38	--

Continued:

Item	Opening balance			
	Carrying amount		Bad debt provision	
	Amount	Proportion (%)	Amount	Proportion (%)
Accounts receivables for which bad debt provision has been assessed by credit risk portfolios	244,254,457.56	100.00	9,247,750.91	3.79
Inc: Expected credit loss model with impairment portfolio	244,254,457.56	100.00	9,247,750.91	3.79
Total	244,254,457.56	--	9,247,750.91	--

6. Prepayments

6.1 Listed by aging

Aging	Closing balance			Opening balance		
	Carrying amount		Bad debt provision	Carrying amount		Bad debt provision
	Amount	Proportion (%)		Amount	Proportion (%)	
Within 1 year	42,131,604.29	100.00		21,312,266.43	100.00	
Total	42,131,604.29	--		21,312,266.43	--	

7.Other receivables

Item	Closing balance	Opening balance
Interest receivable	1,261,326,991.34	1,846,548,004.48
Other receivables	3,055,947,176.98	5,866,117,395.30
Total	4,317,274,168.32	7,712,665,399.78

7.1. Interest receivable

Item	Closing balance	Opening balance
Saving interest		376,483,835.30
Debenture interest	43,789,933.31	49,676,268.18
Inter - enterprise loan interest	1,217,537,058.03	1,420,387,901.00
Total	1,261,326,991.34	1,846,548,004.48

7.2. Other receivables

Item	Closing balance				Opening balance			
	Carrying amount		Bad debt provision		Carrying amount		Bad debt provision	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)
Other receivable that are individually significant and for which bad debt provision that has been assessed individually	3,034,804,839.63	99.30			5,433,514,907.71	92.63		
Other receivables for which bad debt provision has been assessed by credit risk portfolios	21,284,421.79	0.70	142,084.44	0.67	432,602,487.59	7.37		
Inc: Expected credit loss model with impairment portfolio	21,284,421.79	0.70	142,084.44	0.67	432,602,487.59	7.37		
Total	3,056,089,261.42	--	--		5,866,117,395.30	--		--

8. Inventories

Item	Closing balance			Opening balance		
	Gross carrying amount	Bad debt provision	Net carrying amount	Gross carrying amount	Bad debt provision	Net carrying amount
Finished goods	254,871,698.18	17,879,913.69	236,991,784.49	40,260,360.35		40,260,360.35
Goods in transit	4,253,556.97		4,253,556.97	11,757,339.78		11,757,339.78
Project construction	39,585,727.83		39,585,727.83	17,225,962.73		17,225,962.73

Item	Closing balance			Opening balance		
	Gross carrying amount	Bad debt provision	Net carrying amount	Gross carrying amount	Bad debt provision	Net carrying amount
(finished and unsettled)						
Goods in Transit	169,298,230.52		169,298,230.52			
Total	468,009,213.50	17,879,913.69	450,129,299.81	69,243,662.86		69,243,662.86

9. Contract assets

9.1. Contract assets

Item	Closing balance			Opening balance		
	Gross carrying amount	Bad debt provision	Net carrying amount	Gross carrying amount	Bad debt provision	Net carrying amount
Contract assets settled within one year	410,718,848.48	30,254,177.01	380,464,671.47	119,246,660.30	586,789.81	118,659,870.49
Total	410,718,848.48	30,254,177.01	380,464,671.47	119,246,660.30	586,789.81	118,659,870.49

9.2. Contract assets bad debt provision

Item	Opening balance	Increase	Decrease	Closing balance
Contract assets settled within one year	586,789.81	29,667,387.20		30,254,177.01
Total	586,789.81	29,667,387.20		30,254,177.01

10. Other current assets

Item	Closing balance	Opening balance
VAT tax credit	17,932,247.78	
Total	17,932,247.78	

11. Available-for-sale financial assets

Item	Closing balance			Opening balance		
	Gross carrying amount	Bad debt provision	Net carrying amount	Gross carrying amount	Bad debt provision	Net carrying amount
1. Available-for-sale liability investment	2,972,351,279.86		2,972,351,279.86	3,173,989,598.45		3,173,989,598.45

Item	Closing balance			Opening balance		
	Gross carrying amount	Bad debt provision	Net carrying amount	Gross carrying amount	Bad debt provision	Net carrying amount
2. Available-for-sale equity investment	1,275,755,959.54	297,682,529.24	978,073,430.30	1,173,864,482.98		1,173,864,482.98
Measured by fair value	1,135,951,661.68	297,682,529.24	838,269,132.44	1,037,116,035.74		1,037,116,035.74
Measured by cost	139,804,297.86		139,804,297.86	136,748,447.24		136,748,447.24
Total	4,248,107,239.40	297,682,529.24	3,950,424,710.16	4,347,854,081.43		4,347,854,081.43

12. Long-term equity investments

12.1. Disclosure by categories

Item	Opening balance	Increase	Decrease	Closing balance
Investment in associates	1,020,103,968.18	27,153,750.73		1,047,257,718.91
Investment in joint venture	352,053,987.85	17,942,357.04		369,996,344.89
Subtotal	1,372,157,956.03	45,096,107.77		1,417,254,063.80
Less: Provision for impairment losses				
Total	1,372,157,956.03	45,096,107.77		1,417,254,063.80

12.2. Details

Investee	Accounting method	Investment cost	Opening balance	Increase/ Decrease for the year		
				Additional investment	Reduce investment	Investment gains and losses recognized in equity method
Total		1,095,106,830.50	1,372,157,956.03	23,339,643.73		77,427,628.03
1. Joint ventures						
Beijing Metro Technology Development Co., Ltd.	Equity method	14,801,458.37	34,741,344.14			17,458,621.03
Beijing Jingcheng Metro Co., Ltd.	Equity method	246,371,933.85	275,011,440.10			11,406,818.81
Beijing Cornerstone Chuangying Investment Management Center (Limited Partnership)	Equity method	399,564.98	391,402.85			8,675.19
Beijing Cornerstone Chuangying Investment Center (Limited Partnership)	Equity method	49,999,956.65	41,909,800.76			-8,659,031.55

Investee	Accounting method	Investment cost	Opening balance	Increase/ Decrease for the year: Additional investment	Increase/ Decrease for the year: Reduce investment	Increase/ Decrease for the year: Investment gains and losses recognized in equity method
Subtotal		311,572,913.85	352,053,987.85			20,215,083.48
2.Associations						
Baoding Cornerstone Venture Capital Funding Center (Limited Partnership)	Equity method	24,999,991.33	10,225,012.17	15,000,000.00		-249,254.17
Beijing Urban Construction Design & Development Group Co., Limited	Equity method	258,904,632.17	286,698,231.98			32,807,813.73
Cornerstone international financial lease Ltd., Co.	Equity method	491,289,649.42	723,180,724.03			22,403,130.30
Suzhou YQK Electronic Technology Co., Ltd.	Equity method	3,870,000.00		3,870,000.00		838,360.67
Suzhou ShidaXunyuan Electronic Technology Co., Ltd.	Equity method	1,222,100.29		1,222,100.29		548,677.59
Guangdong Zhongcheng Transportation Technology Co., Ltd.	Equity method	3,247,543.44		3,247,543.44		863,816.43
Subtotal		783,533,916.65	1,020,103,968.18	23,339,643.73		57,212,544.55

Continued:

Investee	Increase/ Decrease for the year: Other comprehensive income adjustment	Increase/ Decrease for the year: Other changes in equity	Increase/ Decrease for the year: Declaration of cash dividends or profits	Increase/ Decrease for the year: Provision for impairment	Increase/ Decrease for the year: Others	Closing balance	Provision for impairment at the end of the period
Total			6,888,703.01		-48,782,460.98	1,417,254,063.80	
1. Joint ventures							
Beijing Metro Technology Development Co., Ltd.					227,778.38	52,427,743.55	
Beijing Jingcheng Metro Co., Ltd.					-14,494,583.82	271,923,675.09	
Beijing Cornerstone Chuangying Investment Management Center (Limited Partnership)						400,078.04	

Investee	Increase/ Decrease for the year					Closing balance	Provision for impairment at the end of the period
	Other comprehensive income adjustment	Other changes in equity	Declaration of cash dividends or profits	Provision for impairment	Others		
Beijing Cornerstone Chuangying Investment Center (Limited Partnership)					11,994,079.00	45,244,848.21	
Subtotal					-2,272,726.44	369,996,344.89	
2.Associations							
Baoding Cornerstone Venture Capital Funding Center (Limited Partnership)					6,979,847.68	31,955,605.68	
Beijing Urban Construction Design & Development Group Co., Limited			6,888,703.01		-23,978,658.92	288,638,683.78	
Cornerstone international financial lease Ltd., Co.					-29,443,420.86	716,140,433.47	
Suzhou YQK Electronic Technology Co., Ltd.					67,502.44	4,775,863.11	
Suzhou ShidaXunyuan Electronic Technology Co., Ltd.					-135,004.88	1,635,773.00	
Guangdong Zhongcheng Transportation Technology Co., Ltd.						4,111,359.87	
Subtotal			6,888,703.01		-46,509,734.54	1,047,257,718.91	

13. Other equity instrument investment

Item	Closing balance	Opening balance
Equity investment at fair value through other comprehensive income	2,000,000.00	
Total	2,000,000.00	

