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This announcement and the listing documents referred to herein are for information purposes only as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and do not constitute an offer to sell or acquire or the solicitation of an offer to buy any securities. Neither this announcement nor anything referred to herein (including the listing documents) 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 and the listing documents referred to herein are solely for the purpose of reference and do not constitute any offer or solicitation to purchase or subscribe for 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 and the guarantee referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “U.S. 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 to or for the account or benefit of, U.S. persons (as defined in the U.S. Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state or local securities laws. No public offer of securities is to be made in the United States where such an offering is restricted or prohibited.

Notice to Hong Kong investors: *The Issuer and the Guarantor (each 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 Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) 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 THE OFFERING CIRCULAR

Beijing State-owned Capital Operation and Management Center Investment Holdings Limited
北京国管中心投资控股有限公司
(incorporated in the British Virgin Islands with limited liability)
(the “**Issuer**”)

EUR1,000,000,000 1.206 per cent. Guaranteed Notes Due 2025
(the “**Notes**”)
(**Stock Code: 4495**)

unconditionally and irrevocably guaranteed by
Beijing State-owned Capital Operation and Management Company Limited
(北京国有资本运营管理有限公司)

 **北京国有资本运营管理有限公司**
Beijing State-owned Capital Operation and Management Company Limited
(incorporated in the People’s Republic of China with limited liability)
(the “**Guarantor**”)

This announcement is issued pursuant to Rule 37.39A of the Listing Rules.

Please refer to the offering circular dated 16 February 2022 in relation to the issue of the Notes (the “**Offering Circular**”) appended herein. As disclosed in the Offering Circular, the Notes 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 on that basis.

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

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

Hong Kong, 24 February 2022

As at the date of this announcement, the directors of the Issuer are Mr. Jifeng Zhao, Mr. Zhongfu Yu and Mrs. Qing Zheng.

As at the date of this announcement, the Management Committee of the Guarantor are Mr. Zhang Guilin, Mrs. Jin Qihong, Mr. Huang Xiaowen, Mr. Wu Lishun, Mr. Yang Hongbao and Mr. Xie Zhongsheng.

Appendix

Offering Circular dated 16 February 2022

IMPORTANT NOTICE

NOT FOR DISTRIBUTION TO ANY PERSON OR ADDRESS IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS. THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE NON-U.S. PERSONS AND WHOSE ADDRESSES ARE LOCATED OUTSIDE OF THE UNITED STATES.

IMPORTANT: You must read the following before continuing. The following applies to the offering circular following this page (the “Offering Circular”), and you are therefore advised to read this carefully before reading, accessing or making any other use of the Offering Circular. In accessing the Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from the Issuer or the Guarantor (each as defined in the Offering Circular) as a result of such access. The terms “United States,” “U.S. Person,” “directed selling efforts” and “offshore transaction” shall have the same meaning as in Regulation S of the U.S. Securities Act of 1933, as amended (the “Securities Act”).

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES. 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 AND THE SECURITIES MAY NOT BE OFFERED OR SOLD EXCEPT IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT OR OTHERWISE PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS. THIS OFFERING IS MADE SOLELY IN OFFSHORE TRANSACTIONS PURSUANT TO REGULATION S UNDER THE SECURITIES ACT.

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

Confirmation of your Representation: In order to be eligible to view the Offering Circular or make an investment decision with respect to the securities, investors must not be U.S. Persons and must not be located in the United States. The Offering Circular is being sent at your request and by accepting the e-mail and accessing the Offering Circular, you shall be deemed to have represented to the Issuer, the Guarantor and ICBC International Securities Limited, Bank of China Limited, Deutsche Bank AG, Hong Kong Branch, ABCI Capital Limited, Industrial and Commercial Bank of China (Europe) S.A., China Construction Bank (Asia) Corporation Limited, Industrial and Commercial Bank of China (Asia) Limited, The Hongkong and Shanghai Banking Corporation Limited, CEB International Capital Corporation Limited, CLSA Limited, China Securities (International) Corporate Finance Company Limited, Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch, China CITIC Bank International Limited, CMB Wing Lung Bank Limited, DBS Bank Ltd., China International Capital Corporation Hong Kong Securities Limited, Huatai Financial Holdings (Hong Kong) Limited, Standard Chartered Bank, UBS AG Hong Kong Branch and Natixis as the joint lead managers (the “Joint Lead Managers”) that (1) you and any customers you represent are not U.S. Persons, and the electronic mail address that you gave to the Issuer and to which this e-mail has been delivered is not located in the United States and, to the extent you purchase the securities described in the Offering Circular, you will be doing so pursuant to Regulation S under the Securities Act and (2) you consent to delivery of such Offering Circular and any amendments and supplements thereto by electronic transmission.

The attached document is being furnished in connection with an offering in offshore transactions outside the United States to non-U.S. persons 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.

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

Nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of either the Issuer, the Guarantor, the Group, the Joint Lead Managers, the Trustee, or the Agents (each as defined in the Offering Circular) or any of their respective affiliates, directors, officers, employees, representatives, agents or advisers or each person who controls any of them or their respective advisers 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 the Joint Lead Managers or any affiliate of them is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Joint Lead Managers or such affiliate on behalf of the Issuer or the Guarantor in such jurisdiction.

The Offering Circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently neither the Issuer, the Guarantor, the Group, the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents or advisers or each person who controls any of them or their respective advisers accepts any liability or responsibility whatsoever in respect of any such alteration or change to the Offering Circular distributed to you in electronic format or any difference between the Offering Circular distributed to you in electronic format and the hard copy version available to you on request from the Joint Lead Managers.

Singapore Securities and Futures Act Product Classification – Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act (Chapter 289 of Singapore) (the “SFA”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Notes are “prescribed capital markets products” (as defined in the Securities and Futures (Capital Markets Products) Regulations) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

MIFID II product governance/Professional investors and ECPs only target market – Solely for the purposes of 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 manufacturers’ 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 manufacturers’ 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 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 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 manufacturer’s target market assessment) and determining appropriate distribution channels.

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 European Economic Area (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 Directive 2014/65/EU (as amended, “EU MiFID II”); or (ii) a customer within the meaning of Directive (EU) 2016/97 (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. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended the “EU 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 EU 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 United Kingdom (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 European Union (Withdrawal) Act 2018 (the “EUWA”); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (“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. 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.

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Beijing State-owned Capital Operation and Management Center Investment Holdings Limited

北京国管中心投资控股有限公司

(a company incorporated in the British Virgin Islands with limited liability)

EUR1,000,000,000 1.206 PER CENT. GUARANTEED NOTES DUE 2025

unconditionally and irrevocably guaranteed by



Beijing State-owned Capital Operation and Management Company Limited

(北京國有資本運營管理有限公司)

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

ISSUE PRICE: 100 per cent.

The 1.206 per cent. Guaranteed Notes due 2025 (the "Notes") will be issued in an aggregate principal amount of EUR1,000,000,000 by Beijing State-owned Capital Operation and Management Center Investment Holdings Limited 北京国管中心投资控股有限公司 (the "Issuer"). The Notes will be unconditionally and irrevocably guaranteed by Beijing State-owned Capital Operation and Management Company Limited (北京國有資本運營管理有限公司) (the "Guarantor"). The Issuer is a wholly-owned subsidiary of the Guarantor.

The Notes will bear interest from 23 February 2022 at the rate of 1.206 per cent. per annum payable annually in arrear on 23 February in each year (each, an "Interest Payment Date"), commencing on 23 February 2023.

The Notes will constitute direct, general unconditional and unsubordinated obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsubordinated and unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application. The Guarantor will in a deed of guarantee (the "Deed of Guarantee") unconditionally and irrevocably guarantee the due and punctual payment of all sums from time to time payable by the Issuer in respect of the Notes. This guarantee (the "Guarantee of the Notes") constitutes direct, general and unconditional obligations of the Guarantor which will at all times rank at least *pari passu* with all other present and future unsubordinated and unsecured obligations of the Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

The Notes are in registered form in the denominations of EUR100,000 and integral multiples of EUR1,000 in excess thereof.

Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount on 23 February 2025 (the "Maturity Date"). The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Noteholders (as defined in the Terms and Conditions of the Notes) (which notice shall be irrevocable) in accordance with Condition 15 (Notices) at their principal amount, together with interest accrued (but not including) to the date fixed for redemption. If, immediately before giving such notice, the Issuer satisfies the Trustee that: (i) the Issuer has or will become obliged to pay Additional Tax Amounts (as defined in the Terms and Conditions of the Notes) as a result of any change in, or amendment to, the laws or regulations of the PRC, the British Virgin Islands or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after 16 February 2022 and such obligation cannot be avoided by the Issuer taking reasonable measures available to it; or (ii) the Guarantor has or (if a demand was made under the Guarantee of the Notes) would become obliged to pay Additional Tax Amounts as a result of any change in, or amendment to, the laws or regulations of the PRC or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after 16 February 2022 and such obligation cannot be avoided by the Guarantor taking reasonable measures available to it. At any time following the occurrence of a Relevant Event (as defined in the Terms and Conditions of the Notes), each Noteholder 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 Put Settlement Date (as defined in the Terms and Conditions of the Notes) at 101 per cent. of the principal amount (in the case of a Change of Control (as defined in the Terms and Conditions of the Notes)) or 100 per cent. of their principal amount (in the case of a Non-Registration Event (as defined in the Terms and Conditions of the Notes)), in each case together with accrued interest to (but not including) such Put Settlement Date. The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable) at their Make Whole Amount (as defined in the Terms and Conditions of the Notes) in the case of a Call Settlement Date falling before 23 January 2025 or at 100 per cent. of their principal amount in the case of a Call Settlement Date falling on or after 23 January 2025, in each case, together with interest accrued to such Call Settlement Date (as defined in the Terms and Conditions of the Notes) specified in the Optional Redemption Notice (as defined in the Terms and Conditions of the Notes). See "Terms and Conditions of the Notes – Redemption and Purchase".

The government of the PRC is not an obligor and shall under no circumstances have any obligation arising out of or in connection with the Notes or the Guarantee of the Notes in lieu of the Issuer or the Guarantor. See "Risk Factors – Risks relating to the Notes and the Guarantee of the Notes – The PRC government has no legal obligations under the Notes or the Guarantee of the Notes".

The Guarantor will file or cause to be filed with the State Administration of Foreign Exchange of the PRC ("SAFE") the Deed of Guarantee in accordance with, and within the time period prescribed by, the Provisions on the Foreign Exchange Administration of Cross-Border Guarantees (跨境担保外汇管理规定) promulgated by SAFE on 12 May 2014 which came into effect on 1 June 2014 (the "Cross-Border Security Registration"). The Guarantor will use its reasonable endeavours to complete the Cross-Border Security Registration and obtain a registration certificate from SAFE (or any other document evidencing the completion of registration issued by SAFE) on or before the SAFE Registration Deadline (being 150 PRC Business Day after the Issue Date (as defined below)) and comply with all applicable PRC laws and regulations in relation to the Guarantee of the Notes.

Pursuant to the Circular on Promoting the Reform of the Administrative System on the Issuance by Enterprises of Foreign Debt Filings and Registrations (國家發展改革委關於推進企業發行外債備案登記管理改革的通知(發改外資[2015]2044號)) (the "NDRC Circular") issued by the National Development and Reform Commission of the PRC ("NDRC") on 14 September 2015 which came into effect on the same day, the Guarantor has registered the issuance of the Notes with the NDRC and obtained a certificate from NDRC on 19 May 2021 evidencing such registration which, at the date of this Offering Circular, remains valid and in full force and effect and intends to provide the requisite information on the issuance of the Notes to the NDRC within the prescribed timeframe after the Issue Date.

All payments of principal, premium and interest in respect of the Notes by or on behalf of the Issuer or the Guarantor shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the PRC, the British Virgin Islands or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law, all to the extent described under "Terms and Conditions of the Notes – Taxation".

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

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 document. Listing of 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 Notes, the Issuer or the Guarantor or the Group or of the quality of disclosure in this Offering Circular. 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.

Application will be made to the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse) (the "Frankfurt Stock Exchange") for the Notes to be admitted to trading in the Quotation Board of the Open Market (Freiverkehr) at the Frankfurt Stock Exchange and the Notes will be available for trading on the China Europe International Exchange AG (CEINEX).

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, the Guarantor and the Group. Each of the Issuer and the Guarantor accepts full responsibility for the accuracy of the information contained in this Offering Circular and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

Notice to Hong Kong investors: The Issuer and the Guarantor confirm 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, 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.

Investing in the Notes involves risks. See "Risk Factors" beginning on page 24 for a discussion of certain factors to be considered in connection with an investment in the Notes.

The Notes and the Guarantee of the Notes are not being registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"). The Notes and the Guarantee of the Notes are being offered in offshore transactions outside the United States in accordance with Regulation S under the Securities Act ("Regulation S"), and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. For a description of these and certain further restrictions on offers and sales of the Notes and the Guarantee of the Notes and the distribution of this Offering Circular, see "Subscription and Sale".

MFID II product governance/Professional investors and ECPs only target market – Solely for the purposes of 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, "MFID 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 MFID 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.

UK MFIR 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, as defined in the FCA Handbook (the "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 MFIR"); 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 the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK MFIR Product Governance Rules") 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.

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 European Economic Area (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 Directive 2014/65/EU (as amended, "EU MFID II"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended the "EU 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 EU 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 United Kingdom (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 European Union (Withdrawal) Act 2018 (the "EUWA"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended ("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. 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.

Singapore Securities and Futures Act Product Classification – Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act (Chapter 289 of Singapore) (the "SFA"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Notes are "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12; Notice on a Sale of Investment Products and MAS Notice FAA-N16; Notice on Recommendations on Investment Products).

The Notes will be represented by beneficial interests in the global note certificate (the "Global Note Certificate") in registered form which will be registered in the name of a nominee for, and shall be deposited, on or about the Issue Date, with a common depositary for Euroclear Bank S.A./N.V. ("Euroclear") and Clearstream Banking S.A. ("Clearstream"). Beneficial interests in the Global Note Certificate will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream. Individual note certificates ("Individual Note Certificates") evidencing holdings of Notes will only be available in certain limited circumstances. See "Summary of Provisions Relating to the Notes in Global Form".

The Notes are expected to be rated "A1" by Moody's Investors Service, Inc. ("Moody's") and "Aa" by Standard & Poor's Rating Services, a division of S&P Global Inc. ("S&P"). 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.

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China Securities International

Shanghai Pudong Development Bank Hong Kong Branch

China CITIC Bank International

CMB Wing Lung Bank Limited

DBS Bank Ltd.

China International Capital Corporation

Huatai International

Standard Chartered Bank

UBS

Natixis

Offering Circular dated 16 February 2022

NOTICE TO INVESTORS

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

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

This Offering Circular includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the rules and regulations of the Frankfurt Stock Exchange for the purpose of giving information with regard to the Issuer and the Guarantor. Each of the Issuer and the Guarantor accepts full responsibility for the accuracy of the information contained in this Offering Circular and confirms, having made all reasonable inquiries that to the best of its knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

Each of the Issuer and the Guarantor jointly and severally represents, warrants to and agrees with each of the Joint Lead Managers that (i) this Offering Circular contains all information with respect to the Issuer, the Guarantor and the Group and the Notes, the Guarantee of the Notes and the Deed of Guarantee which is material in the context of the issue, offering, sale, marketing or distribution of the Notes and the giving of the Guarantee of the Notes (including all information which is required by all applicable laws or, according to the particular nature of the Issuer, the Guarantor and the Group and of the Notes, the Guarantee of the Notes and the Deed of Guarantee is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer, the Guarantor and the Group, and of the rights attaching to the Notes); (ii) this Offering Circular does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (iii) the statements of fact contained in this Offering Circular are in every material respect, true and accurate and not misleading, and there are no other facts in relation to the Issuer, the Guarantor or the Group or the Notes, the Guarantee of the Notes or the Deed of Guarantee the omission of which would, in the context of the issue, offering, sale, marketing or distribution of the Notes or the giving of the Guarantee of the Notes, make any statement in this Offering Circular misleading; (iv) the statements of intention, opinion, belief or expectation contained in this Offering Circular are honestly and reasonably made or held and have been reached after considering all relevant circumstances and based on reasonable assumptions; (v) all reasonable enquiries have been made by the Issuer and the Guarantor to ascertain such facts and to verify the accuracy of all such information and statements; and (vi) all statistical, industry and market related data included in this Offering Circular are derived from sources which are accurate and reliable.

This Offering Circular has been prepared by the Issuer and the Guarantor solely for use in connection with the proposed offering of the Notes described in this Offering Circular. The distribution of this Offering Circular and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer, the Guarantor, the Joint Lead Managers, the Trustee and the Agents to inform themselves about and to observe any such restrictions. No action is being taken to permit a public offering of the Notes or the distribution of this Offering Circular or any offering or publicity material relating to the Notes in any jurisdiction where action would be required for such purposes. There are restrictions on the offer, sale and resale of the Notes, and the circulation of documents relating thereto, in certain jurisdictions and to persons connected therewith. For a description of certain further restrictions on offers, sales and resales of the Notes and distribution of this

Offering Circular, see “*Subscription and Sale*”. This Offering Circular does not constitute an offer of, or an invitation to purchase, any of the Notes in any jurisdiction in which such offer or invitation would be unlawful. By purchasing the Notes, investors represent and agree to all of those provisions contained in that section of this Offering Circular.

No person has been or is authorised in connection with the issue, offering, sale, marketing or distribution of the Notes to give any information or to make any representation concerning the Issuer, the Guarantor, the Group, the Notes or the Guarantee of the Notes other than as contained in this Offering Circular and, if given or made, such other information or representation must not be relied upon as having been authorised by or on behalf of any of the Issuer, the Guarantor, the Group, the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents or advisers or each person who controls any of them or their respective advisers. Neither the delivery of this Offering Circular 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, the Guarantor or the Group or any member of the Group since the date hereof or create any implication that the information contained herein is correct as at any date subsequent to the date hereof.

This Offering Circular does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Guarantor, the Group, the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents or advisers or each person who controls any of them or their respective advisers to subscribe for or purchase any Notes and this document may not be used for the purpose of an offer to, or a solicitation by, anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or is unlawful.

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

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 European Economic Area (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 Directive 2014/65/EU (as amended, “**EU MiFID II**”); or (ii) a customer within the meaning of Directive (EU) 2016/97 (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. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended the “**EU 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 EU 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 United Kingdom (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 European Union (Withdrawal) Act 2018 (the “**EUWA**”); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (“**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. 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.

MIFID II product governance/Professional investors and ECPs only target market – Solely for the purposes of 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 manufacturers’ 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 manufacturers’ 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 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 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 manufacturer’s target market assessment) and determining appropriate distribution channels.

Singapore Securities and Futures Act Product Classification – Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act (Chapter 289 of Singapore) (the “**SFA**”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Notes are “prescribed capital markets products” (as defined in the Securities and Futures (Capital Markets Products) Regulations) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

IN CONNECTION WITH THIS ISSUE, EACH JOINT LEAD MANAGER OR ANY PERSON ACTING ON ITS BEHALF MAY OVERALLOT 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, THE JOINT LEAD MANAGERS (OR ANY PERSON ACTING ON ITS BEHALF) IS NOT OBLIGED TO UNDERTAKE STABILISATION ACTION. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE NOTES IS MADE AND, IF BEGUN, MAY CEASE AT ANY TIME AND MUST BE BROUGHT TO AN END AFTER A LIMITED PERIOD.

None of the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents or advisers or each person who controls any of them or their respective advisers has independently verified the information contained in this Offering Circular and can give no assurance that this information is accurate, truthful or complete. Accordingly, no representation, warranty or undertaking, express or implied, is made or given and no responsibility or liability is accepted, by the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents or advisers or each person who controls any of them or their

respective advisers, as to the accuracy, completeness or sufficiency of the information contained in this Offering Circular or any other information supplied in connection with the Notes or the Guarantee of the Notes. Nothing contained in this Offering Circular is, or shall be relied upon as, a promise, representation or warranty by the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents or advisers or each person who controls any of them or their respective advisers.

To the fullest extent permitted by law, none of the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents or advisers or each person who controls any of them or their respective advisers accepts any responsibility for the contents of this Offering Circular and assumes no responsibility for the contents, accuracy, completeness or sufficiency of any such information or for any other statement, made or purported to be made by the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents or advisers or each person who controls any of them or their respective advisers or on their behalf in connection with the Issuer, the Guarantor, the Group or the issue and offering of the Notes or the Guarantee of the Notes. Each of the Joint Lead Managers, the Trustee and the Agents and any of their respective affiliates, directors, officers, employees, representatives, agents or advisers and each person who controls any of them or their respective advisers accordingly disclaims all and any liability, whether arising in tort or contract or otherwise, which it might otherwise have in respect of this Offering Circular or any such statement. None of the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents or advisers or each person who controls any of them or their respective advisers undertakes to review the results of operations, financial condition or affairs of the Issuer, the Guarantor, or the Group during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or potential investor in the Notes of any information coming to the attention of the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents or advisers or each person who controls any of them or their respective advisers.

This Offering Circular is not intended to provide the basis of any credit or other evaluation nor should it be considered as a recommendation by any of the Issuer, the Guarantor, the Group, the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents or advisers or each person who controls any of them or their respective advisers that any recipient of this Offering Circular should purchase the Notes. Each person receiving this Offering Circular acknowledges that such person has not relied on the Joint Lead Managers, the Trustee, the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents or advisers or each person who controls any of them or their respective advisers in connection with its investigation of the accuracy of such information or its investment decision, and each such person must rely on its own examination of the Issuer and the merits and risks involved in investing in the Notes. See “*Risk Factors*” for a discussion of certain factors to be considered in connection with an investment in the Notes.

Any of the Joint Lead Managers and their respective affiliates may purchase the 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 the Notes and/or other securities of the Issuer, the Guarantor or their respective subsidiaries or associates at the same time as the offer and sale of the Notes or in secondary market transactions. Such transactions may be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Notes to which this Offering Circular relates (notwithstanding that such selected counterparties may also be purchasers of the Notes). Furthermore, investors in the Notes may include entities affiliated with the Group.

Investors are advised to read and understand the contents of this Offering Circular before investing. If in doubt, investors should consult his or her advisor. The Issuer, the Guarantor, the Group, the Joint Lead Managers, the Trustee and the Agents and any of their respective affiliates, directors, officers, employees, representatives, agents or advisers and each person who controls any of them or their respective advisers are not making any representation to any purchaser of the Notes regarding the legality of any investment in the Notes by such purchaser under any legal investment or similar laws or regulations.

The contents of this Offering Circular should not be construed as providing legal, business, accounting or investment advice. Each person receiving this Offering Circular acknowledges that such person has not relied on the Joint Lead Managers, the Trustee, the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents or advisers or each person who controls any of them or their respective advisers in connection with its investigation of the accuracy of such information or its investment decision.

Listing of the Notes on the Hong Kong Stock Exchange is not to be taken as an indication of the merits of the Issuer, the Guarantor, the Group, the Notes or the Guarantee of the Note. In making an investment decision, investors must rely on their own examination of the Issuer, the Guarantor and the Group and the terms of the offering of the Notes, including the merits and risks involved. See “*Risk Factors*” for a discussion of certain factors to be considered in connection with an investment in the Notes.

All non-company specific statistics and data relating to the Group’s industry or the economies of pertinent jurisdictions, such as the PRC, have been extracted or derived from publicly available information and various government sources. Each of the Issuer and the Guarantor believes that the sources of this information are appropriate for such information and each of the Issuer and the Guarantor has taken reasonable care in extracting and reproducing such information. Neither the Issuer nor the Guarantor has reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. However, this information has not been independently verified by the Issuer, the Guarantor, the Group or the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents or advisers or each person who controls any of them or their respective advisers and none of the Issuer, the Guarantor, the Group, the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents or advisers or each person who controls any of them or their respective advisers makes any representation as to the correctness, accuracy or completeness of that information. In addition, third party information providers may have obtained information from market participants and such information may not have been independently verified. Accordingly, such information should not be unduly relied upon.

The contents of this Offering Circular have not been reviewed by any regulatory authority in any jurisdiction. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this Offering Circular, you should obtain independent professional advice.

CERTAIN DEFINITIONS AND CONVENTIONS

In this Offering Circular, unless otherwise specified or the context requires otherwise:

References herein to the “**Issuer**” are to Beijing State-owned Capital Operation and Management Center Investment Holdings Limited 北京国管中心投资控股有限公司, and references herein to the “**Guarantor**” are to Beijing State-owned Capital Operation and Management Company Limited (北京國有資本運營管理有限公司) and references to the “**Group**” are to the Issuer, the Guarantor and their respective consolidated subsidiaries.

References herein to “**China**” or the “**PRC**” are to the People’s Republic of China and, for the purpose of this Offering Circular only, exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan, references herein to “**Hong Kong**” are to the Hong Kong Special Administrative Region of the PRC, references herein to “**United States**” or “**U.S.**” are to the United States of America.

References herein to “**Renminbi**”, “**RMB**” or “**CNY**” are to the lawful currency of the PRC, references herein to “**euro**” or “**EUR**” means the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro, as amended, references herein to “**U.S. dollars**” or “**U.S.\$**” are to the lawful currency of the United States, references herein to “**HKD**”, “**HK\$**” or “**HK dollars**” are to the lawful currency of Hong Kong.

References to “**NDRC**” are to the National Development and Reform Commission of the PRC.

References to “**PBOC**” are to the People’s Bank of China, the central bank of the PRC.

References to “**PRC government**” are to 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.

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

Certain monetary amounts in this Offering Circular have been subject to rounding adjustments. Where information has been presented in thousands or millions of units, amounts may have been rounded up or down, especially when rounding into another currency. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

GLOSSARY

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

- “**AECC**” are to Aero Engine Corporation of China (中國航空發動機集團);
- “**A-shares**” are to the shares traded in the Shanghai Stock Exchange, the Shenzhen Stock Exchange or other exchanges that are in mainland China;
- “**Baic Group**” are to Beijing Automotive Group Co., Ltd. (北京汽車集團有限公司);
- “**BBMG**” are to BBMG Corporation (北京金隅集團股份有限公司);
- “**BCDH**” are to Beijing Capital Development Holding (Group) Co., Ltd. (北京首都開發控股(集團)有限公司);
- “**BCSCDF**” are to Beijing Municipal Administrative Centre Construction and Development Fund (L.P.) (北京城市副中心建設發展基金(有限合夥));
- “**Beijing SASAC**” are to the State-owned Assets Supervision and Administration Commission of People’s Government of Beijing Municipality;
- “**Beijing Ducheng**” are to Beijing DuCheng Consulting Co., Ltd. (北京都成諮詢有限公司);
- “**Board of Directors**” or “**Board**” are to the board of Directors of the Guarantor;
- “**BIIC**” are to Beijing Innovation Industry Investment Co. Ltd. (北京創新產業投資有限公司);
- “**BITCC**” are to Beijing International Technology Cooperation Centre Co., Ltd (北京國際技術合作中心有限公司);
- “**BJME**” are to Beijing Jingcheng Machinery Electric Holding Co., Ltd. (北京京城機電控股有限責任公司);
- “**BMGIGF**” are to Beijing Municipal Government Investment Guidance Fund (L.P.) (北京市政府投資引導基金(有限合夥));
- “**BOE**” are to BOE Technology Group Co., Ltd. (京東方科技集團股份有限公司);
- “**BRCB**” are to Beijing Rural Commercial Bank Co., Ltd. (北京農村商業銀行股份有限公司);
- “**BURC**” are to Beijing Urban-rural Commercial (Group) Co., Ltd. (北京城鄉商業(集團)股份有限公司);
- “**BXAP**” are to Beijing Xinfadi Agricultural Products Co., Ltd. (北京市新發地農產品股份有限公司);
- “**CBICL**” are to China Bond Insurance Co., Ltd. (中債信用增進公司);
- “**CR Pharma**” are to China Resources Pharmaceutical Group Limited (華潤醫藥集團有限公司);
- “**Daiwa Securities**” are to Daiwa Securities (China) Limited (大和證券(中國)有限公司);

- “**Entrusted Subsidiary**” are to each of the following companies and any other company that becomes a Subsidiary of the Guarantor after the Issue Date which is under direct supervision and control of Beijing SASAC, as certified to the Trustee by an Authorised Signatory from time to time:
 - (a) Shougang Group Co., Ltd. (首鋼集團有限公司);
 - (b) Beijing Electronics Holding Co., Ltd. (北京電子控股有限責任公司);
 - (c) Beijing Jingcheng Machinery Electric Holding Co., Ltd. (北京京城機電控股有限責任公司);
 - (d) Beijing Energy Holding Co., Ltd. (北京能源集團有限責任公司);
 - (e) Beijing Capital Highway Development Group Co., Ltd. (北京市首都公路發展集團有限公司);
 - (f) Beijing Yiqing Holding Co., Ltd. (北京一輕控股有限責任公司);
 - (g) Beijing Capital Development Holding (Group) Co., Ltd. (北京首都開發控股(集團)有限公司);
 - (h) Beijing Automotive Group Co., Ltd. (北京汽車集團有限公司);
 - (i) China Beijing Tongrentang (Group) Co., Ltd. (中國北京同仁堂(集團)有限責任公司);
 - (j) Beijing Suburban Tourism Industry Development Company (北京市郊區旅遊實業開發有限公司);
 - (k) Beijing Xianglong Assets Management Co., Ltd. (北京祥龍資產經營有限責任公司);
 - (l) Beijing North Star Industrial Group Co., Ltd. (北京北辰實業集團有限責任公司);
 - (m) BBMG Assets Operation and Management Co., Ltd. (北京金隅資產經營管理有限責任公司);
 - (n) Beijing Capital Agribusiness & Foods Group Co., Ltd. (北京首農食品集團有限公司);
 - (o) Beijing Urban-rural Commercial (Group) Co., Ltd. (北京城鄉商業(集團)股份有限公司);
 - (p) BBMG Corporation (北京金隅集團股份有限公司); and
 - (q) Beijing Foreign Enterprise Human Resources Service Company Limited (北京外企人力資源服務有限公司);
- “**FESCO**” are to Beijing Foreign Enterprise Human Resources Service Company Limited (北京外企人力資源服務有限公司);
- “**H-shares**” are to the shares issued by Chinese companies incorporated in China and are traded in the Hong Kong Stock Exchange or other exchanges that are outside of mainland China;
- “**Jingguofa**” are to Beijing Jingguofa Equity Investment Fund (L.P.) (北京京國發股權投資基金(有限合夥));
- “**Jingguorui Reform**” are to Jingguorui State-owned Enterprise Reform and Development Fund (北京京國瑞國企改革發展基金(有限合夥));
- “**Jingguoyi**” are to Beijing Jingguoyi Fund (L.P.) (北京京國益基金(有限合夥));
- “**MOF**” are to the Ministry of Finance of the PRC;

- “**MOFCOM**” are to the Ministry of Commerce of the PRC;
- “**MOIC**” are to the multiple of investment cost, which is derived from dividing the sum of the estimated remaining value and realized proceeds by the amount invested;
- “**PRC GAAP**” refers to the generally accepted accounting principles in the People’s Republic of China;
- “**SAFE**” are to the State Administration of Foreign Exchange of the PRC;
- “**SASAC**” are to the State-owned Assets Supervision and Administration Commission of the State Council of the PRC;
- “**STA**” are to the State Taxation Administration of the PRC;
- “**Shougang Group**” are to Shougang Group Co., Ltd. (首鋼集團有限公司);
- “**Shouhuan Travel**” are to Beijing Shouhuan Culture and Tourism Investment Co., Ltd. (北京首寰文化旅遊投資有限公司);
- “**SOE**” refers to a state-owned enterprise.

PRESENTATION OF FINANCIAL INFORMATION

The Guarantor's audited consolidated financial information as at and for the years ended 31 December 2018, 2019 and 2020 included in this Offering Circular has been extracted from the Guarantor's audited consolidated financial statements as at and for the years ended 31 December 2019 and 2020 which have been audited by Grant Thornton China (Special General Partnership) ("**Grant Thornton**") and are included elsewhere in this Offering Circular together with the auditor's reports in respect of such financial years (the "**Guarantor's Audited Financial Statements**").

The Guarantor's reviewed consolidated financial information as at and for the six months ended 30 June 2020 and 2021 included in this Offering Circular has been extracted from the Guarantor's unaudited but reviewed condensed consolidated financial statements as at and for the six months ended 30 June 2021, which have been reviewed by Grant Thornton and are included elsewhere in this Offering Circular together with the auditor's report in respect of such period (the "**Guarantor's 2021 Interim Financial Statements**").

The Guarantor's audited financial information as at and for the years ended 31 December 2018, 2019 and 2020 included in this Offering Circular has been extracted from the Guarantor's Audited Financial Statements.

The Guarantor's reviewed financial information as at and for the six months ended 30 June 2020 and 2021 included in this Offering Circular has been extracted from the Guarantor's 2021 Interim Financial Statements.

The Issuer's audited consolidated financial information as at and for the years ended 31 December 2018, 2019 and 2020 included in this Offering Circular has been extracted from the Issuer's audited consolidated financial statements as at and for the years ended 31 December 2019 and 2020 which have been audited by Grant Thornton and are included elsewhere in this Offering Circular together with the auditor's reports in respect of such financial years (the "**Issuer's Audited Financial Statements**").

These financial statements were prepared and presented in accordance with the Accounting Standards for Business Enterprises in China (the "**PRC GAAP**"). The PRC GAAP differs in certain respects from the International Financial Reporting Standards ("**IFRS**"). The Issuer and the Guarantor have not prepared any reconciliation of such consolidated financial information or financial information between PRC GAAP and IFRS, and have not quantified such differences. For a discussion of certain differences between PRC GAAP and IFRS, see "*Summary of Certain Differences between PRC GAAP and IFRS*".

The Guarantor's 2021 Interim Financial Statements have not been audited by an independent auditor. Consequently, the Guarantor's 2021 Interim Financial Statements should not be relied upon by potential investors to provide the same quality of information associated with information that has been subject to an audit. None of the Joint Lead Managers nor any of their respective affiliates, directors, officers, employees, representatives, agents or advisers or each person who controls any of them or their respective advisers makes any representation or warranty, express or implied, regarding the sufficiency of such financial information for an assessment of, and potential investors must exercise caution when using such data to evaluate, the Group's financial condition, results of operations and results. The Guarantor's 2021 Interim Financial Statements should not be taken as an indication of the expected financial condition, results of operations and results of the Group for the full financial year ending 31 December 2021.

FORWARD-LOOKING STATEMENTS

This Offering Circular includes “forward-looking statements”. All statements other than statements of historical fact contained in this Offering Circular, including, without limitation, those regarding the Group’s future financial position and results of operations, strategy, plans, objectives, goals and targets, future developments in the markets where the Group participates or is seeking to participate, and any statements preceded by, followed by or that include the words “believe”, “expect”, “aim”, “intend”, “will”, “may”, “anticipate”, “seek”, “should”, “estimate” or similar expressions or the negative thereof, are forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, some of which are beyond the Group’s control, which may cause its actual results, performance or achievements, or industry results to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These forward-looking statements are based on numerous assumptions regarding the Issuer, the Guarantor and the Group’s present and future business strategies and the environment in which the Issuer, the Guarantor and the Group will operate in the future. Important factors that could cause the Issuer, the Guarantor and the Group’s actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others, the following:

- the risks inherent to the industries in which the Issuer, the Guarantor and the Group operates;
- the business and operating strategies and the future business development of the Issuer, the Guarantor and the Group;
- the general economic, political, social conditions and developments in the PRC;
- changes in competitive conditions and the Issuer, the Guarantor and the Group’s ability to compete under these conditions, including the actions and developments of competitors;
- the Issuer, the Guarantor and the Group’s operations and business prospects;
- the Issuer, the Guarantor and the Group’s capital expenditure and development plans;
- the Issuer, the Guarantor and the Group’s expectations with respect to its ability to acquire and maintain regulatory qualifications required to operate its business;
- the availability and charges of bank loans and other forms of financing;
- the Issuer, the Guarantor and the Group’s financial condition and results of operations;
- the Issuer, the Guarantor and the Group’s dividend distribution plans;
- changes or volatility in currency exchange rates, interest rates, taxes and duties, equity prices or other rates or prices, including those pertaining to the PRC;
- changes in the laws, rules and regulations of the governments in the PRC and the rules, regulations and policies of the relevant governmental authorities relating to all aspects of the Issuer, the Guarantor and the Group’s business;
- macroeconomic policies of the PRC government; and
- other factors beyond the Issuer, the Guarantor and the Group’s control.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in “*Risk Factors*” and elsewhere in this Offering Circular. Forward-looking statements speak only as of the date of this Offering Circular and the Issuer, the Guarantor and the Group expressly disclaim any obligation or undertaking to update publicly or revise any forward-looking statements in this Offering Circular to reflect any change in the Issuer, the Guarantor and the Group’s expectations or any change in events, conditions or circumstances on which these forward-looking statements are based. Given the uncertainties of forward-looking statements, there can be no assurance that projected results or events will be achieved and undue reliance should not be placed on these statements.

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SUMMARY

The summary below is only intended to provide a limited overview of information described in more detail elsewhere in this Offering Circular. This summary does not contain all of the information that may be important to investors in deciding to invest in the Notes. Terms defined elsewhere in this Offering Circular shall have the same meanings when used in this summary. 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.

OVERVIEW

Established in December 2008 with the approval of the People’s Government of Beijing Municipality (“**Beijing Municipal Government**”), the Guarantor is a state-owned capital management and operation platform wholly owned by the Beijing SASAC. The Guarantor was established to advance the state-owned enterprise reform, optimise the layout of the state-owned economy and manage the value and liquidity of state-owned capital. The Guarantor is committed to implementing the strategic intent of the Beijing Municipal Government through market-oriented operation and professional management of state-owned assets and capital under the authorization and guidance of the Beijing SASAC.

In December 2019, the Guarantor was designated by the Beijing Municipal Government as a pilot enterprise for state-owned capital operation. In July 2021, the registered capital of the Guarantor was increased to RMB50.00 billion from RMB30.00 billion at inception. The Guarantor’s primary business is investing and operating state-owned capital. As a pilot state-owned capital operation company, the Guarantor focuses on strengthening its capability of market-oriented operation, exploring innovative operation models and accumulating effective reform experience. It strives to better serve the national and Beijing municipal strategies by financing for, investing in, managing and operating state-owned capital and assets to improve the layout of state-owned capital, increase the operational efficiency and investment return of state-owned capital, enhance the mobility and liquidity of state-owned capital, as well as to achieve value preservation and capital appreciation of state-owned capital and assets.

The Group is currently the only state-owned capital operation company in Beijing and the largest local state-owned enterprise in China in term of assets. Its total assets amounted to RMB2,772.66 billion, RMB2,951.58 billion and RMB3,197.79 billion as at 31 December 2018, 2019 and 2020, respectively. The Group’s total revenue for 2018, 2019 and 2020 amounted to RMB997.06 billion, RMB1,070.03 billion and RMB1,140.67 billion, respectively, and the Group’s net profit for the same period amounted to RMB42.68 billion, RMB43.86 billion and RMB41.67 billion, respectively, evidencing the Group’s success in implementing national strategies and achieving value preservation and capital appreciation for state-owned assets.

COMPETITIVE STRENGTHS

- Beijing is experiencing steady economic growth and has strong financial resources
- The Guarantor is the only state-owned capital operation company in Beijing
- The Guarantor has an outstanding capability of independent investment and layout
- The Guarantor has a strong capability of capital operation
- The Guarantor has an excellent capability of market-oriented financing
- The Guarantor has a sophisticated management team and a sound and effective managing mechanism

BUSINESS STRATEGIES

- Fully implement the pilot program of the state-owned capital operation company
- Continue to improve the research capability and the investment portfolio
- Further strengthen the cooperation with various enterprises on fund investment
- Further strengthen the capability of market-oriented investment and financing
- Further optimize the management modes for the subsidiaries

SUMMARY OF THE OFFERING

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

Issuer	Beijing State-owned Capital Operation and Management Center Investment Holdings Limited 北京国管中心投资控股有限公司.
Guarantor	Beijing State-owned Capital Operation and Management Company Limited (北京國有資本運營管理有限公司).
The Notes	EUR1,000,000,000 1.206 per cent. Guaranteed Notes due 2025.
Guarantee of the Notes	The Guarantor has unconditionally and irrevocably guaranteed the due and punctual payment of all sums from time to time payable by the Issuer in respect of the Notes as further described in Condition 1 (<i>Form, Denomination, Status and Guarantee</i>) of the Terms and Conditions of the Notes.
Issue Price	100.0 per cent.
Form and Specified Denomination	The Notes will be issued in registered form in the specified denomination of EUR100,000 and in integral multiples of EUR1,000 in excess thereof.
Interest	The Notes will bear interest from 23 February 2022 at the rate of 1.206 per cent. per annum, payable annually in arrear on 23 February in each year, commencing on 23 February 2023, subject as provided in Condition 6 (<i>Payments</i>) of the Terms and Conditions of the Notes.
Issue Date	23 February 2022.
Maturity Date	23 February 2025.
Status of the Notes	The Notes will constitute direct, general unsubordinated and unconditional obligations of the Issuer which will at all times rank <i>pari passu</i> among themselves and at least <i>pari passu</i> with all other present and future unsubordinated and unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.
Status of the Guarantee of the Notes	The Guarantee of the Notes will constitute direct, general and unconditional obligations of the Guarantor which will at all times rank at least <i>pari passu</i> with all other present and future unsecured and unsubordinated obligations of the Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

Negative Pledge The Notes will contain a negative pledge provision as further described in Condition 3(a) (*Covenants – Negative pledge*) of the Terms and Conditions of the Notes.

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

Where such withholding or deduction is made by the Issuer or the Guarantor by or within the PRC at the rate of up to (and including) the rate applicable on 16 February 2022 (the “**Applicable Rate**”), the Issuer or, as the case may be, the Guarantor will pay such additional amounts as will result in receipt by the Noteholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required.

In the event the Issuer or the Guarantor is required to make a deduction or withholding (i) by or within the PRC in excess of the Applicable Rate; or (ii) by or within the PRC or the British Virgin Islands, the Issuer or the Guarantor, as the case may be, shall pay such additional amounts (the “**Additional Tax Amounts**”) as will result in receipt by the Noteholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, subject to certain exceptions. See “*Terms and Conditions of the Notes – Taxation*”.

Redemption at Maturity Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount on 23 February 2025.

Redemption for tax reasons The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days’ notice to the Noteholders (which notice shall be irrevocable) in accordance with Condition 60 days’ (*Notices*) of the Terms and Conditions of the Notes at their principal amount, together with interest accrued (but not including) to the date fixed for redemption, at any time in the event of certain changes affecting taxation in the PRC or the British Virgin Islands or any political subdivision or any authority thereof or therein having power to tax, as further described in “*Terms and Conditions of the Notes – Redemption and Purchase – Redemption for tax reasons*”.

Redemption for Relevant Event . . .	At any time following the occurrence of a Relevant Event, each Noteholder 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 Put Settlement Date at 101 per cent. of the principal amount (in the case of a Change of Control) or 100 per cent. of their principal amount (in the case of a Non-Registration Event), in each case together with accrued interest to (but not including) such Put Settlement Date. See “ <i>Terms and Conditions of the Notes – Redemption and Purchase – Redemption for Relevant Event</i> ”.
Redemption at the option of the Issuer	The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days’ notice to the Noteholders (the “ Optional Redemption Notice ”) (which notice shall be irrevocable) at their Make Whole Amount (as defined in the Terms and Conditions of the Notes) in the case of a Call Settlement Date falling before 23 January 2025 or at 100 per cent. of their principal amount in the case of a Call Settlement Date falling on or after 23 January 2025, in each case, together with interest accrued to such Call Settlement Date (as defined in the Terms and Conditions of the Notes) specified in the Optional Redemption Notice. See “ <i>Terms and Conditions of the Notes – Redemption and Purchase – Redemption at the option of the Issuer</i> ”.
Events of Default	Upon the occurrence of certain events as described in Condition 8 (<i>Events of Default</i>) of the Terms and Conditions of the Notes, the Trustee at its discretion may and, if so requested in writing by Holders (as defined in the Trust Deed) of at least one quarter of the aggregate principal amount of the outstanding Notes or if so directed by an Extraordinary Resolution (as defined in the Terms and Conditions of the Notes), shall (subject to the Trustee having been indemnified and/or provided with security and/or pre-funded to its satisfaction against any costs and expenses) give written notice to the Issuer declaring the Notes to be immediately due and payable, whereupon they shall become immediately due and payable at their principal amount together with accrued interest without further action or formality.
Cross-Acceleration	The Notes will contain a cross-acceleration provision as further described in Condition 8(c) (<i>Events of Default – Cross-acceleration of Issuer, Guarantor or Non-entrusted Subsidiary</i>).
Clearing Systems	The Notes will be represented by beneficial interests in a Global Note Certificate in registered form, which will be registered in the name of a nominee of, and shall be deposited with, a common depository for Euroclear and Clearstream. Beneficial interests in the Global Note Certificate will be shown on and transfers thereof will be effected only through records maintained by Euroclear and Clearstream. Except in the limited circumstances described in the Global Note Certificate, owners of interests in Notes represented by the Global Note Certificate will not be entitled to receive Individual Note Certificates in respect of their individual holdings of Notes. The Notes are not issuable in bearer form.

Clearance and Settlement	The Notes have been accepted for clearance by Euroclear and Clearstream under the following codes: ISIN: XS2445374213. Common Code: 244537421.
Legal Entity Identifier	549300V04KQG313EMG84.
Governing Law and Jurisdiction	English law. Exclusive jurisdiction of the Hong Kong courts.
Trustee	Bank of Communications Trustee Limited.
Principal Paying Agent	Bank of Communications Co., Ltd. Hong Kong Branch.
Registrar and Transfer Agent	Bank of Communications Co., Ltd. Hong Kong Branch.
Rating	The Notes are expected to be rated “A1” by Moody’s Investors Service, Inc. (“ Moody’s ”) and “A+” by Standard & Poor’s Rating Services, a division of S&P Global Inc. (“ S&P ”). A rating is not a recommendation to buy, sell or hold Notes and maybe subject to revision, suspension or withdrawal at any time by the assigning rating organisation.
Listing	Application will be made to the Hong Kong Stock Exchange for the listing of the Notes by way of debt issues to Professional Investors only. It is expected that dealing in, and listing of, the Notes on the Hong Kong Stock Exchange will commence on 24 February 2022. Application will be made to the Frankfurt Stock Exchange for the Notes to be admitted to trading in the Quotation Board of the Open Market (<i>Freiverkehr</i>) at the Frankfurt Stock Exchange and the Notes will be available for trading on the China Europe International Exchange AG (CEINEX).
Further Issues	The Issuer may from time to time, without the consent of the Noteholders and in accordance with the Trust Deed, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest and the timing for complying with the requirements set out in these Conditions in relation to the filing and completion of the Cross-Border Security Registration and the NDRC Post-Issue Filing (as defined in the Terms and Conditions of the Notes)) so as to form a single series with the Notes. The Issuer may from time to time, with the consent of the Trustee, create and issue other series of notes having the benefit of the Trust Deed and the Deed of Guarantee.
Use of Proceeds	See the section entitled “ <i>Use of Proceeds</i> ”.

SELECTED FINANCIAL INFORMATION OF THE ISSUER, THE GUARANTOR AND THE GROUP

The following tables set forth the summary consolidated financial information of the Guarantor, the summary financial information of the Guarantor and the summary consolidated financial information of the Issuer as at and for the years indicated.

The summary audited consolidated financial information of the Guarantor as at and for the years ended 31 December 2018, 2019 and 2020 has been derived from the Guarantor's Audited Financial Statements, as comparative. The summary reviewed consolidated financial information of the Guarantor as at and for the six months ended 30 June 2020 and 2021 has been derived from the Guarantor's 2021 Interim Financial Statements.

The summary audited financial information of the Guarantor as at and for the years ended 31 December 2018, 2019 and 2020 has been derived from the Guarantor's Audited Financial Statements, as comparative. The summary reviewed financial information of the Guarantor as at and for the six months ended 30 June 2020 and 2021 has been derived from the Guarantor's 2021 Interim Financial Statements.

The summary audited consolidated financial information of the Issuer as at and for the years ended 31 December 2018, 2019 and 2020 has been derived from the Issuer's Audited Financial Statements, as comparative.

The information set out below should be read in conjunction with, and is qualified in its entirety by reference to, such audited consolidated financial statements, audited financial statements, reviewed consolidated financial statements and reviewed financial statements of the Guarantor and audited consolidated financial statements of the Issuer, including the notes thereto, included in this Offering Circular.

The Guarantor's Audited Financial Statements, the Guarantor's 2021 Interim Financial Statements and the Issuer's Audited Financial Statements have been prepared and presented in accordance with PRC GAAP. PRC GAAP differs in certain respects from IFRS. The Guarantor has not prepared any reconciliation of such consolidated financial information between PRC GAAP and IFRS, and has not quantified such differences. For a discussion of certain differences between PRC GAAP and IFRS, see "Summary of Certain Differences between PRC GAAP and IFRS".

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE GROUP⁽¹⁾

	As at 31 December			As at 30 June
	2018	2019	2020	2021
	Unaudited			
	<i>(RMB in millions)</i>			
Current assets				
Cash and bank	333,246.78	330,039.94	370,660.05	384,209.91
Settlement provisions	97.97	248.42	721.68	495.81
Lending to banks and other financial institutions	–	–	–	–
Trading financial assets	1,431.54	7,646.95	8,585.93	39,697.68
Financial assets at fair value through profit or loss	20,519.77	28,526.26	38,153.69	–
Derivative financial assets	71.26	89.12	–	108.24
Notes receivable	32,080.03	21,666.67	21,643.63	12,841.01
Accounts receivable	94,788.62	94,616.22	102,666.47	130,757.41
Receivables financing	–	5,668.38	14,842.82	22,304.94
Prepayments	34,746.02	34,759.03	25,844.11	31,232.78
Other receivables	91,531.07	97,904.99	86,535.88	91,984.58
Incl: Dividends receivables	2,311.07	–	1,324.13	2,443.89
Financial assets purchased under agreement to resell	–	2.00	–	800.00
Inventories	524,557.33	591,861.04	613,813.83	598,810.36
Incl: Raw materials	20,791.30	23,155.07	29,475.54	31,320.63
Merchandised inventories (finished goods)	57,234.53	122,900.98	158,057.11	175,265.48
Contract assets	–	64.61	1,147.97	6,365.23
Assets held-for-sale	12,929.77	242.59	450.24	579.13
Non-current assets due within one year	9,071.21	11,922.86	13,704.92	10,701.53
Other current assets	63,476.83	62,774.68	56,872.64	47,997.02
Total current assets	1,218,548.21	1,288,033.77	1,355,643.85	1,378,885.64
Non-current assets:				
Loans and advances	5,148.16	8,671.86	14,989.95	15,403.03
Debt investments	–	253.68	839.40	2,817.75
Available-for-sale financial assets	105,497.89	134,303.86	191,205.88	–
Other debt investments	–	–	–	82.49
Held-to-maturity securities	–	13.09	1,013.00	–
Long-term receivables	9,776.35	14,718.38	16,149.02	19,409.18
Long-term equity investments	191,557.65	195,155.33	195,269.37	234,483.76
Other equity instrument investments	469.56	2,068.32	2,346.63	180,565.90
Other non-current financial assets	520.05	2,550.32	3,546.75	31,185.42
Investment properties	83,442.67	105,035.79	109,788.22	105,227.67
Fixed assets	729,204.79	718,946.56	866,154.11	870,638.75
Incl: Original cost of fixed assets	1,055,165.24	1,080,979.88	1,299,046.82	1,336,307.72
Accumulated depreciation	317,718.18	355,064.47	415,677.66	447,057.87
Fixed assets depreciation reserves	9,402.93	8,287.87	17,973.70	19,375.60
Construction in progress	201,648.93	242,790.25	181,011.48	191,165.77
Productive biological assets	1,974.66	2,042.08	1,901.89	1,996.79
Right-of-use assets	–	1,638.49	2,281.81	16,551.91
Intangible assets	142,600.85	141,451.72	154,107.99	150,315.18
Development costs	13,910.84	16,468.04	14,649.30	15,622.20
Goodwill	15,294.83	13,311.00	13,673.73	12,734.99

	As at 31 December			As at 30 June
	2018	2019	2020	2021
				Unaudited
	<i>(RMB in millions)</i>			
Long-term deferred expenses	9,747.54	13,350.09	12,869.27	13,433.57
Deferred tax assets	23,654.76	28,048.07	27,011.03	27,822.18
Other non-current assets	19,666.85	22,728.95	33,333.27	29,758.45
Total non-current assets	1,554,116.36	1,663,545.89	1,842,142.10	1,919,214.99
Total assets	2,772,664.57	2,951,579.65	3,197,785.95	3,298,100.63
Current liabilities:				
Short-term loans	230,700.98	227,464.23	244,993.76	214,486.12
Loans from Banks and Other Financial Institutions	500.00	–	–	–
Trading financial liabilities	–	130.79	0.21	1.30
Derivative financial liabilities	172.51	244.62	679.54	385.87
Notes payable	53,296.02	48,070.52	36,278.55	33,460.52
Accounts payable	176,749.05	179,512.05	206,225.63	223,247.79
Advances from customers	118,816.14	139,121.14	56,006.29	12,165.87
Contract liabilities	52,561.18	49,909.84	133,442.83	167,821.96
Financial assets sold under agreement to repurchase	42.67	–	–	909.59
Absorbing deposits and interbank placements	1,780.90	4,274.81	6,067.25	4,920.36
Employee benefits payable	13,023.94	13,037.92	15,258.47	14,529.86
Incl: Salaries payable	7,172.26	7,623.05	9,187.27	7,327.66
Welfare benefits payable	195.40	185.72	180.38	153.75
Incl: Staff bonus and welfare funds	–	12.23	15.72	4.58
Taxes and surcharges payable	25,898.33	26,248.21	23,103.33	17,269.59
Incl: Taxes payable	24,989.40	25,662.13	22,590.50	16,326.94
Other payables	154,804.62	172,402.17	189,502.63	178,909.27
Incl: dividend payable	2,288.92	–	1,591.01	2,721.48
Liabilities held-for-sale	4,205.75	2.63	2.58	–
Non-current liabilities due within one year	162,318.23	167,663.16	189,935.18	185,317.64
Other current liabilities	69,043.13	68,393.83	73,835.21	77,218.64
Total current liabilities	1,063,913.44	1,096,475.91	1,175,331.45	1,130,644.38
Non-current liabilities:				
Long-term loans	404,420.35	447,940.39	500,345.49	536,669.01
Bonds payable	230,625.41	269,938.67	277,223.65	274,510.72
Incl: Preferred shares	–	–	–	–
Perpetual debt	1,997.49	–	–	–
Lease liabilities	–	1,058.87	1,560.35	10,971.16
Long-term payables	101,352.84	102,488.58	117,641.76	130,389.69
Long-term employee benefits payables	3,943.78	3,851.19	3,437.74	3,404.41
Provisions	4,834.08	5,009.41	4,962.52	5,454.97
Deferred income	26,840.06	29,485.96	32,991.78	38,159.21
Deferred tax liabilities	15,252.47	15,752.08	17,030.89	18,351.75
Other non-current liabilities	12,412.59	9,683.40	7,538.83	5,916.36
Total non-current liabilities	799,681.59	885,208.56	962,733.02	1,023,827.30
Total liabilities	1,863,595.03	1,981,684.48	2,138,064.46	2,154,471.69

	As at 31 December			As at 30 June
	2018	2019	2020	2021
				Unaudited
	<i>(RMB in millions)</i>			
Owners' equity (or shareholder's equity)				
Paid-in capital (share capital)	38,702.28	38,803.58	38,934.08	38,934.08
Incl: State-owned capital	38,702.28	38,803.58	38,934.08	38,934.08
Capital reserve	325,849.34	336,876.16	346,554.74	355,037.83
Other comprehensive income	11,799.23	10,796.15	14,474.50	28,351.03
Incl: Current translation reserve	(627.53)	67.47	(1,063.32)	(1,781.78)
Special reserve	1,579.52	1,863.30	1,979.23	2,208.48
Surplus reserve	3,300.07	4,401.48	4,996.51	5,091.75
Incl: Legal reserves	3,300.07	4,401.48	4,996.51	5,091.75
General risk reserve	911.16	924.34	1,027.03	1,027.03
Undistributed Earnings	114,338.14	116,693.75	124,436.70	137,822.17
Equity attributable to parent company . .	496,479.73	510,358.76	532,402.79	568,472.37
Minority interests	412,589.80	459,536.42	527,318.70	575,156.57
Total owners' equity	909,069.54	969,895.18	1,059,721.49	1,143,628.94
Total liabilities and owners' equity (or shareholder's equity)	2,772,664.57	2,951,579.65	3,197,785.95	3,298,100.63

Note:

- (1): The financial information included in this table consolidate the financials of the Entrusted Subsidiaries. Please see "Risk Factors – Risks relating to the Group and its business – The Guarantor's disposal of its equity interest in the Entrusted Subsidiaries is subject to the approval of the Beijing SASAC, the Guarantor is not involved in the management of daily operations of the Entrusted Subsidiaries and the Beijing SASAC may order the Guarantor to dispose of the Entrusted Subsidiaries out of considerations not related to the Guarantor."

**SUMMARY CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME OF THE GROUP⁽¹⁾**

	For the year ended 31 December			Six months ended 30 June	
	2018	2019	2020	2020	2021
	Unaudited				
	(RMB in millions)				
Total operating revenue	997,059.85	1,070,030.97	1,140,672.38	487,873.80	665,700.62
Incl: Operating revenue	995,995.44	1,068,809.26	1,139,121.30	487,168.25	664,865.69
Interest income	1,060.82	1,214.54	1,543.18	701.90	829.29
Fees and commissions income . . .	3.58	7.17	7.90	3.65	5.64
Total operating cost	967,219.28	1,033,390.95	1,105,749.16	479,801.03	619,415.10
Incl: Operating cost	802,870.23	862,858.80	940,301.89	402,836.78	534,653.38
Interest expenses	133.14	81.10	98.91	39.87	36.40
Fees and commissions expenses . .	6.80	8.17	9.51	4.14	5.84
Taxes and surcharges	26,502.46	26,873.62	23,504.17	10,731.86	12,122.61
Selling expenses	41,232.01	43,545.93	39,604.70	19,578.31	19,704.22
Administrative expenses	52,999.81	53,000.24	52,331.40	22,333.32	26,076.75
Research and development costs . .	9,906.83	13,677.64	16,330.12	6,207.36	9,436.43
Finance expenses	33,567.99	33,345.44	33,568.46	18,069.40	17,379.48
Incl: Interest expenses	36,202.41	37,576.71	38,617.59	26,406.93	25,348.30
Interest income	5,702.54	6,105.20	6,958.87	3,271.67	3,022.15
Add: Other incomes	15,628.76	18,224.77	15,399.33	5,954.42	6,285.81
Investment income	23,431.28	23,587.09	22,257.78	7,316.67	11,990.34
Foreign exchange gains	1.05	1.29	(4.57)	1.14	(0.38)
Gains from changes of fair values	221.16	2,417.92	4,899.28	4,370.29	939.29
Credit impairment losses	(456.67)	(1,646.68)	(2,676.01)	(312.81)	(1,695.57)
Asset impairment loss	(8,034.55)	(15,824.57)	(11,848.44)	(2,544.89)	(9,593.31)
Gains from disposal of assets	672.72	1,558.39	2,479.83	608.86	504.78
Operating profits	61,304.32	64,958.24	65,430.42	23,466.44	54,716.47
Add: Non-operating income	5,628.27	4,601.09	3,759.61	1,296.50	1,729.08
Incl: Government grants	843.29	379.55	251.43	157.61	49.97
Less: Non-operating expenses	4,781.68	4,016.87	3,986.82	635.46	2,227.42
Profit before tax	62,150.91	65,542.46	65,203.22	24,127.48	54,218.13
Less: Income tax expenses	19,467.37	21,683.83	23,530.83	8,474.94	14,918.86
Net profit	42,683.54	43,858.63	41,672.39	15,652.54	39,299.26
(I) (Classified by attribution to ownership)					
Net profit attributable to owners of parent	16,111.06	16,127.82	13,573.69	3,595.21	6,612.93
Net profit attributable to minority interests	26,572.48	27,730.81	28,098.70	12,057.34	32,686.34
(II) (Classified by continuity of operations)					
Net profit from continuing operations	42,723.91	43,932.95	41,672.39	15,653.16	39,299.26
Net profit from discontinued operations	(40.37)	(74.31)	–	(0.61)	–

	For the year ended 31 December			Six months ended 30 June	
	2018	2019	2020	2020	2021
	Unaudited				
	(RMB in millions)				
Other comprehensive income after tax	(5,976.80)	38.28	4,575.92	(2,749.82)	16,650.53
Other comprehensive income after tax attributed to owners of the parent	(5,191.98)	(1,741.30)	3,230.33	(2,743.28)	15,604.82
Other comprehensive income after tax attributed to minority interests	(784.83)	1,779.58	1,345.59	(6.54)	1,045.71
Total comprehensive income	36,706.74	43,896.91	46,248.31	12,902.72	55,949.79
Total comprehensive income attributed to owners of the parent	10,919.08	14,386.52	16,804.02	851.93	22,217.74
Total comprehensive income attributable to minority interests	25,787.65	29,510.39	29,444.29	12,050.80	33,732.05

Note:

- (1): The financial information included in this table consolidate the financials of the Entrusted Subsidiaries. Please see “*Risk Factors – Risks relating to the Group and its business – The Guarantor’s disposal of its equity interest in the Entrusted Subsidiaries is subject to the approval of the Beijing SASAC, the Guarantor is not involved in the management of daily operations of the Entrusted Subsidiaries and the Beijing SASAC may order the Guarantor to dispose of the Entrusted Subsidiaries out of considerations not related to the Guarantor.*”

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOW OF THE GROUP⁽¹⁾

	For the year ended 31 December			Six months ended 30 June	
	2018	2019	2020	2020	2021
	<i>(RMB in millions)</i>				
1. Cash flow from operating activities					
Cash received from sales and services	1,101,549.23	1,155,907.63	1,256,338.07	510,343.41	691,778.88
Net increase in deposits and placements from financial institutions	488.83	7,521.53	1,036.48	(1,078.52)	(291.96)
Net increase in borrowings due to central banks	230.62	–	–	–	371.56
Net increase in placements from financial institutions	300.00	(500.00)	–	–	–
Cash received from interest, fees and commission.	1,126.35	1,243.90	1,597.23	772.88	2,067.04
Net increase in loans from other banks. . . .					
Net increase in repurchasing	(961.99)	(42.67)	2.00	678.32	(644.41)
Net cash received from agency purchases and sales of securities.					
Refund of taxes and surcharges.	10,913.99	12,843.40	15,851.27	6,997.84	9,264.81
Other cash received related to operating activities	131,434.02	123,660.98	116,732.73	90,820.57	97,344.04
Total cash inflow from operating activities	1,245,081.06	1,300,634.76	1,391,557.77	608,534.49	799,889.96
Cash paid for goods and services	849,940.01	892,453.92	975,208.64	409,756.21	507,109.98
Net increase in loans and advances	(258.08)	5,158.98	(1.98)	2,852.51	5,090.54
Net increase in funds deposited with central banks and other financial institutions	268.67	408.03	640.49	443.76	96.38
Cash payment of interest, fees and commissions	131.84	83.41	14.50	43.74	77.28
Cash paid to and on behalf of employees . .	83,340.52	86,752.03	84,071.07	37,815.44	46,235.68
Cash payments for taxes and surcharges . . .	82,377.76	80,820.02	81,948.10	45,582.46	55,218.06
Other cash payments related to operating activities	151,916.75	146,093.35	134,609.37	106,671.83	100,700.55
Total cash outflow from operating activities	1,167,717.47	1,211,769.75	1,276,490.19	603,165.95	714,528.46
Net cash flows from operating activities. .	77,363.60	88,865.02	115,067.58	5,368.55	85,361.50
2. Cash flows from investing activities					
Cash received from withdraw of investments.	90,770.35	61,941.14	60,052.13	33,387.58	32,388.01
Cash received from investment income. . . .	12,496.69	14,238.84	15,199.59	4,412.11	7,274.02
Net cash received from disposal of fixed assets, intangible assets and other long-term assets.	3,385.76	2,698.54	3,483.91	699.91	2,678.45
Net cash received from disposal of subsidiaries and other business units	2,304.16	1,777.87	1,082.94	130.64	1,436.50
Other cash receipts related to investing activities	71,083.73	76,917.12	49,831.01	27,829.36	17,692.54
Total cash inflow from investing activities	180,040.67	157,573.50	129,649.58	66,459.61	61,469.52
Cash paid for fixed assets, intangible assets and other long-term assets	132,343.74	133,001.86	118,630.16	50,438.83	56,011.48
Cash payments for investments	123,513.99	101,591.01	104,522.05	39,608.48	41,669.17
Net cash paid for acquiring subsidiaries and other business units	11,335.87	1,855.10	3,538.03	2,449.80	152.92
Other cash payments related to investing activities	69,833.29	69,244.47	43,540.62	44,564.70	8,377.04

	For the year ended 31 December			Six months ended 30 June	
	2018	2019	2020	2020	2021
	<i>(RMB in millions)</i>				
Total cash outflow from investing activities	337,026.89	305,692.44	270,230.86	137,061.82	106,210.61
Net cash flows from investing activities	(156,986.22)	(148,118.93)	(140,581.28)	(70,602.22)	(44,741.09)
3. Cash flows from financing activities					
Cash received from investments by others	34,176.93	37,372.48	55,504.19	24,366.21	28,693.53
Incl: Cash received by subsidiaries from minority shareholders' investments	16,833.23	22,416.49	35,785.97	19,581.92	28,185.36
Cash received from borrowings	606,369.38	671,428.22	740,467.21	444,038.00	354,487.40
Cash received from bond issues	32,972.00	–	–	–	–
Other cash receipts related to other financing activities	48,538.86	44,821.34	44,509.65	40,681.74	14,524.08
Total cash inflow from financing activities	722,057.16	753,622.04	840,481.05	509,085.95	397,705.01
Cash repayment for debts	526,463.23	594,505.60	651,581.33	345,289.70	371,938.80
Cash paid for distribution of dividends, profits or interest expenses	71,284.33	84,859.03	83,897.85	30,349.29	37,066.75
Incl: Dividends or profit paid by subsidiaries to minority shareholders	13,081.34	15,606.59	22,719.87	1,137.13	1,311.07
Other cash payments related to financing activities	17,324.79	25,138.30	33,068.31	17,518.30	18,300.55
Total cash outflow from financing activities	615,072.35	704,502.93	768,547.49	393,157.29	427,306.10
Net cash flow from financing activities	106,984.82	49,119.10	71,933.56	115,928.66	(29,601.09)
4. Effect of foreign exchange rate changes on cash and cash equivalents	1,912.45	828.27	(2,233.26)	1,076.79	(322.33)
5. Net increase in cash and cash equivalents	29,274.65	(9,306.54)	44,186.61	51,771.79	10,696.99
Add: Cash and cash equivalents balance at beginning of year	274,397.91	303,860.01	294,553.47	295,025.65	339,480.27
6. Cash and cash equivalents balance at year end	303,672.56	294,553.47	338,740.08	346,797.44	350,177.26

Note:

- (1): The financial information included in this table consolidate the financials of the Entrusted Subsidiaries. Please see “*Risk Factors – Risks relating to the Group and its business – The Guarantor’s disposal of its equity interest in the Entrusted Subsidiaries is subject to the approval of the Beijing SASAC, the Guarantor is not involved in the management of daily operations of the Entrusted Subsidiaries and the Beijing SASAC may order the Guarantor to dispose of the Entrusted Subsidiaries out of considerations not related to the Guarantor.*”

SUMMARY STATEMENT OF FINANCIAL POSITION OF THE GUARANTOR

	As at 31 December			As at 30 June
	2018	2019	2020	2021
	Unaudited			
	<i>(RMB in millions)</i>			
Current assets				
Cash and bank	15,878.23	7,956.59	16,731.93	17,234.31
Settlement provisions	–	–	–	–
Lending to banks and other financial institutions	–	–	–	–
Trading financial assets	–	–	–	–
Financial assets at fair value through profit or loss	–	–	–	–
Derivative financial assets	–	–	–	–
Notes receivable	–	–	–	–
Accounts receivable	3.69	114.67	96.34	95.45
Receivables financing	–	–	–	–
Prepayments	0.97	3.20	0.47	37.60
Other receivables	555.36	99.66	375.92	1,439.46
Incl: Dividends receivables	–	–	–	1,188.84
Financial assets purchased under agreement to resell	–	–	–	–
Inventories	–	–	–	–
Incl: Raw materials	–	–	–	–
Merchandised inventories (finished goods)	–	–	–	–
Contract assets	–	–	–	–
Assets held-for-sale	–	–	–	–
Non-current assets due within one year	2,180.85	482.15	412.65	912.65
Other current assets	9,560.73	4,414.38	4,399.35	0.12
Total current assets	28,179.84	13,070.64	22,016.66	19,719.59
Non-current assets:				
Loans and advances	–	–	–	–
Debt investments	–	–	–	3,701.03
Available-for-sale financial assets	75,564.53	84,327.80	103,288.17	–
Other debt investments	–	–	–	–
Held-to-maturity securities	1,000.00	1,000.00	3,000.00	–
Long-term receivables	–	–	30.00	30.00
Long-term equity investments	274,046.62	270,197.73	261,066.83	286,553.32
Other equity instrument investments	–	–	–	85,614.13
Other non-current financial assets	–	–	–	3,474.85
Investment properties	3,262.22	3,195.52	3,128.81	3,095.46
Fixed assets	402.85	395.22	387.90	383.15
Incl: Original cost of fixed assets	–	444.72	446.84	–
Accumulated depreciation	–	49.50	58.94	–
Fixed assets depreciation reserves	–	–	–	–
Construction in progress	–	–	–	–
Productive biological assets	–	–	–	–
Right-of-use assets	–	–	–	–
Intangible assets	1.41	1.17	6.29	4.51
Development costs	–	–	–	–
Goodwill	–	–	–	–

	As at 31 December			As at
	2018	2019	2020	30 June
				2021
				Unaudited
	<i>(RMB in millions)</i>			
Long-term deferred expenses	–	–	–	–
Deferred tax assets	–	–	–	–
Other non-current assets	–	–	–	–
Total non-current assets	354,277.63	359,117.44	370,908.00	382,856.45
Total assets	382,457.47	372,188.08	392,924.66	402,576.04
Current liabilities:				
Short-term loans	–	1,000.00	–	–
Placement from banks and other financial institutions	–	–	–	–
Trading financial liabilities	–	–	–	–
Derivative financial liabilities	–	–	–	–
Notes payable	–	–	–	–
Accounts payable	0.33	0.23	2.35	2.04
Advances from customers	–	–	–	–
Contractual liabilities	–	–	–	–
Financial assets sold under agreement to repurchase	–	–	–	–
Absorbing deposits and interbank placements	–	–	–	–
Employee benefits payable	3.02	1.64	1.53	0.23
Incl: Salary payable	–	–	–	–
Welfare benefits payable	–	–	–	–
Incl: Staff bonus and welfare funds	–	–	–	–
Taxes and surcharges payable	17.83	57.47	282.98	1.47
Incl: Taxes payable excluding surcharges	17.09	57.33	281.96	1.42
Other payables	1,108.17	1,241.31	1,957.94	1,323.38
Incl: dividend payable	–	–	–	–
Liabilities held-for-sale	–	–	–	–
Non-current liabilities due within one year	24,993.58	3,476.13	12,032.75	12,157.00
Other current liabilities	999.65	2,008.12	3,007.34	4,035.47
Total current liabilities	27,122.59	7,784.89	17,284.90	17,519.58
Non-current liabilities:				
Long-term loans	2,530.00	1,150.00	7,650.00	7,727.60
Bonds payable	33,955.67	43,766.92	38,786.50	41,782.57
Incl: Preferred shares	–	–	–	–
Perpetual debt	–	–	–	–
Lease liabilities	–	–	–	–
Long-term payables	12,597.39	12,597.39	11,029.17	12,483.10
Long-term employee benefits payables	–	–	–	–
Provisions	–	–	–	–
Deferred income	–	–	–	–
Deferred tax liabilities	434.44	322.58	296.13	1,329.37
Other non-current liabilities	–	–	–	–
Total non-current liabilities	49,517.50	57,836.89	57,761.80	63,322.64
Total liabilities	76,640.09	65,621.78	75,046.70	80,842.22

	As at 31 December			As at 30 June
	2018	2019	2020	2021
				Unaudited
	<i>(RMB in millions)</i>			
Owners' equity (or shareholder's equity)				
Paid-in capital	38,702.28	38,803.58	38,934.08	38,934.08
Incl: State-owned capital	38,702.28	38,803.58	38,934.08	38,934.08
Capital reserve	254,455.11	255,805.57	266,467.81	267,138.74
Other comprehensive income	1,383.99	1,210.36	1,428.46	3,640.02
Incl: Currency translation reserve	–	–	–	–
Special reserve	–	–	–	–
Surplus reserve	3,300.07	4,401.48	4,996.51	5,091.75
Incl: Legal reserves	3,300.07	4,401.48	4,996.51	5,091.75
General risk reserve	–	–	–	–
Undistributed profits	7,975.94	6,345.31	6,051.10	6,929.24
Equity attributable to owner's equity (shareholder's equity) of the parent company	305,817.39	306,566.30	317,877.96	321,733.82
Minority interests	–	–	–	–
Total owners' equity (or shareholder's equity)	305,817.39	306,566.30	317,877.96	321,733.82
Total liabilities and owners' equity (or shareholder's equity)	382,457.47	372,188.08	392,924.66	402,576.04

**SUMMARY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
OF THE GUARANTOR**

	For the year ended 31 December			Six months ended 30 June	
	2018	2019	2020	2020	2021
	Unaudited				
	<i>(RMB in millions)</i>				
Total operating revenue	319.08	391.76	353.17	173.38	150.76
Incl: Operating revenue	319.08	391.76	353.17	173.38	150.76
Interest income	–	–	–	–	–
Fees and commissions income	–	–	–	–	–
Total operating cost	2,707.41	2,419.99	2,115.78	1,058.65	1,109.93
Incl: Operating cost	66.70	66.70	66.70	33.35	33.35
Interest expenses	–	–	–	–	–
Fees and commissions expenses	–	–	–	–	–
Taxes and surcharges	59.17	60.16	66.93	30.55	28.78
Selling expenses	–	–	–	–	–
Administrative expenses	102.69	112.28	123.87	60.01	69.21
Research and development expenses	–	–	0.10	–	0.32
Finance expenses	2,478.85	2,180.84	1,858.17	934.74	978.26
Incl: Interest expenses	2,687.94	2,601.30	2,322.48	1,136.80	1,267.51
Interest income	286.74	498.57	548.20	242.40	323.64
Add: Other incomes	0.14	101.30	100.95	0.80	0.11
Investment income	7,043.08	13,701.86	8,120.14	1,200.46	4,925.61
Gain on foreign exchange	–	–	–	–	–
Gains from changes of fair value	–	–	–	–	–
Credit impairment loss	–	–	–	–	–
Asset impairment loss	–	(579.84)	–	–	–
Gain from disposal of assets	–	–	–	–	–
Operating profits	4,654.89	11,195.10	6,458.49	315.99	3,966.54
Add: Non-operating income	0.11	0.11	–	–	0.33
Incl: Government grants	–	–	–	–	–
Less: Non-operating expenses	0.08	6.35	5.85	0.35	8.00
Profit before tax	4,654.92	11,188.86	6,452.64	315.64	3,958.87
Less: Income tax expenses	–	134.57	397.87	28.76	145.90
Net profit	4,654.92	11,054.28	6,054.77	286.87	3,812.98
(I) (Classified by attribution to ownership)					
Net profit attributable to owners of the parent	4,654.92	11,054.28	6,054.77	286.87	3,812.98
Net income attributable to minority shareholders	–	–	–	–	–
(II) (Classified by continuity of operations)					
Net profit from continuing operations	4,654.92	11,054.28	6,054.77	286.87	3,812.98
Net profit from discontinued operations	–	–	–	–	–
Other comprehensive income after tax	(80.44)	(172.76)	(80.47)	(4.94)	0.05
Total comprehensive income	4,574.48	10,881.53	5,974.31	281.94	3,813.03
Total comprehensive income attributed to parent company owners	4,574.48	10,881.53	5,974.31	281.94	3,813.03
Total comprehensive income attributable to minority shareholders	–	–	–	–	–

SUMMARY STATEMENT OF CASH FLOW OF THE GUARANTOR

	For the year ended 31 December			Six months ended 30 June	
	2018	2019	2020	2020	2021
	Unaudited				
	<i>(RMB in millions)</i>				
1. Cash flow from operating activities					
Cash received from sales and services	327.67	303.71	391.89	192.18	165.02
Net increase in deposits and placements from financial institutions	–	–	–	–	–
Net increase in due to central banks	–	–	–	–	–
Net increase in placement from financial institutions	–	–	–	–	–
Cash received from premiums of original insurance contracts	–	–	–	–	–
Net increase in loans from other banks	–	–	–	–	–
Net increase in funds for repurchasing businesses	–	–	–	–	–
Net cash received from agency purchases and sales of securities	–	–	–	–	–
Refund of taxes and surcharge	–	–	–	–	–
Other cash receipts related to operating activities	85.17	5,297.13	1,766.23	698.86	1,126.66
Total cash inflow from operating activities	412.84	5,600.84	2,158.12	891.05	1,291.68
Cash paid for goods and services	–	–	–	–	–
Net increase in loans and advances	–	–	–	–	–
Net increase in deposits with central banks and other financial institutions	–	–	–	–	–
Cash payment of interest, fees and commissions	–	–	–	–	–
Cash paid as policy dividends	–	–	–	–	–
Cash paid to and on behalf of employees	72.00	76.35	80.91	48.16	56.95
Cash payments for taxes and surcharges	104.62	228.25	345.93	142.30	472.49
Other cash payments related to operating activities	41.73	3,775.60	1,350.44	339.42	924.99
Total cash outflow from operating activities	218.35	4,080.19	1,777.28	529.88	1,454.42
Net cash flows from operating activities	194.49	1,520.65	380.84	361.17	(162.74)
2. Cash flows from investing activities					
Cash received from withdraw of investments	4,577.04	2,881.00	3,466.40	1,471.75	303.21
Cash received from investment income	9,378.26	12,532.40	8,550.23	1,784.77	3,730.19
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	–	0.09	–	–	–
Net cash received from disposal of subsidiaries and other business units	–	–	–	–	–
Other cash receipts related to investing activities	26,809.00	25,094.00	9,704.00	4,858.00	4,390.00
Total cash inflow from investing activities	40,764.30	40,507.49	21,720.62	8,114.52	8,423.40
Cash payments for fixed assets, intangible assets and other long-term assets	2.69	5.57	5.94	2.49	1.55
Cash paid for investments	14,455.24	4,893.70	9,781.26	2,084.13	6,705.19
Net increase in pledged loans	–	–	–	–	–

	For the year ended 31 December			Six months ended 30 June	
	2018	2019	2020	2020	2021
	Unaudited				
	<i>(RMB in millions)</i>				
Net cash paid for acquiring subsidiaries and other business units	–	–	–	–	–
Other cash payments related to investing activities	27,969.52	20,192.02	9,718.18	3,276.15	0.76
Total cash outflow from investing activities	42,427.45	25,091.30	19,505.38	5,362.77	6,707.50
Net cash flows from investing activities	(1,663.14)	15,416.19	2,215.24	2,751.75	1,715.90
3. Cash flows from financing activities	–	–	–	–	–
Cash received from investments by others	7,360.57	767.44	5,533.85	–	–
Incl: Cash received by subsidiaries from minority shareholders' investments	–	–	–	–	–
Cash received from borrowings	14,550.00	19,000.00	27,094.30	13,000.00	23,553.10
Cash received from bond issues	–	–	–	–	–
Other cash receipts related to other financing activities	5,000.00	–	–	–	–
Total cash inflow from financing activities	26,910.57	19,767.44	32,628.15	13,000.00	23,553.10
Cash repayments for debts	3,010.00	30,089.90	17,591.69	5,480.00	20,385.71
Cash paid for distribution of dividends, profits or repayment of interest	6,643.57	14,458.20	7,780.07	1,106.40	4,691.58
Incl: Dividends or profit paid by subsidiaries to minority shareholders	–	–	–	–	–
Other cash payments related to financing activities	236.91	77.83	1,077.13	64.52	48.14
Total cash outflow from financing activities	9,890.48	44,625.92	26,448.89	6,650.91	25,125.43
Net cash flow from financing activities	17,020.09	(24,858.48)	6,179.26	6,349.09	(1,572.33)
4. Effect of foreign exchange rate changes on cash and cash equivalents	–	–	–	–	–
5. Net increase in cash and cash equivalents	15,551.43	(7,921.64)	8,775.34	9,462.00	(19.17)
Add: Cash and cash equivalents at beginning of year	326.80	15,878.23	7,956.59	7,956.59	16,731.93
6. Cash and cash equivalent at year end	15,878.23	7,956.59	16,731.93	17,418.59	16,712.76

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE ISSUER

	As at 31 December		
	2018	2019	2020
	<i>(RMB in millions)</i>		
Current assets			
Cash and bank	742.83	724.24	791.60
Other receivables	5.91	4.57	0.42
Total current assets	748.74	728.81	792.02
Non-current assets:	–	–	–
Long-term equity investments	5,438.55	6,217.15	6,712.20
Total non-current assets	5,438.55	6,217.15	6,712.20
Total assets	6,187.28	6,945.96	7,504.22
Current liabilities:	–	–	–
Total current liabilities	–	–	–
Non-current liabilities:	–	–	–
Total non-current liabilities	–	–	–
Total liabilities	–	–	–
Owners' equity (or shareholder's equity)	–	–	–
Paid-in capital	3.00	3.00	3.00
Incl: State-owned legal person's capital	3.00	3.00	3.00
Capital reserve	2,614.04	2,588.63	2,588.88
Other comprehensive income	(463.14)	(8.22)	41.34
Incl: Currency translation reserve	(25.53)	560.36	129.50
Undistributed profits	4,033.38	4,362.54	4,871.00
Equity attributable to owner's equity (shareholder's equity) of the parent company	6,187.28	6,945.96	7,504.22
Total owners' equity (or shareholder's equity)	6,187.28	6,945.96	7,504.22
Total liabilities and owners' equity (or shareholder's equity)	6,187.28	6,945.96	7,504.22

**SUMMARY CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME OF THE ISSUER**

	For the year ended 31 December		
	2018	2019	2020
	<i>(RMB in millions)</i>		
Total operating revenue	–	–	–
Incl: Operating revenue	–	–	–
Total operating cost	(6.91)	(19.45)	(9.45)
Incl: Administrative expenses	0.21	0.34	0.38
Finance expenses	(7.13)	(19.80)	(9.83)
Incl: Interest income	8.02	19.56	9.83
Net loss on foreign exchange (“-” for losses)	0.89	(0.24)	0.00
Add: Investment income (“-” for loss)	580.85	487.27	499.00
Incl: Investment income from associates and joint ventures	580.85	487.27	499.00
Operating profit	587.76	506.73	508.45
Profit before tax	587.76	506.73	508.45
Net profit	587.76	506.73	508.45
(I) Classified by attribution to ownership	–	–	–
1. Net profit attributable to owners of the parent	587.76	506.73	508.45
*2. Net profit attributable to minority interests	–	–	–
(II) Classified by continuity of operations	–	–	–
Net profit from continuing operations (“-” for loss)	587.76	506.73	508.45
Net profit from discontinued operations (“-” for loss)	–	–	–
Other comprehensive income after tax	(360.29)	454.92	49.56
Other comprehensive income – after tax attributable to owners of the parent	(360.29)	454.92	49.56
Other comprehensive income that may be reclassified to profit or loss	(360.29)	454.92	49.56
Incl: a. Share of other comprehensive income of associates and joint ventures under equity method	(368.78)	(130.97)	480.42
h. Translation differences arising on translation of foreign currency financial statements	8.49	585.89	(430.86)
Total comprehensive income	227.47	961.65	558.01
Total comprehensive income attributed to parent company owners	227.47	961.65	558.01

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOW OF THE ISSUER

	For the year ended 31 December		
	2018	2019	2020
	<i>(RMB in millions)</i>		
1. Cash flow from operating activities	–	–	–
Other cash receipts related to operating activities	2.28	21.22	13.82
Total cash inflow from operating activities	2.28	21.22	13.82
Other cash payments related to operating activities	1.11	0.34	0.38
Total cash outflow from operating activities	1.11	0.34	0.38
Net cash flows from operating activities	1.17	20.88	13.43
2. Cash flows from investing activities			
Cash received from investment income	475.72	126.12	104.72
Total cash inflow from investing activities	475.72	126.12	104.72
Total cash outflow from investing activities	–	–	–
Net cash flows from investing activities	475.72	126.12	104.72
3. Cash flows from financing activities			
Total cash inflow from financing activities	–	–	–
Cash payments for distribution of dividends, profit or interest expenses	–	177.56	–
Total cash outflow from financing activities	–	177.56	–
Net cash flow from financing activities	–	(177.56)	–
4. Effect of changes in exchange rates on cash and cash equivalents	23.90	11.98	(50.80)
5. Net increase in cash and cash equivalents	500.79	(18.59)	67.36
Add: Cash and cash equivalents balance at beginning of period	242.04	742.83	724.24
6. Cash and cash equivalents balance at end of period	742.83	724.24	791.60

RISK FACTORS

Prior to making an investment decision, prospective investors should consider carefully all of the information set out in this Offering Circular, including the risks and uncertainties described below. PRC laws and regulations may differ from the laws and regulations in other countries. Additional risks not described below or not currently known to the Issuer, the Guarantor or the Group or that the Issuer, the Guarantor or the Group currently deems immaterial may also adversely affect the Issuer's, the Guarantor's and the Group's business, financial condition or results of operations or the value of the Notes or the Guarantee of the Notes. The Issuer and the Guarantor believe that the risk factors described below represent the principal risks inherent in investing in the Notes and the Guarantee of the Notes, but the inability of the Issuer or the Guarantor to pay interest, principal or other amounts on or in connection with any Notes or the Guarantee of the Notes may occur for reasons which may not be considered as significant risks by the Issuer or the Guarantor based on information currently available to it or which it may not currently be able to anticipate. All of these factors are contingencies which may or may not occur and neither the Issuer nor the Guarantor is in a position to express a view on the likelihood of any such contingency occurring.

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

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

RISKS RELATING TO THE GROUP AND ITS BUSINESS

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

The outlook of the global and PRC economies are subject to significant uncertainties. In particular, uncertain economic conditions, volatility and disruptions in global capital markets, such as those that occurred in late 2008 and 2009 during the global financial crisis and in 2020 and 2021 due to outbreak and spread of COVID-19, may have a material adverse effect on the Group. The uncertainties in the major global economies may adversely affect the Group's financial condition and results of operations in many ways, including, among other things:

- It may be difficult for business enterprises to source long-term financings from the financial and capital markets if a credit crunch takes place or persists. The shortage of financings will have a significant effect on the Group since its businesses are capital-intensive;
- If the government withdraws its supportive economic policies, the interest rates may increase. This would, in turn, increase the Group's costs of financing and impede some of its investment plans;
- The development of the industries the Group is engaged in are correlated with the macroeconomic condition in both China and the globe. If the macroeconomic condition in China and the globe fluctuates, the industries will be affected accordingly;
- The value of the Group's asset portfolio, in particular the A-shares and H-shares of certain listed companies, is closely correlated to monetary policies, credit supply as well as the performance of capital markets. Adverse economic and market conditions could negatively affect the value and returns on the Group's financial assets and investments, which could reduce the value of its trading and investment positions, affect its profitability, limit its liquidity and reduce its opportunities to realise gains and exit from its investments.

The global credit markets have experienced significant volatility, such as that caused in recent years by the global financial and economic crisis and events, including the European debt crisis, the potential withdrawal of countries from the Euro-zone, Brexit, the trade tension between China and the U.S. and volatility in the PRC stock market, which have led to less favourable financial and economic conditions. Any volatility or deterioration in the economic conditions in the United States, Europe or elsewhere may have and may continue to have a negative impact on the economies of the PRC and other Asia Pacific countries which may in turn materially and adversely affect the Group's business, financial condition and the results of its operations and its ability to access the capital markets. If such uncertainties and market volatility continue to persist and the Group cannot adjust its operating strategies accordingly, the business, financial condition and results of operations of the Group could be materially and adversely affected.

The Group faces competition in the industries it is engaged in

The Group is a state-owned capital operation company with market-oriented operation and professional management. There are companies of similar nature and business, such as the SASAC-designated company, China Reform Holdings Corporation Ltd. (中國國新控股有限責任公司) (“RHC”). Although the Group currently does not regard it as its competitor, there is no assurance that the Group's business will not overlap in the future or that the Beijing SASAC will not designate more companies to manage and operate state-owned capital in the future. Moreover, the Group may encounter competition from the existing companies in the areas in which the Group elects to operate. The realisation of any of the foregoing could materially and adversely affect the Group's business, financial condition and results of operations.

The Group is primarily engaged in investing and capital operation. The Group's investment portfolios spans steel, manufacturing, electronics, real estate, power and resources, trading, agriculture, pharmaceutical, human resource and other innovative industries. These industries are highly competitive, and the Group's investees compete on the basis of product quality, price and service. If they are unable to anticipate and respond to changing customer preferences or control their costs, they may not be able to compete effectively, which may in turn adversely affect the Group's financial performances. Furthermore, some of these industries are open to foreign investment, the Group's investees may face increasing competition from such enterprises, which may have greater access to financial resources, more sophisticated technologies and longer operating histories. If the Group is unable to maintain operating efficiency and economies of scale, it may not be able to compete effectively. In general, increased competition could result in reduction in profit margin and/or loss of market share for the Group and could materially and adversely affect the Group's business, financial condition and results of operations.

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 2018, 31 December 2019, 31 December 2020 and 30 June 2021, the short-term borrowings of the Group amounted to approximately RMB230,700.98 million, RMB227,464.23 million, RMB244,993.76 million and RMB214,486.12 million, respectively, while the cash and cash equivalents of the Group as at the same dates amounted to approximately RMB303,672.56 million, RMB294,553.47 million, RMB338,740.08 million and RMB350,177.26 million, respectively.

Due to the constant need to maintain and further expand its businesses (especially those relating to its management and operation of state-owned capital), the Group may incur substantial additional indebtedness in the future, including the issuance of debt securities or entering into banking or other loan arrangements. The substantial level of existing indebtedness and incurrence of further indebtedness could adversely and materially affect the Group's business, results of operations, financial condition and prospects, including:

- limiting the Group's ability to satisfy its obligations on its outstanding debts;
- decreasing the Group's resilience to adverse general economic and industry conditions;
- requiring the Group to dedicate a substantial portion of its cash flows from operations to servicing and repaying its indebtedness, thereby reducing the availability of its cash flows to fund working capital, capital expenditures and other general corporate purposes;

- limiting the Group's ability to capture investment and/or acquisition opportunities and affecting its ability to grow and expand its business;
- adding to the Group's interest exposure as a proportion of its costs of doing business;
- limiting the Group's flexibility in planning for or reacting to changes in its businesses and the industries in which it operates;
- reducing the Group's competitiveness compared to its competitors that have fewer debts;
- 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 provide security over their assets, receivables or equity interests in companies or entities held by them (which may include the Guarantor'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 intensify.

Furthermore, if either the Guarantor or any of the relevant subsidiaries is unable to comply with the restrictions and covenants (if any) 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 Guarantor 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 Guarantor and its subsidiaries may contain cross-acceleration or cross-default provisions. As a result, a default by the Guarantor 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 Guarantor or its subsidiaries would be sufficient to repay in full all of their respective debts as they become due, or that the Guarantor or its subsidiaries would be able to find alternative financing. Even if the Guarantor 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 Guarantor or, as the case may be, its subsidiaries.

A large amount of the Group's liabilities are current and due within one year

As at 31 December 2018, 31 December 2019, 31 December 2020 and 30 June 2021, the current portion of the Group's non-current liabilities amounted to RMB799,681.59 million, RMB885,208.56 million, RMB962,733.02 million and RMB1,023,827.30 million, respectively. The need to service the Group's current portion of its non-current liabilities may require the Group to dedicate a substantial portion of its cash flows from operations to servicing and repaying its indebtedness in near future, thereby reducing the availability of its cash flows to fund working capital, capital expenditures and other general corporate purposes, which may adversely and materially affect its business, financial condition and results of operations.

Natural disasters, acts of war or terrorism, epidemics, or other factors beyond the Group's control could materially and adversely affect the Group's business, financial condition and results of operations

Natural disasters such as earthquakes, floods, severe weather conditions or other catastrophic events, natural or not, may severely affect the regions where the Group operates. Any catastrophic event could materially and adversely affect the Group's business, financial condition and results of operations.

Similarly, threats of war or terrorist activity, social unrest as well as geopolitical uncertainty and international conflict and tension could affect international or regional economic development. In turn, the Group's business, financial condition and results of operations may be materially and adversely affected. In addition, although the Group has emergency response plans in place, they may not be adequate to deal with such incident or crisis. As a result, the Group's operational continuity may be adversely and materially affected.

The Group's business is subject to general economic and social conditions in China. Natural disasters, epidemics and other acts of God which are beyond the Group's control may adversely affect the economy, infrastructure and livelihood of the people in China. Some regions in China, including the cities where the Group operates, are under the threat of flood, earthquake, sandstorm, snowstorm, fire, drought, or epidemics such as the Severe Acute Respiratory Syndrome, or SARS, the H5N1 avian flu, the human swine flu, also known as Influenza A (H1N1), or, most recently, the novel coronavirus named COVID-19 by the World Health Organisation. Past occurrences of epidemics, depending on their scale, have caused different degrees of damage to the national and local economies in China. A recurrence of Severe Acute Respiratory Syndrome or an outbreak of any other epidemics in China, including, for example, the ongoing COVID-19, especially in the cities where the Group has operations, may result in material disruptions to the Group's business, which in turn may materially and adversely affect the Group's financial condition and results of operations. Spread of new strains of COVID-19 such as Delta and Omicron resulted in outbreaks of various scale across the globe and in China, which created new uncertainties. It is uncertain as to when the COVID-19 pandemic will be contained globally, and it cannot be predicted whether COVID-19 pandemic will have a long-term impact on the Group's business operations. The outbreak of communicable diseases, such as the aforementioned outbreak of COVID-19 on a global scale may affect investment sentiment and result in sporadic volatility in global capital markets or adversely affect China and other economies. If the Group is not able to operate its business and implement its strategies as planned, its business operations, financial condition and prospects may be materially and adversely affected effectively and efficiently.

The Group is exposed to interest rate risk

Interest rate fluctuations may have a significant influence on the Group. An increase in interest rates may increase the Group's borrowing costs and could materially and adversely affect the Group's earnings, cash flow, financial condition and results of operations.

The Group's financial assets are susceptible to the volatility in the PRC's capital markets

As at 31 December 2018, 31 December 2019, 31 December 2020 and 30 June 2021, the Group's long-term equity investments amounted to RMB191,557.65 million, RMB195,155.33 million, RMB195,269.37 million and RMB234,483.76 million, respectively, and the Group's other equity instrument investments amounted to RMB469.56 million, RMB2,068.32 million, RMB2,346.63 million and RMB180,565.90 million, respectively. These assets comprise, among others, A-shares and H-shares of certain listed companies and fund investments, the value of which may be volatile. For example, there was significant volatility in the PRC's capital markets from the first quarter of 2020 to the second quarter of 2020 due to the outbreak of COVID-19, which has affected the value of the Group's financial assets. Thus, the Group's financial assets are susceptible to the volatility in the PRC's capital markets, a downturn of which could materially and adversely affect the Group's financial condition and results of operations.

The Group is subject to counterparty risks

The Group's activities are subject to non-performance risk by its counterparties, including but not limited to its contractors, suppliers, customers and hedging counterparties. For example:

- a significant increase in commodity prices could result in suppliers being unwilling to honour their contractual commitments to sell to the Group at the pre-agreed prices;
- a significant reduction in commodity prices could result in customers being unwilling or unable to honour their commitments to purchase from the Group at the pre-agreed prices;

- customers and contractors from the Group may find themselves unable to honour their contractual obligations due to financial distress or other reasons; and
- hedging counterparties may find themselves unable to honour their contractual commitment due to financial distress or other reason.

There is no assurance that the Group's attempts to reduce the risks related to its counter-parties will be successful in every instance, which could materially and adversely affect the Group's earnings, financial condition and results of operations.

The Guarantor's disposal of its equity interest in the Entrusted Subsidiaries is subject to the approval of the Beijing SASAC, the Guarantor is not involved in the management of daily operations of the Entrusted Subsidiaries and the Beijing SASAC may order the Guarantor to dispose of the Entrusted Subsidiaries out of considerations not related to the Guarantor

As at the date of this Offering Circular, Entrusted Subsidiary refers to each of the following companies and may change from time to time thereafter:

- (a) Shougang Group Co., Ltd. (首鋼集團有限公司);
- (b) Beijing Electronics Holding Co., Ltd. (北京電子控股有限責任公司);
- (c) Beijing Jingcheng Machinery Electric Holding Co., Ltd. (北京京城機電控股有限責任公司);
- (d) Beijing Energy Holding Co., Ltd. (北京能源集團有限責任公司);
- (e) Beijing Capital Highway Development Group Co., Ltd. (北京市首都公路發展集團有限公司);
- (f) Beijing Yiqing Holding Co., Ltd. (北京一輕控股有限責任公司);
- (g) Beijing Capital Development Holding (Group) Co., Ltd. (北京首都開發控股(集團)有限公司);
- (h) Beijing Automotive Group Co., Ltd. (北京汽車集團有限公司);
- (i) China Beijing Tongrentang (Group) Co., Ltd. (中國北京同仁堂(集團)有限責任公司);
- (j) Beijing Suburban Tourism Industry Development Company (北京市郊區旅遊實業開發有限公司);
- (k) Beijing Xianglong Assets Management Co., Ltd. (北京祥龍資產經營有限責任公司);
- (l) Beijing North Star Industrial Group Co., Ltd. (北京北辰實業集團有限責任公司);
- (m) BBMG Assets Operation and Management Co., Ltd. (北京金隅資產經營管理有限責任公司);
- (n) Beijing Capital Agribusiness & Foods Group Co., Ltd. (北京首農食品集團有限公司);
- (o) Beijing Urban-rural Commercial (Group) Co., Ltd. (北京城鄉商業(集團)股份有限公司);
- (p) BBMG Corporation (北京金隅集團股份有限公司); and
- (q) Beijing Foreign Enterprise Human Resources Service Company Limited (北京外企人力資源服務有限公司).

The Guarantor is not involved in the management of daily operations of the Entrusted Subsidiaries and their respective subsidiaries and is generally only engaged in the capital management and operation of the Entrusted Subsidiaries and their respective subsidiaries under the direction of or in consultation with

Beijing SASAC. Any disposal by the Guarantor of its equity interest in the Entrusted Subsidiaries is subject to the approval of the Beijing SASAC. For more information, please see “*Management committee and Senior Management*”. In addition, the Beijing SASAC may order the Guarantor to dispose of its equity interest in the Entrusted Subsidiaries out of considerations not related to the Guarantor, such as pursuant to the strategic plans of the Beijing Municipal Government. Should there be any difficulties in meeting its obligations under any indebtedness, the Guarantor may only be able to liquidate its equity interest in the Entrusted Subsidiaries or procure those Entrusted Subsidiaries to provide liquidity support for the Guarantor with the approval of the Beijing SASAC, despite that the Guarantor’s equity interest in the Entrusted Group consists of a substantial proportion of the Guarantor’s total assets on its balance sheet. Moreover, Condition 3(a) (*Negative Pledge*) and Condition 8 (*Events of Default*) of the Terms and Conditions of the Notes are not applicable to the Entrusted Subsidiaries and their respective subsidiaries, therefore, certain encumbrances could be exerted on the Entrusted Subsidiaries and their respective subsidiaries without breach of Condition 3(a) (*Negative Pledge*), and the Entrusted Subsidiaries and their respective subsidiaries would not be subject to the restrictions imposed by Condition 8 (*Events of Default*). For more information, please see “*Terms and Conditions of the Notes*.”

The Guarantor may be required to provide financial support to the Entrusted Subsidiaries

As the only state-owned capital operation company in Beijing and a state-owned enterprise wholly-owned and directly supervised by the Beijing SASAC, the Guarantor bears the responsibility to ensure the preservation and appreciation in the value of state-owned capital. As a result, the Beijing SASAC may require the Guarantor to provide the Entrusted Subsidiaries or their respective subsidiaries with financial support, such as entrusted loans. However, the Guarantor would adopt protective measures, such as requiring guarantee, mortgage and security, to protect its best interest while providing such financial support.

The Group may not be able to successfully manage its expansion

The Group has positioned itself as a state-owned capital operation company with market-oriented operation and professional management, and expects to further expand its operations in the future. However, whether the Group will be able to continue its expansion successfully depends on a number of factors, including, among other things:

- find a business model to manage and operate state-owned capital that fits the Group the most;
- put in place and execute a well-managed operation plan for the acquired state-owned capital;
- ensure stability and quality of transitional support to the acquired SOEs;
- cut the bureaucratic red tape, reduce redundant layers of management and increase the operational efficiency of the acquired SOEs;
- retain, hire and train staff who will contribute to the Group’s development; and
- minimise adverse effects resulting from cultural differences, if any, between the acquired SOEs and the Group.

There is no assurance that the Group can successfully implement all of the necessary strategies, and the failure to successfully manage the Group’s expansion could affect the Group’s business, financial condition and results of operations.

A relatively high percentage of the Group’s total assets are restricted and pledged

As at 31 December 2020 and 30 June 2021, the Group’s restricted assets amounted to RMB465,669.00 million and RMB421,750.13 million, respectively, representing 14.56 per cent. and 12.79 per cent. of the Group’s total assets, respectively. The restricted assets include monetary fund, notes receivables, accounts

receivables, inventories, fixed assets, intangible assets, construction in progress, investment properties, equity interest and others. The Group's restricted assets are primarily comprised of (i) assets pledged pursuant to the Group's financing agreements and (ii) assets that had already been pledged by certain companies before these companies became a part of the Group. This could materially and adversely affect the Group's ability to obtain financing for its operations in the future.

The Group's various business segments are subject to extensive regulation and supervision by government authorities

The Group's various business segments are subject to extensive and complex laws, rules, regulations, policies and measures of the PRC in relation to, among other things, capital requirement, investment, fund management, national security, financial regulation, etc. These laws, rules, regulations, policies and measures are issued by different central government ministries and departments as well as provincial and local government authorities, and may be enforced by different government authorities. Given the magnitude and complexity of and continuous amendments to these laws and regulations, compliance therewith may be onerous or may involve substantial financial resources and other resources to establish efficient compliance and monitoring systems. The liabilities, costs, obligations and requirements associated with these laws and regulations may therefore be substantial and may cause interruptions to, the Group's operations. Non-compliance with the relevant laws and regulations applicable to the Group's operations may result in substantial penalties or fines, suspension or revocation of the Group's relevant licences or permits, termination of government contracts or suspension of the Group's operations, which could have a material adverse effect on the Group's business, financial condition and results of operations.

The Guarantor's investee, AECC, is subject to certain Executive Orders issued by the United States

Since 2018, the U.S.-China trade war has brought uncertainty to global markets and to a certain extent, impacted businesses and financial market sentiment, influenced financial market volatility, and slowed investment and trade. The continued intensification of tensions between the U.S. and China has caused the U.S. government to focus on national security concerns and increase scrutiny of foreign businesses, particularly those businesses that are owned or controlled by the PRC's "military-industrial complex." The Guarantor holds 20.00% equity interest in Aero Engine Corporation of China ("AECC"), an entity whose publicly traded securities and related securities are subject to restrictions under Executive Order 13959, as amended (the "Executive Orders"). Under the Executive Orders, U.S. persons (as defined in the Executive Orders), are prohibited from buying and selling (subject to a divestment period) publicly traded securities or any publicly traded securities that are derivative of such securities or are designed to provide investment exposure to such securities of AECC. As to AECC, these restrictions took effect as of August 2021. As at the date of this Offering Circular, the Guarantor is not named on the U.S. Department of the Treasury's Office of Foreign Assets Control's Non-SDN Chinese Military Companies List ("NS-CMIC List"). The prohibitions stipulated by the Executive Orders thus do not extend to the publicly traded securities of the Guarantor as at the date of this Offering Circular. Investors who are considered as U.S. persons for purposes of the Executive Orders should nonetheless consider whether this is an appropriate investment.

In the future, any further escalation of the U.S.-China tensions may cause the U.S. government to impose further sanctions and/or restrictions on AECC and/or other PRC entities, which could include measures with a range of severity, including possible prohibition of transactions by the sanctioned entity through the U.S. financial system and blocking sanctions. The Group has been closely monitoring the development of the Executive Orders, and actively implementing corresponding mitigation measures in response to the latest development of such situations. However, there can be no assurance that any potential restrictions or sanctions on AECC, the Group and/or any affiliates of the Guarantor will not materially and adversely affect the business, prospects, financial condition and results of operations of AECC, the Group or the relevant affiliates and their future business expansion in the overseas markets (including the U.S.).

The Group faces risks relating to its corporate guarantees

As at 31 December 2020, the Group's corporate guarantees was RMB46.82 billion, EUR4.52 million and U.S.\$12.00 million. As at 30 June 2021, the Group's corporate guarantees was RMB40.77 billion. The Group may in the future further provide corporate guarantees or incur contingent liabilities. The realisation of the corporate guarantees and contingent liabilities could materially and adversely affect the Group's financial condition and results of operations.

The Group faces risks relating to its receivables

As at 31 December 2018, 31 December 2019, 31 December 2020 and 30 June 2021, the Group's receivables, including notes receivable, accounts receivable, receivables financing, other receivables and long-term receivables, amounted to RMB228,176.07 million, RMB234,574.64 million, RMB241,837.82 million and RMB277,297.12 million, respectively, in turn amounting to 8.23 per cent., 7.95 per cent., 7.56 per cent. and 8.41 per cent. of the Group's total assets respectively as at the same dates. There exists uncertainty as to whether the Group will be able to collect these receivables, particularly with those that were aged over three years. Any non-collection of the Group's receivables could materially and adversely affect the Group's financial condition and results of operations.

The Group may not be able to detect and prevent fraud or other misconduct committed by its employees

The Group may be exposed to fraud or other misconduct committed by its employees that could subject it to litigation, financial losses and regulatory investigations and sanctions imposed by governmental authorities, as well as damages to its reputation and business. The Group believes it has established corporate governance and internal control systems, including anti-corruption and ethical integrity management but such internal control procedures may be unable to identify all incidents of non-compliance or suspicious transactions in a timely manner if at all. Although the Group has been making increasing efforts to detect and prevent such misconduct, such efforts may not be effective in all respects. Any material misconduct committed by the Group's employees could materially and adversely affect the Group's business, financial condition, results of operations and reputation.

The Group faces litigation risks in the course of its business

In the ordinary course of the Group's business, claims involving employees, suppliers, customers 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 allegedly defective products, personal injuries and death, damage to or destruction of property and breaches of warranty. The claims could involve actual, liquidated and punitive damages. If the Group were found to be liable for any of the claims against it, the Group would have to incur a charge against earnings to the extent a reserve had not been established for the matter in its accounts, or to the extent the claims were not sufficiently covered by its insurance.

Both claims brought against the Group and by the Group, if not resolved through settlement (which could be lengthy and expensive), are often subject to lengthy and expensive litigation or arbitration proceedings such that the amounts ultimately realized from project claims by the Group could differ from the balances included in the Group's financial statements. Such claims could therefore materially and adversely affect the Group's reputation, financial condition, results of operations and prospects.

The Group's operation 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's operation is exposed to foreign exchange, interest rate, counterparty (including credit), operational, regulatory and other risks. The Group has devoted significant resources to developing and implementing a comprehensive set of policies and procedures to identify, monitor and management these risks and expects to continue to do so in the future. Certain areas of the Group's operational 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 could adversely and materially affect the Group's reputation, business, financial condition and results of operations.

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

The Group requires various filings, certificates, approvals, 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 filings, certificates, approvals, permits and licences. If the Group fails to obtain such governmental authorizations or fail to comply with any of the regulations required for the maintenance of its filings, certificates, approvals, permits and licences, such governmental authorizations could be temporarily suspended or even revoked, or the renewal of its licences, upon expiry of their original terms, may be delayed, which would directly impact on the Group's business operations. As of the date of this Offering Circular, some members of the Group have not obtained the land use right certificates or property certificates for certain land plots and properties they own.

The Group is dependent on its information systems to conduct its business

The operations of the Group are dependent on information systems and technology. The cost of maintaining the Group's information systems may increase from its current level. Although precautions have been taken and plans are in place, a disaster or a disruption in the Group's main site and its disaster recovery site that support the Group's business, including a disruption involving electronic communications or other services used by it or third parties with whom it conducts business, or directly affecting its headquarters or other key offices, could materially and adversely affect the Group's ability to continue to operate its business without interruption. In addition, insurance and other safeguards might only partially reimburse the Group for its losses, if at all.

Although the Group performs and backs up all key functions of its business internally, it relies on third party products and service providers widely used in the industry for certain aspects of its business, including for certain information systems and technology. Severe interruptions or deteriorations in the performance of these third parties or failures of their information systems and technology could impair the Group's operations.

The Group's business may be adversely affected if it is unable to secure and retain qualified personnel for its operations

Currently, most of the Group's employees are hired from the talent market (except the senior management of the Group, who are appointed by the Beijing Municipal Party Committee). The Group's operations depend upon its ability to attract and retain experienced and qualified personnel, including executive officers and key technical personnel, who have the necessary and required experience, knowledge and expertise. Competition for qualified personnel is intense in the PRC. The Group may lose the service of these persons to those competitors who are able to offer more competitive packages. The Group may have to significantly increase its related staff costs to remain competitive. If the Group cannot recruit, train and retain the qualified personnel necessary to execute its contracts or to perform necessary corporate activities, its business operations may be adversely affected.

The Group may face risks related to the diverse industries it engages in

The industries the Group is engaged in are diverse and not interrelated. Although the risk related to concentrating the Group's resources in one industry is reduced, the diversification may lead to the fragmented disbursement of the Group's resources, making it more difficult for the Group to develop economies of scale. It may also make it more difficult for the Group to exercise effective management

across different business segments of the Group. If the Group cannot recruit, train and retain personnel with the requisite qualification to run each of its business segments, or if the Group fails to have effective risk management and internal control systems across all of its business segments, the Group's business, financial condition and results of operations may be adversely affected.

The Group may not be able to expand its business successfully or to manage the growth effectively in the overseas market

While substantially all of the Group's operations are conducted in the PRC, it has expanded its business into the overseas market. However, the Group's ability to develop and expand its existing business into the overseas market depends on a variety of factors, including:

- delays in obtaining the necessary licence, permits or approvals from the overseas governments;
- delays in obtaining the necessary consents or approvals from the Group's joint venture and business partners (if applicable);
- delays in obtaining the necessary financing;
- shortages of materials, equipment, contracts and skilled labour;
- labour disputes;
- constructions accidents;
- natural catastrophes and adverse weather conditions;
- lesser familiarity with the business operating environment (including political, economic, legal, finance and business norms, etc.) in the overseas market;
- the involvement of lobbyists or other parties against a development project for environment or other reasons;
- changes in government policies or relevant laws or regulations in the overseas markets; and
- economic conditions.

There can be no assurance that the Group will be able to execute its business expansion plan in the overseas market successfully or fully within the expected timetable or at all, or that the Group will be able to manage its growth effectively, and the failure to do so could materially and adversely affect the Group's business, results of operations and financial condition.

Public corporate disclosure about the Issuer and the Guarantor may be limited and the financial statements of the Guarantor are prepared and presented in accordance with PRC GAAP, which differs from IFRS

As each of the Issuer and the Guarantor is a private company, there may be less publicly available information about the Issuer and the Guarantor than is regularly made available by public companies in certain other countries.

In addition, the financial statements of the Guarantor are prepared and presented in accordance with PRC GAAP. PRC GAAP are substantially in line with IFRS, except for certain modifications which reflect the PRC's unique circumstances and environment. See "*Summary of Certain Differences between PRC GAAP and IFRS*" for details. 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 PRC government can exert significant influence on the Group, and could cause the Group to make decisions, modify the scope of its activities or impose new obligations on the Group that may not be in the Group's best interest

The Guarantor is a state-owned enterprise wholly-owned and directly supervised by the Beijing SASAC, a commission of Beijing Municipal Government. Therefore, the PRC government is in a position to significantly influence the Group's major business decisions and strategies, including the scope of its activities, development and investment decisions and dividend policy. The PRC government may use its ability to influence the Group's business in a manner that may not be in the Group's best interests. For example, the Beijing SASAC may entrust the Group to manage certain state-owned companies that are experiencing losses. The PRC government may also change its policies, intentions, preferences, views, expectations, projections, forecasts and opinions, as a result of changes in the economic, political and social environments, and its projections of population and employment growths. 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.

Any ownership or control of the Group by the PRC government does not necessarily correlate to, or provide any assurance as to, the financial condition of the Issuer or the Guarantor

The Group regularly receives support from the PRC government and relevant governmental agencies. For example, for the years ended 31 December 2018, 2019 and 2020, the Group received governmental grants in the amounts of RMB17.08 billion, RMB18.56 billion and RMB17.00 billion, respectively. If any favourable government support which is currently available to the Group is reduced or withdrawn in the future, the Group's business, financial condition, result of operations may be materially and adversely affected. Any ownership or control of the Group by the PRC government does not necessarily correlate to, or provide any assurance as to, the financial condition of the Issuer or the Guarantor. Investors should base their investment decisions only on the financial condition of the Issuer, the Guarantor and the Group, and base any perceived credit risk associated with an investment in the Notes only on the financial information of the Guarantor and the Group, as reflected in the financial statements included elsewhere in this Offering Circular.

RISKS RELATING TO THE PRC

Changes in the PRC's economic, political and social conditions as well as governmental policies could affect the Group's businesses, financial condition and results of operations

Substantially all of the Group's assets are located in the PRC and substantially all of the Group's revenue is sourced from the PRC. Accordingly, the Group's business, financial condition, results of operations and prospects are subject, to a significant degree, to economic, political and legal developments in the PRC. The PRC's economy differs from the economies of most developed countries in many respects, including the structure of the economy, level of government involvement, level of development, growth rate, control of capital investment, control of foreign exchange and allocation of resources. The PRC's economy has been transitioning from a planned economy to a more market-oriented economy. For the past four decades, the PRC government has implemented economic reform measures to emphasize the utilization of market forces in economic development. Economic reform measures, however, may be adjusted, modified or applied inconsistently from industry to industry or across different regions of the country. As a result, the Group may not continue to benefit from all, or any, of these measures. In addition, the Group cannot predict whether changes in the PRC's political, economic and social conditions, laws, regulations and policies will have any adverse effect on the Group's current or future businesses, financial condition and results of operations.

China, for instance, has experienced rapid economic growth over the past few decades; however, its continued growth has faced downward pressure since the second half of 2008 and its annual GDP growth rate declined from 9.3 per cent. in 2011 to 6.0 per cent. in 2019, according to the National Bureau of Statistics of China (中華人民共和國國家統計局). In addition, the GDP growth rate of 2020 further decreased to 2.3 per cent. due to the COVID-19 outbreak.

The future performance of the PRC's economy is not only affected by the economic and monetary policies of the PRC government, but has been, and in the future will continue to be, materially affected by geo-political, economic and market conditions, including factors such as the liquidity of the global financial markets, the level and volatility of debt and equity prices, interest rates, currency and commodities prices, investor sentiment, inflation, and the availability and cost of capital and credit.

While the International Monetary Fund expects global economic growth to be 4.4 per cent. in 2022, following estimated growth of 6.0 per cent. in 2021, there are a number of uncertainties ahead. It is notable that the United States government has made significant changes in its trade policy in the past few years and has taken certain actions that may materially impact international trade, such as announcing increase in import tariffs which have led to other countries, including China and members of the European Union, imposing tariffs against the United States in response. These trade wars may escalate going forward and have contributed to increased market volatility, weakened business and consumer confidence and diminished expectations for economic growth around the world. In Europe, the exit of the United Kingdom from the European Union, and any prolonged period of uncertainty which results, could have a significant negative impact on international markets. These could include further falls in stock exchange indices, a fall in the value of the Pound sterling, an increase in exchange rates between the Pound sterling and the Euro and/or greater volatility of markets in general due to the increased uncertainty.

The implications for the world and the Group are significant. First, a rise in global trade protectionism will negatively impact the trade-dependent economies in Asia. Second, the interplay of U.S. fiscal and monetary policies, and aggressive quantitative easing programmes in Japan and Europe may lead to more volatile global capital flows, which could in turn impact global growth. Third, financial market volatility and increased uncertainty may have a broader global economic impact that may in turn have a material adverse effect on the Group's businesses, financial condition and results of operations.

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

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

To the extent uncertainty regarding the economic outlook negatively impacts consumer confidence and consumer credit factors globally, the Group's businesses and results of operations could be materially and adversely affected.

Members of the Group may be subject to restrictions on the payment of dividends and the repayment of intercompany loans or advances to the Guarantor

The ability of the Guarantor's subsidiaries to pay dividends and make payments on intercompany loans or advances to their shareholders may be subject to, among other things, distributable earnings, cash flow conditions, restrictions contained in the articles of association of these companies, applicable laws and restrictions contained in the debt instruments of such companies. The Group cannot assure that its subsidiaries will have distributable earnings or will be permitted to distribute their distributable earnings to it as it anticipates, or at all. Further, if any of these companies raises capital by issuing equity securities to third parties, dividends declared and paid with respect to such shares would not be available to the Guarantor to make payments on the Notes. These factors could reduce the payments that the Guarantor receives from its subsidiaries, which would restrict its ability to meet its payment obligations under the Notes.

The PRC legal system is continuously evolving and has uncertainties and the legal protections available to the Noteholders may be limited

Most companies in the Group are incorporated in the PRC and most of the Group's businesses are conducted in the PRC. Hence, the Group's operations are principally governed by PRC laws and regulations. The PRC legal system is based on written statutes and prior court decisions can only be cited as a reference. Since 1979, the PRC government has promulgated laws and regulations in relation to economic matters such as foreign investment, corporate organisation and governance, commerce, taxation and trade with a view to developing a comprehensive system of commercial laws. However, some laws and regulations are relatively new and constantly changing and some laws and regulations are often principle-oriented which may require detailed interpretations by the enforcement bodies to apply and enforce, where uncertainties may arise in the course of the interpretation and enforcement. These uncertainties relating to the interpretation and implementation of the PRC laws and regulations may adversely affect the legal protections and remedies that are available to the Group in its operations and to the Noteholders.

The Group cannot guarantee the accuracy of facts, forecasts and other statistics with respect to China, the PRC economy, and the selected PRC industry data contained in this Offering Circular

Facts, forecasts and other statistics in this Offering Circular relating to China, the PRC economy, and the selected PRC industry data have been derived from various official or other publications available in China and may not be consistent with other information compiled within or outside of China. The Group cannot, however, guarantee the quality or reliability of such source materials. The materials have not been prepared or independently verified by the Group and Joint Lead Managers or any of them or their affiliates or advisors (including legal advisors), or other participants in this offering and, therefore, the Group makes no representation as to the accuracy of such facts, forecasts and statistics. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice, the facts, forecasts and statistics in this Offering Circular may be inaccurate or may not be comparable to facts, forecasts and statistics produced with respect to other economies. Furthermore, the Group cannot assure that they are stated or compiled on the same basis or with the same degree of accuracy as in other jurisdictions. Therefore, investors should not unduly rely on the facts, forecasts and statistics with respect to China, the PRC economy, and the selected PRC industry data contained in this Offering Circular.

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

Most companies in the Group are incorporated in the PRC and substantially all of the Group's assets and companies are 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 PRC upon the Group or its management.

The Terms and Conditions of the Notes and the transaction documents are governed by English law and the Issuer and the Guarantor have submitted to the exclusive jurisdiction of the Hong Kong courts in connection with any dispute or proceedings arising from or in connection with the Notes or any transaction documents in connection with the Notes. In order to hear English law governed matters or disputes, Hong Kong courts may require certain additional procedures to be taken.

Additionally, a judgment of a court of another jurisdiction may be reciprocally recognised or enforced if the jurisdiction has a treaty with China or if judgments of the PRC courts have been recognised before in that jurisdiction, subject to the satisfaction of other requirements under the PRC laws on recognition and enforcement of foreign judgments. China has not entered into treaties for the reciprocal recognition and enforcement of court judgments with Japan, the United Kingdom, the United States and many other countries. As a result, recognition and enforcement in China of a court judgment obtained in other jurisdictions may be difficult or impossible.

On 14 July 2006, the Supreme People’s Court of the PRC (the “SPC”) and the Hong Kong government signed the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements between Parties Concerned (關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排) (the “**Reciprocal Recognition Arrangement**”), which is still in full force and effect as at the date of this Offering Circular. Pursuant to the Reciprocal Recognition Arrangement, a party with a final court judgment rendered by a Hong Kong court requiring payment of money in a civil and commercial case according to a choice of court agreement in writing may apply for recognition and enforcement of the judgment in China. Similarly, a party with a final judgment rendered by a PRC court requiring payment of money in a civil and commercial case pursuant to a choice of court agreement in writing may apply for recognition and enforcement of such judgment in Hong Kong. A choice of court agreement in writing is defined as any agreement in writing entered into between parties after the effective date of the Reciprocal Recognition Arrangement in which a Hong Kong or PRC court is expressly designated as the court having sole jurisdiction for the dispute. Therefore, it may not be possible to enforce a judgment rendered by a Hong Kong court in China if the parties in the dispute do not agree to enter into a choice of court agreement in writing. Although the Reciprocal Recognition Arrangement became effective on 1 August 2008, the outcome and effectiveness of any action brought under the Reciprocal Recognition Arrangement remain uncertain.

In addition, on 18 January 2019, the SPC and the Hong Kong government signed the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排) (the “**New Arrangement**”), which will become effective when both parties announce a commencement date after the SPC promulgates a judicial interpretation and relevant procedures are completed in Hong Kong. The New Arrangement extends the scope of judicial assistance, but the effective date has not been announced as at the date of this Offering Circular. However, there is still no certainty that a PRC court will enforce a judgment by a Hong Kong court or that parties will not have to relitigate the merits of the case before a PRC court.

Unlike other notes issued in the international capital markets where holders of such notes would typically not be required to submit to an exclusive jurisdiction, the Noteholders will be deemed to have submitted to the exclusive jurisdiction of the Hong Kong courts. Thus, the Noteholders’ ability to initiate a claim outside Hong Kong will be limited.

The Group is subject to restrictions on the remittance of Renminbi into and out of the PRC and governmental controls on currency conversion and may be affected by the risks relating to fluctuations in exchange rates in the future

The PRC government imposes controls on the convertibility of Renminbi into foreign currencies and the remittance of currency out of the PRC. Substantially all of the Group’s gross revenue is denominated in Renminbi, a portion of which may need to be converted into other currencies in order to meet the Group’s foreign currency obligations, such as payments of dividends, overseas acquisitions, and payments of principal and interests under the Notes or other foreign currency denominated debt, if any.

Under the existing PRC foreign exchange regulations, international payments of current account items, such as profit distribution, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval from SAFE by complying with certain procedural requirements. However, approval from or registration with SAFE or its designated banks is required where Renminbi is to be converted into foreign currency and remitted out of the PRC under capital account items such as repayment of offshore loans or outbound investment. There is no assurance whether the PRC government will, at its discretion, restrict access to foreign currencies for current account items or capital account items. If the foreign exchange control policies prevent the Group from purchasing sufficient foreign currencies and remitting outside China, it may limit the Group’s ability to utilise revenue generated in Renminbi to fund the Group’s business activities outside China or to pay interests in foreign currencies to Noteholders.

Further, the proceeds from the offering of the Notes will be received in Euro. As a result, any appreciation of Renminbi against the Euro or any other foreign currencies may result in the decrease in the value of the Group’s foreign currency-denominated assets and the Group’s proceeds from the offering of the Notes. Conversely, any depreciation of Renminbi may adversely affect the Group’s ability to service the Notes.

The Group’s labour costs may increase for reasons such as the implementation of the PRC Labour Contract Law or inflation in the PRC

The PRC Labour Contract Law (中華人民共和國勞動合同法) became effective on 1 January 2008 in the PRC and was amended on 28 December 2012 and became effective on 1 July 2013. It imposes more stringent requirements on employers in relation to entry into fixed-term employment contracts and the dismissal of employees. Pursuant to the PRC Labour Contract Law, the employer is required to make a compensation payment to a fixed-term contract employee when the term of their employment contract expires, unless the employee does not agree to renew the contract even though the conditions offered by the employer for renewal are the same as or better than those stipulated in the current employment contract. In general, the amount of compensation payment is equal to the monthly wage of the employee multiplied by the number of full years that the employee has worked for the employer. A minimum wage requirement has also been incorporated into the PRC Labour Contract Law. In addition, unless otherwise prohibited by the PRC Labour Contract Law or objected to by the employees themselves, the employer is also required to enter into non fixed-term employment contracts with employees who have previously entered into fixed-term employment contracts for two consecutive terms.

In addition, under the Regulations on Paid Annual Leave for Employee (職工帶薪年休假條例), which became effective on 1 January 2008, employees who have worked continuously for more than one year are entitled to paid annual leave ranging from 5 to 15 days, depending on the length of the employee’s work time. Employees who consent to waive such vacation at the request of employers shall be compensated an amount equal to three times their normal daily salaries for each vacation day being waived. As a result of the PRC Labour Contract Law, the Regulations on Paid Annual Leave for Employees, the Group’s labour costs (inclusive of those incurred by contractors) may increase. Further, under the PRC Labour Contract Law, when an employer terminates its PRC employees’ employment, the employer may be required to compensate them for such amount which is determined based on their length of service with the employer, and the employer may not be able to efficiently terminate non fixed-term employment contracts under the PRC Labour Contract Law without cause. In the event the Group decides to significantly change or reduce its workforce, the PRC Labour Contract Law could adversely affect its ability to effect these changes in a cost-effective manner or in the manner that the Group desires, which could result in an adverse impact on the Group’s businesses, financial condition and results of operations.

Further, if there is a shortage of labour or for any reason the labour cost in the PRC rises significantly, the costs of production of the Group’s products are likely to increase. This may in turn affect the selling prices of the products and services, which may then affect the demand for such products and services and thereby adversely affect the Group’s sales and financial condition. Increase in the costs of raw materials and other components required for the Group’s business operation may cause similar adverse effects, particularly if the Group is unable to identify and employ other appropriate means to reduce the costs. In such circumstances, the profit margin may decrease and the financial results may be adversely affected.

In addition, inflation in the PRC has increased in recent years. Inflation in the PRC increases the costs of labour and the costs of raw materials the Group must purchase for production. Rising labour costs may increase the Group’s cost of sales and partially erode the cost advantage of the Group’s PRC-based operations, and therefore negatively impact the Group’s profitability.

The Issuer or any of the offshore members of the Group may be classified as a “resident enterprise” of the PRC, which could result in unfavourable tax consequences to its financial condition

Under the Enterprise Income Tax Law (the “EIT Law”), an enterprise established outside the PRC with a “de facto management body” located within the PRC will be considered as a “resident enterprise” and consequently will be treated in a manner similar to a PRC resident enterprise for enterprise income tax (“EIT”) purposes. The implementation rules of the EIT Law define “de facto management” as “substantial and overall management and control over the production and operations, personnel, accounting and properties” of the enterprise. However, it is still unclear how the PRC tax authorities will determine whether an entity will be classified as a “resident enterprise”.

If the PRC tax authorities determine that the Issuer, or any of the offshore members of the Group is a “resident enterprise” for EIT purposes, a number of unfavourable PRC tax consequences could follow. For example, the Issuer may be subject to PRC EIT on its worldwide taxable income and the Issuer will be obliged to withhold taxes on the interest paid on the Notes. For details, please see “*Taxation – PRC*”.

In addition, according to the Interim Regulation of the People’s Republic of China on Value Added Tax (2017 Revision) (“**VAT Law**”) and the Circular of Overall Implementation of the Pilot Program of Replacing Business Tax with Value-added Tax (“**Circular 36**”), entities and individuals providing services within the PRC are subject to value-added tax (“**VAT**”). The services are treated as being sold within the PRC where either the service provider or the service recipient is located in the PRC. The services subject to VAT include the provision of financial services such as the provision of loans. Circular 36 further clarifies that “loans” refer to the activity of lending capital for another’s use and receiving interest income thereon.

Based on the definition of “loans” under Circular 36, the issuance of Notes is likely to be treated as a “loan” provided by the Noteholders to the Issuer, which thus shall be regarded as financial services for VAT purposes. In the event that the Issuer is deemed to be a PRC resident enterprise and is deemed to be within the PRC by the PRC tax authorities, the Noteholders may be deemed to be providing financial services to the Issuer within the PRC, and consequently, the amount of interest on the Notes payable by the Issuer to any non-resident Noteholders may be subject to VAT at the rate of 6.0 per cent. For details, please see “*Taxation – PRC*”.

As at the date of this Offering Circular, the Issuer has not been treated as a PRC resident enterprise by the PRC tax authorities. However, there is no assurance that the Issuer will not be treated as a PRC tax resident enterprise by the PRC tax authorities in the future. In the event that the Issuer is deemed to be a PRC tax resident enterprise by the PRC tax authorities and to be located in the PRC, pursuant to the EIT Law, the Individual Income Tax Law of the PRC and the VAT Law detailed above, the Issuer may need to withhold EIT or individual income tax (where the Noteholder is an individual) from the payments of interest in respect of the Notes for any non-PRC-resident Noteholders and the Issuer may also need to withhold VAT from the payments of interest in respect of the Notes for any Noteholders located outside of the PRC.

The PRC government could amend or revise the taxation laws, rules and regulations to impose stricter tax requirements, higher tax rates or apply the EIT or any subsequent changes in PRC tax laws, rules or regulations retroactively. If such changes occur or are applied retroactively, there could be a material adverse effect on the Group’s business, financial condition and results of operations.

RISKS RELATING TO THE GROUP’S FINANCIAL STATEMENTS

The presentation of certain accounting items in the Guarantor’s Financial Statements may not be comparable to the financial information in the consolidated financial statements of the Guarantor for the previous periods

In 2019, the MOF promulgated the New Accounting Standards and Requirements, which set out certain new accounting standards and new requirements in relation to the format of financial statements. The Guarantor’s Audited Financial Statements and the Guarantor’s 2021 Interim Financial Statements (together, the “**Guarantor’s Financial Statements**”) were prepared and presented in accordance with the New Accounting Standards and Requirements and contain certain retrospectively adjusted comparative information as at 1 January 2019 and for the year ended 31 December 2018. As a result, the presentation of certain accounting items in the Guarantor’s Financial Statements may not be comparable to the financial figures in the financial statements for the previous periods. Please see “Notes to the 2019 Financial Statements – V. Changes in accounting policies, accounting estimates and correction of errors in prior periods – 1. The change in accounting policies”, “Notes to the 2020 Financial Statements – V. Changes in accounting policies, accounting estimates and correction of errors in prior periods” and “Notes to the six months period ended June 30, 2021 Financial Statements – V. Changes in accounting policies, accounting estimates and correction of errors in prior periods” in the Guarantor’s Financial Statements for further information. There is no assurance that the MOF will not promulgate other new accounting standards or requirements in relation to financial statements in the future. Further subsequent changes in applicable accounting standards and requirements may impact on the accounting policies adopted by the Group or the Guarantor or the presentation of their respective financial statements.

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

The Guarantor from time to time issues corporate bonds and mid-term notes in the domestic capital markets in the PRC. According to applicable PRC securities regulations on debt capital markets, the Guarantor needs to publish its periodical and annual financial information to satisfy its continuing disclosure obligations relating to its corporate bonds and mid-term notes. After the Notes are issued, the Guarantor is obligated by the terms of the Notes, among others, to provide holders of the Notes with its audited financial statements and certain unaudited and unreviewed periodical financial statements. The periodical financial information published by the Group in the PRC is normally derived from the Group's management accounts which have not been audited or reviewed by independent auditors. Such periodical financial information published in the PRC should not be referred to or relied upon by potential purchasers to provide the same quality of information associated with any audited information. Therefore investors should not place any reliance on any such financial information.

RISKS RELATING TO THE NOTES AND THE GUARANTEE OF THE NOTES

The PRC government has no legal obligations under the Notes or the Guarantee of the Notes

Neither of the PRC government and the Beijing SASAC is an obligor and shall under no circumstances have any obligation arising out of or in connection with the Notes or the Guarantee of the Notes in lieu of the Issuer or, as the case may be, the Guarantor. Noteholders shall have no recourse to the PRC government in respect of any obligation arising out of or in connection with the Notes or the Guarantee of the Notes in lieu of the Issuer or, as the case may be, the Guarantor. This position has been reinforced by the Circular of the Ministry of Finance on issues relevant to the Regulation on the Financing Activities conducted by Financial Institutions for Local Governments and State-owned Enterprises (財政部關於規範金融企業對地方政府和國有企業投融資行為有關問題的通知,財金[2018]23號) (the “**MOF Circular**”) promulgated on 28 March 2018 and took effect on the same day 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 (國家發展改革委財政部關於完善市場約束機制嚴格防範外債風險和地方債務風險的通知) (the “**Joint Circular**”) promulgated on 11 May 2018 and took effect on the same day and the Circular of the General Office of the National Development and Reform Commission on Relevant Requirements for Record-filing and Registration of Issuance of Foreign Debts by Local State-owned Enterprises (國家發展改革委辦公廳關於對地方國有企業發行外債申請備案登記有關要求的通知(發改辦外資[2019]666號)) (“**Circular 666**”) promulgated on 6 June 2019 and took effect on the same day. All of these circulars are relatively new, and because of the limited volume of published decisions, the interpretation and enforcement of these laws and regulations involve uncertainties.

The PRC government as the ultimate controlling shareholder of the Guarantor only has limited liability in the form of its equity contribution in the Guarantor. As such, the PRC government does not have any payment obligations under the Notes or the Guarantee of the Notes. The Notes are solely to be repaid by the Issuer and by the Guarantor pursuant to the Guarantee of the Notes, each as an obligor under the relevant transaction documents and as an independent legal person.

The Notes and the Guarantee of the Notes are unsubordinated and unsecured obligations

As the Notes and the Guarantee of the Notes are unsubordinated and unsecured obligations, the repayment of the Notes and payment under the Guarantee of the Notes may be compromised if:

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

If any of these events were to occur, the Issuer's or, as the case may be, the Guarantor's assets and any amounts received from the sale of such assets may not be sufficient to pay amounts due on the Notes.

Notes may not be a suitable investment for all investors

The Notes are complex financial instruments and may be purchased as a way to reduce risk or enhance yield with a measured and appropriate addition of risk to the investor's overall portfolios. A potential investor should not invest in the Notes unless they have 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. Each potential investor should consult its legal advisers to determine whether and to what extent (a) Notes are legal investments for it, (b) Notes can be used as collateral for various types of borrowing and (c) other restrictions apply to its purchase of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Each potential investor in the 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 Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the 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 Notes;
- understand thoroughly the terms of the 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 economic scenarios, such as interest rate and other factors which may affect its investment and the ability to bear the applicable risks.

An active trading market for the Notes may not develop

The Notes are a new issue of securities for which there is currently no trading market. Although application will be made to the Hong Kong Stock Exchange for the Notes to be admitted for trading on the Hong Kong Stock Exchange and an application will be made to the Frankfurt Stock Exchange for the Notes to be admitted to trading in the Quotation Board of the Open Market (*Freiverkehr*) at the Frankfurt Stock Exchange and the Notes will be available for trading on the China Europe International Exchange AG (CEINEX), no assurance can be given as to the ability of holders to sell their Notes or the price at which holders will be able to sell their Notes or that a liquid market will develop. The liquidity of the Notes will be adversely affected if the Notes are held or allocated to limited investors. None of the Joint Lead Managers is obligated to make a market in the Notes, and if the Joint Lead Managers do so, they may discontinue such market making activity at any time at their sole discretion. In addition, the Notes are being offered pursuant to exemptions from registration under the Securities Act and, as a result, holders will only be able to resell their Notes in transactions that have been registered under the Securities Act or in transactions not subject to or exempt from registration under the Securities Act.

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

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

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

Declines in the international financial markets and world economic conditions may adversely affect the market price of the Notes. 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 issues in other countries, including the PRC. Since the global financial crisis in 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.

Investors in the Notes may be subject to foreign exchange risks

The Notes are denominated and payable in Euro. An investor who measures investment returns by reference to a currency other than Euro would be subject to foreign exchange risks by virtue of an investment in the Notes, due to, among other things, economic, political and other factors over which the Issuer has no control. Depreciation of Euro against such currency could cause a decrease in the effective yield of the Notes below their stated coupon rates and could result in a loss when the return on the Notes is translated into such currency. In addition, there may be tax consequences for investors as a result of any foreign currency gains resulting from any investment in the Notes.

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

On the Maturity Date, the Notes will be redeemed at their principal amount, or following the occurrence of a Relevant Event (as defined in the Terms and Conditions of the Notes), the Issuer may, at the option of any Noteholder, be required to redeem all, but not some only, of such holder's Notes on the Put Settlement Date at 101 per cent. of the principal amount (in the case of a Change of Control) or 100 per cent. of their principal amount (in the case of a Non-Registration Event), in each case together with accrued interest up to but excluding such Put Settlement Date. On the Maturity Date or if such Relevant 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 on the Maturity Date or in such event may also be limited by the terms of other debt instruments. The Issuer's failure to repay, repurchase or redeem tendered Notes could constitute an event of default under the Notes, which may also constitute a default under the terms of the Issuer's other indebtedness.

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

Under the Guarantee of the Notes, the Guarantor will unconditionally and irrevocably guarantee the due payment in full of all sums expressed to be payable by the Issuer under the Notes. The obligations of the Guarantor will be contained in the Deed of Guarantee.

The Provisions on the Foreign Exchange Administration of Cross-Border Guarantees (跨境擔保外匯管理規定) promulgated by SAFE on 12 May 2014 which came into effect on 1 June 2014 (the "**Foreign Exchange Administration of Cross-Border Guarantees**") requires the Guarantor to register the Guarantee of the Notes with the Beijing Branch of SAFE within 15 PRC Business Days after the date of

execution of the Deed of Guarantee. Although the registration of the Guarantee with SAFE is not a prerequisite for the Deed of Guarantee to take legal effect under PRC law, SAFE may impose penalties on the Guarantor. The Guarantor intends to use its reasonable endeavours to complete the registration of the Deed of Guarantee within 15 PRC Business Days and in any event within 150 PRC Business Days after the Issue Date. If the Guarantor fails to complete the SAFE registration, there may be logistical hurdles at the time of remittance of funds (if the Guarantor under the Guarantee of the Notes make any cross-border payment) as domestic banks would require evidence of SAFE registration in connection with the Guarantee of the Notes in order to effect such remittance.

The Provisions on the Foreign Exchange Administration of Cross-Border Guarantees is a recent regulation and its interpretation may involve significant uncertainty, which may adversely affect the enforceability and/or effective performance of the Guarantee of the Notes in the PRC. In addition, the administration of the Provisions on the Foreign Exchange Administration of Cross-Border Guarantees may be subject to a certain degree of executive and policy discretion by SAFE. There is no assurance that the registration of the Guarantee of the Notes with SAFE can be completed by the Guarantor or will not be revoked or amended in the future or that future changes in PRC laws and regulations will not have a negative impact on the enforceability of the Guarantee of the Notes in the PRC.

The failure to comply with the requirements of the NDRC in respect of the issue of the Notes could have adverse consequences for the Guarantor, the Notes and the investors in the Notes

The NDRC Circular on 14 September 2015, which came into effect on the same day, stating that domestic enterprises and their overseas controlled entities shall procure the registration of any debt securities issues outside the PRC with the NDRC prior to the issue of the securities and notify the particulars of the issuance within 10 working days after the completion of the issue of the securities. On 18 December 2015, the NDRC promulgated a further NDRC Circular named as Guidance for Off-shore Bond Issuance which come into effect on the same day (the “**New NDRC Circular**”, and together with the NDRC Circular, the “**NDRC Circulars**”). According to the New NDRC Circular, the enterprise which fails to complete the pre-issue registration and post-issue notification requirement or provides false information shall be listed on the Credit Blacklist and in the National Uniform Credit Information Share & Exchange System by NDRC. The Notes will be issued within the quota granted pursuant to the NDRC Circular and a certificate was issued by the NDRC on 19 May 2021 evidencing such quota. The administration of the NDRC Notice may be subject to a certain degree of executive and policy discretion by the NDRC. There is no assurance that the Guarantor will be able to comply with the NDRC requirements to provide the notification of the particulars of the issue of the Notes to the NDRC within the prescribed timeframe. There is also no assurance that the Guarantor will not be subject to any penalties if it fails to (including for reasons outside of the Guarantor’s control) complete the Post-Issuance Filing within the required timeframe. The NDRC Circulars do not expressly state the legal consequences of non-compliance with such post-issue notification requirements, and accordingly there is no assurance that the failure to comply with the NDRC requirements would not result in any adverse consequences for the Guarantor, the Notes or the investors in the Notes. In the worst-case scenario, it might become unlawful for the Guarantor to perform or comply with any of its obligations under the Notes. Potential investors of the Notes are advised to exercise due caution when making their investment decisions. The Guarantor has undertaken in the Terms and Conditions of the Notes to notify the NDRC of the particulars of the issue of the Notes within the prescribed period (being 10 working days) under the NDRC Circular. There is no assurance that the post-issuance notification can be completed in time or at all or the registration with the NDRC will not be revoked or amended in the future or that future changes in PRC laws and regulations will not 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.

The Notes and the Guarantee of the Notes will be structurally subordinated to the existing and future indebtedness and other liabilities of the Issuer’s and the Guarantor’s existing and future subsidiaries, other than the Issuer, and effectively subordinated to the Issuer’s and the Guarantor’s secured debt to the extent of the value of the collateral securing such indebtedness

The Notes and the Guarantee of the Notes will be structurally subordinated to any debt and other liabilities and commitments, including trade payables and lease obligations, of the Issuer’s and the Guarantor’s existing and future subsidiaries, other than the Issuer, whether or not secured. The Issuer’s and the Guarantor’s subsidiaries will not guarantee the Notes and the Issuer and the Guarantor may not have direct

access to the assets of such subsidiaries unless these assets are transferred by dividend or otherwise to the Issuer or the Guarantor. The ability of such subsidiaries to pay dividends or otherwise transfer assets to the Issuer and the Guarantor is subject to various restrictions under applicable laws. Each of the Issuer's and the Guarantor's subsidiaries are separate legal entities that have no obligation to pay any amounts due under the Notes the Guarantee of the Notes or make any funds available therefore, whether by dividends, loans or other payments. The Issuer's and the Guarantor's right to receive assets of any of the Issuer's and the Guarantor's subsidiaries, respectively, upon that subsidiary's liquidation or reorganisation will be effectively subordinated to the claim of that subsidiary's creditors (except to the extent that the Issuer or the Guarantor are creditors of that subsidiary). Consequently, the Notes and the Guarantee of the Notes will be effectively subordinated to all liabilities, including trade payables and lease obligations, of any of the Issuer's and the Guarantor's subsidiaries, other than the Issuer, and any subsidiaries that the Issuer or the Guarantor may in the future acquire or establish.

The Notes and the Guarantee of the Notes are the Issuer's and the Guarantor's unsubordinated and unsecured obligations, respectively, and will (i) rank equally in right of payment with all the Issuer's and the Guarantor's other present and future unsubordinated and unsecured indebtedness; (ii) be effectively subordinated to all of the Issuer's and the Guarantor's present and future secured indebtedness to the extent of the value of the collateral securing such obligations; and (iii) be senior to all of the Issuer's and the Guarantor's present and future subordinated obligations. As a result, claims of secured lenders, whether senior or junior, with respect to assets securing their loans will be prior with respect to those assets. In the event of the Issuer's or the Guarantor's bankruptcy, insolvency, liquidation, reorganisation, dissolution or other winding up, or upon any acceleration of the Notes, these assets will be available to pay obligations on the Notes only after all other debt secured by these assets has been repaid in full. Any remaining assets will be available to the Noteholders rateably with all of the Guarantor's other unsecured and unsubordinated creditors, including trade creditors. If there are not sufficient assets remaining to pay all these creditors, then all or a portion of the Notes then outstanding would remain unpaid.

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

As the Issuer is incorporated under the laws of the British Virgin Islands, any insolvency proceeding relating to the Issuer, even if brought in other jurisdictions, would likely involve the British Virgin Islands insolvency laws. Similarly, as the Guarantor is incorporated under the laws of the PRC, any insolvency proceeding relating to the Guarantor, even if brought in other jurisdiction, would likely involve the PRC insolvency laws. The procedural and substantive provisions of the laws of the British Virgin Islands or the PRC may differ from comparable provisions of the local insolvency laws of jurisdictions with which the Noteholders are familiar.

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

If the Issuer or the Guarantor are unable to comply with their respective 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 or the Guarantor, accelerate repayment of the debt and declare all outstanding amounts due and payable or terminate the agreements, as the case may be. Furthermore, some debt agreements of the Issuer or the Guarantor may contain cross-acceleration or cross-default provisions. As a result, default under one debt agreement of the Issuer or the Guarantor may cause the acceleration of repayment of not only such debt but also other debt, including the Notes, or result in a default under other debt agreements of the Issuer or the Guarantor. If any of these events occur, the Issuer and the Guarantor cannot assure holders that their respective assets and cash flows would be sufficient to repay in full all of their respective indebtedness, or that they would be able to find alternative financing. Even if they could obtain alternative financing, there is no assurance that it would be on terms that are favourable or acceptable to them.

A change in English law which governs the Notes may adversely affect the Noteholders

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

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

The Terms and Conditions of the Notes and the transaction documents are governed by English law, whereas parties to these documents have submitted to the exclusive jurisdiction of the Hong Kong courts. In order to hear English law governed matters or disputes, Hong Kong courts may require certain additional procedures to be taken. Under the Reciprocal Recognition Arrangement, judgements of Hong Kong courts are likely to be recognised and enforced by the PRC courts where the contracting parties to the transactions pertaining to such judgements have agreed to submit to the exclusive jurisdiction of Hong Kong courts.

However, recognition and enforcement of a Hong Kong court judgement could be refused if the PRC courts consider that the enforcement of such judgement is contrary to the social and public interest of the PRC or meets other circumstances specified by the Reciprocal Recognition Arrangement. While it is expected that the PRC courts will recognise and enforce a judgement given by Hong Kong courts in respect of a dispute governed by English law, there can be no assurance that the PRC courts will do so for all such judgements as there is no established practise in this area. Compared to other similar debt securities issuances in the international capital markets where the relevant holders of the debt securities would not typically be required to submit to an exclusive jurisdiction, the holders of the Notes will be deemed to have submitted to the exclusive jurisdiction of the Hong Kong courts, and thus the holder's ability to initiate a claim outside of Hong Kong will be limited.

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

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

The Terms and Conditions of the Notes also provide that the Trustee may, without the consent of the holders of the Notes, agree (i) to any modification of the Deed of Guarantee, the Trust Deed, the Terms and Conditions of the Notes and/or the Agency Agreement (other than in respect of a Reserved Matter) which in the opinion of the Trustee will not be materially prejudicial to the interests of the holders of the Notes and (ii) to any modification of the Deed of Guarantee, the Terms and Conditions of the Notes, the Trust Deed or the Agency Agreement which in the opinion of the Trustee is of a formal, minor or technical nature or is to correct a manifest error.

In addition, the Trustee may, without the consent of the holders of the Notes, authorise or waive any proposed breach or breach of the Notes, the Trust Deed or the Agency Agreement (other than a proposed breach, or a breach relating to the subject of certain Reserved Matters) if, in the opinion of the Trustee, the interests of the holders of the Notes will not be materially prejudiced thereby.

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

Where the Trustee is under the provisions of the Trust Deed and the Deed of Guarantee bound to act at the request or direction of the Noteholders, the Trustee shall nevertheless not be so bound unless first indemnified and/or provided with security and/or pre-funded to its satisfaction against all actions, proceedings, claims and demands to which it may render itself liable and all costs, charges, damages, expenses and liabilities which it may incur by so doing. Negotiating and agreeing to any indemnity and/or security and/or pre-funding can be a lengthy process and may impact on when such actions can be taken. The Trustee may not be able to take actions, notwithstanding the provision of an indemnity or security or pre-funding to it, in breach of the terms of the Trust Deed and in such circumstances, or where there is uncertainty or dispute as to the applicable laws or regulations, to the extent permitted by the agreements and the applicable law, it will be for the Noteholders to take such actions directly.

The Notes will be represented by a Global Note Certificate and holders of a beneficial interest in a Global Note Certificate must rely on the procedures of the Clearing Systems

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

While the Notes are represented by the Global Note Certificate, the Issuer, or failing which, the Guarantor will discharge its payment obligations under the Notes by making payments to the relevant Clearing System for distribution to their account Noteholders.

A holder of a beneficial interest in a Global Note Certificate must rely on the procedures of the relevant Clearing System to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Note Certificate.

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

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

In relation to any Note which has a principal amount consisting of a minimum specified denomination plus a higher integral multiple of another smaller amount, it is possible that the 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 an Individual Note Certificate 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 an Individual Note Certificate which has a principal amount that is not an integral multiple of the minimum specified denomination may be illiquid and difficult to trade.

The Notes may be redeemed by the Issuer prior to maturity

The Issuer may redeem the Notes at its option, in whole but not in part, at a redemption price equal to their principal amount, together with interest accrued to but excluding the date fixed for redemption if, subject to certain conditions, as a result of a change in tax law, the Issuer or, as the case may be, the Guarantor has or will become obliged to pay additional amounts, as further described in Condition 5(b) (*Redemption for tax reasons*) of the Terms and Conditions of the Notes.

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable) at their Make Whole Amount (as defined in the Terms and Conditions of the Notes) in the case of a Call Settlement Date falling before 23 January 2025 or at 100 per cent. of their principal amount in the case of a Call Settlement Date falling on or after 23 January 2025, in each case, together with interest accrued to such Call Settlement Date (as defined in the Terms and Conditions of the Notes) specified in the Optional Redemption Notice (as defined in the Terms and Conditions of the Notes). See "*Terms and Conditions of the Notes – Redemption and Purchase – Redemption at the option of the Issuer*".

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

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

The Noteholders may suffer unforeseen losses due to fluctuations in interest rates. Generally, a rise in interest rates may cause a fall in the prices of the Notes, resulting in a capital loss for the Noteholders. However, the Noteholders may reinvest the interest payments at higher prevailing interest rates. Conversely, when interest rates fall, the prices of the Notes may rise. The Noteholders may enjoy a capital gain, but interest payments received may be reinvested at lower prevailing interest rates. As the Notes will carry a fixed interest rate, the trading price of the Notes will consequently vary with the fluctuations in interest rates. If the Noteholders propose to sell their Notes before their maturity, they may receive an offer lower than the amount they have invested.

Gains on the transfer of the Notes and interest payable by the Issuer to overseas Noteholders may be subject to tax under PRC tax laws

Under the 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 income derived from sources within the PRC. Under the EIT Law, a "**non-resident enterprise**" means an enterprise established under the laws of a jurisdiction other than the PRC and whose actual administrative organisation is not in the PRC, which has established offices or premises in the PRC, or which has not established any offices or premises in the PRC but has obtained income derived from sources within the PRC. There remains uncertainty as to whether the gains realised on the transfer of the Notes by non-resident enterprise Noteholders would be treated as incomes derived from sources within the PRC and be subject to PRC enterprise income tax. In addition, there is uncertainty as to whether gains realised on the transfer of the Notes by individual Noteholders who are not PRC citizens or residents will be subject to PRC individual income tax. If such gains are subject to PRC income tax, the 10 per cent. enterprise income tax rate and 20 per cent. individual income tax rate will apply respectively unless there is an applicable tax treaty or arrangement that reduces or exempts such income tax. The taxable income will be the balance of the total income obtained from the transfer of the Notes minus all costs and expenses that are permitted under PRC tax laws to be deducted from the income. According to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排) (the "**Taxation Arrangement**") which was promulgated on 21 August 2006, Noteholders who are Hong Kong residents, including both enterprise holders and individual holders, will be exempted from PRC income tax on capital gains derived from a sale or exchange of the Notes, if such capital gains are not connected with an office or establishment that the Noteholders have in the PRC and all the other relevant conditions are satisfied.

The ratings of the Notes may be downgraded or withdrawn

The Notes are expected to be rated “A1” by Moody’s and “A+” by S&P.

The rating represents only the current opinion of the rating agency and their current assessment of the ability of the Issuer and the Guarantor to perform their respective obligations under the Notes, the Guarantee of the Notes and the Trust Deed and credit risks in determining the likelihood that payments will be made when due under the Notes or the Guarantee of the Notes. Ratings are not recommendations to buy, sell or hold the Notes and may be subject to suspension, reduction or withdrawn at any time. Neither the Issuer nor the Guarantor is obligated to inform Noteholders if the ratings are lowered or withdrawn. Each rating should be evaluated independently of the other rating. A downgrade or withdrawal of the ratings may materially and adversely affect the market price of the Notes and the Issuer’s ability to access the debt capital markets.

USE OF PROCEEDS

The gross proceeds from this offering will be EUR1,000,000,000, which will be used by the Issuer for repayment of existing indebtedness.

EXCHANGE RATE

RENMINBI

The PBOC sets and publishes daily a base exchange rate with reference primarily to the supply and demand of Renminbi with reference to a basket of currencies in the market during the prior day. The PBOC also takes into account other factors such as general conditions existing in the international foreign exchange markets.

Since 1994, the conversion of Renminbi into foreign currencies, including US dollars, has been based on rates set by the PBOC, which are set daily based on the previous day's interbank foreign exchange market rates and current exchange rates in the world financial markets. From 1994 to July 2005, the official exchange rate for the conversion of Renminbi to US dollars was generally stable. Although PRC governmental policies were introduced in 1996 to reduce restrictions on the convertibility of Renminbi into foreign currency for current account items, conversion of Renminbi into foreign exchange for capital items, such as foreign direct investment, loans or securities, requires the approval of the SAFE and other relevant authorities. On 21 July 2005, the PRC Government introduced a managed floating exchange rate system to allow the value of the Renminbi to fluctuate within a regulated band based on market supply and demand and by reference to a basket of currencies. The PRC Government has since made and in the future may make further adjustments to the exchange rate system. The PBOC authorised the China Foreign Exchange Trading Centre, effective since 4 January 2006, to announce the central parity exchange rate of certain foreign currencies against the Renminbi at 9:15 AM each business day. This rate is set as the central parity for the trading against the Renminbi in the inter-bank foreign exchange spot market and the over the counter exchange rate for that business day. On 18 May 2007, the PBOC enlarged, effective on 21 May 2007, the floating band for the trading prices in the inter-bank foreign exchange spot market of Renminbi against the US dollar from 0.3 per cent. to 0.5 per cent. around the central parity rate. This allows the Renminbi to fluctuate against the US dollar by up to 0.5 per cent. above or below the central parity rate published by the PBOC. On 20 June 2010, the PBOC announced that it intended to further reform the Renminbi exchange rate regime by allowing greater flexibility in the Renminbi exchange rate and on 16 April 2012, the band was expanded to 1.0 per cent. Such floating band was further enlarged from 1.0 per cent. to 2.0 per cent., effective from 17 March 2014, as announced by the PBOC on 15 March 2014. On 11 August 2015, the 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, a sub-institutional organization of the PBOC, published the CFETS Renminbi exchange rate index for the first time which weighs the Renminbi based on 13 currencies, to guide the market in order to measure the Renminbi exchange rate from a new perspective. The PRC Government may in the future make further adjustments to the exchange rate system.

The following table sets forth the noon buying rates for US dollars in New York City for cable transfers payable in Renminbi as certified by the Federal Reserve Bank of New York for customs purposes for and as at the periods indicated as set forth in the H.10 statistical release of the Federal Reserve Board:

Renminbi per U.S. Dollars Noon Buying Rate				
Period End	Average⁽¹⁾	High	Low	
<i>(RMB per U.S.\$1.00)</i>				
2016	6.9430	6.6549	6.9580	6.4480
2017	6.5063	6.7569	6.9575	6.4773
2018	6.8755	6.6292	6.9737	6.2649
2019	6.9618	6.9014	7.1786	6.6822
2020	6.5250	6.8878	7.1681	6.5208
2021	6.3726	6.4382	6.5716	6.3435
2022				
January	6.3610	6.3556	6.3822	6.3206

(1) Annual average rate is calculated by averaging the rate on the last business day of each month during the relevant year. Monthly average rate is calculated by averaging the daily rate during the relevant monthly period.

EUR

The following tables sets forth, for the periods indicated, certain information concerning the exchange rates between EUR and the U.S. dollar. The exchange rates reflect the exchange rates as set forth in the H.10 statistical release of the Federal Reserve Board.

U.S. Dollars per EUR Noon Buying Rate				
Period End	Average⁽¹⁾	High	Low	
	<i>(U.S.\$ per EUR1.00)</i>			
2016	1.0552	1.1029	1.1516	1.0375
2017	1.2022	1.1396	1.2041	1.0416
2018	1.1456	1.1785	1.2488	1.1281
2019	1.1229	1.1183	1.1533	1.0903
2020	1.2225	1.1468	1.2289	1.0667
2021	1.1318	1.1787	1.2295	1.1196
2022				
January.....	1.1212	1.1317	1.1464	1.1141

(1) Annual average rate is calculated by averaging the rate on the last business day of each month during the relevant year. Monthly average rate is calculated by averaging the daily rate during the relevant monthly period.

CAPITALISATION AND INDEBTEDNESS

The following table sets forth the Guarantor's consolidated capitalisation and indebtedness as at 30 June 2021 on an actual basis and on an adjusted basis after giving effect to the issuance of the Notes prior to deducting the commissions and other estimated expenses payable in connection with this offering. The following table should be read in conjunction with the Guarantor's 2021 Interim Financial Statements and related notes included in this Offering Circular.

	As at 30 June 2021			
	Actual		As adjusted	
	<i>(RMB in millions)</i>	<i>(U.S.\$ in millions)⁽¹⁾⁽²⁾</i>	<i>(RMB in millions)</i>	<i>(U.S.\$ in millions)⁽¹⁾⁽²⁾</i>
Current debt				
– Short-term borrowings	214,486.12	33,219.67	214,486.12	33,219.67
– Notes payable	33,460.52	5,182.37	33,460.52	5,182.37
– Other payables	178,909.27	27,709.52	178,909.27	27,709.52
– Non-current liabilities due within one year	185,317.64	28,702.05	185,317.64	28,702.05
– Other current liabilities	77,218.64	11,959.64	77,218.64	11,959.64
Subtotal	689,392.19	106,773.25	689,392.19	106,773.25
Non-current debt				
– Long-term borrowings	536,669.01	83,119.45	536,669.01	83,119.45
– Bonds payable	274,510.72	42,516.30	274,510.72	42,516.30
– Long-term payables	130,389.69	20,194.79	130,389.69	20,194.79
– Notes to be issued	–	–	7,649.78	1,184.80
Subtotal	941,569.42	145,830.54	949,219.20	147,015.34
Total Debt	1,630,961.61	252,603.79	1,638,611.39	253,788.59
Owner's Equity				
– Total owner's equity attributable to the parent company	568,472.37	88,045.16	568,472.37	88,045.16
– Minority interest	575,156.57	89,080.41	575,156.57	89,080.41
Subtotal	1,143,628.94	177,125.57	1,143,628.94	177,125.57
Total Capitalisation⁽³⁾	2,085,198.36	322,956.11	2,092,848.14	324,140.91

Notes:

- (1) Calculated using the noon buying rate for U.S. dollars in New York City for cable transfers in Renminbi on 30 June 2021, which was U.S.\$1.00 to RMB6.4566 as set forth in the H.10 statistical release of the Federal Reserve Board.
- (2) The exchange rate between EUR and the U.S. dollar on 30 June 2021 was EUR1.00 to U.S.\$1.1848 as set forth in the H.10 statistical release of the Federal Reserve Board.
- (3) Total capitalisation includes total non-current debt and total equity.

Other than as disclosed above, there has been no material change in the capitalisation and indebtedness of the Group since 30 June 2021, except for the incurrence of additional debt financing in the ordinary course of business.

The following table sets forth the Issuer's consolidated capitalisation and indebtedness as at 31 December 2020 on an actual basis and on an adjusted basis after giving effect to the issuance of the Notes prior to deducting the commissions and other estimated expenses payable in connection with this offering. The following table should be read in conjunction with the Issuer's Audited Financial Statements and related notes included in this Offering Circular.

	As at 31 December 2020			
	Actual		As adjusted	
	<i>(RMB in millions)</i>	<i>(U.S.\$ in millions)⁽¹⁾⁽²⁾</i>	<i>(RMB in millions)</i>	<i>(U.S.\$ in millions)⁽¹⁾⁽²⁾</i>
Non-current debt				
– Notes to be issued	–	–	7,980.08	1,223.00
Total Debt	–	–	7,980.08	1,223.00
Owner's Equity				
– Paid-in capital	3.00	0.46	3.00	0.46
– Paid-in capital – net value	3.00	0.46	3.00	0.46
– Capital reserve	2,588.88	396.76	2,588.88	396.76
– Other comprehensive income	41.34	6.34	41.34	6.34
– Undistributed profits	4,871.00	746.51	4,871.00	746.51
– Total owner's equity attributable to the parent company	7,504.22	1,150.07	7,504.22	1,150.07
Subtotal	7,504.22	1,150.07	7,504.22	1,150.07
Total Capitalisation⁽³⁾	<u>7,504.22</u>	<u>1,150.07</u>	<u>15,484.30</u>	<u>2,373.07</u>

Notes:

- (1) Calculated using the noon buying rate for U.S. dollars in New York City for cable transfers in Renminbi on 31 December 2020, which was U.S.\$1.00 to RMB6.5250 as set forth in the H.10 statistical release of the Federal Reserve Board.
- (2) The exchange rate between EUR and the U.S. dollar on 31 December 2020 was EUR1.00 to U.S.\$1.2230 as set forth in the H.10 statistical release of the Federal Reserve Board.
- (3) Total capitalisation includes total non-current debt and total equity.

The Issuer incurred EUR1.00 billion of short-term loan in March 2021, which has not been reflected in the capitalisation and indebtedness table above. Other than the aforesaid indebtedness, there has been no material change in the capitalisation and indebtedness of the Issuer since 31 December 2020.

DESCRIPTION OF THE ISSUER

OVERVIEW

The Issuer was incorporated in the British Virgin Islands as a BVI business company on 10 December 2010 under the BVI Business Companies Act, 2004 (as amended) of the British Virgin Islands (BVI Company Number: 1619712). As at the time of incorporation, the Issuer's name was Beijing Pharmaceutical Holdings Limited 北京醫藥控股有限公司. On 10 August 2018, the Issuer's name was changed to Beijing State-owned Capital Operation and Management Center Investment Holdings Limited 北京國管中心投資控股有限公司. The registered office of the Issuer is at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, British Virgin Islands.

BUSINESS ACTIVITY

As at the date of this Offering Circular, save for carrying out activities in connection with the issuance of the Notes, holding preferred shares of a company incorporated in Hong Kong and holding 17.42% of the shares of CR Pharma through Beijing State-owned Capital Operation and Management Center Investment Management Limited (北京國管中心投資管理有限公司), as a company incorporated in the British Virgin Islands, the Issuer has no other substantial business nor assets. For details of CR Pharma, please see "*Business – Capital Operation – IPO – CR Pharma*". As at the date of this Offering Circular, other than having outstanding loans of EUR1.00 billion, the Issuer has no material liabilities. In the future, the Issuer may, either by itself or through direct or indirect subsidiaries or associated companies, issue further notes.

DIRECTORS

The directors of the Issuer are Jifeng Zhao, Zhongfu Yu, and Qing Zheng. As at the date of this Offering Circular, the directors of the Issuer do not hold any shares or options to acquire shares of the Issuer.

SHARE CAPITAL

As at the date of this Offering Circular, the Issuer has been authorised to issue a maximum of 1,000,000 shares of a single class each with a par value of U.S.\$1.00. The Issuer has 1,000,000 shares in issue, which are held by the Guarantor. As at the date of this Offering Circular, no part of the equity securities of the Issuer was listed or dealt in any stock exchange and no listing of or permission to deal in such securities was being or was proposed to be sought.

FINANCIAL STATEMENTS

Despite that the British Virgin Islands law does not require the Issuer to publish interim or annual financial statements, the Issuer prepares annual financial statements and have them audited every year. The British Virgin Islands law also requires the Issuer to keep proper records and underlying documentation that are sufficient to show and explain the Issuer's transaction and will, at any time, enable the financial position of the Issuer to be determined with reasonable accuracy.

LEGAL PROCEEDINGS

As at the date of this Offering Circular, there is no current litigation or arbitration proceedings against the Issuer or its directors that could have a material adverse effect on its business, financial condition, and results of operations.

DESCRIPTION OF THE GROUP

OVERVIEW

Established in December 2008 with the approval of the People’s Government of Beijing Municipality (“Beijing Municipal Government”), the Guarantor is a state-owned capital management and operation platform wholly owned by the Beijing SASAC. The Guarantor was established to advance the state-owned enterprise reform, optimise the layout of the state-owned economy and manage the value and liquidity of state-owned capital. The Guarantor is committed to implementing the strategic intent of the Beijing Municipal Government through market-oriented operation and professional management of state-owned assets and capital under the authorization and guidance of the Beijing SASAC.

In December 2019, the Guarantor was designated by the Beijing Municipal Government as a pilot enterprise for state-owned capital operation. In July 2021, the registered capital of the Guarantor was increased to RMB50.00 billion from RMB30.00 billion at inception. The Guarantor’s primary business is investing and operating state-owned capital. As a pilot state-owned capital operation company, the Guarantor focuses on strengthening its capability of market-oriented operation, exploring innovative operation models and accumulating effective reform experience. It strives to better serve the national and Beijing municipal strategies by financing for, investing in, managing and operating state-owned capital and assets to improve the layout of state-owned capital, increase the operational efficiency and investment return of state-owned capital, enhance the mobility and liquidity of state-owned capital, as well as to achieve value preservation and capital appreciation of state-owned capital and assets.

The Group is currently the only state-owned capital operation company in Beijing and the largest local state-owned enterprise in China in term of assets. Its total assets amounted to RMB2,772.66 billion, RMB2,951.58 billion and RMB3,197.79 billion as at 31 December 2018, 2019 and 2020, respectively. The Group’s total revenue for 2018, 2019 and 2020 amounted to RMB997.06 billion, RMB1,070.03 billion and RMB1,140.67 billion, respectively, and the Group’s net profit for the same period amounted to RMB42.68 billion, RMB43.86 billion and RMB41.67 billion, respectively, evidencing the Group’s success in implementing national strategies and achieving value preservation and capital appreciation for state-owned assets.

HISTORY AND DEVELOPMENT

The table below sets out certain key milestones in the business and corporate development of the Group:

Year	Milestone
2008.	With the approval of the Beijing Municipal Government, the Beijing SASAC established the Beijing State-owned Capital Operation and Management Center (北京國有資本經營管理中心), the predecessor of the Guarantor, with a registered capital of RMB30.00 billion. Mr. Li Rongrong (李榮融), the director and party secretary of SASAC of the State Council at the time, and Mr. Guo Jinlong (郭金龍), the Mayor of Beijing at the time announced the Guarantor’s official commencement of operation.
2009.	The Beijing SASAC transferred the equity interests of 18 high-quality first-tier and competitive state-owned enterprises controlled by the Beijing SASAC, including Shougang Group, to the Guarantor.
	The Guarantor obtained the highest credit rating in China and issued RMB35.00 billion bonds in the capital markets, which was its very first market-oriented financing.

Year	Milestone
2010.	<p>In accordance with the Beijing Municipal Government’s plan and requirement to improve the multi-level and diversified capital investment and financing market system, the Guarantor set up the “1+3+N” equity investment fund structure and system, established the first private fund of funds in cooperation with J.P. Morgan Asset Management Co., Ltd. (摩根大通資產管理公司) (“J.P. Morgan”), and founded other equity investment funds in cooperation with Goldman Sachs, Carlyle and other top international investment institutions.</p> <p>The Guarantor established its first offshore investment platform for outbound assets.</p>
2011.	<p>The registered capital of the Guarantor was increased to RMB35.00 billion.</p> <p>Beijing Jingneng Clean Energy Co., Ltd. (北京京能清潔能源電力股份有限公司) (0579.HK), a subject of the Guarantor’s investments, was successfully listed on the Hong Kong Stock Exchange and became the first listed state-owned enterprise controlled by the Beijing SASAC in which the Guarantor held equity interest.</p>
2014.	<p>The Guarantor became the first local state-owned enterprise in China to receive both the AAA rating paid by onshore investors and the AAA rating paid by the issuer, with each being the highest rating of its kind.</p>
2015.	<p>Together with nine Beijing state-owned enterprises, the Guarantor jointly established Jingguorui Reform, which had a fund size of RMB20.00 billion.</p>
2016.	<p>The Beijing Municipal Government established the government investment guidance fund and appointed the Guarantor as trustee. The initial management scale was RMB100.00 billion.</p> <p>The Guarantor invested in Shouhuan Travel to support the construction of the Universal Theme Park and promote the development of the Beijing Municipal Administrative Centre.</p> <p>The Guarantor supported the listing of CR Pharma (3320.HK) in Hong Kong, which was the largest non-financial IPO in Hong Kong and the largest IPO in the global pharmaceutical industry in 2016.</p>
2017.	<p>To build a think tank for the study of China’s modern state-owned enterprises, the Guarantor established the Beijing Shuimu Institute of Modern State-owned Enterprises (北京水木現代國有企業研究院) in cooperation with Tsinghua University.</p>
2018.	<p>The Guarantor achieved full coverage of onshore financing channels, namely the inter-bank bond market and the exchange bond market.</p> <p>The Guarantor obtained the highest credit rating among Chinese enterprises from three major international credit rating agencies.</p> <p>The Guarantor established a post-doctoral research station.</p>
2019.	<p>The Guarantor obtained from the Beijing Municipal Government the qualification to operate as the first pilot enterprise for state-owned capital operation in Beijing.</p> <p>The Guarantor established BJFH, so as to regulate the management of financial assets and integrate state-owned financial resources in Beijing.</p>

COMPETITIVE STRENGTHS

The Guarantor is an important entity in the management of state-owned assets in Beijing and has received strong support from the relevant state departments and the Beijing Municipal Government. With its strong government background and support, the Guarantor has a clear advantage in making full use of government resources, market leadership and favourable policies to create a capital management and operation platform to improve the layout of state-owned capital, increase the operational efficiency and investment return of state-owned capital, enhance the mobility and liquidity of state-owned capital, as well as to achieve value preservation and capital appreciation of state-owned capital and assets.

The description of support from the PRC government (including the Beijing Municipal 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 Municipal Government) will provide any financial support to the Issuer or the Group in respect of their respective obligations under the Notes or the Guarantee of the Notes. See "*Risk Factors – The PRC government has no legal obligations under the Notes or the Guarantee of the Notes.*"

The Group's competitive advantages are as follows:

Beijing is experiencing steady economic growth and has strong financial resources

As a mega-international city, Beijing plays an important role in China's economy and has enjoyed steady economic growth. According to Beijing's strategic positioning, Beijing will become four centres, namely the political centre, the cultural centre, the international exchange centre and the scientific and technological innovation centre.

In addition, as part of China's development plan, Beijing is striving to make substantial progress in five areas: (1) becoming an international centre for science and technology innovation, (2) developing National Comprehensive Demonstration Zone of Service Industry and China (Beijing) Pilot Free Trade Zone, (3) supporting digital economy, (4) creating new demands through supply-side structural reform and (5) coordinating joint development across Beijing, Tianjin and Hebei.

Located in Beijing and as a state-owned enterprise directly supervised and controlled by the Beijing SASAC, the Guarantor enjoys the significant opportunities brought by Beijing's steady economic growth and receives firm support from the Beijing SASAC. Such macro-environment favours the Guarantor's business operation and lays a solid foundation for the Guarantor's future growth.

The Guarantor is the only state-owned capital operation company in Beijing

As the only state-owned capital operation company in Beijing, the Guarantor has close ties with the Beijing Municipal Government and efficiently carries out its strategic plans. The management committee, the Guarantor's decision-making authority, are composed of the same officers from the general office of the Beijing SASAC. The Guarantor's senior management officers are appointed by the Beijing Municipal Party Committee and their performance are evaluated on the basis of implementation of the key tasks assigned by the Beijing Municipal Party Committee, the Beijing Municipal Government and the Beijing SASAC. The Guarantor's development plans, key investment projects and key financing projects are subject to the approval of the Beijing Municipal Government and the Beijing SASAC.

The Guarantor directly holds equity interest in a variety of high-quality and market-oriented enterprises. As at 31 December 2020, the total asset, total revenue and total profit of the Group accounts for 51.86%, 66.67% and 67.98% of all the respective amount contributed by the companies controlled by the Beijing SASAC. The Guarantor is also entrusted to manage the capital of the Beijing Municipal Government and assist the fulfilment of governmental duties in a market-oriented manner.

To implement the decision of the Beijing Municipal Government and contribute to the healthy economic and social development of Beijing, the Guarantor actively plays a leading role in multiple important areas. For example, the Guarantor has been investing in infrastructures crucial for people's livelihood, supporting the development of various industries in Beijing, strengthening the cooperation with international capital and central SOEs and participating in the construction of the Beijing Municipal Administrative Centre.

Compared with other Beijing state-owned enterprises, the Guarantor receives more support and development opportunities from the government. In terms of capital contribution, the Beijing SASAC firmly supported the establishment of the Guarantor by transferring to the Guarantor without charge 100.00% equity interest of Beijing Energy Holding Co., Ltd. (北京能源集團有限責任公司), 74.24% equity interest in Beijing Capital Highway Development Group Co., Ltd. (北京市首都公路發展集團有限公司) and 20.00% equity interest in Beijing Medicine Group Co., Ltd. (北京醫藥集團有限責任公司). Subsequently, the Beijing SASAC contributed into the Guarantor the equity interest of 26 companies such as Shougang Group, Baic Group and BBMG, the total book value of which amounts to RMB230.00 billion. Meanwhile, the Beijing SASAC continues to contribute cash into the Guarantor, the accumulated amount of which is approximately RMB71.50 billion. In terms of financial subsidy, the Guarantor has received a total amount of RMB1.66 billion financial subsidy since its inception. In terms of land and real estate support, the Beijing SASAC has transferred to the Guarantor without charge several parcels of land and real estates, including four parcels of land of 18,000 square meters in total, the SOHO D real estate on Guanghua Road near the CBD area of approximately 19,000 square meters, all of which are located in first-grade regions. The Guarantor is also the only Beijing state-owned enterprise that has its headquarter in China Financial Street. Located in 35 Jinshifang Street, the headquarter has a neoclassical style and building area of 82,300 square meters. The SOHO D real estate and the 35 Jinshifang Street real estate are leased under favourable terms and conditions, the rental of which brings to the Guarantor stable annual cash inflows of at least RMB350.00 million in the most recent three years.

The Guarantor has an outstanding capability of independent investment and layout

As a state-owned capital operation company, the Guarantor mainly invest for financial returns. The Guarantor proactively seeks investment opportunities in areas that are in line with Beijing's strategic positioning as China's capital, conducts professional operations in a market-oriented manner and attaches importance to rate of capital return, so as to reserve and increase the value of state-owned capital.

The Guarantor also invests for strategic and policy purposes. As the executor of the strategic plans of the Beijing Municipal Government, the Guarantor actively implements the government's strategic goals in areas such as infrastructure, improvement of people's livelihood and promotion of the urban and social development.

The Guarantor has a strong capability of capital operation

As a company specialized in capital operation, the Guarantor has a strong capability of capital operation. The Guarantor coordinates and allocates the Beijing state-owned enterprise resources and makes full use of domestic and international capital markets. The Guarantor promotes the state-owned enterprises' access to capital markets and enhances the liquidity of the state-owned capital through initial public offerings on various stock exchanges, shell listings, merger and spin-off, asset injections, private placements and other capital operations. Moreover, the Guarantor promotes the integration of Beijing state-owned companies through a variety of methods and improve their operational efficiency. Utilizing market-oriented methods, the Guarantor strengthens the merger, reorganization and asset integration of its subsidiaries, accelerates the exit from unprofitable companies and delay the management levels, so as to optimize the management of state-owned equity interest, realize synergies, strengthen its main business and improve the operational efficiency of state-owned capital operation.

The Guarantor has an excellent capability of market-oriented financing

The Guarantor is an active issuer in China's debt market and has one of the highest credit ratings among Chinese companies. In December 2018, the Guarantor was rated A+, A1 and A+, each with a stable outlook by S&P, Moody's and Fitch International, respectively, making the Guarantor the first holding company in China that matches China's sovereign rating, and in March 2021, S&P China assigned the Guarantor "AAA" main credit rating with stable outlook. Since its inception, the Guarantor has raised a total of RMB196.85 billion with relatively low cost, of which RMB180.5 billion has been directly financed through debt issuances, accounting for 92% of the total financing. The size of the Guarantor's outstanding debt is approximately RMB74.00 billion, the majority of which include medium-term notes, corporate bonds and ultra-short-term financing bonds. The Guarantor has been raising funds strictly on a need-basis, expanding financing channels, controlling financing costs and optimising the debt structure, with its asset and liability ratio remaining below 20%.

The Group has maintained long-term and cooperative relationships with a number of financial institutions, and as of the end of 2021, the Group has obtained credit lines of RMB310 billion, of which only approximately RMB29.87 billion has been used, giving the Group sufficient liquidity support for its future development.

As at the date of the Offering Circular, the Guarantor is able to conduct both direct and indirect financing in both the inter-bank and exchange markets, and has the qualification of “automatic shelf offering” in both the inter-bank and exchange markets.

The Guarantor closely monitors the debt market and seizes favourable timings for note issuance. Investors actively subscribed the Guarantor’s domestic notes, leading to an over-subscription rate of 3 times for each of the Guarantor’s domestic note issuance in recent years. As a result, the Guarantor’s financing cost is effectively lowered. The Guarantor’s average incremental financing cost in 2017, 2018, 2019, 2020 and 2021 was 4.27%, 4.23%, 3.39%, 2.95% and 2.62%, respectively.

The Guarantor has a sophisticated management team and a sound and effective managing mechanism

Most of the senior officers and key staff of the Guarantor have previously worked for government agencies and large Beijing state-owned enterprises. The team as a whole is young and highly qualified, with an innovative and forward-looking mindset. The Guarantor has more than 120 employees, with an average age of around 34 years old. Most of them graduated from Tsinghua University, Peking University, Renmin University, Central University of Finance and Economics and prestigious overseas universities. More than 87% of them have a master’s degree or a higher qualification.

The Guarantor has also established sound and effective institutional system, control system, the internal control system, risk management system, legal and compliance system and auditing system. For example, the governance system has adopted approximately 100 internal policies; the external control system carries out customized management of government-related business, market-oriented business so as to render professional management and market-oriented operation; the internal control system is continuously perfected and will be updated and improved according to the business need of the Guarantor; the risk management system has established three risk control mechanisms, namely the business department, the functional department and the supervision department, and will continue to perfect the risk management system on the basis of internal control and in a professional manner; the legal and compliance system has established a mechanism led by the general legal counsel to secure the compliance with applicable laws and prevent legal risks; the auditing system conducts audit on a variety of matters, such as internal economic responsibilities, internal control evaluation, post-investment evaluation as well as specialized internal audit.

BUSINESS STRATEGIES

The Guarantor aims to become a leader among and a model for the state-owned capital operation companies in China. We strive to conduct equity investment, fund investment and capital operation through market-oriented and professional means, so as to improve the allocation and efficiency of the state-owned capital operation, optimize the layout of state-owned economy and preserve and appreciate the value of the state-owned capital.

The Guarantor seeks to achieve its objectives through the following strategies:

Fully implement the pilot program of the state-owned capital operation company

As a pilot enterprise for the state-owned capital operation, the Guarantor will continue to innovate and deepen its market-orientation reform. Specifically, the Guarantor strives to diversify its tools and means for capital operation, explore effective and innovative methods for capital operation and perfect the market-oriented management model that is suitable for a state-owned capital operation company, including the corporate governance authority, the risk management system, the talent team and the information and technology infrastructures, etc.

Continue to improve the research capability and the investment portfolio

To further facilitate its equity investment and fund investment, the Guarantor will continue to improve its research and investment decision-making capability to diversify and enhance its investment portfolio. Specifically, the Guarantor will continue to introduce the state-owned capital into vital, key and cutting-edge areas, so as to further optimize the traditional advantageous industries, cultivate and strengthen emerging industries in Beijing, assist Beijing state-owned enterprises to incubate promising projects in areas such as science and technology innovation, advanced manufacturing, health care and consumption upgrade, and actively invest in digital economy and green industries.

Further strengthen the cooperation with various enterprises on fund investment

The Guarantor will further strengthen its cooperation on fund investment with central state-owned enterprises, Beijing state-owned enterprises as well as prestigious investment institutions both in China and overseas. Through such cooperation, the Guarantor aims to form a group of funds that cover full cycles, have clear division of functions and are fully coordinated. The Guarantor will also fully utilize the leveraging effect on social capital and the supporting effect on profits generated by its fund investment business, so as to build profit growth channels supported by its market-oriented fund system.

Further strengthen the capability of market-oriented investment and financing

The Guarantor strives to further strengthen its capability of market-oriented investment and financing, so as to fulfil its duty of capital operation and to achieve preservation and appreciation of the value of the state-owned capital investment. Specifically, the Guarantor will further expand financing channels, control its financing cost, and enhance the liquidity of its equity investment through market-oriented means such as value research and management, equity operation and purchase and sale of the equity interest of various companies.

Further optimize the management modes for the subsidiaries

The Guarantor will continue to implement customized management models for its various subsidiaries according to each subsidiary's business type and needs. Specifically, the Guarantor will further strengthen its effort to reorganize subsidiaries, combine similar businesses and assets, delay the management levels and divest suboptimal assets to increase the operational efficiency of the state-owned capital.

BUSINESS

The Guarantor was established amid the reforms of state-owned enterprises, when the administration philosophy of the Beijing SASAC was transforming from business management to capital management. The Guarantor has 30 first-tier subsidiaries and more than 10 joint ventures and associates. With respect to its joint ventures and associates, the Guarantor plays the role of "active shareholders", appoints directors and supervisors and participates in major corporate decisions through the board of directors, board of supervisors and shareholders' meetings. The Guarantor manages its subsidiaries in two different modes:

1. Entrusted Subsidiaries

Entrusted Subsidiaries are under the direct supervision and control of the Beijing SASAC. The Guarantor is not involved in the day-to-day operation of the Entrusted Subsidiaries and their respective subsidiaries. Instead, the Guarantor focuses on capital operation and equity management for the Entrusted Subsidiaries and their respective subsidiaries to strengthen, improve and increase the state-owned capital. The Entrusted Subsidiaries and their respective subsidiaries are high-quality and market-oriented state-owned enterprises in Beijing in industries including steel, manufacturing, real estate, trading, electronics, pharmaceutical, human resource, electricity, heat, agriculture and food processing.

As at the date of this Offering Circular, Entrusted Subsidiaries are the following companies and may change from time to time thereafter:

- (a) Shougang Group Co., Ltd. (首鋼集團有限公司);
- (b) Beijing Electronics Holding Co., Ltd. (北京電子控股有限責任公司);
- (c) Beijing Jingcheng Machinery Electric Holding Co., Ltd. (北京京城機電控股有限責任公司);
- (d) Beijing Energy Holding Co., Ltd. (北京能源集團有限責任公司);
- (e) Beijing Capital Highway Development Group Co., Ltd. (北京市首都公路發展集團有限公司);
- (f) Beijing Yiqing Holding Co., Ltd. (北京一輕控股有限責任公司);
- (g) Beijing Capital Development Holding (Group) Co., Ltd. (北京首都開發控股(集團)有限公司);
- (h) Beijing Automotive Group Co., Ltd. (北京汽車集團有限公司);
- (i) China Beijing Tongrentang (Group) Co., Ltd. (中國北京同仁堂(集團)有限責任公司);
- (j) Beijing Suburban Tourism Industry Development Company (北京市郊區旅遊實業開發有限公司);
- (k) Beijing Xianglong Assets Management Co., Ltd. (北京祥龍資產經營有限責任公司);
- (l) Beijing North Star Industrial Group Co., Ltd. (北京北辰實業集團有限責任公司);
- (m) BBMG Assets Operation and Management Co., Ltd. (北京金隅資產經營管理有限責任公司);
- (n) Beijing Capital Agribusiness & Foods Group Co., Ltd. (北京首農食品集團有限公司);
- (o) Beijing Urban-rural Commercial (Group) Co., Ltd. (北京城鄉商業(集團)股份有限公司);
- (p) BBMG Corporation (北京金隅集團股份有限公司); and
- (q) Beijing Foreign Enterprise Human Resources Service Company Limited (北京外企人力資源服務有限公司).

For more information on the Entrusted Subsidiaries, please see “*Risk Factors – Risks relating to the Group and its business – The Guarantor’s disposal of its equity interest in the Entrusted Subsidiaries is subject to the approval of the Beijing SASAC, the Guarantor is not involved in the management of daily operations of the Entrusted Subsidiaries and the Beijing SASAC may order the Guarantor to dispose of the Entrusted Subsidiaries out of considerations not related to the Guarantor.*”

2. Non-entrusted Subsidiaries

Non-entrusted subsidiaries are the Guarantor’s subsidiaries other than the Entrusted Subsidiaries and their respective subsidiaries (“**Non-entrusted Subsidiaries**”). In addition to capital operation, the Guarantor also has direct supervision and control of the Non-entrusted Subsidiaries by exercising its shareholder’s right.

Therefore, the Guarantor’s primary business is the investment and capital operation of the state-owned capital.

INVESTMENT

The Guarantor conducts the investment of state-owned capital mainly in two manners, namely equity investment and fund investment. As at 30 September 2021, the Guarantor had invested in approximately 90 investment targets (excluding Entrusted Subsidiaries) with a total investment amount of approximately RMB175.00 billion; as at the same date, the Guarantor had approximately 70 investment targets (including Entrusted Subsidiaries) in investment period, the book value of which was approximately RMB400.00 billion. The table below sets forth the industries covered by such approximately 70 investment targets and their respective percentages in terms of book value as at 30 September 2021:

No.	Industry	Percentage
1	Steel	20%
2	Fund investment	20%
3	Energy	11%
4	Finance	10%
5	Highway	8%
6	Real estate	8%
7	Electronics	5%
8	Automobile	4%
9	Aerospace	3%
10	Food	3%
11	Trading	2%
12	Equipment manufacturing	2%
13	Pharmaceuticals	1%
14	Others	3%
	Total	100%

Equity Investment

Equity investment is an important segment of the Guarantor's business. Through equity investment, the Guarantor fulfils its duty of market-oriented investment, serves the dual purpose of profit-seeking and strategic support, and improves the efficiency of asset allocation and investment returns.

To fulfil its function of the state-owned capital operation, the Guarantor mainly invests for financial returns. Among those areas that are in line with Beijing's strategic position as China's capital, the Guarantor actively seeks investment opportunities, conducts commercial and professional operations and seeks financial returns of capital investment, so as to realize the preservation and appreciation of the value of the state-owned capital.

To optimize the layout of the state-owned capital, the Guarantor conducts strategic and policy investments on a market-oriented basis. Through such investments, the Guarantor actively implements the government's strategic objectives of constructing infrastructure, securing people's livelihood and promoting the development of the city and the society, and supports the investments in key areas such as public service improvement and environmental protection.

The Guarantor mainly invests in the following areas:

- Areas that serve the key national strategies, mostly significant projects, so as to support Beijing's new economy.
- Areas that secure people's livelihood and the infrastructure construction in Beijing.
- Areas that facilitate the reform of the state-owned capital and enterprises, and promote the transformation and upgrading of traditional industries in Beijing.
- Areas that promote innovation, mostly emerging industries and high-technology industries, so as to construct a high-tech economy structure.

Below are some examples of the Guarantor's equity investment projects.

BOE

In 2009, in order to meet the development needs of the domestic liquid crystal display industry, with the approval of the Beijing Municipal Government, the Guarantor invested RMB8.50 billion to support BOE's construction of its 8.5th generation TFT-LCD production line. This investment ended China's time of lacking independently developed liquid crystal display screens and large-size LCD screens and realized the localization of full range of LCD screens in China.

In 2014, the Guarantor injected the 8.5th generation production line into BOE through private placement and directly held 11.68% equity interest of BOE, becoming its largest shareholder. Such injection helped BOE grow into a leading enterprise in the global semiconductor display industry.

BOE's overall display panel shipments have remained the largest in the world. In addition, its market share in TV, monitors, laptops, tablet computers and smartphones segments has always remained the largest in the world. As at the date of this Offering Circular, the Guarantor holds 10.57% equity interest in BOE, the value of which is approximately RMB20.00 billion.

Shouhuan Travel

In August 2016, to support the construction of the Beijing Municipal Administrative Centre and build Beijing's reputation as a cultural and tourism city, the Guarantor invested RMB4.15 billion in Shouhuan Travel in exchange of 25.00% of Shouhuan Travel's equity interest, so as to finance its investment in Universal Beijing Resort. With such contribution, the Guarantor became the second largest shareholder of Shouhuan Travel.

Universal Beijing Resort is a significant project approved by the State Council and the National Development and Reform Commission. It is the third Universal Studios in Asia and the fifth Universal Studios in the world, as well as a first-class major theme park in China. On 20 September 2021, the first phase of Universal Beijing Resort launched its operation. With seven themed sections and two holiday hotels, Universal Beijing Resort has become one of the most popular destinations in China and has achieved great business performance.

In 2021, the Guarantor further purchased 5.00% of Shouhuan Travel's shares at the price of RMB867.59 million. This second capital contribution will further support Shouhuan Travel's construction of the projects to come.

China Securities

China Securities Co., Ltd. (中信建投證券股份有限公司) ("**China Securities**") is a national and comprehensive securities company approved by CSRC and has been rated as an A category AA rating securities company, the highest rating among securities companies in China, by CSRC for twelve consecutive years.

In 2010, the Guarantor purchased 45.00% equity interest of China Securities at the price of RMB7.29 billion and became its largest shareholder at the time. In 2016 and 2018, the Guarantor promoted China Securities' listing on the Hong Kong Stock Exchange and the Shanghai Stock Exchange, respectively. The IPO of China Securities supplemented its capital, expanded its business scale and promoted its market position. As at 31 December 2021, the Guarantor indirectly held equity interest in 34.61% equity interest in China Securities through BJFH, the market value of which was RMB78.68 billion.

BRCB

Formerly known as Beijing Rural Credit Cooperative, BRCB is the first provincial-level joint-stock rural commercial bank approved by the State Council. Before the Guarantor's investment, BRCB experienced slow development and high non-performing asset rates. Under the guidance and lead of the Beijing SASAC, in 2010, the Guarantor invested more than RMB6.00 billion in BRCB in exchange of 25.00% of its equity interest and became its largest shareholder. The Guarantor appoints directors to the board of BRCB and actively assists BRCB to strengthen its corporate governance, improve its internal control, promote professional development and boost its operation quality. BRCB has been among the "China 500" most valuable brands ("中國500"最具價值品牌) for four consecutive years and has been rated as the best rural commercial bank in China for ten consecutive years.

Subsequently, the Guarantor adjusted and reduced its equity interest in BRCB. As at the date of this Offering Circular, the Guarantor directly holds 7.75% equity interest in BRCB and indirectly holds 10.00% equity interest in BRBC through its wholly-owned subsidiary BJFH.

CBICL

In 2009, under the guidance of the People's Bank of China, the Guarantor jointly established CBICL with the National Association of Financial Market Institutional Investors and other major state-owned enterprises. CBICL has a registered capital of RMB6.00 billion. The Guarantor invested RMB990.00 million. The Guarantor holds 16.50% equity interest of CBICL and is one of its largest shareholders. As China's first professional bond credit enhancement agency, CBICL has an excellent business performance and sufficient working capital.

Daiwa Securities

In 2020, the Guarantor invested RMB330.00 million to jointly establish Daiwa Securities. The Guarantor holds 33.00% equity interest in Daiwa Securities. Daiwa Securities is the first newly-established foreign-controlled securities company to be based in Beijing, China. The establishment of Daiwa Securities evidenced the advantages of Beijing's policy on constructing the National Comprehensive Demonstration Zone for Expanding Opening-up of the Service Sector (國家服務業擴大開放綜合示範區) and the China (Beijing) Pilot Free Trade Zone (中國(北京)自由貿易試驗區). It is a remarkable achievement of the opening-up of China's financial service industry, and has also further promoted the connection and communication among the capital markets in Beijing and all around the globe.