14. Fixed assets

Item	Opening balance	Increase	Decrease	Closing balance
I. Total original carrying amount	207,632,764.86	70,324,226.56	1,250,041.58	276,706,949.84
Inc. Buildings & construction		15,458,076.00		15,458,076.00
Transportation vehicles	1,178,189.51	1,689,351.09		2,867,540.60
Electronic & Office equipment	5,359,162.58	11,147,499.69	1,250,041.58	15,256,620.69
Others	201,095,412.77	42,029,299.78		243,124,712.55
II. Total accumulated depreciation	124,670,708.04	27,133,258.69	1,187,038.58	150,616,928.15
Inc. Buildings & construction		671,958.20		671,958.20
Transportation vehicles	550,591.72	386,729.29		937,321.01
Electronic & Office equipment	3,220,136.14	3,840,278.27	1,187,038.58	5,873,375.83
Others	120,899,980.18	22,234,292.93		143,134,273.11
III. Total net carrying amount of fixed assets	82,962,056.82	–	–	126,090,021.69
Inc. Buildings & construction		–	–	14,786,117.80
Transportation vehicles	627,597.79	–	–	1,930,219.59
Electronic & Office equipment	2,139,026.44	–	–	9,383,244.86
Others	80,195,432.59	–	–	99,990,439.44
IV. Total accumulated provision for impairment losses of fixed assets				
Inc. Buildings & construction				
Transportation vehicles				
Electronic & Office equipment				
Others				
V. Total carrying amount of fixed	82,962,056.82	–	–	126,090,021.69
Inc. Buildings & construction		–	–	14,786,117.80
Transportation vehicles	627,597.79	–	–	1,930,219.59
Electronic & Office equipment	2,139,026.44	–	–	9,383,244.86
Others	80,195,432.59	–	–	99,990,439.44

15. Construction in progress

Item	Closing balance			Opening balance		
	Gross carrying amount	Provision for decline in value of inventories	Net carrying amount	Gross carrying amount	Provision for decline in value of inventories	Net carrying amount
Total	12,047,061.47		12,047,061.47	10,964,712.25		10,964,712.25
Line 7 Eest Extension Project	6,633,040.28		6,633,040.28			
Civil Communication Project of the New Metro Airport Line	4,112,743.85		4,112,743.85			
Merchants procurement platform	1,236,183.00		1,236,183.00			
China Railway Optical Fiber Transmission Project	65,094.34		65,094.34	65,094.34		65,094.34
3 and 4 projects of Line 8				5,819,427.66		5,819,427.66
Line 6 West Extension Project				2,915,420.84		2,915,420.84
Company exhibition hall construction project				1,684,161.92		1,684,161.92
Company video conference project				412,720.70		412,720.70
4G upgrade project in the west section of Line 15				67,886.79		67,886.79

16. Right-of-use asset

Item	Opening balance	Increase	Decrease	Closing balance
I. Total original carrying amount		21,604,234.53		21,604,234.53
Inc. Buildings & construction		21,604,234.53		21,604,234.53
II. Total accumulated depreciation		4,830,774.89		4,830,774.89
Inc. Buildings & construction		4,830,774.89		4,830,774.89
III. Total accumulated provision for impairment losses of Right-of-use asset				
Inc. Buildings & construction				
IV. Total carrying amount of fixed		--	--	16,773,459.64
Inc. Buildings & construction		--	--	16,773,459.64

17. Intangible assets

Item	Opening balance	Increase	Decrease	Closing balance
I. Total original carrying amount	171,653,342.66	147,006,834.59	58,608,679.71	260,051,497.54
Including: Software	77,354,335.56	12,006,834.59	58,608,679.71	30,752,490.44
patent		135,000,000.00		135,000,000.00
Franchise	94,299,007.10			94,299,007.10
II. Total accumulated amortization	82,773,335.41	21,739,964.96	49,394,752.48	55,118,547.89
Including: Software	52,271,388.24	9,731,133.57	49,394,752.48	12,607,769.33
patent		4,161,355.61		4,161,355.61
Franchise	30,501,947.17	7,847,475.78		38,349,422.95
III. Total provision for impairment				
Including: Software				
patent				
Franchise				
IV. Total net book value of intangible assets	88,880,007.25	--	--	204,932,949.65
Including: Software	25,082,947.32	--	--	18,144,721.11
patent		--	--	130,838,644.39
Franchise	63,797,059.93	--	--	55,949,584.15

18. Goodwill

Name of the investee and item resulting in goodwill	Opening balance	Provision for impairment at Opening balance	Increase	Decrease	Closing balance	Provision for impairment at Closing balance
BII railway transportation technology holdings Co. LTD	152,381,767.71	152,381,767.71			152,381,767.71	152,381,767.71
Beijing Investment Zhongfu Technology Co., Ltd.			503,612,108.09		503,612,108.09	
Total	152,381,767.71	152,381,767.71	503,612,108.09		655,993,875.80	152,381,767.71

19. Long-term prepaid expenses

Item	Opening balance	Increase in the current year	Amortization in the current year	Other reductions	Closing balance
NetEase mailbox renewal fee	190,257.67	1,436,312.96	365,231.33		1,261,339.30
Total	190,257.67	1,436,312.96	365,231.33		1,261,339.30

20. Deferred tax assets/deferred tax liabilities

Item	Closing balance		Opening balance	
	Deferred tax assets/liabilities	Deductible /taxable temporary difference	Deferred tax assets/liabilities	Deductible /taxable temporary difference
1. Deferred tax assets	31,402,596.87	179,792,031.44	16,388,655.01	90,718,225.08
Provision for impairment losses of assets	11,194,289.95	56,035,462.40	3,057,436.25	16,883,733.67
Deductible losses	1,424,855.54	9,499,036.93		
Depreciation difference between accounting standards and tax laws of fixed assets	2,869,765.04	11,479,060.16	2,821,772.49	11,082,918.88
Amortization difference between accounting standards and tax laws of intangible assets	1,242,288.21	4,969,152.84	3,397,283.83	15,336,834.50
Internal unrecognized profits offset in consolidation	3,637,490.61	24,249,937.40	2,991,259.50	19,937,971.70
Temporary differences in revenue recognition by accounting and tax laws	144,735.75	964,905.00		
Other expense provided	9,425,632.23	62,837,548.20	4,120,902.94	27,476,766.33
Estimated liabilities	1,463,539.54	9,756,928.51		
2. Deferred tax liabilities	47,026,483.02	222,763,161.69	15,785,432.13	71,473,610.13
Evaluation increase, amortization and disposal of intangible assets	47,026,483.02	222,763,161.69	15,785,432.13	71,473,610.13

21. Other non-current asset

Item	Closing balance	Opening balance
Contract assets with a settlement period of more than one year		167,617,828.21
Tota		167,617,828.21

22. Short-term borrowings

Item	Closing balance	Opening balance
credit garanteed	30,636,760.00	
Credit loan	23,000,000.00	987,629,729.77
Total	53,636,760.00	987,629,729.77

23. Notes payables

Item	Closing balance	Opening balance
Bank acceptances	119,651,498.24	17,586,338.97
Total	119,651,498.24	17,586,338.97

24. Accounts payables

Aging	Closing balance	Opening balance
Within 1 year (inclusive)	489,578,736.50	266,723,835.97
Total	489,578,736.50	266,723,835.97

25. Contract liabilities

Item	Closing balance	Opening balance
Within one year of the settlement period	28,278,366.18	57,868,897.37
Total	28,278,366.18	57,868,897.37

26. Employee benefits payable

26.1. Accrued payroll

Item	Opening balance	Increase	Decrease	Closing balance
Short-term pay	18,202,288.44	209,225,034.48	181,911,885.38	45,515,437.54
Post-employment welfare- defined contribution plan liability	811,678.60	15,799,457.48	14,649,782.83	1,961,353.25
Demission welfare		1,515,023.75	1,515,023.75	
Others		528,666.82		528,666.82
Total	19,013,967.04	227,068,182.53	198,076,691.96	48,005,457.61

26.2. Short-term pay

Item	Opening balance	Increase	Decrease	Closing balance
Wages or salaries, bonuses, allowances and subsidies	16,572,717.29	183,921,683.58	158,216,599.17	42,277,801.70
Welfare expense	190,800.00	2,747,026.66	2,937,826.66	
Social insurance:	909,022.01	9,708,685.88	7,922,605.12	2,695,102.77
Medical insurance premium	841,310.57	8,800,190.07	7,192,610.99	2,448,889.65
Employment injury insurance	34,733.24	183,892.13	191,487.23	27,138.14
Maternity insurance	32,978.20	724,603.68	538,506.90	219,074.98
Housing fund		9,156,621.24	9,156,621.24	
Labor union expenditure and education fund	529,749.14	3,691,017.12	3,678,233.19	542,533.07
Short-term paid absences				
Short-term profit sharing plan				
Other short-term compensation				
Total	18,202,288.44	209,225,034.48	181,911,885.38	45,515,437.54

26.3. Compensation for demission-defined contribution plan

Item	Opening balance	Increase	Decrease	Closing balance
Basic Pension insurance premium	778,908.25	15,100,096.11	14,114,020.71	1,764,983.65
Unemployment insurance premium	32,770.35	699,361.37	535,762.12	196,369.60
Total	811,678.60	15,799,457.48	14,649,782.83	1,961,353.25