BXAP

The Guarantor holds 22.00% equity interest in BXAP. To implement the instruction of the Beijing Municipal Government to secure people's livelihood and stabilize the price of food supplies, the Guarantor invested RMB173.00 million in BXAP and became its second largest shareholder. As the largest agricultural product whole-sale market in Asia and the third largest agricultural product whole-sale market in the world, BXAP is supplying over 90% of the agricultural products in Beijing. According to public resources, in 2020, BXAP reported transaction volume of 12.98 million tons and transaction amount of RMB100.60 billion, which made BXAP a leader among the over 4,600 agricultural product whole-sale markets in China.

Baic Group

To improve and upgrade the automobile industry in Beijing, the Guarantor has invested RMB1.26 billion in Beiqi Foton Motor Co., Ltd. (北汽福田股份有限公司) ("**Baic Foton**") through a private placement. In addition, the Guarantor invested RMB733.00 million in BAIC Motor Corporation Limited (北京汽車股份有限公司) ("**Baic Motor**"), RMB206.00 million in Beijing New Energy Automobile Co., Ltd. (北京新能源汽車股份有限公司) ("**Baic New Energy**") and actively promoted their listings on capital markets. As of the date of this Offering Circular, the Guarantor holds 4.51% equity interest in Baic Foton and 3.61% equity interest in Baic Motor.

Baic Foton, Baic Motor and Baic New Energy are important subsidiaries of Baic Group. Baic Group is one of the five largest automobile groups in China, with its business ranging across the research and development of complete vehicles and vehicle parts, automobile service and trade, comprehensive transportation service, financing and investment and others.

Fund Investment

The Guarantor fully fulfils the guiding function of the state-owned capital, attracts and leverages the investments by the social capital through its fund investment business, and aims to promote the development of various industries through combining the advantages of different types of capital.

In 2010, the Beijing Municipal Government encouraged the development of private equity funds in Beijing. Upon such calling, the Guarantor started to develop its fund investment business and set up a structure of “1+3+N” where “1” means the fund of funds established with J.P. Morgan, “3” refers to the key investment partners of the Guarantor, namely Goldman Sachs, Carlyle and CITIC Industrial Fund, and “N” stands for the numerous of funds attracted to invest in Beijing as a result. As the Guarantor’s first private equity fund of funds, the fund of funds established with J.P. Morgan realized the dual structure coordinated investment of RMB and U.S. dollar capital.

With more than ten years’ successful experience in fund investment, the Guarantor has accumulated rich resources and formed its own investment system and philosophy. The Guarantor mainly invests in six areas, namely high-end manufacturing, technology innovation, health care, energy and environmental protection, consumption upgrading and fintech.

On top of the Private Equity investment fund system, the Guarantor continues to further diversify its fund investment businesses. Nowadays, the Guarantor has become the only enterprise group in Beijing with management experience and capability of fund of funds, private equity funds, venture capital funds and fixed income funds, with a total fund size of approximately RMB190.00 billion. The funds managed by the Group are mainly divided into two types, namely government funds and market-oriented funds.

Government Funds

Government funds are funds that leverage the social capital and guide them to invest in areas that support the development of Beijing, so as to implement and realize the strategic plans of the Beijing Municipal Government. Capital in the government funds are mainly from the government agencies in Beijing. The Guarantor is entrusted to manage two government funds, namely BMGIGF and BCSCDF.

BMGIGF

BMGIGF was established in 2015. With a fund size of RMB120.00 billion, this fund aims to support the coordinated development of Beijing, Tianjin and Hebei Province, the relocation of industries that do not align with Beijing’s position as China’s capital city, the construction of the Beijing Municipal Administrative Centre, and the formation of technology innovation centre, etc.

BCSCDF

BCSCDF was established in 2016. With an initial fund size of RMB30.00 billion, this fund focuses on supporting the construction and development of the Beijing Municipal Administrative Centre.

Market-oriented Funds

Since 2010, the Guarantor has formed a group of market-oriented funds that coordinate and supplement each other. With such a fund group, the Guarantor is able to leverage the social capital as well as support and increase the value of the invested companies during all phases of their life cycles. The Guarantor will construct a market-oriented fund group that covers five major segments, namely fund of funds, private equity funds, venture capital funds, fixed income funds and mutual funds. These market-oriented funds are an important profit generator for the Guarantor.

As at the date of this Offering Circular, the Guarantor’s market-oriented funds have a total fund size of approximately RMB40.00 billion and have invested in 68 projects and 24 sub-funds. Through its market-oriented funds, the Guarantor has cultivated 21 listed companies, 12 to-be-listed companies and successfully exited 18 projects.

Below are some examples of the Guarantor’s market-oriented funds.

RMB I Fund

In 2010, the Guarantor set up its first RMB fund, Beijing Equity Investment Development Centre (L.P.) (北京股權投資發展中心(有限合夥)) (“**RMB I Fund**”). RMB I Fund is managed by Beijing Equity Investment Development Management Company Limited (北京股權投資發展管理有限公司), which was jointly established by the Guarantor and J.P. Morgan, with the Guarantor and J.P. Morgan holding 58.33% and 41.67% equity interest respectively. As a fund of funds with a fund size of RMB2.44 billion, the RMB I Fund mainly invests in advanced technology and manufacturing, health care, consumption innovation, etc. through equity investment funds and direct equity investment projects.

In 2015, RMB I Fund subscribed RMB300.00 million in Guokai Boyu Phase II (Shanghai) Equity Investment Partnership (L.P.) (國開博裕二期(上海)股權投資合夥企業(有限合夥)) (“**Boyu II**”). As at 30 September 2021, Boyu II had an MOIC of 4.27. Boyu II focuses on investment in consumptions and retailings, financial services, health care, media and high technology areas.

In 2012, RMB I Fund invested RMB8.19 million in Beijing Allied Faxi Food Co., Ltd. (北京艾萊發喜食品有限公司) (“**BAXY Ice Cream**”). BAXY Ice Cream is a house-known ice cream and dairy manufacturer and supplier in China with a history of 20 years. BAXY Ice Cream has an MOIC of 4.44.

In 2013, the RMB I Fund invested in Ikang Healthcare Group Co., Ltd. (愛康國賓醫療集團有限公司) (“**Ikang**”). Ikang is a leading private physical examination institution in China and has the largest market share in China’s physical examination service market. Ikang has an MOIC of 2.96.

RMB II Fund

In 2017, the Guarantor set up its second RMB fund, Beijing Equity Investment Development and Management Centre (L.P.) (北京股權投資發展管理中心(有限合夥)) (“**RMB II Fund**”). As a fund of funds with a fund size of RMB3.02 billion, RMB II Fund mainly invests in advanced technology and manufacturing, health care, consumption innovation, etc. through equity investment funds and direct equity investment projects.

In 2019, RMB II Fund subscribed RMB110.00 million in Suzhou Zhongding No. 5 Equity Investment Fund Partnership (L.P.) (蘇州鐘鼎五號股權投資基金合夥企業(有限合夥)) (“**Zhongding V**”). Zhongding V focuses on investment in logistics, supply chains as well as consumptions and financial services associated with supply chains. As at 30 September 2021, Zhongding V had an MOIC of 2.43.

In 2020, RMB II Fund invested RMB232.00 million in Gugao Technology (Shenzhen) Co., Ltd. (固高科技(深圳)有限公司) (“**Gugao Technology**”). Gugao Technology focuses on the research, development and application of industrial automation technologies such as motion control, image and visual sensing, mechanical optimization design and servo drives. As at 31 December 2021, Gugao Technology had an MOIC of 2.1.

RMB III Fund

The Guarantor is setting up Beijing Jingguoguan Equity Investment Development Centre (L.P.) (北京京國管股權投資發展中心(有限合夥)) (“**RMB III Fund**”). As a fund of funds, the targeted fund size of RMB III Fund is RMB5.02 billion. RMB III Fund will mainly invest in advanced technology and manufacturing, health care, consumption innovation, etc. through equity investment funds and direct equity investment projects.

U.S. Dollar Fund

In 2011, the Guarantor set up the Beijing Equity Investment Development Centre Phase II (L.P.) (北京股權投資發展中心二期(有限合夥)) (“**U.S. Dollar Fund**”). As a private equity fund with a fund size of U.S.\$690.00 million, U.S. Dollar Fund mainly invests in the consumption, TMT, health care and financial industries in China.

In 2015, U.S. Dollar Fund invested U.S.\$10.00 million in WuXi PharmaTech (Cayman) Inc. (“**WuXi PharmaTech**”). WuXi PharmaTech is a leading China-based pharmaceutical and biotechnology research and development outsourcing company in the growing global drug research and development outsourcing market. As at 30 September 2021, WuXi PharmaTech had an MOIC of 13.4.

Jingguorui Reform

In 2015, the Guarantor set up Jingguorui Reform. As a private equity fund with a fund size of RMB20.00 billion, Jingguorui Reform mainly invests during the growth stage and the maturity stage of companies in rapid developing industries. In particular, Jingguorui Reform is frequently involved in the reform of state-owned enterprises and the upgrading of traditional industries in Beijing.

In 2016 and 2019, Jingguorui Reform participated in the non-public offerings of NAURA Technology Group Co., Ltd (北方華創科技集團股份有限公司) (“**NAURA**”) with a total investment of RMB695.00 million. NAURA is a Beijing state-owned enterprise and is a supplier of high-end semiconductor process equipment with a diversified portfolio of products in China. As at 30 September 2021, NAURA had an MOIC of 6.24.

In 2013 and 2014, Jingguofa invested in AVIC Aviation High-Technology Co., Ltd. (中航航空高科技股份有限公司) (“**AVICHT**”). AVICHT is a leading company in China’s military aviation composite materials industry. AVICHT was listed in the Shanghai Stock Exchange in November 2015 (600862.SH). As at 30 September 2021, AVICHT had an MOIC of 11.83.

BIIC

In 2018, the Guarantor jointly established BIIC with several other companies. The Guarantor holds 40.00% equity interest in BIIC. The main business of BIIC includes direct investment and fund investment management. BIIC sets up equity investment funds to attract the social capital, assemble innovative resources, invest in high-technology industrials and introduce into Beijing those high-quality investment projects that are in line with Beijing’s strategic position and supportive to the industrial development in Beijing. As at the date of this Offering Circular, BIIC has two funds and two fund management companies.

Shunxi I

In 2015, the Guarantor set up Beijing Shunxi Equity Investment Fund (L.P.) (北京順禧股權投資基金(有限合夥)) (“**Shunxi I**”). As a venture capital fund with a fund size of RMB228.29 million, Shunxi I mainly invests in technology innovation and health care.

In 2015 and 2016, Shunxi I invested RMB40.00 million and RMB2.95 million, respectively, in Beijing Scitop Bio-tech Co., Ltd. (北京科拓恆通生物技術股份有限公司) (“**Scitop**”). Scitop is a high-tech company focusing on the research, manufacture and sale of compound food additives and edible probiotic products. In July 2020, Scitop was listed in Shenzhen Stock Exchange (300858.SZ). As at 30 September 2021, Scitop had an MOIC of 4.94.

Shunxi II

In 2018, the Guarantor set up Beijing Shunxi Renhe Equity Investment Fund (L.P.) (北京順禧仁和股權投資基金(有限合夥)) (“**Shunxi II**”). As a venture capital fund with a fund size of RMB140 million, Shunxi II mainly invests in technology innovation and health care.

Since 2018, Shunxi II has invested RMB36.00 million in total in Beijing Bayuegua Technology Co., Ltd. (北京八月瓜科技有限公司) (“**Bayuegua**”). Bayuegua is a leading technology service company that utilize big data and cloud-computing technologies to discover, process and protect intellectual properties. As at 30 September 2021, Bayuegua had an MOIC of 3.18.

Shunxi III

In 2021, the Guarantor set up Jingxiong Shunxi Start-up Investment Fund (京雄順禧創業投資基金) (“**Shunxi III**”). The targeted fund size of Shunxi III is RMB2.22 billion. Shunxi III will mainly invest in technology innovation and health care.

Shunlong Fixed Income Funds

The Guarantor set up Beijing Shunlong Investment Development Fund (L.P.) (北京順隆投資發展基金(有限合夥)) and several other fixed income funds (together, “**Shunlong Fixed Income Funds**”). With a total fund size of approximately RMB2.50 billion, Shunlong Fixed Income Funds mainly invest in fixed income products.

CAPITAL OPERATION

The Guarantor has been dedicated to capital operation ever since its inception. Utilizing various capital market tools and means, the Guarantor aims to increase the liquidity and the operational efficiency of state-owned enterprises.

Increasing the liquidity of state-owned enterprises

The Guarantor fully utilizes various capital markets through a variety of capital operation methods, including IPOs, shell listings, asset exchange and private placements, to boost the energy of state-owned assets as well as increase the liquidity and maximize the value of the state-owned capital. As at the date of this Offering Circular, the Guarantor directly holds 12 listed companies and indirectly holds 29 listed companies. The number of the Guarantor’s listed subsidiaries amounts to 60% of all the listed subsidiaries ultimately held by the Beijing SASAC.

Below are some examples of the Guarantor’s capital operations to increase the liquidity of state-owned enterprises:

IPO

CR Pharma

In 2010, the Guarantor conducted a strategic reorganization of its equity interest in Beijing Medicine Group Co., Ltd. (北京醫藥集團有限責任公司) (“**Beijing Medicine**”) with the CR Pharma Group (華潤集團) to establish CR Pharma. CR Pharma is a leading integrated pharmaceutical company in China, with its business ranges across the research and development, manufacture and sale of pharmaceutical products.

In 2016, the Guarantor promoted CR Pharma’s IPO on the Hong Kong Stock Exchange (3320.HK), which raised HK\$15.06 billion and was the largest non-financial IPO in Hong Kong and the largest IPO in pharmaceutical industry globally of that year. After its IPO, the Guarantor holds 17.42% equity interest in CR Pharma and is its second largest shareholder.

China Securities

In 2010, the Guarantor acquired 45.00% equity interest in China Securities at the price of RMB7.29 billion and became its largest shareholder. In 2016 and 2018, the Guarantor promoted China Securities’ listing on the Hong Kong Stock Exchange and the Shanghai Stock Exchange, respectively. Such listings have further boosted the capital strength and market influence of China Securities and significantly increased the value of Guarantor’s equity interest.

BCEER

Beijing Construction Engineering Environment Remediation Co., Ltd. (北京建工環境修復股份有限公司) (“**BCEER**”) is one of the first high-tech companies in China that provide soil remediation services. The Guarantor participated in the joint-stock reform of BCEER and holds 5.37% equity interest in BCEER. In 2021, the Guarantor actively promoted the listing of BCEER on the growth enterprise board. Nowadays, BCEER has become a leading company in the environment remediation industry with a large market share.

Shell listing

Baic New Energy

In 2009, the Guarantor invested RMB206.00 million and jointly established Baic New Energy with several other entities. Baic New Energy is the first automobile manufacturer in China to obtain the license to manufacture new energy automobiles.

To actively utilize shell resources in the A-share market, the Guarantor coordinated Baic New Energy's shell listing through Chengdu Qianfeng Electronics Co., Ltd. (成都前鋒電子股份有限公司). In September 2018, Baic New Energy successfully completed its shell listing and became the very first listed new energy automobile manufacturer in the A-share market.

Beijing Jingliang

In 2010, the Guarantor invested RMB255.00 million and jointly established Beijing Jingliang Co., Ltd. (北京京糧股份有限公司) ("**Beijing Jingliang**") with several other entities. Beijing Jingliang is a large grain and oil processing company. As of the date of this Offering Circular, the Guarantor holds 7.07% equity interest in Beijing Jingliang.

To actively utilize shell resources in the A-share market, the Guarantor coordinated Beijing Jingliang's shell listing through Hainan Pearl River Holdings Co., Ltd. (海南珠江控股股份有限公司). In November 2017, Beijing Jingliang successfully completed its shell listing.

Private Placement

AVIC

To support the research and development on aero engines and aviation composites of Aviation Industry Corporation of China, Ltd. (中國航空工業集團有限公司) ("**AVIC**"), the Guarantor conducted a strategic cooperation with AVIC. The Guarantor jointly established AVIC Engine Co., Ltd. (中航發動機有限責任公司) ("**AVIC Engine**") and AVIC Composite Corporation, Ltd. (中航復合材料有限責任公司) ("**AVIC Composite**").

In 2014, the Guarantor actively assisted AVIC to divest AVIC Engine. Some of the divested assets were injected into a listed company China AVIC Electronics Co., Ltd. (中航動力股份有限公司) (later renamed as AECC Aviation Power Co., Ltd. (中國航發動力股份有限公司)) ("**AECC Power**") (600893.SH). The Guarantor has sold all of its equity interest in AECC Power in the secondary market and its MOIC is approximately 3.00.

In 2017, the Guarantor also actively assisted the injection of AVIC Composite into a listed company Nantong Science & Technology Investment Group Co., Ltd. (南通科技投資集團股份有限公司) (the later AVICHT) (600862.SH). The Guarantor has sold all of its equity interest in AVICHT in the secondary market and its MOIC is approximately 7.00.

Asset Exchange

BURC & FESCO

The Guarantor holds 34.23% and 86.00% equity interest in BURC and FESCO, respectively. BURC is a listed company mainly engaged in the commercial retailing. FESCO is the first human resources outsourcing service company established in China, which is affiliated to the Beijing SASAC and provides comprehensive human resources outsourcing related services nationwide.

To improve the competitiveness of the listed company, in September 2021, the Guarantor started to lead and promote the major asset reorganization of BURC and FESCO, which is still under process. The Guarantor will exchange its equity interest in FESCO with BURC's certain assets and newly issued shares of equivalent value. As a result, some of the FESCO assets, which are of higher operational efficiency and better quality, will be injected into BURC, and BURC's assets will be transferred to the Guarantor. Meanwhile, BURC will purchase the rest 14.00% equity interest in FESCO from its minority shareholders.

After the reorganization, BURC will obtain 100.00% equity interest in FESCO, and the Guarantor will have its human resource business section listed in capital market. Through such asset exchange, the Guarantor will significantly strengthen the competitiveness of listed state-owned enterprise and increase the value of the state-owned capital.

Increasing the operational efficiency of state-owned enterprises

The Guarantor promotes the integration of industries and enterprises in a market-oriented manner, strengthens the coordination between the upstream and downstream of the industrial chain and supply chain, and creates advantageous industrial clusters. The Guarantor has adopted a variety of capital operation methods to increase the operational efficiency of state-owned enterprises, including overall listings, industrial integration, integration of enterprises and reorganization and integration within the Group.

Below are some examples of the Guarantor's capital operations to increase the operational efficiency of state-owned enterprises:

Overall listing

BBMG

BBMG is a large and key state-owned enterprise that is dual listed on the Shanghai Stock Exchange (601992.SH) and the Hong Kong Stock Exchange (02009.HK). The primary business of BBMG is real estate development, construction materials manufacturing and property management, etc.

Before the overall listing, the Guarantor held the equity interest in BBMG's parent company ("**BBMG Parent**"), a private company, which in turn held the equity interest in BBMG. In 2016, the Guarantor injected the assets of BBMG Parent into BBMG and in turn directly held the equity interest in BBMG.

Through such capital operation, the Guarantor realized the mixed ownership reform on the group level. In addition, this capital operation enabled the Guarantor to appoint directors to the board of BBMG and participate in the governance of the listed company directly. The profitability and decision-making efficiency of BBMG are also improved. As at 31 December 2021, the Guarantor held 44.93% equity interest in BBMG and the market value of BBMG was RMB25.99 billion.

BURC

BURC is a large state-owned enterprise listed on the Shanghai Stock Exchange (600861.SH) with its primary business being commercial retailing and commercial real estate development. BURC has several shopping centres, retailing malls, comprehensive supermarkets and community supermarkets.

Before the overall listing, the Guarantor held the equity interest in BURC's parent company ("**BURC Parent**"), a private company, which in turn held the equity interest in BURC. In 2016, the Guarantor injected the assets of BURC Parent into BURC and in turn directly held the equity interest in BURC.

Through such capital operation, the Guarantor realized the mixed ownership reform on the group level. In addition, this capital operation enabled the Guarantor to appoint directors to the board of BURC and participate in the governance of the listed company directly. Moreover, the Guarantor further purchased BURC's shares in the secondary market, which improved BURC's corporate image and boosted investors' confidence. The profitability and decision-making efficiency of BURC were also improved. As at 31 December 2021, the Guarantor held 34.23% equity interest in BURC and the market value of BURC was RMB7.29 billion.

Industrial integration

Jidong Cement

In 2016, BBMG conducted a strategic reorganization with Jidong Development Group Co., Ltd. (冀東發展集團有限責任公司) (“**Jidong Group**”) and indirectly held equity interest in Tangshan Jidong Cement Co., Ltd. (唐山冀東水泥股份有限公司) (“**Jidong Cement**”) through Jidong Group. Jidong Cement is a listed company with its major businesses covering cement manufacturing, environmental disposal, technical services, sand aggregates, mineral powder, additives, etc.

In 2017, BBMG and Jidong Cement jointly established BBMG Jidong Cement (Tangshan) Co., Ltd. (金隅冀東水泥(唐山)有限責任公司) (“**BBMG Jidong Cement**”). In 2018 and 2019, BBMG and Jidong Cement injected their cement businesses into BBMG Jidong Cement. To improve the integrated development of the cement business, in 2021, Jidong Cement issued new shares to BBMG in exchange of BBMG’s 47.09% equity interest in BBMG Jidong Cement. As a result, Jidong Cement became the sole shareholder of BBMG Jidong Cement and BBMG became a direct shareholder of Jidong Cement. Subsequently, Jidong Cement absorbed BBMG Jidong Cement and took over all of its cement businesses. Meanwhile, Jidong Cement issued new shares and raised RMB2.00 billion to supplement its working capital and repay its debt, of which the Guarantor subscribed RMB500.00 million.

Through this integration, the Guarantor supported the industrial integration of its subsidiary and promoted the coordinated development of Beijing, Tianjin and Hebei Province. BBMG successfully divested all of its cement business, injected such into Jidong Cement and obtained direct equity interest in Jidong Cement. By the direct equity interest in Jidong Cement, BBMG strengthened its control over Jidong Cement, delayed the management levels and improved the management efficiency. Meanwhile, Jidong Cement also achieved significant increase in its total capitalisation and market value, reduced its asset-liability ratio and improved its debt structure.

BJFH

In order to prevent systemic financial risks and optimize the layout of state-owned financial resources, the Guarantor, as the sole shareholder, contributed its equity interest in BRCB and China Securities as well as RMB2.00 billion to establish Beijing Financial Holding Group Co., Ltd. (北京金融控股集團有限公司) (“**BJFH**”). BJFH is one of the first five companies in China to receive the financial holding pilot company qualification from the People’s Bank of China. The Guarantor will continue to assist the integration of financial resources in Beijing and injected such resources into BJFH, so as to build a state-owned financial holdings group that has full licenses, resource synergy, business coordination and risk isolation.

Integration of enterprises

WFJ Group & Capital Retailing

Wangfujing Group Co., Ltd. (王府井集團股份有限公司) (“**WFJ Group**”) is a listed company (600859.SH), the largest retailing group in China as well as a beloved national commercial brand. Beijing Capital Retailing Group Co., Ltd. (首商股份集團有限公司) (“**Capital Retailing**”) is a listed company (600723.SH) and a large commercial enterprise group that operates retailing malls and chain stores.

In September 2021, WFJ Group issued A-shares to all the willing shareholders of Capital Retailing in exchange of their shares of Capital Retailing. Meanwhile, WFJ Group also raised RMB4 billion for store renovations, new commercial projects and duty-free business, of which the Guarantor purchased RMB884.08 million to support and assist the share issuance. As a result, the Guarantor holds 3.24% equity interest in WFJ Group.

Through this integration of similar businesses, WFJ Group obtained synergy and scale effect and improved its control over high-quality commercial resources, and the Guarantor effectively supported the integration of similar businesses and further facilitated Beijing’s construction of international consumption centre.

Beijing Ducheng

To resolve the issue of overlapping business scopes of some Entrusted Subsidiaries, the Guarantor merged the bidding agency and consulting business of Beijing Ducheng Consulting Co., Ltd. (北京都成諮詢有限公司) (“**Beijing Ducheng**”) into Beijing Engineering Consulting Co., Ltd. (北京市工程諮詢有限公司) and the foreign trade business of Beijing Ducheng into BITCC as these two companies have similar businesses. Subsequently, the Guarantor transferred Beijing Ducheng to BITCC to improve the operational efficiency.

Business Division

Zhongguancun Exchange

Zhongguancun Equity Exchange Service Group Co. Ltd. (中關村股權交易服務集團有限公司) (“**Zhongguancun Exchange**”) was established in 2013 and was the only regional equity market in Beijing. With a primary business of multi-level capital market and investment, Zhongguancun Exchange provided financial services to middle- and small-sized enterprises.

To help its subsidiaries fully utilize their resources and advantages, the Guarantor conducted an internal reorganization of Zhongguancun Exchange. Beijing Equity Trading Center Co., Ltd. (北京股權交易中心有限公司) (“**BETC**”), which operates the multi-level capital market business, was divested from Zhongguancun Exchange. After this division, Zhongguancun Exchange focuses on investment business and BETC focuses on multi-level capital market business.

Through this division, the Guarantor promoted its subsidiaries’ focus on their primary businesses, boosted the coordinated development of investment operation platform and multi-level capital market business, realized an effect of “1+1>2”, delayed management levels, reduced management cost and effectively improved the operational efficiency of the state-owned capital.

EMPLOYEES

As at the date of this Offering Circular, the Guarantor had more than 120 employees, over 87% of whom have obtained a master’s degree or above. The Guarantor has set up a labor union in accordance with the applicable laws. The Guarantor considers its relationship with its workforce to be good and the Guarantor has not experienced a work stoppage or business interruption due to labor disputes, strike or any other form of labor disturbance that could materially and adversely affect its business, financial condition, and results of operations. In accordance with regulations applicable to enterprises and the relevant requirements of various local governments in areas in which the Guarantor operates, the Guarantor 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 the Group operates, including the PRC.

The Guarantor attaches significant importance to environmental protection and has promulgated *the Energy Conservation Plans* (《北京國有資本運營管理有限公司節能實施方案》) and *the Guidelines on Energy Saving and Low-Carbon Behaviours* (《北京國有資本運營管理有限公司節能低碳行為規範》). During day-to-day operation, the Group heavily invests in and supports green and environmental projects. The Group will invest in edge-cutting green industries and play a leading role in implementing Beijing’s carbon neutrality campaign, so as to resonate with China’s peak carbon dioxide emissions and carbon neutrality campaigns. The Group’s contributions in environmental protection are mainly in five areas, namely ecological remediation, carbon dioxide emission reduction in the steel industry, sewage treatment, clean energy and industrial and hazardous waste disposal.

Ecological Remediation

In December 2018, Jingguoyi invested RMB55.00 million to jointly conduct with BBMG the Nankou stone pit remediation project, so as to improve the local ecology and support the landscape for international events such as the Beijing International Horticultural Exposition and the 2022 Beijing Winter Olympics.

The Guarantor directly holds 4.02% equity interest in BCEG Environmental Remediation Co., Ltd. (北京建工環境修復股份有限公司) (300958.SZ) (“**BCEG**”). BCEG is one of the first high-technology companies in China to provide professional soil remediation service and has been the first provider in China in many environmental remediation areas.

Carbon Dioxide Emission Reduction in the Steel Industry

Jingguorui Reform directly holds 7.39% equity interest in Beijing Shougang Co., Ltd. (北京首鋼股份有限公司) (000959.SZ) (“**Beijing Shougang**”). Beijing Shougang launched the first voluntary emission reduction project in China’s steel industry and is the first carbon-trading steel manufacturer in China. Shougang Qian’an Iron and Steel Co., Ltd. (首鋼股份公司遷安鋼鐵公司) and Shougang Jingtang Iron & Steel United Co., Ltd. (首鋼京唐鋼鐵聯合有限責任公司), two subsidiaries of Beijing Shougang, are both rated as A level company in environmental performance evaluation. Beijing Shougang was among the third batch of “Green Factories” recognized by the Ministry of Industry and Information Technology.

Sewage Treatment

Jingguorui Reform invested RMB283.00 million in Beijing Capital Eco-Environment Protection Group Co., Ltd. (北京首創生態環保集團股份有限公司) (600008.SH) (“**BCEP**”), a listed company that is one of the first in China to provide environmental protection services and a leader in China’s sewage treatment industry. As at 31 December 2020, BCEP had a capacity of water treatment of 30,470,000 tons per day and a scale of sewage and reclaimed water treatment of 6,700,000 tons per day.

Clean Energy

The Guarantor directly holds 2.72% equity interest in Beijing Jingneng Clean Energy Co., Ltd. (北京京能清潔能源電力股份有限公司) (0579.HK) (“**Beijing Jingneng**”). Beijing Jingneng’s business mainly includes gas power generation and heating, wind power generation, middle- and small-sized water power generation, photovoltaic power generation. Beijing Jingneng is the largest gas heating supplier in Beijing and a leading wind power operator in China. The total installed capacity of Beijing Jingneng’s under-construction wind power generation and photovoltaic power generation projects has reached 2.00 million kilowatts. Beijing Jingneng is also a principal supplier of green power for the 2022 Beijing Winter Olympics.

Industrial and Hazardous Waste Disposal

The RMB I Fund invested RMB69 million in BBMG Hongshulin Environmental Protection Technology Co., Ltd. (北京金隅紅樹林環保技術有限責任公司) (“**BBMG Red Wood**”). BBMG Red Wood focuses on industrial and hazardous waste disposal in Beijing. BBMG Red Wood is the largest industrial and hazardous waste disposal company in Beijing and the first environmental protection company in China that uses cement kiln to dispose of industrial waste.

SOCIAL RESPONSIBILITY

As a state-owned enterprise directly supervised and controlled by the Beijing SASAC, the Guarantor has established a mechanism to issue its social responsibility reports and makes significant endeavours to perform its social responsibility, which mainly includes improvement of the people’s livelihood, support of the development of middle-, small- and micro-sized companies, protection of culture heritage, long-term support of non-profit projects on poverty relief and contribution to the prevention and control of COVID-19.

Improvement of the People’s Livelihood

In recent years, the Guarantor has invested more than RMB30.00 billion in infrastructure crucial for the people’s livelihood in Beijing, such as construction of the Beijing Municipal Administrative Centre, affordable housing, subway and expressway, and brought in RMB34 billion of capital investment for the construction of the Beijing Municipal Administrative Centre. The Group has financed the construction of 117.4 km of expressway and 66.37 km of subway and railway in Beijing, and built 36,500 new affordable apartments with a total construction area of 3.37 million square meters.

The Guarantor established Jinguoyi, which focuses on the comprehensive renovation and management of old neighbourhoods. The Guarantor also invested in BCDH to support its old neighbourhood renovation projects so as to promote the energetic upgrading of Beijing.

Support of the Development of Middle-, Small- and Micro-sized Companies

BETC was approved by the Beijing Municipal Government to operate the only regional equity exchange market in Beijing, which is also known as the “Fourth Board” (“**Fourth Board**”). BETC is dedicated to expanding the financing channels for middle-, small- and micro-sized companies. Since the establishment of BETC in 2015, 6,059 companies have listed on the Fourth Board and the Fourth Board has assisted such companies in raising RMB45.30 billion.

In 2021, the Fourth Board became the Beijing base of the National Equities Exchange and Quotations (also known as the “New Third Board”). Through enterprise incubation and cultivation, the Fourth Board prepares high-quality enterprise resources for the New Third Board and the Beijing Stock Exchange.

Protection of Cultural Heritage

In 2019, the Guarantor jointly established the Beijing Jingqi Axis Protection Public Interest Foundation (北京京企中軸線保護公益基金會) (“**Beijing Axis Foundation**”) with Beijing International Trust Co., Ltd. (北京國際信託有限公司). The Beijing Axis Foundation is the first public interest foundation in China to focus on the protection of and heritage application for cultural heritages. The Guarantor has donated RMB15.00 million to Beijing Axis Foundation. The Guarantor supports a variety of Beijing Axis Foundation’s activities, such as restoration of cultural relics, exhibitions on, publicity promotion of and international seminars on cultural heritage application. Through such efforts, the Guarantor has promoted an in-depth discovery of the historical detail and value of the cultural heritages alongside the axis of Beijing.

Long-term Support of Public Interest Projects on Poverty Relief

The Group is a long-term sponsor of public interest projects on poverty relief, which can be divided into five categories, namely industrial poverty relief, consumption poverty relief, education poverty relief, pairing poverty relief and talent poverty relief.

Industrial poverty relief

The Group injected additional capital of RMB15.00 million to the Inner Mongolia Equity Exchange Center Co., Ltd. (內蒙古股權交易中心股份有限公司) to support industrial development for poverty relief purpose.

The Group invested more than RMB200,000 to plant apple trees in Niuzhan Village and RMB300,000 to set up an industrial rose production base, so as to promote the employment of local farmers.

Consumption poverty relief

Through consumption poverty relief, the Group has placed over 2,000 jobs for the low-income group. In 2021, the Group contributed RMB1.32 million to carry out consumption poverty relief projects in key regions such as Tibet and Xinjiang.

Education poverty relief

The Group has donated RMB200,000 to the Central Primary School of Daqinggou Village (大青溝村中心小學) for the purchase of education equipment and the improvement of teaching conditions, etc.

Pairing poverty relief

The Group donated for and supported the toilet renovation projects and dam restoration projects in its pairing villages. The Group has also set up a foundation of RMB400,000 for the poverty-relief projects in its pairing villages.

Talent poverty relief

Utilizing its human resource advantages, the Group selected five talents from within to work as village officers and carry out poverty-relief projects at the Tangshang Village in Fangshan District, the Jiangmidong Village in Pinggu District and the Dachengzi Town in Miyun District, so as to make contributions to the construction of beautiful villages.

Contribution to the Prevention and Control of COVID-19

As a state-owned enterprise in Beijing, the Guarantor attaches significant importance to the prevention and control of COVID-19 in Beijing. The Guarantor implemented a rental relief policy, according to which the Guarantor has reduced RMB10.94 million of rental for middle-, small- and micro-sized companies. The Guarantor also sent its employees to participate in community-level COVID-19 prevention and control activities and conduct voluntary financial donations and blood donations. Moreover, the Guarantor urgently procured and dispatched medical supplies to support the epidemic area in Hubei Province and donated medical supplies to European international companies such as the Adecco Group.

INFORMATION TECHNOLOGY

The Guarantor utilizes office information systems to facilitate day-to-day business operations. The Guarantor has established remote-working platforms, office automatic systems, contract management systems and financial accounting and reporting information systems. The use of such information technology has enhanced the Guarantor's operational efficiency and competitiveness. The Guarantor will continue to strengthen the construction of its information systems, improve its technology-based management.

INTELLECTUAL PROPERTY

The Guarantor attaches significant importance to its research capability. The Guarantor has established long-term cooperative relationships with colleges and research institutions, which further strengthened the Guarantor's research capabilities. To form a think-tank for the research on China's modern state-owned enterprises, the Guarantor established the Beijing Shuimu Institute of Modern State-owned Enterprises (北京水木現代國有企業研究院) in cooperation with Tsinghua University and a post-doctoral research station. Through an in-depth research on macro-economy, latest regulatory policies, capital market conditions and industry development and trends, the Guarantor is able to improve its ability to comprehensively apply research outcome to actual business operation, which supports the decision-making in the Guarantor's operation and development.

INSURANCE

The various business segments of the Guarantor and the Issuer maintain applicable insurance coverage. The Guarantor and the Issuer believe that the insurance coverage is sufficient and in line with common commercial practice in relevant industries in the PRC and the BVI, as applicable. The Guarantor's employees are provided with social insurance in conformity with PRC social security regulations, including pension insurance, medical insurance, unemployment insurance, work-related injury insurance and maternity insurance. Neither the Guarantor nor the Issuer was subject to material claims for losses not covered by their respective insurance policies since 2018. However, the Guarantor or the Issuer may not have sufficient coverage for some of the risks it faces, either because the insurance is not available or because of the high premium costs. Losses and liabilities arising from uninsured or underinsured events could have a material negative impact on the results of operations of the Guarantor or the Issuer, as applicable.

LEGAL PROCEEDINGS AND COMPLIANCE

As at the date of this Offering Circular, the Guarantor obtains and maintains all requisite permits, licenses, and certificates that are material to its operations. The Guarantor may however, from time to time, be subject to various legal or administrative proceedings in the ordinary course of its operations.

As at the date of this Offering Circular, there is no current material litigation, arbitration proceedings or non-compliance and, to the best of the Guarantor's knowledge, after due and careful enquiry, no pending or forecasted litigation or proceedings against the Guarantor that could have a material adverse effect on its business, financial condition and results of operations.

MANAGEMENT COMMITTEE AND SENIOR MANAGEMENT

According to the Articles of Association of the Guarantor, the Guarantor has a Board of Directors, a Supervisory Board and a Management Committee. In order to achieve an effective and cohesive operating mechanism, a transitional period was set after the Guarantor was converted into a wholly state-owned company, during which the Management Committee¹ is retained and performs the functions of the Board of Directors. As the restructuring of the Guarantor has just been completed, the Supervisory Board of the Guarantor is not yet in place. The management level consists of the general manager, deputy general manager, chief accountant and other senior management members. The general manager reports to the Management Committee and the board of directors. The general manager is responsible for the implementation of the resolutions of the management committee and the board of directors.

MANAGEMENT COMMITTEE

The following table sets out certain information with respect to the members of the Guarantor's Management Committee as at the date of this Offering Circular:

<u>Name</u>	<u>Age</u>	<u>Position</u>
Mr. Zhang Guilin	58	Secretary of the Party Committee, Director
Mrs. Jin Qihong	53	Deputy Secretary of the Party Committee, Deputy Director
Mr. Huang Xiaowen	48	Member of the Party Committee, Unit Head of Beijing Discipline Inspection and Supervision Commission stationed in the Beijing SASAC
Mr. Wu Lishun	46	Member of the Party Committee, Deputy Director
Mr. Yang Hongbao	58	Member of the Party Committee, Deputy Director, First-Class Inspector
Mr. Xie Zhongsheng	51	Member of the Party Committee, Deputy Director

Mr. Zhang Guilin

Mr. Zhang Guilin was born in 1963 and is a professor-level senior engineer with an in-service postgraduate degree and a doctorate in management. Mr. Zhang is currently the secretary of the Party Committee and the director of the Beijing SASAC. Mr. Zhang has served as a deputy division director of the Science and Technology Operation Management Division of the China Academy of Agricultural Mechanization (中國農業機械化科學研究院), a deputy director of the Foreign Economic Project Office of the Department of Agricultural Mechanization of the Ministry of Agriculture and Rural Affairs (國家農業部農機化司), the chief engineer of Beijing Erqing Company Limited (北京二輕有限責任公司), a member and a deputy director of the Administrative Committee of Beijing New Technology Industry Development Pilot Zone (北京市新技術產業開發試驗區), a member and a deputy director of the Administrative Commission of Zhongguancun Science Park (中關村管委會), the deputy chairman of Beijing Uni.-Construction Group Co., Ltd. (北京住總集團有限責任公司), the secretary of the Party Committee and the chairman of the board of directors (concurrently) of Beijing Centergate Technologies (Holding) Co., Ltd. (北京中關村科技發展(控股)股份有限公司), the secretary of the Party Committee and the chairman of the board of directors of Beijing Uni.-Construction Group Co., Ltd. (北京住總集團有限責任公司), the deputy secretary of the C.P.C Mentougou District Committee (中共門頭溝區委), the secretary of the Party Committee of the Mentougou District Government (門頭溝區政府), the deputy district governor, the acting district governor and the district governor of the Mentougou District (門頭溝區), and the secretary of the C.P.C Mentougou District Committee (中共門頭溝區委), etc.

¹ The same members of the Management Committee constitute the General Office of the Director of the Beijing SASAC (北京市國資委主任辦公會).

Mrs. Jin Qiuhong

Mrs. Jin Qiuhong was born in 1968 and is a senior political worker with a postgraduate degree and a master's degree in economics. Mrs. Jin is currently the deputy secretary and a deputy director of the Party committee of the Beijing SASAC. Mrs. Jin has served as a deputy division director and a researcher of the District and County Cadres Division of the Organization Department of the C.P.C Beijing Municipal Committee (中共北京市委), the division head (director) of the Organization and Guidance Division of the C.P.C Beijing Municipal Committee (Liaison Office for Municipal Party Congress Delegates of the C.P.C Beijing Municipal Committee), the office director and a member of the C.P.C Beijing Municipal Committee, a member of the Standing Committee of and the head of the Organisation Department of the C.P.C Beijing Shijingshan District Committee (中共北京市石景山區委).

Mr. Huang Xiaowen

Mr. Huang Xiaowen was born in 1973 and has a postgraduate degree and a doctorate in law. He is currently a member of the Party committee of the Beijing SASAC and the Unit Head of Beijing Discipline Inspection and Supervision Commission stationed in the Beijing SASAC (駐委紀檢監察組). Mr. Huang has served as a member of the Party Group, the director of the Political Division (deputy division level), the director of the Political Division (chief division level), a member of the Prosecution Committee and the prosecutor of the Beijing Municipal People's Procuratorate in Haidian District (北京市海淀區人民檢察院), a member of the Party Group and a deputy director general of the Beijing Municipal Administration for Industry and Commerce (北京市工商行政管理局), a member of the Party Group of the Beijing Municipal Food and Drug Administration (市食品藥品監管局) and the unit head of Beijing Discipline Inspection and Supervision Commission stationed in the Beijing Municipal Food and Drug Administration (市紀委市監委駐市食品藥品監管局紀檢監察組), etc.

Mr. Wu Lishun

Mr. Wu Lishun was born in 1975 and has an in-service postgraduate degree in MBA. Mr. Wu is currently a member of the Party Committee and a deputy director of the Beijing SASAC. Mr. Wu served as a deputy manager of the planning and finance department, a deputy manager of the financing and planning department (presiding over the work) and a manager of the financing and planning department of Beijing Infrastructure Investment Co., Ltd. (北京市基礎設施投資有限公司). Mr. Wu also served as the deputy general manager, a member of the Standing Committee the Party Committee and a deputy general manager of Beijing Capital Venture Group Co., Ltd. (北京首都創業集團有限公司).

Mr. Yang Hongbao

Mr. Yang Hongbao was born in 1963 and is a senior political worker with a postgraduate degree from the Party School of the Central Committee of the C.P.C. He is currently a member of the Party Committee, a deputy director and a first-class inspector of the Beijing SASAC. He has served as a deputy director of the Office of the Political and Legal Affairs Commission of the C.P.C Beijing Municipal Committee (中共北京市委), the secretary (deputy division level) and the secretary (chief division level) of the General Office of the C.P.C Beijing Municipal Committee, the secretary (chief division level) of the General Office of the Beijing Municipal Government, and the secretary (deputy bureau level) of the General Office of the C.P.C Beijing Municipal Committee, etc.

Mr. Xie Zhongsheng

Mr. Xie Zhongsheng was born in 1970 and is an economist with a master's degree in public administration. He is currently a deputy director and a member of the Party Committee of the Beijing SASAC. He has served as a deputy division director and the division director of the Industrial Adjustment Division of the Beijing Municipal Economy and Information Technology Commission (北京市經委), the division director and deputy inspector of the Enterprise Restructuring Division (Municipal Enterprise Merger and Bankruptcy and Employee Re-employment Office) and the director (concurrently) of the Planning and Development Division (concurrently) of the Beijing SASAC.

SENIOR MANAGEMENT

The following table sets out the members of the senior management of the Guarantor as at the date of this Offering Circular:

<u>Name</u>	<u>Age</u>	<u>Position</u>
Mr. Zhao Jifeng	53	Secretary of the Party Committee, Director, General Manager
Mr. Yu Zhongfu	51	Member of the Party Committee, Deputy General Manager
Mr. Zheng Qing	59	Chief Accountant
Mr. Wang Chenyang	52	Deputy General Manager
Mrs. Wang Jing	50	Deputy General Manager
Mr. Fan Yuanning	54	Deputy General Manager

Mr. Zhao Jifeng

Mr. Zhao Jifeng was born in 1968 and is a chief senior economist with a master's degree in public administration. Mr. Zhao graduated from the School of Public Administration of Tsinghua University, majoring in public management. Mr. Zhao has been engaged in state-owned capital operation, private equity fund operation, corporate listing and financing for a long time, and has more than 20 years of rich experience in state-owned enterprise reform, corporate mergers and acquisitions, corporate restructuring, domestic and international market IPOs, etc. Mr. Zhao is currently the secretary of the Party Committee, the director and the general manager of the Guarantor. Mr. Zhao was an assistant engineer of China National Electric Equipment Corporation (中國電工設備總公司), a project manager of the international finance department of Beijing Real Estate Trust Investment Company (北京市房地產信託投資公司), a deputy manager and a manager of the finance department of Jingtai Industrial (Group) Company Limited (京泰實業(集團)有限公司), the manager of the operation and management department and an assistant general manager of Beijing Holdings Investment Management Company Limited (北京控股投資管理有限公司), a director and a standing deputy general manager of Beijing Sanyuan Foods Co., Ltd. (北京三元食品股份有限公司), a director and a deputy general manager (concurrently the chief representative of the Beijing representative office) of Beijing Development (Hong Kong) Co., Ltd. (北京發展(香港)有限公司), the manager of legal audit department of Beijing Enterprises Group Company Limited (北京控股集團有限公司), a deputy general manager of Beijing BBMG Group Co., Ltd. (北京金隅集團有限責任公司), a deputy general manager of the Guarantor, the secretary of the Party General Branch and the chairman of BETC, and the secretary of the Party Branch and the general manager of the Guarantor. Mr. Zhao assumed his current position in February 2019.

Mr. Yu Zhongfu

Mr. Yu Zhongfu was born in 1970 and is a chief senior economist with a master's degree in public administration. Mr. Yu graduated from the School of Government of Peking University, majoring in public administration. Mr. Yu is currently a member of the Party Committee and a deputy general manager of the Guarantor. Mr. Yu has served as a clerk of the Political Consultative Conference of Beijing Shijingshan District (北京市石景山區政協), a clerk of the Shijingshan District Planned Economy Committee (石景山

區計劃經濟委員會), and deputy division director of the Industry Office of the Shijingshan District Planned Economy Committee. Mr. Yu has also served as a deputy chief clerk, a chief clerk and a deputy division director of the Medium and Small Enterprises Division and a deputy division director (presiding over the work) of the Enterprise Reform Division of the Beijing Municipal Economic Commission (北京市經濟委員會), a deputy director of the Reform and Development Division (General Division) and a deputy division director and the division director of the Enterprise Reform Division of the Beijing SASAC. Mr. Yu was also a deputy general manager of the Guarantor. Mr. Yu assumed his current position in August 2019.

Mrs. Zheng Qing

Mrs. Zheng Qing was born in 1962 and is a chief senior accountant with a bachelor's degree in economics. Mrs. Zheng graduated from the Finance and Accounting Department of Beijing Economic College, majoring in financial accounting. Mrs. Zheng is currently the chief accountant of the Guarantor. Mrs. Zheng has served as a trainee, a clerk and a deputy chief clerk of the Finance Division of Beijing Municipal Public Utility Bureau (北京市公用局), the deputy division director of the Price Division of Beijing Municipal Public Utility Bureau, a deputy general manager and the manager of the finance department of Beijing Gas Group Co., Ltd. (北京市燃氣集團有限公司), the chief accountant of Beijing Gas Engineering Design Company (北京市燃氣工程設計公司), a deputy manager and the chief financial officer of Beijing Jingcheng Water Services Co., Ltd. (北京京城水務有限責任公司), the head of the finance department and the chief financial officer of Beijing Drainage Group Co., Ltd. (北京城市排水集團有限責任公司) Mrs. Zheng assumed her current position in May 2020.

Mr. Wang Chenyang

Mr. Wang Chenyang was born in 1969 and is a senior political worker with a master's degree in literature. Mr. Wang graduated from the School of Journalism and Communication of Renmin University of China, majoring in journalism. Mr. Wang is currently a deputy general manager of the Guarantor. Mr. Wang has served as a deputy division director and the division director of relevant departments of the Beijing Municipal Government, the chief clerk and an assistant researcher of the Division of Propaganda, Education and Political Law Cadres of the Organization Department of the C.P.C Beijing Municipal Committee, a cadre of the General Office of the C.P.C Beijing Municipal Committee (chief division level) and a cadre of the General Office of the Beijing Municipal Government (deputy bureau level). Mr. Wang assumed his current position in November 2014.

Mrs. Wang Jing

Mrs. Wang Jing was born in 1971 and is a chief senior economist with a master's degree in law and an MBA. Mrs. Wang graduated from Renmin University of China, majoring in economic law, and Murdoch University, Australia, majoring in business administration. Mrs. Wang is currently a deputy general manager of the Guarantor. Mrs. Wang has served as a clerk of the securities department and the deputy director of the securities office of Beijing Touring Car Company Limited (北京旅行車股份有限公司), a cadre of the General Division of the Beijing Municipal Commission of Economic System Reform (北京市經濟體制改革委員會), an assistant manager and a deputy manager of the financing department of the Hong Kong headquarter of Beijing Enterprises Holdings Limited (北京控股有限公司), the manager of the enterprise management department of Beijing Holdings Investment Management Company Limited (北京控股投資管理有限公司), the deputy general manager of Beijing Jingtai Investment Management Centre of Jingtai Group (京泰集團北京京泰投資管理中心), the manager of the enterprise management department of Jingtai Group (京泰集團), the assistant general manager of Jingtai Group, the chairman and general manager of Lugang International Logistics Limited Company (陸港國際物流有限公司), the assistant general manager of Jingtai Group, and the general manager of investment management department of the Guarantor. Mrs. Wang assumed her current position in January 2014.

Mr. Fan Yuanning

Mr. Fan Yuanning was born in 1967 and is a chief senior economist, CFA Charterholder, an engineer and an MBA. Mr. Fan graduated from the Guanghua School of Management of Peking University, majoring in business administration. Mr. Fan is currently a deputy general manager of the Guarantor. Mr. Fan has served as a technician in the metering office, an assistant to the director of the power workshop, director of the power workshop, a deputy director of the gas plant and an assistant general manager of Ganzhou Gas Company in Jiangxi Province (江西省贛州市煤氣公司), a senior project manager and the manager of the investment and operation management department of Beijing Capital Technology Investment Co., Ltd. (北京首創科技投資有限公司), a deputy general manager of Beijing Capital Gas Investment Co., Ltd. (北京首創燃氣投資有限公司), the manager (concurrently) of the investment management department of Beijing Capital Technology Investment Co., Ltd., the deputy general manager of the investment management department of the Guarantor, the deputy general manager (presiding over the work) of the fund investment department of the Guarantor, the general manager of the fund investment department of the Guarantor, the assistant general manager of the Guarantor, the general manager of the fund investment department of the Guarantor and the division director of the Enterprise Reform Division of the Beijing SASAC (temporary position). Mr. Fan assumed his current position in January 2016.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the Terms and Conditions of the Notes which (subject to modification and except for the paragraphs in italics) will be endorsed on the Note Certificates (as defined below) issued in respect of the Notes.

The EUR1,000,000,000 1.206 per cent. Guaranteed Notes due 2025 (the “**Notes**”, which expression includes any further notes issued pursuant to Condition 14 (*Further issues*) and forming a single series therewith) of Beijing State-owned Capital Operation and Management Center Investment Holdings Limited 北京国管中心投资控股有限公司 (the “**Issuer**”) are constituted by, are subject to, and have the benefit of, a trust deed to be dated on or about 23 February 2022 (as amended or supplemented from time to time, the “**Trust Deed**”) between the Issuer, Beijing State-owned Capital Operation and Management Company Limited 北京國有資本運營管理有限公司 (the “**Guarantor**”) and Bank of Communications Trustee Limited as trustee (the “**Trustee**”, which expression includes all persons for the time being trustee or trustees appointed under the Trust Deed) and are the subject of (a) deed of guarantee to be dated on or about 23 February 2022 (as amended or supplemented from time to time, the “**Deed of Guarantee**”) between the Issuer, the Guarantor and the Trustee and (b) an agency agreement to be dated on or about 23 February 2022 (as amended, restated, replaced or supplemented from time to time, the “**Agency Agreement**”) between the Issuer, the Guarantor, Bank of Communications Co., Ltd. Hong Kong Branch as registrar (the “**Registrar**”, which expression includes any successor registrar appointed from time to time in connection with the Notes), Bank of Communications Co., Ltd. Hong Kong Branch as principal paying agent (the “**Principal Paying Agent**”, which expression includes any successor principal paying agent appointed from time to time in connection with the Notes), the transfer agents named therein (the “**Transfer Agents**”, which expression includes any successor or additional transfer agents appointed from time to time in connection with the Notes), the paying agents named therein (together with the Principal Paying Agent, the “**Paying Agents**”, which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes) and the Trustee. References herein to the “**Agents**” are to the Registrar, the Principal Paying Agent, the Transfer Agents and the Paying Agents and any reference to an “**Agent**” is to any one of them. Certain provisions of these Conditions are summaries of the Trust Deed, the Agency Agreement and the Deed of Guarantee and subject to their detailed provisions. The Noteholders (as defined below) are bound by, and are deemed to have notice of, all the provisions of the Trust Deed, the Agency Agreement and the Deed of Guarantee applicable to them. Copies of the Trust Deed, the Agency Agreement and the Deed of Guarantee are available for inspection upon prior written request and satisfactory proof of holding by Noteholders during normal business hours (being 9 a.m. to 3 p.m. Mondays to Fridays excluding public holidays) at the registered office for the time being of the Trustee, being at the date hereof 1/F, Far East Consortium Building, 121 Des Voeux Road Central, Hong Kong and at the Specified Offices (as defined in the Agency Agreement) of each of the Agents, the initial Specified Offices of which are set out below.

1. Form, Denomination, Status and Guarantee

- (a) *Form and denomination:* The Notes are in registered form in the denominations of EUR100,000 and integral multiples of EUR1,000 in excess thereof (each, an “**Authorised Denomination**”).
- (b) *Status of the Notes:* The Notes constitute direct, general, unsubordinated and unconditional obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.
- (c) *Guarantee of the Notes:* The Guarantor has in the Deed of Guarantee unconditionally and irrevocably guaranteed the due and punctual payment of all sums from time to time payable by the Issuer in respect of the Notes. This guarantee (the “**Guarantee of the Notes**”) constitutes direct, general and unconditional obligations of the Guarantor which will at all times rank at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

Upon issue, the Notes will be evidenced by a global note certificate (the “Global Note Certificate”) substantially in the form scheduled to the Trust Deed. The Global Note Certificate will be registered in the name of a nominee of, and deposited with, a common depositary for Euroclear Bank SA/NV (“Euroclear”) and Clearstream Banking S.A. (“Clearstream”), and will be exchangeable for individual Note Certificates (as defined below) only in the circumstances set out therein.

2. Register, Title and Transfers

- (a) *Register:* The Registrar will maintain a register (the “**Register**”) in respect of the Notes in accordance with the provisions of the Agency Agreement. In these Conditions, the “**Holder**” of a Note means the person in whose name such Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and “**Noteholder**” shall be construed accordingly. A certificate (each, a “**Note Certificate**”) will be issued to each Noteholder in respect of its registered holding. Each Note Certificate will be numbered serially with an identifying number which will be recorded in the Register.
- (b) *Title:* The Holder of each Note shall (except as ordered by a court of competent jurisdiction or otherwise required by law) be treated as the absolute owner of such Note for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing on the Note Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft of such Note Certificate) and no person shall be liable for so treating such Holder. No person shall have any right to enforce any term or condition of the Notes, the Deed of Guarantee or the Trust Deed under the Contracts (Rights of Third Parties) Act 1999.
- (c) *Transfers:* Subject to paragraphs (f) (*Closed periods*) and (g) (*Regulations concerning transfers and registration*) below, a Note may be transferred upon surrender of the relevant Note Certificate, with the endorsed form of transfer duly completed and executed, at the Specified Office of the Registrar or any Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; *provided, however, that* a Note may not be transferred unless the principal amount of Notes transferred and (where not all of the Notes held by a Holder are being transferred) the principal amount of the balance of Notes not transferred are Authorised Denominations. Where not all the Notes represented by the surrendered Note Certificate are the subject of the transfer, a new Note Certificate in respect of the balance of the Notes will be issued to the transferor. No transfer of title to a Note will be valid unless and until registered on the Register.

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

- (d) *Registration and delivery of Note Certificates:* Within five business days of the surrender of a Note Certificate in accordance with paragraph (c) (*Transfers*) above, the Registrar will register the transfer in question and deliver a new Note Certificate of a like principal amount to the Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of any Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (airmail if overseas) to the address specified for the purpose by such relevant Holder. In this paragraph, “**business day**” means a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.
- (e) *No charge:* The transfer of a Note will be effected without charge by or on behalf of the Issuer, the Registrar or any Transfer Agent but against such indemnity as the Registrar or (as the case may be) such Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.
- (f) *Closed periods:* Noteholders may not require transfers to be registered (i) during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Notes and (ii) after a Put Exercise Notice (as defined in Condition 5(c) (*Redemption for Relevant Event*)) has been delivered.

- (g) *Regulations concerning transfers and registration:* All transfers of Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Trustee and the Registrar, or by the Registrar with the prior written approval of the Trustee. A copy of the current regulations will be made available for inspection by the Registrar to any Noteholder upon prior written request and satisfactory proof of holding.

3. Covenants

- (a) *Negative pledge:* So long as any Note remains outstanding (as defined in the Trust Deed), neither the Issuer nor the Guarantor shall, and the Issuer and the Guarantor shall procure that none of their respective Non-entrusted Subsidiaries (other than any Listed Subsidiary or any Subsidiary of a Listed Subsidiary) will, create or permit to subsist any Security Interest upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness or guarantee or indemnity of Relevant Indebtedness (except, in each case, in respect of any Permitted Security Interest) without (a) at the same time or prior thereto securing the Notes equally and rateably therewith or (b) providing such other security for the Notes as may be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.
- (b) *Registration with SAFE:* The Guarantor undertakes to:
- (i) register or cause to be registered with SAFE, the Deed of Guarantee and other required documents within 15 PRC Business Days after the Issue Date in accordance with the Provisions on the Foreign Exchange Administration of Cross-Border Guarantees (跨境擔保外匯管理規定) promulgated by SAFE on 12 May 2014, which came into effect on 1 June 2014 (the “**Cross-Border Security Registration**”);
 - (ii) use its reasonable endeavours to complete the Cross-Border Security Registration and obtain a registration certificate from SAFE (or any other document evidencing the completion of registration and the particulars of registration issued by SAFE) on or before the SAFE Registration Deadline;
 - (iii) comply with all applicable PRC laws and regulations in relation to the Guarantee of the Notes;
 - (iv) promptly after receipt of the registration certificate from SAFE (or any other document evidencing the completion of registration and the particulars of registration issued by SAFE) but no later than the SAFE Registration Deadline (A) provide the Trustee with (x) a certificate in substantially the form set forth in the Trust Deed signed by any Authorised Signatory (as defined in the Trust Deed) of the Guarantor confirming the completion of the Cross-Border Security Registration and certifying that copies of the documents referred to in (y) are true and complete copies of the originals and (y) a copy of the relevant SAFE registration certificate (or any other document evidencing the completion of registration and the particulars of registration issued by SAFE) relating to the Cross-Border Security Registration (the items specified in (x) and (y) together, the “**Registration Documents**”) and (B) give notice to the Noteholders in accordance with Condition 15 (*Notices*) confirming the completion of the Cross-Border Security Registration.

The Trustee shall have no obligation or duty to monitor or ensure or to assist with the Cross-Border Security Registration on or before the SAFE Registration Deadline or to verify the accuracy, validity and/or genuineness of any documents in relation to or in connection with the Foreign Debt Registration and/or the Registration Documents or to give notice to the Noteholders confirming the completion of the Cross-Border Security Registration, and shall not be liable to Noteholders or any other person for not doing so.

- (c) *Notification to NDRC*: The Guarantor undertakes to:
- (i) within ten PRC Business Days after the Issue Date, file or cause to be filed with the NDRC the requisite information and documents in accordance with the NDRC Circular (the “**NDRC Post-Issue Filing**”);
 - (ii) comply with all applicable PRC laws and regulations in relation to the NDRC Post-Issue Filing;
 - (iii) within ten PRC Business Days after the submission of the NDRC Post-Issue Filing, (A) provide the Trustee with (x) a certificate substantially in the form set out in the Trust Deed signed by any Authorised Signatory (as defined in the Trust Deed) of the Guarantor confirming the submission of the NDRC Post-Issue Filing and certifying that copies of the documents referred to in (y) are true and complete copies of the originals and (y) a copy of each of the documents comprising the NDRC Post-Issue Filing and (B) give notice to the Noteholders (in accordance with Condition 15 (*Notices*)) confirming the submission of the NDRC Post-Issue Filing.

The Trustee shall have no obligation or duty to monitor or ensure the completion (or otherwise assist with) of the NDRC Post-Issue Filing on or before the deadline referred to above or to verify the accuracy, validity and/or genuineness of any documents in relation to or in connection with the NDRC Post-Issue Filing, and shall not be liable to Noteholders or any other person for not doing so.

- (d) *Financial statements (Issuer)*: So long as any Note remains outstanding, the Issuer shall send to the Trustee and, upon request, to any Noteholder:
- (i) as soon as practicable after their date of publication and in any event not more than 150 days after the end of each Relevant Period, (A) a copy of the Issuer Audited Financial Report prepared in accordance with the PRC GAAP (audited by a nationally or internationally recognised firm of independent accountants) and (B) a Compliance Certificate of the Issuer;
 - (ii) as soon as practicable after their date of publication and in any event not more than 120 days after the end of each Relevant Period, a copy of the Issuer Semi-Annual Financial Report prepared in accordance with PRC GAAP; and
 - (iii) a Compliance Certificate of the Issuer within 14 days of any request therefor from the Trustee,

if such report referred to in (i) or (ii) above shall not be in the English language, together with an English translation of the same translated by (A) a nationally or internationally recognised firm of accountants or (B) a professional translation service provider, and checked by a nationally or internationally recognised firm of independent accountants (and the Trustee shall not be obliged to check or verify any such translation and may rely conclusively without liability to any Noteholder or any other person on the accuracy and completeness of any such translation), together in any such case with a certificate in English signed by any Authorised Signatory of the Issuer, certifying that such translation is complete and accurate.

The Trustee shall not be required to review the relevant Issuer Audited Financial Reports, Issuer Semi-Annual Financial Report or any other financial report furnished or delivered to it as contemplated in this Condition 3(d) (*Financial Statements (Issuer)*) and, if the same shall not be in the English language, shall not be required to request or obtain or arrange for an English language translation of the same, and the Trustee shall not be liable to any Noteholder or any other person for not doing so.

- (e) *Financial statements (Guarantor)*: So long as any Note remains outstanding, the Guarantor shall send to the Trustee and, upon request, to any Noteholder:
- (i) as soon as practicable after their date of publication and in any event not more than 150 days after the end of each Relevant Period, (A) a copy of the Guarantor Audited Financial Report prepared in accordance with the PRC GAAP (audited by a nationally or internationally recognised firm of independent accountants) and (B) a Compliance Certificate of the Guarantor;
 - (ii) as soon as practicable after their date of publication and in any event not more than 120 days after the end of each Relevant Period, a copy of the Guarantor Semi-Annual Financial Report; and
 - (iii) a Compliance Certificate of the Guarantor within 14 days of any request therefor from the Trustee,

if such report referred to in (i) or (ii) above shall not be in the English language, together with an English translation of the same translated by (A) a nationally or internationally recognised firm of accountants or (B) a professional translation service provider, and checked by a nationally or internationally recognised firm of independent accountants (and the Trustee shall not be obliged to check or verify any such translation and may rely conclusively without liability to any Noteholder or any other person on the accuracy and completeness of any such translation), together in any such case with a certificate in English signed by any Authorised Signatory of the Guarantor, certifying that such translation is complete and accurate.

The Trustee shall not be required to review the relevant Guarantor Audited Financial Reports, Guarantor Semi-Annual Financial Report or any other financial report furnished or delivered to it as contemplated in this Condition 3(e) (*Financial Statements (Guarantor)*) and, if the same shall not be in the English language, shall not be required to request or obtain or arrange for an English language translation of the same, and the Trustee shall not be liable to any Noteholder or any other person for not doing so.

- (f) *Rating maintenance*: So long as any Note remains outstanding, save with the approval of an Extraordinary Resolution of the Noteholders, each of the Issuer and the Guarantor shall maintain a rating on the Notes by any one Rating Agency.

In these Conditions:

“**Beijing SASAC**” means the State-owned Assets Supervision and Administration Commission of People’s Government of Beijing Municipality;

“**Compliance Certificate**” means a certificate in English of the Issuer or, as the case may be, the Guarantor, signed by any Authorised Signatory of the Issuer or, as the case may be, the Guarantor, substantially in the form scheduled to the Trust Deed, certifying:

- (a) that, having made all reasonable enquiries, to the best of the knowledge, information and belief of the Issuer or, as the case may be, the Guarantor, as at a date (the “**Certification Date**”) not more than five days before the date of the certificate:
 - (i) no Event of Default or Potential Event of Default had occurred since the Certification Date of the last such certificate or (if none) the date of the Trust Deed or, if such an event had occurred, giving details of it;
 - (ii) the Issuer or, as the case may be, the Guarantor has complied with all obligations under the Notes, Trust Deed and (in the case of the Guarantor) the Deed of Guarantee or, if any non-compliance had occurred, giving details of it; and
 - (iii) a list of Entrusted Subsidiaries as at the Certification Date;

“**Entrusted Subsidiary**” means each of the following companies and any other company that becomes a Subsidiary of the Guarantor after the Issue Date which is under direct supervision and control of Beijing SASAC, as certified to the Trustee by an Authorised Signatory from time to time:

- (a) Shougang Group Co., Ltd. (首鋼集團有限公司);
- (b) Beijing Electronics Holding Co., Ltd. (北京電子控股有限責任公司);
- (c) Beijing Jingcheng Machinery Electric Holding Co., Ltd. (北京京城機電控股有限責任公司);
- (d) Beijing Energy Holding Co., Ltd. (北京能源集團有限責任公司);
- (e) Beijing Capital Highway Development Group Co., Ltd. (北京市首都公路發展集團有限公司);
- (f) Beijing Yiqing Holding Co., Ltd. (北京一輕控股有限責任公司);
- (g) Beijing Capital Development Holding (Group) Co., Ltd. (北京首都開發控股(集團)有限公司);
- (h) Beijing Automotive Group Co., Ltd. (北京汽車集團有限公司);
- (i) China Beijing Tongrentang (Group) Co., Ltd. (中國北京同仁堂(集團)有限責任公司);
- (j) Beijing Suburban Tourism Industry Development Company (北京市郊區旅遊實業開發有限公司);
- (k) Beijing Xianglong Assets Management Co., Ltd. (北京祥龍資產經營有限責任公司);
- (l) Beijing North Star Industrial Group Co., Ltd. (北京北辰實業集團有限責任公司);
- (m) BBMG Assets Operation and Management Co., Ltd. (北京金隅資產經營管理有限責任公司);
- (n) Beijing Capital Agribusiness & Foods Group Co., Ltd. (北京首農食品集團有限公司);
- (o) Beijing Urban-rural Commercial (Group) Co., Ltd. (北京城鄉商業(集團)股份有限公司);
- (p) BBMG Corporation (北京金隅集團股份有限公司); and
- (q) Beijing Foreign Enterprise Human Resources Service Company Limited (北京外企人力資源服務有限公司).

“**Guarantor Audited Financial Report**” means the annual audited consolidated financial statements of the Guarantor, which comprise the consolidated balance sheets, the consolidated income statements, the consolidated cash flow statements and the consolidated statements of changes in owners’ equity of the Guarantor, together with the auditors’ report and notes to the financial statements;

“**Guarantor Semi-Annual Financial Report**” means the semi-annual consolidated financial statements of the Guarantor, which comprise the consolidated balance sheets, the consolidated income statements, (if any) the consolidated cash flow statements and (if any) the consolidated statements of changes in owners’ equity of the Guarantor, together with (if any) the auditors’ report and notes to the financial statements;

“**Issuer Audited Financial Report**” means the annual audited consolidated financial statements of the Issuer, which comprise the consolidated balance sheets, the consolidated income statements, the consolidated cash flow statements and the consolidated statements of changes in owners’ equity of the Issuer, together with the auditors’ report and notes to the financial statements;

“**Issuer Semi-Annual Financial Report**” means the semi-annual consolidated financial statements of the Issuer, which comprise the consolidated balance sheets, the consolidated income statements, (if any) the consolidated cash flow statements and (if any) the consolidated statements of changes in owners’ equity of the Issuer, together with (if any) the auditors’ report and notes to the financial statements;

“**Listed Subsidiary**” means, at any time, any Subsidiary of the Guarantor or the Issuer, the ordinary voting shares of which are at such time listed on a recognised stock exchange, and “**Listed Subsidiaries**” shall be construed accordingly;

“**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 which came into effect on 14 September 2015, and any implementation rules or applicable policies in relation thereto issued by the NDRC from time to time;

“**Non-entrusted Subsidiary**” means a Subsidiary of the Guarantor which is not an Entrusted Subsidiary or a Subsidiary of an Entrusted Subsidiary, and “**Non-entrusted Subsidiaries**” shall be construed accordingly;

“**Permitted Security Interest**” means:

- (a) any Security Interest either over any asset acquired after the Issue Date which is in existence at the time of such acquisition or in respect of the obligations of any Person which becomes the Subsidiary of the Issuer or the Guarantor, after the Issue Date which is in existence at the date on which it becomes such a Subsidiary, provided that any such Security Interest was not incurred in anticipation of such acquisition or of such Person becoming the Subsidiary of the Issuer or the Guarantor;
- (b) any Security Interest on any property or asset securing the Relevant Indebtedness if (i) by the terms of such Relevant Indebtedness it is expressly provided that recourse by the holders of such Relevant Indebtedness is limited to such properties or assets of the issuer or the borrower and the revenues to be generated by the operation of, loss of or damage to, such properties or assets, for repayment of the moneys advanced and payment of interest thereon and (ii) such Relevant Indebtedness is not guaranteed by the Issuer, the Guarantor or any Subsidiary; and
- (c) any lien arising by operation of law;

“**Person**” means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

“**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 8 (*Events of Default*) become an Event of Default;

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

“**PRC Business Day**” means a day on which commercial banks are open for business in the PRC;

“**PRC GAAP**” means the Accounting Standards for Business Enterprises in the PRC;

“Rating Agency” means (i) S&P Global Ratings, a division of S&P Global Inc., and its successors (**“S&P”**); (ii) Moody’s Investors Service, Inc., a subsidiary of Moody’s Corporation, and its successors (**“Moody’s”**); (iii) Fitch Inc., a subsidiary of Hearst Corporation, and its successors (**“Fitch”**); and (iv) if one or more of S&P, Moody’s or Fitch shall not make a rating of the Notes publicly available, any United States nationally recognised securities rating agency or agencies, as the case may be, selected by the Issuer, which shall be substituted for S&P, Moody’s or Fitch or any combination thereof, as the case may be;

“Relevant Indebtedness” means any indebtedness for money borrowed or raised incurred outside the PRC which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is, or is capable of being listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market);

“Relevant Period” means:

- (a) in relation to the Issuer Audited Financial Report and the Guarantor Audited Financial Report, each period of 12 months ending on the last day of the Issuer’s or, as the case may be, the Guarantor’s, financial year (being 31 December of each year); and
- (b) in relation to the Issuer Semi-Annual Financial Report and the Guarantor Semi-Annual Financial Report, each period of six months ending on the last day of the first half of the Issuer’s or, as the case may be, the Guarantor’s, financial year (being 30 June of each year);

“SAFE” means the State Administration of Foreign Exchange of the PRC or its local counterparts;

“SAFE Registration Deadline” means the day falling 150 PRC Business Days after the Issue Date;

“Security Interest” means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction; and

“Subsidiary” means, in relation to any Person (the **“first Person”**) at any particular time, any other Person (the **“second Person”**):

- (a) whose affairs and policies the first Person controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second Person or otherwise; or
- (b) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first Person.

4. **Interest**

The Notes bear interest from 23 February 2022 (the **“Issue Date”**) at the rate of 1.206 per cent. per annum, (the **“Rate of Interest”**) payable in arrear on 23 February in each year (each, an **“Interest Payment Date”**), subject as provided in Condition 6 (*Payments*).

Each Note will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused, in which case it will continue to bear interest at such rate (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (b) the day which is seven days after the Principal Paying Agent or the Trustee has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

The amount of interest payable on each Interest Payment Date shall be EUR12.06 in respect of each Note of EUR1,000. If interest is required to be paid in respect of a Note on any other date, it shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction and rounding the resulting figure to the nearest cent (half a cent being rounded upwards) and multiplying such rounded figure by a fraction equal to the Authorised Denomination of such Note divided by the Calculation Amount, where:

“**Calculation Amount**” means EUR1,000;

“**Day Count Fraction**” means, in respect of any period, the number of days in the relevant period, from (and including) the first day in such period to (but excluding) the last day in such period, divided by the number of days in the Regular Period in which the relevant period falls; and

“**Regular Period**” means each period from (and including) the Issue Date or any Interest Payment Date to (but excluding) the next Interest Payment Date.

5. **Redemption and Purchase**

(a) *Scheduled redemption*: Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount on 23 February 2025 (the “**Maturity Date**”), subject as provided in Condition 6 (*Payments*).

(b) *Redemption for tax reasons*: The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days’ notice to the Noteholders (which notice shall be irrevocable) in accordance with Condition 15 (*Notices*) at their principal amount, together with interest accrued (but not including) to the date fixed for redemption, if, immediately before giving such notice, the Issuer satisfies the Trustee that:

(i) (A) the Issuer has or will become obliged to pay Additional Tax Amounts as provided or referred to in Condition 7 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of the PRC, the British Virgin Islands or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after 16 February 2022; and (B) such obligation cannot be avoided by the Issuer taking reasonable measures available to it; or

(ii) (A) the Guarantor has or (if a demand was made under the Guarantee of the Notes) would become obliged to pay Additional Tax Amounts as provided or referred to in Condition 7 (*Taxation*) or the Guarantee of the Notes, as the case may be, as a result of any change in, or amendment to, the laws or regulations of the PRC or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after 16 February 2022; and (B) such obligation cannot be avoided by the Guarantor taking reasonable measures available to it;

provided, however, 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 would be obliged to pay such Additional Tax Amounts if a payment in respect of the Notes were then due or (as the case may be) a demand under the Guarantee of the Notes were then made.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver or procure that there is delivered to the Trustee:

- (A) a certificate signed by an Authorised Signatory of the Issuer stating that the circumstances referred to in (i)(A) and (i)(B) above prevail and setting out the details of such circumstances or (as the case may be) a certificate signed by an Authorised Signatory of the Guarantor stating that the circumstances referred to in (ii)(A) and (ii)(B) above prevail and setting out details of such circumstances; and
- (B) an opinion in form and substance satisfactory to the Trustee of independent legal or tax advisers of recognised standing to the effect that the Issuer or (as the case may be) the Guarantor has or will become obliged to pay such Additional Tax Amounts as a result of such change or amendment.

The Trustee shall be entitled to accept and rely upon such certificate and opinion (without further investigation or enquiry) as sufficient evidence of the satisfaction of the circumstances set out in (i)(A) and (i)(B) or (as the case may be) (ii)(A) and (ii)(B) above, in which event they shall be conclusive and binding on the Noteholders, and the Trustee shall be protected and shall have no liability to any Noteholder or any person for so accepting and relying on such certificate or opinion.

Upon the expiry of any such notice as is referred to in this Condition 5(b), the Issuer shall be bound to redeem the Notes in accordance with this Condition 5(b).

- (c) *Redemption for Relevant Event*: At any time following the occurrence of a Relevant Event, each Noteholder 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 Put Settlement Date at 101 per cent. of the principal amount (in the case of a Change of Control) or 100 per cent. of their principal amount (in the case of a Non-Registration Event), in each case together with accrued interest to (but not including) such Put Settlement Date. To exercise such right, the Noteholder must deposit at the Specified Office of any Paying Agent a duly completed and signed notice of redemption, in substantially the form scheduled to the Agency Agreement, obtainable from the Specified Office of any Paying Agent (a "**Put Exercise Notice**"), together with the Note Certificates evidencing the Notes to be redeemed by not later than 30 days following a Relevant Event, or, if later, 30 days following the date upon which notice thereof is given to the Noteholders by the Issuer in accordance with Condition 15 (*Notices*). 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.

The Issuer shall give notice to Noteholders in accordance with Condition 15 (*Notices*) and to the Trustee and Principal Paying Agent in writing by not later than 14 days following the first day on which it becomes aware of the occurrence of a Relevant Event, which notice shall specify the procedure for exercise by Holders of their rights to require redemption of the Notes pursuant to this Condition 5(c).

In this Condition 5(c):

"**Beijing Government**" means the Beijing Municipal People's Government or its successor;

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

- (i) the Beijing SASAC, and any other Person wholly owned by the central government of the PRC and/or Beijing Government (such person and the Beijing SASAC, each a "**PRC Government Person**"), together cease to directly or indirectly hold or own 100 per cent. of the issued share capital of the Guarantor;

- (ii) the Guarantor 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 wholly-owned, directly or indirectly, by a PRC Government Person; or
- (iii) the Guarantor ceases to directly or indirectly hold or own 100 per cent. of the issued share capital of the Issuer;

a “**Non-Registration Event**” occurs when the Registration Condition has not been satisfied on or prior to the SAFE Registration Deadline;

“**Registration Conditions**” means the receipt by the Trustee of: (i) a certificate signed by an Authorised Signatory of the Guarantor confirming the completion of the Cross-Border Security Registration and (ii) a copy of the relevant SAFE registration certificate (or any other documents evidencing the completion of registration issued by SAFE) (if any) relating to such registration in (i) above of this definition; and

a “**Relevant Event**” means a Change of Control or a Non-Registration Event.

- (d) *Redemption at the option of the Issuer*: The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days’ notice to the Noteholders (the “**Optional Redemption Notice**”) (which notice shall be irrevocable) at their Make Whole Amount in the case of a Call Settlement Date falling before 23 January 2025 or at 100 per cent. of their principal amount in the case of a Call Settlement Date falling on or after 23 January 2025, in each case, together with interest accrued to such Call Settlement Date specified in the Optional Redemption Notice.

For the purposes of this Condition 5(d) (*Redemption at the option of the Issuer*):

“**Call Settlement Date**” means the date on which the Notes shall be redeemed at the option of the Issuer as specified in the Optional Redemption Notice;

“**Comparable Government Bond**” means, in relation to any Comparable Government Bond Rate calculation, at the discretion of the Independent Investment Bank, a German Bundesanleihe security whose maturity is closest to the maturity of the Notes, or if such Independent Investment Bank in its discretion considers that such similar bond is not in issue, such other German Bundesanleihe security as such Independent Investment Bank may, with the advice of three brokers of, and/or market makers in, German Bundesanleihe securities selected by such Independent Investment Bank, determine to be appropriate for determining the Comparable Government Bond Rate;

“**Comparable Government Bond Rate**” means the price, expressed as a percentage (rounded to three decimal places, 0.0005 being rounded upwards), at which the gross redemption yield on the Notes, if they were to be purchased at such price on the third London Business Day prior to the date fixed for redemption or the date of accelerated payment, would be equal to the gross redemption yield on such London Business Day of the Comparable Government Bond on the basis of the middle market price of the Comparable Government Bond prevailing at 11:00 a.m. (London time) on such London Business Day as determined by the Independent Investment Bank;

“**Independent Investment Bank**” means an independent investment bank of international repute, appointed by the Issuer (and notice thereof is given in writing to the Trustee and to the Noteholders by the Issuer in accordance with Condition 15 (*Notices*)) for the purposes of performing any of the functions expressed to be performed by it under these Conditions;

“**London Business Day**” means a day, other than a Saturday, Sunday or public holiday, on which commercial banks and foreign exchange markets are open for general business in London; and

“**Make Whole Amount**” means, with respect to each Note at the Call Settlement Date, (i) the principal amount of such Note or, if this is higher (ii) the amount equal to the sum of the present value of the principal amount of such Note, together with the present values of the interest payable in the relevant interest periods from the Call Settlement Date to the Maturity Date, in each case, discounted to the date of redemption on an annual basis (Actual/Actual (ICMA)) at the Comparable Government Bond Rate plus 0.25 per cent., all as determined by the Independent Investment Bank.

- (e) *No other redemption*: The Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraphs (a) (*Scheduled redemption*) to (d) (*Redemption at the option of the Issuer*) above.
- (f) *Purchase*: The Issuer, the Guarantor or any of their respective Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price.
- (g) *Cancellation*: All Notes so redeemed or purchased by the Issuer, the Guarantor or any of their respective Subsidiaries shall be cancelled and may not be reissued or resold.
- (h) *No duty to monitor*: The Trustee and the Agents shall not be obliged to take any steps to ascertain whether a Change of Control, Potential Event of Default or Event of Default has occurred or to monitor the occurrence of any Change of Control, Potential Event of Default or Event of Default, and shall not be liable to the Noteholders or any other person for not doing so.
- (i) *Calculations*: Neither the Trustee nor any of the Agents shall be responsible for calculating or verifying the calculations of any amount payable under any notice of redemption or have a duty to verify the accuracy, validity and/or genuineness of any documents in relation to or in connection thereto, and shall not be liable to the Noteholders or any other person for not doing so.

6. Payments

- (a) *Principal*: Payments of principal shall be made by transfer to a Euro account (or other account to which Euro may be credited or transferred) maintained by the payee with, a bank in a city in which banks have access to the TARGET System and (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.
- (b) *Interest*: Payments of interest shall be made by transfer to a Euro account (or other account to which Euro may be credited or transferred) maintained by the payee with, a bank in a city in which banks have access to the TARGET System and (in the case of interest payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.
- (c) *Interpretation*: In these Conditions:

“**TARGET2**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007;

“**TARGET Settlement Day**” means any day on which TARGET2 is open for the settlement of payments in euro; and

“**TARGET System**” means the TARGET2 system.

- (d) *Payments subject to fiscal laws:* All payments in respect of the Notes are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 7 (*Taxation*) 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 7 (*Taxation*)) any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Noteholders in respect of such payments.
- (e) *Payments on business days:* Payment instructions (for value the due date, or, if the due date is not a business day, for value the next succeeding business day) will be initiated (i) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Note Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent and (ii) (in the case of payments of interest payable other than on redemption) on the due date for payment. A Holder of a Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from the due date for a payment not being a business day. In this paragraph “**business day**” means:
- (i) in the case of payment by transfer to a Euro account (or other account to which Euro may be credited or transferred) as referred to above, any day which is a TARGET Settlement Day; and
 - (ii) in the case of surrender (or, in the case of part payment only, endorsement) of a Note Certificate, any day on which banks are open for general business (including dealings in foreign currencies) in the place in which the Note Certificate is surrendered (or, as the case may be, endorsed).
- (f) *Partial payments:* If a Paying Agent makes a partial payment in respect of any Note, the Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Note Certificate.
- (g) *Record date:* Each payment in respect of a Note will be made to the person shown as the Holder in the Register at the close of business in the place of the Registrar’s Specified Office on the fifteenth day before the due date for such payment (the “**Record Date**”).

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

7. **Taxation**

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

Where such withholding or deduction is made by the Issuer or the Guarantor by or within the PRC at the rate of up to (and including) the rate applicable on 16 February 2022 (the “**Applicable Rate**”), the Issuer or, as the case may be, the Guarantor will pay such additional amounts as will result in receipt by the Noteholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required.

In the event the Issuer or the Guarantor is required to make a deduction or withholding (i) by or within the PRC in excess of the Applicable Rate; or (ii) by or within the British Virgin Islands, the Issuer or the Guarantor, as the case may be, shall pay such additional amounts (the “**Additional Tax Amounts**”) as will result in receipt by the Noteholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note:

- (a) held by a Holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of its having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Note; or
- (b) where (in the case of a payment of principal, premium or interest on redemption) the relevant Note Certificate is surrendered for payment more than 30 days after the Relevant Date except to the extent that the relevant Holder would have been entitled to such additional amounts if it had surrendered the relevant Note Certificate on the last day of such period of 30 days.

In these Conditions, “**Relevant Date**” means whichever is the later of (1) the date on which the payment in question first becomes due and (2) if the full amount payable has not been received in a city in which banks have access to the TARGET System by the Principal Paying Agent or the Trustee on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders.

Any reference in these Conditions to principal or interest shall be deemed to include any additional amounts in respect of principal or interest (as the case may be) which may be payable under this Condition 7 (*Taxation*) or any undertaking given in addition to or in substitution of this Condition 7 (*Taxation*) pursuant to the Trust Deed.

If the Issuer or the Guarantor becomes subject at any time to any taxing jurisdiction other than the PRC or the British Virgin Islands, references in these Conditions to the PRC or the British Virgin Islands shall be construed as references to the PRC, the British Virgin Islands and/or such other jurisdiction.

Neither the Trustee nor any Agent shall be responsible for paying any tax, duty, charges, withholding or other payment referred to in this Condition 7 or for determining whether such amounts are payable or the amount thereof, and shall not be responsible or liable for any failure by the Issuer, the Guarantor, the Noteholders or any other person to pay such tax, duty, charges, withholding or other payment in any jurisdiction.

8. Events of Default

If any of the following events (each, an “**Event of Default**”) occurs, then the Trustee at its discretion may and, if so requested in writing by Holders of at least one quarter of the aggregate principal amount of the outstanding Notes or if so directed by an Extraordinary Resolution, shall (subject to the Trustee having been indemnified and/or provided with security and/or pre-funded to its satisfaction against any costs and expenses) give written notice to the Issuer declaring the Notes to be immediately due and payable, whereupon they shall become immediately due and payable at their principal amount together with accrued interest without further action or formality:

- (a) *Non-payment*: the Issuer or the Guarantor fails to pay any amount of principal in respect of the Notes on the due date for payment thereof or fails to pay any amount of interest in respect of the Notes on the due date for payment thereof, and in the case of interest, the default continues for a period of 14 days; or
- (b) *Breach of other obligations*: the Issuer or the Guarantor defaults in the performance or observance of any of its other obligations under or in respect of the Notes, the Deed of Guarantee or the Trust Deed (other than where it gives rise to a redemption under Condition 5(c) (*Redemption for Relevant Event*)) and such default (i) is incapable of remedy or (ii) being a default which is capable of remedy remains unremedied for 45 days after the Trustee has given written notice thereof to the Issuer and the Guarantor; or
- (c) *Cross-acceleration of Issuer, Guarantor or Non-entrusted Subsidiary*:
 - (i) any indebtedness of the Issuer, the Guarantor or any Non-entrusted Subsidiary becomes due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described);
 - (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, the Guarantor or any Non-entrusted Subsidiary fails to pay when due or, as the case may be, within any originally applicable grace period, any amount payable by it under any Guarantee of any indebtedness;
provided that the amount of indebtedness referred to in sub-paragraph (i) and/or sub-paragraph (ii) above and/or the amount payable under any guarantee referred to in sub-paragraph (iii) above, individually or in the aggregate, exceeds EUR100,000,000 (or its equivalent in any other currency or currencies); or
- (d) *Unsatisfied judgment*: one or more final judgment(s) or order(s) for the payment of any amount/an amount in excess of EUR100,000,000 (or its equivalent in any other currency or currencies), whether individually or in aggregate, is rendered against the Issuer, the Guarantor or any Non-entrusted Subsidiary and continue(s) unsatisfied and unstayed for a period of 60 days after the date(s) thereof or, if later, the date therein specified for payment; or
- (e) *Security enforced*: a secured party takes possession, or a receiver, manager of other similar officer is appointed, of any undertaking, assets and revenues of the Issuer, the Guarantor or any Non-entrusted Subsidiary, having an aggregate value of EUR100,000,000 (or its equivalent in any other currency or currencies) or more, and is not discharged within 60 days; or
- (f) *Insolvency, etc.*: (i) the Issuer, the Guarantor or any Non-entrusted Subsidiary becomes insolvent or is unable to pay its debts as they fall due, (ii) an administrator or liquidator is appointed (or application for any such appointment is made) in respect of the Issuer, the Guarantor or any of the Non-entrusted Subsidiaries or the whole or a substantial part of the undertaking, assets and revenues of the Issuer, the Guarantor or any Non-entrusted Subsidiary,

- (iii) the Issuer, the Guarantor or any Non-entrusted Subsidiary takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its Indebtedness or any Guarantee of any Indebtedness given by it or (iv) the Issuer, the Guarantor or any Non-entrusted Subsidiary ceases or threatens to cease to carry on all or any substantial part of its business (otherwise than, in the case of a Non-entrusted Subsidiary of the Issuer or a Non-entrusted Subsidiary of the Guarantor, for the purposes of or pursuant to an amalgamation, reorganisation or restructuring (A) whilst solvent; or (B) whereby the business, undertaking and assets of such Non-entrusted Subsidiary are transferred to or otherwise vested in the Issuer, the Guarantor or any of their respective Non-entrusted Subsidiaries; or (C) on terms approved by an Extraordinary Resolution of the Noteholders; or (D) as a result of a disposal on arm's length terms where the assets resulting from such disposal are vested in the Issuer, the Guarantor or any of their respective Non-entrusted Subsidiaries); or
- (g) *Winding up, etc.*: an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer, the Guarantor or any Non-entrusted Subsidiary (otherwise than, in the case of a Non-entrusted Subsidiary (other than the Issuer), for the purposes of or pursuant to an amalgamation, reorganisation or restructuring (x) whilst solvent; or (y) whereby the business, undertaking and assets of such Non-entrusted Subsidiary are transferred to or otherwise vested in the Issuer, the Guarantor or any of their Non-entrusted Subsidiaries; or (z) on terms approved by an Extraordinary Resolution of the Noteholders); or
- (h) *Analogous event*: any event occurs which under the laws of the PRC or the British Virgin Islands has an analogous effect to any of the events referred to in paragraphs (d) (*Unsatisfied judgment*) to (g) (*Winding up, etc.*) above; or
- (i) *Failure to take action, etc.*: any action, condition or thing at any time required to be taken, fulfilled or done in order (i) to enable the Issuer and the Guarantor lawfully to enter into, exercise their respective rights and perform and comply with their respective obligations under and in respect of the Notes, the Trust Deed or the Deed of Guarantee, (ii) to ensure that those obligations are legal, valid, binding and enforceable and (iii) to make the Note Certificates, the Trust Deed and the Deed of Guarantee admissible in evidence in the courts of the PRC, the British Virgin Islands and Hong Kong is not taken, fulfilled or done; or
- (j) *Unlawfulness*: it is or will become unlawful for the Issuer or the Guarantor to perform or comply with any of its obligations under or in respect of the Notes, the Deed of Guarantee or the Trust Deed; or
- (k) *Guarantee not in force*: the Guarantee of the Notes is not (or is claimed by the Guarantor not to be) in full force and effect; or
- (l) *Government intervention*: any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalisation of (i) all or a material part of the assets of the Issuer, or (ii) all or any part of the assets of the Guarantor or any Non-entrusted Subsidiary, provided that in the case of Condition 8(l)(ii) the book value of the assets that are subject to such seizure, compulsory acquisition, expropriation or nationalisation is in excess of EUR1,500,000,000 (or its equivalent in any other currency or currencies), whether individually or in the aggregate.

9. Prescription

Claims for principal and interest on redemption shall become void unless the relevant Note Certificates are surrendered for payment within ten years of the appropriate Relevant Date.

10. Replacement of Note Certificates

If any Note Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Registrar, subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer, the Registrar or the Transfer Agent may reasonably require. Mutilated or defaced Note Certificates must be surrendered before replacements will be issued.

11. Trustee and Agents

Under the Trust Deed, the Trustee is entitled to be indemnified and/or provided with security and/or pre-funded and relieved from responsibility in certain circumstances and to be paid its costs and expenses in priority to the claims of the Noteholders. In addition, the Trustee, the Agents and their respective directors and officers are entitled to enter into business transactions with the Issuer, the Guarantor and any entity relating to the Issuer or the Guarantor without accounting for any profit.

In the exercise of its powers and discretions under these Conditions, the Deed of Guarantee and the Trust Deed, the Trustee will have regard to the interests of the Noteholders as a class and will not be responsible for any consequence for individual Holders of Notes as a result of such Holders being connected in any way with a particular territory or taxing jurisdiction.

In acting under the Agency Agreement and in connection with the Notes, the Agents act solely as agents of the Issuer, the Guarantor and (to the extent provided therein) the Trustee and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders.

The initial Agents and their initial Specified Offices are listed below. The Issuer and the Guarantor reserve the right (with the prior approval of the Trustee) at any time to vary or terminate the appointment of any Agent and to appoint a successor registrar or principal paying agent and additional or successor paying agents and transfer agents; *provided, however, that* the Issuer and the Guarantor shall at all times maintain a principal paying agent and a registrar.

Notice of any change in any of the Agents or in their Specified Offices shall promptly be given by the Issuer to the Noteholders.

12. Meetings of Noteholders; Modification and Waiver

- (a) *Meetings of Noteholders:* The Trust Deed contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions, the Agency Agreement, the Deed of Guarantee or the Trust Deed. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer and the Guarantor (acting together) or by the Trustee and shall be convened by the Trustee upon the request in writing of Noteholders holding not less than one-tenth of the aggregate principal amount of the outstanding Notes and subject to the Trustee being indemnified and/or secured and/or pre-funded to its satisfaction against any costs and expenses. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more persons holding or representing one more than half of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, two or more persons being or representing Noteholders whatever the principal amount of the Notes held or represented; *provided, however, that* certain proposals (including any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment, to change the currency of payments under the Notes, to amend the covenants in Condition 3 (*Covenants*), to amend the terms of the Guarantee of the Notes or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution

(each, a “**Reserved Matter**”)) may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which two or more persons holding or representing not less than three-quarters or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders, whether present or not.

In addition, a resolution in writing signed by or on behalf of Noteholders, who for the time being are entitled to receive notice of a meeting of Noteholders under the Trust Deed, holding not less than 90 per cent. in nominal amount of the Notes outstanding, will take effect as if it were an Extraordinary Resolution. 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.

- (b) *Modification and waiver:* The Trustee may, without the consent of the Noteholders, agree to any modification of these Conditions, the Deed of Guarantee, the Notes, the Trust Deed or the Agency Agreement (other than in respect of a Reserved Matter) which is, in the opinion of the Trustee, not materially prejudicial to the interests of Noteholders and to any modification of these Conditions, the Notes, the Deed of Guarantee, the Trust Deed or the Agency Agreement which is of a formal, minor or technical nature or is to correct a manifest error. In addition, the Trustee may, without the consent of the Noteholders, authorise or waive any proposed breach or breach of these Conditions, the Notes, the Deed of Guarantee, the Trust Deed or the Agency Agreement (other than a proposed breach or breach relating to the subject of a Reserved Matter) if, in the opinion of the Trustee, the interests of the Noteholders will not be materially prejudiced thereby.

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

- (c) *Directions from Noteholders:* Notwithstanding anything to the contrary, the Notes, the Deed of Guarantee, the Trust Deed and/or the Agency Agreement, whenever the Trustee is required or entitled by these Conditions, the Deed of Guarantee, the Trust Deed and/or the Agency Agreement to exercise any discretion or power, take any action, make any decision or give any direction or certification, the Trustee is entitled, prior to exercising any such discretion or power, taking any such action, making any such decision, or giving any such direction or certification, to seek directions or clarification of any such directions from the Noteholders by way of an Extraordinary Resolution and to be indemnified and/or secured and/or pre-funded to its satisfaction against all action, proceedings, claims and demands to which it may be or become liable and all costs, charges, damages, expenses (including legal expenses) and liabilities which may be incurred by it in connection therewith, and the Trustee shall not be 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 as a result of seeking such direction or clarification of any such direction from the Noteholders, or in the event that no direction or clarification of any such direction is given to the Trustee by the Noteholders.
- (d) *Certificates and Reports:* The Trustee may rely without liability to Noteholders on a report, advice, opinion, confirmation or certificate or any advice of any lawyers, valuers, accountants (including auditors and surveyors), financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may, in the absence of manifest error, accept (and shall be entitled to rely on) any such report, confirmation, opinion or certificate or advice in which event such report, confirmation or certificate or advice shall be binding on the Issuer, the Guarantor and the Noteholders.

13. **Enforcement**

The Trustee may at any time, at its discretion and without notice, institute such actions, suits and proceedings as it thinks fit to enforce its rights under the Deed of Guarantee or the Trust Deed in respect of the Notes, but it shall not be bound to do so unless:

- (a) it has been so requested in writing by the Holders of at least one quarter of the aggregate principal amount of the outstanding Notes or has been so directed by an Extraordinary Resolution; and
- (b) it has been indemnified and/or provided with security and/or pre-funded to its satisfaction.

No Noteholder may proceed directly against the Issuer or the Guarantor unless the Trustee, having become bound to do so, fails to do so within a reasonable time and such failure is continuing.

14. **Further Issues**

The Issuer may from time to time, without the consent of the Noteholders and in accordance with the Trust Deed, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest and the timing for complying with the requirements set out in these Conditions in relation to the filing and completion of the Cross-Border Security Registration and the NDRC Post-Issue Filing) so as to form a single series with the Notes. The Issuer may from time to time, with the consent of the Trustee, create and issue other series of notes having the benefit of the Trust Deed.

15. **Notices**

Notices to the Noteholders will be sent to them by uninsured mail at their respective addresses on the Register. Any such notice shall be deemed to have been given on the fourth weekday after the date of mailing.

Until such time as any individual certificates are issued and so long as the Global Note Certificate is held in its entirety on behalf of Euroclear and Clearstream, any notice to the Noteholders shall be validly given by the delivery of the relevant notice to Euroclear and Clearstream for communication by the relevant clearing system to entitled accountholders in substitution for notification as required by the Conditions and shall be deemed to have been given on the date of delivery to such clearing system.

16. **Currency Indemnity**

If any sum due from the Issuer or the Guarantor in respect of the Notes or any order or judgment given or made in relation thereto has to be converted from the currency (the “**first currency**”) in which the same is payable under these Conditions or such order or judgment into another currency (the “**second currency**”) for the purpose of (a) making or filing a claim or proof against the Issuer or the Guarantor, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer and the Guarantor shall indemnify the Trustee and each Noteholder, on the written demand of the Trustee or such Noteholder addressed to the Issuer and the Guarantor and delivered to the Issuer and the Guarantor, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which the Trustee or such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of each of the Issuer and the Guarantor and shall give rise to a separate and independent cause of action.

17. **Governing Law and Jurisdiction**

- (a) *Governing law:* The Notes, the Deed of Guarantee and the Trust Deed and any non-contractual obligations arising out of or in connection with the Notes, the Deed of Guarantee and the Trust Deed are governed by English law.
- (b) *Jurisdiction:* Each of the Issuer and the Guarantor has in the Trust Deed and the Guarantor has in the Deed of Guarantee (i) agreed that the courts of Hong Kong shall have exclusive jurisdiction to settle any dispute (a “**Dispute**”) arising out of or in connection with the Notes or the Deed of Guarantee (including any non-contractual obligation arising out of or in connection with the Notes or the Deed of Guarantee); (ii) agreed that those courts are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue that any other courts are more appropriate or convenient; (iii) designated a person in Hong Kong to accept service of any process on its behalf; (iv) consented to the enforcement of any judgment; and (v) to the extent that it may in any jurisdiction claim for itself or its assets immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process, and to the extent that in any such jurisdiction there may be attributed to itself or its assets or revenues such immunity (whether or not claimed), agreed not to claim and irrevocably waived such immunity to the full extent permitted by the laws of such jurisdiction.

SUMMARY OF PROVISIONS RELATING TO THE NOTES IN GLOBAL FORM

The Global Note Certificate contains provisions which apply to the Notes while they are in global form, 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.

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

The Notes will be represented by a Global Note Certificate which will be registered in the name of a nominee of, and deposited with, a common depository for Euroclear and Clearstream.

Under the Global Note Certificate, the Issuer, for value received, will promise to pay the amount payable upon redemption under the Terms and Conditions of the Notes in respect of the Notes represented by the Global Note Certificate to the Noteholder in such circumstances as the same may become payable in accordance with the Terms and Conditions of the Notes.

The Global Note Certificate will become exchangeable in whole, but not in part, for duly authenticated and completed individual Note certificates (“**Individual Note Certificates**”) if (a) Euroclear or Clearstream is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 8 (*Events of Default*) of the Terms and Conditions of the Notes occurs.

Whenever the Global Note Certificate is to be exchanged for Individual Note Certificates, such Individual Note Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Note Certificate within five business days of the delivery, by or on behalf of the registered Noteholder of the Global Note Certificate, Euroclear and/or Clearstream to the Registrar of such information as is required to complete and deliver such Individual Note Certificates (including, without limitation, the names and addresses of the persons in whose names the Individual Note Certificates are to be registered and the principal amount of each such person’s holding) against the surrender of the Global Note Certificate at the Specified Office of the Registrar. Such exchange will be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled thereto and, in particular, shall be effected without charge to any Noteholder or the Trustee, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

In addition, the Global Note Certificate will contain provisions that modify the Terms and Conditions of the Notes as they apply to the Notes evidenced by the Global Note Certificate. The following is a summary of certain of those provisions:

Payment Record Date: Each payment made in respect of a Global Note Certificate will be made to the person shown as the Noteholder in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (the “**Record Date**”) where “**Clearing System Business Day**” means a weekday (Monday to Friday, inclusive) except 25 December and 1 January.

Exercise of Put Option: In order to exercise the option contained in Condition 5(c) (*Redemption and Purchase – Redemption for Relevant Event*) of the Terms and Conditions of the Notes (the “**Put Option**”), the Noteholder must, within the period specified in the Terms and Conditions of the Notes for the deposit of the relevant Global Note Certificate and put notice, give written notice of such exercise to the Principal Paying Agent specifying the principal amount of Notes in respect of which the Put Option is being exercised. Any such notice shall be irrevocable and may not be withdrawn.

Notices: Notwithstanding Condition 15 (*Notices*) of the Terms and Conditions of the Notes, so long as the Global Note Certificate is held on behalf of Euroclear, Clearstream or any other clearing system (an “**Alternative Clearing System**”), notices to Noteholders represented by the Global Note Certificate may be given by delivery of the relevant notice to Euroclear, Clearstream or (as the case may be) such Alternative Clearing System.

THE GUARANTEE OF THE NOTES

The Guarantor will unconditionally and irrevocably guarantee the due payment of all sums expressed to be payable by the Issuer under the Notes. Its obligations in that respect will be contained in the Deed of Guarantee.

The Issuer understands from the Guarantor that the Guarantee of the Notes will cover all sums due under the Notes (including any principal, interest and related financial obligations).

The Foreign Exchange Administration of Cross-Border Guarantees requires the Guarantor to register the Guarantee of the Notes with the Beijing Branch of SAFE within 15 PRC Business Days after the date of execution of the Deed of Guarantee. Although the non-registration does not render the Guarantee of the Notes ineffective or invalid under PRC law, SAFE may impose penalties on the Guarantor. The Guarantor intends to use its best endeavours to complete the registration of the Deed of Guarantee as soon as practicable and in any event within 120 PRC Business Days after the Issue Date. If the Guarantor fails to complete the SAFE registration, there may be logistical hurdles at the time of remittance of funds (if the Guarantor under the Guarantee of the Notes make any cross-border payment) as domestic banks would require evidence of SAFE registration in connection with the Guarantee of the Notes in order to effect such remittance, although this does not affect the validity of the Guarantee of the Notes itself. See “*Risk Factors – Risks Relating to the Notes and Guarantee of the Notes.*”

Any payment by the Guarantor under the Guarantee of the Notes in respect of interest under the Notes will be subject to withholding taxes in the PRC as such payments of interest will be regarded as being derived from sources within the PRC. See “*Taxation – PRC.*”

PRC REGULATIONS

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

THE PRC LEGAL SYSTEM

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

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

The State Council is the highest committee of the State administration and has the power to enact administrative rules and regulations. The ministries and commissions under the State Council are also vested with the power to issue orders, directives and regulations within the jurisdiction of their respective departments. All administrative rules, regulations, directives and orders promulgated by the State Council and its ministries and commissions must be consistent with the PRC Constitution and the national laws enacted by the NPC. In the event that a conflict arises, the Standing Committee of the NPC has the power to annul such administrative rules, regulations, directives and orders.

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

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

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

THE PRC JUDICIAL SYSTEM

Under the PRC Constitution (中華人民共和國憲法) and the Law of Organisation of the People's Courts (中華人民共和國人民法院組織法), the judicial system is made up of the Supreme People's Court, the local courts, military courts and other special courts.

The local courts are comprised of the basic courts, the intermediate courts and the higher courts. The basic courts are organised into civil, criminal, economic, administrative and other divisions. The intermediate courts are organised into divisions similar to those of the basic courts, and are further organised into other special divisions, such as the intellectual property division. The higher level courts supervise the basic and

intermediate courts. The people's procuratorates also have the right to exercise legal supervision over the civil proceedings of courts of the same level and lower levels. The Supreme People's Court is the highest judicial body in the PRC. It supervises the administration of justice by all other courts.

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

The Civil Procedure Law of the PRC (中華人民共和國民事訴訟法) (the "**Civil Procedure Law**"), which was adopted on 9 April 1991 and amended on 28 October 2007, 31 August 2012, 27 June 2017 and 24 December 2021, sets forth the criteria for instituting a civil action, the jurisdiction of the courts, the procedures to be followed for conducting a civil action and the procedures for enforcement of a civil judgment or order. All parties to a civil action conducted within the PRC must comply with the Civil Procedure Law. Generally, a civil case is initially heard by a local court of the municipality or province in which the defendant resides. The parties to a contract may, by written agreement, select a jurisdiction where civil actions may be brought, *provided that* the jurisdiction is either the plaintiff's or the defendant's place of residence, the place of execution or implementation of the contract or the place of the object of the contract, etc or a venue which has actual connection with the dispute. However, such selection cannot violate the stipulations of grade jurisdiction and exclusive jurisdiction in any case.

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

A party seeking to enforce a judgment or order of a court against a party who is not located within the PRC and does not own any property in the PRC may apply to a foreign court with proper jurisdiction for recognition and enforcement of the judgment or order. A foreign judgment or ruling may also be recognised and enforced by a PRC court in accordance with the PRC enforcement procedures if the PRC has entered into, or acceded to, an international treaty with the relevant foreign country, which provides for such recognition and enforcement, or if the judgment or ruling satisfies the court's examination in accordance with the principle of reciprocity, unless the court finds that the recognition or enforcement of such judgment or ruling will result in a violation of the basic legal principles of the PRC, its sovereignty or security, or for reasons of social and public interests.

FOREIGN EXCHANGE CONTROLS

The PRC government imposes controls on the convertibility of Renminbi into foreign currencies and, in certain cases, the remittance of currency to jurisdictions outside the PRC. Under existing PRC foreign exchange regulations, payments of certain current account items can be made in foreign currencies without prior approval from the local branch of the SAFE, by complying with certain procedural requirements. However, except as otherwise specified by laws and regulations, approval from or registration with the appropriate government authorities or designated banks is usually required where Renminbi is to be converted into foreign currency and remitted to a jurisdiction outside the PRC to pay capital expenses such as the repayment of bank loans denominated in foreign currencies. The PRC government may also, at its discretion, restrict access to foreign currencies for current account transactions in the future.

Prior to 31 December 1993, a quota system was used for the management of foreign currency. Any enterprise requiring foreign currency was required to obtain a quota from the local SAFE office before it could convert Renminbi into foreign currency through the PBOC or other designated banks. Such conversion had to be effected at the official rate prescribed by SAFE on a daily basis. Renminbi could also be converted into foreign currency at swap centres. The exchange rates used by swap centres were largely determined by the demand for, and supply of, the foreign currency and the Renminbi requirements of enterprises in the PRC. Any enterprise that wished to buy or sell foreign currency at a swap centre had to obtain the prior approval of SAFE.

On 1 January 1994, the former dual exchange rate system for Renminbi was abolished and replaced by a controlled floating exchange rate system, which was determined by the demand and supply of Renminbi. Pursuant to such system, the PBOC set and published the daily Renminbi-U.S. dollar exchange rate. Such exchange rate was determined with reference to the transaction price for Renminbi-U.S. dollar in the inter-bank foreign exchange market on the previous day. Also, the PBOC, with reference to exchange rates in the international foreign exchange market, announced the exchange rates of Renminbi against other major foreign currencies. In foreign exchange transactions, designated foreign exchange banks may, within a specified range, freely determine the applicable exchange rate in accordance with the rate announced by the PBOC.

On 29 January 1996, the State Council promulgated Regulations on Foreign Exchange Administration (外匯管理條例) (“**Foreign Exchange Administration Regulations**”) which became effective from 1 April 1996. The Foreign Exchange Administration Regulations classifies all international payments and transfers into current account items and capital account items. Most current account items are subject to the approval by relevant banks that are duly authorised by SAFE to do so, while capital account items are still subject to SAFE approval directly. The Foreign Exchange Administration Regulations was subsequently amended on 14 January 1997. Such amendment affirms that the State shall not restrict international current account payments and transfers. On 1 August 2008, the Foreign Exchange Administration Regulations was further amended pursuant to a resolution of the State Council of China (中華人民共和國國務院令) and came into effect on 5 August 2008 (the “**New Forex Regulation**”).

Under the New Forex Regulation, foreign currency received under current account by onshore entities will not be asked to be settled into Renminbi automatically, while foreign currency under capital account may also be maintained upon approval. The Renminbi will be convertible for current account items (including goods, services, gains and transactions items that are frequently transferred, etc., involved in international balance of payments) upon presentation of valid receipts and proof certifying the purposes of the conversion of Renminbi into foreign currency to the designated foreign exchange banks. Conversion of Renminbi into foreign exchange and remittance of foreign exchange funds outside of PRC for capital account items, like capital transfers, direct investment, securities investment and derivative products and loans, is still subject to restriction, and prior approval from SAFE or its competent branch.

According to the Circular on the Relevant Operating Issues concerning the Improvement of the Administration of Payment and Settlement of Foreign Currency Capital of Foreign-funded Enterprises issued by the General Affairs Department of the SAFE (國家外匯管理局綜合司關於完善外商投資企業外匯資本金支付結匯管理有關業務操作問題的通知) (“**Circular 142**”) on 29 August 2008, for each conversion and withdrawal, an FIE is required to provide various supporting documents evidencing the authenticity of the transaction to relevant bank for review and verification. Also the converted RMB should only be used by FIEs in line with their business scope as approved by the examination and approval authorities, for example, for acquiring equipment and real property for self-use. Except for special type of FIEs such as venture capital and private equity enterprises, ordinary FIEs are generally prohibited from using the RMB converted from their capital account balance to make equity investments in other companies in China. And except for foreign-funded real estate enterprises, foreign-funded enterprise shall not use the RMB converted from their capital account balance to purchase domestic real estate for any purpose other than its own use.

On 8 April 2015, the SAFE promulgated the Circular of the SAFE on Relevant Issues Concerning the Reform of the Administrative Method of the Conversion of Foreign Exchange Funds by Foreign Invested Enterprises (國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知) (“**Circular 19**”),

which will relax the capital account settlement for all foreign invested enterprises across the nation from 1 June 2015. According to Circular 19, Circular 142 will cease to be effective on the same date of the implementation of Circular 19. Circular 19 allows all foreign invested enterprises across the PRC to convert foreign exchange in their capital accounts into Renminbi at their own discretion without providing various supporting documents. However, to use the converted Renminbi, a foreign invested enterprise still needs to provide supporting documents and goes through the review process with the banks for each withdrawal.

On 23 October 2019, the SAFE promulgated Notice by the State Administration of Foreign Exchange of Simplifying Foreign Exchange Accounts (國家外匯管理局關於精簡外匯帳戶的通知,匯發[2019]29號) which became effective on 1 February 2020. SAFE has decided to review and integrate certain foreign exchange accounts and further reduce the types of accounts in order to further intensify the reform of foreign exchange administration, simplifying the relevant business operating procedures, and facilitate true and compliant foreign exchange transactions by banks, enterprises and other market participants.

On the same day, the SAFE issued Notice by the State Administration of Foreign Exchange of Further Facilitating Cross-border Trade and Investment (國家外匯管理局關於進一步促進跨境貿易投資便利化的通知,匯發[2019]28號) in order to further promote the reform of “simplification of administrative procedures and decentralization of powers, combination of decentralization and appropriate control, and optimization of services”.

OVERSEAS INVESTMENT RULES

NDRC Supervision

Pursuant to the Measures for the Administration of Overseas Investment of Enterprises (企業境外投資管理辦法) promulgated by the NDRC, which became effective on 1 March 2018, any overseas investment project involving any politically sensitive country or territory (such as countries with no diplomatic ties or which are sanctioned by the international community, or countries/territories where there is ongoing war or civil unrest etc.) or otherwise any sensitive industry (such as telecommunication operation, cross-border water resources development and utilisation, large-scale land development, electricity transmission lines, power grids or news media etc.) shall be subject to approval by the NDRC. In particular, where any such other overseas investment project is carried out by an enterprise administered by the PRC central government or carried out by an enterprise administered by the local government and involves investment by the Chinese party (parties) of an amount equal to or more than U.S.\$300 million, such overseas investment project shall be filed with the NDRC. Any such other overseas investment project carried out by the local enterprise and involves investment by the Chinese party (parties) of an amount less than U.S.\$300 million shall be filed with the investment department of the relevant government at the provincial level, including the government of each of the provinces, autonomous regions, municipalities directly under the Central Government and municipalities with independent planning status, as well as the Xinjiang Production and Construction Corps.

MOFCOM Supervision

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

An enterprise that intends to invest in a sensitive country or region or a sensitive industry shall apply for the verification by MOFCOM. “Sensitive countries and regions” mean those countries without a diplomatic relationship with the PRC, or subject to the United Nations Security Council sanctions or

otherwise under the list of verified countries and regions published by MOFCOM from time to time. “Sensitive industries” mean those industries involving the products and technologies which are restricted from being exported, or affecting the interests of more than one country (or region). In accordance with the New Overseas Investment Rules, a central enterprise shall apply to MOFCOM for verification and MOFCOM shall, within 20 working days after accepting such application, decide whether or not the verification is granted. For a local enterprise, it shall apply through the provincial department of commerce to MOFCOM for such verification. The provincial department of commerce shall give a preliminary opinion within 15 working days after accepting such local enterprise’s application and submit all application documents to MOFCOM, while MOFCOM shall decide whether or not the verification is granted within 15 working days of receipt of such preliminary opinion from the provincial department of commerce. Upon verification, the Enterprise Overseas Investment Certificate shall be issued to the investing enterprise by MOFCOM.

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

FOREIGN DEBT REGULATIONS

On 14 September 2015, the NDRC promulgated the Notice on Promoting the Reform of the Filing and Registration System for Issuance of Foreign Debt by Corporates (Fa Gai Wai Zi [2015] No 2044) (the “**NDRC Notice**”) (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), which came into effect on the same day. According to the NDRC Notice, if a PRC enterprise or an offshore enterprise controlled by a PRC enterprise wishes to issue foreign bonds with a maturity of more than one year, such enterprise must, in advance of issuing such bonds, file certain prescribed documents with the NDRC and procure a registration certificate from the NDRC in respect of such issuance (the “**Pre-Issuance Registration Certificate**”). In addition, the enterprise must also report certain details of the bonds to the NDRC within 10 working days of the completion of the bond issue (the “**Post-Issuance Filing**”). The Group obtained the Pre-Issuance Registration Certificate in respect of the offering of the Notes from the NDRC on 19 May, 2021 and which remains in full force and effect as of the date of this Offering Circular.

On 28 March 2018, MOF promulgated the Notice of the Ministry of Finance on Issues concerning Regulating the Investment and Financing Behaviors of Financial Enterprises for Local Governments and State-owned Enterprises (the “**MOF Circular 23**”), which came into effect on the same day. Under MOF Circular 23, when providing intermediary services for local government financing platform companies and other local state-owned enterprises regarding issuance of bonds at home and abroad, state-owned financial enterprises shall prudently evaluate the financial capability of fund-raisers and their source of funds for repayment. Where the source of revenue of bond-issuing enterprises involves fiscal funds, due diligence investigation shall be carried out, and the compliance and authenticity of fiscal funds shall be diligently verified. In bond prospectus and other documents, local financial revenues and expenditures, government debt data, or any other information implicitly or explicitly indicating support of government credit shall not be disclosed, and misleading publicity connecting with government credit shall be prohibited. It shall be specified in relevant transaction documents that the local government shall only assume limited liability to the extent of its amount of contribution and the relevant debts shall be repaid by local state-owned enterprises as independent legal persons.

On 11 May 2018, NDRC and MOF jointly issued 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 (the “**Joint Circular**”). Under Joint Circular, enterprises that take on foreign debts shall have materialized operations, conduct financing activities in compliance with laws after fully demonstrating the necessity of taking on such foreign debts. It is forbidden for enterprises to require or accept local governments and their subordinate departments to provide guarantees or assume debt repayment obligations for their market-oriented

financing behaviors in a variety of ways, so as to ensure that “whoever borrows, who borrows from them, who borrows them, makes prudent decisions, and takes risks at his own expense”. Further, the assets owned by such enterprises shall be of good quality, the ownership shall be clear. It is forbidden that public schools, public hospitals, public cultural facilities, parks, public squares, government office buildings, municipal roads, non-toll bridges, non-operating water conservancy facilities, non-toll pipeline network facilities, reserved land use rights and other assets relating to public interests be accounted into enterprises’ assets. It is restated that in bond prospectus and other documents, local financial revenues and expenditures, government debt data, or any other information implicitly or explicitly indicating support of government credit shall not be disclosed, and misleading publicity connecting with government credit shall be prohibited, and it shall be specified in relevant transaction documents that the local government shall only assume limited liability to the extent of its amount of contribution and the relevant debts shall be repaid by local state-owned enterprises as independent legal persons.

TAXATION

The following summary of certain tax consequences of the purchase, ownership and disposition of the Notes is based upon applicable laws, regulations, rulings and decisions in effect as at the date of this Offering Circular, all of which are subject to change (possibly with retroactive effect). This summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the 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 holder of the Notes or any person 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 the Notes.

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 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. Reference is made to PRC taxes from the taxable year beginning on or after 1 January 2008.

Enterprise Income Tax

Withholding on interest

Pursuant to the EIT Law, effective on 1 January 2008 and last amended 29 December 2018 and its implementation regulations, enterprises that are established under the laws of foreign countries and territories (including Hong Kong, Macau and Taiwan) but whose “de facto management bodies” are within the territory of PRC are treated as PRC tax resident enterprises for the purpose of the EIT Law. The implementation regulations of the EIT Law define the location of the “de facto management body” as an “organizational body which effectively manages and controls the production and business operation, personnel, accounting, properties and other aspects of operations of an enterprise.” In addition, the Notice on Issues Concerning the Determination of Chinese-controlled Enterprises Incorporated Overseas as Resident Enterprises on the Basis of Their De Facto Management Bodies issued by the STA on 22 April 2009 provides that a foreign enterprise controlled by a PRC company or a PRC company group would be classified as a “resident enterprise” with a “de facto management body” located within the PRC if all of the following requirements are satisfied: (i) the senior management and core management departments in charge of daily operations are located mainly within the PRC; (ii) financial and human resources decisions are subject to determination or approval by persons or bodies in the PRC; (iii) main assets, accounting books, company seals and minutes and files of board and shareholders’ meetings are located or kept within the PRC; and (iv) at least half of the enterprise’s directors with voting rights, or senior management, reside within the PRC.

If the relevant PRC tax authorities decide, in accordance with applicable tax rules and regulations, that the “de facto management body” of the Issuer is within the territory of the PRC, the Issuer may be held to be a PRC tax resident enterprise for the purpose of the EIT Law. As confirmed by the Issuer, as at the date of this offering circular, the Issuer has not 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.

Pursuant to the EIT Law and its implementation regulations, any non-resident enterprise without an establishment or place of business within the PRC or whose income has no connection to its establishment or place of business 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. Accordingly, in the event the Issuer is deemed to be a PRC tax resident enterprise by the PRC tax authorities in the future, the Issuer may be required to withhold income tax from the payments of interest in respect of the Notes to any non-resident enterprise holder of Notes. Further, in accordance with the Individual Income Tax Law of the PRC which took effect on 1 September 2011 and was amended on 31 August 2018 and its implementation regulations, if the Issuer is considered to be a PRC tax resident enterprise, the interest payable to the non-resident individual holder of Notes may be subject to PRC individual income tax. The tax rate is generally 10 per cent. for non-resident enterprise holders of Notes and 20 per cent. for non-resident individual holders of Notes, subject to the provisions of any applicable income tax treaty.

In addition, as the Guarantor is a PRC resident enterprise, in the event that the Guarantor is required to fulfil its obligations under the Guarantee by making interest payments on behalf of the Issuer, the Guarantor will be obliged to withhold PRC enterprise income tax at a rate of 10 per cent. on such payments to non-resident enterprise holders of Notes and 20 per cent. for non-resident individual holders of Notes if such interest payments are deemed to be derived from sources within the PRC.

Such income tax shall be withheld by the Issuer or as the case may be, the Guarantor, that is acting as the obligatory withholder and such PRC enterprise shall withhold the tax amount from each payment due. To the extent that the PRC has entered into arrangements relating to the avoidance of double taxation with any jurisdiction, such as Hong Kong, that allow a lower rate of withholding tax, such lower rate may apply to qualified non-PRC resident enterprise Noteholders. The tax so charged on interests paid on the Notes to non-PRC Noteholders who, or which are residents of Hong Kong (including enterprise holders and individual holders) as defined in the Taxation Arrangement will be 7 per cent. of the gross amount of the interest pursuant to the Taxation Arrangement and relevant interpretation of the Taxation Arrangement formulated by the STA. To enjoy this preferential tax rate of 7 per cent., the Issuer could apply, on behalf of the Noteholders, to the STA for the application of the tax rate of 7 per cent. in accordance with the Taxation Arrangement on the interest payable in respect of the Notes.

Capital gains

Under the 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 income derived from sources within the PRC. Under the EIT Law, a “non-resident enterprise” means an enterprise established under the laws of a jurisdiction other than the PRC and whose actual administrative organisation is not in the PRC, which has established offices or premises in the PRC, or which has not established any offices or premises in the PRC but has obtained income derived from sources within the PRC. There remains uncertainty as to whether the gains realised on the transfer of the Notes by enterprise holders would be treated as incomes derived from sources within the PRC and be subject to PRC enterprise income tax. In addition, under the IIT Law, any individual who has no domicile and does not live within the territory of the PRC or who has no domicile in China and does not live in China for more than 183 days in aggregate within a tax year shall pay individual income tax for any income obtained within the PRC. There is uncertainty as to whether gains realised on the transfer of the 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 per cent. enterprise income tax rate and 20 per cent. individual income tax rate will apply respectively unless there is an applicable tax treaty or arrangement that reduces or exempts such income tax. The taxable income will be the balance of the total income obtained from the transfer of the Notes minus all costs and expenses that are permitted under PRC tax laws to be deducted from the income. According to the Taxation Arrangement, Noteholders who are Hong Kong residents, including both enterprise holders and individual holders, will be exempted from PRC income tax on capital gains derived from a sale or exchange of the Notes if such capital gains are not connected with an office or establishment that the Noteholders have in the PRC and all the other relevant conditions are satisfied.

Value-add Tax

On 23 March 2016, the Ministry of Finance and the STA issued Circular 36 which confirms that business tax will be completely replaced by VAT from 1 May 2016. Since then, the income derived from the provision of financial services which attracted business tax will be entirely replaced by, and subject to, VAT.

According to Circular 36, the entities and individuals providing the services within the PRC shall be subject to VAT. The services are treated as being provided within the PRC where either the service provider or the service recipient is located in the PRC. The services subject to VAT include the provision of financial services such as the provision of loans. 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 holders of the Notes providing loans to the Issuer, which thus shall be regarded as financial services subject to VAT. If the issuer is deemed to be in the PRC by the PRC tax authorities or in the event that the Guarantor is required to fulfil its obligations under the Guarantee, the holders of the Notes maybe regarded as providing the financial services within the PRC and consequently, the holders of the Notes shall be subject to VAT at the rate of 6 per cent on VAT for payments of interest and certain other amounts on the Notes paid by the Issuer or the Guarantor (in the event that the Guarantor is required to fulfil its obligations under the Guarantee) to Noteholders that are non-resident enterprises or individuals. Given that the Issuer pays interest income to Noteholders who are located outside of the PRC, the Issuer or the Guarantor (in the event that the Guarantor is required to fulfil its obligations under the Guarantee), acting as the obligatory withholder in accordance with applicable law, shall withhold VAT from the payment of interest income to Noteholders who are located outside of the PRC.

However, there is uncertainty as to whether gains derived from a sale or exchange of Notes consummated outside of the PRC between non-PRC resident Noteholders will be subject to VAT. VAT is unlikely to be applicable to any transfer of Notes between entities or individuals located outside of the PRC and therefore unlikely to be applicable to gains realised upon such transfers of Notes, but there is uncertainty as to the applicability of VAT if either the seller or buyer of Notes is located inside the PRC. Circular 36 together with other laws and regulations pertaining to VAT are relatively new, the interpretation and enforcement of such laws and regulations involve uncertainties.

Pursuant to the EIT Law, IIT Law and the VAT reform detailed above, the Issuer or the Guarantor (in the event that the Guarantor is required to fulfil its obligations under the Guarantee) shall withhold EIT or IIT (should such tax apply) from the payments of interest in respect of the Notes for any non-PRC resident enterprise or non-PRC resident individual Noteholder and the Issuer or the Guarantor (in the event that the Guarantor is required to fulfil its obligations under the Guarantee) shall withhold VAT (should such tax apply) from the payments of interest in respect of the Notes for any Noteholders located outside of the PRC. However, in the event that the Issuer or the Guarantor (in the event that the Guarantor is required to fulfil its obligations under the Guarantee) is required to make such a deduction or withholding (whether by way of EIT, IIT, VAT or otherwise), the Issuer or the Guarantor (in the event that the Guarantor is required to fulfil its obligations under the Guarantee) has agreed to pay such additional amounts as will result in receipt by the Noteholders of such amounts after such withholding or deduction as would have been received by them had no such withholding or deduction been required.

Stamp Duty

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

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. Under the Inland Revenue Ordinance (Cap. 112) of Hong Kong (the “**Inland Revenue Ordinance**”), as

it is currently applied in the Inland Revenue Department, 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 derived from Hong Kong is received by or accrues to a corporation (other than a financial institution) carrying on a trade, profession or business in Hong Kong; or
- (ii) interest on the Notes derived from Hong Kong 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; or
- (iii) interest on the Notes is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance) 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 Inland Revenue Ordinance).

Sums derived from the sale, disposal or redemption of Notes (other than capital gains) 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. 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.

Sums received by or accrued to a financial institution by way of gains or profits arising through or from the carrying on by the financial institution of its business in Hong Kong from the sale, disposal and redemption of Notes will be subject to 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 Inland Revenue Ordinance) from the sale, disposal and redemption of Notes will be subject to profits tax.

In certain circumstances, Hong Kong profits tax exemptions may be available to certain qualifying investors. Investors are advised to consult their own tax advisors to ascertain the applicability of any exemptions to their individual positions.

Stamp Duty

No Hong Kong stamp duty will be chargeable upon the issue or transfer of a Note (for so long as the register of holders of the Notes is maintained outside Hong Kong).

UNITED STATES' FOREIGN ACCOUNT TAX COMPLIANCE ACT TAX PROVISIONS

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. 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 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 – Condition 15 (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. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

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 the Notes (including secondary market transactions) in certain circumstances.

Under the Commission’s proposal, 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 the 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.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

BRITISH VIRGIN ISLANDS

Under existing British Virgin Islands law, the Issuer is exempt from all provisions of the Income Tax Ordinance of the British Virgin Islands.

Payments of interest, principal or premium on the Notes to persons who are not resident in the British Virgin Islands are not subject to British Virgin Islands tax or withholding tax.

Capital gains realised with respect to the Notes by persons who are not persons resident in the British Virgin Islands are also exempt from all provisions of the Income Tax Ordinance of the British Virgin Islands.

No estate, inheritance, succession or gift tax, rate, duty, levy or other charge is payable by persons who are not resident in the British Virgin Islands with respect to the Notes.

All instruments relating to transactions in respect of the Notes are exempt from payment of stamp duty in the British Virgin Islands. This assumes that the Issuer does not hold an interest in real estate in the British Virgin Islands.

SUMMARY OF CERTAIN DIFFERENCES BETWEEN PRC GAAP AND IFRS

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

Accordingly, no assurance is **provided that** the following summary of differences between PRC GAAP and IFRS is complete. In making an investment decision, each investor must rely upon its own examination of the Issuer, the terms of the offering and other disclosure contained herein. Each investor should consult its own professional advisors for an understanding the differences between PRC GAAP and IFRS and/or between PRC GAAP and other generally accepted accounting principles, and how those differences might affect the financial information contained herein.

REVERSAL OF AN IMPAIRMENT LOSS

Under PRC GAAP, once an impairment loss is recognised for a long term asset (including fixed assets, intangible assets and goodwill, etc.), it shall not be reversed in any subsequent period. Under IFRS, an impairment loss recognised in prior periods for an asset other than goodwill could be reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

RELATED PARTY DISCLOSURES

Under PRC GAAP, government-related entities are not treated as related parties except such government-related entities can exercise significant influence over the reporting entity. Under IFRS, government-related entities are treated as related parties.

SUBSCRIPTION AND SALE

The Issuer and the Guarantor have entered into a subscription agreement with the Joint Lead Managers dated 16 February 2022 (the “**Subscription Agreement**”), pursuant to which and subject to certain conditions contained therein, the Issuer and the Guarantor have undertaken, among other things, that the Notes will be issued on 23 February 2022 (the “**Closing Date**”), and the Joint Lead Managers have agreed, severally and not jointly, with the Issuer to subscribe and pay for, or procure subscribers to subscribe and pay for, the Notes at an issue price of 100.0 per cent. of their principal amount in the amount set forth opposite its name below:

	Principal Amount of the Notes to be subscribed
	<i>(EUR)</i>
Joint Lead Managers	
ICBC International Securities Limited	170,000,000
Bank of China Limited	170,000,000
Deutsche Bank AG, Hong Kong Branch	170,000,000
ABC Capital Limited	170,000,000
Industrial and Commercial Bank of China (Europe) S.A.	20,000,000
China Construction Bank (Asia) Corporation Limited	20,000,000
Industrial and Commercial Bank of China (Asia) Limited	20,000,000
The Hongkong and Shanghai Banking Corporation Limited.	20,000,000
CEB International Capital Corporation Limited	20,000,000
CLSA Limited	20,000,000
China Securities (International) Corporate Finance Company Limited	20,000,000
Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch	20,000,000
China CITIC Bank International Limited	20,000,000
CMB Wing Lung Bank Limited.	20,000,000
DBS Bank Ltd.	20,000,000
China International Capital Corporation Hong Kong Securities Limited	20,000,000
Huatai Financial Holdings (Hong Kong) Limited	20,000,000
Standard Chartered Bank.	20,000,000
UBS AG Hong Kong Branch.	20,000,000
Natixis.	20,000,000
TOTAL	1,000,000,000

The Subscription Agreement provides that the Issuer (failing which, the Guarantor) has agreed to pay the Joint Lead Managers certain fees and underwriting commissions, to reimburse the Joint Lead Managers for certain of their expenses in connection with the initial sale and distribution of the Notes, and the Issuer and the Guarantor will jointly and severally indemnify the Joint Lead Managers against certain liabilities in connection with the offer and sale of the Notes. The Subscription Agreement provides that the obligations of the Joint Lead Managers are subject to certain conditions precedent, and entitles the Joint Lead Managers to terminate it in certain circumstances prior to payment being made to the Issuer.

The Joint Lead Managers and their respective subsidiaries and affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Joint Lead Managers and certain of the Guarantor’s subsidiaries or affiliates may have, performed certain investment banking and advisory services for, and entered into certain commercial banking transactions with the Issuer, the Guarantor or any member of the Group and/or their respective subsidiaries and affiliates, from time to time, for which they have received customary fees and expenses. The Joint Lead Managers and their respective subsidiaries or affiliates may, from time to time, engage in transactions with and perform services for the Issuer, the Guarantor or any member of the Group and/or the Guarantor’s subsidiaries and affiliates in the ordinary course of their business.

The Joint Lead Managers and their respective affiliates may purchase the Notes and be allocated Notes for asset management and/or proprietary purposes but not with a view to distribution. References herein to the Notes being offered should be read as including any offering of the Notes to the Joint Lead Managers and/or their respective affiliates acting in such capacity. In the ordinary course of their various business activities, the Joint Lead Managers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Issuer. Such persons do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

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

No action has been or will be taken that would, or is intended to, permit a public offering of the Notes, or the possession or distribution of this Offering Circular or any amendment or supplement thereto or any offering or publicity material relating to the Notes, in any country or jurisdiction where action for that purpose is required.

Accordingly, the Notes should not be offered or sold, directly or indirectly, and neither this Offering Circular nor any other offering material, circular, prospectus, form of application or advertisement in connection with the Notes should be distributed or published in or from any jurisdiction, except in circumstances which will result in compliance with any applicable laws and regulations and will not, save as disclosed in this Offering Circular, impose any obligations on the Issuer, the Guarantor or the Joint Lead Managers.

If a jurisdiction requires that the offering of the Notes be made by a licensed broker or dealer and the Joint Lead Managers or any of their respective affiliates is a licensed broker or dealer in that jurisdiction, the offering of the Notes shall be deemed to be made by the Joint Lead Managers or their respective affiliates on behalf of the Issuer in such jurisdiction.

GENERAL

The Notes are a new issue of securities with no established trading market. No assurance can be given as to the liquidity of any trading market for the Notes.

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

No action has been taken or will be taken in any jurisdiction that would permit a public offering of the Notes, or possession or distribution of this Offering Circular or any amendment or supplement thereto or any other offering or publicity material relating to the Notes, in any country or jurisdiction where action for that purpose is required.

UNITED STATES

The Notes and the Guarantee of the Notes 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 may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Each of the Joint Lead Managers has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Notes within the United States or to, or for the account or benefit of, U.S. persons.

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

UNITED KINGDOM

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

- (a) *Financial promotion*: it has only communicated or caused to be communicated, and will only communicate or cause to be communicated, any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the “**FSMA**”)) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and
- (b) *General compliance*: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS

Each of the Joint Lead Managers has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the European Economic Area. For the purposes of this provision, 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 2002/92/EC (as amended, the “**Insurance Mediation Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

PROHIBITION OF SALES TO UK RETAIL INVESTORS

Each of the Joint Lead Managers has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the United Kingdom. For the purposes of this provision, the expression “retail investor” means a person who is one (or more) of the following:

- (a) 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
- (b) 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.

HONG KONG

Each Joint Lead Manager has represented and agreed that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “SFO”) and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the “C(WUMP)O”) or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the 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 the 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.

SINGAPORE

Each Joint Lead Manager has acknowledged that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Joint Lead Manager has represented, warranted and agreed 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 the 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.

THE PRC

Each of the Joint Lead Managers has represented and agreed that the Notes will not be offered or sold directly or indirectly in the PRC or to residents of the PRC unless such offer or sale is made in compliance with all applicable laws and regulations of the PRC.

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, accordingly, each Joint Lead Manager represents, warrants and undertakes 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 (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended) 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 other applicable laws, regulations and ministerial guidelines of Japan.

BRITISH VIRGIN ISLANDS

Each of the Joint Lead Managers has represented, warranted and agreed that no invitation has been made or will be made, directly or indirectly, to any person in the British Virgin Islands or to the public in the British Virgin Islands to purchase the Notes and the Notes have not been offered or sold, and will not be offered or sold, directly or indirectly, in the British Virgin Islands, except as otherwise permitted by the British Virgin Islands law.

This Offering Circular does not constitute, and there will not be, an offering of the Notes to any person in the British Virgin Islands.

GENERAL INFORMATION

CLEARING SYSTEM AND SETTLEMENT

The Notes have been accepted for clearance through the facilities of Euroclear and Clearstream under ISIN of XS2445374213 and Common Code of 244537421.

LEI

The Issuer's Legal Entity Identifier (LEI) is 549300V04KQG313EMG84.

AUTHORISATIONS

The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue of the Notes and the execution, delivery and performance of its obligations under the Notes, the Trust Deed and the Agency Agreement. The issue of the Notes was authorised by the resolutions of the board of directors of the Issuer on 31 December 2021. BVI counsels to the Issuer have advised that no other approvals or consents are required from any regulatory authorities or other relevant authorities in the BVI for the Issuer to issue the Notes.

The Guarantor has obtained all necessary consents, approvals and authorisations in connection with the giving of the Guarantee of the Notes and the execution, delivery and performance of its obligations under the Trust Deed, the Deed of Guarantee and the Agency Agreement. The giving of the Guarantee of the Notes was authorised by the resolutions of the Management Committee of the Guarantor on 23 February 2021. The Guarantor will file or cause to be filed with SAFE the Deed of Guarantee within 15 PRC Business Days after the Issue Date in accordance with the Provisions on the Foreign Exchange Administration of Cross-Border Guarantees (跨境擔保外匯管理規定) promulgated by SAFE on 12 May 2014 which came into effect on 1 June 2014 (the "**Cross-Border Security Registration**"). The Guarantor shall use its best endeavours to complete the Cross-Border Security Registration and obtain a registration certificate from SAFE (or any other document evidencing the completion of registration issued by SAFE) on or before the SAFE Registration Deadline (being 150 business days of the PRC after the Issue Date) and comply with all applicable PRC laws and regulations in relation to the Guarantee of the Notes. Pursuant to the NDRC Circular, the Guarantor has registered the issuance of the Notes with the NDRC and obtained a certificate from the NDRC on 19 May 2021 evidencing such registration, which as of the date of this Offering Circular, remains valid and in full force and effect and intends to provide the requisite information about the issuance of the Notes to the NDRC within the prescribed timeframe in accordance with the NDRC Circular after the Issue Date.

LITIGATION

There are no legal or arbitration proceedings against or affecting the Issuer, the Guarantor, any Non-entrusted Subsidiary or any of their assets, and each of the Issuer and the Guarantor is not 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 of the Notes.

NO MATERIAL ADVERSE CHANGE

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, the Guarantor or any Non-entrusted Subsidiary since 31 December 2020.

DOCUMENTS AVAILABLE

So long as any of the Notes is outstanding, copies of the following documents will be available for inspection during normal business hours at the principal office of the Guarantor in the PRC at 35 Jinshifang Street, Xicheng District, Beijing, China and at the specified office of the Trustee during normal business hours:

- the Trust Deed;
- the Deed of Guarantee;
- the Agency Agreement;
- the Guarantor's 2021 Interim Financial Statements;
- the Guarantor's Audited Financial Statements; and
- the Issuer's Audited Financial Statements.

FINANCIAL STATEMENTS

The audited consolidated financial statements of the Issuer as at and for the years ended 31 December 2019 and 2020, which are included elsewhere in this Offering Circular, have been audited by Grant Thornton. The financial statements of the Guarantor (consolidated and unconsolidated) as at and for the years ended 31 December 2019 and 2020 and the unaudited but reviewed financial statements of the Guarantor (consolidated and unconsolidated) as at and for the six months ended 30 June 2021, which are included elsewhere in this Offering Circular, have been audited or, as the case may be, reviewed by Grant Thornton.

LISTING

Application will be made to the Hong Kong Stock Exchange for the listing of the Notes by way of debt issues to Professional Investors only. It is expected that dealing in, and listing of, the Notes on the Hong Kong Stock Exchange will commence on 24 February 2022.

Application will be made to the Frankfurt Stock Exchange for the Notes to be admitted to trading in the Quotation Board of the Open Market (*Freiverkehr*) at the Frankfurt Stock Exchange and the Notes will be available for trading on the China Europe International Exchange AG (CEINEX).

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**BEIJING STATE-OWNED CAPITAL
OPERATION AND MANAGEMENT CENTER
FOR THE SIX MONTHS ENDED JUNE 30, 2021
INTERIM REVIEW REPORT**

Grant Thornton

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Interim Review Report

GTCSZ (2022) No.110A000021

To Beijing State-owned Capital Operation and Management Center:

We have reviewed the accompanying interim financial statements of Beijing State-owned Capital Operation and Management Center (hereinafter "the Company"), which comprise the consolidated and company balance sheets as at June 30, 2021, and consolidated and company income statements, consolidated and company cash flow statements and consolidated and company statement of changes in owners' equity for the six months period then ended and notes to the financial statements. Management of the Company is responsible for the preparation of these interim financial statements in accordance with Accounting Standards for Business Enterprises. Our responsibility is to express a conclusion on these interim financial statements based on our review.

We conducted our review in accordance with <Chinese Certified Public Accountants Review Standards No. 2101 – Financial Statements Review>. Those standards require that we plan and perform the review to obtain limited assurance about whether the financial statements are free of material misstatement. A review is limited to inquire the Company's personnel concerned and analytical procedures on the financial statements data. The degree of assurance provided is less than an audit, and we did not perform an audit, accordingly we do not express an audit opinion.

Based on our review, we are not aware of any matters to cause us believe that the consolidated and company financial statements were not prepared in accordance with Accounting Standards for Business Enterprises and their financial positions as at June 30, 2021, and their financial performance and cash flows for the six months period then ended, in all material respects, were not presented fairly in accordance with Accounting Standards for Business Enterprises.



Beijing, China

CIPCA signature and stamp

CIPCA signature and stamp



January 5, 2022



Consolidated and Company Balance Sheets

As at June 30, 2021

Prepared by: Beijing State-owned Capital Operation and Management Center

Expressed in RMB

Item	Note	Closing balance		Beginning balance	
		Consolidated	Company	Consolidated	Company
Current assets:					
Cash and bank	VII.1	384,209,906,328.56	17,234,309,215.38	372,963,158,228.11	17,092,398,702.90
△ Settlement provisions		495,809,198.54		721,676,592.95	
△ Lending to banks and other financial institutions					
☆ Trading financial assets	VII.2	39,697,684,072.30		50,545,166,774.52	4,399,194,100.45
Financial assets at fair value through profit or loss					
Derivative financial assets		108,238,087.39			
Notes receivable		12,841,014,797.12		15,880,513,830.97	
Accounts receivable	VII.3	130,757,410,640.51	95,452,341.21	101,857,246,355.76	96,343,249.87
☆ Receivable financing	VII.4	22,304,940,432.86		20,604,466,193.79	
Prepayments	VII.5	31,232,784,655.48	37,597,267.19	25,613,899,959.41	468,063.98
△ Insurance premium receivables					
△ Reinsurance receivables					
△ Contract reserve of reinsurance receivable					
Other receivables	VII.6	91,984,580,520.11	1,439,463,241.43	86,019,787,588.41	670,797.55
Including: Dividends receivable	VII.6	2,443,891,296.36	1,188,835,881.38	1,312,125,528.32	
△ Financial assets purchased under agreement to resell		800,003,700.00			
Inventories	VII.7	598,810,357,466.33		609,046,083,101.57	
Including: Raw materials	VII.7	31,320,630,085.16		29,475,544,667.29	
Merchandise inventories(finished goods)	VII.7	175,265,481,461.26		157,586,821,089.81	
☆ Contract assets		6,365,228,835.49		5,040,841,473.02	
Assets held-for-sale		579,127,845.77		855,742,253.79	
Non-current asset due within one year		10,701,534,931.76	912,650,000.00	12,125,125,427.54	412,650,000.00
Other current assets	VII.8	47,997,019,071.78	119,751.03	49,291,230,049.35	159,181.10
Total current assets		1,378,885,640,584.00	19,719,591,816.24	1,350,564,937,829.19	22,001,884,095.85
Non-current assets:					
△ Loans and advances		15,403,029,768.32		15,015,386,128.07	
☆ Debts investment		2,817,751,613.01	3,701,030,313.64	1,988,955,123.34	3,014,780,591.41
Available-for-sale financial assets					
☆ Other debts investment		82,488,654.81		82,467,830.13	
Held-to-maturity investments					
Long-term receivables	VII.9	19,409,184,566.43	30,000,000.00	16,196,331,179.48	30,000,000.00
Long-term equity investments	VII.10	234,483,762,612.16	286,553,318,772.10	224,386,135,036.73	286,199,318,302.72
☆ Other equity instruments investment	VII.11	180,565,901,371.73	85,614,133,393.01	158,560,427,209.02	80,303,261,531.43
☆ Other non-current financial assets	VII.12	31,185,420,269.64	3,474,849,903.57	25,096,100,950.77	3,507,555,591.72
Investment properties	VII.13	105,227,668,647.28	3,095,461,375.95	109,788,218,970.12	3,128,813,388.27
Fixed assets	VII.14	870,638,750,278.97	383,150,615.61	859,893,166,990.76	387,896,999.25
Construction in progress	VII.15	191,165,770,377.35		181,001,446,075.56	
Productive biological assets		1,996,786,846.07		1,901,889,033.41	
Oil and gas assets					
☆ Right-of-use assets	VII.16	16,551,913,460.08		16,117,381,396.26	
Intangible assets	VII.17	150,315,178,426.76	4,507,281.98	154,107,985,403.69	6,289,363.34
Development costs		15,622,198,385.56		14,649,298,569.08	
Goodwill		12,734,992,382.75		13,673,731,692.40	
Long-term deferred expenses		13,433,566,345.63		12,817,247,506.64	
Deferred tax assets	VII.18	27,822,175,031.03		27,238,687,813.45	
Other non-current assets	VII.19	29,758,448,306.85		34,059,394,831.96	
Including: authorised reserve materials					
Total non-current assets		1,919,214,987,344.43	382,856,451,655.86	1,866,574,251,740.87	376,577,915,768.14
Total assets		3,298,100,627,928.43	402,576,043,472.10	3,217,139,189,570.06	398,579,799,863.99



Consolidated and Company Balance Sheets (Continued)

As at June 30, 2021

Prepared by: Beijing State-owned Capital Operation and Management Center

Expressed in RMB

Item	Note	Closing balance		Beginning balance	
		Consolidated	Company	Consolidated	Company
Current liabilities:					
Short-term loans	VII.20	214,486,119,261.01		245,070,462,877.18	
△ Loans from central bank					
△ Placement from banks and other financial institutions					
☆ Trading financial liabilities		1,297,200.00		206,682.35	
Financial liabilities at fair value through profit or loss					
Derivative financial liability		385,872,622.74		679,541,859.12	
Notes payable	VII.21	33,460,519,751.69		36,278,547,681.65	
Accounts payable	VII.22	223,247,785,684.18	2,043,600.06	206,221,466,868.97	2,354,822.89
Advances from customers		12,165,870,365.48		17,466,458,443.94	
☆ Contract liabilities	VII.23	167,821,961,045.48		168,909,064,590.40	
△ Financial assets sold under agreement to repurchase		909,593,111.21			
△ Absorbing deposit and interbank deposit		4,920,360,920.95		6,116,763,499.46	
△ Securities brokerage agency					
△ Securities underwriting agency					
Employee benefits payable		14,529,858,760.37	227,234.01	15,258,466,083.69	1,534,634.89
Including: Salary payable		7,327,657,922.52		9,185,789,591.53	
Welfare benefits payable		153,751,037.74		180,541,214.80	
#Including: Staff bonus and welfare funds		4,577,060.38		15,724,313.82	
Taxes and surcharges payable	VII.24	17,269,590,861.90	1,465,977.53	23,112,137,343.39	282,983,327.54
Including: Taxes payable	VII.24	16,326,941,642.9	1,417,252.48	22,201,446,342.08	281,957,531.68
Other payables	VII.25	178,909,269,788.99	1,323,379,476.55	186,218,358,340.61	1,126,514,622.93
Including: Dividends payable	VII.25	2,721,482,964.49		1,573,662,847.20	
△ Fees and commissions payable					
△ Reinsurance payable					
Liabilities held-for-sale				2,582,059.96	
Non-current liabilities due within one year	VII.26	185,317,644,795.89	12,157,000,611.73	194,035,217,050.30	12,804,284,652.26
Other current liabilities	VII.27	77,218,637,916.45	4,035,465,120.55	75,406,376,762.48	3,017,152,362.53
Total current liabilities		1,130,644,382,086.34	17,519,582,020.43	1,174,775,650,143.50	17,234,824,423.04
Non-current liabilities:					
△ Reserve of insurance contract					
Long-term loans	VII.28	536,669,011,163.11	7,727,596,500.00	498,053,869,211.90	7,658,368,250.00
Bonds payable	VII.29	274,510,717,403.60	41,782,573,626.67	276,795,630,685.35	38,786,501,480.19
Including: Preferred shares					
Perpetual bonds					
☆ Lease liabilities		10,971,162,532.60		11,285,844,158.28	
Long-term payables	VII.30	130,389,693,163.86	12,483,100,449.80	116,646,733,549.79	12,524,811,376.74
Long-term employee benefits payable		3,404,414,951.87		3,437,735,710.30	
Provisions		5,454,974,987.24		5,133,600,136.68	
Deferred income	VII.31	38,159,214,712.64		33,224,865,774.87	
Deferred tax liabilities	VII.18	18,351,751,415.28	1,329,372,180.16	17,235,472,619.19	1,329,425,522.62
Other non-current liabilities		5,916,362,753.87		7,622,755,762.07	
Including: authorized reserve fund					
Total non-current liabilities		1,023,827,303,084.07	63,322,642,756.63	969,436,507,608.43	60,299,106,629.55
Total liabilities		2,154,471,685,170.41	80,842,224,777.06	2,144,212,157,751.93	77,533,931,052.59
Equity:					
Paid-in capital	VII.32	38,934,077,526.58	38,934,077,526.58	38,934,077,526.58	38,934,077,526.58
State-owned capital	VII.32	38,934,077,526.58	38,934,077,526.58	38,934,077,526.58	38,934,077,526.58
State-owned legal person's capital					
Collectively owned capital					
Private capital					
Foreign capital					
#Less: Repatriated capital					
Paid-in capital-net value	VII.32	38,934,077,526.58	38,934,077,526.58	38,934,077,526.58	38,934,077,526.58
Other equity instruments					
Capital reserve	VII.33	355,037,831,897.80	267,138,741,602.91	350,781,145,217.95	266,471,850,019.04
Less: Treasury shares					
Other comprehensive income		28,351,034,401.70	3,640,015,747.36	13,228,295,032.64	3,639,962,404.90
Including: Currency translation reserve		-1,781,778,769.75		-1,066,294,811.60	
Special reserve	VII.34	2,208,480,706.03		1,979,230,331.60	
Surplus reserve	VII.35	5,091,746,949.50	5,091,746,949.50	5,091,746,949.50	5,091,746,949.50
Including: Statutory surplus reserve	VII.35	5,091,746,949.50	5,091,746,949.50	5,091,746,949.50	5,091,746,949.50
△ General risk reserve		1,027,027,464.42		1,027,027,464.42	
Undistributed profits	VII.36	137,822,170,447.22	6,929,236,868.68	134,783,161,791.24	6,908,231,911.38
Equity attributable to parent company		568,472,369,393.25	321,733,818,695.04	545,824,684,313.93	321,045,868,811.40
* Minority interests		575,156,573,364.77		527,102,347,504.20	
Total owner's equity		1,143,628,942,758.02	321,733,818,695.04	1,072,927,031,818.13	321,045,868,811.40
Total liabilities and owner's equity		3,298,100,627,928.43	402,576,043,472.10	3,217,139,189,570.06	398,579,799,863.99

Legal representative:

Person in charge of accounting affairs:

Head of the accounting department:



Consolidated and Company Income Statements

Prepared by: Beijing State-owned Capital Operation and Management Center

Expressed in RMB

Item	Note	Six months ended June 30, 2021		Six months ended June 30, 2020	
		Consolidated	Company	Consolidated	Company
I.Total operation revenue		665,700,615,536.84	150,755,736.91	487,873,800,393.49	173,377,488.50
Including: Operating revenue	VII.37	664,865,686,133.42	150,755,736.91	487,168,245,295.80	173,377,488.50
△ Interest income		829,286,438.69		701,904,942.61	
△ Insurance gained					
△ Fees and commissions income		5,642,964.73		3,650,155.08	
II.Total operation cost		619,415,104,560.86	1,109,931,678.24	479,801,032,788.44	1,058,648,870.80
Including: operating cost	VII.37	534,653,376,789.43	33,352,012.32	402,836,776,164.03	33,352,012.32
△ Interest expenses		36,399,697.77		39,866,891.06	
△ Fees and commissions expenses		5,840,292.26		4,136,063.35	
△ Cash surrender amount					
△ Net amount of expense of compensation					
△ Net provisions for insurance contract reserves					
△ Dividends of insurance contract					
△ Reinsurance expenses					
Taxes and surcharges		12,122,608,388.31	28,778,187.32	10,731,860,998.91	30,551,851.87
Selling expenses	VII.38	19,704,224,586.45		19,578,313,043.94	
Administrative expenses	VII.39	26,076,745,378.45	69,214,665.45	22,333,318,530.77	60,007,758.14
Research and development costs	VII.40	9,436,434,118.56	322,103.48	6,207,361,836.38	
Finance expenses	VII.41	17,379,475,309.63	978,264,709.67	18,069,399,260.00	934,737,248.47
Including: Interest expenses	VII.41	25,348,297,558.30	1,267,514,270.66	26,406,934,163.29	1,136,803,260.79
Interest income	VII.41	3,022,153,094.47	323,639,616.22	3,271,669,322.19	242,397,308.93
Other					
Add: Other income	VII.42	6,285,811,171.00	111,863.31	5,954,416,560.36	800,000.00
Investment income ("-" for loss)	VII.43	11,990,344,455.20	4,925,607,442.28	7,316,665,528.61	1,200,457,784.51
△ Gain on foreign exchange ("-" for loss)		-380,274.64		1,139,631.33	
☆ Gain from net exposure of hedge ("-" for loss)					
Gains from changes of fair value ("-" for loss)		939,289,535.81		4,370,288,235.00	
☆ Credit impairment losses ("-" for loss)		-1,695,572,463.12		-312,805,506.04	
Assets impairment loss ("-" for loss)	VII.44	-9,593,313,728.30		-2,544,891,498.83	
Gain from disposal of assets ("-" for loss)		504,778,215.24		608,860,633.11	
III.Operating profits("-" for loss)		54,716,467,887.17	3,966,543,364.26	23,466,441,188.59	315,986,402.21
Add: Non-operating income		1,729,076,448.88	330,843.20	1,296,504,149.83	
Including: Government grants		49,967,165.87		157,614,226.73	
Less: Non-operating expenses		2,227,418,199.82	8,002,279.56	635,464,664.61	347,374.94
IV.Profit before tax("-" for loss)		54,218,126,136.23	3,958,871,927.90	24,127,480,673.81	315,639,027.27
Less: Income tax expenses	VII.45	14,918,861,667.51	145,895,432.13	8,474,936,275.23	28,764,533.21
V.Net profit("-" for net loss)		39,299,264,468.72	3,812,976,495.77	15,652,544,398.58	286,874,494.06
(I) Classified by attribution to ownership					
1. Net profit attributable to owners of the parent		6,612,925,584.04	3,812,976,495.77	3,595,208,560.68	286,874,494.06
2. Net profit attributable to minority interests		32,686,338,884.68		12,057,335,837.90	
(II) Classified by continuity of operations					
Net profit from continuing operations ("-" for loss)		39,299,264,468.72	3,812,976,495.77	15,653,156,333.58	286,874,494.06
Net profit from discontinued operations ("-" for loss)				-611,935.00	
VI. Other comprehensive income - after tax		16,650,529,784.55	53,342.46	-2,749,819,963.64	-4,935,227.91
Other comprehensive income - after tax attributable to owners of the parent		15,604,818,948.44	53,342.46	-2,743,281,024.17	-4,935,227.91
Other comprehensive income - after tax attributable to minority interests		1,045,710,836.10		-6,538,939.47	
VII. Total comprehensive income		55,949,794,253.27	3,813,029,838.23	12,902,724,434.94	281,939,266.15
Total comprehensive income attributable to owners of the parent		22,217,744,532.48	3,813,029,838.23	851,927,536.51	281,939,266.15
Total comprehensive income attributable to minority interests		33,732,049,720.79		12,050,796,898.43	

Legal representative:

Person in charge of accounting affairs:

Head of the accounting department:



Consolidated and Company Cash Flow Statements

Prepared by: Beijing State-owned Capital Operation and Management Center

Expressed in RMB

Item	Note	Six months ended June 30, 2021		Six months ended June 30, 2020	
		Consolidated	Company	Consolidated	Company
I. Cash flows from operating activities:					
Cash received from sales and services		691,778,880,258.19	165,020,493.27	510,343,412,401.28	192,182,988.92
△ Net increase in deposits and placements from financial institutions		-291,962,166.31		-1,078,524,792.38	
△ Net increase in due to central banks		371,556,117.87			
△ Net increase in placement from financial institutions					
△ Cash received from premiums of original insurance contracts					
△ Net amount of reinsurance business					
△ Net increase in insured's deposits and investments					
△ Net increase in disposal of financial assets at fair value through profit or loss					
△ Cash received from interests, fees and commissions		2,067,042,109.10		772,876,535.89	
△ Net increase of placement from banks and other financial institutions					
△ Net increase in repurchasing		-644,410,588.79		678,315,912.51	
△ Net cash received on behalf of investors in securities					
Refund of taxes and surcharge		9,264,810,887.31		6,997,841,883.98	
Other cash receipts related to operating activities		97,344,043,843.99	1,126,659,087.03	90,820,572,636.19	698,864,916.81
Total cash inflows from operating activities		799,889,960,461.36	1,291,679,580.30	608,534,494,577.47	891,047,905.73
Cash paid for goods and services		507,109,977,433.41		409,756,208,375.86	
△ Net increase in loans and advances		5,090,542,992.52		2,852,506,953.53	
△ Net increase in deposits with central banks and other financial institutions		96,378,436.58		443,758,335.23	
△ Cash paid for claim settlements on original insurance contracts					
△ Net increase in lending to banks and other financial institutions					
△ Cash paid for interest, fees and commissions		77,275,721.00		43,743,054.55	
△ Cash paid for insurance policy dividends					
Cash paid to and on behalf of employees		46,235,675,159.80	56,947,728.07	37,815,439,614.64	48,157,340.28
Cash payments for taxes and surcharges		55,218,058,842.09	472,486,228.61	45,582,461,653.77	142,303,654.07
Other cash payments related to operating activities		100,700,550,673.71	924,985,902.37	106,671,827,494.27	339,421,135.76
Total cash outflows from operating activities		714,528,459,259.11	1,454,419,859.05	603,165,945,481.85	529,882,130.11
Net cash flows from operating activities		85,361,501,202.25	-162,740,278.75	5,368,549,095.62	361,165,775.62
II. Cash flows from investing activities					
Cash received from withdraw of investments		32,388,014,525.67	303,205,998.45	33,387,576,460.80	1,471,749,173.83
Cash received from investment income		7,274,016,441.61	3,730,194,504.78	4,412,111,360.33	1,784,770,308.47
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		2,678,452,550.81		699,912,653.43	
Net cash received from disposal of subsidiaries and other business units		1,436,500,063.93		130,644,524.38	
Other cash receipts related to investing activities		17,692,537,154.32	4,390,000,000.00	27,829,361,247.38	4,858,000,000.00
Total cash inflows from investing activities		61,469,520,736.34	8,423,400,503.23	66,459,606,246.32	8,114,519,482.30
Cash paid for fixed assets, intangible assets and other long-term assets		56,011,478,933.18	1,550,588.00	50,438,832,049.83	2,490,022.00
Cash payments for investments		41,669,171,436.07	6,705,188,348.83	39,608,483,162.45	2,084,131,408.31
△ Net increase in pledged loans					
Net cash paid for acquiring subsidiaries and other business units		152,917,639.32		2,449,804,948.82	
Other cash payments related to investing activities		8,377,044,333.82	761,000.00	44,564,703,528.41	3,276,149,888.89
Total cash outflows from investing activities		106,210,612,342.39	6,707,499,936.83	137,061,823,689.51	5,362,771,319.20
Net cash flows from investing activities		-44,741,091,606.05	1,715,900,566.40	-70,602,217,443.19	2,751,748,163.10
III. Cash flows from financing activities					
Cash received from investments by others		28,693,534,918.11		24,366,207,369.16	
Including: Cash received by subsidiaries from minority shareholders' investments		28,185,364,588.45		19,581,921,719.82	
Cash received from borrowings		354,487,395,308.71	23,553,100,000.00	444,037,999,972.77	13,000,000,000.00
Other cash receipts related to other financing activities		14,524,079,018.20		40,681,743,531.85	
Total cash inflows from financing activities		397,705,009,245.02	23,553,100,000.00	509,085,950,873.78	13,000,000,000.00
Cash repayments for debts		371,938,801,518.94	20,385,710,926.94	345,289,699,435.04	5,480,000,000.00
Cash payments for distribution of dividends, profit or interest expenses		37,066,749,391.53	4,691,580,456.94	30,349,287,746.05	1,106,396,482.61
Including: Dividends or profit paid by subsidiaries to minority shareholders		1,311,069,771.01		1,137,130,478.94	
Other cash payments related to financing activities		18,300,548,358.75	48,135,635.98	17,518,299,156.79	64,517,076.47
Total cash outflows from financing activities		427,306,099,269.22	25,125,427,019.86	393,157,286,337.88	6,650,913,559.08
Net cash flows from financing activities		-29,601,090,024.20	-1,572,327,019.86	115,928,664,535.90	6,349,086,440.92
IV. Effect of foreign exchange rate changes on cash and cash equivalents					
		-322,329,352.85		1,076,791,291.84	
V. Net increase in cash and cash equivalents					
		10,696,990,219.15	-19,166,732.21	51,771,787,480.17	9,462,000,379.64
Add: Cash and cash equivalents at beginning of year		339,480,265,819.99	16,731,930,559.85	295,025,652,637.95	7,956,590,654.22
VI. Cash and cash equivalent at year end		350,177,256,039.14	16,712,763,827.64	346,797,440,118.12	17,418,591,033.86

Legal representative:

Person in charge of accounting affairs:

Head of the accounting department:



Consolidated Statement of Changes in Owners' Equity

Prepared by Beijing State-owned Capital Operation and Management Center

Expressed in RMB

Item	For the six months ended June 30, 2021		Owner's equity attributable to the parent company										Total owner's equity	
	1	2	3	4	5	6	7	8	9	10	11	12		13
	End-in capital	Premium shares	Perpetual bonds	Other	Capital reserve	Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Δ General risk provision	Undistributed profits	Subtotal	Minority interests	
I. Balance at end of previous year	38,934,977,528.58				346,554,726,727.19		14,474,502,033.83	1,879,230,331.60	4,996,310,225.83	1,027,027,464.42	124,436,702,091.94	532,402,763,314.49	827,318,700,338.75	1,659,721,486,650.24
Adj: Changes in accounting policies					4,184,313,587.24		-1,246,207,001.19		95,236,723.57		10,350,493,126.87	13,383,836,436.69	-216,352,834.55	13,167,483,601.94
Correction of errors														
Others					42,094,903.52						-4,033,337.57	38,061,565.95		38,061,565.95
II. Balance in beginning of year	38,934,977,528.58				350,751,145,217.95		13,228,295,032.64	1,879,230,331.60	5,091,746,949.50	1,027,027,464.42	134,783,181,791.24	545,824,684,313.93	827,102,347,504.20	1,672,827,831,818.13
III. Movement over the year ("+" for decrease)					4,256,686,679.85		15,127,739,889.06	229,250,374.43			3,032,968,555.98	22,647,685,079.32	48,054,228,866.57	70,701,919,939.80
(I) Owner's contributions and decrease of capital							15,604,818,948.44				6,612,925,984.04	22,217,744,532.48	33,732,049,729.79	55,949,794,253.27
(II) Owner's contributions and decrease of capital														
1. Capital contribution from owner														
2. Increase in owner's equity resulted from other equity instruments							-107,408.88	2,540,892.27			-69,451,944.15	1,008,202,519.00	2,983,985,614.88	3,912,197,533.88
3. Increase in owner's equity resulted from share-based payments														
4. Others					569,369,313.20		-107,408.88					569,369,313.20	301,153,824.11	870,543,137.31
(III) Special reserve appropriation and usage					2,675,094,847.65			2,540,892.27			-69,451,944.15	2,612,079,866.89	5,530,140,217.55	8,142,217,104.44
1. Appropriation to special reserves								226,709,862.16				226,709,862.16	170,951,553.36	397,261,235.52
2. Usage of special reserves								420,725,893.98				420,725,893.98	344,824,306.50	765,550,200.08
(IV) Profit distribution								-194,016,211.42			-3,983,725,128.26	-194,016,211.42	-174,272,753.14	-368,288,964.56
1. Appropriation for surplus reserve														
Includes: Statutory surplus reserve														
Discretionary surplus reserve														
2. Appropriation for general risks														
3. Distribution to owners (or owners)														
4. Others														
(V) Inter-account movements in owners' equity														
1. Capital surplus transfer to capital														
2. Surplus reserve transfer to capital														
3. Surplus reserve transfer to other equity instruments														
4. Surplus reserve transfer to other equity instruments														
5. Surplus reserve transfer to other equity instruments														
6. Others														
Δ 5. Other comprehensive income transfer to retained														
6. Others														
IV. Closing balance of current year	38,934,977,528.58				355,037,811,877.80		28,351,034,461.70	2,208,480,706.03	5,091,746,949.50	1,027,027,464.42	137,823,170,447.22	568,472,369,393.23	875,156,573,364.77	1,443,628,942,758.02

Person in charge of accounting affairs:

Head of the accounting department:

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Consolidated Statement of Changes in Owners' Equity (Continued)

Expressed in RMB

For the six months ended June 30, 2021

Item	Row	Owner's equity attributable to the parent company										Subtotal	Minority interests	Total owner's equity
		Six months ended June 30, 2020												
		15	16	17	18	19	20	21	22	23	24			
Column	Preferred shares	Perpetual bonds	Other equity instruments	Capital reserve	Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk provision	Undistributed profits				
I. Balance at end of previous year	1	38,803,577,526.58			336,876,164,692.82		10,796,152,829.86	1,863,295,691.83	4,401,476,896.08	924,336,096.58	116,462,705.48	510,358,756,836.79	458,536,421,008.79	969,895,177,845.58
Add: Changes in accounting policies	2						-74,967.13							
Correction of errors	3													
Others	4													
II. Balance in beginning of year	5	38,803,577,526.58			336,876,164,692.82		10,796,077,862.73	1,863,295,691.83	4,401,476,896.08	924,336,096.58	116,475,444,675.14	458,536,421,008.79	970,211,665,683.93	
III. Movement over the year ⁽¹⁾ , "for decrease"	6						-4,833,421,345.19	78,790,337.15			3,795,276,433.27	2,801,616,191.23	33,131,132,459.27	
(1) Total comprehensive income for the year	7													
(II) Owner's contributions and decrease of capital	8						-2,743,281,024.17				3,565,208,560.68	12,050,796,898.43	12,902,724,434.94	
1. Capital contribution from owner	9										2,036,893,445.72	4,241,381,733.31	39,344,286,050.11	
2. Increase in owner's equity resulted from other equity instruments	10							2,065,481.59					33,337,665,062.67	
3. Increase in owner's equity resulted from share-based payments	11											8,133,704,881.74	8,133,704,881.74	
4. Others	12											3,296,098.99	3,296,098.99	
(III) Special reserve appropriation and usage	13							2,085,461.59			2,036,693,465.72	1,494,323,733.82	-2,130,400,013.29	
1. Appropriation to special reserves	14							77,674,655.96				77,674,655.96	14,437,358.03	
2. Usage of special reserves	15							304,000,097.21				304,000,097.21	272,699,322.20	
(IV) Profit distribution	16							-226,328,241.65				-226,328,241.65	-257,831,964.17	
1. Appropriation for surplus reserve include: Statutory surplus reserve	17													
Discretionary surplus reserve	18													
2. Appropriation for general risks	19							-574,655,233.49						
3. Distribution to owners (or owners)	20													
4. Others	21													
(V) Inter-account movements in owners' equity	22													
1. Capital surplus transfer to capital	23													
2. Surplus reserve transfer to capital	24													
3. Surplus reserve transfer to other equity instruments	25													
4. Surplus reserve transfer to treasury shares	26													
5. Other comprehensive income transfer to retained	27													
6. Others	28													
IV. Closing balance of current year	29	38,803,577,526.58			339,876,567,458.42		6,762,655,718.74	1,943,055,929.08	4,401,476,896.08	924,336,096.58	120,562,493,233.29	512,476,162,866.37	496,677,533,468.06	1,003,143,716,334.43

Person in charge of accounting affairs:

Head of the accounting department:



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Company Statement of Changes in Owners' Equity

Prepared by: Beijing State-owned Capital Operation and Management Center

For the six months ended June 30, 2021

Item	Column	Six months ended June 30, 2021						Total owner's equity					
		1	2	3	4	5	6		7	8	9	10	11
		Paid-in capital	Preferred shares	Perpetual bonds	Other	Capital reserve	Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	△ General risk provision	Undistributed profits	
I. Balance at end of previous year	1	38,934,077,526.58				266,467,807,333.37		1,428,464,437.60		4,996,510,225.93		6,051,101,398.19	317,877,960,922.67
Add: Changes in accounting policies	2					4,042,685.67		2,211,497,967.30		95,236,723.57		857,130,512.19	3,167,907,888.73
Correction of errors	3												
Others	4												
II. Balance in beginning of year	5	38,934,077,526.58				266,471,850,019.04		3,639,962,404.90		5,091,746,949.50		6,908,231,911.38	321,045,868,811.40
III. Movement over the year("+", "for decrease)	6					666,891,583.87		53,342.46				21,004,957.31	687,949,883.64
(I) Total comprehensive income for the year	7					666,891,583.87		53,342.46				3,812,976,495.77	4,479,921,422.10
(II) Owner's contributions and decrease of capital	8												
1. Capital contribution from owner	9												
2. Increase in owner's equity resulted from other equity instruments	10												
3. Increase in owner's equity resulted from share-based payments	11												
4. Others	12												
(III) Special reserve appropriation and usage	13												
1. Appropriation to special reserves	14												
2. Usage of special reserves	15												
(IV) Profit distribution	16												
1. Appropriation for surplus reserve	17												
Include: Statutory surplus reserve	18												
Discretionary surplus reserve	19												
2. Appropriation for general risks	20												
3. Distribution to owners (or owners)	21												
4. Others	22												
(V) Inter-account movements in owners' equity	23												
1. Capital surplus transfer to capital	24												
2. Surplus reserve transfer to capital	25												
3. Surplus reserve offsetting losses	26												
4. Changes in general reserve plus/minus in retained earnings	27												
5. Other comprehensive income transfer to retained	28												
6. Others	29												
IV. Closing balance of current year	30	38,934,077,526.58				267,138,741,602.91		3,640,015,747.36		5,091,746,949.50		6,929,236,868.68	321,733,818,695.04

Person in charge of accounting affairs:

Head of the accounting department:



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Company Statement of Changes in Owners' Equity (Continued)

Prepared by: Beijing State-owned Capital Operation and Management Center For the six months ended June 30, 2021

Item	Column	Six months ended June 30, 2020						Six months ended June 30, 2021					
		13	14	15	16	17	18	19	20	21	22	23	24
I. Balance at end of previous year	1	38,803,577,526.58											
Add: Changes in accounting policies	2												
Correction of errors	3												
Others	4												
II. Balance in beginning of year	5	38,803,577,526.58											
III. Movement over the year " ", " (for decrease)	6												
(I) Total comprehensive income for the year	7												
(II) Owner's contributions and decrease of capital	8												
1. Capital contribution from owner	9												
2. Increase in owner's equity resulted from other equity instruments	10												
3. Increase in owner's equity resulted from share-based payments	11												
4. Others	12												
(III) Special reserve appropriation and usage	13												
1. Appropriation to special reserves	14												
2. Usage of special reserves	15												
(IV) Profit distribution	16												
1. Appropriation for surplus reserve	17												
Include: Statutory surplus reserve	18												
Discretionary surplus reserve	19												
2. Appropriation for general risks	20												
3. Distribution to owners (or owners)	21												
4. Others	22												
(V) Inter-account movements in owners' equity	23												
1. Capital surplus transfer to capital	24												
2. Surplus reserve transfer to capital	25												
3. Surplus reserve offsetting losses	26												
4. Other comprehensive income transfer to retained earnings in limited liability companies to retained earnings	27												
5. Other comprehensive income transfer to retained earnings	28												
6. Others	29												
IV. Closing balance of current year	30	38,803,577,526.58											



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Person in charge of accounting affairs:

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Head of the accounting department:

Company Statement of Changes in Owners' Equity (Continued)

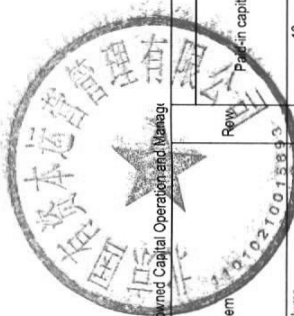
Prepared by: Beijing State-owned Capital Operation and Management Co., Ltd.

Item	Six months ended June 30, 2020										Total owner's equity	
	13	14	15	16	17	18	19	20	21	22		
I. Balance at end of previous year	38,803,577,526.58				255,805,566,128.44		1,210,364,002.18		4,401,476,896.08		6,345,314,692.06	306,566,299,245.34
Add: Changes in accounting policies											74,967.13	
Correction of errors												
Others												
II. Balance in beginning of year	38,803,577,526.58				255,805,566,128.44		1,210,289,035.05		4,401,476,896.08		6,345,389,659.19	306,566,299,245.34
III. Movement over the year ("+" for decrease)												
(I) Total comprehensive income for the year												
(II) Owner's contributions and decrease of capital												
1. Capital contribution from owner												
2. Increase in owner's equity resulting from												
3. Increase in owner's equity resulting from												
4. Others												
(III) Special reserve appropriation and usage												
1. Appropriation to special reserves												
2. Usage of special reserves												
(IV) Profit distribution												
1. Appropriation for surplus reserve												
Include: Statutory surplus reserve												
Discretionary surplus reserve												
2. Appropriation for general risks												
3. Distribution to owners (or owners)												
4. Others												
(V) Inter-account movements in owners' equity												
1. Capital surplus transfer to capital												
2. Surplus reserve transfer to capital												
3. Surplus reserve offsetting losses												
4. Changes in defined benefits plan transfer to retained earnings												
*5. Other comprehensive income transfer to retained earnings												
6. Others												
IV. Closing balance of current year	38,803,577,526.58				258,936,211,533.54		1,205,353,807.14		4,401,476,896.08		6,081,871,364.19	309,428,491,127.53

Legal representative:

Person in charge of accounting affairs:

Head of the accounting department:



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Notes to the Financial Statements

I. Company information

Beijing State-owned Capital Operation and Management Center (hereinafter referred to as The Center) is an enterprise owned by the whole people. It was set up by the State-owned Assets Supervision and Administration Commission of Beijing Municipal People's Government (hereinafter referred to as Beijing State-owned Assets Supervision and Administration Commission) by contributing cash of RMB 50 million, 100% equity of Beijing Energy Investment (Group) Co., Ltd. (hereinafter referred to as Beijing Energy Group), 74.24% equity of Beijing Capital Highway Development Group Co., Ltd. (hereinafter referred to as Capital Highway Development) and 20% equity of Beijing Pharmaceutical Group Co., Ltd. (hereinafter referred to as Pharmaceutical Group) for a total value of RMB 34.50 billion. The initial registered capital is RMB 30 billion. On December 30, 2008, the "Corporate Legal Person Business License" with the registration number 110000011550542 was obtained from the Beijing Administration for Industry and Commerce.

In 2012, the registered capital of the Center was changed to RMB 35 billion. On May 31, 2012, it received a renewed "Corporate Legal Person Business License" from Beijing Administration for Industry and Commerce.

On December 12, 2016, the Center exchanged a business license with a unified social credit code of 91110000683551038C issued by the Beijing Administration for Industry and Commerce. The legal representative of the Center is Zhang Guilin.

On July 28, 2021, the State-owned Assets Supervision and Administration Commission of Beijing Municipal People's Government issued "Reply to the Beijing State-owned Capital Operation and Management Center's implementation of the company system reform and simultaneous implementation of the pilot reform of state-owned capital operating companies by the State-owned Assets Supervision and Administration Commission of Beijing Municipal People's Government" ((Jing Guozhi [2021] No. 96), which agreed the Center to restructure from "enterprise owned by the whole people" to a "wholly state-owned company" based on the restructuring date as of December 31, 2020. According to the plan, the registered capital of the restructured company is RMB 50 billion, and the name of the restructured company is changed to Beijing State-owned Capital Operation Management Co., Ltd. The founder is being Beijing State-owned Assets Supervision and Administration Commission. The legal representative is changed to Zhao Jifeng. The registered address has been changed from No.2 Huaibaishu Street, Xicheng District, Beijing to Building No. 1, No. 35 Jinshifang Street, Xicheng District, Beijing.

Business scope: Principally engaged in investment and investment management; asset management; administer the corporate asset reorganization and mergers and acquisitions.

As of June 30, 2021, the details of the secondary level subsidiaries of the Center are as follows:

No.	Name of secondary level entity	Abbreviation	Share-holding ratio (%)	Registered capital (RMB ten thousand)	Economic nature
1	Shougang Group Co., Ltd.	Shougang Group	100.00	2,875,502.50	Limited liability company (wholly state-owned)
2	Beijing Electronics Holdings Co., Ltd.	Beijing Electronics	100.00	313,921.00	Limited liability company (wholly state-owned)

Beijing State-owned Capital Operation and Management Center
Notes to the financial statements
For the six months period ended June 30, 2021 (all amounts in RMB unless otherwise stated)
[English Translation for Reference Only]

No.	Name of secondary level entity	Abbreviation	Share-holding ratio (%)	Registered capital (RMB ten thousand)	Economic nature
3	Beijing Jingcheng Electromechanical Holding Co., Ltd.	Jingcheng Electromechanical	100.00	235,563.71	Limited liability company (wholly state-owned)
4	Beijing Energy Group Co., Ltd.	Beijing Energy Group	100.00	2,133,806.00	Limited liability company (wholly state-owned)
5	Beijing Capital Highway Development Group Co., Ltd.	Capital Highway Development	100.00	3,057,800.00	Limited liability company (wholly state-owned)
6	Beijing Yiqing Holding Co., Ltd.	Yiqing Holding	100.00	109,784.20	Limited liability company (wholly state-owned)
7	Beijing Capital Development Holdings (Group) Co., Ltd.	Capital Development Holdings	100.00	222,210.00	Limited liability company (wholly state-owned)
8	Beijing Automotive Group Co., Ltd.	Beijing Automotive Group	100.00	1,995,650.83	Limited liability company (wholly state-owned)
9	China Beijing Tongrentang (Group) Co., Ltd.	Tongrentang Group	100.00	59,404.00	Limited liability company (wholly state-owned)
10	Beijing Suburb Tourism Industry Development Company	Suburb Tourism Company	100.00	6,773.65	Enterprise owned by the whole people
11	Beijing Xianglong Asset Management Co., Ltd.	Xianglong Company	100.00	326,992.03	Limited liability company (wholly state-owned)
12	Beijing Beichen Industrial Group Co., Ltd.	Beichen Group	100.00	220,810.00	Limited liability company (wholly state-owned)
13	Beijing Jinyu Asset Management Co., Ltd.	Jinyu Asset	100.00	357,509.00	Limited liability company (wholly state-owned)
14	Beijing Shounong Food Group Co., Ltd.	Shounong Group	100.00	602,053.53	Limited liability company (wholly state-owned)
15	Beijing Equity Investment Development Management Co., Ltd.	Equity Development Company	58.33	10,714.29	Limited liability company
16	Beijing Urban and Rural Commercial (Group) Co., Ltd.	Urban and Rural Group	34.23	31,680.50	Joint-stock limited liability company
17	Beijing BBMG Group Co., Ltd.	BBMG Group	44.93	1,067,777.11	Joint-stock limited liability company
18	Beijing Jingguoguan Real Estate Investment Co., Ltd.	Real Estate Investment	100.00	5,500.00	Limited liability company (wholly state-owned)
19	Beijing Jingguoguan Real Estate Management Co., Ltd.	Real Estate Management	100.00	3,000.00	Limited liability company (wholly state-owned)
20	Beijing Guoguan Center Investment Holdings Co., Ltd.	Guoguan Center Investment Holdings	100.00	USD 1 million	Limited liability company (wholly state-owned)
21	Beijing Dairy Investment Fund Management Co., Ltd.	Dairy Investment Fund Management	100.00	100.00	Limited liability company (wholly state-owned)
22	Beijing Jingguorui Equity Investment Fund Management Co., Ltd.	Jingguorui Fund Management	60.00	3,000.00	Limited liability company (wholly state-owned)
23	Beijing Jingguorui State-owned Enterprise Reform and Development Fund (Limited Partnership)	Jingguorui Fund	97.70	2,000,000.00	Limited Partnership
24	Zhongguancun Equity Exchange Service Group Co., Ltd.	Equity Exchange Group	67.31	30,000.00	Other limited liability company
25	Beijing International Technical Cooperation Center Co., Ltd.	International Cooperation Center	100.00	73,292.85	Limited liability company (wholly state-owned)
26	Beijing Siban Technology Development Co., Ltd.	Siban Technology	67.31	40,000.00	Other limited liability company
27	Beijing Engineering Consulting Co., Ltd.	Beijing Consulting Company	100.00	37,642.69	Limited liability company (wholly state-owned)
28	Beijing Longying Kechuang Equity Investment Fund Center (Limited Partnership)	Longying Kechuang	99.95	2,201.00	Limited Partnership

II. Basis of preparation

The financial statements are prepared in accordance with the Accounting Standards for Business Enterprises and guidelines, interpretations and other related provisions promulgated by the Ministry of

Finance (collectively "Accounting Standards for Business Enterprises").

The financial statements have been prepared on going concern basis.

III. Statement of compliance with the Accounting Standards for Business Enterprises

The financial statements have been prepared in compliance with the Accounting Standards for Business Enterprises to truly and completely reflect The Center's and consolidated financial positions as of June 30, 2021 and their operating performance and their cash flows and other relevant information for the year ended June 30, 2021.

Beijing Automotive Industry Advanced Technical School, a subsidiary of Beijing Automotive Group, which is included in The Center's consolidation scope, implements the "Accounting System for Institutions" and related regulations. Its financial statements have been converted into corporate financial statements in accordance with "Notice on Printing and Distributing Reference Formats for the Conversion of Financial Statements of Public Institutions After Central Enterprises Implementing the Accounting Standards for Business Enterprises" (Evaluation Letter [2008] No. 262) issued by the State-owned Assets Supervision and Administration Commission of the State Council.

IV. Significant accounting policies and accounting estimates

1. Accounting period

The accounting period of The Center is from 1 January to 31 December of each calendar year.

2. Functional currency

The Center uses Renminbi ("RMB") as their functional currency.

3. Accounting basis and principal of measurement

The Center adopts the accrual basis of accounting. Except for certain financial instruments and investment properties, the financial statements are prepared under the historical cost convention. In the event that impairment of assets occurs, a provision for impairment is made accordingly in accordance with the relevant regulations.

4. Business combination

(1) Business combinations involving enterprises under common control

For a business combination involving enterprises under common control, assets acquired and liabilities assumed by acquirer in the business combination are measured at their carrying amounts of the acquiree in the consolidated financial statements of the ultimate controlling party at the combination date, except for adjustments due to different accounting policies. The difference between the carrying amount of the consideration paid for the combination and the carrying amount of the net assets acquired is adjusted to capital reserve (capital premium). If the capital reserve (capital premium) is not sufficient to absorb the difference, any excess is adjusted to retained earnings.

The overheads for the business combination are recorded in profit or loss for the current period when incurred.

(2) Business combinations involving enterprises not under common control

For business combinations involving enterprises not under common control, the consideration costs include acquisition-date fair values of the assets transferred, liabilities incurred or assumed and the equity instruments issued by the acquirer in exchange for control of the acquiree. At the acquisition date, the acquired assets, liabilities and contingent liabilities of the acquiree are measured at their fair value.

The overhead for the business combination, including the expenses for audit, legal services, valuation advisory, and other administrative expenses, are recorded in profit or loss for the current period when incurred. The transaction costs of equity or debt instruments issued as the considerations of business combination are included in the initial recognition amount of the equity or debt instruments.

The contingent consideration involved is included in the combination cost at its fair value on the acquisition date. If there is new or further evidence of the existing conditions on the acquisition date within 12 months after the acquisition date, and the contingent consideration needs to be adjusted, the goodwill shall be adjusted accordingly.

Where the combination cost exceeds the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is recognized as goodwill, and subsequently measured on the basis of its costs less accumulated impairment provisions. Where the combination cost is less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is credited in profit or loss for the current period after reassessment.

For business combinations involving entities not under common control achieved in stages and involved multiple transactions, in the consolidated financial statements, the combination cost is the sum of the consideration paid at the acquisition date and the fair value of equity investment of the acquiree held prior to the acquisition date. The cost of equity investment of the acquiree held prior to the acquisition date is re-measured at the fair value at the acquisition date, the difference between the fair value and carrying value is recognized as profit or loss for the current period. Other comprehensive income and changes of other owners' equity from the equity interest held in the acquiree prior to the acquisition date are transferred to profit or loss for the current period, except for other comprehensive income resulted in the change of net liabilities or assets in the investee's re-measurement of defined benefit plan.

Method for determining the date of acquisition and date of sale of a business combination not under the same control: The Center determines the date of acquisition and date of sale based on the obtaining or losing control over the acquiree.

Method for determining the fair value of the relevant transaction on the date of acquisition: The Center uses market prices as the main basis to determine the fair value of the relevant transactions on the combination date. Refer to Note IV. 35 for specific recognition method.

5. Preparation of consolidated financial statements

The scope of the consolidated financial statements includes The Center and all of its subsidiaries.

The scope of consolidated financial statements is determined on the basis of control.

The consolidated financial statements are prepared by The Center based on the financial statements of The Center and its subsidiaries and other relevant information. In preparation of consolidated financial statements, the accounting policies and accounting periods of the subsidiaries should be consistent with those established by The Center, and all significant intercompany accounts and transactions are eliminated.

Where a subsidiary or business was acquired during the reporting period, through a business combination involving enterprises under common control, the subsidiary or business is deemed to be included in the consolidated financial statements from the date they are controlled by the ultimate controlling party. Their operating results and cash flows are included in the consolidated income statement and consolidated cash flow statement respectively from the date they are controlled by the ultimate controlling party.

The portion of a subsidiary's equity that is not attributable to the parent is treated as minority interests and presented separately in the consolidated balance sheet within shareholders' equity. The portion of net profit or loss of subsidiaries for the period attributable to minority interests is presented in the consolidated income statement below the "net profit" line item as "minority interests". When the amount of loss for the current period attributable to minority interests of the subsidiary exceeds the minority interests' share of the opening equity of the subsidiary, the excess is still allocated against the minority interests.

Where The Center acquires minority interests of subsidiary or disposes of a portion of an interest in a subsidiary without a change in control, the difference between the amount by which the minority interests are adjusted and the amount of the consideration paid or received is adjusted to the capital reserve in the consolidated balance sheet, with any excess adjusted to retained earnings.

When The Center loses control over subsidiary because of disposing part of equity investment or other reasons, the remaining part of the equity investment is re-measured at fair value at the date when losing control over the subsidiary. A gain or loss is recognized in profit or loss for the current period and is calculated by the aggregate of the consideration received in disposal and the fair value of remaining part of the equity investment deducting the share of carrying value of net assets in proportion to previous shareholding percentage in former subsidiary since acquisition date and the goodwill. Other comprehensive income related to the former subsidiary is recorded as investment gains for the current period when the control is lost.

Other comprehensive income related to the former subsidiary is transferred to profit or loss for the current period when the control is lost, except for the comprehensive income arising from the movement of net liabilities or assets in the former subsidiary's re-measurement of defined benefit plan.

Disposing equity investment by stages until losing control that qualified as a single transaction, the carrying amount of long-term equity investments relating to each transaction of disposal is derecognized, the difference between the consideration received and the carrying amount of disposed long-term equity investments is recognized as other comprehensive income, and finally is recognized in profit or loss for the current period at the date of losing control.

6. Joint arrangement classification and accounting treatment for joint operation

A joint arrangement is an arrangement of which two or more parties have joint control. The Center classifies joint arrangements into joint operations and joint ventures.

(1) Joint operations

A joint operation is a joint arrangement whereby the joint operators have rights to the assets, and obligations for the liabilities, relating to the arrangement.

The Center recognizes the following items in relation to its interest in a joint operation, and account for them in accordance with relevant accounting standards:

A. its solely-held assets, and its share of any liabilities incurred jointly;

- B. its solely-assumed liabilities, and its share of any liabilities incurred jointly;
- C. its revenue from the sale of its share of the output arising from the joint operation;
- D. its share of the revenue from the sale of the output by the joint operation; and
- E. its solely-incurred expenses, and its share of any expenses incurred jointly.

(2) Joint ventures

A joint venture is a joint arrangement whereby the joint venturers have rights to the net assets of the arrangement.

The Center adopts equity method under long-term equity investment in accounting for its investment in joint venture.

7. Cash and cash equivalents

Cash comprises cash on hand and deposits that can be readily drawn on demand. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

8. Foreign currency transactions and translation of foreign currency financial statements

(1) Foreign currency transactions

Foreign currency transactions are translated into the functional currency of The Center at the spot exchange rates on the dates of the transactions.

Monetary items denominated in foreign currencies are translated to Renminbi at the spot exchange rate at the balance sheet date. The resulting exchange differences between the spot exchange rate on balance sheet date and the spot exchange rate on initial recognition or on the previous balance sheet date are recognized in profit or loss. Non-monetary items that are measured at historical cost in foreign currencies are translated to Renminbi using the exchange rate at the transaction date. Non-monetary items that are measured at fair value in foreign currencies are translated using the exchange rate at the date the fair value is determined. The resulting exchange differences are recognized in profit or loss for the current period.

(2) Translation of foreign currency financial statements

When translating the foreign currency financial statements of overseas subsidiaries, the assets and liabilities of the balance sheet are translated to RMB using the spot exchange rate at the balance sheet date. Items of the shareholders' equity, except for "undistributed profits", are translated to RMB at the spot exchange rate at the transaction dates.

Income and expenses in the income statement of foreign operation are translated to RMB at the spot exchange rate at the transaction date.

Cash flow statement of foreign operation is translated to Renminbi at the spot exchange rates [the rates determined under a systematic and rational method that approximate the spot exchange rates] at the cash flow occurrence dates. Effect of foreign exchange rate changes on cash and cash equivalents is presented separately as "Effect of foreign exchange rate changes on cash and cash equivalents" in the

cash flow statement.

The resulting translation differences are recognized in other comprehensive income in shareholders' equity of balance sheet.

When the control on foreign operation is lost due to disposal, exchange differences of foreign currency financial statements attributable to the foreign operation as presented under shareholder's equity item in the balance sheet are transferred to profit or loss for the current period entirely or partially on disposed portion.

9. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

(1) Recognition and derecognition of financial instruments

A financial asset or financial liability is recognized when The Center becomes a party to the contractual provisions of a financial instrument.

If one of the following conditions is met, the financial assets are derecognized:

- ① the contractual rights to the cash flows from the financial asset expire;
- ② the financial asset has been transferred, and is in accordance with the following conditions for derecognition.

A financial liability (or part of it) is derecognized when its contractual obligation (or part of it) is discharged or cancelled or expires. If The Center (as a debtor) makes an agreement with the creditor to replace the current financial liability with assuming a new financial liability, and contractual provisions are different in substance, the current financial liability is derecognized and a new financial liability is recognized meanwhile.

If the financial assets are traded routinely, the financial assets are recognized and derecognized at the transaction date.

(2) Classification and measurement of financial assets

The classification of financial assets at initial recognition depends on The Center's business model for managing them and contractual cash flow characteristics of the financial assets. Financial assets are classified as financial assets at amortized cost, financial assets at fair value through other comprehensive income ("FVTOCI"), and financial assets at fair value through profit or loss ("FVTPL").

Financial assets measured at amortized cost

The Center classifies a financial assets as measured at amortized cost when the financial asset is not designated as at FVTPL and meets the following conditions:

- the financial asset is held within a business model whose objective is to collect contractual cash flows;

- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, such financial assets at amortised cost are subsequently measured using the effective interest method. Gains and losses arising on financial assets at amortised cost and not being part of a hedging relationship are recognised in profit or loss for the current period when the asset is derecognised, amortized on effective interest method or impaired.

Financial assets at fair value through other comprehensive income (FVTOCI)

The Center classifies a financial asset as FVTOCI when it is not designed as FVTPL and meets both of the following conditions:

- ① the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets;
- ② the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After the initial recognition, such financial assets are subsequently measured at fair value. Interest calculated on effective interest method, impairment losses or gains and exchange gain or loss are recognised in profit or loss for the current period. Other gains or losses are recognised as other comprehensive income. When the financial assets are derecognized, the gain or loss accumulated in other comprehensive income is reclassified to profit or loss for the current period.