27. Tax payable

Item	Closing balance	Opening balance
Value added tax	11,327,725.16	18,270,815.65
Business tax	559,597.73	559,597.73
Enterprise income tax	21,951,421.26	21,805,617.68
City construction and maintenance tax	692,012.51	806,277.02
Individual income tax	658,156.57	417,816.98
Education surplus	510,424.22	575,912.16
Other	11,662.95	14,768.00
Total	35,711,000.40	42,450,805.22

28. Other payable

Item	Closing balance	Opening balance
Interest payable	107,632,466.09	144,557,376.39
Other payables	25,961,573.84	20,911,508.79
Total	133,594,039.93	165,468,885.18

28.1. Interest payable

Item	Closing balance	Opening balance
Interest of corporate borrowings	107,266,331.44	127,958,874.87
Interest of Short-term borrowings	366,134.65	16,598,501.52
Total	107,632,466.09	144,557,376.39

28.2. Other payables

Aging	Closing balance	Opening balance
Within 1 year (inclusive)	25,943,346.46	20,892,490.87
1-2 years (inclusive)		19,017.92
2-3 years (inclusive)	18,227.38	
Total	25,961,573.84	20,911,508.79

29. Non-current liabilities due within one year

Item	Closing balance	Opening balance
Bonds payable due within one year	7,241,294,573.95	8,817,762,975.55
lease liability due within one year	5,046,742.43	
Other	80,170,103.34	
Total	7,326,511,419.72	8,817,762,975.55

30. Bonds payable

Item	Closing balance	Opening balance
400 million USD bond (issued in 2018)	2,780,696,505.13	2,730,741,771.54
200 million USD bond(issued in 2019)	1,389,330,762.85	
1 billion RMB bond(issued in 2019)	993,149,441.37	

100 million USD bond(issued in 2019)	696,423,081.29	
500 million HKD private bond (issued in 2018)	447,039,876.99	436,845,150.15
700 million USD bond (issued in 2017)		4,788,600,215.12
300 million HKD private bond		263,573,457.26
Total	6,306,639,667.63	8,219,760,594.07

31. Lease liabilities

Item	Closing balance	Opening balance
Operating lease payable	10,335,026.42	
Total	10,335,026.42	

32. Long-term payables

Item	Opening balance	Increase	Decrease	Closing balance
Long-term payables		178,728,529.34		178,728,529.34
Total		178,728,529.34		178,728,529.34

Five entities with largest final balances of the debtor

Item	Closing balance	Opening balance
Total	178,728,529.34	
Beijing NetPosa Technologies Co.,Ltd.	178,728,529.34	

33. Estimated liabilities

Item	Closing balance	Opening balance
product quality assurance	2,027,619.88	
Total	2,027,619.88	

34. Deferred Income

Item	Opening balance	Increase	Decrease	Closing balance
Science and Technology Commission Special Fund		6,250,000.00	4,000,000.00	2,250,000.00
Beijing Municipal Transportation Commission-New Airport Expressway Research Project		1,332,485.26	383,419.34	949,065.92
Development of Airborne Intelligent Integrated Information Service and Management System of C919		1,043,412.04	174,412.04	869,000.00
Technological enterprise technological innovation ability improvement project		2,116,111.12	2,116,111.12	
The subject of Rail Transit Passenger Flow		95,905.00		95,905.00
Total		10,837,913.42	6,673,942.50	4,163,970.92

The amount of government subsidy included in the current profit and loss is as follows:

Serial number	The company name	The amount of government subsidy included in the current profit and loss
1	Beijing BII Technology Development Co., Ltd.	2,250,000.00
2	Beijing BII-ERG Transportation Technology Co.,Ltd.	949,065.92
3	Jiangsu Huaqi Intelligent Technology Development Co., Ltd.	964,905.00
	Total	4,163,970.92

35. Paid-in capital

Investor	Opening balance		Increase	Decrease	Closing balance	
	Investment	Proportion (%)			Investment	Proportion (%)
Total	106.37	100.00			106.37	100.00
Beijing Infrastructure Investment Co., Ltd.	106.37	100.00			106.37	100.00

36. Capital reserve

Item	Opening balance	Increase	Decrease	Closing balance
Capital premium	562,245,134.12			562,245,134.12
Other capital reserves	-75,569,372.74		10,561,366.38	-86,130,739.12
Total	486,675,761.38		10,561,366.38	476,114,395.00

37. Surplus reserve

Item	Opening balance	Increase	Decrease	Closing balance
Statutory surplus reserves	8,834,383.85			8,834,383.85
Total	8,834,383.85			8,834,383.85

38. Unappropriated profits

Item	Amount for the current period	Amount for the prior period
Retained earnings at beginning of year	24,708,271.15	-47,403,332.43
Increase	-293,065,326.28	72,111,603.58
Including: Net profit attributable to owners of the Company for the period	-293,065,326.28	72,111,603.58
Retained earnings at the end of the period	-268,357,055.13	24,708,271.15

39. Operating income and operating costs

Item	Amount for the current period		Amount for the prior period	
	Operating income	Operating costs	Operating income	Operating costs
1. Principal operating income	1,053,724,120.73	671,665,632.43	786,210,309.14	585,189,504.70
Inc. Financial lease charges			402,129,971.04	295,999,448.60
Smart Rail Transit Service	890,595,880.73	571,508,432.43	231,206,992.16	192,120,112.81
Infrastructure Information Service	163,128,240.00	100,157,200.00	152,873,345.94	97,069,943.29
Total	1,053,724,120.73	671,665,632.43	786,210,309.14	585,189,504.70

40. Financial expenses

Item	Amount for the current period	Amount for the prior period
Interest expense	681,877,680.66	258,528,521.11
Less: Interest income	337,827,654.28	328,884,894.01
Exchange loss	6,809,515.73	214,115,984.99
Financial institution fees	1,129,134.05	80,883.54
Total	351,988,676.16	143,840,495.63

41. Other income

Item	Amount for the current period	Amount for the prior period
VAT levied and refunded	19,306,776.63	3,009,453.33
R & D, technical transformation fund	4,000,000.00	
VAT refund for welfare enterprises	375,939.26	
Personal income tax refunded		1,641,506.59
Tianjin Dongjiang Tax Port Management Committee Enterprise Development Fund		70,156.52
Total	23,682,715.89	4,721,116.44

42. Investment income

Item	Amount for the current period	Amount for the prior period
Income from long-term equity investments under equity method	77,427,628.03	61,950,791.91
Investment income from holding available-for-sale financial assets	173,828,002.20	170,782,378.27
Investment income from disposal of available-for-sale financial assets	4,784,176.63	-4,575,692.55
After the loss of control, gains from the revaluation of fair value of the remaining equity		-5,594,579.29
Other	2,280,811.46	5,598,925.21
Total	258,320,618.32	228,161,823.55

43. Gains from changes in fair values

Item	Amount for the current period	Amount for the prior period
Gains arising on changes in fair value of financial assets designated as at FVTPL	78,698,475.95	-7,935,358.28
Inc. Gains/(losses) arising on changes in fair value of derivative financial instruments	84,247,257.15	-7,935,358.28
Other	-5,548,781.20	
Total	78,698,475.95	-7,935,358.28

44. Credit impairment loss

Item	Amount for the current period	Amount for the prior period
Bad debt losses	-19,880,395.64	-191,382.59
Total	-19,880,395.64	-191,382.59

45. Asset impairment loss

Item	Amount for the current period	Amount for the prior period
1. Bad debt losses		-7,838,327.45
2. Written-down of inventories	-8,979,448.75	
3.Impairment loss of Available-for-sale financial assets	-292,446,217.19	
Total	-301,425,665.94	-7,838,327.45

46. Assets disposal income

Item	Amount for the current period	Amount for the prior period	Amount included in current non-recurring gains and losses
fixed assets	-61,597.52	411,685.72	-61,597.52
Total	-61,597.52	411,685.72	-61,597.52

47. Non-operating income

Item	Amount for the current period	Amount for the prior period	Amount included in current non-recurring gains and losses
Government grants	4,271,647.52	836,357.87	4,271,647.52
Others	99,998.33	365,226.39	99,998.33
Non-current assets damage and scrap gains		420,861.06	
Total	4,371,645.85	1,622,445.32	4,371,645.85

48. Non-operating expenses

Item	Amount for the current period	Amount for the prior period	Amount included in current non-recurring gains and losses
Non-current assets damage	9,276,930.23	9,175.34	9,276,930.23
External donation expenditure		92,012.00	
Others	106,851.49		106,851.49
Total	9,383,781.72	101,187.34	9,383,781.72

49. Income tax expenses

Item	Amount for the current period	Amount for the prior period
Current tax expense	21,407,068.76	19,383,172.84
Deferred tax expense	-13,560,945.94	4,563,078.92
Total	7,846,122.82	23,946,251.76

50. Net other comprehensive income attributable to the owners of the parent company

50.1. Category of other comprehensive income

Item	Amount for the current period		
	Amount before tax	Income tax	Net of tax
I. Other comprehensive income not to be reclassified into profit and loss in the future			
1. Movements from remeasurement on defined benefit plan net assets or liabilities			
2. Shares in other comprehensive income of investee not to be reclassified into profit and loss under equity method			
II. Other comprehensive income to be reclassified into profit and loss	365,671,076.06		365,671,076.06
1. Shares in other comprehensive income of investee to be reclassified into profit and loss under equity method			
Less: Net amount included in other comprehensive income in the prior periods that is transferred to profit or loss for the period			
Subtotal			
2. Gains (losses) arising from available-for-sale financial assets	149,575,119.18		149,575,119.18
Less: Net amount included in other comprehensive income in the	-292,446,217.18		-292,446,217.18

Item	Amount for the current period		
	Amount before tax	Income tax	Net of tax
prior periods that is transferred to profit or loss for the period			
Subtotal	442,021,336.36		442,021,336.36
3. Profit and loss from held-to-maturity investment reclassified into available-for-sale asset			
Less: Net amount included in other comprehensive income in the prior periods that is transferred to profit or loss for the period			
Subtotal			
4. The effective component of profit and loss in cash flow hedging instruments			
Adjustments to the initial recognized amounts of hedged items			
Less: Net amount included in other comprehensive income in the prior periods that is transferred to profit or loss for the period			
Subtotal			
5. Translation differences of financial statements denominated in foreign currencies	-76,350,260.30		-76,350,260.30
Less: Net amount included in other comprehensive income in the prior periods that is transferred to profit or loss for the period			
Subtotal	-76,350,260.30		-76,350,260.30
III、Total comprehensive income	365,671,076.06		365,671,076.06

Continued:

Item	Amount for the prior period		
	Amount before tax	Income tax	Net of tax
I. Other comprehensive income not to be reclassified into profit and loss in the future			
1. Movements from remeasurement on defined benefit plan net assets or liabilities			
2. Shares in other comprehensive income of investee not to be reclassified into profit and loss under equity method			
II. Other comprehensive income to be reclassified into profit and loss	-263,826,304.11		-263,826,304.11
1. Shares in other comprehensive income of investee to be reclassified into profit and loss under equity method			
Less: Net amount included in other comprehensive income in the			

Item	Amount for the prior period		
	Amount before tax	Income tax	Net of tax
prior periods that is transferred to profit or loss for the period			
Subtotal			
2. Gains (losses) arising from available-for-sale financial assets	-305,235,900.78		-305,235,900.78
Less: Net amount included in other comprehensive income in the prior periods that is transferred to profit or loss for the period	-6,997,531.73		-6,997,531.73
Subtotal	-298,238,369.05		-298,238,369.05
3. Profit and loss from held-to-maturity investment reclassified into available-for-sale asset			
Less: Net amount included in other comprehensive income in the prior periods that is transferred to profit or loss for the period			
Subtotal			
4. The effective component of profit and loss in cash flow hedging instruments			
Adjustments to the initial recognized amounts of hedged items			
Less: Net amount included in other comprehensive income in the prior periods that is transferred to profit or loss for the period			
Subtotal			
5. Translation differences of financial statements denominated in foreign currencies	34,412,064.94		34,412,064.94
Less: Net amount included in other comprehensive income in the prior periods that is transferred to profit or loss for the period			
Subtotal	34,412,064.94		34,412,064.94
III. Total comprehensive income	-263,826,304.11		-263,826,304.11

50.2. Adjustment to other comprehensive income

Item	Shares in other comprehensive income of investee to be reclassified into profit and loss under equity method	Fair value changes in available for sale financial assets	Translation differences of financial statements denominated in foreign currencies	Subtotal
1. Amount at the beginning of last year		-227,693,456.80	-12,327,100.76	-240,020,557.56
2.Increase in last year (decrease is indicated by "—")		-298,238,369.05	34,412,064.94	-263,826,304.11
3. Amount at the beginning of this		-525,931,825.85	22,084,964.18	-503,846,861.67

Item	Shares in other comprehensive income of investee to be reclassified into profit and loss under equity method	Fair value changes in available for sale financial assets	Translation differences of financial statements denominated in foreign currencies	Subtotal
year				
4.Increase n this year(decrease is indicated by "—")		442,021,336.36	-76,350,260.30	365,671,076.06
5.Amount at the end of this year		-83,910,489.49	-54,265,296.12	-138,175,785.61

51. Foreign currency translation

The exchange loss included in the current profit and loss was RMB 6,809,515.73.

52. Consolidated cash flow statement

52.1. Information of net profit to net cash flows generated from operating activities

Supplementary information	Amount for the current period	Amount for the prior period
1. Reconciliation of net profit to cash flow from operating activities:		
Net profit	-242,560,898.75	130,079,751.92
Add: Provision for impairment losses of assets	301,425,665.94	7,838,327.45
Provision for impairment of credit assets	19,880,395.64	191,382.59
Depreciation of fixed assets, Petrol assets and productive biological assets	27,133,258.69	20,290,078.74
Depreciation of right-of-use assets		
Amortization of intangible assets	21,734,361.56	16,461,474.59
Amortization of long-term deferred expenses	365,231.33	299,516.82
Losses/(Gains) on disposal of fixed assets, intangible assets and other long-term assets	61,597.52	-411,685.72
Losses/(Gains) on scrapping of fixed assets	9,276,930.23	9,175.34
Losses on changes in fair values (gains are indicated by "—")	-78,698,475.95	7,935,358.28
Financial expenses (income is indicated by "—")	377,848,794.99	167,368,148.43
Losses arising from investments (gains are indicated by "—")	-258,320,618.32	-228,161,823.55
Decrease in deferred tax assets (increase is indicated by "—")	-10,260,247.95	9,099,029.84
Increase in deferred tax liabilities (decrease is indicated by "—")	-3,300,697.99	-4,535,950.92
Decrease in inventories (increase is indicated by "—")	-71,912,697.21	-3,557,019.15
Decrease in receivables from operating activities (increase is indicated by "—")	-421,699,985.37	605,611,212.47
Increase in payables from operating activities (decrease is indicated by "—")	353,047,856.84	-14,972,655.34
Others		

Supplementary Information	Amount for the current period	Amount for the prior period
Net cash flow from operating activities	24,020,471.20	713,544,321.79
2. Investing and financing activities that do not involve cash receipts and payments:		
Conversion of debt into capital		
Convertible bonds to be expired within one year		
Fixed assets under finance lease		
3.Net increase in cash and cash equivalents:		
Cash at the end of the period	3,620,834,948.11	5,151,106,819.84
Less: Cash at the beginning of the period	5,151,106,819.84	7,918,735,116.61
Plus: Cash equivalents at the end of the period		
Less: Cash equivalents at the beginning of the period		
Net increase/(Decrease) in cash and cash equivalents	-1,530,271,871.73	-2,767,628,296.77

52.2. Net cash flows about acquisition or disposal of subsidiaries this year

Item	Amount
1. Cash or cash equivalents paid by the business combination in the current period:	807,879,643.63
Less: Cash and cash equivalents obtained from acquisition of subsidiaries	84,241,634.51
Add: Cash or cash equivalents paid in the current period for business combinations in the previous period	
Net cash flows used in acquisition of subsidiaries	723,638,009.12
2. Disposal of cash or cash equivalents received by subsidiaries in the current period	126,155.94
Less: Cash and cash equivalents held by subsidiaries on the date of loss of control	
Add: The cash or cash equivalents received by the subsidiary during the period during the previous period	
Net cash flows from disposal of subsidiaries	126,155.94

52.3. Composition of Cash and Cash Equivalents

Item	Closing balance	Opening balance
I. Cash	3,620,834,948.11	5,151,106,819.84
Including: Cash on hand	42,017.86	20,639.88
Bank deposits	3,607,444,449.67	5,147,155,360.41
Other monetary funds	13,348,480.58	3,930,819.55
Deposit in the central bank		
Deposit in the industry		
Disbursement of interbank payments		

Item	Closing balance	Opening balance
II. Cash equivalents		
Including: Investments in debt securities due within three months		
III. Closing balance of cash and cash equivalents	3,620,834,948.11	5,151,106,819.84
Including: Cash and cash equivalents with restricted use of parent company or subsidiaries within the group	26,266,275.24	10,344,433.72

53. Assets whose ownership and right to use are restricted

Item	Closing balance	reason of restricted
Cash and bank balances	26,266,275.24	Bank acceptance bill deposit
Total	26,266,275.24	

IX. Contingency

None.

X. Events after the balance sheet date

None.