Financial assets at fair value through profit or loss (FVTPL)

Except for the above financial assets at amortised costs and FVTOCI, The Center classifies all other financial assets as FVTPL. At initial recognition, The Center may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

After the initial recognition, such financial assets are subsequently measured at fair value. Any gains or losses (including interest and dividend income) are recognized in profit or loss for the current period, unless the financial asset is part of a hedging relationship.

However, for non-trading equity instrument investment, the Center irrevocably designates it as a financial asset measured at fair value through other comprehensive income at the time of initial recognition. The designation is made on a single investment basis and the relevant investments meet the definition of an equity instrument from issuer's perspective.

After the initial recognition, this kind of financial assets are subsequently measured at fair value. Satisfied dividend income is included in the profit or loss, other gains or losses and changes in fair value are included in other comprehensive income. When derecognized, the accumulated gains or losses previously recorded in other comprehensive income are transferred out and recorded in retained earnings.

Business model for managing financial assets refers to how The Center manages financial assets to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both. The Center determines the business model for managing financial assets based on objective facts and based on the specific business objectives of financial assets as determined by key management personnel.

The Center evaluates the contractual cash flow characteristics of financial assets and determines whether the contractual cash flows generated by the relevant financial assets on a specific date are solely payments of principal and interest (“SPPI”) on the principal amount outstanding. The principal is the fair value of the financial assets at initial recognition. The interest is a consideration including the time value of money, the credit risk associated with the outstanding principal amount for a specific period, and other basic lending risks, costs and profits. In addition, The Center evaluates the contractual terms that may result in a change in timing or amount of contractual cash flows of financial asset to determine whether it meets the requirements of the above contractual cash flow characteristics.

Only when The Center changes its business model for managing financial assets, all affected financial assets are reclassified on the first day of the first reporting period following the change in business model, otherwise the financial assets is not reclassified after initial recognition.

Financial assets are measured initially at fair value. For financial assets at fair value through profit or loss (“FVTPL” financial assets), any related directly attributable transaction costs are charged to profit or loss for the current period; for other categories of financial assets, any related directly attributable transaction costs are included in their initial costs. Accounts receivable arising from the sale of products or providing services that do not contain or do not consider significant financing components, The Center initially recognises the amount of consideration based on the amount expected to be charged.

(3) Classification and measurement of financial liabilities

The Center classifies financial liabilities into different categories at initial recognition: financial liabilities at fair value through profit or loss (FVTPL) or financial liabilities at amortized costs. For financial liabilities not classified as at fair value through profit or loss, any related directly attributable transaction costs are recognized in the initial recognition amounts.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trade and financial liabilities designated as at fair value through profit or loss in the initial recognition. Such financial liabilities are subsequently measured at fair value, gains and losses arising from changes in fair value are recognized in profit or loss for the current period.

Financial liabilities at amortized costs

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Gains and losses arising from derecognition or amortization is recognized in profit or loss for the current period.

Financial guarantee contract

Financial guarantee contract, which is not designated as Financial liabilities at fair value through profit or loss, is measured at fair value at the time of initial recognition. Subsequent measurement is made according to the higher of the estimated loss provision determined using the expected credit loss model and the balance of the initial recognized amount after deducting the accumulated amortization amount.

Distinction between financial liabilities and equity instruments

A financial liability is recognized if one of the following conditions is satisfied:

- ① a contractual obligation to deliver cash or another financial asset to another entity;
- ② a contractual obligation to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to The Center;
- ③ a non-derivative contract that will or may be settled in The Center's own equity instruments and The Center is obliged to deliver a variable number of The Center's own equity instruments;
- ④ a derivative contract that will or may be settled in The Center's own equity instruments, except for a derivative contract that is settled by the exchange of a fixed number of The Center's own equity instruments for a fixed amount of cash or other financial assets.

An equity instrument is a contract that evidences a residual interest in the assets of The Center after deducting all of its liabilities.

If The Center does not have an unconditional right to avoid delivering cash or another financial asset to settle a contractual obligation, the obligation meets the definition of a financial liability.

If a financial instrument will or may be settled in The Center's own equity instruments, classification of the instrument depends on whether The Center's own equity instruments work as the replacement of cash or other financial instrument, or represent the investor's residual interest in The Center's assets after deducting all its liabilities. In the former case, the instrument is classified as a financial liability; in the latter case, the instrument is classified as an equity instrument.

(4) Derivative financial instruments and embedded derivative instruments

The Center's derivative financial instruments include forward exchange contract, currency exchange rate swap contracts, interest rate swap contracts and foreign exchange option contracts, etc. Derivative financial instruments are initially measured at the fair value of the date a derivative contract entered into and subsequently measured at their fair value. Derivative financial instruments of positive fair value are recognized as assets; those of negative fair value are recognized as liabilities. Any gains or losses arising from changes in fair value which do not meet the requirements of hedge accounting are directly recognized to profit or loss for the current period.

For hybrid instrument with embedded derivative, if the host contract is a financial asset, the hybrid instrument as a whole applies the relevant policies in classification of financial assets. If the host contract is non-financial assets and the hybrid instrument is not treated at fair value through profit or loss, the economic features and risks of the embedded derivative are not closely related to that of the host contract, and a similar instrument with the same terms as the embedded derivative would meet the definition of a derivative, then embedded derivative is separated from hybrid instrument and accounted for as a derivative. If embedded derivative is unable to measure separately either at acquisition or subsequently at balance sheet date, hybrid instrument as a whole is designated as financial assets or liabilities at fair value through profit or loss.

(5) Fair value of financial instruments

Determination of fair value of financial assets and financial liabilities refers to Note IV. 35.

(6) Impairment of financial assets

The Center assesses impairment and accrued for provision for impairment on the basis of expected credit losses on the following items:

- ① Financial assets at amortized costs;
- ② Receivables and debts investment at FVTOCI;
- ③ Contract assets as defined in "Accounting Standards for Business Enterprises No. 14-Revenue";
- ④ Lease receivables;
- ⑤ Financial guarantee contracts (Except for those measured at fair value through profit or loss, transfer of financial assets that does not meet the conditions for derecognition or continuing involvement in transferred financial assets).

Measurement of expected credit losses (ECL)

Expected credit losses are a probability-weighted estimate of credit losses over the expected life of the financial instrument. A credit loss is the present value of the difference between the contractual cash flows that are due to an entity under the contract; and the cash flows that the entity expects to receive, i.e. the present value of all cash shortfalls.

The Center considers reasonable and well-founded information about past events, current conditions, and predictions of future economic conditions, and uses the risk of default as a weighting to calculate the difference between the contractual cash flow receivable and the discounted probability - weighted measurement of expected cash flow and such difference is recognized as expected credit loss.

The Center measures the expected credit losses of financial instruments at different stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, that is the first stage, The Center provides for loss allowance that results from default events that are possible within the next 12-months. For those credit exposures for which there has been a significant increase in credit risk since initial recognition but are not credit-impaired, that is second stage, The Center provides for loss allowance expected over the lifetime of the exposure. For those credit exposures for which there has been credit impairment after initial recognition, that is third stage, The Center provides for loss allowance expected over the lifetime of the exposure.

For financial instruments with lower credit exposures on the balance sheet date, The Center assumes that their credit exposures have not increased significantly since initial recognition, the credit loss is measured according to the expected credit losses in next 12-month.

Lifetime expected credit losses refers to the expected credit losses that result from all possible default events over the expected life of a financial instrument. 12-month expected credit losses refers to the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date (in case the expected lifetime of a financial instrument is shorter than 12 months, the lifetime expected credit losses is over its expected lifetime).

The maximum period to be considered when estimating ECLs is the maximum contractual period over which The Center is exposed to credit risk, including renewal options.

For the financial instruments at the first and second stages and with low credit risks, The Center calculates the interest income based on the book balance and the effective interest rate before deducting the impairment provisions. For financial instruments at the third stage, interest income is calculated based on the amortised cost after deducting impairment provisions made from the book balance and the effective interest rate.

For notes receivable, accounts receivable and contract assets, regardless of whether there is a significant financing component, The Center always makes provision for impairment at an amount equal to lifetime ECLs.

Debt investment and other debt investment

For debt investment and other debt investment, the Center calculates the expected credit loss based on the default risk exposure and the expected credit loss rate within the next 12 months or the entire duration according to the nature of the investment and the various types of counterparties and risk exposures.

Assessment of significant increase in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly upon initial recognition, The Center compares the risk of default of the financial instrument at the balance sheet date with that at the date of initial recognition to determine the relative change in risk of default within the expected lifetime of the financial instrument.

In determining whether the credit risk has increased significantly upon initial recognition, The Center considers reasonable and well-founded information, including forward-looking information, which can be obtained without unnecessary extra costs or efforts. Information considered by The Center includes:

- ① The debtor's failure to make payments of principal and interest on their contractually due dates;
- ② An actual or expected significant deterioration in a financial instrument's external or internal credit rating (if any) ;
- ③ An actual or expected significant deterioration in the operating results of the debtor;
- ④ Existing or expected changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to The Center.

Depending on the nature of the financial instruments, The Center assesses whether there has been a significant increase in credit risk on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on their common credit risk characteristics, such as past due information and credit risk ratings.

The Center determines that the credit risk on a financial asset has increased significantly if it is more than 30 days.

Credit-impaired financial assets

At balance sheet date, The Center assesses whether financial assets measured at amortised cost and debt investments measured at fair value through other comprehensive income are credit-impaired. A

financial asset is credit-impaired when one or more events that have an adverse effect on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired:

- Significant financial difficulty of the issuer or debtor;
- A breach of contract by the debtor, such as a default or delinquency in interest or principal payments;
- For economic or contractual reasons relating to the debtor's financial difficulty, The Center having granted to the debtor a concession that would not otherwise consider;
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganization;
- The disappearance of an active market for that financial asset because of financial difficulties of the issuer or debtor.

Presentation of provisions for ECLs

ECLs are remeasured at each balance sheet date to reflect changes in the financial instrument's credit risk upon initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss for the current period. For financial assets measured at amortised cost, the provisions of impairment is deducted from the carrying amount of the financial assets presented in the balance sheet; for debt investments at fair value through other comprehensive income, The Center makes provisions of impairment in other comprehensive income without reducing the carrying amount of the financial asset.

Write-offs

The book balance of a financial asset is directly written off to the extent that there is no realistic prospect of recovery of the contractual cash flows of the financial asset (either partially or in full). Such write-off constitutes derecognition of such financial asset. This is generally the case when The Center determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with The Center's procedures for recovery of amounts due.

If a write-off of financial assets is later recovered, the recovery is credited to profit or loss in the period in which the recovery occurs.

(7) Transfer of financial assets

Transfer of financial assets refers to the transfer or delivery of financial assets to another party other than the issuer of such financial assets (the transferee).

If The Center transfers substantially all the risks and rewards of ownership of the financial asset to the transferee, the financial asset shall be derecognised. If The Center retains substantially all the risks and rewards of ownership of a financial asset, the financial asset shall not be derecognised.

If The Center neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, it accounts for the transaction as follows: if The Center does not retain control, it derecognises the financial asset and recognises any resulting assets or liabilities; if the control over the financial asset is not waived, the relevant financial asset is recognised according to the extent of its continuing involvement in the transferred financial asset and the relevant liability is recognised

accordingly.

(8) Offset of financial assets and financial liabilities

If The Center owns the legitimate rights of offsetting the recognised financial assets and financial liabilities, which are enforceable currently, and The Center plans to realise the financial assets or to clear off the financial liabilities on a net amount basis or simultaneously, the net amount of financial assets and financial liabilities shall be presented in the balance sheet upon offsetting. Otherwise, financial assets and financial liabilities are presented separately in the balance sheet without offsetting.

10. Hedge accounting

When the initial hedging relationship is designated, the Center formally designates the hedging instrument and the hedged item, and has formal written documents to record the hedging relationship, risk management strategy and risk management objectives. The contents of the records include the hedging instrument, the hedged item, the nature of the hedged risk and the evaluation method of the hedging effectiveness.

The Center continuously evaluates the effectiveness of hedging and judges whether the hedging meets the requirements of hedging accounting for effectiveness during the accounting period in which the hedging relationship is designated. If it is not satisfied, the hedging relationship shall be terminated. The application of hedge accounting shall meet the following requirements for the effectiveness of hedging:

(1) There is an economic relationship between the hedged item and the hedging instrument.

(2) In the value changes caused by the economic relationship between the hedged item and the hedge instrument, the influence of credit risk does not play a dominant role.

(3) the hedging relationship of the hedging ratio, amount of the hedged item shall be equal to the enterprise actual hedging and its hedging ratio of the actual number of the hedging instrument, but should not reflect the hedged item and the hedging tools relative weight imbalance, the imbalance will lead to the hedging is invalid, and may be produced with the hedging accounting target inconsistent results.

The Center shall terminate the use of hedge accounting under any of the following circumstances:

(1) Because of the change of risk management objectives, the hedging relationship no longer meets the risk management objectives.

(2) The hedging instrument has expired, been sold, the contract has been terminated or exercised.

(3) There is no economic relationship between the hedged item and the hedge instrument, or in the value change caused by the economic relationship between the hedged item and the hedge instrument, the influence of credit risk starts to play a dominant role.

(4) The hedge relationship no longer meets the other conditions of using the hedge accounting method.

Fair value hedging

The term "fair value hedging" refers to the hedging of the exposure to a change in the fair value of a recognized asset or liability of the Center, a firm commitment that has not been recognized, or a change in the fair value of a component of the said item arising from a specific risk that will affect the profit or loss or other comprehensive income of the enterprise.

For fair value hedging, the gain or loss generated by the hedging instrument is recorded into the current profit or loss. The gain or loss of the hedged item due to the hedged risk exposure is recorded into the profit or loss of the current period, and the book value of the recognized hedged item that is not measured at its fair value is adjusted.

If the hedged item is a financial instrument (or its components) measured at amortized cost, the adjustment to the book value of the hedged item shall be amortized at the effective interest rate recalculation on the date of the beginning of amortization and shall be recorded into the profit or loss of the current period.

If the hedged item is an unrecognized definite commitment (or part thereof), the accumulated change in the fair value caused by the hedged risk after the designation of the hedging relationship shall be recognized as an asset or liability, and the relevant gains or losses shall be recorded into the profits and losses of each relevant period. When an asset or liability is acquired due to the performance of a certain commitment, the initial recognized amount of the asset or liability is adjusted to include the accumulated change in the fair value of the recognized hedged item.

Cash flow hedging

The term "cash flow hedging" refers to hedging against the risk of changes in cash flow. Such cash flow changes arise from specific risks related to recognized assets or liabilities, anticipated transactions that are highly likely to occur, or components of the above items, and will affect the profit or loss of the enterprise.

The gains or losses generated by the hedging instrument, which are valid for hedging, shall be taken as the cash flow hedging reserve and recorded into other comprehensive income. The part belonging to the invalid hedging (that is, other gains or losses after deducting other comprehensive income) shall be included in the profit or loss for the current period.

For cash flow hedging, a hedged item for the forecast transaction, and the forecast transaction makes the group then confirm a non-financial asset or non-financial liability, or a non-financial asset or non-financial liability expectations of a deal to form a suitable for the determination of fair value hedging accounting commitment, the group will be the original in other comprehensive income to confirm the amount of cash flow hedging reserve roll-out, included in the amount of initial recognition of assets or liabilities.

For a cash flow hedge that does not fall into the above circumstances, the Center will transfer out the cash flow hedge reserve amount originally recognized in other comprehensive income during the same period when the expected cash flow of the hedge affects the profit or loss and record it into the profit or loss for the current period.

If the amount of cash flow hedge reserve recognized in other comprehensive income is a loss, and the loss is not fully or partially expected to be made up in the future accounting period, when the Center is expected to be made up, the part that is not expected to be made up will be transferred out of other comprehensive income and recorded into the profit or loss for the current period.

When the Center applies the hedge accounting for the termination of the cash flow hedge, if the future cash flow to be hedged is still expected to occur, the amount of the accumulated cash flow hedge reserve recognized in other comprehensive income will be retained until the expected transaction actually occurs, and then it will be treated according to the above-mentioned accounting policies for the cash flow hedge. If the future cash flow to be hedged is no longer expected to occur, the amount of the accumulated cash flow hedge reserve recognized in other comprehensive income shall be transferred out from other

comprehensive income and recorded into profit or loss for the current period. The hedged future cash flow is no longer expected to occur but may still be expected to occur. In the case of expected occurrence, the amount of the accumulated cash flow hedge reserve will be retained until the expected transaction actually occurs, and then it will be treated according to the accounting policy of the above cash flow hedge.

11. Receivables

Refer to Note IV.9 (6) Impairment of financial assets.

12. Inventories

(1) Classification of inventories

Inventories of The Center include raw materials, semi-finished goods and work-in progress (including completed but unsettled construction projects and real estate products under development), finished goods (including completed real estate products), reusable materials (packaging materials, low-value consumables), and consumptive biological assets.

(2) Method for calculating value of inventories and amortization

The Center adopts perpetual inventory system. Inventories are measured at the actual cost on acquisition. Actual cost of issuing inventory is determined according to the characteristics of different industries. Production entities and trading entities are using weighted-average cost method, first-in-first-out method or specific identification method. Low value consumables and low value packaging materials are one-time write off when taken for use.

Construction contract is measured on actual costs, including both direct and indirect expenses, that attributable to the contract execution, incurred from the date of contract to the date of completion. Presentation of construction contract in balance sheet is being the net amount of cumulative costs incurred and cumulative gross margin (loss) recognized deducting the amount of billings. When the total of cumulative costs incurred and cumulative gross margin (loss) recognized in construction contract is exceeding the amount of billings, the net amount is presented as "Completed but not billed balances arising from construction contracts" in inventories. When the amount of billings in construction contract is exceeding the total of cumulative costs incurred and cumulative gross margin (loss) recognized, the net amount is presented as "Billed but not completed balances arising from construction contracts" in advance from customers.

For those travelling expenses and bidding fees arising for obtaining the contract, if the cost can be distinguished and reliable measured and the contract is likely to be concluded, they are included in the contract cost when the contract concluded. Otherwise, they are recorded in profit or loss for the current period.

(3) Provision for decline in value of inventories

At balance sheet date, when the cost of inventory exceeds its net realizable value, provision for decline in value of inventories is recognized. The Center usually recognizes provision for decline in value of inventories by a single or group of inventory item. When the factors causing the inventory impairment no longer exist, the provision for decline in value of inventories previously made is reversed.

(4) Basis for determining the net realizable value

Net realizable value is the estimated selling price less estimated costs to be incurred upon completion,

estimated selling expenses and related taxes. When determining the net realizable value of inventory, basis is relied on the actual evidences obtained while the objectives of inventories holding and the impact of post balance sheet date event are also considered.

13. Long-term equity investments

Long-term equity investments include equity investments where the Center has control of, or significant influence over and equity investments in joint venture. Where the Center can exercise significant influence over the investee, the investee is an associate.

(1) Determination of investment cost

Long-term equity investment acquired through a business combination: For a business combination involving enterprises under common control, the initial investment cost of a long-term equity investment is the combining party's share of the carrying amount of the owners' equity of the combined party in the consolidated financial statements of the ultimate controlling party at the date of combination. For a business combination not involving enterprises under common control, the initial investment cost of a long-term equity investment is the cost of acquisition. Business combinations involving entities under common control achieved in stage that involves multiple transactions, the initial investment cost of a long-term equity investment is sum of the book value of long-term equity investment which prior to the purchase date and the new investment amount of purchasing date.

Long-term equity investment acquired other than through a business combination: For a long-term equity investment acquired by cash, the initial investment cost is the amount of cash paid. For a long-term equity investment acquired by issuing equity securities, the initial investment cost is the fair value of the equity securities issued.

(2) Subsequent measurement and recognition of profit or loss

The Center has the control of the investee is accounted for using the cost method. The investment in associates and joint ventures are accounted for using the equity method.

For long-term equity investment which is accounted for using the cost method, investment income is recognized in profit or loss for the current period as the cash dividend or profit announced and distributed, except for those cash dividend or profit which have already included in the actual payment or consideration of offer when the investment was made.

For long-term equity investment which is accounted for using the equity method, where the initial investment cost of a long-term equity investment exceeds The Center's interest in the fair values of the investee's identifiable net assets, no adjustment is made to the initial investment cost. Where the initial investment cost is less than The Center's interest in the fair values of the investee's identifiable net assets, the difference is charged to profit or loss for the current period, and the carrying amount of the long-term equity investment is adjusted accordingly.

Under the equity method, The Center recognizes its share of the investee's net profit or losses, as well as its share of the investee's other comprehensive income, as investment income or losses and other comprehensive income, and adjust the carrying amount of the investment accordingly. The carrying amount of the investment is reduced by the portion of any profit distributions or cash dividends declared by the investee that is attributable to The Center. The Center's share of the investee's owners' equity changes, other than those arising from the investee's net profit or loss, other comprehensive income or profit distribution, is recognized in the capital reserve, and the carrying amount of the long-term equity

investment is adjusted accordingly. The Center recognizes its share of the investee's net profits or losses based on the fair values of the investee's individual separately identifiable assets at the time of acquisition, after making appropriate adjustments thereto in conformity with the accounting policies and accounting periods of The Center.

When The Center becomes capable of exercising significant influence or joint control (but not sole control) over an investee due to additional investment or other reasons, the accounting is changed to the equity method and the initial investment cost on the date of change is the sum of the fair value of the previously-held equity investment and additional investment cost. The differences between the fair value and carrying amount of previously-held equity investment and the accumulated changes in fair value included in other comprehensive income are transferred to profit or loss for the current period upon commencement of the equity method.

The unrealized profit or loss from internal transactions entered into between The Center and its associate or joint venture is offset according to the shareholding percentage held by The Center and the remaining portion is recognized as investment income or loss. However, the unrealized loss from internal transactions entered into between The Center and its investee is not offset if it belongs to impairment loss from assets transferred.

(3) Basis for recognition of joint control or significant influence over an investee

Control is The Center held the rights in investee and enjoys the changeable return through the participation relevant activities in the investee and has the ability to use the investee's rights to influence the return amount. Subsidiary refers to controlled by The Center (including enterprise, separable parts in investee and structuring bodies controlled by the enterprise, etc.).

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. In assessing whether joint control of an arrangement exists, The Center firstly assesses whether all the parties or a group of the parties control the arrangement collectively. When all the parties or a group of the parties must act together unanimously in directing the relevant activities, then all the parties or a group of the parties are regarded as having joint control of an arrangement. Then assess whether decisions about the relevant activities require the unanimous consent of those parties that control the arrangement collectively. When more than one combination of the parties can control an arrangement collectively, joint control does not exist. Protective rights of any party are not considered when determining joint 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 of those policies. When determining whether an investor can exercise significant influence over an investee, the effect of potential voting rights (for example, warrants, share options and convertible bonds) held by the investors or other parties that are currently exercisable or convertible be considered.

When The Center, directly or indirectly through subsidiaries, owns more than 20% (20% inclusive) but less than 50% of the voting shares of the investee, The Center has significant influence on the investee unless there is clear evidence to show that The Center cannot participate in the business and operation decisions of the investee, and accordingly cannot exercise any significant influence. When The Center owns less than 20% of the voting shares of the investee, The Center has no significant influence on the investee unless there is clear evidence to show that The Center can participate in the business and operation decisions of the investee, and accordingly can exercise a significant influence.

(4) Disposal of long-term equity investments

On disposal of a long-term investment, the difference between the carrying amount of the investment and the actual consideration paid is recognized in current profit or loss. For a long-term equity investments accounted for using the equity method, when dispose of the investment, same basis shall be adopted as if the investee disposes relevant assets or liabilities, other comprehensive income shall be accounted for on a pro-rata basis according to the proportion of disposed investment.

When the joint control or significant influence over the invested unit are lost due to disposal of partial equity investment etc., the residual equity after disposal shall be recognized in current profit or loss as the variance between the fair value on the date of joint control or significant influence is lost and book value. Other comprehensive income for the original equity investment confirmed by equity method should, when equity method is terminated for accounting, adopt the same accounting treatment as the investee directly dispose relevant assets or liabilities; the change of other owners' equity related to the original equity investment shall be transferred into current profit and loss.

When the control over the investee are lost due to disposal of partial equity investment etc., if the residual equity after disposal could exert common control or important influence over the investee, equity method shall be adopted for the accounting, and adjustment shall be made on this partial equity deemed that equity method has been used for accounting since the acquisition; when the residual equity after disposal could not exert common control or important influence over the investee, accounting treatment shall be made according to relevant regulations in Accounting Standard for Business Enterprises No. 22-The recognition and measurement of financial instruments, and the difference between the fair value and book value on the date when the control right is lost shall be recorded in the current profit and loss.

(5) Method of impairment testing and impairment provision

For investment of subsidiaries, associates and joint ventures, refer to Note IV. 23 for The Center's method of asset impairment.

14. Investment properties

Investment property is a property held to earn rentals or for capital appreciation. The Center's investment property includes land use rights and buildings leased to other party, and land use rights held for appreciation.

The Center's investment property is initially measured at acquisition cost, and is depreciated or amortized according to the same policy for fixed assets or intangible assets.

For investment properties that adopts the cost model for subsequent measurement, see Note IV.23 for the method of assessing asset impairment.

Investment properties of Jingcheng Electromechanical, Beijing Energy Group, and BBMG Group adopt fair value measurement. Investment properties of other companies adopt cost model for subsequent measurement. See Note IV. 23 for the method of accruing asset impairment.

The Center's investment properties have active property transaction market, and the Center can obtain market prices and other relevant information of same or similar property from the property transaction market, so as to make a reasonable estimate of the fair value of the investment properties. The Center adopts the fair value model for subsequent measurement of investment property, and any change in fair

value are included in the profit or loss for the current period.

When determining the fair value of investment properties, it is reference to the current market price of the same or similar property in active market. If the current market price of the same or similar property cannot be obtained, it is reference to the latest transaction price of the same or similar or similar property in active market, and consider the transaction circumstance, transaction date, location and other factors, so as to make a reasonable estimate of the fair value of investment properties; or based on the present value of the relevant cash flow of expected future rental income to determine its fair value.

When an investment property is sold, transferred, retired or damaged, the amount of proceeds on disposal of the property deducting the carrying amount and related taxes and surcharges is recognized in profit or loss for the current period.

15. Fixed assets

(1) Recognition of fixed assets

Fixed assets are tangible assets that are held for use in the production or supply of services, for rental to others, or for administrative purposes and have useful lives more than one accounting year.

Fixed assets are only recognized when its related economic benefits are likely to flow to The Center and its cost can be reliably measured.

Fixed assets are initially measured at cost when acquired.

(2) Category of fixed assets and depreciation methods

The Center adopts straight line method in providing depreciation. Fixed assets start to provide depreciation when they reach the intended status of use, and ceased to continue depreciation when they are derecognized or classified as non-current assets held for sale. Without considering provision for impairment, the annual depreciation rate of various fixed assets is determined according to the category of fixed assets, estimated useful lives and estimated residual value. For impaired fixed assets, cumulative amount of impairment provision is deducted in determining the depreciation rate.

(3) Impairment testing and the impairment provision of fixed assets refers to Note IV. 23.

(4) Determination and measurement of fixed assets under financing lease

At inception date of lease, the leased assets are recognized at the lower of the fair value of leased asset at inception date and the present value of minimum lease payments. Amount of minimum lease payments is recorded as long term payables, and the difference between them is recorded as unrecognized financing charges. Initial direct costs such as service charges, legal fee, travelling expenses and stamp duty of the lease incurred for the lease are recognized in the amount of leased assets. Unrecognized financing charges are amortized over the lease term by effective interest method.

Fixed assets under financing lease are depreciated on a basis consistent with the depreciation policy adopted for fixed assets that are self-owned. When a leased asset can be reasonably determined that its ownership will be transferred at the end of the lease term, it is depreciated over the expected useful life. When there is uncertainty about the ownership of leased asset will be transferred at the end of the lease term, the leased asset is depreciated over the shorter of the lease term and the expected useful life.

- (5) The Center reviews the useful life, estimated net residual value and the depreciation method of fixed assets at the end of each financial year

Useful lives of fixed assets are adjusted if they are different with the initial estimates. Estimated net residual values are adjusted if they are different with the initial estimates.

- (6) Overhaul costs

The overhaul costs incurred in regular inspection of fixed assets are capitalized as cost of fixed assets if there is clear evidence that it meets the recognition criteria of fixed assets. It is recognized in profit or loss for the current period if it does not meet the recognition criteria of fixed assets. Depreciation continues during the period of regular overhaul.

16. Construction in progress

Construction in progress is recognized based on the actual construction cost, including all expenditures incurred for construction projects, capitalized borrowing costs for the construction in progress before it has reached the working condition for its intended use and other related expenses during the construction period.

Construction in progress is transferred to fixed assets when it has reached the working condition for its intended use.

Provision for impairment of construction in progress refers to note IV. 23.

17. Borrowing costs

- (1) Recognition of borrowing costs capitalization

Borrowing costs are capitalized when they are directly attributable to the acquisition, construction or production of a qualifying asset and included in the cost of related assets. Other borrowing costs are recognized as expenses and recorded in profit or loss for the current period when incurred. Capitalization of such borrowing costs commenced only when all of the following conditions are satisfied:

① Expenditures for the asset are being incurred, capital expenditure includes the expenditure in the form of cash payment, transfer of non-cash assets or interest bearing liabilities for the purpose of acquiring or constructing assets eligible for capitalization;

② Borrowing costs are being incurred; and

③ 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.

- (2) Borrowing costs capitalization period

Capitalization of such borrowing costs ceases when the qualifying assets being acquired, constructed or produced become ready for their intended use or sale. Borrowing cost incurred after the qualifying assets became ready for their intended use or sale is recognized as an expense when incurred and recorded in profit or loss for the current period.

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. Borrowing costs continues to be capitalized during the normal suspension period.

18. Biological assets

(1) Criteria of recognition of the biological assets

Biological assets refer to the assets constituted by living animals and plants. Biological assets are recognized only when the Center can satisfy all of the following conditions:

- ① The Center owns or controls the biological asset due to past transactions or events.
- ② The associated economic benefits are likely to flow into the Center;
- ③ The costs of biological assets can be measured reliably.

(2) Classification of biological assets

The Center's biological assets include consumptive biological assets, productive biological assets and public welfare biological assets.

① Consumptive biological assets

Consumptive biological assets include biological assets held for sale, or harvested in the future as agricultural products consisting of growing field crops, vegetables, commercial forests, livestock on hand etc. Consumptive biological assets are initially measured at cost. The cost of consumptive biological assets by self-cultivating, constructing, breeding or planting is the necessary expenditure directly attributable to the consumptive biological assets incurred before crown closure including qualifying borrowing costs. The subsequent expenditure for managing, protecting and feeding the consumptive biological assets after crown closure is recognized in profit or loss.

When consumptive biological assets are harvested or sold, the cost of consumptive biological assets being harvested or sold is measured by weighted average method.

② Productive biological assets

Productive biological assets include biological assets held for the purpose of producing agricultural products, rendering labor services, renting etc., consisting of the economic forests, fuel forests, productive livestock, draught animals etc. Productive biological assets are initially measured at cost. The cost of productive biological assets by self-growing or breeding is the necessary expenditure directly attributable to the productive biological assets incurred before achieving the expected objective of production and operation including qualifying borrowing costs.

The subsequent expenditure for managing, protecting and feeding the productive biological assets after crown closure or achieving the expected objective of production and operation is recognized in profit or loss.

Depreciation of productive biological assets is calculated using the straight-line method, and the depreciation rate is determined after deducting the residual value based on the estimated useful life of

various biological assets.

The Center reviews the useful life, estimated net residual value, and depreciation method of Productive biological assets at least at the end of each year. Any changes will be treated as changes in accounting estimates.

The difference of the disposal income from the sale, inventory loss, death or damage of productive biological assets after deducting its carrying value and related taxes is included in the profit or loss for the current period.

③ Public welfare biological assets

Public welfare biological assets refer to the biological assets whose main purpose is protection and environmental protection, including windbreak and sand fixation forests, soil and water conservation forests and water resource conservation forests. Biological assets for public welfare shall be initially measured according to the cost. The cost of a self-created public welfare biological asset refers to the necessary expenditures that can be directly attributed to the asset before the asset is closed, including the borrowing costs that meet the capitalization conditions.

Subsequent expenditures such as management and maintenance expenses and feeding expenses incurred after the closure of public welfare biological assets shall be recorded into the profit or loss for the current period.

Public welfare biological assets shall be measured according to the cost. There is no provision for impairment of public welfare biological assets.

The balance of the disposal income from the sale, inventory loss, death or damage of public welfare biological assets after deducting its carrying value and relevant taxes and fees is recorded into the profit or loss for the current period.

(3) Impairment of biological assets

If the net realizable value of consumptive biological assets is lower than its carrying value, the provision for decline in value of biological assets shall be accrued according to the difference between the net realizable value lower than the carrying value and included in the profit or loss for the current period. If the factors affecting the impairment of consumptive biological assets have disappeared, the write-down amount shall be reversed and not exceeding the amount of previous provision for decline in value, and the reversal amount shall be included in the profit or loss for the current period.

Refer to Note IV. 23 for the method of accruing asset impairment for productive biological assets.

No provision for impairment is provided for public welfare biological assets.

19. Right-of-use assets

(1) Recognition of right-of-use assets

The Center's right-of-use assets refer to the Center's right to use the leased assets during the lease term as the lessee.

On the beginning date of the lease period, the right-of-use assets shall be initially measured at cost. The cost includes: the initial measurement amount of the lease liability; the amount of lease payment paid on

or before the commencement date of the lease term, if there is a lease incentive, the relevant amount of lease incentive already enjoyed will be deducted; initial direct expenses incurred by the Center as the lessee; the costs which the Center, as the lessee, expects to incur in dismantling and removing the leased assets, restoring the premises on which the leased assets are located or restoring the leased assets to the state agreed in the lease contracts. The Center, as the lessee, recognizes and measures the costs of demolition and restoration in accordance with the Accounting Standards for Business Enterprises No. 13 - Contingencies. Subsequent adjustments are made for any remeasurement of lease liabilities.

(2) Depreciation method of the right-of-use assets

The Center adopts the straight line method for depreciation. Where the Center, as the lessee, can reasonably determine that it obtains the ownership of the leased assets upon expiration of the lease term, depreciation is provided over the remaining service life of the leased assets. Where it is unable to reasonably determine that the ownership of the leased asset can be obtained at the expiration of the lease term, depreciation is provided in the shorter period between the lease term and the remaining useful life of the leased asset.

(3) Impairment method of right-of-use assets refers to Note IV. 23.

20. Intangible assets

The Center's intangible assets include land use rights, software, intellectual property rights, patent rights, non-patent technology, trademark rights, copyrights, franchise rights, mining rights, exploration rights, etc.

Intangible asset is initially measured at cost and its useful life is determined on acquisition. An intangible asset with a finite useful life is amortized by a method which can reflect the expected realization of economic benefits related to the asset since the intangible asset is available for use. When the expected realization of economic benefits cannot be reliably determined, intangible asset is amortized under straight-line method. An intangible asset with an indefinite useful life is not amortized.

The Center reviews the finite useful life of an intangible asset and the amortization method at the end of each financial year. Any change is accounted for as a change in accounting estimate.

On the balance sheet date, if it is expected that an intangible asset can no longer bring future economic benefits to The Center, the carrying amount of the intangible asset is fully transferred to the profit or loss for the current period.

Impairment method of intangible assets refers to Note IV. 23.

21. Research and development expenditure

Expenditure on an internal research and development project is classified into expenditure on the research phase and expenditure on the development phase.

Expenditure on the research phase is recorded in profit or loss when incurred.

Expenditure on the development phase is capitalized only when The Center can satisfy all of the following conditions: it is technical feasible that the intangible asset can be used or sold upon completion; there is intention to complete the intangible asset for use or sale; the intangible asset can generate economic benefits, including there is evidence that the products produced using the intangible asset has a market or the intangible asset itself has a market; if the intangible asset is for internal use, there is evidence that there is usage for the intangible asset; there is sufficient support in terms of technology, financial resources

and other resources in order to complete the development of the intangible asset, and there is capability to use or sell the intangible asset; the expenses attributable to the development stage of the intangible asset can be measured reliably. Expenditure on the development phase is recorded in profit or loss for the current period if the above conditions are not met.

Research and development projects of The Center will enter into the development phase when they meet the above conditions and pass the technical feasibility and economic feasibility studies and necessary approval of the project.

Capitalized expenditure on the development phase is presented as “development costs” in the balance sheet and is transferred to intangible assets when the project is completed to its intended use.

22. Long-term deferred expenses

Long-term deferred expenses are recorded at the actual cost, and amortized evenly over the expected benefit period. For the long-term deferred expense that cannot benefit in future accounting period, their amortized value is recognized in profit or loss for the current period.

23. Impairment of assets

The impairment of subsidiaries, associates and joint ventures in the long-term equity investments, investment property subsequently measured at cost model, fixed assets, construction in progress, productive biological assets, right-of-use assets, intangible assets and goodwill (excluding inventories, investment property measured at fair value model, deferred income tax assets and financial assets) are determined as follows:

At each balance sheet date, The Center determines whether there may be indication of impairment of the assets, if there is any, The Center will estimate the recoverable amount of the asset, and perform test for impairment. For goodwill arising from a business combination, intangible assets with indefinite useful life and intangible assets that have not reached the usable condition are tested for impairment annually regardless of whether such indication exists.

The recoverable amount of an asset is determined by the higher of the net amount after deducting the disposal costs from the asset's fair value and the present value of the asset's estimated future cash flow. The recoverable amount of asset is estimated on individual basis. If it is not possible to estimate the recoverable amount of the individual asset, The Center determines the recoverable amount of the asset group to which the asset belongs. The identification of the asset group is based on whether the cash flow generated from the asset group is independent of the major cash inflows from other assets or asset groups.

When the asset or asset group's recoverable amount is lower than its carrying amount, The Center reduces its carrying amount to its recoverable amount, the reduced amount is recorded in profit or loss for the current period and the provision for impairment of assets is recognized.

For tests of goodwill impairment, the carrying amount of goodwill arising from a business combination is allocated reasonably to the relevant asset group since the acquisition date. If the carrying value of goodwill is unable to be allocated to asset group, the carrying value of goodwill will be allocated to asset portfolio. Asset group or portfolio of asset group is asset group or portfolio of asset group which can be benefit from synergies of a business combination and is not greater than the reportable segment of The Center.

In impairment testing, if indication of impairment exists in asset group or portfolio of asset group containing

allocated goodwill, impairment test is first conducted on asset group or portfolio of asset group that does not contain goodwill, and corresponding recoverable amount is estimated and any impairment loss is recognized. Then asset group or portfolio of asset group containing goodwill is conducted impairment test by comparing its carrying amount and its recoverable amount. If the recoverable amount is less than the carrying amount, impairment loss of goodwill is recognized.

Once an impairment loss is recognized, it is not reversed in a subsequent period.

24. Employee benefits

(1) Scope of employee benefits

Employee benefits refer to all forms of consideration or compensation given by The Center in exchange for service rendered by employees or for the termination of employment relationship. Employee benefits include short-term employee benefits, post-employment benefits, termination benefits and other long-term employee benefits. Benefits provided to the employee's spouse, children, dependents, family members of deceased employees, or other beneficiaries are also employee benefits.

(2) Short-term employee benefits

In the accounting period in which employees have rendered services, The Center recognized the employee wages, bonus, social security contributions according to regulations such as medical insurance, work injury insurance and maternity insurance as well as housing funds as liability, and charged to profit or loss for the current period or cost of relevant assets. If the liability is not expected to be settled wholly in twelve months after the balance sheet date, and the amount is significant, the liability is measured at the discounted amount.

(3) Post-employment benefits

Post-employment benefit plan includes defined contribution plans and defined benefit plans. Defined contribution plans are post-employment benefit plans under which a corporate pays fixed contributions into an escrow fund and will have no further obligation. Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Defined contribution plans

Defined contribution plans include basic pension insurance, unemployment insurance and corporate annuity plan.

In addition to the basic pension insurance, the Center establishes an enterprise annuity plan ("annuity plan") in accordance with the relevant policies of the national enterprise annuity system, and employees can participate in the annuity plan voluntarily. Apart from this, the Center has no other major employee social security commitments.

In the accounting periods which employees rendered services, the amount of defined contribution plan is recognized as liability and charged to profit or loss for the current period or cost of relevant assets.

Defined benefit plans

For defined benefit plans, independent actuaries estimate the actuarial value at the balance sheet date to determine the cost of welfare by using the Projected Unit Credit method. The Center recognizes the following components of employee benefits cost arising from defined benefit plan:

① service cost, comprising current service cost, past service cost and any gain or loss on settlement. Current service cost is the increase in the present value of the defined benefit plan obligation resulting from employee service in the current period. Past service cost is the increase or decrease in the present value of the defined benefit plan obligation for employee service in prior periods, resulting from a plan amendment.

② net interest on the defined benefit plan net liabilities or assets, including interest income on plan assets, interest cost on the defined benefit plan obligation and interest on the effect of the asset ceiling.

③ changes as a result of remeasurement of the net defined benefit plan liabilities or assets.

Item ① and item ② above are recognized in profit or loss for the current period unless another Accounting Standard requires or permits the inclusion of the employee benefit costs in the cost of assets.

Item ③ is recognized in other comprehensive income and is not reclassified to profit or loss in subsequent period. On termination of defined benefit plans, other comprehensive income previously recognized is transferred to retained earnings.

(4) Termination benefits

Termination benefits provided by The Center to employees are recognized as an employee benefits liability and charged to profit or loss for the current period at the earlier of the following dates: The Center cannot unilaterally withdraw the offer of termination benefits because of an employment termination plan or a curtailment proposal; and when The Center recognizes costs or expenses related to the restructuring that involves the payment of termination benefits.

For early retirement arrangement, early retirement benefits are accounted for termination benefits, in which the salaries and social security contributions to be paid to and for the early retired employees from the off-duty date to the normal retirement date are charged to the profit or loss for the current period. Compensations after the normal retirement date (such as formal endowment insurance) are accounted for as post-employment benefits.

(5) Other long-term employee benefits

Other long-term employee benefits provided by The Center to the employees satisfied the conditions for classifying as a defined contributions plan; those benefits are accounted for in accordance with the above requirements relating to defined contribution plan. When the benefits satisfied a defined benefits plan, they are accounted for in accordance with the above requirements relating to defined benefits plan, but the movement of net liabilities or assets in re-measurement of defined benefit plan is recorded in profit or loss for the current period or cost of relevant assets.

25. Share-based payments

(1) Types of share-based payment

The share-based payment can be distinguished into equity-settled and cash-settled share-based payment

(2) Determination of fair value of equity instruments

If there exists an active market for options and other equity instruments granted by the Center, their fair

value is determined on the price quotes in an active market. If an active market does not exist for options and other equity instruments granted by the Center, their fair value is determined by using an option pricing model. Selection of option pricing model considers the following factors: A) Exercise price of option; B) Validity period of option; C) Spot price of subject shares; D) Estimated volatility of share price; E) Estimated dividend of shares; F) Risk-free interest rate in the validity period of option.

(3) Basis for the best estimate of vested equity instruments

At each balance sheet date of the vesting period, the Center revises the number of equity instruments that will ultimately vest based on the best estimate of the latest number of eligible employees and other subsequent information. On vesting date, the number of expected vested equity instruments should be agreed with the actual number vested.

26. Bonds payable

The bonds issued externally shall be initially measured according to the amount that the fair value net of transaction expense, and subsequently measured at amortized cost using the effective interest method through the maturity date.

Interest expenses are directly recorded into profit or loss for the current period, except in certain situation where they meet the conditions of capitalization of borrowing costs.

27. Provisions

A provision is recognized as a liability when an obligation related to a contingency satisfied all of the following conditions:

- (1) The obligation is a present obligation of The Center;
- (2) It is probable that an outflow of economic benefits will be required to settle the obligation;
- (3) The amount of the obligation can be measured reliably.

Provisions are initially measured at the best estimate of the payment to settle the associated obligations and consider the relevant risk, uncertainty and time value of money. If the impact of time value of money is significant, the best estimate is determined as its present value of future cash outflow. The Center reviews the carrying amount of provisions at the balance sheet date and adjusts the carrying amount to reflect the best estimate.

If all or part of the expenses necessary for settling the provision is expected to be compensated by a third party, the amount of compensation is separately recognized as an asset when it is basically certain to be received. The recognized compensation amount shall not exceed the carrying value of the provision.

28. Preference shares and perpetual bonds

The Center initially recognizes and measures financial instrument in accordance with the standards of financial instrument. On the basis of the category of financial instrument issued, interest is accrued or dividends are paid at each balance sheet date according to the relevant specific enterprise accounting standards. For the financial instrument classified as equity instrument, the interest or dividend paid is treated as profit distribution of the Center and the repurchase and cancellation of the financial instrument is treated as the movement in equity. For the financial instrument classified as financial liability, the interest or dividend paid is treated as borrowing cost for accounting treatment and gains or losses arising from

the repurchase or redemption of financial instrument is recognized in profit or loss for the current period.

The transaction costs such as handle charges and commission in issuance of financial instrument are recognized in the initial recognition amount of issued instrument if it is classified as liability instrument and measured by amortized cost. The transaction costs are deducted from equity if it is classified as equity instrument.

29. Revenue recognition

The Center recognizes revenue when (or as) a performance obligation is satisfied, i.e. revenue is recognized when the control of the goods or services is transferred to the customer.

Where the contract includes two or more performance obligations, the Center determines the stand-alone selling price at contract inception of the distinct good or service underlying each performance obligation in the contract and allocates the transaction price in proportion to those stand-alone selling prices. Revenue of each performance obligation is measured on the allocated transaction price.

A performance obligation is satisfied over time if one of the following criteria is met, otherwise, it is a performance obligation satisfied at a point in time:

- ① when the customer simultaneously receives and consumes the benefits provided by the Center when the Center performs its obligations under the contract ;
- ② when the customer is able to control the goods in progress in the course of performance by the Center under the contract ;
- ③ when the goods produced by the Center under the contract are irreplaceable and the Center has the right to receive payment for performance completed to date during the whole contract term .

For performance obligations performed over a period of time, the Center recognizes revenue according to the progress of the performance during that period. If the Center cannot reasonably measure the outcome of a performance obligation, but the Center expects to recover the costs incurred in satisfying the performance obligation, then revenue is recognized only to the extent of the costs incurred until such time that the outcome of the performance obligation can be reasonably measured.

For performance obligations performed at a point in time, the Center recognizes revenue when the customer obtains control of the goods or services. In determining whether a customer has obtained the control of goods or services, the Center will consider the following factors:

- ① The Center has a present right to receive payment for the goods or services, that is the customer is presently obliged to pay for the goods or services;
- ② the Center has transferred the legal title of the goods to the customer, that is the customer has legal title to the goods;
- ③ the Center has transferred physical possession of the goods to the customer, that is the customer has physical possession of the goods;

- ④ the Center has transferred the significant risks and rewards of ownership of the goods to the customer, that is the customer has the significant risks and rewards of ownership of the goods;
- ⑤ the customer has accepted the goods or services;
- ⑥ Other indications that the customer has obtained control of the goods.

A contract asset is the Center's right to consideration (and the right depends on other factors other than a passage of time) in exchange for goods or services that the Center has transferred to a customer. A contract asset is assessed for impairment on the basis of expected credit loss (refer to Note IV.9 (6)). A receivable represents the Center's unconditional right to consideration (only the passage of time is required) to be received from the customer. A contract liability represents the Center's obligation to transfer goods or services to a customer for which the Center has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to a contract are accounted for and presented on a net basis. If the net amount is debit balance, it is presented as "contract assets" or "other non-current assets" according to its liquidity; if the net amount is credit balance, it is presented as "contract liabilities" or "other non-current liabilities" according to its liquidity.

30. Contract costs

Contract costs consist of incremental costs of obtaining a contract and contract fulfillment costs.

Incremental costs of obtaining a contract are those costs that an entity incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained (for example, a sales commission). The Center recognizes as an asset the incremental costs of obtaining a contract with a customer if those costs are expected to be recoverable. Other expenses incurred by the Center other than the incremental costs that are expected to be recovered in obtaining a contract are recognized in profit or loss for the current period when incurred.

The Center recognizes as an assets the costs incurred in fulfilling a contract with a customer if those costs are not within the scope of another Standard (for example, Inventories) and meet all of the following criteria:

- ① the costs relate directly to a contract or to an anticipated contract, including direct labour, direct materials, manufacturing costs (or similar costs) , costs that are explicitly chargeable to the customer and other costs that are incurred only because the Center entered into the contract;
- ② the costs generate or enhance resources of the Center that will be used in satisfying performance obligations in the future; and
- ③the costs are expected to be recovered.

Assets recognised on incremental costs of obtaining a contract and contract performance costs (hereinafter refer as "Contract assets") are amortized on a systematic basis that is consistent to the revenue recognition of the related goods or services, and are charged to profit or loss for the current period.

The Center recognises provision for impairment of assets when the carrying amount of contract asset is higher than the difference between the following two items:

- ① the remaining amount of consideration that the Center expects to receive in exchange for the goods or services to which the asset relates;
- ② costs anticipated to be incurred for the transfer of goods or services.

As determined at contract inception, contract fulfilment costs that is recognised as an asset is presented as “inventories” if the amortization period is not more than one year or one operating cycle, or is presented as “other non-current assets” if the amortization period is more than 1 year or one operating cycle.

As determined at contract inception, incremental costs of obtaining a contract that is recognised as an asset is presented as “other current assets” if the amortization period is not more than one year or one operating cycle, or is presented as “other non-current assets” if the amortization period is more than 1 year or one operating cycle.

31. Compensation, liquidated damages, fine income, etc.

Government grant is recognized when prescribed conditions are satisfied and the grant will be received.

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 transfer of a non-monetary asset, it is measured at fair value. If fair value cannot be reliably determined, it is measured at a nominal amount of RMB 1.

A government grant related to an asset is a grant obtained by The Center for purchase, construction or formation of long-term assets. The grant not related to an asset is classified as government grant related to income.

For government grant with unspecified purpose, the amount of grant used to form a long-term asset or related to an asset is regarded as government grant related to an asset, the remaining amount of grant is regarded as government grant related to income. If it is not possible to distinguish, the amount of grant is treated as government grant related to income.

A government grant related to an asset is either deducted the carrying amount of the asset, or recognized as deferred income and amortized to profit or loss over the useful life of the related asset on a reasonable and systematic basis. For a government grant related to income, if the grant is a compensation for related expenses or losses already incurred, the grant is recognized immediately in profit or loss for the current period. If the grant is a compensation for related expenses or losses to be incurred in subsequent periods, the grant is recognized as deferred income, and recognized in profit or loss over the periods in which the related expenses or losses are recognized. Compensation, liquidated damages, fine income, etc. measured at nominal amounts are directly recognized in profit or loss for the period. The Center adopts same treatment for those transactions of similar Compensation, liquidated damages, fine income, etc.

Compensation, liquidated damages, fine income, etc. relating to daily activities, according to the substance of business transaction, it is either recorded as other income or deduction of related expenditure. If it is not relating to daily activities, it is recorded as Non-operating income.

When there is requirement of refund the government grant, if there exists of the related deferred income balance, then the deferred income balance is reduced by the amount repayable, any excess is charged to profit or loss for the current period. Repayment of a government grant related to situation, it is directly

charged to profit or loss for the current period.

32. Deferred tax assets and deferred tax liabilities

Income tax comprises of current tax and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that they relate to transactions or items recognized directly in equity and goodwill arising from a business combination.

Temporary differences arising from the difference between the carrying amount of an asset or liability and its tax base are recognized as deferred tax using the balance sheet liability method.

All the taxable temporary differences are recognized as deferred tax liabilities except for those incurred in the following transactions:

- (1) Initial recognition of goodwill or initial recognition of an asset or liability in a transaction which is neither a business combination nor affects accounting profit or taxable profit (or deductible loss) when the transaction occurs;
- (2) The taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, and The Center is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The Center recognizes a deferred tax asset for the carry forward of deductible temporary differences, deductible losses and tax credits to subsequent periods, to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, deductible losses and tax credits can be utilized, except for those incurred in the following transactions:

- (1) The transaction is neither a business combination nor affects accounting profit or taxable profit (or deductible loss) when the transaction occurs;
- (2) The deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, the corresponding deferred tax asset is recognized when both of the following conditions are satisfied: it is probable that the temporary difference will reverse in the foreseeable future and it is probable that taxable profits will be available in the future against which the temporary difference can be utilized.

At the balance sheet date, deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, and their tax effect is reflected.

At the balance sheet date, The Center reviews the carrying amount of a deferred tax asset. If it is probable that sufficient taxable profits will not be available in future periods to allow the benefit of the deferred tax asset to be utilized, the carrying amount of the deferred tax asset is reduced. Any such reduction in amount is reversed when it becomes probable that sufficient taxable profits will be available.

33. Leasing

(1) Identification of leases

On the beginning date of the contract, the Center (as a lessee or lessor) assesses whether the customer in the contract has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use and has the right to direct the use of the identified asset throughout

the period of use. If a contract conveys the right to control the use of an identified asset and multiple identified assets for a period of time in exchange for consideration, the Center identifies such contract is, or contains, a lease.

(2) The Center as lessee

On the beginning date of the lease, the Center recognises right-of-use assets and lease liabilities for all leases, except for short-term lease and low-value asset lease with simplified approach.

The accounting policy for right-of-use assets is set out in Note IV. 19.

The lease liability is initially measured at the present value of the lease payments that are not paid at the beginning date of the lease using the interest rate implicit in the lease or the incremental borrowing rate. Lease payments include fixed payments and in-substance fixed payments, less any lease incentives receivable; variable lease payments that are based on an index or a rate; the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; payments for terminating the lease, if the lease term reflects the lessee exercising that option of terminating; and amounts expected to be payable by the lessee under residual value guarantees. Subsequently, the interest expense on the lease liability for each period during the lease term is calculated using a constant periodic rate of interest and is recognised in profit or loss for the current period. Variable lease payments not included in the measurement of lease liabilities are charged to profit or loss in the period in which they actually arise. The Center calculates the interest expense of the lease liability for each period of the lease term based on the fixed periodic interest rate and is included in the current profit and loss. The variable lease payments that are not included in the measurement of the lease liability are recognised in profit or loss when incurred.

Short-term lease

Short-term leases refer to leases with a lease term of less than 12 months from the commencement date, except for those with a purchase option.

Lease payments on short-term leases are recognised in the cost of related assets or current profit or loss on a straight-line basis over the lease term.

Low-value asset lease

A low-value asset lease is a lease that the value of a single leased asset is below RMB40,000 when it is a new asset.

For a low-value asset lease, the Center chooses the above simplified approach based on the specific circumstances of each lease.

Lease payments on low-value asset leases are recognised on a straight-line basis over the lease term, and either included in the cost of the related asset or charged to profit or loss for the current period.

(3) The Center as lessor

When the Center is a lessor, a lease is classified as a finance lease whenever the terms of the lease transfer substantially all the risks and rewards of asset ownership to the lessee. All leases other than financial leases are classified as operating leases.

Financing lease

In a financial lease, the Center uses the net investment in leases as the carrying amount of finance lease receivables at the inception of a lease. The net investment in leases is the sum of the unguaranteed residual value and the present value of the outstanding lease payment at the inception of a lease, discounted using the interest rate implicit in the lease. The Center, as the lessor, calculates and recognises the interest income over each period of the lease term at a fixed periodic interest rate. Variable lease payments not included in the measurement of the lease liability, which are obtained by the Center as a lessor, are recognised in profit or loss as incurred.

The derecognition and impairment of financial lease receivables shall be accounted for in accordance with the "Accounting Standards for Business Enterprises No. 22-Recognition and Measurement of Financial Instruments" and "Accounting Standards for Business Enterprises No. 23-Transfer of Financial Assets".

Operating lease

Lease payments under operating leases are recognised in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in relation to operating leases are capitalised and amortised over the lease term on the same basis as rental income and recognised in profit or loss for the current period. The variable lease payments obtained in relation to operating leases that are not included in the lease payments are recognised in profit or loss in the period in which they actually incurred.

(4) Sale and leaseback

The lessee and the lessor shall assess and determine whether the transfer of assets in a sale and leaseback transaction is a sale in accordance with the requirements of the Accounting Standard for Business Enterprises No. 14 - Revenue.

Where asset transfer under the sale and leaseback transactions is a sale, the lessee shall measure the right-of-use assets created by the sale and leaseback based on the portion of carrying amount of the original assets related to right of use obtained upon leaseback, and only recognise relevant profit or loss for the right transferred to the lessor. The lessor shall account for the purchase of assets in accordance with other applicable ASBEs and account for the lease of assets in accordance with this standard.

Where asset transfer under the sale and leaseback transactions is not a sale, the lessee shall continue to recognise the transferred assets while recognising a financial liability equal to the transfer income and account for such liability according to the Accounting Standard for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments; or not to recognise the transferred assets but recognise a financial asset equal to the transfer income and account for such asset according to the Accounting Standard for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments.

34. Held for sale and discontinued operations

(1) Classification and measurement of non-current assets or disposal group held for sale

Non-current assets or disposal group is classified as held for sale when The Center recovers their carrying amounts principally through a sale transaction (including exchange of non-monetary assets with commercial substance) rather than through continuing use.

The above non-current assets do not include investment properties measured at fair value model, biological assets measured at fair value less costs to sell, assets arising from employee benefits, financial

assets, deferred tax assets and contractual rights under insurance contracts.

Disposal group is being a group of assets to be disposed of, by sale or otherwise, together as a group in a single transaction, and liabilities directly associated with those assets that will be transferred in the transaction. In specific case, the disposal group includes goodwill acquired in the business combination.

Non-current assets or disposal group is classified as held for sale only when all of the following conditions are satisfied: the non-current asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets or disposal groups; the sale is highly probable, provided that a plan to sell is resolved by The Center, firm purchase commitment has been received and the sale will be completed within one year. When a sale plan of investment in subsidiary is involving loss of control of the subsidiary and is satisfying the conditions of classification as held for sale, regardless of whether The Center retains a portion of equity interest, the investment in that subsidiary is classified as held for sale in separate financial statements of The Center and all the assets and liabilities of that subsidiary is classified as held for sale in consolidated financial statements.

On initial measurement or subsequent remeasurement at balance sheet date of non-current assets or disposal groups held for sale, assets impairment loss is recognized when its carrying amount is higher than its fair value less costs to sell. For impairment loss recognized for a disposal group held for sale, the impairment loss is allocated firstly to reduce the carrying amount of any goodwill in the disposal group, then to each of the non-current assets of disposal group on the pro-rata basis of the carrying amount of each asset.

When the fair value less costs to sell of a non-current asset or disposal group is increase in subsequent balance sheet date, its carrying amount is recovered and the assets impairment loss recognized after the classification as held for sale is reversed, and the reversal amount is recorded in profit or loss for current period. Impairment loss of goodwill is not reversed.

Non-current asset held for sale and the assets of a disposal group held for sale are not depreciated or amortized. Interest and other expenses attributable to the liabilities of a disposal group held for sale are continued to be recognized. For all or a portion of investment in associates or joint ventures classified as held for sale, the portion classified as held for sale is ceased for accounting under equity method, and the remaining portion (being not classified as held for sale) is continuously accounted under equity method; When The Center ceases to have significant influence on associates and joint ventures by a sale of investment, accounting under equity method is ceased.

If a non-current asset or disposal group was classified as held for sale, but the conditions of classification as held for sale are no longer met, The Center ceases to classify it as held for sale and measures it at the lower of:

- ① its carrying amount before it was classified as held for sale, adjusted for any depreciation, amortization or impairment that would have been recognized had the asset or disposal group not been classified as held for sale; or
- ② its recoverable amount.

(2) Discontinued operations

The Center classifies a component as a discontinued operation either upon disposal of the operation or

when the operation meets the criteria to be classified as held for sale if it is separately identifiable and satisfies one of the following conditions:

- ① It represents a separate major line of business or a separate geographical area of operations;
- ② It is part of a single co-ordinated plan to dispose of a separate major line of business or a separate geographical area of operations;
- ③ It is a subsidiary acquired exclusively with a view to resale.

(3) Presentation

The Center presents a non-current asset held for sale and the assets of a disposal group held for sale as “assets held for sale” in balance sheet, and the liabilities of a disposal group held for sale as “liabilities held for sale” in balance sheet.

The Center presents separately the profit or loss from continuing operations and the profit or loss from discontinued operations. For a non-current asset held for sale or a disposal group held for sale not satisfied the definition of discontinued operation, its impairment loss, reversal and gain or loss from disposal are presented in profit or loss from continuing operations. Operating profit or loss, such as impairment loss and reversal, of a discontinued operation and its gain or loss from disposal is presented in profit or loss from discontinued operations.

A disposal group, which satisfied the definition of a component in discontinued operation, that is to be closed rather than sold, it is presented as discontinued operation at the date on which it ceases to be used.

For discontinued operations presented in current period, its comparative information in prior year should be re-presented from profit or loss from continuing operations to profit or loss from discontinued operations in the current year financial statements. For discontinued operation that no longer met the conditions of classification as held for sale, its comparative information in prior year should be re-presented from profit or loss from discontinued operations to profit or loss from continuing operations in the current year financial statements.

35. 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 assets and liabilities measured by the Center at fair value include: financial assets measured at fair value through profit or loss, available-for-sale financial assets, investment properties, biological assets, financial liabilities measured at fair value through profit or loss.

For financial assets or financial liabilities in active markets, The Center uses the quoted prices in active markets as their fair value. If there is no active market, The Center uses valuation technique to determine their fair value. Valuation techniques mainly include the discount cash flow approach and the market approach, etc. Valuation techniques input mainly include the risk-free interest rate, the benchmark interest rate, exchange rate, credit spreads, liquidity premium, lack of liquidity discount, etc.

The fair value measurement of non-financial assets considers the highest and best use of the asset by

market participants or the assets are sold to other market participants who have the ability to generate economic benefits.

The Center adopts the valuation technique that is suitable for the current situation and there is enough data and other information to support. The priority is the observable inputs. If there are no observable inputs, The Center uses unobservable inputs.

Financial assets or financial liabilities fair value changes generate the gains or loss, except for hedging, it should follow the below rules: ① the realized gains or losses of financial assets or financial liabilities at fair value through profit or loss, should recognize in profit or loss for the current period. ② the gains and losses arising from changes in fair value of available-for-sale financial assets, except for impairment loss and exchange difference of foreign currency financial assets, should directly recognize in owner's equity and recognize in current profit or loss when the financial assets disposed.

Investment properties measured by using the fair value model are adjusted based on the fair value of the investment properties on the balance sheet date. The difference between the fair value and the original carrying amount is included in the profit or loss for the current period.

Assets and liabilities measured or disclosed at financial statements are determined the fair value level based on the lowest level input that is significant to the measurement in its entirety. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability.

The Center should re-evaluate the asset and liabilities measured at fair value continuously on the balance sheet date to determine whether the level is changed.

36. Safety production fund and simple reproduction maintenance fee

Certain mines and coal companies affiliated to The Center accrued safety production fund, simple reproduction maintenance fee, shaft engineering funds, and deposits for the restoration of the ecological environment of mines in accordance with the relevant regulations of the Ministry of Finance, the National Development and Reform Commission, the State Administration of Work Safety, and the State Administration of Coal Mine Safety Supervision. It is included in the cost of the relevant product or the profit or loss for the current period at the time of accrual, and also included in the "Special reserves".

37. Gratuitous transfers of subsidiaries between wholly state-owned enterprises

(1) Accounting treatment for transferred-in enterprise

On the date of obtaining the control of the transferred enterprise, the Center debits the "long-term equity investment" account according to the relevant amount approved by the State-owned Assets Supervision Department, and credits the "capital reserve (capital premium)" account (if the approval is clear as paid-in capital it will be credited to the "paid-in capital" subject, the same below).

The consolidated balance sheet of the Center is based on the book value of the assets and liabilities of the transferred enterprise determined by audit and approved by the State-owned Assets Supervision Department and any changes before the transfer occurred, adjusting the balance sheet of the transferred enterprise, and the difference in the assets and liabilities of the transferred enterprise should be recorded in the capital reserve (capital premium) of the Center.

The current year consolidated income statement of the Center should include the net profit of the transferred enterprise from the base date approved by the State-owned Assets Supervision Department to the end of the year that the transfer of control occurred.

The current year consolidated cash flow statement of the Center should include the cash flow of the transferred enterprise from the base date approved by the State-owned Assets Supervision Department to the end of the year that the transfer of control occurred.

The consolidated statement of changes in owners' equity of the Center should include the changes in the owner's equity of the transferred enterprise from the base date approved by the State-owned Assets Supervision Department to the end of the year that the transfer of control occurred. The consolidated statement of changes in owners' equity can be compiled from the consolidated balance sheet and consolidated income statement.

(2) Accounting treatment for transferred-out enterprise

On the date of loss of control over the transferred enterprise, the Center debits the "capital reserve (capital premium)" account (if the approval is explicitly to reduce the capital, then should debit the "paid-in capital" account, the same below) and credit the "long-term equity investment (the transferred out enterprise)" account according to the book value of the long-term equity investment of the transferred enterprise; if the capital reserve (capital premium) is insufficient to offset, then offset the surplus reserve and retained earnings in order.

On the date of loss of control over the transferred enterprise, the company will no longer include the transferred enterprise in the scope of the consolidated financial statements, and terminate the recognition of the assets, liabilities, minority interests and other interests of the transferred enterprise as reflected in the consolidated financial statements before. The relevant difference should offset against the capital reserve (capital premium), and if the capital reserve (capital premium) is insufficient to offset, the surplus reserve and retained earnings will be offset in order. At the same time, the unrealized internal gains and losses between the Center and the transferred enterprises before the transfer of control should be transferred to the capital reserve (capital premium). If the capital reserve (capital premium) is insufficient to offset, the surplus reserve and retained earnings will be offset in order.

V. Changes in accounting policies and accounting estimates and correction of prior year errors

(1) Changes in accounting policies

1. New revenue standard (Subsidiaries that initially adopted New Revenue Standard)

The Ministry of Finance issued the "Accounting Standards for Business Enterprises No. 14-Revenue (Revised)" ("New Revenue Standard") in 2017. Please refer to Note IV. 29 for the accounting policy after the change.

Revenue is recognised when the contract performance obligations have been fulfilled, that is the customer has gained control of the relevant goods and services. When certain condition is met, it shall be obliged to fulfil its performance obligations within a certain period, otherwise, it shall be obliged to fulfil its performance obligations at a certain point. If two or more performance obligations are included in the contract, the Group shall, on the commencement date of the contract, apportion the transaction price to the individual performance obligations according to the relative proportion of the individual selling prices of the commodities or services promised by the individual performance obligations, and measure the revenue according to the transaction price apportioned to the individual performance obligations.

Subsidiaries that initially adopted New Revenue Standard have revised the related accounting policies in accordance with the specific provisions of the new revenue standards on specific matters or transactions. For example: contract cost, quality warranty, distinction between principal and agent, sales with sales return clauses, additional purchase options, intellectual property licensing, repurchase arrangements,

receipts in advance, initial fees that do not need to be returned, etc.

The right to receive consideration for transferring goods to the customer, which depends on factors other than the passage of time, shall be presented as contract assets. The obligation to transfer goods to the customer after consideration received or receivable shall be presented as contract liabilities.

The subsidiaries adjusted the retained earnings at the beginning of 2021 and the amount of other relevant items in the financial statements based on the cumulative impact of the initial adoption of the new revenue standard, and did not adjust the comparative financial statement data. The subsidiaries only adjusted the beginning balance of 2021 on the relevant items in the financial statements by the amount of cumulative impact of contracts that have not been completed on 1 January 2021.

Contents and reasons of changes in accounting policies	Financial item being affected	Impact amount (as of 1 January 2021)
Due to the implementation of the new revenue standard, the subsidiary that implements the new revenue standard for the first time will include the right to receive consideration related to the sale of goods and rendering of services that does not meet the unconditional right of collection into Contract assets; records the completed and unsettled, long-term receivables related to infrastructure construction, certain manufacturing and installation business and rendering of services that do not meet the unconditional right of collection into contract assets and other non-current assets; reclassifies advance from customers relating to settled but incomplete infrastructure construction, certain manufacturing and installation business, and sales of goods that to contract liabilities.	Accounts receivable	-215,150,709.06
	Contract assets	3,892,889,702.03
	Inventories	-4,767,865,880.61
	Other non-current assets	246,482,942.02
	Contract liabilities	35,236,140,593.64
	Provisions	123,001,499.13
	Other current liabilities	1,792,007,078.07
	Advances from customers	-38,540,989,531.65

2. New financial instruments standards

In 2017, the Ministry of Finance promulgated the "Accounting Standards for Business Enterprises No. 22-Recognition and Measurement of Financial Instruments (Revised)", "Accounting Standards for Business Enterprises No. 23-Transfer of Financial Assets (Revised)", and "Accounting Standards for Business Enterprises No. 24" —Hedging Accounting (Revised)" and "Accounting Standards for Business Enterprises No. 37-Presentation of Financial Instruments (Revised)" (hereinafter collectively referred to as "New financial instruments standards"), the Center (except for subsidiaries that have implemented New financial instruments standards) implemented the New financial instruments standards since January 1, 2021, and adjusted the relevant content of accounting policies. Please refer to Note IV. 9 for the changes in accounting policy.

In accordance with the provisions of New financial instruments standards, except for certain specific circumstances, the classification and measurement of financial instruments (including impairment) are adjusted retrospectively, and the difference between the original carrying amount of financial instruments and the adjusted carrying amount of New financial instruments standards as of the effective date (ie January 1, 2021) is included in the beginning balance of retained earnings or other comprehensive income

in 2021. At the same time, the Center did not adjust the comparative financial statement figure.

As of January 1, 2021, the results of classification and measurement of financial assets in accordance with the previous financial instruments standards and the New financial instruments standards are as follows:

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Previous financial instruments standards			New financial instruments standards		
Item	Category	Carrying amount	Item	Category	Carrying amount
Financial assets at fair value through profit or loss	Measured at fair value through profit or loss	41,413,641,347.33	Trading financial assets	Measured at fair value through profit or loss	18,629,644,684.01
	Measured at fair value through other comprehensive income (debt instruments)	5,674,955,703.38	Other equity instruments investment	Measured at fair value through other comprehensive income	7,590,742,049.81
			Other non-current financial assets	Measured at fair value through profit or loss	13,463,553,343.68
Available-for-sale financial assets	Measured at fair value through other comprehensive income (equity instruments)	151,597,042,404.72	Other debt investments	Measured at fair value through other comprehensive income	66,117,830.13
			Trading financial assets	Measured at fair value through profit or loss	5,500,837,374.43
			Trading financial assets	Measured at fair value through profit or loss	23,288,678,251.79
	Measured at fair value through other comprehensive income (equity instruments)	64,233,881,472.39	Other non-current financial assets	Measured at fair value through profit or loss	3,507,555,591.72
			Assets held-for-sale	At amortised cost	405,500,000.00
			Long-term equity investment	Cost method/Equity method	20,577,311,103.05
Notes receivable	At amortised cost	6,915,383,827.42	Other equity instruments investment	Measured at fair value through other comprehensive income	116,694,364,733.40
			Other non-current financial assets	Measured at fair value through profit or loss	7,230,213,587.84
			Other equity instruments investment	Measured at fair value through other comprehensive income	34,870,196,257.81
			Long-term equity investment	Equity method	14,831,352,903.48
			Other non-current assets	At amortised cost	1,000,000.00
			Notes receivable	At amortised cost	1,143,008,444.57

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Previous financial instruments standards			New financial instruments standards		
Item	Category	Carrying amount	Item	Category	Carrying amount
Accounts receivable	At amortised cost	17,200,779,697.42	Receivables financing	Measured at fair value through other comprehensive income	5,771,220,830.72
Other receivables	At amortised cost	14,062,803,365.99	Accounts receivable	At amortised cost	16,550,521,306.80
Long-term receivables	At amortised cost	307,891,111.76	Other receivables	At amortised cost	13,847,518,631.58
Held-to-maturity investments	At amortised cost	3,412,650,000.00	Long-term receivables	At amortised cost	307,891,111.76
			Debts investment	At amortised cost	3,412,650,000.00

3. New Lease Standard

The Ministry of Finance issued the "Accounting Standards for Business Enterprises No. 21-Leases (Revised)" in 2018 (hereinafter referred to as "New Lease Standard"), the Center has implemented the New Lease Standard since January 1, 2021, and adjusted the relevant content of its accounting policies. Please refer to Note IV. 33 for the changes in accounting policy.

The impacts on balance sheet items of the implementation of the New Lease Standard on January 1, 2021 are as follows:

Item	Carrying amount before adjustments (December 31, 2020)	Adjustment amount	Carrying amount after adjustments (January 1, 2021)
Assets:			
Prepayments	9,296,267,682.42	42,691,963.18	9,196,823,833.74
Other receivables	2,276,770,258.25	-1,733,333.33	2,275,036,924.92
Fixed assets	659,997,196,556.14	-6,188,045,939.71	655,107,373,528.18
Construction in progress	29,757,180,428.24	-10,030,000.00	29,747,150,428.24
Right-of-use assets	1,497,918,974.79	10,033,036,675.38	15,353,056,683.57
Long-term deferred expenses	10,537,425,123.75	-38,486,803.40	10,484,699,580.65
Deferred tax assets	39,810,718.88	77,520,943.34	117,331,662.22
Other non-current assets	8,902,850,778.89	-5,516,516.92	8,897,334,261.97
Liabilities:			
Non-current liabilities due within one year	84,161,679,401.96	-204,891,497.51	84,777,610,345.07
Lease liabilities	1,081,950,289.57	6,893,817,830.29	10,820,672,161.08
Other payables	31,480,589,762.33	-18,540,214.78	31,462,049,547.55
Long-term payables	25,301,622,137.01	-2,765,627,262.49	22,535,994,874.52
Deferred tax liabilities	39,230,071.92	77,409,952.23	116,640,024.15

(II) Changes in accounting estimates

The Center has no changes in accounting estimation that need to be disclosed.

(III) Other adjustments

The Center's Subsidiaries, Beijing Electronics, newly merged with Beijing Huihuang Zhida Electronic Industrial Technology Consulting Co., Ltd. under common control. Its capital reserve at the beginning of the period is increased by RMB 42,094,903.52 and its undistributed profits at the beginning of the period is reduced by RMB 4,033,337.57.

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(IV) Cumulative impact on owners' equity at the beginning of the period

Item	2021.01.01						
	Capital reserve	comprehensive income	Other comprehensive income	Special reserves	Surplus reserve	Undistributed profits	Minority interests
Balance before retrospective adjustment	346,554,736,727.19	14,474,502,033.83	1,979,230,331.60	4,996,510,225.93	124,436,702,001.94	527,318,700,338.75	
Retrospective adjustment of accounting policies	4,184,313,587.24	-1,246,207,001.19	--	95,236,723.57	10,350,493,126.87	-216,352,834.55	
Others	42,094,903.52	--	--	--	-4,033,337.57	--	
Retrospectively adjusted balance	350,781,145,217.95	13,228,295,032.64	1,979,230,331.60	5,091,746,949.50	134,783,161,791.24	527,102,347,504.20	

Continued:

Item	2020.01.01						
	Capital reserve	comprehensive income	Other comprehensive income	Special reserves	Surplus reserve	Undistributed profits	Minority interests
Balance before retrospective adjustment	336,876,164,692.02	10,796,152,029.06	1,863,295,601.93	4,401,476,896.08	116,693,754,094.54	459,536,421,008.79	
Retrospective adjustment of accounting policies	--	-74,967.13	--	--	116,462,705.48	--	
Retrospectively adjusted balance	336,876,164,692.02	10,796,077,061.93	1,863,295,601.93	4,401,476,896.08	116,810,216,800.02	459,536,421,008.79	

VI. Business combination and consolidated financial statements

Basic information of subsidiaries in the consolidation for this period

No.	Name of entity	Level	Place of registration	Paid-in capital (RMB ten thousand)	Investment amount (RMB ten thousand)
1	Shougang Group	2	Beijing	2,941,635.50	8,001,900.90
2	Beijing Electronics	2	Beijing	756,550.62	1,009,897.33
3	Jingcheng Electromechanical	2	Beijing	237,263.71	607,182.69
4	Beijing Energy Group	2	Beijing	2,133,806.00	4,318,534.51
5	Capital Highway Development	2	Beijing	3,060,899.19	3,112,539.79
6	Yiqing Holding	2	Beijing	140,151.71	433,726.09
7	Capital Development Holdings	2	Beijing	222,210.00	401,080.26
8	Beijing Automotive Group	2	Beijing	2,113,506.33	1,560,891.66
9	Tongrentang Group	2	Beijing	72,087.00	235,815.93
10	Suburb Tourism Company	2	Beijing	6,773.65	36,983.51
11	Urban and Rural Group	2	Beijing	31,680.49	77,897.15
12	Xianglong Company	2	Beijing	367,627.47	358,834.88
13	Beichen Group	2	Beijing	220,810.00	517,564.70
14	Jinyu Asset	2	Beijing	358,024.77	113,585.35
15	BBMG Group	2	Beijing	1,067,777.11	1,659,333.93
16	Shounong Group	2	Beijing	623,760.53	966,602.83
17	Equity Development Company	2	Beijing	10,714.29	6,280.21
18	Real Estate Investment	2	Beijing	5,500.00	5,500.00
19	Real Estate Management	2	Beijing	3,000.00	3,000.00
20	Guoguan Center Investment Holdings	2	BVI	300.00	198,505.16
21	Dairy Investment Fund Management	2	Beijing	100.00	100.00
22	Jingguorui Fund Management	2	Beijing	3,000.00	1,800.00
23	Jingguorui Fund	2	Beijing	1,059,945.57	916,290.41
24	Equity Exchange Group	2	Beijing	30,000.00	18,245.02
25	International Cooperation Center	2	Beijing	19,893.22	74,391.78
26	Siban Technology	2	Beijing	40,000.00	26,857.14
27	Beijing Consulting Company	2	Beijing	37,642.69	56,823.50
28	Longying Kechuang	2	Beijing	2,201.00	2,200.00

According to "Notice on Printing and Distributing about the Restructuring and Integration Plan of the

Subordinate Secondary Level Enterprises in Bidding and Business Sector" issued by the Center on April 19, 2021 (Jing Guoguan Center [2021] No. 47), it is agreed that Beijing Ducheng Consulting Co., Ltd. (hereinafter referred to as "Ducheng Company") gratuitously transferred its subsidiaries, Beijing Jingfa Tendering Co., Ltd. and Beijing Jingfa Times Engineering Consulting Co., Ltd., to Beijing Consulting Company; Ducheng Company gratuitously transferred its subsidiary, Beijing Guomaocheng International Trade Co., Ltd., to Beijing Dongfang Tianxu International Trade Co., Ltd. which is a subsidiary of International Cooperation Center; the headquarter of Ducheng Company is gratuitously transferred to International Cooperation Center.

VII. Notes to significant items of the financial statements

1. Cash and bank balances

Item	2021.06.30	2021.01.01
Cash on hand	254,880,073.92	18,771,119.87
Cash at bank	357,555,691,564.40	343,270,289,031.88
Other monetary funds	26,399,334,690.24	29,674,098,076.36
Total	384,209,906,328.56	372,963,158,228.11

Cash and bank balances under restriction are as follows:

Item	2021.06.30	2021.01.01
Security deposits for mortgage loans	7,100,372,362.68	5,161,720,418.81
Reserve deposited in Central bank	6,820,382,815.00	6,895,560,496.29
Deposits for letter of credit	5,470,536,594.01	4,912,589,907.30
Deposits for bank acceptance bills	4,549,570,063.67	6,187,198,925.45
Security deposits for contracts	2,278,522,218.01	1,204,883,987.92
Deposits for letter of guarantee	1,696,714,821.40	1,490,502,058.38
House sale proceeds and public maintenance fund	1,020,320,306.42	1,452,694,985.17
Fund frozen by court	698,335,582.13	343,939,894.75
Co-management of the bank account balance of housing purchase price	650,220,838.00	764,214,533.00
Others	3,117,027,969.61	4,740,150,590.27
Total	33,402,003,570.93	33,153,455,797.34

2. Trading financial assets

Item	2021.06.30	2021.01.01
Classified as financial assets at fair value through profit or loss	37,992,447,001.67	48,187,146,355.25
Including: Debt instruments investment	13,862,770,570.72	8,515,382,190.30
Equity instruments investment	17,174,355,747.95	23,083,352,962.32
Others	6,955,320,683.00	16,588,411,202.63
Designated as financial assets at fair value through profit or loss	1,705,237,070.63	2,358,020,419.27

Item	2021.06.30	2021.01.01
Including: Debt instruments investment	89,965,950.41	108,000,498.82
Others	1,615,271,120.22	2,250,019,920.45
Total	39,697,684,072.30	50,545,166,774.52

3. Accounts receivable

(1) Accounts receivable by ageing

Ageing	2021.06.30	2021.01.01
Within 1 year	98,568,869,459.65	73,711,186,025.33
1 to 2 years	16,239,095,486.24	17,762,198,212.17
2 to 3 years	13,487,477,947.30	8,070,514,235.55
3 to 4 years	5,824,294,286.96	5,952,924,674.60
4 to 5 years	2,865,114,768.99	3,505,821,610.86
Over 5 years	7,029,372,210.12	6,166,198,244.43
Subtotal	144,014,224,159.26	115,168,843,002.94
Less: Provision for bad debts	13,256,813,518.75	13,311,596,647.18
Total	130,757,410,640.51	101,857,246,355.76

(2) Disclosure by method of provision for bad debts

Category	2021.06.30				
	Book balance		Provision for bad debts		Carrying amount
	Amount	Ratio %	Amount	Expected credit loss rate %	
Provision for bad debts on individual item	7,905,509,985.19	5.49	4,336,995,624.48	54.86	3,568,514,360.71
Provision for bad debts on portfolio basis	136,108,714,174.07	94.51	8,919,817,894.27	6.55	127,188,896,279.80
Total	144,014,224,159.26	100.00	13,256,813,518.75	9.21	130,757,410,640.51

Continued:

Category	2021.01.01				
	Book balance		Provision for bad debts		Carrying amount
	Amount	Ratio %	Amount	Expected credit loss rate %	
Provision for bad debts on individual item	7,911,611,898.99	6.87	4,454,338,775.07	56.30	3,457,273,123.92
Provision for bad debts on portfolio basis	107,257,231,103.95	93.13	8,857,257,872.11	8.26	98,399,973,231.84
Total	115,168,843,002.94	100.00	13,311,596,647.18	11.56	101,857,246,355.76

4. Receivables financing

Category	2021.06.30	2021.01.01
Notes receivable	22,304,940,432.86	20,604,466,193.79

5. Prepayments

Ageing	2021.06.30			2021.01.01		
	Book balance		Provision for bad debts	Book balance		Provision for bad debts
	Amount	Ratio (%)		Amount	Ratio (%)	
Within 1 year (inclusive of 1 year)	25,436,945,199.26	80.65	26,543.11	20,169,764,143.31	77.77	5,333,225.78
1 to 2 years	2,633,501,598.96	8.35	5,652,675.97	2,529,822,844.21	9.75	10,276,868.57
2 to 3 years	1,131,964,870.84	3.59	10,372,569.87	865,417,936.54	3.34	10,161,343.25
Over 3 years	2,335,931,535.27	7.41	289,506,759.90	2,369,120,140.09	9.14	294,453,667.14
Total	31,538,343,204.33	100.00	305,558,548.85	25,934,125,064.15	100.00	320,225,104.74

6. Other receivables

Item	2021.06.30	2021.01.01
Interest receivable	620,218,303.50	546,925,096.23
Dividends receivable	2,443,891,296.36	1,312,125,528.32
Other receivables	88,920,470,920.25	84,160,736,963.86
Total	91,984,580,520.11	86,019,787,588.41

(1) Interest receivable

Interest receivable by category

Item	2021.06.30	2021.01.01
Fixed deposits	77,512,570.03	86,696,178.15
Entrusted loans	138,555.00	--
Bond investments	6,884,943.74	18,025,682.48
Others	535,682,234.73	442,203,235.60
Subtotal:	620,218,303.50	546,925,096.23
Less: Provision for bad debts	--	--
Total	620,218,303.50	546,925,096.23

(2) Dividends receivable

Item	2021.06.30	2021.01.01	Reasons for non-recovery	Whether impairment occurred and its judgment basis
Dividends receivable of ageing within one year	1,814,480,449.79	548,490,524.47		
Including: Beijing Financial Holding Group Co., Ltd.	1,188,835,881.38	--	Unpaid	No

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Item	2021.06.30	2021.01.01	Reasons for non-recovery	Whether impairment occurred and its judgment basis
Guoao Investment Development Co., Ltd.	267,593,752.13	267,593,752.13	Unpaid	No
Beijing BAIC Lear Automotive System Co., Ltd.	131,384,449.10	--	Unpaid	No
Inner Mongolia Mengda Power Generation Co., Ltd.	74,382,130.06	74,382,130.06	Unpaid	No
Inner Mongolia Shangdu Power Generation Co., Ltd.	45,416,330.79	45,416,330.79	Unpaid	No
Beijing Poultry Breeding Co., Ltd.	32,375,000.00	--	Unpaid	No
Beijing Baojing Property Management Operation Co., Ltd.	18,799,931.69	--	Unpaid	No
Inner Mongolia Shangdu Second Power Generation Co., Ltd.	13,678,646.06	13,678,646.06	Unpaid	No
Chongqing Bank Co., Ltd.	9,397,735.00	--	Unpaid	No
Bank of Guiyang Co., Ltd.	4,713,768.29	2,395,521.59	Unpaid	No
Hebei Jingji Industry and Trade Co., Ltd.	2,137,401.92	2,137,401.92	Unpaid	No
Jiangsu Fengye Technology Environmental Protection Group Co., Ltd.	1,915,399.87	1,915,399.87	Unpaid	No
Shanxi Changqin Coal and Coke Co., Ltd.	1,000,000.00	--	Unpaid	No
Beijing Shoujian Project Management Co., Ltd.	222,200.00	222,200.00	Unpaid	No
Beijing Tianhongbaodi Property Management and Operation Co., Ltd.	--	100,000.00	Unpaid	No
Beijing Huadu Yukou Poultry Industry Co., Ltd.	--	15,981,012.66	Unpaid	No
Longhua County Xincun Mining Co., Ltd.	--	119,868,129.39	Unpaid	No
Panzhuhua Shuigang Hongfa Mining Co., Ltd.	--	4,000,000.00	Unpaid	No
Beijing Cockclere Metallurgical Engineering Technology Co., Ltd.	--	800,000.00	Unpaid	No
Others	22,627,823.50	--	Unpaid	No
Dividends receivable aged more than one year	728,705,213.53	862,929,370.81		
Including: Guoao Investment Development Co., Ltd.	330,804,061.83	330,804,061.83	Unpaid	No
Beijing Wancheng Yonghui Real Estate Co., Ltd.	165,000,000.00	165,000,000.00	Unpaid	No
Shanxi Changqin Coal and Coke Co., Ltd.	57,606,863.46	57,606,863.46	Unpaid	No
Guodian Kezuohouqi Photovoltaic Power Co., Ltd.	54,984,038.07	--	Unpaid	No
Tenneco (Beijing) Automotive Shock Absorber Co., Ltd.	53,485,194.23	90,301,952.19	Unpaid	No
BeijingWest Heavy Industries (Shanghai) Co., Ltd.	35,809,790.70	35,809,790.70	Unpaid	No
Beijing BAIC Faurecia Automotive System Co., Ltd.	14,000,000.00	14,000,000.00	Unpaid	No
Bank of Guiyang Co., Ltd.	4,029,333.55	4,029,333.55	Unpaid	No

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Item	2021.06.30	2021.01.01	Reasons for non-recovery	Whether impairment occurred and its judgment basis
Beijing Beiqi Xinghua Automobile Spring Co., Ltd.	3,318,930.28	3,318,930.28	Unpaid	No
Hebei Jingji Industry and Trade Co., Ltd.	2,754,886.56	2,754,886.56	Unpaid	No
Shoukai Wentou (Beijing) Culture Technology Co., Ltd.	2,472,663.07	2,472,663.07	Unpaid	No
Beijing Beiyi Lianggong Machinery Co., Ltd.	2,293,143.05	2,293,143.05	Unpaid	No
Jiangsu Fengye Technology Environmental Protection Group Co., Ltd.	1,300,000.00	1,300,000.00	Unpaid	No
Chaoyang Shougang North Machinery Co., Ltd.	379,708.73	379,708.73	Unpaid	No
Beijing Relizhongda Heat Exchange Equipment Co., Ltd.	68,000.00	68,000.00	Unpaid	No
Beijing Tianhong Zhuoyue Real Estate Brokerage Co., Ltd.	60,000.00	60,000.00	Unpaid	No
Dongfeng (Shiyan) Environmental Engineering Co., Ltd.	--	300,000.00	Unpaid	No
Beijing Huadu Yukou Poultry Industry Co., Ltd.	--	6,392,405.06	Unpaid	No
Beijing Huabiao Industry and Trade Co., Ltd.	--	72,350,332.93	Unpaid	No
Longhua County Xincun Mining Co., Ltd.	--	57,687,299.40	Unpaid	No
Others	338,600.00	16,000,000.00	Unpaid	No
Subtotal:	2,543,185,663.32	1,411,419,895.28	—	—
Less: Provision for bad debts	99,294,366.96	99,294,366.96	—	—
Total	2,443,891,296.36	1,312,125,528.32	—	—

(3) Other receivables

① Other receivables by ageing

Ageing	2021.06.30	2021.01.01
Within 1 year	46,957,532,895.26	39,904,686,162.55
1 to 2 years	17,300,038,979.88	19,481,393,303.03
2 to 3 years	13,420,172,579.12	11,712,841,798.60
3 to 4 years	12,063,604,812.31	13,214,567,026.85
4 to 5 years	2,202,398,844.86	2,495,017,636.40
Over 5 years	14,074,810,662.43	13,339,882,295.84
Subtotal	106,018,558,773.86	100,148,388,223.27
Less: Provision for bad debts	17,098,087,853.61	15,987,651,259.41
Total	88,920,470,920.25	84,160,736,963.86

② Information of provision for bad debts

At year end, provision for bad debts on those in first stage:

Category	Book balance	Expected credit loss rate in the next 12 months %	Provision for bad debts	Carrying amount
Provision for bad debts on individual item	19,040,464,734.11	10.32	1,965,339,076.54	17,075,125,657.57
Provision for bad debts on portfolio basis	72,062,645,137.88	4.21	3,031,158,781.22	69,031,486,356.66
Total	91,103,109,871.99	5.48	4,996,497,857.76	86,106,612,014.23

At year end, provision for bad debts on those in second stage:

Category	Book balance	Expected credit loss rate for the lifetime %	Provision for bad debts	Carrying amount
Provision for bad debts on individual item	717,319,362.16	69.01	495,046,915.05	222,272,447.11
Provision for bad debts on portfolio basis	2,504,050,999.78	63.04	1,578,515,534.55	925,535,465.23
Total	3,221,370,361.94	64.37	2,073,562,449.60	1,147,807,912.34

At year end, provision for bad debts on those in third stage:

Category	Book balance	Expected credit loss rate for the lifetime %	Provision for bad debts	Carrying amount
Provision for bad debts on individual item	10,502,043,461.93	92.64	9,728,882,766.20	773,160,695.73
Provision for bad debts on portfolio basis	1,192,035,078.00	25.10	299,144,780.05	892,890,297.95
Total	11,694,078,539.93	85.75	10,028,027,546.25	1,666,050,993.68

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7. Inventories

(1) Inventories by category

Item	2021.06.30			2021.01.01		
	Book balance	Provision for decline in value/ impairment of contract performance cost	Carrying amount	Book balance	Provision for decline in value/ impairment of contract performance cost	Carrying amount
Raw materials	34,424,135,193.64	3,103,655,040.48	31,320,480,153.16	31,797,963,679.28	2,322,419,011.99	29,475,544,667.29
Semi-finished goods and work in progress	374,691,003,978.84	3,678,868,048.16	371,012,135,930.68	409,222,242,120.28	3,414,115,812.60	405,808,126,307.68
Including: Completed and unsettled constructions	23,442,792,387.24	17,385,514.15	23,425,406,873.09	26,873,557,590.46	26,180,039.70	26,847,377,550.76
Real estate product development in progress	319,112,113,843.34	2,481,304,130.33	316,630,809,713.01	361,729,779,820.00	2,218,539,741.62	359,511,240,078.38
Merchandise goods (finished goods)	181,901,310,418.91	6,635,828,957.65	175,265,481,461.26	164,479,094,499.54	6,892,263,409.73	157,586,821,089.81
Including: Completed real estate product	73,740,016,502.71	1,729,924,978.33	72,010,091,524.38	93,994,567,517.83	1,834,173,033.52	92,160,394,484.31
Reusable materials (packaging, low-value consumables)	1,234,788,936.91	53,777,890.16	1,181,011,046.75	1,621,645,866.79	81,608,785.36	1,540,037,081.43
Consumptive biological assets	481,284,311.56	30,300,600.00	450,983,711.56	412,263,383.17	30,313,800.00	381,949,583.17
Others	19,992,016,819.36	411,751,656.44	19,580,265,162.92	14,377,935,352.65	124,330,980.46	14,253,604,372.19
Total	612,724,539,659.22	13,914,182,192.89	598,810,357,466.33	621,911,134,901.71	12,865,051,800.14	609,046,083,101.57

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8. Other current assets

Item	2021.06.30	2021.01.01
Deductible input tax	18,584,530,273.29	19,904,091,901.00
Prepaid tax	11,766,998,045.38	11,722,176,698.59
VAT carry forward	11,376,808,348.82	9,839,281,389.20
Entrusted loans	1,049,339,762.69	1,056,476,392.78
Input tax pending for verification	1,314,175,871.37	681,614,580.49
Contract acquisition cost	821,534,345.32	972,789,050.13
Endorsed commercial acceptance bills not derecognised	643,133,987.11	599,719,757.61
Warranty deposits	453,421,291.47	480,039,636.02
Financial products	143,500,000.00	640,026,107.17
Others	1,843,577,146.33	3,395,014,536.36
Total	47,997,019,071.78	49,291,230,049.35

9. Long-term receivables

Item	2021.06.30			2021.01.01		
	Book balance	Provision for bad debts	Carrying amount	Book balance	Provision for bad debts	Carrying amount
Financing lease payments	21,928,446,496.85	632,651,391.41	21,295,795,105.44	18,807,336,164.40	536,881,396.80	18,270,454,767.60
Including:						
Unrealized financing income	1,029,269,336.81	8,066,021.90	1,021,203,314.91	1,108,404,940.43	--	1,108,404,940.43
Installment receivables in sales of goods	864,197,311.81	123,390,065.41	740,807,246.40	1,115,689,494.48	108,256,408.03	1,007,433,086.45
Installment receivables in rendering of services	185,528,149.59	--	185,528,149.59	3,263,721.48	--	3,263,721.48
Others	9,679,679,107.76	551,175,616.87	9,128,503,490.89	9,279,463,791.57	562,206,575.81	8,717,257,215.76
Subtotal	32,657,851,066.01	1,307,217,073.69	31,350,633,992.32	29,205,753,171.93	1,207,344,380.64	27,998,408,791.29
Less: Long-term receivables due within one year	11,966,263,874.75	24,814,448.86	11,941,449,425.89	11,905,933,374.39	103,855,762.58	11,802,077,611.81
Total	20,691,587,191.26	1,282,402,624.83	19,409,184,566.43	17,299,819,797.54	1,103,488,618.06	16,196,331,179.48

10. Long-term equity investment

(1) Long-term equity investments by category

Item	2021.01.01	Increase	Decrease	2021.06.30
Investment in other entities	4,990,861,392.79	147,900,000.00	5,500,000.00	5,133,261,392.79
Investment in joint ventures	24,709,011,117.47	2,549,597,981.17	1,331,265,485.07	25,927,343,613.57
Investment in associates	200,104,482,951.92	12,219,066,009.48	3,327,372,134.91	208,996,176,826.49
Subtotal	229,804,355,462.18	14,916,563,990.65	4,664,137,619.98	240,056,781,832.85

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Item	2021.01.01	Increase	Decrease	2021.06.30
Less: Provision for impairment of long-term equity investments	5,418,220,425.45	169,387,796.39	14,589,001.15	5,573,019,220.69
Total	224,386,135,036.73	14,747,176,194.26	4,649,548,618.83	234,483,762,612.16