XI. Related party relationships and transactions

1. Parent of the Company

Name of the parent	Place of incorporation	Nature of business	Registered capital (10 thousand yuan)	Proportion of the Company's ownership interest held by the parent (%)	Proportion of the Company's voting power held by the parent (%)
Beijing Infrastructure Investment Co., Ltd.	Beijing	Infrastructure investment	14,529,054.91	100.00	100.00

2. Subsidiaries of the Company: Please refer to Note VII.1 Basic information of subsidiaries included in the consolidated statements

3. Related party

3.1. Transaction of related party

Transaction type	Company name	Nature of related party relations	Transaction amount	Proportion of the amount of related party transaction to that of similar transactions (%)	Unsettled amount	Amount of bad debt provision for unsettled project	Pricing policy
1. The related transaction of purchasing goods and receiving labor services.							
Interest income	Cornerstone international financial lease Co., Ltd	Same final control	226,036,518.15	66.91			market pricing
Goods selling	Beijing Metro Vehicle Equipment Co., Ltd.	Same final control	3,020,829.29	0.29			market pricing
Goods selling	Beijing information infrastructure construction Co., Ltd.	Same final control	62,150,251.00	5.90			market pricing
Goods selling	Beijing rail transit technology and equipment group Co., Ltd.	Same final control	4,518,708.00	0.43			market pricing
2. The related transaction of selling goods and providing labor services.							
Rental costs	Beijing information infrastructure construction Co., Ltd.	Same final control	3,541,403.60	2.86			market pricing
Commission interest	Beijing Infrastructure Investment Co., Ltd.	Parent Company	6,828,620.84	1.00			market pricing
Guarantee fee	Beijing Infrastructure Investment Co., Ltd.	Parent Company	154,835,086.32	22.71			market pricing

3.2. Receivables and payables of related parties

Name of related parties	Item	Closing balance
Beijing Subway Operation Co., Ltd.	Accounts receivable	898,491.95
Beijing information infrastructure construction Co., Ltd.	Accounts receivable	15,806,036.49
Beijing subway line Mentougou Investment Co., Ltd.	Accounts receivable	340,800.00
Beijing subway line 6 Investment Co., Ltd.	Accounts receivable	3,172,125.00
Beijing subway line Xijiao Investment Co., Ltd.	Accounts receivable	266,600.00
Beijing subway line 8 Investment Co., Ltd.	Accounts receivable	1,212,042.16

Name of related parties	Item	Closing balance
Beijing Subway Operation Co., Ltd.	Contract assets	18,042,318.96
Beijing broadcast media subway TV limited	Contract assets	98,245.00
Hebei Railway Vehicle Transportation Equipment Co., Ltd.	Contract assets	5,395.00
Beijing information infrastructure construction Co., Ltd.	Contract assets	33,043,429.16
Beijing Metro Vehicle Equipment Co., Ltd.	Contract assets	5,085,753.10
Beijing subway line Mentougou Investment Co., Ltd.	Contract assets	15,750.00
Beijing subway line Yanfang Investment Co., Ltd.	Contract assets	90,400.00
Beijing Urban Construction & Design Group Co., Limited	Contract assets	10,625,438.01
Beijing rail transit technology and equipment group Co., Ltd.	Contract assets	2,565,143.95
Beijing subway line 8 Investment Co., Ltd.	Contract assets	736,764.87
Beijing Infrastructure Investment Co., Ltd.	Contract assets	280,966.54
Cornerstone international financial lease Co., Ltd	Interest receivable	95,658,021.86
Beijing Infrastructure Investment Co., Ltd.	Interest receivable	1,121,879,036.17
Beijing Rail Transit Network Management Company	Other receivables	182,394.08
Beijing Metro Technology Development Co., Ltd.	Other receivables	1,000,000.00
Beijing municipal transportation pass limited	Other receivables	144,500.00
Beijing rail transit technology and equipment group Co., Ltd.	Other receivables	20,000.00
Cornerstone international financial lease Co., Ltd	Other receivables	3,034,804,839.63
Beijing Metro Technology Development Co., Ltd.	Accounts payable	4,889,424.72
Beijing Metro Information Development Co., Ltd.	Accounts payable	44,409,244.49
Beijing rail transit technology and equipment group Co., Ltd.	Contract liabilities	256,108.00
Beijing Infrastructure Investment Co., Ltd.	Contract liabilities	1,700,000.00
Beijing information infrastructure construction Co., Ltd.	Contract liabilities	3,390,937.75
Beijing information infrastructure construction Co., Ltd.	Other payable	209,943.01

XII. Information that helps financial statement users evaluate the goals, policies, and procedures of corporate management capital

1. The main objective of the company's capital management is to ensure the company's ability to continue to operate and maintain a healthy capital ratio to support business development and maximize shareholder value.

The company is not subject to external mandatory capital requirements. The company manages its capital structure and adjusts it according to changes in the economic situation and the risk characteristics of related assets.

In order to maintain or adjust the capital structure, the company can adjust the profit distribution to shareholders, return capital to shareholders or issue new shares.

2. The company uses debt capital ratio to manage capital. The debt capital ratio refers to the ratio of interest-bearing liabilities to equity and interest-bearing liabilities. The debt capital ratio of the Company on the balance sheet date is as follows:

Item	Closing balance	Opening balance
Short-term borrowings	53,636,760.00	987,629,729.77
Bonds payable due within One Year	7,326,511,419.72	8,817,762,975.55
Long-term borrowings		
Short-term financing bonds		
Bonds payable	6,306,639,667.63	8,219,760,594.07
Long-term payables	178,728,529.34	
Other equityt instrument (preference share)		
Total interest-bearing liabilities	13,865,516,376.69	18,025,153,299.39
Total Owners' Equity Attributable To the Company	1,029,952,137.29	893,605,017.60
Total Owners' Equity & interest-bearing liabilities	14,895,468,513.98	18,918,758,316.99
Debt capital ratio	**93.09%**	**95.28%**

3. From January 1, 2019 to December 31, 2019, the company's capital management objectives, policies or procedures have not changed.

XIII. Notes to the parent company

1. Other receivables

Item	Closing balance	Opening balance
Interest receivable	1,262,537,327.91	1,843,517,504.48
Other receivables	3,471,024,140.34	5,433,550,284.29
Total	4,733,561,468.25	7,277,067,788.77

1.1. Interest receivable

Item	Closing balance	Opening balance
Saving interest		376,483,835.30
Debenture interest	43,789,933.31	49,676,268.18
Inter - enterprise loan interest	1,218,747,394.60	1,417,357,401.00
Total	1,262,537,327.91	1,843,517,504.48

1.2. Other receivables

Item	Closing balance				Opening balance			
	Carrying amount		Bad debt provision		Carrying amount		Bad debt provision	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)
Other receivable that are individually significant and for which bad debt provision that has been assessed individually	3,470,987,973.22	100.00			5,433,514,907.71	100.00		
Other receivable that are not individually significant but for which bad debt provision has been assessed individually	36,167.12				35,376.58			
Total	3,471,024,140.34	--		--	5,433,550,284.29	--		--

2. Long-term equity investments

Item	Opening balance	Increase	Decrease	Closing balance
Investment in subsidiary	1,227,645,293.07	27,433,570.92		1,255,078,863.99
Investment in associates	1,009,878,956.01	2,920,310.39	6,888,703.01	1,005,910,563.39
Subtotal	2,237,524,249.08	30,353,881.31	6,888,703.01	2,260,989,427.38
Less: Provision for impairment losses				
Total	2,237,524,249.08	30,353,881.31	6,888,703.01	2,260,989,427.38

3. Investment income

Item	Amount for the current period	Amount for the prior period
Income from long-term equity investments under cost method	10,178,389.14	9,422,200.12
Income from long-term equity investments under equity method	78,029,241.68	100,978,147.86
Investment income from holding available-for-sale financial assets	173,828,002.20	170,782,378.27
Investment income from disposal of available-for-sale financial assets	4,784,176.63	-4,575,692.55
Total	266,819,809.65	276,607,033.70

4. Reconciliation of net profit to cash flow from operating activities

4.1. Information of net profit to net cash flows generated from operating activities

Supplementary information	Amount for the current period	Amount for the prior period
1. Reconciliation of net profit to cash flow from operating activities:		
Net profit	-307,442,375.78	94,419,570.06
Add: Provision for impairment losses of assets	292,446,217.19	
Provision for impairment of credit assets		
Depreciation of fixed assets, Petrol assets and productive biological assets		
Depreciation of right-of-use assets		
Amortization of intangible assets		
Amortization of long-term deferred expenses		
Losses/(Gains) on disposal of fixed assets, intangible assets and other long-term assets	-84,247,257.15	7,935,358.28
Losses/(Gains) on scrapping of fixed assets	376,358,010.37	194,882,701.98
Losses on changes in fair values (gains are indicated by "—")	-266,819,809.65	-276,607,033.70
Financial expenses (income is indicated by "--")		
Losses arising from investments (gains are indicated by "—")		
Decrease in deferred tax assets (increase is indicated by "—")		
Increase in deferred tax liabilities (decrease is indicated by "—")		
Decrease in inventories (increase is indicated by "—")		
Decrease in receivables from operating activities (increase is indicated by "—")		
Increase in payables from operating activities (decrease is indicated by "—")	10,294,784.98	20,630,596.62
Others		
Net cash flow from operating activities		
2. Investing and financing activities that do not involve cash receipts and payments:		
Conversion of debt into capital		
Convertible bonds to be expired within one year		
Fixed assets under finance lease	2,884,873,414.17	4,224,301,472.76
3.Net increase in cash and cash equivalents:	4,224,301,472.76	5,801,814,697.23
Cash at the end of the period		

Supplementary Information	Amount for the current period	Amount for the prior period
Less: Cash at the beginning of the period		
Plus: Cash equivalents at the end of the period	-1,339,428,058.59	-1,577,513,224.47

4.2. Composition of Cash and Cash Equivalents

Item	Closing balance	Opening balance
I. Cash	2,884,873,414.17	4,224,301,472.76
Including: Cash on hand	2,772.50	2,711.84
Bank deposits	2,871,522,161.09	4,224,298,693.43
Other cash	13,348,480.58	67.49
II. Cash equivalents		
Including: Investments in debt securities due within three months		
III. Closing balance of cash and cash equivalents	2,884,873,414.17	4,224,301,472.76

XIV. Other disclosure in accordance with accounting standards

None.