(2) Details of long-term equity investments

Investor	Investee	2021.06.30	Closing balance of provision for impairment
I. Investment in joint ventures			
The Center	Beijing Equity Investment Development Center (Limited Partnership)	2,271,999,068.48	--
The Center	Beijing Equity Investment Development Management Center (Limited Partnership)	1,415,908,858.59	--
The Center	Beijing City Sub-center Construction Development Fund Management Co., Ltd.	8,738,230.95	--
The Center	Beijing Equity Investment Development Center Phase II (Limited Partnership)	106.39	--
Shougang Group	Tangshan Shougang Jingtang Xishan Coking Co., Ltd.	1,099,009,919.19	--
Shougang Group	BeijingWest Heavy Industries (Shanghai) Co., Ltd.	214,670,196.42	--
Shougang Group	Tangshan Zhonghong Carbon Chemical Co., Ltd.	103,322,839.05	--
Shougang Group	Beijing Shougang Shunpu Metal Co., Ltd.	64,024,974.77	--
Shougang Group	Tangshan Guoxing Industrial Co., Ltd. etc.	65,233,600.74	--
Beijing Electronics	Electronic Zone Huaping Dongjiu (Ningbo) Investment Management Co., Ltd.	13,570,658.14	--
Jingcheng Electromechanical	Beijing Fusheng Machinery Co., Ltd.	65,003,118.27	--
Jingcheng Electromechanical	Beijing Beizhong Zhongneng Power Station Auxiliary Equipment Co., Ltd.	9,473,865.50	--
Jingcheng Electromechanical	Beijing Capital Dechuang Fund Management Co., Ltd.	2,999,481.37	--
Beijing Energy Group	Huayuan Huizhong Environmental Technology Co., Ltd.	119,185,207.22	--
Beijing Energy Group	Beijing Petrochemical Products Development Supply Co., Ltd.	96,337,307.46	--
Beijing Energy Group	Beijing Beiran Thermal Power Co., Ltd. etc.	55,490,733.98	--
Capital Highway Development	Beijing Tianxing Shoufa Investment Management Co., Ltd.	1,049,303.59	--
Yiqing Group	Wilcom Dahao (Beijing) Software Technology Co., Ltd.	4,560,670.27	--
Capital Development Holdings	Beijing Zhuzong Shoukai Real Estate Co., Ltd.	638,525,475.22	--
Capital Development Holdings	Beijing Runhe Xintong Real Estate Development Co., Ltd.	130,659,003.16	--
Capital Development	Beijing Shoukai Nomura Real Estate Management Co., Ltd.	46,934,790.47	--

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Investor	Investee	2021.06.30	Closing balance of provision for impairment
Holdings			
Capital Development Holdings	Beijing Juntai Real Estate Development Co., Ltd.	21,871,192.53	--
Beijing Automotive Group	Beijing Hyundai Motor Co., Ltd.	4,363,394,162.05	--
Beijing Automotive Group	Beijing Foton Cummins Engine Co., Ltd.	2,461,144,164.40	--
Beijing Automotive Group	Beijing Foton Daimler Automobile Co., Ltd.	2,254,388,315.90	--
Beijing Automotive Group	Fujian Benz Automobile Co., Ltd.	1,577,773,959.29	--
Beijing Automotive Group	Beijing Hyundai Mobis Auto Parts Co., Ltd.	1,013,269,070.27	--
Beijing Automotive Group	Beijing BAIC Lear Automotive System Co., Ltd.	360,304,010.06	--
Beijing Automotive Group	Langfang Leoni Wire Harness System Co., Ltd.	258,385,200.89	--
Beijing Automotive Group	Beijing Hainachuan Hella Automotive Lighting Co., Ltd.	200,559,330.94	--
Beijing Automotive Group	Beijing Mercedes-Benz Sales Service Co., Ltd.	197,107,516.89	--
Beijing Automotive Group	Beijing BAIC Faurecia Automotive System Co., Ltd.	152,396,025.75	--
Beijing Automotive Group	Beijing Zhongdu Grovis Logistics Co., Ltd.	148,529,876.69	--
Beijing Automotive Group	Beixian Leasing Co., Ltd. etc	1,234,080,753.29	28,150,000.03
Tongrentang Group	Beijing Tongrentang Senior Care Industry Investment Operation Center (Limited Partnership)	10,048,047.10	--
Tongrentang Group	Beijing Zhongyan Tongrentang R&D Co., Ltd. etc.	25,876,690.64	--
Xianglong Group	Beijing Huatong Toyota Motor Sales Service Co., Ltd.	10,198,209.47	--
Beichen Group	Beijing Chenxing International Exhibition Co., Ltd.	1,200,000,000.00	--
Beichen Group	Hangzhou Jinhu Real Estate Development Co., Ltd.	170,962,668.00	--
Beichen Group	Wuxi Beichen Shengyang Real Estate Co., Ltd.	104,111,731.00	--
Beichen Group	Wuhan Dangdai Beichen Real Estate Co., Ltd.	79,284,882.00	--
Beichen Group	Hangzhou Chenxu Real Estate Co., Ltd. etc.	47,430,649.00	--
BBMG Group	Jidong Heidelberg (Jingyang) Cement Co., Ltd.	556,423,333.61	--
BBMG Group	Jidong Heidelberg (Fufeng) Cement Co., Ltd.	417,063,021.66	--
BBMG Group	Anshan Jidong Cement Co., Ltd.	230,533,888.48	--
BBMG Group	CrossPointTrading274 (Pty) Ltd (RF)	200,644,197.52	--
BBMG Group	Tangshan Caofeidian Dunshi New Building Materials Co., Ltd.	148,890,144.14	--
BBMG Group	Xingpai Ushiji Building Materials Co., Ltd.	52,813,880.66	--
BBMG Group	Hebei Xiong'an Zhicong Technology Co., Ltd. etc.	29,628,794.46	--

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Investor	Investee	2021.06.30	Closing balance of provision for impairment
Shounong Group	Beijing McDonald's Food Co., Ltd.	1,173,202,725.59	--
Shounong Group	Beijing Zhongke E-commerce Valley Investment Co., Ltd.	482,815,136.47	--
Shounong Group	Beijing Zhengda Feed Co., Ltd.	100,973,942.06	--
Shounong Group	Shandong Liuhe Cherry Valley Duck Co., Ltd.	60,503,003.50	--
Shounong Group	Henan Huaying Cherry Valley Food Co., Ltd.	52,336,245.69	--
Shounong Group	Nonggang Holdings Co., Ltd. etc.	103,701,434.34	--
Subtotal		25,927,343,613.57	28,150,000.03
II. Investment in associates			
The Center	China Aviation Engine Group Co., Ltd.	11,883,781,546.08	--
The Center	Beijing Rural Commercial Bank Co., Ltd.	8,588,878,304.75	--
The Center	Beijing Shouhuan Cultural Tourism Investment Co., Ltd.	3,706,011,056.54	--
The Center	ChinaBond Credit Promotion Investment Co., Ltd.	1,521,248,918.52	--
The Center	China Aviation Development Beijing Limited	877,941,134.58	--
The Center	Beijing Innovation Industry Investment Co., Ltd.	817,180,523.76	--
The Center	Daiwa Securities (China) Limited	307,756,267.63	--
The Center	Beijing Xinfadi Agricultural Products Co., Ltd.	214,143,292.23	--
The Center	AVIC System Limited	175,929,553.36	--
The Center	Beijing Construction Engineering Environmental Rehabilitation Co., Ltd.	87,882,789.09	--
The Center	Beijing Science and Technology Innovation Investment Management Co., Ltd.	37,464,169.16	--
The Center	Carlyle (Beijing) Investment Management Co., Ltd.	15,817,800.31	--
The Center	Beijing Education Information Network Service Center Co., Ltd. etc.	33,887,601.23	--
Shougang Group	Hua Xia Bank Co., Ltd.	50,852,973,813.98	--
Shougang Group	Shoucehng Holdings Co., Ltd.	2,506,655,115.89	--
Shougang Group	Tangshan Caofeidian Industrial Port Co., Ltd.	1,323,101,750.02	--
Shougang Group	Qian'an Sinochem Coal Chemical Co., Ltd.	1,097,471,408.50	--
Shougang Group	Jingtang Port Shougang Terminal Co., Ltd.	1,189,600,886.68	--
Shougang Group	Shouchang Baojia Group Co., Ltd.	576,208,662.82	--
Shougang Group	Beijing Shouxin Jinyuan Management Consulting Center (Limited Partnership)	483,013,250.62	--
Shougang Group	Beijing Tieke Shougang Rail Technology Co., Ltd.	445,658,179.82	--
Shougang Group	Tangshan Tangcao Railway Co., Ltd.	410,736,405.18	--
Shougang Group	Tonggang Group Dunhua Tadong Mining Co., Ltd.	398,885,193.53	398,885,193.53
Shougang Group	Shanxi Changqin Coal and Coke Co., Ltd.	340,238,336.17	--
Shougang Group	Chengde Xintong Shoucheng Technology Co., Ltd.	239,753,360.38	--
Shougang Group	Global Digital Creative Holdings Limited	216,030,228.88	125,942,167.57

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Shougang Group	Orient United Resources (Hong Kong) Co., Ltd.	220,285,964.40	--
Shougang Group	Canada Kailuan Dehua Mining Co., Ltd.	182,551,071.01	--
Shougang Group	Yaskawa Shougang Robot Co., Ltd.	171,462,400.93	--
Shougang Group	Shanxi Jinshan Energy Co., Ltd.	162,000,000.00	--
Shougang Group	Tangshan Caofeidian Dunshi New Building Materials Co., Ltd.	146,746,218.86	--
Shougang Group	Beijing Wannian Huacheng Real Estate Development Co., Ltd.	129,097,449.90	--
Shougang Group	Longhua County Xincun Mining Co., Ltd.	111,776,139.72	--
Shougang Group	Chongqing Pinjinyue Real Estate Development Co., Ltd. etc.	1,103,317,741.96	35,612,842.12
Beijing Electronics	Beijing Core Kinetics Investment Fund (Limited Partnership)	1,676,855,731.00	--
Beijing Electronics	Beijing China Life Electric Technology Equity Investment Fund Partnership (Limited Partnership)	722,042,636.26	--
Beijing Electronics	Tianjin Xianzhi Chain Investment Center (Limited Partnership)	456,748,405.00	--
Beijing Electronics	Boercheng (Beijing) Technology Co., Ltd.	348,305,909.00	--
Beijing Electronics	Cnoga Medical Ltd.	260,679,465.00	248,691,927.00
Beijing Electronics	Hunan BOE Yiyun Technology Co., Ltd.	254,998,215.00	--
Beijing Electronics	Beijing Innovation Industry Investment Co., Ltd.	205,060,582.00	--
Beijing Electronics	Beijing Industrial Design and Research Institute Co., Ltd.	80,461,170.71	--
Beijing Electronics	Beijing Riduan Electronics Co., Ltd. etc.	1,158,429,264.10	788,681,444.82
Jingcheng Electromechanical	BYJC-Okuma (Beijing) Machine Tool Co., Ltd.	128,106,641.15	--
Jingcheng Electromechanical	Capital Finance Leases	100,412,389.49	--
Jingcheng Electromechanical	Beijing Jingcheng Gonghe Pension Investment Co., Ltd.	196,526,055.05	--
Jingcheng Electromechanical	Beijing ABB Switch Co., Ltd.	158,199,533.68	--
Jingcheng Electromechanical	Jiangsu Tianhai Special Equipment Co., Ltd. etc.	107,331,293.29	--
Beijing Energy Group	Bank of Beijing Co., Ltd	19,345,912,100.00	--
Beijing Energy Group	Beijing Datang Power Generation Co., Ltd.	2,797,729,689.80	--
Beijing Energy Group	Inner Mongolia Yitai Jingyue Suancigou Mining Co., Ltd.	2,733,251,981.49	--
Beijing Energy Group	Huaneng Beijing Thermal Power Co., Ltd.	1,983,687,418.83	--
Beijing Energy Group	Inner Mongolia Shangdu Power Generation Co., Ltd.	1,320,922,679.89	--
Beijing Energy Group	Guodian Datong Power Generation Co., Ltd.	985,465,527.31	--
Beijing Energy Group	Inner Mongolia Mengda Power Generation Co., Ltd.	949,208,703.03	--

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Investor	Investee	2021.06.30	Closing balance of provision for impairment
Beijing Energy Group	Beijing Anle Hotel Co., Ltd.	18,892,461.27	--
Beijing Energy Group	Guodian Power Dalian Zhuanghe Power Generation Co., Ltd.	117,166,338.32	--
Beijing Energy Group	Shanxi International Energy Yuguang Coal and Electricity Co., Ltd.	359,997,257.74	--
Beijing Energy Group	Beijing Static Transportation Investment Operation Co., Ltd.	238,471,340.35	--
Beijing Energy Group	Xilin Gol Fengfeng Energy Co., Ltd.	764,718,682.38	--
Beijing Energy Group	Inner Mongolia Datang International Tuoketuo Power Generation Co., Ltd.	731,949,258.92	--
Beijing Energy Group	Inner Mongolia Datang International Tuoketuo Second Power Generation Co., Ltd.	603,753,329.04	--
Beijing Energy Group	Sanhe Power Generation Co., Ltd.	554,978,432.59	--
Beijing Energy Group	China Resources Power (Xilinguole) Co., Ltd.	418,512,693.40	--
Beijing Energy Group	MCM	381,967,698.21	168,702,733.99
Beijing Energy Group	Inner Mongolia Shangdu Second Power Generation Co., Ltd.	348,959,484.39	--
Beijing Energy Group	Ordos Taishengheng Mining Co., Ltd.	262,200,000.00	--
Beijing Energy Group	Beijing Jinaoboing Coal Technology Co., Ltd.	228,082,245.00	--
Beijing Energy Group	Beijing Gaoke Energy Supply Management Co., Ltd.	176,013,292.64	--
Beijing Energy Group	Inner Mongolia Jingda Power Generation Co., Ltd.	167,706,070.42	--
Beijing Energy Group	Shenzhen Innovative Silk Road Financing Leases Co., Ltd.	108,485,584.85	--
Beijing Energy Group	Beijing City Power Warehousing Co., Ltd.	84,262,704.94	--
Beijing Energy Group	Fengxian Huize Photovoltaic Energy Co., Ltd.	81,066,203.77	--
Beijing Energy Group	Tianyin Geothermal Development Co., Ltd. etc.	299,748,172.59	369,159.61
Capital Highway Development	Beijing Xingyan Expressway Co., Ltd.	3,274,000,000.00	--
Capital Highway Development	Beijing Capital Ring Expressway Co., Ltd.	3,040,527,983.00	--
Capital Highway Development	Beijing Huabeitou New Airport North Line Expressway Co., Ltd.	2,399,240,000.00	--
Capital Highway Development	China Railway Jingxiong (Beijing) Highway Development Co., Ltd.	1,200,000,000.00	--
Capital Highway Development	China Railway BeijingWest (Beijing) Expressway Development Co., Ltd.	940,000,000.00	--
Capital Highway Development	Beijing Tongda Jingcheng Expressway Co., Ltd.	412,464,664.51	--
Capital Highway Development	Beijing Static Transportation Investment Operation Co., Ltd.	278,219,147.64	--
Capital Highway Development	Kunming New Airport Expressway Construction	214,052,027.76	--

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Investor	Investee	2021.06.30	Closing balance of provision for impairment
Development	Development Co., Ltd.		
Capital Highway Development	Beijing Information Infrastructure Construction Co., Ltd.	194,851,262.41	--
Capital Highway Development	Beijing Sinopec Shoufa Oil Products Enterprise Management Co., Ltd. etc.	107,980,427.63	4,565,942.76
Yiqing Holding	Beijing Gemdale Hongyun Real Estate Development Co., Ltd.	286,705,632.25	--
Yiqing Holding	Shiseido Liyuan Cosmetics Co., Ltd.	281,483,306.54	--
Yiqing Holding	Beijing Baiju Electric Co., Ltd.	103,643,991.38	--
Yiqing Holding	Beijing Witton (Yuncheng) Glass Products Co., Ltd.	61,400,734.96	--
Yiqing Holding	Beijing Bausch & Lomb Eye Care Products Co., Ltd.	59,247,752.50	--
Yiqing Holding	Beijing Nonferrous Metal Supply and Marketing Co., Ltd.	52,771,829.25	--
Yiqing Holding	Hisense (Beijing) Electric Co., Ltd.	49,514,261.83	--
Yiqing Holding	Beijing Pepsi-Cola Beverage Co., Ltd.	46,655,204.72	--
Yiqing Holding	Ningbo Dahao Songshan Fairview Equity Investment Partnership	40,387,098.68	--
Yiqing Holding	Zhuji Light Industry Times Robot Technology Co., Ltd. etc.	394,143,240.97	176,728,593.77
Capital Development Holdings	Beijing Hexin Xingtai Real Estate Development Co., Ltd.	2,031,927,654.10	--
Capital Development Holdings	Beijing Hexin Jintai Real Estate Development Co., Ltd.	1,714,732,677.26	--
Capital Development Holdings	Beijing Shoukai Xutai Real Estate Development Co., Ltd.	1,551,238,993.72	--
Capital Development Holdings	Guangzhou Junting Real Estate Co., Ltd.	1,193,068,123.26	--
Capital Development Holdings	Suzhou Longtai Real Estate Co., Ltd.	1,134,272,034.37	--
Capital Development Holdings	Suzhou Anmao Real Estate Co., Ltd.	1,133,109,120.60	--
Capital Development Holdings	Beijing Zhitai Real Estate Development Co., Ltd.	1,003,992,148.04	--
Capital Development Holdings	Kaimao Real Estate (Hangzhou) Co., Ltd.	988,531,595.65	--
Capital Development Holdings	Beijing Shoukai Longhu Yingtai Real Estate Co., Ltd.	985,535,284.66	--
Capital Development Holdings	Beijing Shoucheng Real Estate Co., Ltd.	926,578,806.91	--

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Investor	Investee	2021.06.30	Closing balance of provision for impairment
Capital Development Holdings	Fuzhou Zhongtai Investment Co., Ltd.	863,256,395.54	--
Capital Development Holdings	Beijing Langtai Real Estate Development Co., Ltd.	821,657,760.74	--
Capital Development Holdings	Beijing Jardine Real Estate Co., Ltd.	812,465,873.42	--
Capital Development Holdings	Beijing Shangtai Xinhua Real Estate Development Co., Ltd.	781,766,330.13	--
Capital Development Holdings	Xiamen Yingtai Real Estate Co., Ltd.	780,484,557.34	--
Capital Development Holdings	Beijing Yicheng Real Estate Co., Ltd.	714,947,728.09	--
Capital Development Holdings	Xiamen Lintai Real Estate Co., Ltd.	703,643,253.78	--
Capital Development Holdings	Guoao Investment Development Co., Ltd.	614,429,312.34	--
Capital Development Holdings	Beijing Jinkailiantai Real Estate Development Co., Ltd.	591,493,641.62	--
Capital Development Holdings	Chengdu Chenqi Real Estate Co., Ltd.	574,023,949.21	--
Capital Development Holdings	Xiamen Yuetai Real Estate Co., Ltd.	563,228,786.27	--
Capital Development Holdings	Beijing Bihe Xintai Real Estate Co., Ltd.	556,142,205.28	--
Capital Development Holdings	Hangzhou Zhehang Enterprise Management Co., Ltd.	531,659,662.23	--
Capital Development Holdings	Suzhou Shoulong Real Estate Co., Ltd.	467,776,927.64	--
Capital Development Holdings	Wuxi Runtai Real Estate Co., Ltd.	445,476,287.91	--
Capital Development Holdings	Beijing Chengzhi Real Estate Co., Ltd.	432,323,519.65	--
Capital Development Holdings	Ningbo Jinjun Real Estate Information Consulting Co., Ltd.	422,840,858.78	--
Capital Development	Beijing Shoukai Vanke Real Estate Co., Ltd.	417,103,961.59	--

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Investor	Investee	2021.06.30	Closing balance of provision for impairment
Holdings			
Capital Development Holdings	Beijing Hexin Fengtai Real Estate Co., Ltd.	415,288,124.77	--
Capital Development Holdings	Shanghai Zhongcheng Real Estate Development Co., Ltd.	412,902,912.04	--
Capital Development Holdings	Beijing Zhongkai Yingtai Real Estate Development Co., Ltd.	369,225,664.39	--
Capital Development Holdings	Zhuhai Zhuoxuan Real Estate Co., Ltd.	351,743,118.84	--
Capital Development Holdings	Changshu Yaotai Real Estate Co., Ltd.	323,491,127.87	--
Capital Development Holdings	Beijing Jinxu Kaitai Real estate Development Co., Ltd.	299,157,797.72	--
Capital Development Holdings	Chengdu Chenhua Real Estate Co., Ltd.	255,532,587.52	--
Capital Development Holdings	Beijing Static Traffic Shijingshan Investment Operation Co., Ltd.	238,471,340.35	--
Capital Development Holdings	Fujian Daguang Automobile City Development Co., Ltd.	213,314,813.14	--
Capital Development Holdings	Beijing Tengtai Yiyuan Real Estate Co., Ltd.	194,752,229.36	--
Capital Development Holdings	Beijing Shoukai Vanke Hetai Real Estate Co., Ltd.	192,756,670.25	--
Capital Development Holdings	Beijing Jinliang Xingye Real Estate Development Co., Ltd.	166,578,101.45	--
Capital Development Holdings	Zhuhai Runqian Real Estate Co., Ltd.	164,612,579.29	--
Capital Development Holdings	Beijing National Speed Skating Stadium Management Co., Ltd.	126,623,870.18	--
Capital Development Holdings	Beijing Xiangding Real Estate Co., Ltd.	120,000,000.00	--
Capital Development Holdings	Beijing Houtai Real Estate Development Co., Ltd.	119,491,263.96	--
Capital Development Holdings	Beijing Xiangsheng Huinian Real Estate Co., Ltd.	117,654,081.64	--

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Investor	Investee	2021.06.30	Closing balance of provision for impairment
Capital Development Holdings	Beijing Jinyu Real Estate Co., Ltd.	114,935,846.35	--
Capital Development Holdings	Tianjin Seaview Industrial Co., Ltd.	104,060,533.85	--
Capital Development Holdings	Beijing Wancheng Yonghui Real Estate Co., Ltd.	103,764,576.19	--
Capital Development Holdings	Wuhan Mingtai Real Estate Co., Ltd.	100,021,696.29	--
Capital Development Holdings	Shenzhen Xiliang Investment Development Co., Ltd.	86,633,320.01	--
Capital Development Holdings	Xiamen Zhaochun Real Estate Co., Ltd.	83,560,877.91	--
Capital Development Holdings	Suzhou Yuxiu Real Estate Development Co., Ltd.	80,114,939.28	--
Capital Development Holdings	Beijing Lianbao	65,220,325.85	--
Capital Development Holdings	Beijing Housing Industrialization Group Co., Ltd.	63,631,266.85	--
Capital Development Holdings	Beijing Jingu Chuangxin Real Estate Co., Ltd.	53,097,545.60	--
Capital Development Holdings	Beijing Huiguang Enterprise Management Co., Ltd. etc.	349,650,430.64	16,000,000.00
Beijing Automotive Group	Jiujiang Bank Co., Ltd.	3,775,704,052.18	--
Beijing Automotive Group	Mercedes-Benz Leasing Co., Ltd.	3,134,473,441.14	--
Beijing Automotive Group	Beijing Hyundai Auto Finance Co., Ltd.	2,375,516,124.13	--
Beijing Automotive Group	Beijing Baowo Automobile Co., Ltd.	687,407,619.34	--
Beijing Automotive Group	Leisa Co., Limited	411,600,082.07	--
Beijing Automotive Group	Gestamp Automotive Components (Tianjin) Co., Ltd.	307,920,182.92	--
Beijing Automotive Group	Beijing Yanfeng Beiqi Automotive Interior Parts Co., Ltd.	227,485,693.97	--
Beijing Automotive Group	Beijing Aodong New Energy Investment Co., Ltd.	225,685,563.70	--
Beijing Automotive Group	Yanfeng Hainachuan Automotive Trim System Co., Ltd.	211,364,682.37	--
Beijing Automotive Group	Hanon Auto Parts (Beijing) Co., Ltd.	206,353,645.08	--

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Investor	Investee	2021.06.30	Closing balance of provision for impairment
Beijing Automotive Group	Beijing Sanli Car Light Co., Ltd.	197,409,286.42	--
Beijing Automotive Group	Beijing Industrial Design and Research Institute Co., Ltd.	194,391,422.66	--
Beijing Automotive Group	ZF Foton Automatic Transmission (Jiaxing) Co., Ltd.	151,703,909.35	--
Beijing Automotive Group	Beijing BorgWarner Automotive Transmission Co., Ltd.	127,789,363.03	--
Beijing Automotive Group	Beijing Adient Auto Parts Co., Ltd.	112,192,351.05	--
Beijing Automotive Group	Blue Valley Wisdom (Beijing) Energy Technology Co., Ltd.	119,845,848.59	--
Beijing Automotive Group	Tenneco (Beijing) Automotive Shock Absorber Co., Ltd.	105,850,956.34	--
Beijing Automotive Group	Beijing Bioin Ruijie Automotive System Co., Ltd. etc.	2,248,979,501.32	17,938,177.17
Tongrentang Group	Beijing Industrial Design and Research Institute Co., Ltd.	102,798,943.00	--
Suburb Tourism Company	Beijing Tourism Real Estate Development Co., Ltd.	7,676,244.61	--
Urban and Rural Group	Beijing Elderly Products Exhibition Center Co., Ltd.	8,578,222.08	--
Urban and Rural Group	Kunming Huiyu Technology Co., Ltd.	2,265,025.66	--
Xianglong Company	Beijing Hengdeli Swiss Watch Co., Ltd.	64,614,098.78	--
Xianglong Company	Beijing Yunda Industrial Company, etc.	23,738,165.14	25,152.82
Beichen Group	Guangzhou Guangyue Real Estate Co., Ltd.	183,785,857.00	--
Beichen Group	Wuxi Chenwan Real Estate Co., Ltd. etc.	58,534,042.45	--
Jinyu Asset	Beijing Baineng Electric Technology Co., Ltd.	182,526,930.68	--
Jinyu Asset	Beijing Jianmao Yongxin Glass Industry Co., Ltd. etc.	45,580,165.79	14,707,812.32
BBMG Group	Beijing Innovation Industry Investment Co., Ltd.	203,988,575.22	--
BBMG Group	Tianjin Yaopi Glass Co., Ltd.	159,666,336.67	--
BBMG Group	Jilin Mayor Jitu Investment Co., Ltd.	133,118,281.25	--
BBMG Group	Tangshan Conch Profile Co., Ltd.	129,102,216.34	--
BBMG Group	Tianjin Binhai Jiantai Investment Co., Ltd.	110,474,400.00	--
BBMG Group	Sende (China) HVAC Equipment Co., Ltd.	106,900,402.97	--
BBMG Group	Beijing Toto Co., Ltd.	84,840,066.80	60,000,000.00
BBMG Group	Owens Corning Composites (Beijing) Co., Ltd.	81,580,572.14	--
BBMG Group	Toto Machinery (Beijing) Co., Ltd.	63,880,489.82	--
BBMG Group	Tianjin Shengxiang Plastic Pipe Industry Co., Ltd. etc.	124,952,788.46	40,184,156.30
Shounong Group	Beijing Rural Commercial Bank	7,698,388,069.05	--
Shounong Group	Beijing Poultry Breeding Co., Ltd.	230,794,243.97	--
Shounong Group	Beijing Maple Real Estate Co., Ltd.	209,638,549.68	--

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Investor	Investee	2021.06.30	Closing balance of provision for impairment
Shounong Group	Lawson (Beijing) Co., Ltd.	169,410,657.08	--
Shounong Group	Chengde Sanyuan Yudaokou Ranch Co., Ltd.	165,717,194.40	--
Shounong Group	Beijing Huadu Yukou Poultry Industry Co., Ltd.	161,276,194.36	--
Shounong Group	Hangzhou Chubby Food Co., Ltd.	133,392,794.70	--
Shounong Group	China Grain Reserves (Tianjin) Warehousing and Logistics Co., Ltd.	110,748,782.20	--
Shounong Group	Shandong Dazecheng Biological Technology Co., Ltd.	100,000,000.00	--
Shounong Group	Beijing Chubby Food Co., Ltd.	69,529,248.61	--
Shounong Group	Beijing Sanyuan Hefeng Animal Husbandry Co., Ltd.	68,260,772.50	--
Shounong Group	Beijing Andrew Fruit Food Co., Ltd.	67,287,925.14	--
Shounong Group	Tianjin North Sugar Logistics Co., Ltd.	62,714,673.62	62,714,673.62
Shounong Group	Beijing Guangming Hotel Co., Ltd.	51,093,725.03	--
Shounong Group	Beijing Hormel Food Co., Ltd.	50,851,642.29	--
Shounong Group	Jingjin Sugar Co., Ltd. etc.	829,152,901.57	104,436,125.22
International Cooperation Center	Global Guohe International Freight (Beijing) Co., Ltd. etc.	33,085,204.18	--
Guoguan Center Investment Holdings	China Resources Pharmaceutical Group Co., Ltd.	7,017,059,424.11	--
Equity Exchange Group	Beijing Chengxi Investment Management Center (Limited Partnership) etc.	35,723,429.95	--
Siban Technology	Inner Mongolia Equity Exchange Center Co., Ltd.	15,715,534.39	--
Beijing Consulting Company	Beijing West Venture Capital Fund Management Co., Ltd., etc.	42,023,473.00	--
Subtotal		208,996,176,826.49	2,264,186,102.62
III. Investment in other entities			
Shougang Group	Tangshan Shougang Baoye Iron and Steel Co., Ltd.	3,700,000,000.00	2,117,140,000.00
Shougang Group	Qinhuangdao Shouqin Longhui Mining Co., Ltd.	350,000,000.00	350,000,000.00
Shougang Group	Tonggang Group Siping Iron and Steel Products Co., Ltd.	253,486,000.00	253,486,000.00
Shougang Group	Jianping Shenjing Mining Co., Ltd.	136,323,146.13	136,323,146.13
Shougang Group	Nanyang Shoukong Optoelectronics Co., Ltd. etc.	71,519,579.47	71,519,579.47
Beijing Electronics	Beijing Information Vocational and Technical College Training Center etc.	3,556,670.87	--
Jingcheng Electromechanical Capital Development Holdings	Beijing Jingcheng Industrial Logistics Co., Ltd. etc.	151,322,000.00	150,822,000.00
Beijing Automotive Group	Beijing Boweixin Ruilong Building Material Co., Ltd. etc.	1,500,000.00	1,500,000.00
Xianglong Group	Beijing Baota Power Technology Co., Ltd., etc.	58,208,400.00	--
	Beijing Foreign Economic and Trade Holding	78,066,843.65	62,649,751.00

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Investor	Investee	2021.06.30	Closing balance of provision for impairment
	Group Co., Ltd., etc.		
Beichen Group	Xiangyuan Investment Co., Ltd.	107,000.00	107,000.00
Jinyu Asset	BBMG Beijing Sports (Beijing) Sports Culture Co., Ltd.	873,526.55	--
Shounong Group	Chengde Sanyuan Yudaokou Ranch Co., Ltd.	165,717,194.40	--
Shounong Group	Beijing Longjiantian Hongshun Duck Industry Co., Ltd.	60,000,000.00	60,000,000.00
Shounong Group	Hengshui Huadu Food Co., Ltd. etc.	78,134,641.44	77,135,641.44
Equity Exchange Group	Zhongguancun Guoke (Beijing) Investment Management Co., Ltd. etc.	3,456,390.28	--
Longying Kechuang	Longying Zhida (Beijing) Technology Co., Ltd.	20,990,000.00	--
Subtotal		5,133,261,392.79	3,280,683,118.04
Total		240,056,781,832.85	5,573,019,220.69

11. Other equity instruments investment

(1) Information of other equity instruments investment

Item	2021.06.30	2021.01.01
D project	63,108,047,420.91	50,842,039,139.81
Beijing Municipal Government Investment Guidance Fund (Limited Partnership)	57,985,932,425.89	52,675,060,564.31
Beijing Financial Holding Group Co., Ltd.	27,428,200,967.12	27,428,200,967.12
First Capital Securities Co., Ltd.	2,079,375,576.39	2,079,375,576.39
Chengdu Commercial Bank	2,022,400,000.00	1,707,200,000.00
ChinaBond Credit Promotion Investment Co., Ltd.	1,745,504,424.15	1,729,058,418.53
Bank of Beijing Co., Ltd	1,260,763,952.80	1,260,763,952.80
Shenzhen Benyuan Jinghong Equity Investment Fund Enterprise (Limited Partnership)	1,201,500,000.00	1,201,500,000.00
Guizhou Moutai Co., Ltd.	1,048,950,000.00	1,048,950,000.00
Zhongguancun Development Group Co., Ltd.	1,008,036,398.32	940,608,267.81
COFCO Capital Holdings Co., Ltd.	825,990,514.52	825,990,514.52
Sinochem Capital Co., Ltd.	754,148,887.10	754,148,887.10
New Mine Resources Co., Ltd.	655,187,148.95	637,974,313.80
China Merchants Highway Network Technology Holdings Co., Ltd.	634,201,494.29	634,201,494.29
Guangdong Development Bank Co., Ltd.	552,042,032.32	552,042,032.32
Bank of Guiyang Co., Ltd.	503,537,209.22	523,433,358.39
Kangdexin Composite Materials Co., Ltd.	499,999,996.86	499,999,996.86
Beijing Capital Securities Co., Ltd.	428,355,200.00	428,355,200.00
China National Building Materials Corporation	410,560,576.73	434,988,478.33

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Item	2021.06.30	2021.01.01
Shougang Fushan Resources Group Co., Ltd.	399,654,829.43	319,998,362.12
Shougang Biomass Closed Infrastructure Securities Investment Fund	280,740,000.00	--
Sinochem Capital Investment Management Co., Ltd.	245,992,622.33	245,992,622.33
Beijing Tieke Shougang Rail Technology Co., Ltd.	217,389,831.28	245,378,470.24
Beijing Jingliang Xinniu Runying Equity Investment Fund (Limited Partnership)	204,600,000.00	204,600,000.00
ChinaBond Credit Enhancement Perpetual Bond	200,000,000.00	200,000,000.00
PGG Wrightson Limited	158,672,220.82	160,687,188.08
Beijing CEDC Corporation	154,866,085.16	154,866,085.16
Chongqing Bank Co., Ltd.	108,382,711.00	102,845,668.00
Shenhua Mengxi Coal Chemical Co., Ltd.	107,217,346.17	107,217,346.17
Beijing China Life Electric Technology Equity Investment Fund Partnership (Limited Partnership)	97,256,433.58	89,233,203.20
Tianjin Bogang No. 26 Enterprise Management Partnership (Limited Partnership)	89,584,652.68	89,584,652.68
Kateeva Inc.	77,165,895.00	77,939,931.00
Beijing Capitel Co., Ltd.	75,000,000.00	75,000,000.00
Beijing Urban Construction Design Development Group Co., Ltd.	72,052,705.46	72,052,705.46
Beijing Integrated Circuit Equipment Industry Investment and M&A Fund (Limited Partnership)	66,469,931.38	24,257,215.15
Danhua Capital II, L.P.	64,601,000.00	65,249,007.00
Tianjin Xianzhi Chain Investment Center (Limited Partnership)	60,795,702.36	54,558,699.75
Beijing Rural Commercial Bank Jinzhan Credit Union	54,538,199.10	54,538,199.10
Beijing Carrefour Commercial Co., Ltd.	53,906,302.61	53,906,302.61
Nanosys INC	48,450,750.00	48,936,750.00
Beijing Daxing Jiuyin Rural Bank Co., Ltd.	42,746,410.19	42,746,410.19
Beijing Jinyinjian Taxi Company	41,465,384.10	41,465,384.10
Beijing Taihe Jiayuan Real Estate Development Co., Ltd.	38,251,568.81	38,251,568.81
Danhua Capital, L. P.	32,300,500.00	32,624,500.00
Beijing Horizon Robotics Technology R&D Co., Ltd.	32,285,480.00	--
Beijing Capital Express Highway Development Co., Ltd.	30,449,277.36	30,449,277.36
Beijing Chengzhi Yonghua Display Technology Co., Ltd.	30,059,100.00	--
Beijing Fangshi Jinglong Commerce Co., Ltd.	29,719,915.06	29,719,915.06
Hebei Qiancao Expressway Development Co., Ltd.	29,278,617.00	27,864,480.00

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Item	2021.06.30	2021.01.01
Baebies INC	28,383,657.00	28,668,368.00
MOOV INC.	25,947,313.00	26,207,585.00
Beijing Xingshi Investment Management Center (Limited Partnership)	25,509,380.32	25,509,380.32
Illumina Fund I,L.P.	24,838,942.00	21,320,235.00
Hunan Tangrenshen Co., Ltd.	23,896,563.34	23,896,563.34
New Century Medical Holdings Limited	23,728,596.00	36,995,513.00
Tianjin Jingjin Glass Co., Ltd.	21,410,000.00	21,410,000.00
China Putian Food Holdings Limited	20,568,580.84	20,568,580.84
National Advanced Storage Industry Innovation Center	20,000,000.00	20,000,000.00
Jilin Province Grain Reserve Co., Ltd.	20,000,000.00	20,000,000.00
Chongqing Long Jinbao Network Technology Co., Ltd.	20,000,000.00	20,000,000.00
Shinsang Microelectronics (Shanghai) Co., Ltd.	19,000,000.00	19,000,000.00
Nantong Chubby Food Co., Ltd.	16,461,490.00	16,461,490.00
Beijing Innochuangyijia Technology Venture Capital Center (Limited Partnership)	15,085,223.79	13,568,916.81
Beijing Zhongguancun Technology Financing Guarantee Co., Ltd.	13,855,172.12	9,424,989.75
Baojiuzao Food Co., Ltd.	10,400,000.00	10,400,000.00
Shanghai Integrated Circuit Equipment Material Industry Innovation Center Co., Ltd.	10,000,000.00	10,000,000.00
Zhengfang Construction and Installation Engineering Co., Ltd.	10,000,000.00	10,000,000.00
Beijing Guoyi Hospital Co., Ltd.	10,000,000.00	10,000,000.00
Others	12,910,188,756.87	9,303,140,481.01
Total	180,565,901,371.73	158,560,427,209.02

(2) Significant other equity instrument investments at year end

Item	Investment cost	Cumulative changes in fair value recognized in other comprehensive income	Fair value at 2021.06.30
D project	46,010,023,878.73	17,098,023,542.18	63,108,047,420.91
Beijing Municipal Government Investment Guidance Fund (Limited Partnership)	53,842,749,402.50	4,143,183,023.39	57,985,932,425.89
Beijing Financial Holding Group Co., Ltd.	27,428,200,967.12	--	27,428,200,967.12
First Capital Securities Co., Ltd.	2,079,375,576.39	--	2,079,375,576.39
Chengdu Commercial Bank	480,000,000.00	1,542,400,000.00	2,022,400,000.00

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Item	Investment cost	Cumulative changes in fair value recognized in other comprehensive income	Fair value at 2021.06.30
ChinaBond Credit Promotion Investment Co., Ltd.	1,535,412,331.14	210,092,093.01	1,745,504,424.15
Bank of Beijing Co., Ltd	1,261,248,517.80	4,760,868.40	1,266,009,386.20
Shenzhen Benyuan Jinghong Equity Investment Fund Enterprise (Limited Partnership)	1,201,500,000.00	--	1,201,500,000.00
Guizhou Moutai Co., Ltd.	1,048,950,000.00	--	1,048,950,000.00
Zhongguancun Development Group Co., Ltd.	775,999,002.03	232,037,396.29	1,008,036,398.32
COFCO Capital Holdings Co., Ltd.	825,990,514.52	--	825,990,514.52
Sinochem Capital Co., Ltd.	754,148,887.10	--	754,148,887.10
New Mine Resources Co., Ltd.	945,553,632.77	-290,366,483.82	655,187,148.95
China Merchants Highway Network Technology Holdings Co., Ltd.	224,303,997.00	409,897,497.29	634,201,494.29
Guangdong Development Bank Co., Ltd.	552,042,032.32	--	552,042,032.32
Bank of Guiyang Co., Ltd.	82,005,200.00	421,532,009.22	503,537,209.22
Kangdexin Composite Materials Co., Ltd.	499,999,996.86	--	499,999,996.86
Beijing Capital Securities Co., Ltd.	428,355,200.00	--	428,355,200.00
China National Building Materials Corporation	100,000,000.00	310,560,576.73	410,560,576.73
Shougang Fushan Resources Group Co., Ltd.	441,207,865.41	-41,553,035.98	399,654,829.43
Shougang Biomass Closed Infrastructure Securities Investment Fund	267,601,000.00	13,139,000.00	280,740,000.00
Sinochem Capital Investment Management Co., Ltd.	245,992,622.33	--	245,992,622.33
Beijing Tieke Shougang Rail Technology Co., Ltd.	9,701,200.00	207,688,631.28	217,389,831.28
Beijing Jingliang Xinniu Runying Equity	204,600,000.00	--	204,600,000.00

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Item	Investment cost	Cumulative changes in fair value recognized in other comprehensive income	Fair value at 2021.06.30
Investment Fund (Limited Partnership) ChinaBond Credit Enhancement Perpetual Bond	200,000,000.00	--	200,000,000.00
PGG Wrightson Limited	158,672,220.82	--	158,672,220.82
Shenhua Mengxi Coal Chemical Co., Ltd.	50,614,475.00	56,602,871.17	107,217,346.17
Total	141,654,248,519.84	24,317,997,989.16	165,972,246,509.00

12. Other non-current financial assets

Item	2021.06.30	2021.01.01
Equity instruments investment	15,625,393,013.95	13,183,527,203.07
Debt instruments investment	15,560,027,255.69	11,912,573,747.70
Total	31,185,420,269.64	25,096,100,950.77

13. Investment properties

(1) Measured at cost

Item	2021.01.01	Increase	Decrease	2021.06.30
I. Total book value	69,880,449,671.34	1,924,664,642.70	6,282,860,030.49	65,522,254,283.55
Including: Housing and buildings	67,642,020,861.98	1,919,812,769.86	6,277,823,828.46	63,284,009,803.38
Land use rights	2,238,428,809.36	4,851,872.84	5,036,202.03	2,238,244,480.17
II. Total accumulated depreciation and amortisation	13,834,961,219.51	653,896,217.35	54,728,221.65	14,434,129,215.21
Including: Housing and buildings	13,313,654,119.70	630,656,561.14	54,644,244.17	13,889,666,436.67
Land use rights	521,307,099.81	23,239,656.21	83,977.48	544,462,778.54
III. Total net book value	56,045,488,451.83			51,088,125,068.34
Including: Housing and buildings	54,328,366,742.28			49,394,343,366.71
Land use rights	1,717,121,709.55			1,693,781,701.63
IV. Total accumulated provision for impairment	50,314,345.64	136,793,207.00	26,160.00	187,081,392.64
Including: Housing and buildings	50,314,345.64	136,793,207.00	26,160.00	187,081,392.64
Land use rights	--	--	--	--
V. Total carrying value	55,995,174,106.19			50,901,043,675.70
Including: Housing and buildings	54,278,052,396.64			49,207,261,974.07
Land use rights	1,717,121,709.55			1,693,781,701.63

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(2) Measured at fair value

Item	2021.01.01	Increase			Decrease			2021.06.30
		Purchase	Transfer from own-use properties or inventories	Gain or loss on changes in fair value	Disposal	Transfer to own-use properties		
I. Total cost	45,693,667,075.59	497,192,948.42	73,883,283.38	--	275,970,378.93	--	45,988,772,928.46	
Including: 1. Housing and buildings	45,469,050,731.36	497,192,948.42	73,883,283.38	--	275,970,378.93	--	45,764,156,584.23	
2. Land use rights	224,616,344.23	--	--	--	--	--	224,616,344.23	
II. Total changes in fair value	8,099,377,788.34	--	--	241,804,034.75	3,329,779.97	--	8,337,852,043.12	
Including: 1. Housing and buildings	7,040,783,879.31	--	--	241,804,034.75	3,329,779.97	--	7,279,258,134.09	
2. Land use rights	1,058,593,909.03	--	--	--	--	--	1,058,593,909.03	
III. Total carrying value	53,793,044,863.93	497,192,948.42	73,883,283.38	241,804,034.75	279,300,158.90	--	54,326,624,971.58	
Including: 1. Housing and buildings	52,509,834,610.67	497,192,948.42	73,883,283.38	241,804,034.75	279,300,158.90	--	53,043,414,718.32	
2. Land use rights	1,283,210,253.26	--	--	--	--	--	1,283,210,253.26	

14. Fixed assets

Item	2021.06.30	2021.01.01
Fixed assets	869,874,253,112.16	859,133,837,312.24
Fixed assets for disposal	764,497,166.81	759,329,678.52
Total	870,638,750,278.97	859,893,166,990.76

(1) Fixed assets

① Details of fixed assets

Item	2021.01.01	Increase	Decrease	2021.06.30
I. Total book value	1,291,569,230,243.49	60,304,966,706.67	15,566,476,739.61	1,336,307,720,210.55
Including: Land assets	35,007,241,957.90	7,677,983.43	14,768,805.52	35,000,151,135.81
Housing and buildings	354,360,769,026.57	8,563,021,167.65	4,247,216,490.83	358,676,573,703.39
Machinery and equipment	703,802,305,609.50	47,078,079,412.91	9,244,237,437.44	741,636,147,584.97
Transportation tools	23,048,842,685.05	695,429,860.71	914,337,241.08	22,829,935,304.68
Electronic equipment	18,434,682,413.14	716,458,106.64	503,086,230.34	18,648,054,289.44
Office equipment	10,135,100,911.62	500,505,582.95	280,122,337.17	10,355,484,157.40
Hotel furniture	90,686,916.80	2,369,820.46	509,620.87	92,547,116.39
Others	146,689,600,722.91	2,741,424,771.92	362,198,576.36	149,068,826,918.47
II. Total accumulated depreciation	414,475,216,047.58	41,142,422,671.90	8,559,771,364.60	447,057,867,354.88
Including: Land assets	193,309,735.61	42,579,675.21	3,579,487.31	232,309,923.51
Housing and buildings	78,837,283,828.35	5,695,735,893.34	1,423,923,626.52	83,109,096,095.17
Machinery and equipment	275,001,380,211.09	31,214,134,019.01	5,538,585,696.20	300,676,928,533.90
Transportation tools	12,616,402,175.67	1,081,795,808.23	816,238,797.52	12,881,959,186.38
Electronic equipment	10,137,915,234.04	679,655,980.59	309,548,158.16	10,508,023,056.47
Office equipment	6,804,952,663.54	504,457,179.72	232,671,317.88	7,076,738,525.38
Hotel furniture	33,351,568.44	12,326,005.21	233,309.73	45,444,263.92
Others	30,850,620,630.84	1,911,738,110.59	234,990,971.28	32,527,367,770.15
III. Total net book value	877,094,014,195.91	19,162,544,034.77	7,006,705,375.01	889,249,852,855.67
Including: Land assets	34,813,932,222.29			34,767,841,212.30
Housing and buildings	275,523,485,198.22			275,567,477,608.22
Machinery and equipment	428,800,925,398.41			440,959,219,051.07
Transportation tools	10,432,440,509.38			9,947,976,118.30
Electronic equipment	8,296,767,179.10			8,140,031,232.97
Office equipment	3,330,148,248.08			3,278,745,632.02
Hotel furniture	57,335,348.36			47,102,852.47
Others	115,838,980,092.07			116,541,459,148.32

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Item	2021.01.01	Increase	Decrease	2021.06.30
IV. Total provision for impairment	17,960,176,883.67	1,998,640,487.59	583,217,627.75	19,375,599,743.51
Including: Land assets	2,353,029.64	--	--	2,353,029.64
Housing and buildings	2,086,861,494.59	489,892,790.15	87,800,008.12	2,488,954,276.62
Machinery and equipment	14,179,574,080.93	1,338,749,407.20	362,171,465.22	15,156,152,022.91
Transportation tools	399,055,693.26	6,478,429.64	50,455,777.09	355,078,345.81
Electronic equipment	1,015,068,125.81	1,599,371.79	79,180,974.85	937,486,522.75
Office equipment	162,065,637.19	--	32,516.27	162,033,120.92
Hotel furniture	--	--	--	--
Others	115,198,822.25	161,920,488.81	3,576,886.20	273,542,424.86
V. Total carrying amount	859,133,837,312.24	17,163,903,547.18	6,423,487,747.26	869,874,253,112.16
Including: Land assets	34,811,579,192.65			34,765,488,182.66
Housing and buildings	273,436,623,703.63			273,078,523,331.60
Machinery and equipment	414,621,351,317.48			425,803,067,028.16
Transportation tools	10,033,384,816.12			9,592,897,772.49
Electronic equipment	7,281,699,053.29			7,202,544,710.22
Office equipment	3,168,082,610.89			3,116,712,511.10
Hotel furniture	57,335,348.36			47,102,852.47
Others	115,723,781,269.82			116,267,916,723.46

(2) Fixed assets for disposal

Item	2021.06.30	2021.01.01	Reason for disposal
Assets to be disposed of	608,583,368.31	581,220,498.34	Not yet finished
Assets to be scrapped	129,976,933.06	152,218,409.78	Not yet finished
Assets to be removed and cleared	25,936,865.44	25,890,770.40	Not yet finished
Total	764,497,166.81	759,329,678.52	—

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15. Construction in progress

Item	2021.06.30			2021.01.01		
	Book balance	Provision for bad debts	Carrying amount	Book balance	Provision for bad debts	Carrying amount
Construction in progress	193,938,651,321.46	3,358,969,860.46	190,579,681,461.00	181,558,090,290.24	1,287,414,149.10	180,270,676,141.14
Construction materials	594,709,845.47	8,620,929.12	586,088,916.35	739,390,863.54	8,620,929.12	730,769,934.42
Total	194,533,361,166.93	3,367,590,789.58	191,165,770,377.35	182,297,481,153.78	1,296,035,078.22	181,001,446,075.56

(1) Construction in progress

① Information of construction in progress

Item	2021.06.30			2021.01.01		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
The 6th generation AMOLED (flexible) production line-Chongqing	22,319,102,053.00	--	22,319,102,053.00	11,920,916,965.00	--	11,920,916,965.00
The 6th generation AMOLED project-Mianyang	9,517,943,217.00	--	9,517,943,217.00	10,195,964,634.00	--	10,195,964,634.00
Beijing Benz production base	9,347,243,135.10	--	9,347,243,135.10	8,665,218,908.81	--	8,665,218,908.81
Heat pipe network, heat transmission pipeline etc. project	6,119,799,431.35	--	6,119,799,431.35	5,344,807,717.85	--	5,344,807,717.85
Supporting properties for the second phase of the National Convention Center	5,963,707,979.65	--	5,963,707,979.65	5,432,886,387.17	--	5,432,886,387.17
Gas hotspots, wind power, photovoltaics etc. clean energy projects	5,508,699,143.72	--	5,508,699,143.72	5,097,187,271.31	--	5,097,187,271.31
Guangqu Road East Extension Road Project	5,159,211,972.32	--	5,159,211,972.32	4,141,857,409.16	--	4,141,857,409.16

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Item	2021.06.30			2021.01.01		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Prospecting, mine and coal preparation site and coal mine engineering	5,061,984,098.20	--	5,061,984,098.20	4,690,847,492.86	--	4,690,847,492.86
Macheng Iron Mine Mining and Dressing Project	4,480,737,844.22	--	4,480,737,844.22	3,971,544,705.84	--	3,971,544,705.84
Guangqu Road Phase II Road Engineering	4,080,213,679.61	--	4,080,213,679.61	4,007,356,538.88	--	4,007,356,538.88
Coal power generation project	3,936,918,007.24	--	3,936,918,007.24	2,765,274,670.91	--	2,765,274,670.91
Guigang Relocation Project	3,104,836,078.09	45,767,282.23	3,059,068,795.86	3,284,557,813.54	45,767,282.23	3,238,790,531.31
Discount on loans for urban road construction outside the Fourth Ring Road	2,796,862,054.90	--	2,796,862,054.90	2,796,862,054.90	--	2,796,862,054.90
South Railway Station External Road Network Project	2,618,572,703.16	--	2,618,572,703.16	2,618,572,703.16	--	2,618,572,703.16
Shougang Jingtang Phase I and Technical Renovation Project	2,071,274,180.38	--	2,071,274,180.38	2,408,662,882.37	--	2,408,662,882.37
Others	101,851,545,743.52	3,313,202,578.23	98,538,343,165.29	104,215,572,134.48	1,241,646,866.87	102,973,925,267.61
Total	193,938,651,321.46	3,358,969,860.46	190,579,681,461.00	181,558,090,290.24	1,287,414,149.10	180,270,676,141.14

(2) Construction materials

Item	2021.06.30	2021.01.01
Construction materials and supplies	230,486,306.65	209,627,532.52
Jingtang Project	194,726,426.48	391,115,480.30
Other Projects	107,860,008.07	73,995,792.71
Special equipment etc.	43,757,813.87	45,588,105.38
Qiangang Project	9,258,361.28	10,443,023.51
Total	586,088,916.35	730,769,934.42

16. Right-of-use assets

Item	2021.01.01	Increase	Decrease	2021.06.30
I. Total book value	17,566,613,126.49	3,359,538,959.75	2,252,295,494.51	18,673,856,591.73
Including: Land	2,804,905,860.13	495,698,623.04	49,884,201.75	3,250,720,281.42
Housing and buildings	9,053,310,906.12	1,587,190,753.25	1,830,721,956.09	8,809,779,703.28
Machinery and equipment	5,206,459,360.40	1,194,195,882.70	357,812,167.57	6,042,843,075.53
Transportation tools	269,703,087.02	1,744,490.60	13,877,169.10	257,570,408.52
Others	232,233,912.82	80,709,210.16	--	312,943,122.98
II. Total accumulated depreciation	1,448,767,173.23	1,110,287,257.22	455,399,511.80	2,103,654,918.65
Including: Land	186,804,548.67	178,395,506.41	4,037,456.16	361,162,598.92
Housing and buildings	381,149,316.23	739,571,668.23	389,055,431.89	731,665,552.57
Machinery and equipment	781,839,101.77	158,156,660.23	51,378,676.61	888,617,085.39
Transportation tools	88,389,503.59	20,112,828.22	10,927,947.14	97,574,384.67
Others	10,584,702.97	14,050,594.13	--	24,635,297.10
III. Total net book value	16,117,845,953.26	--	--	16,570,201,673.08
Including: Land	2,618,101,311.46	--	--	2,889,557,682.50
Housing and buildings	8,672,161,589.89	--	--	8,078,114,150.71
Machinery and equipment	4,424,620,258.63	--	--	5,154,225,990.14
Transportation tools	181,313,583.43	--	--	159,996,023.85
Others	221,649,209.85	--	--	288,307,825.88
IV. Total provision for impairment	464,557.00	17,823,656.00	--	18,288,213.00
Including: Land	464,557.00	17,823,656.00	--	18,288,213.00
Housing and buildings	--	--	--	--
Machinery and equipment	--	--	--	--
Transportation tools	--	--	--	--
Others	--	--	--	--
V. Total carrying value	16,117,381,396.26	--	--	16,551,913,460.08
Including: Land	2,617,636,754.46	--	--	2,871,269,469.50

Item	2021.01.01	Increase	Decrease	2021.06.30
Housing and buildings	8,672,161,589.89	--	--	8,078,114,150.71
Machinery and equipment	4,424,620,258.63	--	--	5,154,225,990.14
Transportation tools	181,313,583.43	--	--	159,996,023.85
Others	221,649,209.85	--	--	288,307,825.88

17. Intangible assets

Item	2021.01.01	Increase	Decrease	2021.06.30
I. Total cost	196,115,061,440.50	6,305,424,379.19	2,798,107,542.19	199,622,378,277.50
Including: Land use rights	110,813,827,695.81	1,153,002,198.62	2,047,303,158.22	109,919,526,736.21
Software	7,979,633,675.84	461,014,999.30	146,236,568.64	8,294,412,106.50
Intellectual property	439,162,210.81	--	--	439,162,210.81
Non-patented technology	38,390,828,541.42	2,666,209,855.01	64,005,325.56	40,993,033,070.87
Patent rights	3,997,225,056.20	9,855,783.54	57,062.02	4,007,023,777.72
Copyrights	132,301,111.94	902,830.20	--	133,203,942.14
Franchise rights	5,489,336,988.54	1,704,196,404.30	--	7,193,533,392.84
Mining rights	16,656,435,985.56	47,412,546.07	185,411,947.64	16,518,436,583.99
Exploration rights	2,493,385,006.75	--	--	2,493,385,006.75
Trademark rights	5,477,484,876.49	62,709,927.29	226,348,695.19	5,313,846,108.59
Others	4,245,440,291.14	200,119,834.86	128,744,784.92	4,316,815,341.08
II. Total accumulated amortization	40,496,839,858.07	4,588,949,917.98	520,229,425.25	44,565,560,350.80
Including: Land use rights	9,264,411,571.30	697,913,624.52	138,575,513.15	9,823,749,682.67
Software	4,246,028,569.31	406,997,918.27	124,499,361.06	4,528,527,126.52
Intellectual property	424,169,765.23	14,992,445.58	--	439,162,210.81
Non-patented technology	19,417,959,551.70	2,939,281,031.04	27,498,334.30	22,329,742,248.44
Patent rights	2,280,256,950.46	93,179,227.22	--	2,373,436,177.68
Copyrights	73,207,225.64	6,340,416.26	--	79,547,641.90
Franchise rights	631,155,120.93	117,756,158.27	--	748,911,279.20
Mining rights	2,916,864,235.93	167,402,517.93	97,284,913.58	2,986,981,840.28
Exploration rights	805,288.00	--	--	805,288.00
Trademark rights	361,165,370.92	59,515,193.15	22,724,986.22	397,955,577.85
Others	880,816,208.65	85,571,385.74	109,646,316.94	856,741,277.45
III. Total provision for impairment	1,510,236,178.74	3,305,968,498.17	74,565,176.97	4,741,639,499.94
Including: Land use rights	55,772,821.31	1,529,784,252.83	--	1,585,557,074.14
Software	1,765,151.84	111,017.09	436,834.77	1,439,334.16

Item	2021.01.01	Increase	Decrease	2021.06.30
Intellectual property	--	--	--	--
Non-patented technology	45,637,844.59	--	1,302,432.83	44,335,411.76
Patent rights	91,089.68	--	--	91,089.68
Copyrights	--	--	--	--
Franchise rights	--	830,500,000.00	--	830,500,000.00
Mining rights	1,131,146,017.06	161,269,643.00	72,825,909.37	1,219,589,750.69
Exploration rights	207,369,015.39	--	--	207,369,015.39
Trademark rights	8,384,129.59	--	--	8,384,129.59
Others	60,070,109.28	784,303,585.25	--	844,373,694.53
IV. Total carrying value	154,107,985,403.69	--	--	150,315,178,426.76
Including: Land use rights	101,480,315,230.11	--	--	98,510,219,979.40
Software	3,731,839,954.69	--	--	3,764,445,645.82
Intellectual property	14,992,445.58	--	--	--
Non-patented technology	18,927,231,145.13	--	--	18,618,955,410.67
Patent rights	1,716,877,016.06	--	--	1,633,496,510.36
Copyrights	59,093,886.30	--	--	53,656,300.24
Franchise rights	4,871,509,940.70	--	--	5,614,122,113.64
Mining rights	12,608,425,732.57	--	--	12,311,864,993.02
Exploration rights	2,285,210,703.36	--	--	2,285,210,703.36
Trademark rights	5,107,935,375.98	--	--	4,907,506,401.15
Others	3,304,553,973.21	--	--	2,615,700,369.10

Note: As of June 30, 2021, the carrying value of intangible assets for which the Center has not completed the property rights certificate was in total RMB 101,649,023.18, all of which are land use rights. Including: the carrying value of incomplete registration of land use rights of Tongrentang Group of RMB 56,274,307.50, the carrying value of incomplete registration of land use rights of BBMG Group of RMB 38,888,882.07, the carrying value of incomplete registration of land use rights of Beijing Electronics of RMB 4,694,121.00, and the carrying value of incomplete registration of land use rights of Beijing Automotive Group of RMB 1,791,712.61.

18. Deferred tax assets and deferred tax liabilities

(1) Deferred tax assets and deferred tax liabilities before offsetting

Recognized amount of deferred tax assets and deferred tax liabilities

Item	2021.06.30		2021.01.01	
	Deferred tax assets or liabilities	Deductible or taxable timing differences	Deferred tax assets or liabilities	Deductible or taxable timing differences
I. Deferred tax assets				

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Item	2021.06.30		2021.01.01	
	Deferred tax assets or liabilities	Deductible or taxable timing differences	Deferred tax assets or liabilities	Deductible or taxable timing differences
Accrued expenses	13,290,755,312.02	53,647,583,456.78	13,371,084,322.72	54,306,492,934.37
Provision for impairment of assets	3,387,788,310.63	16,116,547,119.48	3,468,696,871.06	16,840,532,697.90
Deductible tax loss	2,157,766,329.29	8,363,884,743.61	1,874,402,595.66	8,102,204,656.47
Advances from customers	1,973,239,053.02	7,892,627,728.66	1,942,264,459.14	7,768,726,058.25
Deferred income	1,007,859,997.15	4,456,986,822.30	702,010,240.91	3,198,152,740.49
Depreciation and amortization	750,118,795.97	3,722,413,461.32	711,329,509.45	3,582,581,475.96
Offset of unrealized gain or loss of internal sales	691,947,201.35	2,978,767,839.66	706,177,334.79	3,107,328,116.96
Difference in cost of completed liquidation	299,085,378.04	1,196,341,512.22	310,852,088.77	1,243,408,355.16
Changes in the fair value of financial assets included in other comprehensive income	240,407,564.52	1,046,766,423.71	225,598,700.55	969,100,707.36
Contract liabilities	195,541,211.66	781,123,480.62	191,685,984.40	765,702,571.59
Valuation of trading financial instruments and derivative	134,452,324.30	445,120,959.23	170,966,735.26	721,096,522.16
Others	2,225,707,283.35	10,025,718,583.25	2,033,356,043.94	9,644,406,097.53
Subtotal	26,354,668,761.30	110,673,882,130.84	25,708,424,886.65	110,249,732,934.20
II. Deferred tax liabilities				
Increase in value in appraisal	8,827,931,801.20	34,974,682,486.31	8,027,765,891.48	31,991,504,080.18
Changes in the fair value of financial assets included in other comprehensive income	2,668,911,636.63	15,170,892,411.41	2,632,452,515.32	14,966,737,381.98
Valuation of trading financial instruments and derivative	1,584,081,841.33	6,603,253,716.23	1,486,370,455.30	6,305,408,725.00
Long-term deferred expenses	1,043,848,827.38	3,538,470,601.27	1,020,830,728.95	3,460,443,148.97
Fixed assets	861,543,815.43	3,003,052,012.38	848,702,617.18	2,980,958,929.29
Joint test cost	186,843,012.00	1,233,340,909.98	194,568,796.61	1,282,082,255.90
Difference in depreciation and amortization	121,786,454.19	423,819,817.37	120,445,078.95	404,719,559.69
Investment properties	48,827,569.78	262,172,055.54	59,971,303.51	367,185,250.35
Others	1,291,327,741.53	5,664,045,596.37	1,308,358,851.38	6,107,226,970.52
Subtotal	16,635,102,699.47	70,873,729,606.86	15,699,466,238.68	67,866,266,301.88

(2) Deferred tax assets and deferred tax liabilities after offsetting

A. Deferred tax assets or liabilities after offsetting and the corresponding offsetting deductible or taxable temporary differences

Item	Deferred tax assets or liabilities after offsetting at the end of the reporting period	Deductible or taxable temporary differences after offsetting at the end of the reporting period	Deferred tax assets or liabilities after offsetting at the beginning of the year	Deductible or taxable temporary differences after offsetting at the beginning of the year
I. Deferred tax assets				
Deductible tax loss	60,606,480.35	260,041,703.38	183,148,208.82	625,501,329.65

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Item	Deferred tax assets or liabilities after offsetting at the end of the reporting period	Deductible or taxable temporary differences after offsetting at the end of the reporting period	Deferred tax assets or liabilities after offsetting at the beginning of the year	Deductible or taxable temporary differences after offsetting at the beginning of the year
Increase in value in appraisal of investment in Yinghe Century	32,056,549.00	128,226,195.00	32,750,775.00	131,003,100.00
Provision for impairment of assets	175,839,711.63	703,857,222.52	140,077,298.63	560,737,977.52
Difference in depreciation and amortization	8,160,447.00	32,680,460.00	8,441,918.00	33,806,002.00
Accrued expenses	610,241,557.13	2,404,000,424.24	589,068,759.81	2,356,275,035.24
Elimination of unrealised profit in internal transactions	570,342,288.31	2,281,369,153.29	557,105,293.31	2,228,421,173.29
Others	10,259,236.31	131,271.00	19,670,673.23	28,839,005.70
Subtotal	1,467,506,269.73	5,810,306,429.43	1,530,262,926.80	5,964,583,623.40
II. Deferred tax liabilities				
Valuation of trading financial instruments and derivative	727,283,001.03	2,321,077,229.00	737,462,697.49	2,395,173,489.00
Difference in depreciation and amortization	889,439,807.00	5,749,659,366.00	721,371,438.00	4,622,699,062.00
Valuation of temporary differences formed by mergers not under common control	6,354,642.19	25,418,568.76	6,354,642.19	25,418,568.76
Others	93,571,265.59	319,859,133.36	70,817,602.83	236,799,780.34
Subtotal	1,716,648,715.81	8,416,014,297.12	1,536,006,380.51	7,280,090,900.10

19. Other non-current assets

Item	2021.06.30	2021.01.01
Deductible value-added tax	8,681,427,208.12	11,219,184,249.04
Prepayments	4,939,150,884.64	8,013,245,757.62
Contract performance cost	354,553,293.94	350,955,322.91
Contract acquisition cost	272,445,270.51	675,631,231.77
Others	15,510,871,649.64	13,800,378,270.62
Total	29,758,448,306.85	34,059,394,831.96

20. Short-term loans

Category	2021.06.30	2021.01.01
Unsecured loans	158,237,291,752.38	159,932,953,960.36
Guaranteed loans	54,370,100,579.79	79,363,937,121.18
Mortgage loans	1,158,466,450.79	5,114,100,058.09
Pledge loans	720,260,478.05	659,471,737.55
Total	214,486,119,261.01	245,070,462,877.18

21. Bills payable

Category	2021.06.30	2021.01.01
Commercial acceptance bills	14,363,872,301.09	8,692,484,513.35
Bank acceptance bills	19,096,647,450.60	27,586,063,168.30
Total	33,460,519,751.69	36,278,547,681.65

22. Accounts payable

Ageing	2021.06.30	2021.01.01
Within 1 year (inclusive of 1 year)	178,295,877,158.85	166,925,494,653.97
1 to 2 years (inclusive of 2 years)	21,265,276,287.44	19,542,622,021.99
2 to 3 years (inclusive of 3 years)	9,204,818,986.39	5,561,259,955.91
Over 3 years	14,481,813,251.50	14,192,090,237.10
Total	223,247,785,684.18	206,221,466,868.97

23. Contract liabilities

Item	2021.06.30	2021.01.01
Receipt in advance in house selling	122,541,230,164.18	124,562,260,995.39
Receipt in advance in sale of goods	40,789,387,890.92	39,738,566,413.58
Construction fee received in advance	1,573,313,368.37	1,764,219,474.39
Property fee received in advance	611,889,590.30	668,663,579.16
Management service fee received in advance	486,780,066.93	333,178,658.72
Heating fee received in advance	130,046,302.66	346,096,617.12
Technical services payment	50,913,782.59	43,585,358.33
Electricity fee received in advance	44,553,933.76	36,172,318.03
Repairing fee received in advance	36,593,110.57	36,759,487.23
Customer reward points	25,033,636.53	25,033,636.53
Others	1,534,700,009.50	1,357,008,862.75
Less: Contract liabilities recorded as other non-current liabilities	2,480,810.83	2,480,810.83
Total	167,821,961,045.48	168,909,064,590.40

24. Taxes payable

Item	2021.06.30	2021.01.01
Enterprise income tax	6,958,080,801.80	9,456,514,785.34
Value-added tax	3,885,487,142.01	3,880,290,344.81
Consumption tax	543,300,220.09	2,813,509,838.22
Urban maintenance and construction tax	539,424,524.15	521,736,670.21
Education surcharge (including local education surcharge)	403,224,694.85	388,954,331.10

Item	2021.06.30	2021.01.01
Property tax	250,477,974.10	208,113,521.36
Individual income Tax	227,777,781.21	444,676,971.40
Resource tax	149,860,800.08	130,863,785.91
Land use tax	149,143,831.76	99,878,143.84
Other taxes	4,162,813,091.85	5,167,598,951.20
Total	17,269,590,861.90	23,112,137,343.39

25. Other payables

Category	2021.06.30	2021.01.01
Interest payable	4,380,990,063.58	5,213,020,528.79
Dividend payable	2,721,482,964.49	1,573,662,847.20
Other payables	171,806,796,760.92	179,431,674,964.62
Total	178,909,269,788.99	186,218,358,340.61

(1) Interest payable

Item	2021.06.30	2021.01.01
Interest installment on long-term loans	220,697,306.67	296,688,746.79
Corporate bonds Interest	3,442,074,861.96	4,247,860,327.72
Interest payable on short-term loans	397,876,819.89	376,279,350.53
Other interest	320,341,075.06	292,192,103.75
Total	4,380,990,063.58	5,213,020,528.79

(2) Dividend payable

Item	2021.06.30	2021.01.01
Common shares dividend	1,976,997,572.13	1,084,283,017.42
Dividends on preferred shares\perpetual bonds classified as equity instruments	249,858,714.26	466,010,674.05
Others	494,626,678.10	23,369,155.73
Total	2,721,482,964.49	1,573,662,847.20

(3) Other payables

Other payables by nature

Item	2021.06.30	2021.01.01
Current accounts	48,763,264,795.40	55,183,134,521.60
Accrued expenses	37,000,968,818.05	31,997,037,240.59
Demolition compensation, construction fee and land	27,005,313,466.10	31,907,595,385.24

Item	2021.06.30	2021.01.01
Deposit, security deposit	13,215,466,518.62	15,620,277,754.84
Collection and payment on behalf	11,060,251,788.69	8,125,467,831.05
Equity transfer funds	3,513,910,223.15	2,518,790,538.22
Public Service Maintenance Fund	2,875,782,531.15	5,660,797,165.47
Employee social security, etc	1,565,912,586.74	1,630,729,771.12
Industry adjustment and enterprise restructuring fees	1,472,413,717.05	915,155,087.67
Home purchasing deposits	1,245,320,180.18	2,051,454,432.03
Value-added tax on imported equipment	1,118,961,930.00	1,920,558,529.00
Others	22,969,230,205.79	21,900,676,707.79
Total	171,806,796,760.92	179,431,674,964.62

26. Non-current liabilities due within one year

Item	2021.06.30	2021.01.01
Long-term loans due within 1 year	100,332,206,394.47	104,806,305,434.56
Bonds payable due within 1 year	70,684,384,869.47	74,950,956,038.48
Long-term payables due within one year	11,310,331,579.29	10,007,216,272.95
Lease liabilities due within 1 year	1,332,569,133.28	958,062,293.36
Long-term employee benefits due within 1 year	22,761,589.91	23,770,824.24
Other long-term liabilities due within 1 year	1,635,391,229.47	3,288,906,186.71
Total	185,317,644,795.89	194,035,217,050.30

27. Other current liabilities

Item	2021.06.30	2021.01.01
Short-term bonds payable	26,911,634,944.86	31,450,578,981.98
Short-term financing bills	18,287,910,943.26	12,339,204,066.65
Accrual of land appreciation tax	11,541,872,004.05	11,630,610,624.79
Output VAT pending for transfer	11,183,720,140.83	10,779,174,651.23
Accrued project cost	4,099,475,926.54	4,695,183,120.17
Product warranty	2,425,781,641.00	1,615,534,790.00
Accrued expenses	599,481,515.24	283,035,759.10
Solid waste disposal fee	310,577,162.27	165,857,705.47
Unexpired liability reserve	97,975,237.89	50,048,826.48
Compensation reserve of guarantee	92,308,733.54	55,893,030.60

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Security deposits	75,241,350.10	--
Fair value of grain and oil commodity hedging	30,305,027.90	844,540.00
Shougang Land Occupation Compensation	3,500,016.00	3,500,016.00
Repurchase after sale	--	1,016,918,013.52
Others	1,558,853,272.97	1,319,992,636.49
Total	77,218,637,916.45	75,406,376,762.48

28. Long term loans

Category	2021.06.30	2021.01.01
Pledge loans	33,317,965,974.70	31,152,488,441.30
Mortgage loans	130,199,562,001.06	138,115,697,347.46
Guaranteed loans	155,086,891,153.50	142,574,697,256.07
Unsecured loans	218,064,592,033.85	186,210,986,167.07
Total	536,669,011,163.11	498,053,869,211.90

29. Bonds payable

Item	2021.06.30	2021.01.01
The Center		
15 Jing Guo Zi MTN001 (10-year term)	1,999,120,547.94	1,997,608,219.18
16 Jing Guo Zi MTN001 (5-year term)	--	2,998,631,506.83
16 Jing Guo Zi MTN002 (10-year term)	3,997,764,383.54	3,994,789,041.09
16 Jing Guo Zi MTN003 (5-year term)	2,998,236,986.29	2,996,005,479.45
17 Jing Guo Zi MTN001 (5-year term)	2,999,593,150.67	2,997,361,643.83
17 Jing Guo Zi MTN002 (5-year term)	999,457,534.24	998,713,698.63
18 Jing Guo Zi MTN001 (5-year term)	1,997,600,000.00	1,999,112,328.76
18 Jing Guo Zi MTN002 (5-year term)	1,997,542,465.75	1,999,054,794.51
18 Jing Guo Zi MTN003 (5-year term)	1,999,704,109.58	1,998,216,438.35
18 Jing Guo Zi MTN004 (5-year term)	2,998,520,547.93	2,996,289,041.09
19 Jing Guo Zi MTN001 (3-year term)	1,997,517,808.22	1,999,030,136.98
19 Jing Guo Zi MTN002 (5-year term)	1,999,326,027.39	1,997,838,356.16
19 Jing Guo Zi MTN003 (10-year term)	999,539,726.02	998,795,890.41
19 Jing Guo Zi MTN004 (10-year term)	999,523,287.66	998,779,452.05
20 Jing Guo Zi MTN001 (5-year term)	1,996,684,931.49	1,999,219,178.04
20 Jing Guo Zi MTN002 (5-year term)	1,997,978,082.19	1,999,150,684.89
20 Jing Guo Zi MTN003 (5-year term)	2,996,408,219.20	2,998,191,780.83
21 Jing Guo Zi MTN001 (5-year term)	2,995,775,342.45	--

Item	2021.06.30	2021.01.01
11 Jing Guo Zi 02 (10-year term)	5,998,200,000.00	5,996,400,000.00
14 Jing Guo Zi Debt	1,820,100,000.00	1,820,100,000.00
19 Guo Guan01 (5-year term)	2,996,026,822.80	2,996,945,315.95
19 Guo Guan02 (5-year term)	1,996,622,182.94	1,997,305,479.44
21 Guo Guan01 (10-year term)	1,995,286,264.88	--
Interest payable	1,163,045,817.22	813,247,665.98
Shougang Group		
08 Shougang Debt 02	5,000,000,000.00	5,000,000,000.00
21 Shougang Debt 01	2,500,000,000.00	--
17 Shougang MTN001	5,000,000,000.00	5,000,000,000.00
17 Shougang MTN002	5,000,000,000.00	5,000,000,000.00
18 Shougang MTN001	--	3,000,000,000.00
18 Shougang MTN002	3,500,000,000.00	3,500,000,000.00
18 Shougang MTN003	3,500,000,000.00	3,500,000,000.00
18 Shougang MTN004	1,500,000,000.00	1,500,000,000.00
18 Shougang MTN005	3,000,000,000.00	3,000,000,000.00
19 Shougang MTN001	2,000,000,000.00	2,000,000,000.00
19 Shougang MTN002	1,000,000,000.00	1,000,000,000.00
19 Shougang MTN003	2,000,000,000.00	2,000,000,000.00
19 Shougang MTN004	2,000,000,000.00	2,000,000,000.00
21 Shougang MTN001	2,500,000,000.00	--
19 Shougang 01	2,000,000,000.00	2,000,000,000.00
19 Shougang 02	3,000,000,000.00	3,000,000,000.00
19 Shougang 03	3,000,000,000.00	3,000,000,000.00
19 Shougang 04	3,000,000,000.00	3,000,000,000.00
19 Shougang 05	3,000,000,000.00	3,000,000,000.00
20 Shougang 01	3,000,000,000.00	3,000,000,000.00
20 Shougang 02	3,000,000,000.00	3,000,000,000.00
20 Shougang 03	2,500,000,000.00	2,500,000,000.00
20 Shougang 04	2,500,000,000.00	2,500,000,000.00
U.S. dollar unsecured bonds	3,230,050,000.00	3,262,450,000.00
U.S. dollar debt	2,611,911,130.00	2,614,307,705.71
Zhong Shi Xie Zhu (2015) No. MTN688	2,053,533,333.40	2,013,433,333.42
Zhong Shi Xie Zhu (2015) No. MTN692	2,053,933,333.34	2,013,433,333.34
20 Shouqin 01	2,578,218,055.59	2,528,468,055.57
Parking debt	1,180,000,000.00	1,180,000,000.00
Fund bonds	498,365,507.14	498,156,798.36
Interest payable	1,498,733,377.07	1,472,179,371.44

Item	2021.06.30	2021.01.01
Electronic Holding		
19 electric control 01	618,532,137.45	618,532,137.45
20 electric control 01	1,994,973,407.17	1,994,973,407.17
Euro PP	77,883,333.00	79,866,803.00
Euro PP	233,881,280.00	239,802,540.00
Euro PP	77,777,390.00	79,302,396.00
Corporate bonds	2,450,681,317.80	2,438,413,993.37
Medium-term notes	648,653,489.49	1,197,800,484.10
Interest payable of bnds maturing within 1 year	110,756,361.09	91,172,638.92
Jingcheng Electromechanical		
17 Jing Electromechanical MTN01-Short- term financing bills	600,000,000.00	600,000,000.00
19 Jing Electromechanical MTN1-Short- term financing bills	650,000,000.00	650,000,000.00
Beijing Energy Group		
17 Jingneng Clean Energy MTN001 (Clean Energy)	2,005,577,927.11	1,908,849,816.63
18 Beijing Energy MTN001 (Beijing Energy Headquarters)	2,000,000,000.00	1,890,000,000.00
18 Jingneng Clean Energy MTN001 (Clean Energy)	1,555,742,395.97	1,558,068,442.62
2019 corporate bonds (19 Jingneng 01)	1,500,000,000.00	1,500,000,000.00
18 Jing Neng Yuan MTN002	1,500,000,000.00	1,500,000,000.00
18 Jing Neng Yuan MTN003	1,500,000,000.00	1,500,000,000.00
Other corporate bonds and medium-term notes	13,933,165,548.89	15,237,314,614.33
Capital Highway Development		
2014 corporate bond	497,141,292.30	496,472,917.70
2016 corporate bond	1,190,175,760.16	1,189,523,082.56
2017 corporate bond	1,480,887,037.04	1,480,019,814.90
2018 corporate bonds	1,480,688,287.50	1,481,109,665.08
2019 corporate bonds	9,871,982,014.78	9,866,758,882.09
2019 non-public targeted debt financing instruments	2,995,496,688.08	2,991,517,077.45
2020 Phase 1 targeted bond financing instrument	1,996,141,906.59	1,999,103,566.40
Beijing Shoufa Investment Holdings Co., Ltd. publicly issued 2020 corporate bond (Phase 1)	299,688,679.21	299,603,773.57
Capital Development Holdings		
U.S. dollar bonds	3,221,195,440.86	3,247,503,798.07

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Item	2021.06.30	2021.01.01
2014-1 Shoukai Bond	--	139,061,056.72
2014-2 Shoukai Bond	--	209,351,210.31
2016-public bond	--	769,835,000.00
2016-Non-public bonds	1,559,841,233.16	1,526,091,233.16
2018-Medium-term notes	--	1,549,053,765.18
2020-01 Public Bond	1,952,550,624.62	1,915,500,624.62
2021-01 public bond	756,981,525.16	--
21- Shoukai Mid-term Note	1,308,661,250.00	--
2016 corporate bond (Phase 1)	--	1,999,919,247.21
2016 corporate bond (Phase 2)	320,000,000.00	320,000,000.00
2016 corporate bond (Phase 3)	100,000,000.00	100,000,000.00
2018 Phase 1 Medium-term notes (18 Shoukai MNT001)	602,910,067.45	2,498,583,440.45
Non-public offering 2018 Corporate bonds (Phase 1)	2,999,740,523.06	2,996,304,880.73
2018 Phase 3 Debt Financing Plan (18 Beijing Shoukai ZR003)	2,998,525,240.18	2,994,085,586.89
2019 Phase 1 Medium-term notes (Shoukai MTN001)	2,496,177,241.20	2,493,665,477.86
2019 Phase 1 directional debt financing instrument (19 Shoukai PPN001)	2,997,034,913.88	2,994,823,294.91
2019 Phase 2 directional debt financing instrument (19 Shoukai PPN002)	998,047,634.58	997,292,150.00
2019 Phase 2 Debt Financing Plan (19 Beijing Shoukai ZR002)	--	1,198,632,133.15
2019 Phase 3 Debt Financing Plan (19 Beijing Shoukai ZR003)	1,099,952,900.23	1,097,821,635.65
2019 Fourth Phase of Debt Financing Plan (19 Beijing Shoukai ZR004)	799,323,022.48	798,110,272.89
Non-public offering 2019 Corporate bonds (Phase 1) (19 Capital 01)	1,997,183,687.12	1,995,486,915.99
Non-public offering 2019 Corporate bonds (Phase 2) (19 Capital 02)	1,677,437,893.68	1,676,292,396.75
Non-public offering of 2020 Corporate bonds (Phase 1)	2,694,131,291.32	2,692,282,911.78
Non-public offering of 2020 Corporate bonds (Phase 2)	1,197,353,470.34	1,196,532,382.68
2020 Phase 1 Asset Backed Notes (20 Shoukai ABN001)	2,981,126,591.61	2,987,133,746.83
2020 Phase 1 directional debt financing instrument (20 Shoukai PPN001)	997,244,577.90	996,522,084.93
2020 Phase 2 Medium-term notes (20 Shoukai MTN002)	4,188,411,384.78	4,185,315,576.82
2020 Phase 2 directional debt financing instrument (20 Shoukai PPN002)	997,102,426.34	996,384,773.98

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2020 Phase 1 Debt Financing Plan (20 Beijing Shoukai ZR001)	748,080,290.37	747,130,548.56
2020 Phase 2 Debt Financing Plan (20 Beijing Shoukai ZR002)	1,994,003,607.89	1,991,080,259.62
2020 Phase 3 Debt Financing Plan (20 Beijing Shoukai ZR003)	499,119,698.36	498,762,483.70
2020 Phase 3 directional debt financing instrument (20 Shoukai PPN003)	997,780,423.56	997,298,318.90
Non-public offering of 2020 Corporate bonds (Phase 3)	1,899,272,248.51	1,898,022,259.53
CICC-Shoukai Li Ting Bao Chen Duan Tai Asset Support Special Project	1,835,738,593.26	1,834,855,626.67
China Merchants Chuangrong-Shoukai Shares 2020 House Purchase Final Asset-backed Special Plan	1,594,178,876.49	1,592,245,657.64
Haitong Huatai-Huayue Beijing Asset-backed Special Project	702,160,000.00	800,000,000.00
2021 Phase 3 Targeted Debt Financing Instrument (21 Shoukai PPN003)	3,190,510,804.16	--
2021 Phase 1 Targeted Debt Financing Instrument (21 Shoukai PPN001)	1,296,632,751.39	--
2021 Phase 1 Medium-term notes (21 Shoukai MTN001)	2,250,775,358.62	--
2021 Phase 2 Targeted Debt Financing Instrument (21 Shoukai PPN002)	997,222,235.34	--
2021 Phase 2 Medium-term notes (21 Shoukai MTN002)	537,708,917.88	--
Real Estate Group Non-public Issuance of Corporate Bonds in 2019 (Phase 1)	1,500,000,000.00	1,500,000,000.00
Beijing Automotive Group		
14 BAIC Ji MTN001	832,163,848.17	799,014,527.56
16 Jingqi Ji MTN002A	74,961,072.62	999,480,968.30
16 Jingqi Ji MTN002B	995,547,983.61	995,547,983.61
16 Jingqi Ji MTN003	--	1,997,969,136.53
16 Jingqi Ji MTN001A	--	1,899,376,102.71
16 Jingqi Ji MTN001B	1,095,306,130.30	1,095,306,130.30
16 BAIC Ji	998,304,755.85	998,304,755.85
18 BAIC Ji	997,898,145.07	997,898,145.07
18 Jingqi Ji MTN001	996,618,864.21	896,618,864.21
18 Jingqi Ji MTN002	996,999,503.76	996,999,503.76
18 BAIC 02	997,802,148.98	997,802,148.98
18 Jingqi Ji MTN003	996,353,766.38	996,353,766.38
18 Jingqi Ji MTN004	996,293,206.94	996,293,206.94
19 BAIC 01	997,510,063.50	997,510,063.50

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19 BAIC 02	998,986,835.88	998,986,835.88
19 BAIC 03	1,995,259,404.70	1,995,259,404.70
19 BAIC 05	998,936,761.20	998,936,761.20
19 BAIC 06	1,995,164,038.19	1,995,164,038.19
19 BAIC 08	998,872,395.90	998,872,395.90
19 BAIC 09	1,995,043,442.03	1,995,043,442.03
19 Jingqi Ji MTN001A	399,648,257.53	399,648,257.53
19 Jingqi Ji MTN001B	599,336,555.08	599,336,555.08
19 Jingqi Ji MTN002A	399,648,257.53	399,648,257.53
19 Jingqi Ji MTN002B	599,336,555.08	599,336,555.08
19 BAIC 11	1,997,490,490.40	1,997,490,490.40
19 BAIC 12	997,398,457.10	997,398,457.10
20 BAIC 01	1,994,277,928.75	1,994,277,928.75
20 BAIC 02	995,800,861.63	995,800,861.63
20 BAIC 03	1,994,230,102.10	1,994,230,102.10
20 BAIC 05	1,996,779,153.94	1,996,779,153.94
20 BAIC 06	498,526,592.50	498,526,592.50
20 BAIC 07	497,857,450.41	497,857,450.41
20 Jingqi 01	599,688,061.22	599,589,077.35
16 Jingqi Green Bond	--	2,499,130,399.80
17 Jingqi Green Bond	2,298,940,195.05	2,298,781,143.05
17 BAIC 01	799,768,363.93	799,725,854.50
BAIC FIN2403	2,250,292,092.66	--
14 Jingqi MTN001	399,881,643.82	399,584,109.58
14 Jingqi MTN002	299,896,438.36	299,673,287.67
14 Jingqi MTN003	299,896,438.36	299,673,287.67
16 BAIC 01	--	1,499,867,092.03
Medium-term notes	1,033,253,049.11	811,929,384.67
18 Beijing Auto Investment	680,000,000.00	680,000,000.00
19 Auto Investment 01	600,000,000.00	600,000,000.00
19 Auto Investment 02	520,000,000.00	520,000,000.00
20 Auto Investment 01	600,000,000.00	600,000,000.00
20 Auto Investment 02	500,000,000.00	500,000,000.00
21 Auto Investment 01	500,000,000.00	--
19 BAIC Xinneng MTN001	1,037,100,701.02	916,218,852.70
19 BAIC Xinneng MTN002	1,553,472,589.28	1,521,686,395.96
19 BAIC Xinneng MTN003	1,035,171,140.45	843,977,772.57
19 Beixinneng	1,545,480,851.38	1,513,202,599.69

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20 BAIC Xinneng MTN001	1,009,776,549.93	1,027,409,994.99
19 Beixin 02	510,372,536.08	499,886,437.87
Bohai Automobile MNT001	--	410,895,348.20
Bohai Automobile MNT001	--	615,936,368.76
Tongrentang		
Beijing Tongrentang Technology Development Co., Ltd. publicly issued 2016 corporate bond (Phase 1)	800,868,599.29	806,080,195.27
Xianglong Assets		
Ultra-short-term bond	500,000,000.00	--
Beichen Group		
2014 corporate bond (7-year term)	1,496,377,759.00	1,495,129,229.00
2016 corporate bond (5-year term)	--	359,258,457.00
2017 Medium-term notes (5-year term)	1,117,313,518.00	1,116,267,002.00
2019 Corporate bonds (5-year term)	1,194,361,243.00	1,193,430,048.00
2020 Corporate bonds (5-year term)	596,502,677.00	596,045,048.00
2020 Medium-term notes (2-year term)	259,176,119.00	258,932,126.00
BBMG Group		
2.5 billion medium-term notes	2,500,000,000.00	2,500,000,000.00
2 billion medium-term notes	2,000,000,000.00	2,000,000,000.00
2 billion medium-term notes	2,500,000,000.00	2,500,000,000.00
2 billion medium-term notes	2,000,000,000.00	2,000,000,000.00
2 billion medium-term notes	2,000,000,000.00	2,000,000,000.00
900 million corporate bonds	799,187,241.57	798,869,358.09
500 million corporate bonds	499,606,738.37	499,488,612.93
500 million corporate bonds	499,052,737.38	498,890,568.22
500 million corporate bonds	1,497,155,540.06	1,496,724,712.34
4500 million corporate bonds	4,488,760,227.28	4,487,185,227.28
3500 million corporate bonds	3,495,846,768.17	3,496,604,647.31
3.2 billion corporate bonds	--	3,191,695,687.00
2.82 billion corporate bonds	1,506,192,254.94	1,477,072,861.26
2500 million debt financing plan	--	2,500,000,000.00
2 billion corporate bonds	1,995,333,334.89	1,994,166,668.22
1800 million corporate bonds	1,795,934,788.26	1,795,940,788.26
1750 million corporate bonds	137,042,109.10	137,042,109.10
1500 million corporate bonds	1,497,733,977.37	1,497,256,139.41
1500 million corporate bonds	1,496,829,064.35	1,496,503,766.25
1500 million corporate bonds	1,496,388,724.03	1,496,057,668.67
1500 million corporate bonds	1,496,293,010.75	1,495,418,010.75

Item	2021.06.30	2021.01.01
1.2 billion corporate bonds	1,198,173,501.03	1,197,821,872.95
1 billion corporate bonds	998,557,929.89	
Shounong Group		
Shounong 2017 Phase 1 Corporate Bond (Corporate Bond 17 Shounong 01) (5-year term)	235,100,000.00	235,100,000.00
Shounong2018 Phase 1 Medium-term notes (18ShounongMTN001) (3- year term)	--	1,000,000,000.00
Shounong2019 Phase 1 Medium-term notes (19 Shounong Food MTN001) (3-year term)	1,100,000,000.00	1,100,000,000.00
Shounong 2019 Phase 3 Medium-term notes (19 Shounong Food MTN003) (3-year term)	500,000,000.00	500,000,000.00
Shounong 2020 Phase 1 Medium-term notes (20 Shounong Food MTN001) (3-year term)	1,000,000,000.00	1,000,000,000.00
Shounong 2020 Phase 2 Medium-term notes (20 Shounong Food MTN002) (3-year term)	2,000,000,000.00	2,000,000,000.00
Shounong2020 Phase 3 Medium-term notes (20 Shounong Food MTN003) (3-year term)	2,000,000,000.00	2,000,000,000.00
Subtotal	345,097,393,517.07	351,583,618,589.83
Less: Bonds payable due within one year	70,586,676,113.47	74,787,987,904.48
Total	274,510,717,403.60	276,795,630,685.35

Note: ① For details of foreign currency loans, please refer to Note VIII. 46; ② The State Grid Corporation of China provided a full unconditional and irrevocable joint and several liability guarantee for the 2008 corporate bond (15-year term) of RMB 5 billion issued by Shougang Group.

30. Long-term payables

Item	2021.06.30	2021.01.01
Long-term payables	50,285,454,787.02	40,096,236,943.85
Specific payables	80,104,238,376.84	76,550,496,605.94
Total	130,389,693,163.86	116,646,733,549.79

(1) Long-term payables

Top 5 closing balances of long-term payables:

Item	2021.06.30	2021.01.01
Capital subscription in AVIC by Beijing Municipal Government	6,584,307,642.02	6,584,307,642.02

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Item	2021.06.30	2021.01.01
Investment Guidance Fund (Limited Partnership)		
Special government bonds payable	6,000,000,000.00	6,000,000,000.00
Capital subscription in Jingguorui by Beijing Municipal Government Investment Guidance Fund (Limited Partnership)	5,028,947,270.16	5,028,947,270.16
Financing lease payments	4,960,796,331.97	792,052,973.81
Mining rights	2,586,665,301.79	2,522,364,274.99
Total	25,160,716,545.94	20,927,672,160.98

(2) Specific payables

Top 5 closing balances of specific payables:

Item	2021.01.01	Increase	Decrease	2021.06.30
Beijing Government funding	59,364,412,797.98	1,586,170,100.00	--	60,950,582,897.98
Compensation for land acquisition	6,976,122,001.26	3,285,529,756.68	873,154,186.60	9,388,497,571.34
Highway loan repayment government special debt	2,540,000,000.00	--	--	2,540,000,000.00
Infrastructure funding	1,523,974,356.38	115,605,954.45	--	1,639,580,310.83
Demolition compensation	1,136,867,657.81	79,886,253.46	88,943,861.65	1,127,810,049.62
Total	71,541,376,813.43	5,067,192,064.59	962,098,048.25	75,646,470,829.77

31. Deferred income

Item	2021.01.01	Increase	Decrease	2021.06.30
Government grants	28,465,043,264.67	10,899,016,597.90	6,263,752,910.97	33,100,306,951.60
Project funds for heat network, Qinghe non-coalization and other projects	1,572,878,852.80	608,765,493.33	282,887,075.54	1,898,757,270.59
Pipe network, Heat access fee	1,188,190,138.51	100,667,980.45	74,533,953.98	1,214,324,164.98
Mould subsidy	906,674,093.01	103,287,296.13	100,647,626.00	909,313,763.14
Assets purchased in demolition compensation	911,669,111.28	--	34,738,447.75	876,930,663.53
Others	180,410,314.60	5,546,842.96	26,375,258.76	159,581,898.80
Total	33,224,865,774.87	11,717,284,210.77	6,782,935,273.00	38,159,214,712.64

32. Paid-in capital

Investor	2021.01.01		Increase	Decrease	2021.06.30	
	Investment amount	Shareholding ratio (%) (%)			Investment amount	Shareholding ratio (%) (%)
Beijing State-owned Assets Supervision and Administration Commission	38,934,077,526.58	100.00	--	--	38,934,077,526.58	100.00

33. Capital reserve

Item	2021.01.01	Increase	Decrease	2021.06.30
Capital premium	265,127,095,976.94	2,477,750,923.94	151,657,209.84	267,453,189,691.04
Other capital reserves	85,654,049,241.01	2,928,441,032.27	997,848,066.52	87,584,642,206.76
Total	350,781,145,217.95	5,406,191,956.21	1,149,505,276.36	355,037,831,897.80

(1) According to the "Letter on the Opinions on the Treatment of Certain Funds of Beijing State-owned Capital Operation and Management Center" issued by the Beijing Municipal Finance Bureau on February 8, 2021, the municipal finance bureau agreed to treat the repayment of principal amount of RMB 654,871,861.58 directly as the new capital contribution into the Beijing Municipal Government Investment Guidance Fund (Limited Partnership). The Beijing Municipal Government Investment Guidance Fund (Limited Partnership) will continue to coordinate the funding of subsequent usage of sub-funds and direct investment projects. The Center recorded the above payment to Capital reserve-Capital premium

(2) According to the "Reply on Approving Beijing State-owned Capital Operation and Management Center Gratuitously Transfer-in 50% Equity of Beijing Education Information Network Service Center Co., Ltd." (Jing Guo Zi Property Rights [2021] No. 1) issued by the State-owned Assets Supervision and Administration Commission of Beijing Municipal People's Government, it is agreed that the Center gratuitously transfer-in 50% equity of Beijing Education Information Network Service Center Co., Ltd. According to the audit results at the time of the transfer on December 31, 2019, the owner's equity corresponding to the 50% equity of the transfer target company was RMB 12,019,722.29, and The Center correspondingly increased Capital reserve-Capital premium by RMB 12,019,722.29.