XV. APPROVAL OF THE FINANCIAL STATEMENTS

The Company's financial statements have been approved by the Board of Directors.

Beijing Infrastructure Investment (Hong Kong) Ltd

27 March, 2020

统一社会信用代码

91110108592342556 8

营业执照

(副 本)(15-1)

扫描二维码登录"国家企业信用信息公示系统"了解更多登记、备案、许可、监管信息。

名　　称　天职国际会计师事务所（特殊普通合伙）

类　　型　特殊普通合伙企业

执行事务合伙人　邱靖之

经营范围　审查企业会计报表、出具审计报告；验证企业资本，出具验资报告；办理企业合并、分立、清算事宜中的审计业务，出具有关报告；基本建设年度财务决算审计；代理记账；会计咨询、税务咨询、管理咨询、会计培训；法律、法规规定的其他业务；技术开发、技术咨询、技术服务；应用软件服务；软件开发；计算机系统服务；软件咨询；产品设计；基础软件服务；数据处理（数据处理中的银行卡中心、PUE值在1.4以上的云计算数据中心除外）；企业管理咨询；销售计算机、软件及辅助设备。（依法须经批准的项目，经相关部门批准后依批准的内容开展经营活动。）

成立日期　2012年03月05日

合伙期限　2012年03月05日至 长期

主要经营场所　北京市海淀区车公庄西路19号68号楼A-1和A-5区域

天职国际会计师事务所（特殊普通合伙）与原件核对一致（1）

登记机关　北京市海淀区市场监督管理局

2020 年 03 月 12 日

国家企业信用信息公示系统网址：http://www.gsxt.gov.cn

市场主体应当于每年1月1日至6月30日通过国家企业信用信息公示系统报送公示年度报告。

国家市场监督管理总局监制

F-541

证书序号：000406

会计师事务所
证券、期货相关业务许可证

经财政部、中国证券监督管理委员会审查，批准

天职国际会计师事务所（特殊普通合伙） 执行证券、期货相关业务。

首席合伙人：邱靖之

证书号：08　　发证时间：二〇一八年五月二十八日

证书有效期至：二〇二〇年五月二十八日

F-542

会计师事务所

执业证书

名　　称：	天职国际会计师事务所（特殊普通合伙）
首席合伙人：	邱靖之
主任会计师：	
经营场所：	北京市海淀区车公庄西路19号68号楼A-1和A-5区域
组织形式：	特殊普通合伙
执业证书编号：	11010150
批准执业文号：	京财会许可[2011]0105号
批准执业日期：	2011年11月14日

证书序号：0000175

说　明

1、《会计师事务所执业证书》是证明持有人经财政部门依法审批，准予执行注册会计师法定业务的凭证。

2、《会计师事务所执业证书》记载事项发生变动的，应当向财政部门申请换发。

3、《会计师事务所执业证书》不得伪造、涂改、出租、出借、转让。

4、会计师事务所终止或执业许可注销的，应当向财政部门交回《会计师事务所执业证书》。

天职国际会计师事务所（特殊普通合伙）
与原件核对一致
（1）

发证机关：北京市财政局

二〇一八　七　二十六

年　月　日

中华人民共和国财政部制

年度检验登记
Annual Renewal Registration
2017
2010
2011
注册会计师工作单位变更事项登记
Registration of the Change of Working Unit by a CPA
2016
2015
2014
2012
2013
430400030002
北京注册会计师协会
天职国际会计师事务所（特殊普通合伙）
与原件核对一致
（I）
THE CHINESE INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
中国注册会计师协会
姓名 Full name 文武兴
性别 Sex 男
出生日期 Date of birth 1965-07-26
工作单位 Working unit 天职国际会计师事务所有限公司
身份证号码 Identity card No. 430304196507262050

年度检验登记
Annual Renewal Registration
2016
2015
2013
2014
2011
2012
2017
注册会计师工作单位变更事项登记
Registration of the Change of Working Unit by a CPA
年度检验登记
Annual Renewal Registration
与原件核对一致
THE CHINESE INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
1985-07-19
天职国际会计师事务所有限公司

ISSUER

Eastern Creation II Investment Holdings Ltd.
Ritter House, Wickhams Cay II
Road Town
Tortola VG1110
British Virgin Islands

BII HONG KONG

Beijing Infrastructure Investment (Hong Kong) Limited
2/F, 625 King's Road
North Point, Hong Kong

COMPANY

Beijing Infrastructure Investment Co., Ltd.
9/F, No. 2 Tower, Jingtou Building
No. 6 Xiaoying North Road
Chaoyang District
Beijing, 100101, China

TRUSTEE

Citicorp International Limited
20/F, Citi Tower, One Bay East
83 Hoi Bun Road, Kwun Tong
Hong Kong

ISSUING AND PAYING AGENT, PAYING AGENT, REGISTRAR, TRANSFER AGENT AND CALCULATION AGENT

Citibank, N.A., London Branch
c/o Citibank, N.A., Dublin Branch
1 North Wall Quay
Dublin
Ireland

CMU LODGING AND PAYING AGENT

Citicorp International Limited
55/F One Island East
18 Westlands Road
Island East
Hong Kong

DEALERS

Bank of China Limited
7/F, Bank of China Tower
1 Garden Road
Central
Hong Kong

Haitong International Securities Company Limited
22/F Li Po Chun Chambers
189 Des Voeux Road
Central
Hong Kong

ABCI Capital Limited
11/F, Agricultural
Bank of China Tower
50 Connaught Road Central
Hong Kong

China Everbright Bank Co., Ltd., Hong Kong Branch
22/F, Everbright Centre
108 Gloucester Road
Wan Chai
Hong Kong

Deutsche Bank AG, Hong Kong Branch
60/F, International
Commerce Centre
1 Austin Road West
Kowloon, Hong Kong

Oversea-Chinese Banking Corporation Limited
63 Chulia Street
#03-05 OCBC Centre East
Singapore 049514

CLSA Limited
18/F, One Pacific Place
88 Queensway
Hong Kong

The Hongkong and Shanghai Banking Corporation Limited
Level 17, HSBC Main Building
1 Queen's Road Central
Hong Kong

BNP Paribas
63/F, Two International
Finance Centre
8 Finance Street, Central
Hong Kong

CMB Wing Lung Bank Limited
8/F, CMB Wing Lung Bank Building
45 Des Voeux Road Central
Hong Kong

ICBC International Securities Limited
37/F, ICBC Tower
3 Garden Road
Central
Hong Kong

Silk Road International Capital Limited
603-05, 6/F, AIA Central
1 Connaught Road Central,
Central, Hong Kong

Goldman Sachs (Asia) L.L.C.
68th Floor
Cheung Kong Centre
2 Queen's Road Central
Hong Kong

Standard Chartered Bank
One Basinghall Avenue
London EC2V 5DD
United Kingdom

CCB International Capital Limited
12/F, CCB Tower
3 Connaught Road Central
Central
Hong Kong

DBS Bank Ltd.
10th Floor, The Center
99 Queen's Road Central
Hong Kong

Industrial and Commercial Bank of China (Asia) Limited
28/F, ICBC Tower
3 Garden Road
Central
Hong Kong

Société Générale
34/F Three Pacific Place
1 Queen's Road East
Hong Kong

LEGAL ADVISORS TO THE ISSUER, BII HONG KONG AND THE COMPANY

As to Hong Kong law

Clifford Chance
27th Floor, Jardine House
One Connaught Place
Central, Hong Kong

As to PRC law

JunZeJun Law Offices
6/F South Tower
Financial Street Centre
No. 9 Finance Street
Beijing, PRC

As to British Virgin Islands law

Walkers (Hong Kong)
15/F, Alexandra House
18 Chater Road
Central, Hong Kong

LEGAL ADVISORS TO THE DEALERS

As to English law

Linklaters
11th Floor
Alexandra House
Chater Road
Hong Kong

As to PRC law

Global Law Office
15/F Tower
1 China Central Place
No. 81 Jianguo Road
Beijing 100025, China

INDEPENDENT AUDITOR OF BII HONG KONG AND THE COMPANY

Baker Tilly China Certified Public Accountants
Building 12, Foreign Cultural and Creative Garden
No. 19 Chegongzhuang West Road
Haidian District
Beijing 100048, China

Printed by **ProTop Financial Press Limited**
211489-01

Appendix II — Pricing Supplement dated 12 October 2021

IMPORTANT NOTICE

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE ADDRESSEES OUTSIDE OF THE UNITED STATES.

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached pricing supplement ("**Pricing Supplement**"). You are advised to read this disclaimer carefully before accessing, reading or making any other use of the attached Pricing Supplement. In accessing the attached Pricing Supplement, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access.