(3) According to the state capital allocated by Beijing Municipal Finance to each subsidiaries, The Center increased capital premium by RMB 288,167,381.19 accordingly.

(4) Net amount of changes in capital premium of each subsidiaries of the Center was RMB 1,371,034,749.04.

(5) The changes in other capital reserves is resulted from the changes in other equity of subsidiaries.

34. Special reserves

Item	2021.01.01	Increase	Decrease	2021.06.30
Safety production fee	706,932,200.35	253,632,483.64	162,081,078.00	798,483,605.99
Simple reproduction maintenance fee	1,217,367,193.86	159,854,361.52	31,690,939.24	1,345,530,616.14

Item	2021.01.01	Increase	Decrease	2021.06.30
Others	54,930,937.39	9,779,740.69	244,194.18	64,466,483.90
Total	1,979,230,331.60	423,266,585.85	194,016,211.42	2,208,480,706.03

35. Surplus reserve

Item	2021.01.01	Increase	Decrease	2021.06.30
Statutory surplus reserve	5,091,746,949.50	--	--	5,091,746,949.50

36. Undistributed profits

Item	Six months ended June 30, 2021	Six months ended June 30, 2020
Closing balance of prior year	124,436,702,001.94	116,693,754,094.54
Add: Changes in accounting policies	10,350,493,126.87	116,462,705.48
Others	-4,033,337.57	--
Beginning balance of the current period	134,783,161,791.24	116,810,216,800.02
Increase	7,022,733,784.24	6,922,429,025.42
Including: Net profit for the year	6,612,925,584.04	3,595,208,560.68
Other comprehensive income transferred to retained earnings	479,259,444.35	1,290,326,979.02
Other adjustments	-69,451,244.15	2,036,893,485.72
Decrease	3,983,725,128.26	3,170,152,592.15
Appropriation of cash dividends	3,791,971,538.46	550,392,789.06
Other decrease	191,753,589.80	2,619,759,803.09
Closing balance of the current period	137,822,170,447.22	120,562,493,233.29

37. Operating revenue and operating costs

Operating revenue and operating cost

Item	Six months ended June 30, 2021		Six months ended June 30, 2020	
	Revenue	Cost	Revenue	Cost
1. Primary operations				
Manufacturing	148,599,879,189.21	118,113,237,925.13	127,799,486,972.35	100,975,154,278.90
Steel	116,349,373,337.05	97,770,834,310.08	73,303,714,761.61	66,158,582,812.89
Electronic	115,605,843,016.70	79,054,640,930.56	66,675,410,299.38	54,714,662,930.94
Real estate	113,523,896,101.88	94,321,780,477.10	71,744,043,316.40	54,934,067,064.47
Food processing	72,182,735,637.55	68,536,459,780.92	62,700,717,972.06	58,783,496,539.39

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Item	Six months ended June 30, 2021		Six months ended June 30, 2020	
	Revenue	Cost	Revenue	Cost
Commerce	21,378,227,896.91	17,685,563,294.18	19,661,012,754.77	16,958,679,135.68
Electricity	19,279,975,957.11	15,556,062,850.59	15,722,555,998.81	11,561,912,433.47
Heat	10,053,629,863.64	10,593,136,841.68	9,578,363,402.58	10,126,074,378.53
Medicine	9,712,588,305.93	5,123,612,884.12	7,697,872,577.94	3,807,148,891.71
Coal	3,175,488,233.68	1,316,333,873.25	2,068,979,443.04	1,239,801,363.05
Agriculture	2,520,083,809.98	1,579,745,227.73	2,479,703,421.27	1,526,913,552.43
Others	20,146,965,262.87	15,110,713,054.85	16,155,300,365.44	13,009,364,278.14
Subtotal of primary operations	652,528,686,612.51	524,762,121,450.19	475,587,161,285.65	393,795,857,659.60
2. Other operations				
Manufacturing	3,531,138,887.54	1,971,084,910.84	3,503,227,768.54	1,917,988,213.49
Steel	2,484,096,374.97	2,957,401,396.40	2,377,622,507.92	2,628,144,947.51
Electromechanical	1,026,971,899.85	949,475,828.69	1,159,526,711.17	1,170,690,375.96
Commerce	720,871,174.90	419,901,400.63	713,964,897.16	292,092,901.69
Real estate	736,881,541.21	210,090,962.37	852,084,963.18	542,126,203.48
Highway	226,970,381.04	187,840,662.77	181,204,811.02	144,540,410.84
Medicine	20,118,528.41	24,782,911.93	31,257,816.30	23,091,070.39
Others	3,589,950,732.99	3,170,677,265.61	2,762,194,534.86	2,322,244,381.07
Subtotal of other operations	12,336,999,520.91	9,891,255,339.24	11,581,084,010.15	9,040,918,504.43
Total	664,865,686,133.42	534,653,376,789.43	487,168,245,295.80	402,836,776,164.03

38. Selling expenses

Item	Six months ended June 30, 2021	Six months ended June 30, 2020
Employee's salary	4,390,988,853.17	4,224,727,687.19
Sales service fee	4,385,162,571.22	3,370,532,465.14
Advertising fee	2,488,387,562.26	2,017,759,565.09
Transportation fee	1,423,566,907.39	3,628,001,928.86
Market development fee	953,112,726.08	297,686,929.97
Rental fees	509,267,077.35	512,635,782.68
Exhibition fee	409,024,445.03	509,049,661.66
Warehousing fee	313,109,584.60	275,696,478.71
Office expenses	285,994,180.82	219,123,161.71
Agency fee	240,013,723.99	254,653,251.78
Depreciation and amortization expense	219,647,858.15	391,263.28
Depreciation of right-of-use assets	165,596,176.15	114,845,424.23

Item	Six months ended June 30, 2021	Six months ended June 30, 2020
Others	3,920,352,920.24	4,153,209,443.64
Total	19,704,224,586.45	19,578,313,043.94

39. Administrative expenses

Item	Six months ended June 30, 2021	Six months ended June 30, 2020
Employee's salary	13,821,072,764.48	11,256,641,425.09
Depreciation and amortization	3,637,140,748.59	2,912,629,710.02
Repair fee	1,146,042,101.32	841,367,939.95
Office expenses	738,266,594.45	699,636,757.93
Hiring intermediary agency fee	688,075,113.50	516,654,176.23
Rental fees	331,667,693.81	374,569,303.86
Consultation fee	152,282,013.49	116,969,520.07
Property fee	135,469,402.40	93,224,936.62
Utility bill	126,714,470.36	142,778,113.85
Insurance premium	119,491,119.76	81,334,881.73
Travel expenses	107,095,886.45	63,462,402.83
Service charge	79,263,914.26	53,020,749.31
Sewage charges	77,636,342.82	74,750,798.66
Long-term prepaid expenses amortization	69,395,148.15	79,902,740.99
Business entertainment expenses	58,093,061.50	38,475,693.44
Office room cost	57,422,479.30	44,844,808.00
Machine material consumption	38,107,717.28	23,692,781.21
Technology transfer fee	18,175,887.02	7,602,301.47
Others	4,675,332,919.51	4,911,759,489.51
Total	26,076,745,378.45	22,333,318,530.77

40. Research and development expenses

Item	Six months ended June 30, 2021	Six months ended June 30, 2020
Labor cost	4,319,333,484.91	2,541,648,173.17
Depreciation and amortization	1,938,724,385.08	1,500,607,815.45
Material fee	1,718,427,585.72	812,260,372.69
Research processing fee	336,408,289.48	169,407,513.08
External development fee	50,713,328.35	50,307,529.78
Utility bill	31,683,746.69	6,989,331.78
Travel expenses	28,689,428.62	21,221,977.01

Item	Six months ended June 30, 2021	Six months ended June 30, 2020
Service charge	25,031,184.95	25,219,765.16
Project expenses	21,292,007.43	19,651,839.08
Outsourcing costs	14,956,662.42	10,026,255.50
Others	951,174,014.91	1,050,021,263.68
Total	9,436,434,118.56	6,207,361,836.38

41. Financial expenses

Item	Six months ended June 30, 2021	Six months ended June 30, 2020
Total interest costs	25,348,297,558.30	26,406,934,163.29
Less: Interest capitalized	5,067,483,327.78	6,402,243,977.59
Interest expenses, net	20,280,814,230.52	20,004,690,185.70
Less: Interest income	3,022,153,094.47	3,271,669,322.19
Factoring charge on acceptance bills	57,415,016.61	28,923,432.77
Exchange gain or loss	-729,904,783.27	396,701,118.10
Bank charges and others	793,303,940.24	910,753,845.62
Total	17,379,475,309.63	18,069,399,260.00

42. Other income

Item	Six months ended June 30, 2021	Six months ended June 30, 2020
Government grants	3,060,267,801.78	2,215,930,333.60
Subsidies for heating fuel, etc.	1,102,111,834.82	1,349,140,710.30
Tax refund and exemption etc.	366,478,879.06	286,910,466.64
Land occupation, Demolition compensation	294,402,420.24	597,019,875.33
Electricity price subsidy	291,901,121.11	207,868,058.31
Reward and subsidy funds	267,749,465.96	314,819,550.78
Project construction subsidy	200,022,124.41	305,236,083.52
Other subsidies	151,131,346.08	122,191,169.44
Staff placement fee	87,171,607.56	61,427,784.55
Stable growth incentive funds	64,929,700.00	20,285,213.05
Environmental protection subsidies	61,927,409.97	89,390,957.45
Hub subsidy	30,780,990.72	28,611,507.65
Immediate refund of VAT levied	25,385,336.08	19,335,603.22
Vocational training subsidies	20,117,577.07	8,845,589.67
Research subsidies	16,968,936.64	26,517,866.90
Subsidy for rental concession	17,998,945.96	4,088,652.71
Value-added tax deduction and super	14,880,265.39	11,082,040.98

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Item	Six months ended June 30, 2021	Six months ended June 30, 2020
deduction		
Job stabilization subsidy	14,460,819.85	14,115,484.08
Industrial support funds	11,521,307.00	16,665,681.00
Others	185,603,281.30	254,933,931.18
Total	6,285,811,171.00	5,954,416,560.36

43. Investment income

Item	Six months ended June 30, 2021	Six months ended June 30, 2020
Income from long-term equity investment by equity method	6,352,653,061.41	4,740,913,063.80
Gain from disposal of trading financial assets	1,178,882,738.03	72,626,921.42
Dividend income from holding of other equity instrument investments	2,064,417,173.78	254,533,670.03
Gain from disposal of financial assets at fair value through profit or loss	324,193,337.54	132,749,526.42
Gain from disposal of long-term equity investment	202,563,319.06	198,989,398.47
Income from holding of trading financial assets	550,517,993.85	63,679,062.73
Income from holding of financial assets at fair value through profit or loss	139,710,940.26	41,487,596.16
Interest income from holding of debts investment	46,780,038.29	23,739,953.27
Income from holding of held-to-maturity investments	--	3,886,194.96
Gain from disposal of held-to-maturity investments	--	717,486,371.94
Gain from disposal of other debts investment	679,558.03	8,366,062.91
Interest income from holding of other debts investment	61,231.24	90,493.15
Gain from remeasurement at fair value of shareholdings when acquired the control over investees	--	275,933,509.99
Income from holding of available for sale financial assets	--	172,341,372.17
Gain from disposal of available for sale financial assets	--	80,629,517.27
Others	1,129,885,063.71	529,212,813.92
Total	11,990,344,455.20	7,316,665,528.61

44. Assets impairment loss

Item	Six months ended June 30, 2021	Six months ended June 30, 2020
Bad debt loss	--	-665,520,135.27
Decline in value of inventories	-2,858,151,218.33	-1,920,514,521.16
Impairment loss of available-for-sale financial assets	--	-11,875,000.00
Impairment loss of contract acquisition costs	-28,031,865.33	-12,938,048.00
Impairment loss of long-term equity investment	-147,900,000.00	-3,332,226.30
Impairment loss of investment properties	-136,819,367.00	--
Impairment loss of fixed assets	-1,357,491,262.21	-10,332,840.87
Impairment loss of construction in progress	-2,072,836,420.52	-1,883,073.00
Impairment loss of intangible assets	-2,475,468,498.17	--
Impairment loss of goodwill	-654,153,193.32	--
Other impairment losses	137,538,096.58	81,504,345.77
Total	-9,593,313,728.30	-2,544,891,498.83

45. Income tax expenses

Item	Six months ended June 30, 2021	Six months ended June 30, 2020
Current income tax	13,939,270,031.62	8,936,923,973.83
Deferred income tax	979,591,635.89	-461,987,698.60
Total	14,918,861,667.51	8,474,936,275.23

46. Items in foreign currencies

Item	Balance of foreign currency as of June 30, 2021	Conversion rate	Closing balance translated into RMB
Cash and bank balances			39,577,977,411.01
Including: USD	5,285,430,234.25	6.4601	34,144,407,856.28
Euro	403,317,920.88	7.6862	3,099,982,203.47
HKD	1,589,694,623.46	0.8321	1,322,784,896.18
Others	3,469,341,392.78	--	1,010,802,455.08
Accounts receivable			27,801,604,273.13
Including: USD	4,070,072,738.84	6.4601	26,293,076,900.18
Euro	177,966,808.99	7.6862	1,367,888,487.26
HKD	14,985,460.79	0.8321	12,469,401.92
Others	1,672,238,046.60535	--	128,169,483.77
Other receivables			280,831,531.03
Including: USD	31,455,801.15	6.4601	203,207,621.01
Euro	1,187,066.62	7.6862	9,124,031.45
HKD	50,798,785.42	0.8321	42,269,669.35
Others	14,584,622.51	--	26,230,209.22

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Item	Balance of foreign currency as of June 30, 2021	Conversion rate	Closing balance translated into RMB
Long-term receivables			335,392,833.88
Including: USD	51,917,591.66	6.4601	335,392,833.88
Short-term loans			14,332,845,752.33
Including: USD	929,538,187.37	6.4601	6,004,909,644.23
Euro	1,013,142,955.72	7.6862	7,787,219,386.26
HKD	209,395,691.19	0.8321	174,238,154.64
Others	64,524,720.47	--	366,478,567.20
Bills payable			912,266,417.32
Including: USD	141,215,525.66	6.4601	912,266,417.32
Interest payable			527,464.39
Including: USD	81,649.57	6.4601	527,464.39
Accounts payable			446,751,250.69
Including: USD	14,629,227.31	6.4601	94,506,271.35
Euro	25,244,063.70	7.6862	194,030,922.41
HKD	29,112.10	0.8321	24,224.18
Others	504,633,547.46	--	158,189,832.75
Other payables			1,692,198,101.08
Including: USD	75,079,284.69	6.4601	485,019,687.03
Euro	130,337,558.04	7.6862	1,001,800,538.61
HKD	3,853,907.90	0.8321	3,206,836.76
Others	380,287,226.03	--	202,171,038.68
Non-current liabilities due within one year			4,390,477,263.41
Including: USD	12,060,000.00	6.4601	77,908,806.00
Euro	130,263,844.24	7.6862	1,001,233,959.60
HKD	3,979,491,044.12	0.8321	3,311,334,497.81
Long term loans			45,745,742,515.73
Including: USD	5,472,208,537.13	6.4601	35,351,014,370.71
Euro	523,499,306.86	7.6862	4,023,720,372.39
HKD	5,498,774,444.93	0.8321	4,575,530,215.63
Others	1,699,390,078.95	--	1,795,477,557.00
Bonds payable			8,481,795,229.30
Including: USD	1,252,651,386.78	6.4601	8,092,253,223.74
Euro	50,680,701.20	7.6862	389,542,005.56

47. Ownership or using rights of assets subject to restriction

Item	2021.06.30	Reason of restriction
Cash and bank balances	33,402,003,570.93	Security deposit, pledge etc.
Notes receivable	994,015,218.85	Pledge for bills, pledge restriction etc.
Accounts receivable	11,713,006,672.10	Loan mortgage, pledge etc.
Inventories	79,902,645,418.37	Loan mortgage etc.
Fixed assets	236,426,080,140.56	Loan mortgage, frozen by court etc.
Intangible assets	2,484,974,995.91	Long term loans mortgage, legal disputes etc.
Construction in progress	13,867,012,450.73	Loan mortgage, guarantee etc.
Investment properties	24,830,234,021.27	Loan mortgage etc.
Equity	15,904,396,570.99	Financing guarantee, Equity pledge etc.
Others	2,225,757,933.34	Loan mortgage, frozen by court etc.

VIII. Contingencies

(I) Contingent liabilities arising from pending litigation arbitration and their financial impact

1. Shougang Group

Case	Name of plaintiff	Name of entity	Litigation time	Status	Case amount (RMB ten thousand)
Contract dispute	Yicheng County Daming Fruit Industry Cooperative	Shanxi Yicheng Shouwang Coal Industry Co., Ltd.	July 2016	Send back for retrial	16,787.89
Contract dispute	Beijing Jingcheng Ruixin Long Products Engineering Technology Co., Ltd.	Shougang Yili Iron and Steel Co., Ltd.	June 2019	Second instance	13,950.38
Contract dispute	Beifangtonghe Holdings Co., Ltd.	Shougang Holdings Co., Ltd.	June 2018	Second instance	13,306.00
Contract dispute	Guizhou Hangzhou Oxygen Gas Co., Ltd.	Shougang Guiyang Special Steel Co., Ltd.	January 2019	Second instance	11,700.00
Contract dispute	Hangzhou Jiahua Steel Trading Co., Ltd.	Qinhuangdao Shougang Plate Co., Ltd.	August 2020	Retrial	5,338.00
Contract dispute	Liu Yandong	Shougang Yili Iron and Steel Co., Ltd.	June 2020	First instance	4,749.74
Contract dispute	Beijing Hongda Construction Engineering Co., Ltd.	Beijing Shougang Special Steel Co., Ltd.	April 2019	Send back for retrial	3,012.39
Contract dispute	Jiangsu Nantong Sixth Construction Group Co., Ltd.	Shougang Changzhi Steel Co., Ltd.	September 2020	Second instance	2,413.22

2. Jingcheng Electromechanical

As of June 30, 2021, Jingcheng Electromechanical as the plaintiff had a total of 6 remaining outstanding litigation cases, involving a total amount of RMB155.87million, and Jingcheng Electromechanical as the defendant, a total of 4 remaining outstanding litigation cases, involving a total amount of RMB147.16 million.

3. Beijing Energy Group

As of June 30, 2021 Beijing Energy Group, as the plaintiff, had 3 outstanding litigation cases involving amount in total of RMB 530.00 million, of which 2 cases are in the execution stage, 1 case has not yet

executed. Beijing Energy Group was the defendant in 9 pending litigation cases, involving amount in total of RMB 1,314.41 million, of which 6 cases were in trial, 2 case is not executed, and 1 cases are in execution.

4. Tongrentang Group

As of June 30, 2021, the bank accounts of Tongrentang Group and its subsidiaries have been frozen due to contract disputes of RMB 0.43 million.

5. Beijing Automotive Group

Before the major asset reorganization of Beijing Automotive Group's subsidiaries, BAIC Bluepark New Energy Technology Co., Ltd. in 2018, Chengdu Qianfeng Electronic Co., Ltd. (hereinafter referred to as "Qianfeng Electronic") received "Administrative Penalty Decision" (Chuan [2016] No. 1) issued by China Securities Commission due to failure to disclose of major litigations and major guarantees in accordance with the law and triggering shareholder lawsuits which requested Qianfeng Electronic to compensate for the losses caused by false statements (hereinafter referred to as "securities false statement litigation"). During the major asset reorganization in 2018, all relevant parties signed the "Asset Replacement and Issuance of Shares to Purchase Assets Agreement". According to the agreement, the aforementioned securities false statement litigation falls within the scope of assets reorganization, and Beijing Automotive Group undertakes for the compensation incurred in the assets reorganization. As the matter is still under trial, the financial impact cannot be predicted.

6. Xianglong Company

As of June 30, 2021, Xianglong Company involved a total of 157 cases in litigation, involving a total of RMB 465.85 million, including: 41 cases of being sued, involving a total of RMB 111.79 million.

7. Shounong Group

Plaintiff	Defendant	Case	Court of acceptance	Subject amount	Case progress
Guangxi Nongken Sugar Group Trading Co., Ltd.	Beijing Sugar Tobacco and Alcohol Group Co., Ltd. Sugar Management Branch; Beijing Sugar Tobacco and Alcohol Group Co., Ltd.	Contract dispute	Higher People's Court of Guangxi Zhuang Autonomous Region	43,371,600.00	In the second trial
Beijing Yu Niu Real estate Development Co., Ltd.	Beijing Ershang Jianli Food Technology Co., Ltd.	Other contract dispute	People's Court of Fengtai District, Beijing	18,800,000.00	In the second instance appeal
Guangxi Nongken Sugar Group Trading Co., Ltd.	Beijing Sugar Tobacco and Alcohol Group Co., Ltd. Sugar Management Branch; Beijing Sugar Tobacco and Alcohol Group Co., Ltd.	Contract dispute	People's Court of Xingning District, Nanning City	9,445,200.00	First instance
Beijing Hongteng Changsheng Tempered Glass Co., Ltd.	Beijing Xijiao Yueju Real estate Development Co., Ltd.; Beijing Futuo Stone Co., Ltd.	Property damage compensation dispute	People's Court of Haidian District, Beijing	4,473,700.00	Under trial

Plaintiff	Defendant	Case	Court of acceptance	Subject amount	Case progress
Liu Wengui	Guangdong He's Aquatic Products Co., Ltd., Beijing Jingshen Hongli Aquatic Products Co., Ltd., Yang Zhanbin, Beijing Dahongmen Jingshen Seafood Wholesale Market Co., Ltd.	Disputes over the right to life, health, and physical rights	People's Court of Fengtai District, Beijing	70,000.00	Under trial
Zhang Xinhua	Guangdong He's Aquatic Products Co., Ltd., Yang Kun, Beijing Jingshen Hongli Aquatic Products Co., Ltd., Beijing Dahongmen Jingshen Seafood Wholesale Market Co., Ltd.	Disputes over the right to life, health, and physical rights	People's Court of Fengtai District, Beijing	70,000.00	Under trial

8. Beijing Electronics

As of June 30, 2021, Beijing Electronics has been involved in 1 cases, involving an amount of RMB 5.60 million.

(II) Guarantee provided to other entities

As of June 30, 2021, the Center's subsidiaries provide guarantees for loans to the following parties:

1. As of June 30, 2021, the subsidiaries of the Center provided guarantees to internal entities of RMB 275.56 billion, and US dollar 530.00 million. Including:

(1) Shougang Group and its subsidiaries provide guarantees to the companies in the group with a total amount of RMB 47.90 billion yuan and US \$530 million yuan.

(2) Jingcheng Electromechanical and its subsidiaries provided guarantees to the group companies in a total amount of RMB 4,589.62 million.

(3) Beijing Automotive Group and its subsidiaries provided guarantees to the group companies in a total amount of RMB 28.70 billion.

(4) Xianglong Company and its subsidiaries provided guarantees to the group companies in a total amount of RMB 215.85 million.

(5) Shounong Group and its subsidiaries provided guarantees to the group companies in a total amount of RMB 27.53 billion.

(6) Beijing Energy Group and its subsidiaries provided guarantees to the group companies in a total amount of RMB 61.23 billion.

(7) Yiqing Holding Co., Ltd. and its subsidiaries provided guarantees to the group companies in a total amount of RMB 90.00 million.

(8) BBMG Group and its subsidiaries provided guarantees to the group companies in a total amount of

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RMB 17.09 billion.

(9) Beijing Electronics and its subsidiaries provided guarantees to the group companies in a total amount of RMB 88.41 billion.

2. As of June 30, 2021, the Center's subsidiaries provided guaranteed to external entities in a total amount of RMB 40.77 billion. The details are as follows:

Company name	Entity being guaranteed	Guarantee amount (RMB ten thousand)	Category of guarantee	Mode of guarantee	Whether overdue	Status of entity being guaranteed	
Shougang Group	Commercial Housing Purchaser	728,700.00	Loan guarantee	Guarantee by stage	No	Normal operation	
	Inner Mongolia Zhunxing Heavy Haul Expressway Co., Ltd.	342,300.00	Loan guarantee	Joint and several liability guarantee	No	Normal operation	
	China Niobium Investment Holdings Co., Ltd.	90,587.36	Loan guarantee	Joint and several liability guarantee	No	Normal operation	
	Shanxi Changqin Coal and Coke Co., Ltd.	58,600.00	Loan guarantee	Joint and several liability guarantee	No	Normal operation	
	Beijing Jinan Xingye Real Estate Development Co., Ltd.	16,100.00	Loan guarantee	Joint and several liability guarantee	No	Normal operation	
	Shuicheng Iron and Steel Group (Industry and Trade) Co., Ltd.	7,326.00	Loan guarantee	Joint and several liability guarantee	No	Normal operation	
	Anhui Shouwen High-tech Materials Co., Ltd.	1,000.00	Loan guarantee	Joint and several liability guarantee	No	Normal operation	
	Beijing Electronics	Beijing Yuewu Technology Co., Ltd.	32,300.00	Loan guarantee	Joint and several liability guarantee	No	Normal operation
Beijing Electronics	Beijing Yilong Information Technology Co., Ltd.	19,692.00	Loan guarantee	Joint and several liability guarantee	No	Normal operation	
	Ronglian Digital (Beijing) Information Technology Co., Ltd.	19,000.00	Loan guarantee	Joint and several liability guarantee	No	Normal operation	
	Beijing MCC Jindu Technology Co., Ltd.	3,947.00	Loan guarantee	Joint and several liability guarantee	No	Normal operation	
	Beijing Electronic City Beiguang Digital New Media Technology Development Co., Ltd.	3,658.40	Loan guarantee	Joint and several liability guarantee	No	Normal operation	
	Beijing Shibaolai Amusement Equipment Co., Ltd.	2,937.00	Loan guarantee	Joint and several liability guarantee	No	Normal operation	
	Yongxing Dongrun (China) Clothing Co., Ltd.	2,850.00	Loan guarantee	Joint and several liability guarantee	No	Normal operation	
	Beijing Jinghan Jiaxin Trading Co., Ltd.	2,829.00	Loan guarantee	Joint and several liability guarantee	No	Normal operation	
	Beijing No. 4 Radio components Factory	857.00	Loan guarantee	Joint and several liability guarantee	No	Normal operation	
	Xiamen Beixun Electronic Commerce Co., Ltd.	739.00	Loan guarantee	Joint and several liability guarantee	No	Normal operation	
	Beijing China TV Acoustic Technology Joint Development Co., Ltd.	300.00	Loan guarantee	Joint and several liability guarantee	No	Normal operation	
	Beijing Energy Group	Shanxi International Energy Yuguang Coal and Electricity Co., Ltd.	95,404.80	Loan guarantee	Joint and several liability guarantee	No	Normal operation
		Han River Hydropower Development Company	51,883.00	Loan guarantee	Joint and several liability guarantee	No	Normal operation
		Inner Mongolia Jingke Power Generation Co., Ltd.	23,000.00	Loan guarantee	Joint and several liability guarantee	No	Normal operation

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Company name	Entity being guaranteed	Guarantee amount (RMB ten thousand)	Category of guarantee	Mode of guarantee	Whether overdue	Status of entity being guaranteed
Capital Development Holdings	Inner Mongolia Jingke Power Generation Co., Ltd.	5,425.00	Loan guarantee	Joint and several liability guarantee	No	Normal operation
	Inner Mongolia Jingke Power Generation Co., Ltd.	8,174.00	Loan guarantee	Joint and several liability guarantee	No	Normal operation
	Tianjin Hechuang Real Estate Development Co., Ltd.	3,679.92	Loan guarantee	Joint and several liability guarantee	No	Normal operation
	Tianjin Languang Baoheng Real Estate Development Co., Ltd.	5,701.77	Loan guarantee	Joint and several liability guarantee	No	Normal operation
	Beijing Petrochemical Products Development Supply Co., Ltd.	6,000.00	Loan guarantee	Joint and several liability guarantee	No	Normal operation
	Shenchi County Aike Optoelectronics Co., Ltd.	4,125.00	Loan guarantee	Joint and several liability guarantee	No	Normal operation
	Qinghai Linuo Solar Electricity Engineering Co., Ltd.	4,800.00	Loan guarantee	Joint and several liability guarantee	No	Normal operation
	Shuyang Guoxin Sunshine Electricity Co., Ltd.	2,100.00	Loan guarantee	Joint and several liability guarantee	No	Normal operation
	Kezuo Zhongqi Xinsheng Optoelectronics Co., Ltd.	2,730.80	Loan guarantee	Joint and several liability guarantee	No	Normal operation
	Beijing Youtai Tongda Real Estate Development Co., Ltd.	180,000.00	Loan guarantee	Joint and several liability guarantee	No	Normal operation
	Beijing Hexin Jintai Real Estate Development Co., Ltd.	162,850.00	Loan guarantee	Joint and several liability guarantee	No	Normal operation
	Tianjin Seaview Industrial Co., Ltd.	103,900.00	Loan guarantee	Joint and several liability guarantee	No	Normal operation
	Beijing Juntai Real Estate Development Co., Ltd.	67,514.37	Loan guarantee	General guarantee	No	Normal operation
	Beijing Yihe Real Estate Co., Ltd.	62,087.85	Loan guarantee	Joint and several liability guarantee	No	Normal operation
	Changshu Yaotai Real Estate Co., Ltd.	29,700.00	Loan guarantee	Joint and several liability guarantee	No	Normal operation
	Fuzhou Zhongtai Investment Co., Ltd.	20,680.00	Loan guarantee	Joint and several liability guarantee	No	Normal operation
	Wuhan Mingtai Real Estate Co., Ltd.	17,837.50	Loan guarantee	Joint and several liability guarantee	No	Normal operation
	Beijing Jingu Chuangxin Real Estate Co., Ltd.	16,236.00	Loan guarantee	Joint and several liability guarantee	No	Normal operation
	Beijing Jinkai Liantai Real Estate Development Co., Ltd.	13,587.21	Loan guarantee	Joint and several liability guarantee	No	Normal operation
	Fuzhou Zhonghongsheng Industrial Co., Ltd.	10,608.00	Loan guarantee	Joint and several liability guarantee	No	Normal operation
Suzhou Shoulong Real Estate Co., Ltd.	4,900.00	Loan guarantee	Joint and several liability guarantee	No	Normal operation	
Beijing Shoukai Cuncao Pension Service Co., Ltd.	2,500.00	Loan guarantee	Joint and several liability guarantee	No	Normal operation	
Beijing Automotive Group	Beijing Baowo Automobile Co., Ltd.	31,556.43	Loan guarantee	Joint and several liability guarantee	No	Normal operation
	Beijing Dalin Wanda Auto Parts Co., Ltd.	14,220.90	Loan guarantee	General guarantee	No	Normal operation
	Zaifu Futian automatic Transmission (Jiaxing) Co., Ltd.	9,020.94	Loan guarantee	Joint and several liability guarantee	No	Normal operation
	Beijing Hainachuan Ruiyan	9,000.00	Loan	General	No	Normal

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Company name	Entity being guaranteed	Guarantee amount (RMB ten thousand)	Category of guarantee	Mode of guarantee	Whether overdue	Status of entity being guaranteed
	Automotive Trim Co., Ltd.		guarantee	guarantee		operation
	Central Africa Futian Investment Co., Ltd.	7,782.48	Loan guarantee	Joint and several liability guarantee	No	Normal operation
	Hainachuan Haila Electronic (Jiangsu) Co., Ltd.	5,300.00	Loan guarantee	General guarantee	No	Normal operation
	BAIC (Changzhou) Automobile Co., Ltd.	5,103.44	Loan guarantee	General guarantee	No	Normal operation
	Chongqing Dier E Shiwen Auto Parts Co., Ltd.	4,308.00	Loan guarantee	General guarantee	No	Normal operation
	Hexin Hainachuan (Cangzhou) Auto Parts Co., Ltd.	3,105.00	Loan guarantee	General guarantee	No	Normal operation
	Beijing Yizhuang International Financial Guarantee Co., Ltd.	1,000.00	Loan guarantee	General guarantee	No	Normal operation
	Hexin Hainachuan (Chongqing) Auto Parts Co., Ltd.	367.00	Loan guarantee	General guarantee	No	Normal operation
Beichen Group	Commercial Housing Purchaser	1,504,191.58	Loan guarantee	Guarantee by stage	No	Normal operation
Shounong Group	Beijing Agricultural Products Central Logistics Park Co., Ltd.	110,654.40	Loan guarantee	Joint and several liability guarantee	No	Normal operation
	Beijing Huaduyukou Poultry Industry Co., Ltd.	20,000.00	Loan guarantee	Joint and several liability guarantee	No	Normal operation
	Beijing (Gannan) Shuanghe Farm	10,000.00	Loan guarantee	Joint and several liability guarantee	No	Normal operation
	Beijing Food Bureau	1,182.00	Loan guarantee	General guarantee	No	Normal operation
	Beijing Jingci Technology Company	127.00	Loan guarantee	Joint and several liability guarantee	No	Normal operation
Jinyu Asset	Beijing Anyuan Housing Co., Ltd.	9,541.54	Loan guarantee	Joint and several liability guarantee	No	Normal operation
BBMG Group	Tangshan Cultural Tourism Investment Group Co., Ltd.	91,000.00	Loan guarantee	Joint and several liability guarantee	No	Normal operation
Total RMB		4,076,608.69				

(III) Other contingencies

Asset mortgage or pledge of Jingcheng Electromechanical

(1) On December 21, 2018, The Center signed an entrusted loans contract with Jingcheng Electromechanical. The Center provided RMB 1.00 billion entrusted loans to Jingcheng Electromechanical. The loan period was from December 28, 2018 to September 28, 2023. Meanwhile, the Center signed a mortgage and pledge contract with Jingcheng Electromechanical. The collateral is the house ownership and its corresponding land use rights owned by Beijing First Machine Tool Plant, Beijing Huade Hydraulic Industry Group Co., Ltd., Beijing Institute of Mechanical and Electrical Technology Co., Ltd. and Beijing Institute of Hydraulic Technology. The assets under pledge are: 86.53 million equity of Beijing Bijie Electric Co., Ltd., 112.14 million equity of Beijing Jingcheng Environmental Protection Co., Ltd., and 100% equity of Beijing Jingcheng Electromechanical Asset Management Co., Ltd. On January 10, 2020, the Center signed an entrusted loans contract with Jingcheng Electromechanical. The Center provided RMB 1.00 billion of entrusted loans to Jingcheng Electromechanical. The loan period is from January 10, 2020 to October 10, 2024. Guarantees are the same as the originally signed mortgage and pledge contract.

(2) In February 2019, Beijing Jingcheng New Energy Co., Ltd. (the pledger/debtor) pledged all the shares of its subsidiary Shangdu County Kezhi Huayuan Wind Power Co., Ltd. to its ultimate controller, Beijing Jingcheng Electromechanical Holding Co., Ltd. (Pledgee/Creditor). Guaranteed principal creditor's rights and maximum amount: The pledger voluntarily provides guarantee for the pledgee's and debtor's loan claims formed from July 1, 2018 to December 31, 2025, and the maximum balance of the secured creditor's rights is RMB 300 million.

(IV) Commitments

(1) Commitments of Beijing Electronics

As of June 30, 2021, the subsidiary BOE Technology Group Co., Ltd. has signed an unfulfilled or incomplete foreign investment contracts of RMB 44,123,314,294.00; authorized but not yet signed foreign investment contracts of RMB 75,392,343,393.00.

According to the irrevocable property operating lease agreement, the minimum lease payment payable by the subsidiary BOE Technology Group Co., Ltd. after June 30, 2021 is RMB 189,303,452.00, of which RMB 88,877,469.00 for within 1 year (inclusive of 1 year), RMB 47,303,873.00 for more than 1 year and within 2 years (including 2 years), RMB 26,109,026.00 for over 2 years and within 3 years (including 3 years), and RMB 27,013,084.00 for over 3 years.

(2) Commitments of BBMG Group

Item	Closing balance	Beginning balance
Purchase of assets with contract signed but not yet executed	308,414,181.29	1,086,398,279.13
Real estate development contracts with contract signed but not yet executed	7,435,415,292.26	7,261,767,509.25
Total	7,743,829,473.55	8,348,165,788.38

(3) Commitments of Tongrentang Group

Approved by "Approval of the Approval of Beijing Tongrentang Co., Ltd.'s Issuance of Convertible Corporate Bonds" (Zheng Jian Xing [2012] No. 1396) issued by the China Securities Regulatory Commission, Tongrentang Group is approved to publicly issue corporate bonds with total face value of RMB 1,205.00 million to the public (hereinafter referred to as "Tongren Convertible Bonds") with a maturity of 5 years. Tongren Convertible Bonds issued this time had a face value of RMB 100.00 each certificate, a total of 12.05 million certificate, and the total amount of funds to be raised is RMB 1,205,000,000.00. After deducting an underwriting fee of RMB 24,100,000.00, the raised funds are RMB 1,180,900,000.00, plus a deduction of sponsor fees and audits. In addition, after deducting the sponsor fee, audit fee, attorney fee, statutory information disclosure fee and other issuance expenses of RMB 4,940,000.00, Tongrentang Group raised the net proceeds of RMB 1,175,960,000.00. Since December 24, 2012, Tongrentang Group has implemented special account storage for raised funds, established a special account for the use of raised funds in banks, and signed the "Tripartite Supervision Agreement on Special Account Storage of Raised Funds" with the bank and the sponsor. Strict approval for use is implemented to ensure that the earmarked funds are used exclusively.

According to the review and approval of the sixth meeting of the sixth session board of directors of Tongrentang Group on February 4, 2013, Tongrentang Group agreed to pre-invest in the investment project by self-financing capital of RMB 74,921,219.73. As of June 30, 2021, Tongrentang Group has invested a total of RMB 976,543,212.65 with raised funds, and the current balance of raised funds is RMB

312,714,081.52. The specific investment of Tongrentang Group is as follows:

Item	Raised funds and direct investment		Actual contribution time
	Item	Amount	
	Land payment	65,981,800.00	2011
	Security deposits for start up	5,000,000.00	2012
	Initial investment	3,939,419.73	2012
	Initial investment	3,145,404.40	2013
	Construction fee	10,000,000.00	2013
	Construction fee	98,313,682.00	2014
	Recover the start-up deposits	-5,000,000.00	2015
Daxing production base construction project	Construction fee	173,324,645.38	2015
	Construction fee	162,794,551.06	2016
	Construction fee	118,135,190.83	2017
	Construction fee	73,540,279.07	2018
	Initial working capital	20,000,000.00	2018
	Construction fee	25,868,772.72	2019
	Construction fee	54,284,221.78	2020
	Initial working capital	63,000,000.00	2020
	Initial working capital	41,000,000.00	2021
	Final installment of construction equipment	63,215,245.68	2021
	Total	—	976,543,212.65

As of June 30, 2021, the special account deposit amount of the raised funds is RMB 312,714,081.52, including: the interest income for the year is RMB 3,178,386.11, and the cumulative interest income is RMB 113,297,294.17; the actual investment in the current project is RMB 63,215,245.68, and the balance of working capital is RMB 41,000,000.00, and the cumulative investment is RMB 976,543,212.65.

(4) Commitments of Urban and Rural Group

As of June 30, 2021, the irrevocable operating lease contracts signed with external parties are as follows:

Minimum lease payments for irrevocable operating leases	2021.06.30	2021.01.01
First year after balance sheet date	9,798,150.91	9,723,731.31
Second year after balance sheet date	7,050,336.68	8,443,326.91
Third year after balance sheet date	7,082,765.10	7,045,179.23
In subsequent year	12,099,871.27	15,649,291.12
Total	36,031,123.96	40,861,528.57

(5) Commitments of Beichen Group

Commitments related to contract with related parties that have been signed but do not have included in the balance sheet:

Receiving services	2021.06.30	2021.01.01
Kangchen Yao	6,416,933.00	7,775,759.00

As of June 30, 2021, the Center has no other contingent matters other than the above information that should be disclosed.

IX. Event after balance sheet date

(I) Beijing Energy Group

1. Major assets acquisition

Item	Content	Impact on financial position and operating results	Reason why the impact amount cannot be estimated
Major assets acquisition	Acquired Ningxia Kaiyang New Energy Co., Ltd.	Purchase price of RMB 380 million	Share transfer has not yet been completed and will not be included in the scope of consolidation
Major assets acquisition	Acquired Ningxia Boyang New Energy Co., Ltd.	Purchase price of RMB 1.072 billion	Share transfer has not yet been completed and will not be included in the scope of consolidation

2. Note to profit distribution after the balance sheet date

Proposed distribution of profits or dividends	567,222,160.30
Profits or dividends declared after deliberation and approval	567,222,160.30

(II) Beijing Automotive Group

1. On July 16, 2021, BAIC Foton, a subsidiaries of Beijing Automotive Group, and the People's Government of Lishui Town, Nanhai District, Foshan City, entered into agreement of "Lishui factory plot land area acquisition compensation agreement for houses on state-owned land". The agreement stipulates that the Lishui Town Government expropriates all the above-ground houses, constructions, attachments and all equipment etc. of the company located in Lishui Town and Shun Wenjiao District, recovers the relevant state-owned land use rights, and pays for a compensation in total of RMB 1.06 billion.

(III) Tongrentang Group

1. Note to profit distribution after the balance sheet date

According to the resolution of the shareholders meeting in 2020 held on June 25, 2021 by Beijing Tongrentang Co., Ltd., a subsidiary of Tongrentang Group, Tongrentang Group would distribute a cash

dividend of RMB 2.7 (Including tax) to for every 10 shares to all shareholders based on the total share capital of 1,371,470,262 shares at the end of 2020. As of August 24, 2021, cash dividends for all shareholders have been paid.

Profits or dividends declared after deliberation and approval	370,296,970.74
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2. Other event after balance sheet date

The corporate bonds issued by Tongrentang Group's subsidiaries, Tongrentang Technology, matured on July 31, 2021, and the principal and interest of the bonds had been settled on August 2, 2021.

(IV) Beichen Group

External investors increased capital contribution to Beichen Exhibition Group, which is a subsidiary of Beichen Group

Beichen Group's wholly-owned subsidiary, Beichen Exhibition Group, implemented capital increase and share expansion through public listing on the Beijing Equity Exchange. After public solicitation, four qualified investors, namely Beijing Capital Tourism Group Co., Ltd., Beijing Shougang Construction Investment Co., Ltd., JD Technology Holdings Co., Ltd. and GL events China Limited (hereinafter collectively referred to as "Strategy Investors"), participated in this capital increment. On July 5, 2021, Beichen Group and the above-mentioned strategic investors signed the "Capital Increase Agreement". The strategic investors each contributed RMB 50,367,120 respectively. After the capital increase is completed, Beichen Group's equity ratio in Beichen Exhibition Group was changed from 100% to 60%, shareholding of the above four strategic investors is 10% each. Beichen Group still has sole control over it and still accounts for it as subsidiaries.

As of January 5, 2022, the Center has no other matters after the balance sheet date that should be disclosed.

X. Related parties and their transactions

1. Parent company of the Center

The ultimate controlling party of The Center is Beijing State-owned Assets Supervision and Administration Commission.

2. Subsidiaries of the Center

Details of secondary-level subsidiaries refer to Note VI.

3. Joint ventures and associates of the Center

Details of financial information of joint ventures or associates refer to Note VII.10.

4. Related parties

As of June 30, 2021, the details of the Center's guarantee provided to internal entities refer to Note VIII.2.

XI. Notes to significant items of financial statements of parent company

1. Accounts receivable

Category	2021.06.30			
	Book balance	Ratio %	Provision for bad debts	Ratio %
Individually significant and provision for bad and doubtful debts individually	95,452,341.21	100.00	--	--

Accounts receivable by category (Continued)

Category	2021.01.01			
	Book balance	Ratio %	Provision for bad debts	Ratio %
Individually significant and provision for bad and doubtful debts individually	96,343,249.87	100.00	--	--

2. Other receivables

Item	2021.06.30	2021.01.01
Dividends receivable	1,188,835,881.38	--
Other receivables	250,627,360.05	670,797.55
Total	1,439,463,241.43	670,797.55

(1) Dividends receivable

Item	2021.06.30	2021.01.01	Reasons for non-recovery	Whether impairment occurred and its judgment basis
Dividends receivable of ageing within one year				
Including: Beijing Financial Holding Group Co., Ltd.	1,188,835,881.38	--	Unpaid	No
Less: Provision for bad debts	--	--	—	—
Total	1,188,835,881.38	--	—	—

(2) Other receivables

① by ageing

Ageing	2021.06.30	2021.01.01
Within 1 year	250,627,360.05	670,797.55
Less: Provision for bad debts	--	--
Total	250,627,360.05	670,797.55

② Information of provision for bad debts

At year end, provision for bad debts on those in first stage:

Category	Book balance	Expected credit loss rate in the next 12 months %	Provision for bad debts	Carrying amount
Provision for bad debts on individual item	250,627,360.05	--	--	250,627,360.05

3. Long-term equity investment

Item	2021.01.01	Increase	Decrease	2021.06.30
Investment in subsidiaries	258,921,691,829.57	25,452,683.70	14,565,179.13	258,932,579,334.14
Investment in joint ventures	3,530,307,318.52	640,672,563.50	474,333,617.61	3,696,646,264.41
Investment in associates	24,327,157,154.63	226,274,018.92	49,500,000.00	24,503,931,173.55
Subtotal	286,779,156,302.72	892,399,266.12	538,398,796.74	287,133,156,772.10
Less: Provision for impairment of long-term equity investments	579,838,000.00	--	--	579,838,000.00
Total	286,199,318,302.72	892,399,266.12	538,398,796.74	286,553,318,772.10

(1) Details of long-term equity investments

Beijing State-owned Capital Operation and Management Center

Notes to the financial statements

For the six months period ended June 30, 2021 (all amounts in RMB unless otherwise stated)

[English Translation for Reference Only]

Investee	Accounting method	Investment cost	2021.01.01	Changes in the year	2021.06.30	Closing balance of provision for impairment	Shareholding in investee %
(1) Subsidiaries							
Shougang Group	Cost method	80,019,008,989.42	80,019,008,989.42	--	80,019,008,989.42	--	100.00
Electronic Holding	Cost method	10,098,973,285.99	10,098,973,285.99	--	10,098,973,285.99	--	100.00
Jingcheng Electromechanical	Cost method	6,071,826,862.34	6,071,826,862.34	--	6,071,826,862.34	--	100.00
Beijing Energy Group	Cost method	43,185,345,084.71	43,185,345,084.71	--	43,185,345,084.71	--	100.00
Capital Highway Development	Cost method	31,125,397,909.77	31,125,397,909.77	--	31,125,397,909.77	--	100.00
Yiqing Holding	Cost method	4,337,260,924.13	4,337,260,924.13	--	4,337,260,924.13	--	100.00
Capital Development Holdings	Cost method	4,010,802,639.70	4,010,802,639.70	--	4,010,802,639.70	--	100.00
Beijing Automotive Group	Cost method	15,608,916,629.75	15,608,916,629.75	--	15,608,916,629.75	--	100.00
Tongrentang	Cost method	2,358,159,299.57	2,358,159,299.57	--	2,358,159,299.57	--	100.00
Suburb tourism	Cost method	369,835,114.93	369,835,114.93	--	369,835,114.93	--	100.00
Urban and Rural Group	Cost method	778,971,520.39	778,971,520.39	--	778,971,520.39	--	34.23
Xianglong Company	Cost method	3,588,348,842.55	3,588,348,842.55	--	3,588,348,842.55	--	100.00
Beichen Group	Cost method	5,175,646,951.71	5,175,646,951.71	--	5,175,646,951.71	--	100.00
Jinyu Asset	Cost method	1,135,853,539.20	1,135,853,539.20	--	1,135,853,539.20	--	100.00
BBMG Group	Cost method	16,593,339,304.62	16,593,339,304.62	--	16,593,339,304.62	--	44.93
Shouning Group	Cost method	9,666,028,327.14	9,666,028,327.14	--	9,666,028,327.14	--	100.00
Equity Development Company	Cost method	62,802,100.00	62,802,100.00	--	62,802,100.00	--	58.33
Real Estate Investment	Cost method	55,000,000.00	55,000,000.00	--	55,000,000.00	--	100.00

Beijing State-owned Capital Operation and Management Center

Notes to the financial statements

For the six months period ended June 30, 2021 (all amounts in RMB unless otherwise stated)

[English Translation for Reference Only]

Real Estate Management	Cost method	30,000,000.00	30,000,000.00	--	--	30,000,000.00	--	100.00
Medicine Holding	Cost method	1,985,051,595.22	1,985,051,595.22	--	--	1,985,051,595.22	--	100.00
Dairy Investment Fund Management	Cost method	1,000,000.00	1,000,000.00	--	--	1,000,000.00	--	100.00
Jingguorui Fund Management	Cost method	18,000,000.00	18,000,000.00	--	--	18,000,000.00	--	60.00
Jingguorui Fund	Cost method	9,151,568,695.74	9,151,568,695.74	10,887,504.57	--	9,162,456,200.31	--	83.91
Equity Exchange Group	Cost method	182,450,176.62	182,450,176.62	--	--	182,450,176.62	--	67.31
International Cooperation Center	Cost method	738,627,963.23	738,627,963.23	5,289,845.60	--	743,917,808.83	--	100.00
Ducheng Company	Cost method	10,800,857.76	10,800,857.76	-10,800,857.76	--	--	--	--
Beijing Consulting Company	Cost method	562,723,994.07	562,723,994.07	5,511,012.16	--	568,235,006.23	--	100.00
Siban Technology	Cost method	268,571,428.57	268,571,428.57	--	--	268,571,428.57	--	67.31
Longying Kechuang	Cost method	22,000,000.00	22,000,000.00	--	--	22,000,000.00	--	99.95
Beijing Automotive Co., Ltd.	Cost method	732,898,238.44	732,898,238.44	--	--	732,898,238.44	--	3.42
BAIC Foton Motor Co., Ltd.	Cost method	1,262,998,254.00	1,262,998,254.00	--	--	1,262,998,254.00	579,838,000.00	4.51
Beijing Jingneng Clean Energy Electricity Co., Ltd.	Cost method	420,000,000.00	420,000,000.00	--	--	420,000,000.00	--	2.72
Haiman Jingliang Holding Co., Ltd.	Cost method	255,000,000.00	255,000,000.00	--	--	255,000,000.00	--	7.07
Beijing Beiyi Machine Tool Co., Ltd.	Cost method	--	471,108,300.00	-471,108,300.00	--	--	--	--
Beijing Bijie Motor Co., Ltd.	Cost method	471,108,300.00	--	471,108,300.00	--	471,108,300.00	--	21.33
BOE Technology Group Co., Ltd.	Cost method	8,533,000,000.00	8,533,000,000.00	--	--	8,533,000,000.00	--	10.57
Beijing Ershang Food Co., Ltd.	Cost method	34,375,000.00	34,375,000.00	--	--	34,375,000.00	--	4.20

Beijing State-owned Capital Operation and Management Center

Notes to the financial statements

For the six months period ended June 30, 2021 (all amounts in RMB unless otherwise stated)

[English Translation for Reference Only]

Subtotal	258,921,691,829.57	258,921,691,829.57	10,887,504.57	258,932,579,334.14	579,838,000.00	--
(2) Joint ventures						
Beijing Equity Investment Development Center (Limited Partnership)	1,704,922,133.03	2,514,577,930.14	-242,578,861.66	2,271,999,068.48	--	99.99
Beijing Equity Investment Development Center Phase II (Limited Partnership)	3,322.03	213.32	-106.93	106.39	--	0.002
Beijing Equity Investment Development Management Center (Limited Partnership)	945,427,786.07	1,005,807,944.82	410,100,913.77	1,415,908,858.59	--	99.95
Beijing City Sub-center Construction Development Fund Management Co., Ltd.	5,000,000.00	9,921,230.24	-1,182,999.29	8,738,230.95	--	50.00
Subtotal	2,655,353,241.13	3,530,307,318.52	166,338,945.89	3,696,646,264.41	--	--
(3) Associates						
Beijing Rural Commercial Bank Co., Ltd.	4,596,960,000.00	4,596,960,000.00	249,794,400.00	4,846,754,400.00		7.75
China Aviation Engine Group Co., Ltd.	10,000,000,000.00	11,825,696,746.08	58,084,800.00	11,883,781,546.08		20.00
ChinaBond Credit Promotion Investment Co., Ltd.	990,000,000.00	1,479,058,418.52	42,190,500.00	1,521,248,918.52	--	16.50
China Aviation Development Beijing Limited	923,776,957.74	871,474,508.58	6,466,626.00	877,941,134.58	--	18.18

Beijing State-owned Capital Operation and Management Center

Notes to the financial statements

For the six months period ended June 30, 2021 (all amounts in RMB unless otherwise stated)

[English Translation for Reference Only]

Beijing Construction Engineering Environmental Rehabilitation Co., Ltd.	Equity method	57,374,992.29	87,224,360.03	658,429.06	87,882,789.09	--	4.02
AVIC System Limited	Equity method	200,000,000.00	177,693,577.36	-1,764,024.00	175,929,553.36	--	23.71
Beijing Xinfadi Agricultural Products Co., Ltd.	Equity method	172,957,290.00	211,128,543.45	3,014,748.78	214,143,292.23	--	22.00
Carlyle (Beijing) Investment Management Co., Ltd.	Equity method	3,337,700.00	18,267,393.48	-2,449,593.17	15,817,800.31	--	20.00
Beijing Shouhuan Cultural Tourism Investment Co., Ltd.	Equity method	4,150,000,000.00	3,897,410,154.50	-191,399,097.96	3,706,011,056.54	--	25.00
Beijing Innovation Industry Investment Co., Ltd.	Equity method	800,000,000.00	816,253,015.84	927,507.92	817,180,523.76	--	40.00
Beijing Science and Technology Innovation Investment Management Co., Ltd.	Equity method	50,000,000.00	38,234,169.16	-770,000.00	37,464,169.16	--	25.00
Daiwa Securities (China) Limited	Equity method	330,000,000.00	307,756,267.63	--	307,756,267.63	--	33.00
Beijing Education Information Network Service Center Co., Ltd.	Equity method	12,019,722.29	--	12,019,722.29	12,019,722.29	--	50.00
Subtotal		22,286,426,662.32	24,327,157,154.63	176,774,018.92	24,503,931,173.55	--	--
Total		283,863,471,733.02	286,779,156,302.72	354,000,469.38	287,133,156,772.10	579,838,000.00	--

Beijing State-owned Capital Operation and Management Center

Notes to the financial statements

For the six months period ended June 30, 2021 (all amounts in RMB unless otherwise stated)

[English Translation for Reference Only]

4. Operating revenue and operating cost

Item	Six months ended June 30, 2021		Six months ended June 30, 2020	
	Revenue	Cost	Revenue	Cost
1. Primary operations				
Management fee revenue	6,472,287.62	--	7,520,063.28	--
2. Other operations				
Rental income	144,283,449.29	33,352,012.32	165,857,425.22	33,352,012.32
Total	150,755,736.91	33,352,012.32	173,377,488.50	33,352,012.32

5. Investment income

Item	Six months ended June 30, 2021	Six months ended June 30, 2020
Income from long-term equity investment by cost method	2,624,331,903.12	358,110,000.00
Dividend income from holding of other equity instrument investments	1,664,797,419.84	--
Income from long-term equity investment by equity method	432,547,463.00	272,496,373.82
Gain from disposal of long-term equity investment	--	124,132,914.60
Interest income from holding of debts investment	72,371,644.17	52,531,131.06
Others	131,559,012.15	393,187,365.03
Total	4,925,607,442.28	1,200,457,784.51

XII. Approval of financial statements

The financial statements and notes to the financial statements have been approved by the Center.





姓名 莫大伟
 Full name 莫大伟
 性别 男
 Sex 男
 出生日期 1967/11/04
 Date of birth 1967/11/04
 工作单位 北京京都会计师事务所有限公司
 Working unit 北京京都会计师事务所有限公司
 身份证号码 110102671104307
 Identity card No. 110102671104307



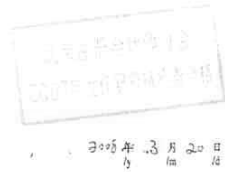
年度检验登记
Annual Renewal Registration

本证书经检验合格，继续有效一年。
This certificate is valid for another year after this renewal.



年度检验登记
Annual Renewal Registration

本证书经检验合格，继续有效一年。
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年度检验登记
Annual Renewal Registration

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This certificate is valid for another year after this renewal.



证书编号: 110000152560
No. of Certificate

批准注册协会: 北京市注册会计师协会
Authorized Institute of CPAs

发证日期: 2002年 09月 05日
Date of issuance 2002年 09月 05日



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 the holder to be transferred from



同意调入
Agree the holder to be transferred to



注册会计师工作单位变更事项登记
Registration of a Change of Working Unit by a CPA

同意调出
Agree the holder to be transferred from

转出协会盖章
Stamp of the transfer-out Institute of CPAs
年 月 日

同意调入
Agree the holder to be transferred to

转入协会盖章
Stamp of the transfer-in Institute of CPAs
年 月 日



姓名 Full name 康向红
 性别 Sex 女
 出生日期 Date of birth 1991-04-27
 工作单位 Working unit 致同会计师事务所(特殊普通合伙)
 身份证号码 Identity card No. 130634199104273123



此证书检验合格，继续有效一年。
 This certificate is valid for another year after this renewal.

证书编号: No. of Certificate 110101560269

批准注册协会: Authorized Institute of CPAs 北京注册会计师协会

发证日期: Date of Issuance 2015 年 11 月 17 日

年 月 日



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姓名: 康向红
 证书编号: 110101560269

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年 月 日

证书序号: 0014469

此件仅用于业务报告使用, 复印无效



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。
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会计师事务所 执业证书



名称: 北京华远会计师事务所 (特殊普通合伙)

首席合伙人: 曹惠琦

主任会计师: 曹惠琦

经营场所: 北京市朝阳区建国门外大街22号赛特广场5层

组织形式: 特殊普通合伙

执业证书编号: 11010156

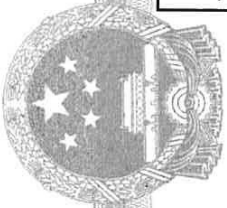
批准执业文号: 京财会许可[2011]0130号

批准执业日期: 2011年12月13日



发证机关: 北京市财政局
二〇一一年十一月十一日

中华人民共和国财政部制



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营业执照

统一社会信用代码

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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

(副本) (20-1)

名称 致同会计师事务所 (特殊普通合伙)

类型 特殊普通合伙企业

法定代表人 李惠琦

经营范围

审计企业会计报表、出具审计报告；验资；代理记帐；税务咨询；企业管理咨询；基本建设年度审计；清算审计；验证企业资本；资产评估；法律、法规、规章和国家和本市产业政策允许的其他经营活动；不得从事经营活动；不得以经营活动为目的。

成立日期 2011年12月22日
合伙期限 2011年12月22日至 长期
主要经营场所 北京市朝阳区建国门外大街22号赛特广场五层



登记机关

2021年03月18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

**BEIJING STATE-OWNED CAPITAL OPERATION AND
MANAGEMENT CENTER
FOR THE YEAR ENDED DECEMBER 31, 2020**

AUDIT REPORT

(ENGLISH TRANSLATION FOR REFERENCE ONLY)

Grant Thornton

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Auditor's Report

[English Translation for Reference Only]
GTCSZ (2021) No. 110A015349

To Beijing State-owned Capital Operation and Management Center:

I. Opinion

We have audited the financial statements of Beijing State-owned Capital Operation and Management Center (hereinafter "the Center"), which comprise the consolidated and company balance sheets as at December 31, 2020, and the consolidated and company income statements, consolidated and company cash flow statements and consolidated and company statements of changes in owners' equity for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and company financial positions as at December 31, 2020, and their financial performance and their cash flows for the year then ended in accordance with the requirements of Accounting Standards for Business Enterprises.

II. Basis for Opinion

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

III. Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management of the Center is responsible for the preparation of the financial statements to achieve fair presentation in accordance with Accounting Standards for Business Enterprises, and for the design, implementation and maintenance of such internal control as management determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

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

IV. Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

(3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(4) Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Center's ability to continue as a going concern. If we conclude that a material uncertainty exists, the auditing standards require us to draw attention to users of the financial statements in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify

our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Center to cease to continue as a going concern.

(5) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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



Auditor's signature and stamp

Auditor's signature and stamp



Beijing, China

April 30, 2021

This report, the accompanying financial statements and notes to the financial statements are English translation of the Chinese version of the Center. This translation is not required by law or any regulation. This material was prepared solely for the information of management of the Center. The accuracy or completeness of this translation is not guaranteed. In the event of any inconsistency between this English translation and the Chinese version, the Chinese version shall prevail.



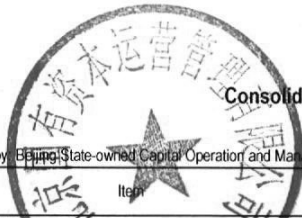
Consolidated and Company Balance Sheets

As at December 31, 2020

Prepared by: Beijing State-owned Capital Operation and Management Center

Expressed in RMB

Item	Note	Closing balance		Beginning balance	
		Consolidated	Company	Consolidated	Company
Current assets:					
Cash and bank	VII.1	370,660,049,811.10	16,731,930,559.85	330,060,964,213.27	7,956,590,654.22
△ Settlement provisions		721,676,592.95		248,418,469.15	
△ Lending to banks and other financial institutions					
☆ Trading financial assets	VII.2	8,585,933,052.86		7,646,949,240.91	
Financial assets at fair value through profit or loss	VII.3	38,153,691,985.31		28,527,213,776.90	
Derivative financial assets	VII.4			89,121,534.00	
Notes receivable	VII.5	21,643,627,909.69		21,297,914,971.28	
Accounts receivable	VII.6	102,666,468,413.20	96,343,249.87	94,460,266,466.59	114,667,660.75
☆ Receivable financing	VII.7	14,842,822,016.70		6,033,137,759.44	
Prepayments	VII.8	25,844,107,565.10	468,063.98	34,752,133,697.36	3,200,339.98
△ Insurance premium receivables					
△ Reinsurance receivables					
△ Contract reserve of reinsurance receivable					
Other receivables	VII.9	86,535,876,804.53	375,919,532.01	97,844,149,297.04	99,655,142.78
Including: Dividends receivable		1,324,125,528.32		1,982,484,224.15	
△ Financial assets purchased under agreement to resell				2,000,010.00	
Inventories	VII.10	613,813,833,006.15		591,434,212,437.10	
Including: Raw materials		29,475,544,667.29		23,147,784,567.40	
Merchandise inventories(finished goods)		158,057,112,964.93		122,686,734,045.54	
☆ Contract assets	VII.11	1,147,966,370.99		195,934,173.37	
Assets held-for-sale	VII.12	450,242,253.79		242,590,858.08	
Non-current asset due within one year	VII.13	13,704,917,128.12	412,650,000.00	11,922,855,914.33	482,150,000.00
Other current assets	VII.14	56,872,638,447.91	4,399,353,281.55	63,322,717,520.64	4,414,378,341.38
Total current assets		1,355,643,851,358.40	22,016,664,687.26	1,288,080,580,339.46	13,070,642,139.11
Non-current assets:					
△ Loans and advances		14,989,952,286.04		8,721,783,971.81	
☆ Debts investment	VII.15	839,402,985.29		253,680,969.51	
Available-for-sale financial assets	VII.16	191,205,879,528.70	103,288,172,573.03	134,385,344,613.58	84,522,001,266.20
☆ Other debts investment					
Held-to-maturity investments	VII.17	1,013,000,000.00	3,000,000,000.00	13,093,487.41	1,000,000,000.00
Long-term receivables	VII.18	16,149,020,695.83	30,000,000.00	14,607,421,329.88	
Long-term equity investments	VII.19	195,269,365,221.89	261,066,826,028.62	195,370,623,735.57	270,197,727,992.62
☆ Other equity instruments investment	VII.20	2,346,626,913.42		2,068,317,512.90	
☆ Other non-current financial assets	VII.21	3,546,747,441.43		2,550,321,548.43	
Investment properties	VII.22	109,788,218,970.12	3,128,813,388.27	105,007,049,845.05	3,195,517,412.91
Fixed assets	VII.23	866,154,113,300.53	387,896,999.25	719,057,629,328.27	395,224,420.50
Including: Fixed assets cost		1,299,046,815,990.24	446,837,314.90	1,080,970,719,738.56	444,722,394.00
Accumulated depreciation		415,677,660,856.43	58,940,315.65	354,928,605,499.69	49,497,973.50
Provision for impairment of fixed assets		17,973,696,883.67		8,303,507,415.25	
Construction in progress	VII.24	181,011,476,075.56		242,689,642,539.46	
Productive biological assets	VII.25	1,901,889,033.41		2,042,083,386.71	
Oil and gas assets					
☆ Right-of-use assets	VII.26	2,281,813,807.02		1,638,491,460.71	
Intangible assets	VII.27	154,107,985,402.69	6,289,363.34	141,465,332,333.90	1,171,078.33
Development costs	VII.28	14,649,298,569.08		16,433,000,864.50	
Goodwill	VII.29	13,673,731,692.40		13,310,998,817.00	
Long-term deferred expenses	VII.30	12,869,273,049.72		13,355,219,743.82	
Deferred tax assets	VII.31	27,011,030,548.47		28,086,667,221.55	
Other non-current assets	VII.32	33,333,274,426.34		22,739,836,774.65	
Including: authorised reserve materials					
Total non-current assets		1,842,142,099,947.94	370,907,998,352.51	1,663,796,539,484.71	359,311,642,170.56
Total assets		3,197,785,951,306.34	392,924,663,039.77	2,951,877,119,824.17	372,382,284,309.67



Consolidated and Company Balance Sheets (Continued)

As at December 31, 2020

Prepared by Beijing State-owned Capital Operation and Management Center

Expressed in RMB

Item	Note	Closing balance		Beginning balance	
		Consolidated	Company	Consolidated	Company
Current liabilities:					
Short-term loans	VII.33	244,993,762,458.29		227,434,234,734.18	1,000,000,000.00
△ Loans from central bank		9,187,268,680.99			
△ Placement from banks and other financial institutions					
☆ Trading financial liabilities	VII.34	206,682.35		130,794,467.49	
Financial liabilities at fair value through profit or loss					
Derivative financial liability	VII.35	679,541,859.12		244,851,567.13	
Notes payable	VII.36	36,278,547,681.65		48,070,522,061.79	
Accounts payable	VII.37	206,225,625,667.28	2,354,822.89	179,564,027,665.29	229,468.00
Advances from customers	VII.38	56,006,289,314.82		60,986,139,338.13	
☆ Contract liabilities	VII.39	133,442,834,190.29		122,578,932,243.12	
△ Financial assets sold under agreement to repurchase					
△ Absorbing deposit and interbank deposit		6,067,253,907.01		4,274,813,112.42	
△ Securities brokerage agency					
△ Securities underwriting agency					
Employee benefits payable	VII.40	15,258,466,083.69	1,534,634.89	13,021,169,582.65	1,637,489.19
Including: Salary payable		9,187,268,680.99		7,652,596,569.89	
Welfare benefits payable		180,379,117.55		185,713,189.26	
#Including: Staff bonus and welfare funds		15,724,313.82		12,229,059.28	
Taxes and surcharges payable	VII.41	23,103,326,294.96	282,983,327.54	26,297,463,419.14	57,466,962.79
Including: Taxes payable		22,590,503,703.99	281,957,531.68	25,922,635,176.52	57,333,135.14
Other payables	VII.42	189,502,627,359.22	1,957,940,127.96	171,303,960,470.97	1,241,312,242.72
Including: Dividends payable		1,591,014,451.95		1,691,198,774.88	
△ Fees and commissions payable					
△ Reinsurance payable					
Liabilities held-for-sale	VII.43	2,582,059.96		2,625,321.54	
Non-current liabilities due within one year	VII.44	189,935,179,759.78	12,032,747,913.22	167,663,156,287.35	3,476,128,767.12
Other current liabilities	VII.45	73,835,205,127.85	3,007,342,773.48	74,130,857,782.35	2,008,117,635.45
Total current liabilities		1,175,331,448,446.27	17,284,903,599.98	1,095,703,548,053.55	7,784,892,565.27
Non-current liabilities:					
△ Reserve of insurance contract					
Long-term loans	VII.46	500,345,491,065.39	7,650,000,000.00	447,944,034,919.79	1,150,000,000.00
Bonds payable	VII.47	277,223,651,472.15	38,786,501,480.19	269,938,668,933.05	43,766,917,918.58
Including: Preferred shares					
Perpetual bonds					
☆ Lease liabilities	VII.49	1,560,345,498.17		1,058,874,018.30	
Long-term payables	VII.50	117,641,762,309.29	11,029,167,270.16	102,437,906,038.25	12,597,390,000.00
Long-term employee benefits payable	VII.51	3,437,735,710.30		3,533,956,091.19	
Provisions	VII.52	4,962,522,852.92		5,031,057,019.50	
Deferred income	VII.53	32,991,779,414.20		31,043,970,775.77	
Deferred tax liabilities	VII.31	17,030,893,600.54	296,129,766.77	15,888,012,078.48	322,581,569.14
Other non-current liabilities	VII.54	7,538,834,286.87		9,821,244,196.92	
Including: authorized reserve fund					
Total non-current liabilities		962,733,016,209.83	57,761,798,517.12	886,697,724,071.25	57,836,889,487.72
Total liabilities		2,138,064,464,656.10	75,046,702,117.10	1,982,401,272,124.80	65,621,782,052.99
Equity:					
Paid-in capital	VII.55	38,934,077,526.58	38,934,077,526.58	38,803,577,526.58	38,803,577,526.58
State-owned capital		38,934,077,526.58	38,934,077,526.58	38,803,577,526.58	38,803,577,526.58
State-owned legal person's capital					
Collectively owned capital					
Private capital					
Foreign capital					
#Less: Repatriated capital					
Paid-in capital-net value		38,934,077,526.58	38,934,077,526.58	38,803,577,526.58	38,803,577,526.58
Other equity instruments					
Capital reserve	VII.56	346,554,736,727.19	266,467,807,333.37	335,960,261,399.40	255,805,566,128.44
Less: Treasury shares					
Other comprehensive income		14,474,502,033.83	1,428,464,437.60	11,248,154,587.45	1,508,931,965.31
Including: Currency translation reserve		-1,063,322,629.84		86,583,014.47	
Special reserve	VII.57	1,979,230,331.60		1,859,992,621.14	
Surplus reserve	VII.58	4,996,510,225.93	4,996,510,225.93	4,391,032,904.19	4,391,032,904.19
Including: Statutory surplus reserve		4,996,510,225.93	4,996,510,225.93	4,391,032,904.19	4,391,032,904.19
Discretionary surplus reserves					
△ General risk reserve		1,027,027,464.42		924,336,096.58	
Undistributed profits	VII.59	124,436,702,001.94	6,051,101,399.19	116,347,253,507.91	6,251,393,732.16
Equity attributable to parent company		532,402,786,311.49	317,877,960,922.67	509,534,608,643.25	306,760,502,256.68
* Minority interests		527,318,700,338.75		459,941,239,056.12	
Total owner's equity		1,059,721,486,650.24	317,877,960,922.67	969,475,847,699.37	306,760,502,256.68
Total liabilities and owner's equity		3,197,785,951,306.34	92,813,663,039.77	2,951,877,119,824.17	372,382,284,309.67

Legal representative:

Person in charge of accounting affairs:



Head of the accounting department:



Consolidated and Company Income Statements

For the year ended December 31, 2020

Prepared by: Beijing State-owned Capital Operation and Management Center

Expressed in RMB

Item	Note	2020		2019	
		Consolidated	Company	Consolidated	Company
I.Total operation revenue		1,140,672,383,215.36	353,172,295.68	1,070,030,973,153.05	391,761,897.93
Including: Operating revenue	VII.60	1,139,121,298,009.62	353,172,295.68	1,068,809,261,976.39	391,761,897.93
△ Interest income		1,543,180,996.05		1,214,541,815.21	
△ Insurance gained					
△ Fees and commissions income		7,904,209.69		7,169,361.45	
II.Total operation cost		1,105,749,163,693.58	2,115,776,504.06	1,033,390,946,069.55	2,419,987,118.56
Including: operating cost	VII.60	940,301,885,854.00	66,704,024.64	862,858,804,085.62	66,704,024.64
△ Interest expenses		98,910,560.87		81,095,032.54	
△ Fees and commissions expenses		9,513,379.95		8,167,314.77	
△ Cash surrender amount					
△ Net amount of expense of compensation					
△ Net provisions for insurance contract reserves					
△ Dividends of insurance contract					
△ Reinsurance expenses					
Taxes and surcharges		23,504,168,233.00	66,930,981.90	26,873,621,140.13	60,164,825.31
Selling expenses	VII.61	39,604,703,003.00		43,545,929,951.97	
Administrative expenses	VII.62	52,331,402,107.61	123,869,048.10	53,000,243,403.62	112,276,220.08
Research and development costs	VII.63	16,330,116,288.94	98,496.33	13,677,643,371.55	
Finance expenses	VII.64	33,568,464,266.21	1,858,173,953.09	33,345,441,769.35	2,180,842,048.53
Including: Interest expenses		38,617,590,367.92	2,322,479,500.37	37,576,709,528.00	2,601,304,936.65
Interest income		6,958,873,074.88	548,195,388.86	6,105,198,404.64	498,573,895.73
Net loss on foreign exchange("·" for losses)		282,715,034.26		-122,132,262.02	
Other					
Add: Other income	VII.65	15,399,332,582.47	100,946,961.28	18,224,769,080.23	101,300,000.00
Investment income("·" for loss)	VII.66	22,257,778,497.46	8,120,143,717.14	23,587,093,056.01	13,701,860,915.31
Including: Investment income from associates and joint ventures		10,256,443,642.17	740,624,591.15	12,157,893,439.20	2,110,336,274.77
☆ Gain from derecognition of financial assets at amortized cost ("·" for loss)		-301,600.00		-443,184,451.58	
△ Gain on foreign exchange("·" for loss)		-4,566,655.51		1,288,481.55	
☆ Gain from net exposure of hedge ("·" for loss)					
Gains from changes of fair value ("·" for loss)	VII.67	4,899,281,278.57		2,417,920,118.81	
☆ Credit impairment losses ("·" for loss)	VII.68	-2,676,011,858.65		-1,646,677,081.42	
Assets impairment loss ("·" for loss)	VII.69	-11,848,444,942.09		-15,824,566,638.27	-579,838,000.00
Gain from disposal of assets ("·" for loss)	VII.70	2,479,830,634.70		1,558,388,407.09	
III.Operating profits("·" for loss)		65,430,419,058.73	6,458,486,470.04	64,958,242,507.50	11,195,097,694.68
Add: Non-operating income	VII.71	3,759,614,928.93	939.04	4,601,086,916.74	113,354.40
Including: Government grants		251,428,448.04		379,548,635.37	
Less: Non-operating expenses	VII.72	3,986,816,056.29	5,847,374.94	4,016,870,570.05	6,353,492.65
IV.Profit before tax("·" for loss)		65,203,217,931.37	6,452,640,034.14	65,542,458,854.19	11,188,857,556.43
Less: Income tax expenses	VII.73	23,530,828,300.46	397,866,816.77	21,683,826,619.92	134,572,582.05
V.Net profit("·" for net loss)		41,672,389,630.91	6,054,773,217.37	43,858,632,234.27	11,054,284,974.38
(I) Classified by attribution to ownership					
1. Net profit attributable to owners of the parent		13,573,693,101.15	6,054,773,217.37	16,127,817,910.83	11,054,284,974.38
2. Net profit attributable to minority interests		28,098,696,529.76		27,730,814,323.44	
(II) Classified by continuity of operations					
Net profit from continuing operations ("·" for loss)		41,672,389,630.91	6,054,773,217.37	43,932,946,070.95	11,054,284,974.38
Net profit from discontinued operations ("·" for loss)				-74,313,836.68	
VI. Other comprehensive income - after tax		4,575,918,263.46	-80,467,527.71	38,279,512.21	-172,758,648.34
Other comprehensive income - after tax attributable to owners of the parent		3,230,326,342.64	-80,467,527.71	-1,741,298,197.54	-172,758,648.34
(I) Other comprehensive income that will not be reclassified to profit or loss		37,867,639.51		-480,069,093.71	
Including: a. Changes in remeasurement of defined benefit plan		90,093,622.16		42,871,489.08	
b. Other comprehensive income not to be reclassified as profit or loss under equity method		13,744,996.77		8,770,332.39	
☆ c. Changes in the fair value of other equity instruments		-53,516,098.46		-537,842,285.35	
☆ d. Changes in fair value of the Company's own credit risk					
e. Others		-12,454,880.96		6,131,370.17	
(II) Other comprehensive income that may be reclassified to profit or loss		3,192,458,703.13	-80,467,527.71	-1,261,229,103.83	-172,758,648.34
Including: a. Share of other comprehensive income of associates and joint ventures under equity method		-217,606,737.79	-1,112,120.59	258,560,692.26	162,813,084.09
☆ b. Changes in the fair value of other debt investments		54,314,029.98		-24,079,025.07	
c. Gain or loss from fair value changes of available-for-sale financial assets		4,517,570,926.99	-80,008,523.72	-2,255,753,022.73	-152,296,986.24
☆ d. Reclassification of financial assets recognised as other comprehensive income				-10,631.88	
e. Gain or loss in reclassification of held-to-maturity investments to available-for-sale financial assets					
☆ f. Credit impairment loss of other debt investments					
g. Cash flow hedging reserve (effective part of cash flow hedging profit or loss)		23,214,852.80		-13,637,711.61	
h. Translation differences arising on translation of foreign currency financial statements		-1,149,888,511.02		703,787,175.76	
i. Other		-35,145,857.83	653,116.60	69,903,419.44	-183,274,746.19
Other comprehensive income - after tax attributable to minority interests		1,345,591,920.82		1,779,577,709.75	
VII. Total comprehensive income		46,248,307,894.37	5,974,305,689.66	43,896,911,746.48	10,881,526,326.04
Total comprehensive income attributable to owners of the parent		16,804,019,443.79	5,974,305,689.66	14,386,519,713.29	10,881,526,326.04
Total comprehensive income attributable to minority interests		29,444,288,450.58		29,510,392,033.19	

Legal representative:

Person in charge of accounting affairs:

Head of the accounting department



Consolidated and Company Cash Flow Statements

For the year ended December 31, 2020

Prepared by: Beijing State-owned Capital Operation and Management Center

Expressed in RMB

Item	Note	2020		2019	
		Consolidated	Company	Consolidated	Company
I. Cash flows from operating activities:					
Cash received from sales and services		1,256,338,065,876.76	391,891,238.76	1,155,907,631,487.12	303,707,578.11
△ Net increase in deposits and placements from financial institutions		1,036,475,827.38		7,521,526,701.84	
△ Net increase in due to central banks					
△ Net increase in placement from financial institutions				-500,000,000.00	
△ Cash received from premiums of original insurance contracts					
△ Net amount of reinsurance business					
△ Net increase in insured's deposits and investments					
△ Net increase in disposal of financial assets at fair value through profit or loss					
△ Cash received from interests, fees and commissions		1,597,233,618.77		1,243,895,296.40	
△ Net increase of placement from banks and other financial institutions					
△ Net increase in repurchasing		2,000,010.00		-42,670,158.52	
△ Net cash received on behalf of investors in securities					
Refund of taxes and surcharge		15,851,272,138.55		12,843,402,816.02	
Other cash receipts related to operating activities		116,732,726,395.37	1,766,227,000.94	123,660,976,450.98	5,297,131,298.82
Total cash inflows from operating activities		1,391,557,773,866.83	2,158,118,239.70	1,300,634,762,593.84	5,600,838,876.93
Cash paid for goods and services		975,208,636,756.53		892,453,917,300.68	
△ Net increase in loans and advances		-1,980,000.00		5,158,980,467.37	
△ Net increase in deposits with central banks and other financial institutions		640,490,174.87		408,032,985.30	
△ Cash paid for claim settlements on original insurance contracts					
△ Net increase in lending to banks and other financial institutions					
△ Cash paid for interest, fees and commissions		14,499,310.28		83,407,529.24	
△ Cash paid for insurance policy dividends					
Cash paid to and on behalf of employees		84,071,070,379.95	80,911,140.90	86,752,032,965.38	76,347,032.86
Cash payments for taxes and surcharges		81,948,099,138.96	345,929,121.57	80,820,021,328.94	228,245,005.38
Other cash payments related to operating activities		134,609,373,508.37	1,350,436,840.84	146,093,354,717.53	3,775,598,963.51
Total cash outflows from operating activities		1,276,490,189,268.96	1,777,277,103.31	1,211,769,747,294.44	4,080,191,001.75
Net cash flows from operating activities		115,067,584,597.87	380,841,136.39	88,865,015,299.40	1,520,647,875.18
II. Cash flows from investing activities					
Cash received from withdraw of investments		60,052,127,885.84	3,466,396,330.96	61,941,136,332.12	2,881,001,438.56
Cash received from investment income		15,199,589,168.29	8,550,226,384.92	14,238,838,134.49	12,532,403,191.66
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		3,483,912,741.36		2,698,538,966.45	86,683.00
Net cash received from disposal of subsidiaries and other business units		1,082,937,597.18		1,777,872,720.79	
Other cash receipts related to investing activities		49,831,012,628.81	9,704,000,000.00	76,917,116,698.07	25,094,000,000.00
Total cash inflows from investing activities		129,649,580,021.48	21,720,622,715.88	157,573,502,851.92	40,507,491,313.22
Cash paid for fixed assets, intangible assets and other long-term assets		118,630,162,965.85	5,938,838.80	133,001,862,625.26	5,570,991.15
Cash payments for investments		104,522,054,696.58	9,781,261,987.78	101,591,007,589.37	4,893,704,583.93
△ Net increase in pledged loans					
Net cash paid for acquiring subsidiaries and other business units		3,538,025,725.66		1,855,095,885.71	
Other cash payments related to investing activities		43,540,619,941.62	9,718,180,153.89	69,244,469,831.22	20,192,022,160.00
Total cash outflows from investing activities		270,230,863,329.71	19,505,380,980.47	305,692,435,931.56	25,091,297,735.08
Net cash flows from investing activities		-140,581,283,308.23	2,215,241,735.41	-148,118,933,079.64	15,416,193,578.14
III. Cash flows from financing activities					
Cash received from investments by others		55,504,185,089.10	5,533,845,332.54	37,372,484,329.81	767,441,122.19
Including: Cash received by subsidiaries from minority shareholders' investments		35,785,967,860.94		22,416,491,011.94	
Cash received from borrowings		740,467,207,989.93	27,094,300,000.00	671,428,216,472.20	19,000,000,000.00
Other cash receipts related to other financing activities		44,509,654,985.69		44,821,335,334.31	
Total cash inflows from financing activities		840,481,048,064.72	32,628,145,332.54	753,622,036,136.32	19,767,441,122.19
Cash repayments for debts		651,581,334,495.26	17,591,689,073.06	594,505,599,018.06	30,089,900,000.00
Cash payments for distribution of dividends, profit or interest expenses		83,897,845,285.31	7,780,065,599.20	84,859,030,896.95	14,458,197,776.24
Including: Dividends or profit paid by subsidiaries to minority shareholders		22,719,874,798.92		15,606,589,179.12	
Other cash payments related to financing activities		33,068,305,956.39	1,077,133,626.45	25,138,302,552.00	77,825,602.62
Total cash outflows from financing activities		768,547,485,736.96	26,448,888,298.71	704,502,932,467.01	44,625,923,378.86
Net cash flows from financing activities		71,933,562,327.76	6,179,257,033.83	49,119,103,669.31	-24,858,482,256.67
IV. Effect of foreign exchange rate changes on cash and cash equivalents					
V. Net increase in cash and cash equivalents		44,186,608,433.13	8,775,339,905.63	-9,306,544,471.02	-7,921,640,803.35
Add: Cash and cash equivalents at beginning of year		294,553,468,704.47	7,956,590,654.22	303,860,013,175.49	15,878,231,457.57
VI. Cash and cash equivalent at year end		338,740,077,137.60	16,731,930,559.85	294,553,468,704.47	7,956,590,654.22

Legal representative:

Person in charge of accounting affairs:

Head of the accounting department:

Consolidated Statement of Changes in Owners' Equity

Expressed in RMB

For the year ended December 31, 2020

Item	Row	Owner's equity attributable to the parent company													
		1	2	3	4	5	6	7	8	9	10	11	12	13	14
	Column	Paid-in capital	Preferred shares	Perpetual bonds	Other	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	△ General risk provision	Undistributed profits	Subtotal	Minority interests	Total owner's equity
I. Balance at end of previous year	1	38,893,577,526.58				335,940,261,399.40		-74,967.13	1,859,892,621.14	4,391,032,904.19	924,336,696.58	116,230,790,802.43	599,418,220,894.99	459,652,486,652.81	960,069,527,857.78
Add: Changes in accounting policies	2											116,462,705.48	116,397,738.35	278,832,403.24	385,220,141.59
Correction of errors	3														
Others	4														
II. Balance in beginning of year	5	38,893,577,526.58				335,940,261,399.40		-74,967.13	1,859,892,621.14	4,391,032,904.19	924,336,696.58	116,347,253,507.91	599,534,608,643.25	459,941,239,056.12	968,475,647,699.37
III. Movement over the year ("for decrease")	6	139,599,800.00				10,594,475,327.79		3,226,347,446.38	119,237,710.46	695,477,321.74	102,691,367.84	13,573,693,101.15	22,868,177,688.24	67,377,461,282.63	96,245,638,896.87
(I) Total comprehensive income for the year	7							3,226,347,446.38	119,237,710.46	695,477,321.74	102,691,367.84	13,573,693,101.15	16,804,019,443.79	29,444,288,450.58	46,248,307,864.37
(II) Owner's contributions and decrease of capital	8	130,500,000.00				10,595,366,485.95		969,684.83				1,618,675,070.08	12,346,063,320.77	63,435,632,704.06	75,781,696,024.83
1. Capital contribution from owner	9	130,500,000.00				13,347,540,568.61		612,079.91					13,478,040,568.61	50,261,370,524.76	63,739,411,093.37
2. Increase in owner's equity resulted from other equity instruments	10													8,329,348,738.50	8,329,348,738.50
3. Increase in owner's equity resulted from share-based payments	11													-670,747,940.59	-670,747,940.59
4. Others	12													5,520,661,381.39	4,209,306,679.17
(III) Special reserve appropriation and usage	13							612,079.91	909,684.83			1,618,675,070.08	-1,311,354,702.22	4,790,337.94	123,118,363.57
1. Appropriation to special reserves	14								118,328,025.63					549,322,278.46	1,274,558,485.13
2. Usage of special reserves	15							725,236,206.67						-606,908,181.04	-1,151,440,121.56
(IV) Profit distribution	16							-606,908,181.04		605,477,321.74	102,691,367.84	-7,107,510,653.37	-6,400,233,121.95	-25,507,250,209.95	-31,907,483,331.90
1. Appropriation for surplus reserve	17									605,477,321.74	102,691,367.84	-605,477,321.74			
Include: Statutory surplus reserve	18														
Discretionary surplus reserve	19														
2. Appropriation for general risks	20									605,477,321.74		-605,477,321.74			
3. Distribution to owners (or owners)	21														
4. Others	22														
(V) Inter-account movements in owners' equity	23														
1. Capital surplus transfer to capital	24														
2. Surplus reserve transfer to capital	25														
3. Surplus reserve offsetting losses	26														
4. Changes in defined benefits plan transfer to retained earnings	27														
x-5. Other comprehensive income transfer to retained earnings	28														
6. Others	29														
IV. Closing balance of current year	30	38,934,077,526.58				346,554,736,727.19		-4,590,976.17	1,979,239,331.60	4,996,510,223.93	1,027,027,464.42	124,488,762,891.94	532,402,768,311.49	927,315,709,338.75	1,089,721,486,659.24

Legal representative:

[Signature]

Person in charge of accounting affairs:

之邦印晴

Head of the accounting department:

[Signature]

Consolidated Statement of Changes in Owners' Equity (Continued)

Expressed in RMB

For the year ended December 31, 2020

2019

Item	Row	Owner's equity attributable to the parent company										Subtotal	Minority interests	Total owner's equity			
		2019															
		15	16	17	18	19	20	21	22	23	24				25	26	27
I. Balance at end of previous year	1	38,702,277,526.58				328,488,489,165.53				11,883,893,960.89	1,573,345,482.86	3,300,869,222.19	911,156,571.45	115,272,184,003.63	590,131,395,842.93	411,862,081,765.88	911,893,477,708.81
Add: Changes in accounting policies	2									982,742,318.26		-14,464,815.44		-1,922,535,739.84	-674,258,237.02	1,606,486.54	-872,649,750.48
Correction of errors	3					29,635,700.38				141,767,911.33				-139,701,027.56	31,702,584.15	372,040,768.98	403,743,353.13
Others	4					50,813,847.72					-2,767,612.88			161,205,318.23	209,251,953.27	-86,170,750.10	143,080,803.17
II. Balance in beginning of year	5	38,702,277,526.58				328,568,918,713.63				12,868,404,190.28	1,570,577,880.18	3,285,604,488.75	911,156,571.45	113,371,152,554.46	490,308,091,843.33	412,168,580,271.30	911,567,652,114.63
III. Movement over the year ("-" for decrease)	6					7,391,342,885.77				-1,740,174,635.78	289,414,740.95	1,105,428,497.44	13,179,525.13	2,859,638,247.97	14,386,519,713.29	47,892,846,381.58	57,512,975,443.15
(I) Total comprehensive income for the year	7									-1,741,298,197.54				18,127,817,910.83	14,386,519,713.29	29,510,392,033.19	43,866,911,746.48
(II) Owner's contributions and decrease of capital	8					7,391,342,885.77				-63,318.75	5,413,273.04			7,336,215,555.28	7,336,215,555.28	41,212,195,039.81	48,548,414,595.09
1. Capital contribution from owner	9					101,300,000.00											
2. Increase in owner's equity resulted from other equity instruments	10					101,300,000.00											
3. Increase in owner's equity resulted from share-based payments	11																
4. Others	12					9,081,455,818.84								-161,777,084.78	9,162,756,581.84	17,244,137,755.52	26,426,894,337.36
(III) Special reserve appropriation and usage	13					-276,108,632.82				-63,318.75	5,413,273.04			-161,777,084.78	-276,108,632.82	-1,608,148,344.03	-1,884,257,976.85
1. Appropriation to special reserves	14										294,001,467.92			4,282,052,043.57	4,282,052,043.57	2,711,619,649.83	
2. Usage of special reserves	15					-1,414,005,263.25					810,904,214.85			284,001,467.92	46,592,075.99	329,503,543.91	
(IV) Profit distribution	16										-556,902,746.93			-526,902,746.93	548,181,698.84	1,359,085,913.69	
1. Appropriation for surplus reserve	17										1,105,428,497.44			-13,105,215,897.49	-1,029,878,622.85	-1,029,878,622.85	
Include: Statutory surplus reserve	18										1,105,428,497.44			-1,105,428,497.44	-1,105,428,497.44	-1,105,428,497.44	
Discretionary surplus reserve	19																
2. Appropriation for general risks	20																
3. Distribution to owners (or owners)	21																
4. Others	22																
(V) Inter-account movements in owners' equity	23																
1. Capital surplus transfer to capital	24																
2. Surplus reserve transfer to capital	25																
3. Surplus reserve offsetting losses	26																
4. Changes in defined benefits plan transfer to retained earnings	27																
4-5. Other comprehensive income transfer to retained earnings	28																
6. Others	29									1,186,880.59							
IV. Closing balance of current year	30	38,803,577,526.58				335,960,261,599.46				11,248,229,554.58	1,859,992,621.14	4,391,032,984.19	924,336,096.58	116,230,790,802.43	595,415,220,984.96	459,662,046,652.88	969,880,627,557.78

Legal representative:

Person in charge of accounting affairs:

Head of the accounting department:



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Company Statement of Changes in Owners' Equity

Prepared by: Beijing State-owned Capital Operation and Management Center For the year ended December 31, 2020

Item	Column	Row	2020						Total owner's equity					
			1	2	3	4	5	6		7	8	9	10	11
			Paid-in capital	Preferred shares	Perpetual bonds	Other	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	△ General risk provision	Undistributed profits	
I. Balance at end of previous year	1	1	38,803,577,526.58				255,805,566,128.44		1,509,066,532.44		4,391,032,904.19		6,251,318,765.03	306,760,502,256.68
Add: Changes in accounting policies	2	2							-74,967.13				74,967.13	
Correction of errors	3	3												
Others	4	4												
II. Balance in beginning of year	5	5	38,803,577,526.58				255,805,566,128.44		1,509,031,065.31		4,391,032,904.19		6,251,393,732.16	306,760,502,256.68
III. Movement over the year ^① , "for decrease"	6	6	130,500,000.00				10,662,241,204.93		-80,467,527.71		605,477,321.74		-200,292,332.97	11,117,458,665.99
(I) Total comprehensive income for the year	7	7							-80,467,527.71				6,054,773,217.37	5,974,305,689.66
(II) Owner's contributions and decrease of capital	8	8	130,500,000.00				10,662,241,204.93							10,792,741,204.93
1. Capital contribution from owner	9	9	130,500,000.00				10,504,099,010.81							10,634,599,010.81
2. Increase in owner's equity resulted from other equity instruments	10	10												
3. Increase in owner's equity resulted from share-based payments	11	11												
4. Others	12	12					158,142,194.12							158,142,194.12
(III) Special reserve appropriation and usage	13	13												
1. Appropriation to special reserves	14	14												
2. Usage of special reserves	15	15												
(IV) Profit distribution	16	16												
1. Appropriation for surplus reserve	17	17												
Includes: Statutory surplus reserve	18	18												
Discretionary surplus reserve	19	19												
2. Appropriation for general risks	20	20												
3. Distribution to owners (or owners)	21	21												
4. Others	22	22												
(V) Inter-account movements in owners' equity	23	23												
1. Capital surplus transfer to capital	24	24												
2. Surplus reserve transfer to capital	25	25												
3. Surplus reserve offsetting losses	26	26												
4. Changes in defined benefits plan transfer to retained earnings	27	27												
②: Other comprehensive income transfer to retained earnings	28	28												
6. Others	29	29												
IV. Closing balance of current year	30	30	38,934,077,526.58				266,467,807,333.37		1,428,464,437.60		4,998,510,225.93		6,051,101,398.19	317,877,950,822.67

Legal representative:

[Signature]

Person in charge of accounting affairs:

[Signature]
之邦印晴

Head of the accounting department:

[Signature]

Company Statement of Changes in Owners' Equity (Continued)

For the year ended December 31, 2020

2019



Prepared by: Beijing State-owned Capital Operation and Management Center

Item	Column	Row	Paid-in capital			Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Δ General risk provision	Undistributed profits	Total owner's equity
			13	14	15	16	17	18								
I. Balance at end of previous year	1	1	38,702,277,526.58					254,455,110,002.75		1,383,986,878.68		3,300,069,222.19		7,875,944,589.40	365,817,368,239.60	
Add: Changes in accounting policies	2	2								297,778,602.10		-14,464,815.44		-130,183,338.96	153,130,447.70	
Correction of errors	3	3														
Others	4	4														
II. Balance in beginning of year	5	5	38,702,277,526.58					254,455,110,002.75		1,681,765,580.78		3,285,604,406.75		7,845,761,170.44	365,370,516,687.30	
III. Movement over the year ("-" for decrease)	6	6	101,300,000.00					1,350,456,125.69		-172,758,648.34		1,105,428,487.44		-1,594,442,405.41	789,963,569.38	
(I) Total comprehensive income for the year	7	7								-172,758,648.34				11,054,284,974.38	10,881,526,326.04	
(II) Owner's contributions and decrease of capital	8	8	101,300,000.00					1,350,456,125.69							1,451,759,125.69	
1. Capital contribution from owner	9	9	101,300,000.00					1,415,569,943.18							1,516,869,943.18	
2. Increase in owner's equity resulted from other equity instruments	10	10														
3. Increase in owner's equity resulted from share-based payments	11	11														
4. Others	12	12						-65,113,817.49							-65,113,817.49	
(III) Special reserve appropriation and usage	13	13														
1. Appropriation to special reserves	14	14														
2. Usage of special reserves	15	15														
(IV) Profit distribution	16	16														
1. Appropriation for surplus reserve	17	17										1,105,428,487.44		-12,648,727,379.79	-11,543,298,892.35	
Include: Statutory surplus reserve	18	18										1,105,428,487.44		-1,105,428,487.44		
Discretionary surplus reserve	19	19														
2. Appropriation for general risks	20	20														
3. Distribution to owners (or owners)	21	21														
4. Others	22	22														
(V) Inter-account movements in owners' equity	23	23														
1. Capital surplus transfer to capital	24	24														
2. Surplus reserve transfer to capital	25	25														
3. Surplus reserve offsetting losses	26	26														
4. Changes in defined benefits plan transfer to retained earnings	27	27														
4.5. Other comprehensive income transfer to retained earnings	28	28														
6. Others	29	29														
IV. Closing balance of current year	30	30	38,803,577,526.58					255,805,566,128.44		1,509,006,532.44		4,391,032,804.19		6,251,218,765.03	306,750,502,256.68	



Person in charge of accounting affairs:

Legal representative:

Head of the accounting department:

Handwritten signature of the head of the accounting department.