Confirmation of Your Representation: This Pricing Supplement is being sent to you at your request and by accepting the e-mail and accessing the attached Pricing Supplement, you shall be deemed to represent to Eastern Creation II Investment Holdings Ltd. (the "**Issuer**"), Beijing Infrastructure Investment Co., Ltd. (the "**Guarantor**"), Bank of China Limited, CLSA Limited, Haitong International Securities Company Limited, Standard Chartered Bank, CCB International Capital Limited, China Everbright Bank Co., Ltd., Hong Kong Branch, CMB Wing Lung Bank Limited, Deutsche Bank AG, Hong Kong Branch, The Hongkong and Shanghai Banking Corporation Limited, Industrial and Commercial Bank of China (Asia) Limited and Silk Road International Capital Limited (together, the "**Managers**") that the e-mail address that you gave us and to which this e-mail has been delivered is not located in the United States, its territories or possessions, and you consent to delivery of the attached Pricing Supplement and any amendments or supplements thereto by electronic transmission.

The attached document is being furnished in connection with an offering in offshore transactions outside the United States in compliance with Regulation S under the Securities Act solely for the purpose of enabling a prospective investor to consider the purchase of the securities described herein. The attached Pricing Supplement has been made available to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of the Issuer, the Guarantor, the Managers, the Trustee (as defined in the offering circular dated 27 September 2021 (the "**Offering Circular**")) or the Agents (as defined in the Offering Circular) or any of their respective affiliates, directors, officers, employees, representatives, agents and each person who controls any Manager accepts any liability or responsibility whatsoever in respect of any discrepancies between the document distributed to you in electronic format and the hard copy version. We will provide a hard copy version to you upon request.

Restrictions: The attached Pricing Supplement is being furnished in connection with an offering exempt from registration under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") solely for the purpose of enabling a prospective investor to consider the purchase of securities described in the attached Pricing Supplement.

THE SECURITIES AND THE GUARANTEE THEREOF HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER 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.

Nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of any of the Issuer, the Guarantor, the Managers, the Trustee or the Agents to subscribe for or purchase any of the securities described therein, and access has been limited so that it shall not constitute in the United States or elsewhere a general solicitation or general advertising (as those terms are used in Regulation D under the Securities Act) or 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 a Manager or any of its affiliates is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by it or such affiliate on behalf of the Issuer and the Guarantor in such jurisdiction.

You are reminded that you have accessed the attached Pricing Supplement on the basis that you are a person into whose possession the attached Pricing Supplement may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorised to deliver this document, electronically or otherwise, to any other person. If you have gained access to this transmission contrary to the foregoing restrictions, you are not allowed to purchase any of the securities described in the attached Pricing Supplement.

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

THE ATTACHED PRICING SUPPLEMENT MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. YOU ARE NOT AUTHORISED TO AND YOU MAY NOT FORWARD OR DELIVER THE ATTACHED PRICING SUPPLEMENT, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON OR REPRODUCE SUCH PRICING SUPPLEMENT IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE ATTACHED PRICING SUPPLEMENT 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.

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

Pricing Supplement

MiFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

PRIIPs REGULATION – EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

UK PRIIPs REGULATION – UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the "**SFA**") and the Securities and Futures Act (Capital Market 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 Notes are prescribed capital markets products (as defined in the CMP Regulations 2018).

This document is for distribution to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**HKSE**")) ("**Professional Investors**") only.

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

HKSE 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 Programme and the Notes on HKSE is not to be taken as an indication of the commercial merits or credit quality of the Programme, the Notes or the Issuer, the Guarantor, and the Group or quality of disclosure in this document. Hong Kong Exchanges and Clearing Limited and HKSE 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.

This document, together with the 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, the Guarantor, and the Group. Each of the Issuer and the Guarantor accepts full responsibility for the accuracy of the information contained in this document 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.

Application will be made for the listing of the Notes on the Chongwa (Macao) Financial Asset Exchange Co., Ltd. (the "**MOX**"). This document is for distribution to professional investors (as defined in Section 11 of the Guideline on Provision and Distribution of Financial Products (Circular 033/B/2010-DSB/AMCM)) in Macau and professional investors from other jurisdictions in accordance with a relevant exemption from public offering regulations in those jurisdictions ("**Professional Investors**") only. **Investors should not purchase the Notes in the primary or secondary markets unless they are Professional Investors and understand the risks involved. The Notes are only suitable for Professional Investors.**

The MOX 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 Notes on the MOX is not to be taken as an indication of the commercial merits or credit quality of the Notes, the Issuer, the Guarantor and the Group or the quality of disclosure in this document. The MOX takes 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 Managers (as set out in this Pricing Supplement) have not separately verified the information contained in this Pricing Supplement. To the fullest extent permitted by law, neither the Managers, or any director, officer, employee, agent or affiliate of any such person makes any representation, warranty or undertaking, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Pricing Supplement. To the fullest extent permitted by law, neither the Managers, or any director, officer, employee, agent or affiliate of any such person accepts any responsibility for the contents of this Pricing Supplement or for any other statement made or purported to be made by the Manager, or any director, officer, employee, agent or affiliate of any such person or on its behalf in connection with the Issuer, the Guarantor, the Group,

the giving of the Guarantee or the issue and offering of the Notes. The Managers accordingly disclaim all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Pricing Supplement or any such statement.

12 October 2021

Eastern Creation II Investment Holdings Ltd.
Legal entity identifier (LEI): 549300POZZMBXFYP2H73
Issue of U.S.$400,000,000 1.35 per cent. Guaranteed Notes due 2024
Guaranteed by Beijing Infrastructure Investment Co., Ltd.
under its U.S.$6,000,000,000
Guaranteed Medium Term Note Programme

This document constitutes the Pricing Supplement relating to the issue of Notes described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Notes (the "**Conditions**") set forth in the Offering Circular dated 27 September 2021 (the "**Offering Circular**"). This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Offering Circular as so supplemented. Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of the Offering Circular and this Pricing Supplement, which, for the avoidance of doubt, includes Appendix 1 to this Pricing Supplement.

1	(i)	Issuer:	Eastern Creation II Investment Holdings Ltd.
	(ii)	Guarantor:	Beijing Infrastructure Investment Co., Ltd.
2	(i)	Series Number:	015
	(ii)	Tranche Number:	001
	(iii)	Date on which the Notes will be consolidated and form a single Series:	Not Applicable
3	Specified Currency or Currencies:		U.S. dollar ("**U.S.$**")
4	Aggregate Nominal Amount:		
	(i)	Series:	U.S.$400,000,000
	(ii)	Tranche:	U.S.$400,000,000
5	(i)	Issue Price:	99.994 per cent. of the Aggregate Nominal Amount
	(ii)	Net proceeds:	Approximately U.S.$397,450,000
6	(i)	Specified Denominations:	U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof
	(ii)	Calculation Amount:	U.S.$1,000
7	(i)	Issue Date:	20 October 2021
	(ii)	Interest Commencement Date:	Issue Date
8	Maturity Date:		20 October 2024
9	Interest Basis:		1.35 per cent. Fixed Rate (further particulars specified below)

10	Redemption/Payment Basis:	Redemption at par
11	Change of Interest Basis or Redemption/Payment Basis:	Not Applicable
12	Put/Call Options:	Change of Control Put Option Non-Registration Event Put Option Issuer Call
13	Date of Board approval for issuance of Notes and Guarantee obtained:	The issuance of Notes under the Programme was authorised by resolutions of the board of directors of the Issuer dated 23 September 2021 and the giving of the Guarantee was authorised by the resolutions of the board of directors of the Guarantor dated 28 May 2021
14	Regulatory approval for issuance of Notes obtained:	Enterprise Foreign Debt Pre-Issue Registration Certificate received on 1 September 2021
15	Listing:	(i) The Stock Exchange of Hong Kong Limited, listing is expected to be effective on 21 October 2021; (ii) Chongwa (Macao) Financial Asset Exchange Co., Ltd. (MOX), listing is expected to be effective after the Issue Date; and (iii) Bourse de Luxembourg (LuxSE), listing is expected to be effective after the Issue Date
16	Method of distribution:	Syndicated

Provisions Relating to Interest (if any) Payable

17	Fixed Rate Note Provisions:		Applicable
	(i)	Rate of Interest:	1.35 per cent. per annum payable semi-annually in arrear
	(ii)	Interest Payment Date(s):	20 April and 20 October in each year, commencing on 20 April 2022, not adjusted
	(iii)	Fixed Coupon Amount(s):	Not Applicable
	(iv)	Broken Amount(s):	Not Applicable
	(v)	Day Count Fraction:	30/360
	(vi)	Determination Date(s):	Not Applicable
	(vii)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	None
18	Floating Rate Note Provisions:		Not Applicable

19	Zero Coupon Note Provisions:	Not Applicable
20	Index Linked Interest Note Provisions:	Not Applicable
21	Dual Currency Interest Note Provisions:	Not Applicable
	Provisions Relating to Redemption	
22	Issuer Call:	Applicable
	(i) Optional Redemption Date(s):	At any time on or after 20 September 2024
	(ii) Optional Redemption Amount and method, if any, of calculation of such amount(s):	U.S.$1,000 per Calculation Amount
	(iii) If redeemable in part:	Not Applicable
	(iv) Notice period (if other than as set out in the Conditions):	Not Applicable
23	Investor Put:	Not Applicable
24	(i) Change of Control Put:	Applicable
	(ii) Non-Registration Event Put:	Applicable
25	Final Redemption Amount:	U.S.$1,000 per Calculation Amount
26	Early Redemption Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in the Conditions):	U.S.$1,010 per Calculation Amount for Early Redemption Amount (Change of Control) U.S.$1,000 per Calculation Amount for Early Redemption Amount (Non-Registration Event) Early Redemption Amount(s) are as set out in the Conditions
	General Provisions Applicable to the Notes	
27	Form of Notes:	**Registered Notes**: Global Certificate exchangeable for Individual Note Certificates in the limited circumstances described in the Global Certificate
28	Additional Financial Centre(s) or other special provisions relating to Payment Dates:	Not Applicable
29	Talons for future Coupons or Receipts to be attached to Definitive Bearer Notes (and dates on which such Talons mature):	No
30	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	Not Applicable
31	Details relating to Instalment Notes:	

(i)	Instalment Amount(s):	Not Applicable
(ii)	Instalment Date(s):	Not Applicable
32	Redenomination applicable:	Redenomination not applicable
33	Consolidation Provisions:	The provisions in Condition 15 (*Further Issues*) shall apply
34	Other terms or special conditions:	Not Applicable
	Distribution	
35 (i)	If syndicated, names and addresses of Managers:	**Bank of China Limited** 7th Floor, Bank of China Tower Central Hong Kong **CLSA Limited** Level 18, One Pacific Place 88 Queensway Hong Kong **Haitong International Securities Company Limited** 22/F Li Po Chun Chambers 189 Des Voeux Road Central Hong Kong **Standard Chartered Bank** One Basinghall Avenue London EC2V 5DD United Kingdom **CCB International Capital Limited** 12/F, CCB Tower 3 Connaught Road Central Central Hong Kong **China Everbright Bank Co., Ltd., Hong Kong Branch** 22/F, Everbright Centre 108 Gloucester Road Wan Chai Hong Kong

		CMB Wing Lung Bank Limited 8/F, CMB Wing Lung Bank Building 45 Des Voeux Road Central Hong Kong **Deutsche Bank AG, Hong Kong Branch** 60/F, International Commerce Centre 1 Austin Road West, Kowloon Hong Kong **The Hongkong and Shanghai Banking Corporation Limited** Level 17, HSBC Main Building 1 Queen's Road Central Hong Kong **Industrial and Commercial Bank of China (Asia) Limited** 28/F ICBC Tower 3 Garden Road Central Hong Kong **Silk Road International Capital Limited** 603-05, 6/F, AIA Central 1 Connaught Road Central Central Hong Kong
(ii)	Date of Subscription Agreement	12 October 2021
(iii)	Stabilisation Manager(s) (if any):	Any of the Managers appointed and acting in its capacity as Stabilisation Manager
36	If non-syndicated, name of relevant Dealer:	Not Applicable
37	U.S. Selling Restrictions:	Reg. S Category 1; TEFRA not applicable
38	Additional selling restrictions:	**Macau:** The Notes have not been and will not be promoted, distributed, sold or delivered in Macau, nor has or will any document relating to the Notes be distributed or circulated in Macau, except under the terms of and in compliance with the Macau Financial System Act and Guidelines no. 009/B/2019-DSB/AMCM as well as any other

		laws in Macau that may apply to the offer and sale of the Notes in Macau. The Notes have not been and will not be registered or otherwise authorised for public offer under the Financial System Act of Macau and Guidelines no. 009/B/2019-DSB/AMCM, thus may not be offered or sold in Macau, unless such offer is made by Macau licensed entities according to the Macau Financial System Act and upon their communication to the Macau Monetary Authority and Chongwa (Macao) Financial Asset Exchange Co., Ltd., in observation of the guidelines and recommendations issued by the Macau local regulatory authority from time to time.
	Operational Information	
39	Any clearing system(s) other than Euroclear or Clearstream and the relevant identification number(s):	Not Applicable
40	Delivery:	Delivery against payment
41	Additional Paying Agent(s) (if any):	Not Applicable
	(i) ISIN:	XS2382272081
	(ii) Common Code:	238227208
42	Translation of the aggregate principal amount of Notes issued:	Not Applicable
43	Ratings:	The Notes to be issued are expected to be rated: S&P Global Ratings: A+ Fitch Ratings Ltd.: A+
44	Private Bank Rebate/Commission:	Not Applicable

USE OF PROCEEDS

The Issuer proposes to use the proceeds from the issue of the Notes for refinancing of existing indebtedness.

STABILISATION

In connection with the issue of the Notes, one or more of the Dealers named as Stabilisation Manager(s) in this Pricing Supplement (or persons acting on behalf of any Stabilisation Manager(s)) in this Pricing Supplement may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-

allotment must be conducted by the relevant Stabilisation Manager(s) (or person(s) acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

Listing Application

This Pricing Supplement comprises the final terms required for the issue of Notes described herein pursuant to the U.S.$6,000,000,000 Guaranteed Medium Term Note Programme of Eastern Creation II Investment Holdings Ltd..

Responsibility

The Issuer and Beijing Infrastructure Investment Co., Ltd. accept responsibility for the information contained in this Pricing Supplement.

Signed on behalf of the Issuer:

By: (S.D.)

Duly authorised

Signed on behalf of Beijing Infrastructure Investment Co., Ltd.:

By: (S.D.)

Duly authorised

Appendix 1

The following paragraph on pg.141 of the Offering Circular is amended as follows:

Favourable business policies: The Beijing Government has also granted the Group the right to conduct primary land development along the Railway Lines. Upon the completion of primary land development, the Beijing Government will fully reimburse the Group for the development costs and pay a management fee to the Group, ~~representing 8% to 12%~~ accounting for part of the total costs relating to land development and resettlement process, which strongly supports the capital needs of the Group's core businesses. In relation to property and underground space operation and management, the Beijing Government also allocates revenue from commercial development along the Railway Lines to the Company.

The following paragraph on pg.147 of the Offering Circular is amended as follows:

The Group aims to fulfil the Master Plan, facilitate urban construction, and advance primary land development, real estate project development and the comprehensive development of stations and surrounding areas. The Group hopes to bring about a new dimension for development and operation of land and property along the railway lines in order to generate consistent and stable profits. The Group participates in a variety of businesses in the segment of development and operation of land and property along the railway lines, including actively promoting primary land development, and depot and station utilisation, leveraging resources on Beijing rail transit to actively promote the professionalisation and scale operation of rail transit asset management business and cooperating with major government projects, such as the Winter Olympics stadium, Jingjin Intercity Railway and new subway lines and others. Upon the completion of primary land development, the Beijing Government will fully reimburse the Group for the development costs and pay a management fee to the Group, ~~representing 8% to 12%~~ accounting for part of the total costs relating to land development and resettlement process, which strongly supports the capital needs of the Group's core businesses. The Group also participates in real estate project development and has established its brand name in the property development of subway complexes in Asia with a focus on the Beijing market. The Group engages in depot and station resource utilisation by integrating the functions of metro stations and neighbouring properties in order to facilitate the overall planning of the area and better serve the residents.

The following paragraph on pg.149 of the Offering Circular is amended as follows:

In terms of other means of financing, the Group is one of the pioneers in the mass transit railway transport industry in China to launch medium-term notes, corporate bonds and commercial paper. As at 31 December 2020, the Company's ratio of total liability to total assets was ~~44.6%~~ 64.5%. It also sought to reduce its gearing ratio through developing multiple financing instruments, including issuance of perpetual capital securities. For details, see "*Description of the Group — Business — Infrastructure Investment, Financing, Construction, Operation and Management — Mass Transit Railway — Investment and Financing Planning — Debt financing*".

The following paragraph on pg.163-164 of the Offering Circular is amended as follows:

Primary Land Development

Land development and management is an important supplementary business of the Group, providing an important source of income that has supported the cost of construction of railway projects as well as contributing to future rail patronage from the immediate catchment areas created by property developments. PRC laws provide that all land in the PRC to be developed for commercial purposes, including that for business or residential property development purposes, must be granted through public tender, auction and listing-for-sale. The Beijing Government may, from time to time,

grant the Group with the right to conduct primary land development along the Railway Lines in Beijing. Primary land development refers to the process of preparing land to conditions ready for public tender, auction and listing-for-sale, typically involving relocating existing business establishments and residents, demolishing existing buildings and other structures, clearing the site and installing the basic infrastructure for future commercial property development. The Group does not conduct land resettlement operations directly in the primary land development projects the Group undertakes. Pursuant to the Regulation on Expropriation and Compensation Related to Buildings on State-Owned Land (國有土地上房屋徵收與補償條例) promulgated by the State Council on 21 January 2011, which replaced the Regulations for the Administration of Demolition and Removal of Urban Housing (城市房屋拆遷管理條例), only government authorities are permitted to conduct resettlement activities, but companies who have already obtained a demolition and resettlement permit may continue to use such permit to complete the demolition. Upon the completion of primary land development, the Beijing Government will fully reimburse the Group for the development costs and pay a management fee to the Group, ~~representing 8% to 12%~~ accounting for part of the total costs relating to land development and the resettlement process, which strongly supports the capital needs of the Group's core businesses.