Notes to the Financial Statements

I. Company information

Beijing State-owned Capital Operation and Management Center (hereinafter referred to as The Center) is an enterprise owned by the whole people. It was set up by the State-owned Assets Supervision and Administration Commission of Beijing Municipal People's Government (hereinafter referred to as Beijing State-owned Assets Supervision and Administration Commission) by contributing cash of RMB 50 million, 100% equity of Beijing Energy Investment (Group) Co., Ltd. (hereinafter referred to as Beijing Energy Group), 74.24% equity of Beijing Capital Highway Development Group Co., Ltd. (hereinafter referred to as Capital Highway Development) and 20% equity of Beijing Pharmaceutical Group Co., Ltd. (hereinafter referred to as Pharmaceutical Group) for a total value of RMB 34.50 billion. The initial registered capital is RMB 30 billion. On December 30, 2008, the "Corporate Legal Person Business License" with the registration number 110000011550542 was obtained from the Beijing Administration for Industry and Commerce.

In 2012, the registered capital of the Center was changed to RMB 35 billion. On May 31, 2012, it received a renewed "Corporate Legal Person Business License" from Beijing Administration for Industry and Commerce.

On December 12, 2016, the Center exchanged a business license with a unified social credit code of 91110000683551038C issued by the Beijing Administration for Industry and Commerce.

The registered address of the Center is No. 2 Huaibishu Street, Xicheng District, Beijing.

The legal representative of the Center is Zhang Guilin.

Business scope: Principally engaged in investment and investment management; asset management; administer the corporate asset reorganization and mergers and acquisitions.

As of December 31, 2020, the details of the secondary level subsidiaries of the Center are as follows:

No.	Name of secondary level entity	Abbreviation	Shareholding ratio (%)	Registered capital (RMB ten thousand)	Economic nature
1	Shougang Group Co., Ltd.	Shougang Group	100.00	2,875,502.50	Limited liability company (wholly state-owned)
2	Beijing Electronics Holdings Co., Ltd.	Beijing Electronics	100.00	313,921.00	Limited liability company (wholly state-owned)
3	Beijing Jingcheng Electromechanical Holding Co., Ltd.	Jingcheng Electromechanical	100.00	235,563.71	Limited liability company (wholly state-owned)
4	Beijing Energy Group Co., Ltd.	Beijing Energy Group	100.00	2,133,806.00	Limited liability company (wholly state-owned)
5	Beijing Capital Highway Development Group Co., Ltd.	Capital Highway Development	100.00	3,057,800.00	Limited liability company (wholly state-owned)
6	Beijing Yiqing Holding Co., Ltd.	Yiqing Holding	100.00	109,784.20	Limited liability company (wholly state-owned)
7	Beijing Capital Development Holdings (Group) Co., Ltd.	Capital Development Holdings	100.00	222,210.00	Limited liability company (wholly state-owned)
8	Beijing Automotive Group Co., Ltd.	Beijing Automotive Group	100.00	1,995,650.83	Limited liability company (wholly state-owned)
9	China Beijing Tongrentang (Group) Co., Ltd.	Tongrentang Group	100.00	59,404.00	Limited liability company (wholly state-owned)

Beijing State-owned Capital Operation and Management Center
Notes to the financial statements
For the year ended December 31, 2020 (all amounts in RMB unless otherwise stated)
[English Translation for Reference Only]

No.	Name of secondary level entity	Abbreviation	Shareholding ratio (%)	Registered capital (RMB ten thousand)	Economic nature
10	Beijing Suburb Tourism Industry Development Company	Suburb Tourism Company	100.00	6,773.65	Enterprise owned by the whole people
11	Beijing Xianglong Asset Management Co., Ltd.	Xianglong Company	100.00	326,992.03	Limited liability company (wholly state-owned)
12	Beijing Beichen Industrial Group Co., Ltd.	Beichen Group	100.00	220,810.00	Limited liability company (wholly state-owned)
13	Beijing Jinyu Asset Management Co., Ltd.	Jinyu Asset	100.00	357,509.00	Limited liability company (wholly state-owned)
14	Beijing Shounong Food Group Co., Ltd.	Shounong Group	100.00	602,053.53	Limited liability company (wholly state-owned)
15	Beijing Equity Investment Development Management Co., Ltd.	Equity Development Company	58.33	10,714.29	Limited liability company
16	Beijing Urban and Rural Commercial (Group) Co., Ltd.	Urban and Rural Group	34.23	31,680.50	Joint Stock Limited Company
17	Beijing BBMG Group Co., Ltd.	BBMG Group	44.93	1,067,777.11	Joint Stock Limited Company
18	Beijing Jingguoguan Real Estate Investment Co., Ltd.	Real Estate Investment	100.00	5,500.00	Limited liability company (wholly state-owned)
19	Beijing Jingguoguan Real Estate Management Co., Ltd.	Real Estate Management	100.00	3,000.00	Limited liability company (wholly state-owned)
20	Beijing Guoguan Center Investment Holdings Co., Ltd.	Guoguan Center Investment Holdings	100.00	US\$ 1 million	Limited liability company (wholly state-owned)
21	Beijing Dairy Investment Fund Management Co., Ltd.	Dairy Investment Fund Management	100.00	100.00	Limited liability company (wholly state-owned)
22	Beijing Jingguorui Equity Investment Fund Management Co., Ltd.	Jingguorui Fund Management	60.00	3,000.00	Limited liability company (wholly state-owned)
23	Beijing Jingguorui State-owned Enterprise Reform and Development Fund (Limited Partnership)	Jingguorui Fund	97.70	2,000,000.00	Limited Partnership
24	Zhongguancun Equity Exchange Service Group Co., Ltd.	Equity Exchange Group	67.31	30,000.00	Other limited liability company
25	Beijing International Technical Cooperation Center Co., Ltd.	International Cooperation Center	100.00	73,292.85	Limited liability company (wholly state-owned)
26	Beijing Ducheng Consulting Co., Ltd.	Ducheng Company	100.00	1,048.03	Limited liability company (wholly state-owned)
27	Beijing Siban Technology Development Co., Ltd.	Siban Technology	67.31	40,000.00	Other limited liability company
28	Beijing Engineering Consulting Co., Ltd.	Beijing Consulting Company	100.00	37,642.69	Limited liability company (wholly state-owned)
29	Beijing Longying Kechuang Equity Investment Fund Center (Limited Partnership)	Longying Kechuang	99.95	2,201.00	Limited Partnership

II. Basis of preparation

The financial statements are prepared in accordance with the Accounting Standards for Business Enterprises and guidelines, interpretations and other related provisions promulgated by the Ministry of Finance (collectively "Accounting Standards for Business Enterprises").

The financial statements have been prepared on going concern basis.

III. Statement of compliance with the Accounting Standards for Business Enterprises

The financial statements have been prepared in compliance with the Accounting Standards for Business Enterprises to truly and completely reflect The Center's and consolidated financial positions as of December 31, 2020 and their operating performance and their cash flows and other relevant information for the year ended December 31, 2020.

Beijing Automotive Industry Advanced Technical School, a subsidiary of Beijing Automotive Group, which

is included in The Center's consolidation scope, implements the "Accounting System for Institutions" and related regulations. Its financial statements have been converted into corporate financial statements in accordance with "Notice on Printing and Distributing Reference Formats for the Conversion of Financial Statements of Public Institutions After Central Enterprises Implementing the Accounting Standards for Business Enterprises" (Evaluation Letter [2008] No. 262) issued by the State-owned Assets Supervision and Administration Commission of the State Council.

Some subsidiaries included in the consolidation scope implemented, with effective on January 1, 2018, the "Accounting Standards for Business Enterprises No. 22-Recognition and Measurement of Financial Instruments (Revised in 2017)" (Cai Kuai [2017] No. 7), "Accounting Standards for Business Enterprises No. 23-Transfer of Financial Assets (Revised in 2017)" (Cai Kuai [2017] No. 8), "Accounting Standards for Business Enterprises No. 24-Hedging Accounting (2017 Revision)" (Cai Kuai [2017] No. 9) issued by the Ministry of Finance on March 31, 2017, and "Accounting Standards for Business Enterprises No. 37-Presentation of Financial Instruments (2017 Revision)" (Cai Kuai [2017] No. 14) issued on May 2, 2017 (hereinafter collectively referred to as the "New Financial Instruments Standards"), and the "Accounting Standards for Business Enterprises No. 14-Revenue (2017 Revision)" (Caikuai [2017] No. 22) (hereinafter referred to as the "New Revenue Standard") issued on July 5, 2017. With effective January 1, 2019, "Accounting Standards for Business Enterprises No. 22-Leases (2018 Revision)" (Cai Kuai [2018] No. 35) (hereinafter referred to as the "New Lease Standard") is taken effective on January 1, 2019 which was issued by the Ministry of Finance on December 7, 2018.

According to Caikuai (2017) No. 22, the Company did not adjust the financial statements of subsidiaries that under the scope of consolidation and have adopted New Financial Instruments Standards, New Revenue Standard and New Lease Standard in accordance with the Company's accounting policies when preparing the consolidated financial statements. In the depict of accounting policies and accounting estimates, the Company separately described them as "Companies that have implemented New Financial Instruments Standards" and "Companies that have not yet implemented New Financial Instruments Standards" as well as "Companies that have implemented New Revenue Standard" and "Companies that have not yet implemented New Revenue Standard", as well as "Companies that have implemented New Lease Standard" and "Companies that have not yet implemented New Lease Standard".

IV. Significant accounting policies and accounting estimates

1. Accounting period

The accounting period of The Center is from 1 January to 31 December of each calendar year.

2. Functional currency

The Center uses Renminbi ("RMB") as their functional currency.

3. Accounting basis and principal of measurement

The Center adopts the accrual basis of accounting. Except for certain financial instruments and investment properties, the financial statements are prepared under the historical cost convention. In the event that impairment of assets occurs, a provision for impairment is made accordingly in accordance with the relevant regulations.

4. Business combination

(1) Business combinations involving enterprises under common control

For a business combination involving enterprises under common control, assets acquired and liabilities assumed by acquirer in the business combination are measured at their carrying amounts of the acquiree in the consolidated financial statements of the ultimate controlling party at the combination date, except for adjustments due to different accounting policies. The difference between the carrying amount of the consideration paid for the combination and the carrying amount of the net assets acquired is adjusted to capital reserve (capital premium). If the capital reserve (capital premium) is not sufficient to absorb the difference, any excess is adjusted to retained earnings.

The overheads for the business combination are recorded in profit or loss for the current period when incurred.

(2) Business combinations involving enterprises not under common control

For business combinations involving enterprises not under common control, the consideration costs include acquisition-date fair values of the assets transferred, liabilities incurred or assumed and the equity instruments issued by the acquirer in exchange for control of the acquiree. At the acquisition date, the acquired assets, liabilities and contingent liabilities of the acquiree are measured at their fair value.

The overhead for the business combination, including the expenses for audit, legal services, valuation advisory, and other administrative expenses, are recorded in profit or loss for the current period when incurred. The transaction costs of equity or debt instruments issued as the considerations of business combination are included in the initial recognition amount of the equity or debt instruments.

The contingent consideration involved is included in the combination cost at its fair value on the acquisition date. If there is new or further evidence of the existing conditions on the acquisition date within 12 months after the acquisition date, and the contingent consideration needs to be adjusted, the goodwill shall be adjusted accordingly.

Where the combination cost exceeds the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is recognized as goodwill, and subsequently measured on the basis of its costs less accumulated impairment provisions. Where the combination cost is less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is credited in profit or loss for the current period after reassessment.

For business combinations involving entities not under common control achieved in stages and involved multiple transactions, in the consolidated financial statements, the combination cost is the sum of the consideration paid at the acquisition date and the fair value of equity investment of the acquiree held prior to the acquisition date. The cost of equity investment of the acquiree held prior to the acquisition date is re-measured at the fair value at the acquisition date, the difference between the fair value and carrying value is recognized as profit or loss for the current period. Other comprehensive income and changes of other owners' equity from the equity interest held in the acquiree prior to the acquisition date are transferred to profit or loss for the current period, except for other comprehensive income resulted in the change of net liabilities or assets in the investee's re-measurement of defined benefit plan.

Method for determining the date of acquisition and date of sale of a business combination not under the same control: The Center determines the date of acquisition and date of sale based on the obtaining or losing control over the acquiree.

Method for determining the fair value of the relevant transaction on the date of acquisition: The Center uses market prices as the main basis to determine the fair value of the relevant transactions on the combination date. Refer to Note IV. 35 for specific recognition method.

5. Preparation of consolidated financial statements

The scope of the consolidated financial statements includes The Center and all of its subsidiaries.

The scope of consolidated financial statements is determined on the basis of control.

The consolidated financial statements are prepared by The Center based on the financial statements of The Center and its subsidiaries and other relevant information. In preparation of consolidated financial statements, the accounting policies and accounting periods of the subsidiaries should be consistent with those established by The Center, and all significant intercompany accounts and transactions are eliminated.

Where a subsidiary or business was acquired during the reporting period, through a business combination involving enterprises under common control, the subsidiary or business is deemed to be included in the consolidated financial statements from the date they are controlled by the ultimate controlling party. Their operating results and cash flows are included in the consolidated income statement and consolidated cash flow statement respectively from the date they are controlled by the ultimate controlling party.

The portion of a subsidiary's equity that is not attributable to the parent is treated as minority interests and presented separately in the consolidated balance sheet within shareholders' equity. The portion of net profit or loss of subsidiaries for the period attributable to minority interests is presented in the consolidated income statement below the "net profit" line item as "minority interests". When the amount of loss for the current period attributable to minority interests of the subsidiary exceeds the minority interests' share of the opening equity of the subsidiary, the excess is still allocated against the minority interests.

Where The Center acquires minority interests of subsidiary or disposes of a portion of an interest in a subsidiary without a change in control, the difference between the amount by which the minority interests are adjusted and the amount of the consideration paid or received is adjusted to the capital reserve in the consolidated balance sheet, with any excess adjusted to retained earnings.

When The Center loses control over subsidiary because of disposing part of equity investment or other reasons, the remaining part of the equity investment is re-measured at fair value at the date when losing control over the subsidiary. A gain or loss is recognized in profit or loss for the current period and is calculated by the aggregate of the consideration received in disposal and the fair value of remaining part of the equity investment deducting the share of carrying value of net assets in proportion to previous shareholding percentage in former subsidiary since acquisition date and the goodwill. Other comprehensive income related to the former subsidiary is recorded as investment gains for the current period when the control is lost.

Other comprehensive income related to the former subsidiary is transferred to profit or loss for the current period when the control is lost, except for the comprehensive income arising from the movement of net liabilities or assets in the former subsidiary's re-measurement of defined benefit plan.

Disposing equity investment by stages until losing control that qualified as a single transaction, the carrying amount of long-term equity investments relating to each transaction of disposal is derecognized, the difference between the consideration received and the carrying amount of disposed long-term equity investments is recognized as other comprehensive income, and finally is recognized in profit or loss for the current period at the date of losing control.

6. Joint arrangement classification and accounting treatment for joint operation

A joint arrangement is an arrangement of which two or more parties have joint control. The Center classifies joint arrangements into joint operations and joint ventures.

(1) Joint operations

A joint operation is a joint arrangement whereby the joint operators have rights to the assets, and obligations for the liabilities, relating to the arrangement.

The Center recognizes the following items in relation to its interest in a joint operation, and account for them in accordance with relevant accounting standards:

- A. its solely-held assets, and its share of any Assets incurred jointly;
- B. its solely-assumed liabilities, and its share of any liabilities incurred jointly;
- C. its revenue from the sale of its share of the output arising from the joint operation;
- D. its share of the revenue from the sale of the output by the joint operation; and
- E. its solely-incurred expenses, and its share of any expenses incurred jointly.

(2) Joint ventures

A joint venture is a joint arrangement whereby the joint venturers have rights to the net assets of the arrangement.

The Center adopts equity method under long-term equity investment in accounting for its investment in joint venture.

7. Cash and cash equivalents

Cash comprises cash on hand and deposits that can be readily drawn on demand. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

8. Foreign currency transactions and translation of foreign currency financial statements

(1) Foreign currency transactions

Foreign currency transactions are translated into the functional currency of The Center at the spot exchange rates on the dates of the transactions.

Monetary items denominated in foreign currencies are translated to Renminbi at the spot exchange rate at the balance sheet date. The resulting exchange differences between the spot exchange rate on balance sheet date and the spot exchange rate on initial recognition or on the previous balance sheet date are recognized in profit or loss. Non-monetary items that are measured at historical cost in foreign currencies are translated to Renminbi using the exchange rate at the transaction date. Non-monetary items that are measured at fair value in foreign currencies are translated using the exchange rate at the date the fair value is determined. The resulting exchange differences are recognized in profit or loss for the current period.

(2) Translation of foreign currency financial statements

When translating the foreign currency financial statements of overseas subsidiaries, the assets and liabilities of the balance sheet are translated to RMB using the spot exchange rate at the balance sheet date. Items of the shareholders' equity, except for "undistributed profits", are translated to RMB at the spot exchange rate at the transaction dates.

Income and expenses in the income statement of foreign operation are translated to RMB at the spot exchange rate at the transaction date.

Cash flow statement of foreign operation is translated to Renminbi at the spot exchange rates [the rates determined under a systematic and rational method that approximate the spot exchange rates] at the cash flow occurrence dates. Effect of foreign exchange rate changes on cash and cash equivalents is presented separately as "Effect of foreign exchange rate changes on cash and cash equivalents" in the cash flow statement.

The resulting translation differences are recognized in other comprehensive income in shareholders' equity of balance sheet.

When the control on foreign operation is lost due to disposal, exchange differences of foreign currency financial statements attributable to the foreign operation as presented under shareholder's equity item in the balance sheet are transferred to profit or loss for the current period entirely or partially on disposed portion.

9. Financial instruments

"Companies that have not yet implemented New Financial Instruments Standards":

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

(1) Classification and measurement of financial assets

Financial assets are, upon initial recognition, classified into the following four categories: financial assets at fair value through profit or loss ("FVTPL" financial assets), held-to-maturity investments, loans and receivables, and available-for-sale financial assets ("AFS" financial assets). Financial assets are measured initially at fair value. For financial assets at fair value through profit or loss ("FVTPL" financial assets), any related directly attributable transaction costs are charged to profit or loss for the current period; for other categories of financial assets, any related directly attributable transaction costs are included in their initial costs.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and those designated upon initial recognition as at fair value through profit or loss. This kind of financial assets are subsequently measured at fair value, gains and losses arising from changes in fair value and the dividend and interest income are recognized in profit or loss for the current period.

Financial assets or financial liabilities may be designated at initial recognition as at fair value through profit or loss if the following criteria are met:

- ① the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or recognising gains or losses on them on a different basis;

- ② the assets are part of a Group of financial assets which are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management strategy and information about the Center of financial assets is provided internally on that basis to the key management personnel;
- ③ the financial asset contains an embedded derivative that would need to be separately recorded.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that The Center has the positive intention and ability to hold to maturity. Held-to-maturity investments are subsequently measured at amortized cost using the effective interest method. Gains and losses arising from derecognition, impairment or amortization is recognized in profit or loss for the current period.

Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market including notes receivable, accounts receivable and other receivables (Note IV. 11). Receivables are subsequently measured at amortized cost using the effective interest method. Gains and losses arising from derecognition, impairment or amortization is recognized in profit or loss for the current period.

Available-for-sale financial assets

Available-for-sale financial assets are those non-derivative financial assets that are designated as available for sale and financial assets other than those above mentioned. Available-for-sale financial assets are subsequently measured at fair value, the discount or premium is amortized using the effective interest method and recognized as interest income. The gains and losses arising from changes in fair value of available-for-sale financial assets (other than impairment losses and foreign exchange gains and losses resulted from foreign currency monetary assets which are recognized directly in profit or loss for the current period) are recognized as other comprehensive income. When the financial assets are derecognized, the gain or loss accumulated in other comprehensive income is reclassified to profit or loss for the current period. Interest income and dividends related to the available-for-sale financial assets are recognized as profit or loss for the current period.

(2) Classification and measurement of financial liabilities

The Center classifies financial liabilities into different categories at initial recognition: financial liabilities at fair value through profit or loss (FVTPL) or other financial liabilities. For financial liabilities not classified as at fair value through profit or loss financial liabilities, any related directly attributable transaction costs are recognized in the initial recognition amounts.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trade and financial liabilities designated as at fair value through profit or loss in the initial recognition. Such financial liabilities are subsequently measured at fair value, gains and losses arising from changes in fair value are recognized in profit or loss for the current period.

Other financial liabilities

Derivative financial liabilities which are linked to equity instrument that is not quoted in an active market and its fair value cannot be reliably measured and settled by delivering the equity instrument are subsequently measured at cost. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Gains and losses arising from derecognition or amortization is recognized in profit or loss for the current period.

Financial guarantee contract

Financial guarantee contracts are initially recognized at fair value, and are subsequently measured at the higher of the estimated amount of contingent liabilities and the initially recognized amount deducting with the cumulative amortization.

Distinction between financial liabilities and equity instruments

A financial liability is recognized if one of the following conditions is satisfied:

- (a) a contractual obligation to deliver cash or another financial asset to another entity;
- (b) a contractual obligation to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to The Center;
- (c) a non-derivative contract that will or may be settled in The Center's own equity instruments and The Center is obliged to deliver a variable number of The Center's own equity instruments;
- (d) a derivative contract that will or may be settled in The Center's own equity instruments, except for a derivative contract that is settled by the exchange of a fixed number of The Center's own equity instruments for a fixed amount of cash or other financial assets.

An equity instrument is a contract that evidences a residual interest in the assets of The Center after deducting all of its liabilities.

If The Center does not have an unconditional right to avoid delivering cash or another financial asset to settle a contractual obligation, the obligation meets the definition of a financial liability.

If a financial instrument will or may be settled in The Center's own equity instruments, classification of the instrument depends on whether The Center's own equity instruments work as the replacement of cash or other financial instrument, or represent the investor's residual interest in The Center's assets after deducting all its liabilities. In the former case, the instrument is classified as a financial liability; in the latter case, the instrument is classified as an equity instrument.

(3) Derivative financial instruments and embedded derivative instruments

The Center's derivative financial instruments include forward exchange contract, currency exchange rate swap contracts, interest rate swap contracts and foreign exchange option contracts, etc. Derivative financial instruments are initially measured at the fair value of the date a derivative contract entered into and subsequently measured at their fair value. Derivative financial instruments of positive fair value are recognized as assets; those of negative fair value are recognized as liabilities. Any gains or losses arising from changes in fair value which do not meet the requirements of hedge accounting are directly recognized to profit or loss for the current period.

For hybrid instrument with embedded derivative, where financial assets or liabilities not designated as fair value through profit or loss, the economic features and risks of the embedded derivative are not closely

related to that of the host contract, and a similar instrument with the same terms as the embedded derivative would meet the definition of a derivative, then embedded derivative is separated from hybrid instrument and accounted for as a derivative. If embedded derivative is unable to measure separately either at acquisition or subsequently at balance sheet date, hybrid instrument as a whole is designated as financial assets or liabilities at fair value through profit or loss.

(4) Impairment of financial assets

The carrying amounts of financial assets are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. If any such evidence exists, an impairment loss is recognized. Objective evidence of impairment of financial assets are the matters that occurred after the initial recognition of financial assets which has impact on the expected future cash flows of financial assets, and can be reliably measured by The Center.

Financial asset measured at amortized cost

If there is objective evidence that the financial assets are impaired, then the carrying amount of financial assets are reduced to the present value of estimated future cash flows (excluding future credit losses that have not been incurred), with the reduced amount recognized to profit or loss for the current period. The present value of estimated future cash flows is carried according to the financial asset's original effective interest rate, and considers the value of collateral.

For a financial asset that is individually significant, The Center assesses the asset individually for impairment, if there is objective evidence that it has been impaired, impairment loss is recognized in profit or loss for the current period. For a financial asset that is not individually significant, The Center assesses the asset by including the asset in a group of financial assets with similar credit risk characteristics and collectively assess them for impairment. For financial assets not having been individually assessed as impaired (including financial assets no matter it is individually significant or not), The Center performs impairment assessment collectively where financial assets share similar credit risk characteristics. For financial assets having been individually assessed as impaired, they are not included in collective assessment of impairment.

If, after an impairment loss has been recognized on financial assets measured at amortized cost, there is objective evidence of a recovery in value of the financial asset which can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss. A reversal of an impairment loss will not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognized in prior years.

Available-for-sale financial assets

If there is objective evidence that available-for-sale financial assets are impaired, accumulated losses due to decreases in fair value previously recognized directly in other comprehensive income are reversed and charged to profit or loss for the current period. The reversed accumulated losses are the asset's initial acquisition costs after deducting amounts recovered and amortized, current fair value and impairment losses previously recognized in profit or loss.

If, in a subsequent period, the fair value of financial assets increases and the increase can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment losses are reversed and charged to profit or loss for the current period. The impairment loss of available-for-sale equity instruments is not reversed through profit or loss.

Financial assets measured at cost

When there is impairment of 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 derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, the difference between the carrying amount and the present value discounted at the market rate of return on future cash flows of the similar financial assets be recognized as impairment loss in profit or loss in the current period. The impairment loss recognized is not reversed.

(5) Basis for measuring gain or loss on financial assets and financial liabilities

A gain or loss on a financial asset or financial liability classified as at fair value through profit or loss shall be recognized in profit or loss. A gain or loss on an available-for-sale financial asset shall be recognized directly in equity, through the statement of changes in equity, except for impairment losses and foreign exchange gains and losses, until the financial asset is derecognized, at which time the cumulative gain or loss previously recognized in equity shall be recognized in profit or loss. However, interest calculated using the effective interest method is recognized in profit or loss. Dividends on an available-for-sale equity instrument are recognized in profit or loss when the entity's right to receive payment is established.

Method in determination of fair value of financial assets and financial liabilities refer to Note IV.35.

For financial assets and financial liabilities carried at amortized cost with effective interest rate, a gain or loss will be recognized when the financial asset or financial liability is derecognized or impaired. The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash flows through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

When calculating the effective interest rate, The Center considers the future cash flows according to all contractual terms of the financial instrument (but shall not consider future credit losses). The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

On derecognition of a financial asset, the difference between the carrying amount and the consideration received and any cumulative gain or loss that had been recognized directly in other comprehensive income shall be recognized in profit or loss.

If part of a financial asset being considered meeting the conditions for derecognition, the carrying amount of the transferring financial asset shall be allocated based on the relative fair values. The difference between the carrying amount allocated to the part derecognized and the sum of the consideration received for the part derecognized with other comprehensive income allocated shall be recognized in profit or loss.

(6) Transfer of financial assets

Transfer of financial assets refers to the transference or deliverance of financial assets to the other party (the transferee) other than the issuer of financial assets.

The Center derecognizes a financial asset if it transfers substantially all the risks and rewards of ownership of the financial asset to the transferee. If substantially all the risks and rewards of ownership of the financial asset is retained, the financial asset is not derecognized.

The Center neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, and the accounting treatment is shown as following: if The Center has forgone control over the financial asset, the financial assets is derecognized, and new assets and liabilities are recognized. If The Center retains control over the financial asset, the financial asset is recognized to the extent of its continuing involvement in the transferred financial asset, and an associated liability is recognized.

(7) Recognition and derecognition of financial instruments

A financial asset or financial liability is recognized when The Center becomes one party of financial instrument contracts.

If one of the following conditions is met, the financial assets are terminated:

- ① The right of the contract to receive the cash flows of financial assets terminates;
- ② The financial asset has been transferred, and is in accordance with the following conditions for derecognition.

Transfer of financial assets refers to the transference or deliverance of financial assets to the other party (the transferee) other than the issuer of financial assets.

The Center derecognizes a financial asset if it transfers substantially all the risks and rewards of ownership of the financial asset to the transferee. If substantially all the risks and rewards of ownership of the financial asset is retained, the financial asset is not derecognized.

The Center neither transfers nor retains substantially all the risks and rewards of ownership of financial assets, then accounting for the following circumstances: if control over the financial assets is surrendered, derecognize the financial assets and recognize any assets and liabilities arose; if The Center retains the control of the financial assets, recognize the financial assets to the extent of the continuing involvement in the transferred financial assets by The Center and recognize any relating liability.

If the obligations of financial liability have been discharged in total or in part, derecognize all or part of it. If The Center (debtor) makes an agreement with the creditor to replace the current financial liability of assuming new financial liability which contract provisions are different in substance, derecognize the current financial liability and meanwhile recognize as the new financial liability.

If the financial assets are traded routinely, The Center recognizes and derecognizes at the transaction date.

(8) Offset between financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Otherwise, financial assets and financial liabilities are separately shown in the balance sheet and not allowed to offset.

(9) Entrusted loan

The Center calculated the interest receivable in accordance with the entrusted loan principal and the nominal interest rate in the contract at the balance sheet date; and the investment income is calculated based on the amortized cost of the entrust loan and effective interest rate, the variance is recorded in the

entrust loan (Interest adjustment).

The Center performs comprehensive inspection at the balance sheet date whether there were signs of impairment for entrusted loans. If there was objective evidence that the book value of entrusted loan exceeds its recoverable amount, then the variance should be recognized as assets impairment loss and accrued of impairment provision. Interest income is calculated on the amortized cost of entrust loan and the effective interest rate and recognized as investment income, and reduced the impairment provision of entrusted loans. At the same time, The Center registered the interest receivable in accordance with the principal and the nominal interest rate in the contract in off-balance sheet.

“Companies that have implemented New Financial Instruments Standards”:

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

(1) Recognition and derecognition of financial instruments

A financial asset or financial liability is recognized when The Center becomes a party to the contractual provisions of a financial instrument.

If one of the following conditions is met, the financial assets are derecognized:

- ① the contractual rights to the cash flows from the financial asset expire;
- ② the financial asset has been transferred, and is in accordance with the following conditions for derecognition.

A financial liability (or part of it) is derecognized when its contractual obligation (or part of it) is discharged or cancelled or expires. If The Center (as a debtor) makes an agreement with the creditor to replace the current financial liability with assuming a new financial liability, and contractual provisions are different in substance, the current financial liability is derecognized and a new financial liability is recognized meanwhile.

If the financial assets are traded routinely, the financial assets are recognized and derecognized at the transaction date.

(2) Classification and measurement of financial assets

The classification of financial assets at initial recognition depends on The Center's business model for managing them and contractual cash flow characteristics of the financial assets. Financial assets are classified as financial assets at amortized cost, financial assets at fair value through other comprehensive income (“FVTOCI”), and financial assets at fair value through profit or loss (“FVTPL”).

Financial assets measured at amortized cost

The Center classifies a financial assets as measured at amortized cost when the financial asset is not designated as at FVTPL and meets the following conditions:

- the financial asset is held within a business model whose objective is to collect contractual cash flows;

- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, such financial assets at amortised cost are subsequently measured using the effective interest method. Gains and losses arising on financial assets at amortised cost and not being part of a hedging relationship are recognised in profit or loss for the current period when the asset is derecognised, amortized on effective interest method or impaired.

Financial assets at fair value through other comprehensive income (FVTOCI)

The Center classifies a financial asset as FVTOCI when it is not designed as FVTPL and meets both of the following conditions:

- ① the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets;
- ② the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After the initial recognition, such financial assets are subsequently measured at fair value. Interest calculated on effective interest method, impairment losses or gains and exchange gain or loss are recognised in profit or loss for the current period. Other gains or losses are recognised as other comprehensive income. When the financial assets are derecognized, the gain or loss accumulated in other comprehensive income is reclassified to profit or loss for the current period.

Financial assets at fair value through profit or loss (FVTPL)

Except for the above financial assets at amortised costs and FVTOCI, The Center classifies all other financial assets as FVTPL. At initial recognition, The Center may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

After the initial recognition, such financial assets are subsequently measured at fair value. Any gains or losses (including interest and dividend income) are recognized in profit or loss for the current period, unless the financial asset is part of a hedging relationship.

However, for non-trading equity instrument investment, the Center irrevocably designates it as a financial asset measured at fair value through other comprehensive income at the time of initial recognition. The designation is made on a single investment basis and the relevant investments meet the definition of an equity instrument from issuer's perspective.

After the initial recognition, this kind of financial assets are subsequently measured at fair value. Satisfied dividend income is included in the profit or loss, other gains or losses and changes in fair value are included in other comprehensive income. When derecognized, the accumulated gains or losses previously recorded in other comprehensive income are transferred out and recorded in retained earnings.

Business model for managing financial assets refers to how The Center manages financial assets to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both. The Center determines the business model for managing financial assets based on objective facts and based on the specific business objectives of financial assets as determined by key management personnel.

The Center evaluates the contractual cash flow characteristics of financial assets and determines whether the contractual cash flows generated by the relevant financial assets on a specific date are solely payments of principal and interest (“SPPI”) on the principal amount outstanding. The principal is the fair value of the financial assets at initial recognition. The interest is a consideration including the time value of money, the credit risk associated with the outstanding principal amount for a specific period, and other basic lending risks, costs and profits. In addition, The Center evaluates the contractual terms that may result in a change in timing or amount of contractual cash flows of financial asset to determine whether it meets the requirements of the above contractual cash flow characteristics.

Only when The Center changes its business model for managing financial assets, all affected financial assets are reclassified on the first day of the first reporting period following the change in business model, otherwise the financial assets is not reclassified after initial recognition.

Financial assets are measured initially at fair value. For financial assets at fair value through profit or loss (“FVTPL” financial assets), any related directly attributable transaction costs are charged to profit or loss for the current period; for other categories of financial assets, any related directly attributable transaction costs are included in their initial costs. Accounts receivable arising from the sale of products or providing services that do not contain or do not consider significant financing components, The Center initially recognises the amount of consideration based on the amount expected to be charged.

(3) Classification and measurement of financial liabilities

The Center classifies financial liabilities into different categories at initial recognition: financial liabilities at fair value through profit or loss (FVTPL) or financial liabilities at amortized costs. For financial liabilities not classified as at fair value through profit or loss, any related directly attributable transaction costs are recognized in the initial recognition amounts.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trade and financial liabilities designated as at fair value through profit or loss in the initial recognition. Such financial liabilities are subsequently measured at fair value, gains and losses arising from changes in fair value are recognized in profit or loss for the current period.

Financial liabilities at amortized costs

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Gains and losses arising from derecognition or amortization is recognized in profit or loss for the current period.

Financial guarantee contract

Financial guarantee contract, which is not designated as Financial liabilities at fair value through profit or loss, is measured at fair value at the time of initial recognition. Subsequent measurement is made according to the higher of the estimated loss provision determined using the expected credit loss model and the balance of the initial recognized amount after deducting the accumulated amortization amount.

Distinction between financial liabilities and equity instruments

A financial liability is recognized if one of the following conditions is satisfied:

- ① a contractual obligation to deliver cash or another financial asset to another entity;
- ② a contractual obligation to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to The Center;
- ③ a non-derivative contract that will or may be settled in The Center's own equity instruments and The Center is obliged to deliver a variable number of The Center's own equity instruments;
- ④ a derivative contract that will or may be settled in The Center's own equity instruments, except for a derivative contract that is settled by the exchange of a fixed number of The Center's own equity instruments for a fixed amount of cash or other financial assets.

An equity instrument is a contract that evidences a residual interest in the assets of The Center after deducting all of its liabilities.

If The Center does not have an unconditional right to avoid delivering cash or another financial asset to settle a contractual obligation, the obligation meets the definition of a financial liability.

If a financial instrument will or may be settled in The Center's own equity instruments, classification of the instrument depends on whether The Center's own equity instruments work as the replacement of cash or other financial instrument, or represent the investor's residual interest in The Center's assets after deducting all its liabilities. In the former case, the instrument is classified as a financial liability; in the latter case, the instrument is classified as an equity instrument.

(4) Derivative financial instruments and embedded derivative instruments

The Center's derivative financial instruments include forward exchange contract, currency exchange rate swap contracts, interest rate swap contracts and foreign exchange option contracts, etc. Derivative financial instruments are initially measured at the fair value of the date a derivative contract entered into and subsequently measured at their fair value. Derivative financial instruments of positive fair value are recognized as assets; those of negative fair value are recognized as liabilities. Any gains or losses arising from changes in fair value which do not meet the requirements of hedge accounting are directly recognized to profit or loss for the current period.

For hybrid instrument with embedded derivative, if the host contract is a financial asset, the hybrid instrument as a whole applies the relevant policies in classification of financial assets. If the host contract is non-financial assets and the hybrid instrument is not treated at fair value through profit or loss, the economic features and risks of the embedded derivative are not closely related to that of the host contract, and a similar instrument with the same terms as the embedded derivative would meet the definition of a derivative, then embedded derivative is separated from hybrid instrument and accounted for as a derivative. If embedded derivative is unable to measure separately either at acquisition or subsequently at balance sheet date, hybrid instrument as a whole is designated as financial assets or liabilities at fair value through profit or loss.

(5) Fair value of financial instruments

Determination of fair value of financial assets and financial liabilities refers to Note IV. 35.

(6) Impairment of financial assets

The Center assesses impairment and accrued for provision for impairment on the basis of expected credit losses on the following items:

- ① Financial assets at amortized costs;
- ② Receivables and debts investment at FVTOCI;
- ③ Contract assets as defined in "Accounting Standards for Business Enterprises No. 14-Revenue";
- ④ Lease receivables;
- ⑤ Financial guarantee contracts (Except for those measured at fair value through profit or loss, transfer of financial assets that does not meet the conditions for derecognition or continuing involvement in transferred financial assets).

Measurement of expected credit losses (ECL)

Expected credit losses are a probability-weighted estimate of credit losses over the expected life of the financial instrument. A credit loss is the present value of the difference between the contractual cash flows that are due to an entity under the contract; and the cash flows that the entity expects to receive, i.e. the present value of all cash shortfalls.

The Center considers reasonable and well-founded information about past events, current conditions, and predictions of future economic conditions, and uses the risk of default as a weighting to calculate the difference between the contractual cash flow receivable and the discounted probability - weighted measurement of expected cash flow and such difference is recognized as expected credit loss.

The Center measures the expected credit losses of financial instruments at different stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, that is the first stage, The Center provides for loss allowance that results from default events that are possible within the next 12-months. For those credit exposures for which there has been a significant increase in credit risk since initial recognition but are not credit-impaired, that is second stage, The Center provides for loss allowance expected over the lifetime of the exposure. For those credit exposures for which there has been credit impairment after initial recognition, that is third stage, The Center provides for loss allowance expected over the lifetime of the exposure.

For financial instruments with lower credit exposures on the balance sheet date, The Center assumes that their credit exposures have not increased significantly since initial recognition, the credit losses is measured according to the expected credit losses in next 12-month.

Lifetime expected credit losses refers to the expected credit losses that result from all possible default events over the expected life of a financial instrument. 12-month expected credit losses refers to the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date (in case the expected lifetime of a financial instrument is shorter than 12 months, the lifetime expected credit losses is over its expected lifetime).

The maximum period to be considered when estimating ECLs is the maximum contractual period over which The Center is exposed to credit risk, including renewal options.

For the financial instruments at the first and second stages and with low credit risks, The Center calculates the interest income based on the book balance and the effective interest rate before deducting the impairment provisions. For financial instruments at the third stage, interest income is calculated based on the amortised cost after deducting impairment provisions made from the book balance and the effective interest rate.

For notes receivable, accounts receivable and contract assets, regardless of whether there is a significant financing component, The Center always makes provision for impairment at an amount equal to lifetime ECLs.

Debt investment and other debt investment

For debt investment and other debt investment, the Center calculates the expected credit loss based on the default risk exposure and the expected credit loss rate within the next 12 months or the entire duration according to the nature of the investment and the various types of counterparties and risk exposures.

Assessment of significant increase in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly upon initial recognition, The Center compares the risk of default of the financial instrument at the balance sheet date with that at the date of initial recognition to determine the relative change in risk of default within the expected lifetime of the financial instrument.

In determining whether the credit risk has increased significantly upon initial recognition, The Center considers reasonable and well-founded information, including forward-looking information, which can be obtained without unnecessary extra costs or efforts. Information considered by The Center includes:

- ① The debtor's failure to make payments of principal and interest on their contractually due dates;
- ② An actual or expected significant deterioration in a financial instrument's external or internal credit rating (if any) ;
- ③ An actual or expected significant deterioration in the operating results of the debtor;
- ④ Existing or expected changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to The Center.

Depending on the nature of the financial instruments, The Center assesses whether there has been a significant increase in credit risk on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on their common credit risk characteristics, such as past due information and credit risk ratings.

The Center determines that the credit risk on a financial asset has increased significantly if it is more than 30 days.

Credit-impaired financial assets

At balance sheet date, The Center assesses whether financial assets measured at amortised cost and debt investments measured at fair value through other comprehensive income are credit-impaired. A

financial asset is credit-impaired when one or more events that have an adverse effect on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired:

- Significant financial difficulty of the issuer or debtor;
- A breach of contract by the debtor, such as a default or delinquency in interest or principal payments;
- For economic or contractual reasons relating to the debtor's financial difficulty, The Center having granted to the debtor a concession that would not otherwise consider;
- It becoming probable that the debtor will enter bankruptcy or other financial reorganization;
- The disappearance of an active market for that financial asset because of financial difficulties of the issuer or debtor.

Presentation of provisions for ECLs

ECLs are remeasured at each balance sheet date to reflect changes in the financial instrument's credit risk upon initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss for the current period. For financial assets measured at amortised cost, the provisions of impairment is deducted from the carrying amount of the financial assets presented in the balance sheet; for debt investments at fair value through other comprehensive income, The Center makes provisions of impairment in other comprehensive income without reducing the carrying amount of the financial asset.

Write-offs

The book balance of a financial asset is directly written off to the extent that there is no realistic prospect of recovery of the contractual cash flows of the financial asset (either partially or in full). Such write-off constitutes derecognition of such financial asset. This is generally the case when The Center determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with The Center's procedures for recovery of amounts due.

If a write-off of financial assets is later recovered, the recovery is credited to profit or loss in the period in which the recovery occurs.

(7) Transfer of financial assets

Transfer of financial assets refers to the transfer or delivery of financial assets to another party other than the issuer of such financial assets (the transferee).

If The Center transfers substantially all the risks and rewards of ownership of the financial asset to the transferee, the financial asset shall be derecognised. If The Center retains substantially all the risks and rewards of ownership of a financial asset, the financial asset shall not be derecognized.

If The Center neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, it accounts for the transaction as follows: if The Center does not retain control, it derecognises the financial asset and recognises any resulting assets or liabilities; if the control over the financial asset is not waived, the relevant financial asset is recognised according to the extent of its continuing involvement in the transferred financial asset and the relevant liability is recognised

accordingly.

(8) Offset of financial assets and financial liabilities

If The Center owns the legitimate rights of offsetting the recognised financial assets and financial liabilities, which are enforceable currently, and The Center plans to realise the financial assets or to clear off the financial liabilities on a net amount basis or simultaneously, the net amount of financial assets and financial liabilities shall be presented in the balance sheet upon offsetting. Otherwise, financial assets and financial liabilities are presented separately in the balance sheet without offsetting.

10. Hedge accounting

“Companies that have not yet implemented New Financial Instruments Standards”:

At the inception of a hedge relationship, The Center formally designates and documents the hedge relationship to which The Center wishes to apply hedge accounting, the risk management objective and its strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how The Center will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Certain transactions of derivative financial instruments provide an effective economic hedge to risks as managed by The Center's risk management, but these transactions do not meet the above criteria of hedge accounting and therefore, they are treated as derivatives held for trading and the changes in their fair value are recognized in profit or loss. Hedges which meet the strict criteria of hedge accounting are accounted for in accordance with The Center's hedge accounting policies below.

Fair value hedge

Fair value hedge refers to a hedge of the exposure to changes in fair value of a recognized asset or liability or an unrecognized firm commitment, or a component of any such item, that is attributable to a particular risk and could affect profit or loss. For fair value hedge, the carrying amount of hedged items is adjusted by the hedging gain or loss on the hedged item in offsetting risk position and the hedging gain or loss is recognized in profit or loss for current period; and the difference in fair value remeasurement of derivative financial instrument is recognized in profit or loss for current period.

If the hedged item is a financial instrument measured at amortized cost, any adjustment to the carrying amount of the hedged item is amortized to profit or loss. The amortization is based on a recalculated effective interest rate at the date that amortization begins. Amortization may begin as soon as an adjustment exists and begin no later than when the hedged item ceases to be adjusted for hedging gains and losses.

When unrecognized firm commitment is designated as a hedged item, the cumulative change in the fair value of the hedged item subsequent to its designation is recognized as an asset or a liability with a corresponding gain or loss recognized in profit or loss. Change in fair value of hedge instrument is also recognized in profit or loss for current period.

When the hedge instrument expires, is sold, terminated or exercised, or hedging relationship is no longer

in accordance with conditions of hedging accounting, or The Center cancels the designation of hedging relationship, The Center will cease to adopt fair value hedging accounting.

Cash flow hedge

Cash flow hedge refers to a hedge of exposure from cash flow changes. This variability in cash flows is attributable to a particular risk associated with a recognized asset or liability or a highly probably forecast transaction and can affect profit or loss. The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized in owners' equity. Any remaining gain or loss on the hedging instrument that is hedged ineffective is recognized in profit or loss for the current period.

When the hedged cash flow affects profit or loss, the gains or losses of hedge instruments previously recognized in shareholders' equity are transferred to profit or loss in the current period. When the hedge instrument expires, is sold, terminated or exercised, or if the hedging no longer fulfills the accounting requirement of a hedge, the gains or losses previously recognized in shareholders' equity are not transferred temporarily until the forecast transactions actually occurs. If the forecast transactions are not expected to occur, then the gains or losses of hedge instruments previously recognized in shareholders' equity are transferred to profit or loss for the current period.

“Companies that have implemented New Financial Instruments Standards”:

When the initial hedging relationship is designated, the Center formally designates the hedging instrument and the hedged item, and has formal written documents to record the hedging relationship, risk management strategy and risk management objectives. The contents of the records include the hedging instrument, the hedged item, the nature of the hedged risk and the evaluation method of the hedging effectiveness.

The Center continuously evaluates the effectiveness of hedging and judges whether the hedging meets the requirements of hedging accounting for effectiveness during the accounting period in which the hedging relationship is designated. If it is not satisfied, the hedging relationship shall be terminated. The application of hedge accounting shall meet the following requirements for the effectiveness of hedging:

- (1) There is an economic relationship between the hedged item and the hedging instrument.
- (2) In the value changes caused by the economic relationship between the hedged item and the hedge instrument, the influence of credit risk does not play a dominant role.
- (3) the hedging relationship of the hedging ratio, amount of the hedged item shall be equal to the enterprise actual hedging and its hedging ratio of the actual number of the hedging instrument, but should not reflect the hedged item and the hedging tools relative weight imbalance, the imbalance will lead to the hedging is invalid, and may be produced with the hedging accounting target inconsistent results.

The Center shall terminate the use of hedge accounting under any of the following circumstances:

- (1) Because of the change of risk management objectives, the hedging relationship no longer meets the risk management objectives.
- (2) The hedging instrument has expired, been sold, the contract has been terminated or exercised.
- (3) There is no economic relationship between the hedged item and the hedge instrument, or in the value change caused by the economic relationship between the hedged item and the hedge instrument, the influence of credit risk starts to play a dominant role.

(4) The hedge relationship no longer meets the other conditions of using the hedge accounting method.

Fair value hedging

The term "fair value hedging" refers to the hedging of the exposure to a change in the fair value of a recognized asset or liability of the Center, a firm commitment that has not been recognized, or a change in the fair value of a component of the said item arising from a specific risk that will affect the profit or loss or other comprehensive income of the enterprise.

For fair value hedging, the gain or loss generated by the hedging instrument is recorded into the current profit or loss. The gain or loss of the hedged item due to the hedged risk exposure is recorded into the profit or loss of the current period, and the book value of the recognized hedged item that is not measured at its fair value is adjusted.

If the hedged item is a financial instrument (or its components) measured at amortized cost, the adjustment to the book value of the hedged item shall be amortized at the effective interest rate recalculation on the date of the beginning of amortization and shall be recorded into the profit or loss of the current period.

If the hedged item is an unrecognized definite commitment (or part thereof), the accumulated change in the fair value caused by the hedged risk after the designation of the hedging relationship shall be recognized as an asset or liability, and the relevant gains or losses shall be recorded into the profits and losses of each relevant period. When an asset or liability is acquired due to the performance of a certain commitment, the initial recognized amount of the asset or liability is adjusted to include the accumulated change in the fair value of the recognized hedged item.

Cash flow hedging

The term "cash flow hedging" refers to hedging against the risk of changes in cash flow. Such cash flow changes arise from specific risks related to recognized assets or liabilities, anticipated transactions that are highly likely to occur, or components of the above items, and will affect the profit or loss of the enterprise.

The gains or losses generated by the hedging instrument, which are valid for hedging, shall be taken as the cash flow hedging reserve and recorded into other comprehensive income. The part belonging to the invalid hedging (that is, other gains or losses after deducting other comprehensive income) shall be included in the profit or loss for the current period.

For cash flow hedging, a hedged item for the forecast transaction, and the forecast transaction makes the group then confirm a non-financial asset or non-financial liability, or a non-financial asset or non-financial liability expectations of a deal to form a suitable for the determination of fair value hedging accounting commitment, the group will be the original in other comprehensive income to confirm the amount of cash flow hedging reserve roll-out, included in the amount of initial recognition of assets or liabilities.

For a cash flow hedge that does not fall into the above circumstances, the Center will transfer out the cash flow hedge reserve amount originally recognized in other comprehensive income during the same period when the expected cash flow of the hedge affects the profit or loss and record it into the profit or loss for the current period.

If the amount of cash flow hedge reserve recognized in other comprehensive income is a loss, and the loss is not fully or partially expected to be made up in the future accounting period, when the Center is

expected to be made up, the part that is not expected to be made up will be transferred out of other comprehensive income and recorded into the profit or loss for the current period.

When the Center applies the hedge accounting for the termination of the cash flow hedge, if the future cash flow to be hedged is still expected to occur, the amount of the accumulated cash flow hedge reserve recognized in other comprehensive income will be retained until the expected transaction actually occurs, and then it will be treated according to the above-mentioned accounting policies for the cash flow hedge. If the future cash flow to be hedged is no longer expected to occur, the amount of the accumulated cash flow hedge reserve recognized in other comprehensive income shall be transferred out from other comprehensive income and recorded into profit or loss for the current period. The hedged future cash flow is no longer expected to occur but may still be expected to occur. In the case of expected occurrence, the amount of the accumulated cash flow hedge reserve will be retained until the expected transaction actually occurs, and then it will be treated according to the accounting policy of the above cash flow hedge.

11. Receivables

“Companies that have not yet implemented New Financial Instruments Standards”:

Receivables include notes receivable, accounts receivables and other receivables.

(1) Receivables that are individually significant and assessed individually for impairment

Criteria of individually significant receivables: the carrying amount of receivables of over RMB 50 million (50 million inclusive) are recognized as individually significant receivable.

Method of provisioning for bad and doubtful debts for receivables that are individually significant and assessed individually: Receivables that are individually significant are subject to separate impairment assessment, if there is objective evidence of impairment, provision for bad debts is recognized on the shortfall between the present value of future cash flows and the carrying amount.

For receivables not having been individually assessed as impaired, The Center makes impairment assessment collectively.

(2) Receivables that are individually insignificant but assessed individually for impairment

Reasons for provision individually	Litigation receivables, receivables from customer with deteriorating creditability.
Method of provision	Recognize the provision for bad debts on the shortfall between the present value of future cash flows and the carrying amount.

(3) Receivables that are collectively assessed for impairment

Other receivables with insignificant individual amounts are divided into several portfolios based on credit risk characteristics. Based on the actual loss rate of the accounts receivable portfolio with similar or similar credit risk characteristics in the previous year, each portfolio is determined based on the current situation. The provision for bad debts that should be provided for the current period as determined on the ratio of provision for bad debts.

“Companies that have implemented New Financial Instruments Standards”:

Refer to Note IV.9 **“Companies that have implemented New Financial Instruments Standards” – (6) Impairment of financial assets.**

12. Inventories

(1) Classification of inventories

Inventories of The Center include raw materials, semi-finished goods and work-in progress (including completed but unsettled construction projects and real estate products under development), finished goods (including completed real estate products), reusable materials (packaging materials, low-value consumables), and consumptive biological assets.

(2) Method for calculating value of inventories and amortization

The Center adopts perpetual inventory system. Inventories are measured at the actual cost on acquisition. Actual cost of issuing inventory is determined according to the characteristics of different industries. Production entities and trading entities are using weighted-average cost method, first-in-first-out method or specific identification method. Low value consumables and low value packaging materials are one-time write off when taken for use.

Construction contract is measured on actual costs, including both direct and indirect expenses, that attributable to the contract execution, incurred from the date of contract to the date of completion. Presentation of construction contract in balance sheet is being the net amount of cumulative costs incurred and cumulative gross margin (loss) recognized deducting the amount of billings. When the total of cumulative costs incurred and cumulative gross margin (loss) recognized in construction contract is exceeding the amount of billings, the net amount is presented as "Completed but not billed balances arising from construction contracts" in inventories. When the amount of billings in construction contract is exceeding the total of cumulative costs incurred and cumulative gross margin (loss) recognized, the net amount is presented as "Billed but not completed balances arising from construction contracts" in advance from customers.

For those travelling expenses and bidding fees arising for obtaining the contract, if the cost can be distinguished and reliable measured and the contract is likely to be concluded, they are included in the contract cost when the contract concluded. Otherwise, they are recorded in profit or loss for the current period.

(3) Provision for decline in value of inventories

At balance sheet date, when the cost of inventory exceeds its net realizable value, provision for decline in value of inventories is recognized. The Center usually recognizes provision for decline in value of inventories by a single or group of inventory item. When the factors causing the inventory impairment no longer exist, the provision for decline in value of inventories previously made is reversed.

(4) Basis for determining the net realizable value

Net realizable value is the estimated selling price less estimated costs to be incurred upon completion, estimated selling expenses and related taxes. When determining the net realizable value of inventory, basis is relied on the actual evidences obtained while the objectives of inventories holding and the impact of post balance sheet date event are also considered.

13. Long-term equity investments

Long-term equity investments include equity investments where the Center has control of, or significant influence over and equity investments in joint venture. Where the Center can exercise significant influence over the investee, the investee is an associate.

(1) Determination of investment cost

Long-term equity investment acquired through a business combination: For a business combination involving enterprises under common control, the initial investment cost of a long-term equity investment is the combining party's share of the carrying amount of the owners' equity of the combined party in the consolidated financial statements of the ultimate controlling party at the date of combination. For a business combination not involving enterprises under common control, the initial investment cost of a long-term equity investment is the cost of acquisition. Business combinations involving entities under common control achieved in stage that involves multiple transactions, the initial investment cost of a long-term equity investment is sum of the book value of long-term equity investment which prior to the purchase date and the new investment amount of purchasing date.

Long-term equity investment acquired other than through a business combination: For a long-term equity investment acquired by cash, the initial investment cost is the amount of cash paid. For a long-term equity investment acquired by issuing equity securities, the initial investment cost is the fair value of the equity securities issued.

(2) Subsequent measurement and recognition of profit or loss

The Center has the control of the investee is accounted for using the cost method. The investment in associates and joint ventures are accounted for using the equity method.

For long-term equity investment which is accounted for using the cost method, investment income is recognized in profit or loss for the current period as the cash dividend or profit announced and distributed, except for those cash dividend or profit which have already included in the actual payment or consideration of offer when the investment was made.

For long-term equity investment which is accounted for using the equity method, where the initial investment cost of a long-term equity investment exceeds The Center's interest in the fair values of the investee's identifiable net assets, no adjustment is made to the initial investment cost. Where the initial investment cost is less than The Center's interest in the fair values of the investee's identifiable net assets, the difference is charged to profit or loss for the current period, and the carrying amount of the long-term equity investment is adjusted accordingly.

Under the equity method, The Center recognizes its share of the investee's net profit or losses, as well as its share of the investee's other comprehensive income, as investment income or losses and other comprehensive income, and adjust the carrying amount of the investment accordingly. The carrying amount of the investment is reduced by the portion of any profit distributions or cash dividends declared by the investee that is attributable to The Center. The Center's share of the investee's owners' equity changes, other than those arising from the investee's net profit or loss, other comprehensive income or profit distribution, is recognized in the capital reserve, and the carrying amount of the long-term equity investment is adjusted accordingly. The Center recognizes its share of the investee's net profits or losses based on the fair values of the investee's individual separately identifiable assets at the time of acquisition, after making appropriate adjustments thereto in conformity with the accounting policies and accounting periods of The Center.

When The Center becomes capable of exercising significant influence or joint control (but not sole control) over an investee due to additional investment or other reasons, the accounting is changed to the equity method and the initial investment cost on the date of change is the sum of the fair value of the previously-held equity investment and additional investment cost. The differences between the fair value and carrying amount of previously-held equity investment and the accumulated changes in fair value included in other

comprehensive income are transferred to profit or loss for the current period upon commencement of the equity method.

The unrealized profit or loss from internal transactions entered into between The Center and its associate or joint venture is offset according to the shareholding percentage held by The Center and the remaining portion is recognized as investment income or loss. However, the unrealized loss from internal transactions entered into between The Center and its investee is not offset if it belongs to impairment loss from assets transferred.

(3) Basis for recognition of joint control or significant influence over an investee

Control is The Center held the rights in investee and enjoys the changeable return through the participation relevant activities in the investee and has the ability to use the investee's rights to influence the return amount. Subsidiary refers to controlled by The Center (including enterprise, separable parts in investee and structuring bodies controlled by the enterprise, etc.).

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. In assessing whether joint control of an arrangement exists, The Center firstly assesses whether all the parties or a group of the parties control the arrangement collectively. When all the parties or a group of the parties must act together unanimously in directing the relevant activities, then all the parties or a group of the parties are regarded as having joint control of an arrangement. Then assess whether decisions about the relevant activities require the unanimous consent of those parties that control the arrangement collectively. When more than one combination of the parties can control an arrangement collectively, joint control does not exist. Protective rights of any party are not considered when determining joint 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 of those policies. When determining whether an investor can exercise significant influence over an investee, the effect of potential voting rights (for example, warrants, share options and convertible bonds) held by the investors or other parties that are currently exercisable or convertible be considered.

When The Center, directly or indirectly through subsidiaries, owns more than 20% (20% inclusive) but less than 50% of the voting shares of the investee, The Center has significant influence on the investee unless there is clear evidence to show that The Center cannot participate in the business and operation decisions of the investee, and accordingly cannot exercise any significant influence. When The Center owns less than 20% of the voting shares of the investee, The Center has no significant influence on the investee unless there is clear evidence to show that The Center can participate in the business and operation decisions of the investee, and accordingly can exercise a significant influence.

(4) Disposal of long-term equity investments

On disposal of a long-term investment, the difference between the carrying amount of the investment and the actual consideration paid is recognized in current profit or loss. For a long-term equity investments accounted for using the equity method, when dispose of the investment, same basis shall be adopted as if the investee is dispose relevant assets or liabilities, other comprehensive income shall be accounted for on a pro-rata basis according to the proportion of disposed investment.

When the joint control or significant influence over the invested unit are lost due to disposal of partial equity investment etc., the residual equity after disposal shall be recognized in current profit or loss as the variance between the fair value on the date of joint control or significant influence is lost and book value.

Other comprehensive income for the original equity investment confirmed by equity method should, when equity method is terminated for accounting, adopt the same accounting treatment as the investee directly dispose relevant assets or liabilities; the change of other owners' equity related to the original equity investment shall be transferred into current profit and loss.

When the control over the investee are lost due to disposal of partial equity investment etc., if the residual equity after disposal could exert common control or important influence over the investee, equity method shall be adopted for the accounting, and adjustment shall be made on this partial equity deemed that equity method has been used for accounting since the acquisition; when the residual equity after disposal could not exert common control or important influence over the investee, accounting treatment shall be made according to relevant regulations in Accounting Standard for Business Enterprises No. 22-The recognition and measurement of financial instruments, and the difference between the fair value and book value on the date when the control right is lost shall be recorded in the current profit and loss.

(5) Method of impairment testing and impairment provision

For investment of subsidiaries, associates and joint ventures, refer to Note IV. 23 for The Center's method of asset impairment.

14. Investment properties

Investment property is a property held to earn rentals or for capital appreciation. The Center's investment property includes land use rights and buildings leased to other party, and land use rights held for appreciation.

The Center's investment property is initially measured at acquisition cost, and is depreciated or amortized according to the same policy for fixed assets or intangible assets.

For investment properties that adopts the cost model for subsequent measurement, see Note IV.23 for the method of assessing asset impairment.

Investment properties of Jingcheng Electromechanical, Beijing Energy Group, and BBMG Group adopt fair value measurement. Investment properties of other companies adopt cost model for subsequent measurement. See Note IV. 23 for the method of accruing asset impairment.

The Center's investment properties have active property transaction market, and the Center can obtain market prices and other relevant information of same or similar property from the property transaction market, so as to make a reasonable estimate of the fair value of the investment properties. The Center adopts the fair value model for subsequent measurement of investment property, and any change in fair value are included in the profit or loss for the current period.

When determining the fair value of investment properties, it is reference to the current market price of the same or similar property in active market. If the current market price of the same or similar property cannot be obtained, it is reference to the latest transaction price of the same or similar or similar property in active market, and consider the transaction circumstance, transaction date, location and other factors, so as to make a reasonable estimate of the fair value of investment properties; or based on the present value of the relevant cash flow of expected future rental income to determine its fair value.

When an investment property is sold, transferred, retired or damaged, the amount of proceeds on disposal of the property deducting the carrying amount and related taxes and surcharges is recognized in profit or

loss for the current period.

15. Fixed assets

(1) Recognition of fixed assets

Fixed assets are tangible assets that are held for use in the production or supply of services, for rental to others, or for administrative purposes and have useful lives more than one accounting year.

Fixed assets are only recognized when its related economic benefits are likely to flow to The Center and its cost can be reliably measured.

Fixed asset are initially measured at cost when acquired.

(2) Category of fixed assets and depreciation methods

The Center adopts straight line method in providing depreciation. Fixed assets start to provide depreciation when they reach the intended status of use, and ceased to continue depreciation when they are derecognized or classified as non-current assets held for sale. Without considering provision for impairment, the annual depreciation rate of various fixed assets is determined according to the category of fixed assets, estimated useful lives and estimated residual value. For impaired fixed assets, cumulative amount of impairment provision is deducted in determining the depreciation rate.

(3) Impairment testing and the impairment provision of fixed assets refers to Note IV. 23.

(4) Determination and measurement of fixed assets under financing lease

“Companies that have not yet implemented the new lease standard”:

Fixed assets under lease arrangement are determined as fixed assets under financing lease if they meet one or more of the following criteria:

- ① The ownership of leased assets is transferred to The Center by the end of the lease term.
- ② The Center has the option to purchase the asset at a price that is expected to be sufficiently lower than the fair value at the date of the option becomes exercisable for it to be reasonably certain, at the inception of the lease, that the option will be exercised.
- ③ Lease term is for the major part of the useful life of the asset even if the ownership of assets is not transferred.
- ④ At the inception of lease, the present value of minimum lease payments amounts to at least substantially all of the fair value of leased asset.
- ⑤ Leased assets are of such a specialized nature that only The Center can use them without major modifications.

At inception date of lease, the leased assets are recognized at the lower of the fair value of leased asset at inception date and the present value of minimum lease payments. Amount of minimum lease payments is recorded as long term payables, and the difference between them is recorded as unrecognized

financing charges. Initial direct costs such as service charges, legal fee, travelling expenses and stamp duty of the lease incurred for the lease are recognized in the amount of leased assets. Unrecognized financing charges are amortized over the lease term by effective interest method.

Fixed assets under financing lease are depreciated on a basis consistent with the depreciation policy adopted for fixed assets that are self-owned. When a leased asset can be reasonably determined that its ownership will be transferred at the end of the lease term, it is depreciated over the expected useful life. When there is uncertainty about the ownership of leased asset will be transferred at the end of the lease term, the leased asset is depreciated over the shorter of the lease term and the expected useful life.

- (5) The Center reviews the useful life, estimated net residual value and the depreciation method of fixed assets at the end of each financial year

Useful lives of fixed assets are adjusted if they are different with the initial estimates. Estimated net residual values are adjusted if they are different with the initial estimates.

- (6) Overhaul costs

The overhaul costs incurred in regular inspection of fixed assets are capitalized as cost of fixed assets if there is clear evidence that it meets the recognition criteria of fixed assets. It is recognized in profit or loss for the current period if it does not meet the recognition criteria of fixed assets. Depreciation continues during the period of regular overhaul.

16. Construction in progress

Construction in progress is recognized based on the actual construction cost, including all expenditures incurred for construction projects, capitalized borrowing costs for the construction in progress before it has reached the working condition for its intended use and other related expenses during the construction period.

Construction in progress is transferred to fixed assets when it has reached the working condition for its intended use.

Provision for impairment of construction in progress refers to note IV. 23.

17. Borrowing costs

- (1) Recognition of borrowing costs capitalization

Borrowing costs are capitalized when they are directly attributable to the acquisition, construction or production of a qualifying asset and included in the cost of related assets. Other borrowing costs are recognized as expenses and recorded in profit or loss for the current period when incurred. Capitalization of such borrowing costs commenced only when all of the following conditions are satisfied:

① Expenditures for the asset are being incurred, capital expenditure includes the expenditure in the form of cash payment, transfer of non-cash assets or interest bearing liabilities for the purpose of acquiring or constructing assets eligible for capitalization;

② Borrowing costs are being incurred; and

③ 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.

(2) Borrowing costs capitalization period

Capitalization of such borrowing costs ceases when the qualifying assets being acquired, constructed or produced become ready for their intended use or sale. Borrowing cost incurred after the qualifying assets became ready for their intended use or sale is recognized as an expense when incurred and recorded in profit or loss for the current period.

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. Borrowing costs continues to be capitalized during the normal suspension period.

18. Biological assets

(1) Criteria of recognition of the biological assets

Biological assets refer to the assets constituted by living animals and plants. Biological assets are recognized only when the Center can satisfy all of the following conditions:

- ① The Center owns or controls the biological asset due to past transactions or events.
- ② The associated economic benefits are likely to flow into the Center;
- ③ The costs of biological assets can be measured reliably.

(2) Classification of biological assets

The Center's biological assets include consumptive biological assets, productive biological assets and public welfare biological assets.

① Consumptive biological assets

Consumptive biological assets include biological assets held for sale, or harvested in the future as agricultural products consisting of growing field crops, vegetables, commercial forests, livestock on hand etc. Consumptive biological assets are initially measured at cost. The cost of consumptive biological assets by self-cultivating, constructing, breeding or planting is the necessary expenditure directly attributable to the consumptive biological assets incurred before crown closure including qualifying borrowing costs. The subsequent expenditure for managing, protecting and feeding the consumptive biological assets after crown closure is recognized in profit or loss.

When consumptive biological assets are harvested or sold, the cost of consumptive biological assets being harvested or sold is measured by weighted average method.

② Productive biological assets

Productive biological assets include biological assets held for the purpose of producing agricultural products, rendering labor services, renting etc., consisting of the economic forests, fuel forests, productive livestock, draught animals etc. Productive biological assets are initially measured at cost. The cost of

productive biological assets by self-growing or breeding is the necessary expenditure directly attributable to the productive biological assets incurred before achieving the expected objective of production and operation including qualifying borrowing costs.

The subsequent expenditure for managing, protecting and feeding the productive biological assets after crown closure or achieving the expected objective of production and operation is recognized in profit or loss.

Depreciation of productive biological assets is calculated using the straight-line method, and the depreciation rate is determined after deducting the residual value based on the estimated useful life of various biological assets.

The Center reviews the useful life, estimated net residual value, and depreciation method of Productive biological assets at least at the end of each year. Any changes will be treated as changes in accounting estimates.

The difference of the disposal income from the sale, inventory loss, death or damage of productive biological assets after deducting its carrying value and related taxes is included in the profit or loss for the current period.

③ Public welfare biological assets

Public welfare biological assets refer to the biological assets whose main purpose is protection and environmental protection, including windbreak and sand fixation forests, soil and water conservation forests and water resource conservation forests. Biological assets for public welfare shall be initially measured according to the cost. The cost of a self-created public welfare biological asset refers to the necessary expenditures that can be directly attributed to the asset before the asset is closed, including the borrowing costs that meet the capitalization conditions.

Subsequent expenditures such as management and maintenance expenses and feeding expenses incurred after the closure of public welfare biological assets shall be recorded into the profit or loss for the current period.

Public welfare biological assets shall be measured according to the cost. There is no provision for impairment of public welfare biological assets.

The balance of the disposal income from the sale, inventory loss, death or damage of public welfare biological assets after deducting its carrying value and relevant taxes and fees is recorded into the profit or loss for the current period.

(3) Impairment of biological assets

If the net realizable value of consumptive biological assets is lower than its carrying value, the provision for decline in value of biological assets shall be accrued according to the difference between the net realizable value lower than the carrying value and included in the profit or loss for the current period. If the factors affecting the impairment of consumptive biological assets have disappeared, the write-down amount shall be reversed and not exceeding the amount of previous provision for decline in value, and the reversal amount shall be included in the profit or loss for the current period.

Refer to Note IV. 23 for the method of accruing asset impairment for productive biological assets.

No provision for impairment is provided for public welfare biological assets.

19. Right-of-use assets

(1) Recognition of right-of-use assets

The Center's right-of-use assets refer to the Center's right to use the leased assets during the lease term as the lessee.

On the beginning date of the lease period, the right-of-use assets shall be initially measured at cost. The cost includes: the initial measurement amount of the lease liability; the amount of lease payment paid on or before the commencement date of the lease term, if there is a lease incentive, the relevant amount of lease incentive already enjoyed will be deducted; initial direct expenses incurred by the Center as the lessee; the costs which the Center, as the lessee, expects to incur in dismantling and removing the leased assets, restoring the premises on which the leased assets are located or restoring the leased assets to the state agreed in the lease contracts. The Center, as the lessee, recognizes and measures the costs of demolition and restoration in accordance with the Accounting Standards for Business Enterprises No. 13 - Contingencies. Subsequent adjustments are made for any remeasurement of lease liabilities.

(2) Depreciation method of the right-of-use assets

The Center adopts the straight line method for depreciation. Where the Center, as the lessee, can reasonably determine that it obtains the ownership of the leased assets upon expiration of the lease term, depreciation is provided over the remaining service life of the leased assets. Where it is unable to reasonably determine that the ownership of the leased asset can be obtained at the expiration of the lease term, depreciation is provided in the shorter period between the lease term and the remaining useful life of the leased asset.

(3) Impairment method of right-of-use assets refers to Note IV. 23.

20. Intangible assets

The Center's intangible assets include land use rights, software, intellectual property rights, patent rights, non-patent technology, trademark rights, copyrights, franchise rights, mining rights, exploration rights, etc.

Intangible asset is initially measured at cost and its useful life is determined on acquisition. An intangible asset with a finite useful life is amortized by a method which can reflect the expected realization of economic benefits related to the asset since the intangible asset is available for use. When the expected realization of economic benefits cannot be reliably determined, intangible asset is amortized under straight-line method. An intangible asset with an indefinite useful life is not amortized.

The Center reviews the finite useful life of an intangible asset and the amortization method at the end of each financial year. Any change is accounted for as a change in accounting estimate.

On the balance sheet date, if it is expected that an intangible asset can no longer bring future economic benefits to The Center, the carrying amount of the intangible asset is fully transferred to the profit or loss for the current period.

Impairment method of intangible assets refers to Note IV. 23.

21. Research and development expenditure

Expenditure on an internal research and development project is classified into expenditure on the research phase and expenditure on the development phase.

Expenditure on the research phase is recorded in profit or loss when incurred.

Expenditure on the development phase is capitalized only when The Center can satisfy all of the following conditions: it is technical feasible that the intangible asset can be used or sold upon completion; there is intention to complete the intangible asset for use or sale; the intangible asset can generate economic benefits, including there is evidence that the products produced using the intangible asset has a market or the intangible asset itself has a market; if the intangible asset is for internal use, there is evidence that there is usage for the intangible asset; there is sufficient support in terms of technology, financial resources and other resources in order to complete the development of the intangible asset, and there is capability to use or sell the intangible asset; the expenses attributable to the development stage of the intangible asset can be measured reliably. Expenditure on the development phase is recorded in profit or loss for the current period if the above conditions are not met.

Research and development projects of The Center will enter into the development phase when they meet the above conditions and pass the technical feasibility and economic feasibility studies and necessary approval of the project.

Capitalized expenditure on the development phase is presented as “development costs” in the balance sheet and is transferred to intangible assets when the project is completed to its intended use.

22. Long-term deferred expenses

Long-term deferred expenses are recorded at the actual cost, and amortized evenly over the expected benefit period. For the long-term deferred expense that cannot benefit in future accounting period, their amortized value is recognized in profit or loss for the current period.

23. Impairment of assets

The impairment of subsidiaries, associates and joint ventures in the long-term equity investments, investment property subsequently measured at cost model, fixed assets, construction in progress, productive biological assets, right-of-use assets, intangible assets and goodwill (excluding inventories, investment property measured at fair value model, deferred income tax assets and financial assets) are determined as follows:

At each balance sheet date, The Center determines whether there may be indication of impairment of the assets, if there is any, The Center will estimate the recoverable amount of the asset, and perform test for impairment. For goodwill arising from a business combination, intangible assets with indefinite useful life and intangible assets that have not reached the usable condition are tested for impairment annually regardless of whether such indication exists.

The recoverable amount of an asset is determined by the higher of the net amount after deducting the disposal costs from the asset's fair value and the present value of the asset's estimated future cash flow. The recoverable amount of asset is estimated on individual basis. If it is not possible to estimate the recoverable amount of the individual asset, The Center determines the recoverable amount of the asset group to which the asset belongs. The identification of the asset group is based on whether the cash flow generated from the asset group is independent of the major cash inflows from other assets or asset groups.

When the asset or asset group's recoverable amount is lower than its carrying amount, The Center reduces its carrying amount to its recoverable amount, the reduced amount is recorded in profit or loss for the current period and the provision for impairment of assets is recognized.

For tests of goodwill impairment, the carrying amount of goodwill arising from a business combination is allocated reasonably to the relevant asset group since the acquisition date. If the carrying value of goodwill is unable to be allocated to asset group, the carrying value of goodwill will be allocated to asset portfolio. Asset group or portfolio of asset group is asset group or portfolio of asset group which can be benefit from synergies of a business combination and is not greater than the reportable segment of The Center.

In impairment testing, if indication of impairment exists in asset group or portfolio of asset group containing allocated goodwill, impairment test is first conducted on asset group or portfolio of asset group that does not contain goodwill, and corresponding recoverable amount is estimated and any impairment loss is recognized. Then asset group or portfolio of asset group containing goodwill is conducted impairment test by comparing its carrying amount and its recoverable amount. If the recoverable amount is less than the carrying amount, impairment loss of goodwill is recognized.

Once an impairment loss is recognized, it is not reversed in a subsequent period.

24. Employee benefits

(1) Scope of employee benefits

Employee benefits refer to all forms of consideration or compensation given by The Center in exchange for service rendered by employees or for the termination of employment relationship. Employee benefits include short-term employee benefits, post-employment benefits, termination benefits and other long-term employee benefits. Benefits provided to the employee's spouse, children, dependents, family members of deceased employees, or other beneficiaries are also employee benefits.

(2) Short-term employee benefits

In the accounting period in which employees have rendered services, The Center recognized the employee wages, bonus, social security contributions according to regulations such as medical insurance, work injury insurance and maternity insurance as well as housing funds as liability, and charged to profit or loss for the current period or cost of relevant assets. If the liability is not expected to be settled wholly in twelve months after the balance sheet date, and the amount is significant, the liability is measured at the discounted amount.

(3) Post-employment benefits

Post-employment benefit plan includes defined contribution plans and defined benefit plans. Defined contribution plans are post-employment benefit plans under which a corporate pays fixed contributions into an escrow fund and will have no further obligation. Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Defined contribution plans

Defined contribution plans include basic pension insurance, unemployment insurance and corporate annuity plan.

In addition to the basic pension insurance, the Center establishes an enterprise annuity plan ("annuity plan") in accordance with the relevant policies of the national enterprise annuity system, and employees

can participate in the annuity plan voluntarily. Apart from this, the Center has no other major employee social security commitments.

In the accounting periods which employees rendered services, the amount of defined contribution plan is recognized as liability and charged to profit or loss for the current period or cost of relevant assets.

Defined benefit plans

For defined benefit plans, independent actuaries estimate the actuarial value at the balance sheet date to determine the cost of welfare by using the Projected Unit Credit method. The Center recognizes the following components of employee benefits cost arising from defined benefit plan:

① service cost, comprising current service cost, past service cost and any gain or loss on settlement. Current service cost is the increase in the present value of the defined benefit plan obligation resulting from employee service in the current period. Past service cost is the increase or decrease in the present value of the defined benefit plan obligation for employee service in prior periods, resulting from a plan amendment.

② net interest on the defined benefit plan net liabilities or assets, including interest income on plan assets, interest cost on the defined benefit plan obligation and interest on the effect of the asset ceiling.

③ changes as a result of remeasurement of the net defined benefit plan liabilities or assets.

Item ① and item ② above are recognized in profit or loss for the current period unless another Accounting Standard requires or permits the inclusion of the employee benefit costs in the cost of assets.

Item ③ is recognized in other comprehensive income and is not reclassified to profit or loss in subsequent period. On termination of defined benefit plans, other comprehensive income previously recognized is transferred to retained earnings.

(4) Termination benefits

Termination benefits provided by The Center to employees are recognized as an employee benefits liability and charged to profit or loss for the current period at the earlier of the following dates: The Center cannot unilaterally withdraw the offer of termination benefits because of an employment termination plan or a curtailment proposal; and when The Center recognizes costs or expenses related to the restructuring that involves the payment of termination benefits.

For early retirement arrangement, early retirement benefits are accounted for termination benefits, in which the salaries and social security contributions to be paid to and for the early retired employees from the off-duty date to the normal retirement date are charged to the profit or loss for the current period. Compensations after the normal retirement date (such as formal endowment insurance) are accounted for as post-employment benefits.

(5) Other long-term employee benefits

Other long-term employee benefits provided by The Center to the employees satisfied the conditions for classifying as a defined contributions plan; those benefits are accounted for in accordance with the above requirements relating to defined contribution plan. When the benefits satisfied a defined benefits plan, they are accounted for in accordance with the above requirements relating to defined benefits plan, but

the movement of net liabilities or assets in re-measurement of defined benefit plan is recorded in profit or loss for the current period or cost of relevant assets.

25. Share-based payments

(1) Types of share-based payment

The share-based payment can be distinguished into equity-settled and cash-settled share-based payment

(2) Determination of fair value of equity instruments

If there exists an active market for options and other equity instruments granted by the Center, their fair value is determined on the price quotes in an active market. If an active market does not exist for options and other equity instruments granted by the Center, their fair value is determined by using an option pricing model. Selection of option pricing model considers the following factors: A) Exercise price of option; B) Validity period of option; C) Spot price of subject shares; D) Estimated volatility of share price; E) Estimated dividend of shares; F) Risk-free interest rate in the validity period of option.

(3) Basis for the best estimate of vested equity instruments

At each balance sheet date of the vesting period, the Center revises the number of equity instruments that will ultimately vest based on the best estimate of the latest number of eligible employees and other subsequent information. On vesting date, the number of expected vested equity instruments should be agreed with the actual number vested.

26. Bonds payable

The bonds issued externally shall be initially measured according to the amount that the fair value net of transaction expense, and subsequently measured at amortized cost using the effective interest method through the maturity date.

Interest expenses are directly recorded into profit or loss for the current period, except in certain situation where they meet the conditions of capitalization of borrowing costs.

27. Provisions

A provision is recognized as a liability when an obligation related to a contingency satisfied all of the following conditions:

- (1) The obligation is a present obligation of The Center;
- (2) It is probable that an outflow of economic benefits will be required to settle the obligation;
- (3) The amount of the obligation can be measured reliably.

Provisions are initially measured at the best estimate of the payment to settle the associated obligations and consider the relevant risk, uncertainty and time value of money. If the impact of time value of money is significant, the best estimate is determined as its present value of future cash outflow. The Center reviews the carrying amount of provisions at the balance sheet date and adjusts the carrying amount to reflect the best estimate.

If all or part of the expenses necessary for settling the provision is expected to be compensated by a third party, the amount of compensation is separately recognized as an asset when it is basically certain to be

received. The recognized compensation amount shall not exceed the carrying value of the provision.

28. Preference shares and perpetual bonds

The Center initially recognizes and measures financial instrument in accordance with the standards of financial instrument. On the basis of the category of financial instrument issued, interest is accrued or dividends are paid at each balance sheet date according to the relevant specific enterprise accounting standards. For the financial instrument classified as equity instrument, the interest or dividend paid is treated as profit distribution of the Center and the repurchase and cancellation of the financial instrument is treated as the movement in equity. For the financial instrument classified as financial liability, the interest or dividend paid is treated as borrowing cost for accounting treatment and gains or losses arising from the repurchase or redemption of financial instrument is recognized in profit or loss for the current period.

The transaction costs such as handle charges and commission in issuance of financial instrument are recognized in the initial recognition amount of issued instrument if it is classified as liability instrument and measured by amortized cost. The transaction costs are deducted from equity if it is classified as equity instrument.

29. Revenue recognition

“Companies that have not yet implemented the new revenue standards”:

(1) Sale of goods

Revenue from the sale of goods is recognized when The Center has transferred to the buyer the significant risks and rewards of ownership of the goods, The Center retains neither continuing managerial involvement nor effective control over the goods sold, and related income can be measured reliably and the economic benefits are likely to flow to The Center, and the associated costs can be measured reliably.

(2) Rendering of services

When the result of rendering of services can be measured reliably, The Center recognizes related revenue from services in accordance with the percentage of completion as at the balance sheet date.

The completion progress of rendering service is recognized by service cost incurred as a percentage of estimated total cost.

The result of rendering of services can be estimated reliably when all of the following conditions are satisfied: A) The amount of revenue can be measured reliably; B) The associated economic benefits are likely to flow into The Center; C) The completion progress of the transaction can be measured reliably; D) The costs incurred and to be incurred in the transaction can be measured reliably.

If the result of rendering of service transaction cannot be estimated reliably, revenue from rendering of services is recognized only to the extent of service cost incurred that is recoverable probably, and service cost incurred is charged to profit or loss for the current period. If the service cost incurred is not expected to be recoverable, no revenue is recognized.

(3) Transfer of the right to use assets

Revenue is recognized when the economic benefits associated with the transfer of the right to use assets can flow to The Center and the amount can be measured reliably.

(4) Construction contracts

Where the outcome of a construction contract can be estimated reliably at the balance sheet date, revenues and expenses associated are recognized using the percentage of completion method. Where the outcome of a construction contract cannot be estimated reliably, it is treated either: if contract costs is recoverable, contract revenue is recognized on actual contract costs that can be recovered and contract costs incurred is regarded as expenses in the current period. If the contract cost incurred is not recoverable, the contract cost is regarded as expenses and no revenue is recognized.

If the estimated total costs exceeds contract revenue, The Center recognizes estimated loss in profit or loss for the current period.

The completion progress of contract is recognized by contract cost incurred as a percentage of estimated total contract.

The outcome of a construction contract can be estimated reliably when all of the following conditions are satisfied: A) The amount of contract revenue can be measured reliably; B) The associated economic benefits are likely to flow to The Center; C) The actual contract costs incurred can be distinguished clearly and measured reliably; D) The completion progress of the contract and the costs need to be incurred to complete the contract can be measured reliably.

“Companies that have implemented the new revenue standards”:

The Center recognizes revenue when (or as) a performance obligation is satisfied, i.e. revenue is recognized when the control of the goods or services is transferred to the customer.

Where the contract includes two or more performance obligations, the Center determines the stand-alone selling price at contract inception of the distinct good or service underlying each performance obligation in the contract and allocates the transaction price in proportion to those stand-alone selling prices. Revenue of each performance obligation is measured on the allocated transaction price.

A performance obligation is satisfied over time if one of the following criteria is met, otherwise, it is a performance obligation satisfied at a point in time:

- ① when the customer simultaneously receives and consumes the benefits provided by the Center when the Center performs its obligations under the contract ;
- ② when the customer is able to control the goods in progress in the course of performance by the Center under the contract ;
- ③ when the goods produced by the Center under the contract are irreplaceable and the Center has the right to receive payment for performance completed to date during the whole contract term .

For performance obligations performed over a period of time, the Center recognizes revenue according to the progress of the performance during that period. If the Center cannot reasonably measure the outcome of a performance obligation, but the Center expects to recover the costs incurred in satisfying the performance obligation, then revenue is recognized only to the extent of the costs incurred until such time that the outcome of the performance obligation can be reasonably measured.

For performance obligations performed at a point in time, the Center recognizes revenue when the

customer obtains control of the goods or services. In determining whether a customer has obtained the control of goods or services, the Center will consider the following factors:

- ① The Center has a present right to receive payment for the goods or services, that is the customer is presently obliged to pay for the goods or services;
- ② the Center has transferred the legal title of the goods to the customer, that is the customer has legal title to the goods;
- ③ the Center has transferred physical possession of the goods to the customer, that is the customer has physical possession of the goods;
- ④ the Center has transferred the significant risks and rewards of ownership of the goods to the customer, that is the customer has the significant risks and rewards of ownership of the goods;
- ⑤ the customer has accepted the goods or services;
- ⑥ Other indications that the customer has obtained control of the goods.

A contract asset is the Center's right to consideration (and the right depends on other factors other than a passage of time) in exchange for goods or services that the Center has transferred to a customer. A contract asset is assessed for impairment on the basis of expected credit loss (refer to Note IV.9 "Companies that have implemented New Financial Instruments Standard"- (6)). A receivable represents the Center's unconditional right to consideration (only the passage of time is required) to be received from the customer. A contract liability represents the Center's obligation to transfer goods or services to a customer for which the Center has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to a contract are accounted for and presented on a net basis. If the net amount is debit balance, it is presented as "contract assets" or "other non-current assets" according to its liquidity; if the net amount is credit balance, it is presented as "contract liabilities" or "other non-current liabilities" according to its liquidity.

30. Contract costs

Contract costs consist of incremental costs of obtaining a contract and contract fulfillment costs.

Incremental costs of obtaining a contract are those costs that an entity incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained (for example, a sales commission). The Center recognizes as an asset the incremental costs of obtaining a contract with a customer if those costs are expected to be recoverable. Other expenses incurred by the Center other than the incremental costs that are expected to be recovered in obtaining a contract are recognized in profit or loss for the current period when incurred.

The Center recognizes as an assets the costs incurred in fulfilling a contract with a customer if those costs are not within the scope of another Standard (for example, Inventories) and meet all of the following criteria:

- ① the costs relate directly to a contract or to an anticipated contract, including direct labour, direct materials, manufacturing costs (or similar costs) , costs that are explicitly chargeable to the customer and other costs that are incurred only because the Center entered into the contract;
- ② the costs generate or enhance resources of the Center that will be used in satisfying performance obligations in the future; and
- ③ the costs are expected to be recovered.

Assets recognised on incremental costs of obtaining a contract and contract performance costs (hereinafter refer as “Contract assets”) are amortized on a systematic basis that is consistent to the revenue recognition of the related goods or services, and are charged to profit or loss for the current period.

The Center recognises provision for impairment of assets when the carrying amount of contract asset is higher than the difference between the following two items:

- ① the remaining amount of consideration that the Center expects to receive in exchange for the goods or services to which the asset relates;
- ② costs anticipated to be incurred for the transfer of goods or services.

As determined at contract inception, contract fulfilment costs that is recognised as an asset is presented as “inventories” if the amortization period is not more than one year or one operating cycle, or is presented as “other non-current assets” if the amortization period is more than 1 year or one operating cycle.

As determined at contract inception, incremental costs of obtaining a contract that is recognised as an asset is presented as “other current assets” if the amortization period is not more than one year or one operating cycle, or is presented as “other non-current assets” if the amortization period is more than 1 year or one operating cycle.

31. Government grants

Government grant is recognized when prescribed conditions are satisfied and the grant will be received.

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 transfer of a non-monetary asset, it is measured at fair value. If fair value cannot be reliably determined, it is measured at a nominal amount of RMB 1.

A government grant related to an asset is a grant obtained by The Center for purchase, construction or formation of long-term assets. The grant not related to an asset is classified as government grant related to income.

For government grant with unspecified purpose, the amount of grant used to form a long-term asset or related to an asset is regarded as government grant related to an asset, the remaining amount of grant is regarded as government grant related to income. If it is not possible to distinguish, the amount of grant is treated as government grant related to income.

A government grant related to an asset is either deducted the carrying amount of the asset, or recognized

as deferred income and amortized to profit or loss over the useful life of the related asset on a reasonable and systematic basis. For a government grant related to income, if the grant is a compensation for related expenses or losses already incurred, the grant is recognized immediately in profit or loss for the current period. If the grant is a compensation for related expenses or losses to be incurred in subsequent periods, the grant is recognized as deferred income, and recognized in profit or loss over the periods in which the related expenses or losses are recognized. Government grants measured at nominal amounts are directly recognized in profit or loss for the period. The Center adopts same treatment for those transactions of similar government grants.

Government grants relating to daily activities, according to the substance of business transaction, it is either recorded as other income or deduction of related expenditure. If it is not relating to daily activities, it is recorded as Non-operating income.

When there is requirement of refund the government grant, if there exists of the related deferred income balance, then the deferred income balance is reduced by the amount repayable, any excess is charged to profit or loss for the current period. Repayment of a government grant related to situation, it is directly charged to profit or loss for the current period.

32. Deferred tax assets and deferred tax liabilities

Income tax comprises of current tax and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that they relate to transactions or items recognized directly in equity and goodwill arising from a business combination.

Temporary differences arising from the difference between the carrying amount of an asset or liability and its tax base are recognized as deferred tax using the balance sheet liability method.

All the taxable temporary differences are recognized as deferred tax liabilities except for those incurred in the following transactions:

- (1) Initial recognition of goodwill or initial recognition of an asset or liability in a transaction which is neither a business combination nor affects accounting profit or taxable profit (or deductible loss) when the transaction occurs;
- (2) The taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, and The Center is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The Center recognizes a deferred tax asset for the carry forward of deductible temporary differences, deductible losses and tax credits to subsequent periods, to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, deductible losses and tax credits can be utilized, except for those incurred in the following transactions:

- (1) The transaction is neither a business combination nor affects accounting profit or taxable profit (or deductible loss) when the transaction occurs;
- (2) The deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, the corresponding deferred tax asset is recognized when both of the following conditions are satisfied: it is probable that the temporary difference will reverse in the foreseeable future and it is probable that taxable profits will be available in the future against which the temporary difference can be utilized.

At the balance sheet date, deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, and their tax effect is reflected.

At the balance sheet date, The Center reviews the carrying amount of a deferred tax asset. If it is probable that sufficient taxable profits will not be available in future periods to allow the benefit of the deferred tax asset to be utilized, the carrying amount of the deferred tax asset is reduced. Any such reduction in amount is reversed when it becomes probable that sufficient taxable profits will be available.

33. Leasing

“Companies that have not yet implemented the new lease standard”:

(1) Category of leasing

A finance lease is a lease that transfers in substance all the risks and rewards incidental to ownership of an asset (No matter the ownership finally transfer or not). An operating lease is a lease other than a finance lease.

If the leasing meets one or more of the following criteria should be recognized as finance lease:

- ① ownership of the asset is transferred to the lessee at the end of the lease term;
- ② the lease contains a bargain purchase option to buy the equipment at a price which is less than fair market value, therefore the lessee will be reasonably deemed to exercise this option at the beginning of leasing date;
- ③ the lease term is for the major part of the economic life of the asset even if the title is not transferred;
- ④ at the inception of the lease, the lease present value of the minimum lease payments amounts to at least substantially all of the fair value of the leased asset;
- ⑤ the leased assets are of a specialized nature such that only the lessee can use them without major modifications being made.

(2) Accounting treatment for the operating lease as lessee

Rental derived from operating leases is recognized as related asset cost or profit or loss for the current period using the straight-line method over the lease term.

The initial direct costs incurred are recognized in profit or loss for the current period.

Contingent rents are recognized in the profits and losses for current period when they actually arise.

(3) Accounting treatment for the finance lease as lessee

At the commencement of the lease, The Center recognizes the lower of the fair value of leased asset and the present value of minimum lease payments as the book value of the leased asset. Present value of minimum lease payments is recognized as long-term payables. The difference between the fair value of lease asset and the present value of minimum lease payments is accounted for as unrecognized finance

charge.

Initial direct costs such as service charges, legal fee, travelling expenses and stamp duty of the lease incurred for the lease are recognized in the amount of leased assets.

Unrecognized financing charges are amortized over the lease term by effective interest method.

Fixed assets under financing lease are depreciated on a basis consistent with the depreciation policy adopted for fixed assets that are self-owned. When a leased asset can be reasonably determined that its ownership will be transferred at the end of the lease term, it is depreciated over the expected useful life. When there is uncertainty about the ownership of leased asset will be transferred at the end of the lease term, the leased asset is depreciated over the shorter of the lease term and the expected useful life.

Contingent rents are recognized in the profits and losses for current period when they actually arise.

(4) Accounting treatment for the operating lease as lessor

Rental receipt from operating leases is recognized in profit or loss on a straight-line basis over the lease term.

If large amount of initial direct costs incurred, they are capitalized and subsequently recognized in profit or loss under the same basis of income recognition or straight line method; for smaller amounts of initial direct costs, they are recognized in profit or loss for current period when incur.

Contingent rents are recognized in the profits and losses for current period when they actually arise.

Assets leased out under operating leases are included in the balance sheet items according to their nature. The depreciation of fixed assets under operating leases is accordance with the depreciation policies on the similar assets of The Center. For other assets under operating lease, amortization is made on a systematic basis.

(5) Accounting treatment for the finance lease as lessor

At the commencement of the lease, The Center recognizes the sum of minimum lease receipt amount and initial direct costs as the recognized amount of finance leases receivable and also recognized the unguaranteed residual value. The difference between the aggregate of the minimum lease receipts, the initial direct costs and the unguaranteed residual value, and the aggregate of their present value is recognized as unearned finance income. Unrealized finance income is allocated over the lease period by effective interest method and finance income is recognized in profit or loss for the current period.

Contingent rents are recognized in the profits and losses for current period when they actually arise.

(6) Rental concession caused by COVID-19 epidemic

For rent concessions such as rent remission or deferred payment reached between the Group and the lessee or lessor on existing lease contracts directly caused by the COVID-19 epidemic, and meeting the following conditions, the Group adopts a simplified method for [houses and buildings] and other categories of leases:

① The lease consideration after the concession is reduced or basically unchanged compared with that before the concession, in which, the lease consideration is not discounted or discounted at the discount rate before the concession;

- ② The concession is only for the lease payment payable before June 30, 2021;
- ③ There are no significant changes in other terms and conditions of the lease after comprehensive consideration of qualitative and quantitative factors.

The Group does not evaluate whether a lease change has occurred.

When the Group is the lessee, the Group will continue to calculate the interest expense of the lease liability at the same discount rate as before the concession and record it into the profit or loss for the current period, and continue to carry out depreciation and other subsequent measurements on the Right-of-use assets in the same way as before the concession. In case of rent remission, the Group will take the remitted rent as the variable lease payment amount. When the original rent payment obligation is terminated by reaching a concession agreement, the Group will deduct the relevant asset cost or expense by the amount discounted at the undiscounted or pre-concession discount rate, and adjust the lease liability accordingly. In case of deferred rent payment, the Group shall write off the lease liabilities confirmed earlier when actually paying the rent. For short-term leases with simplified treatment and leases of low-value assets, the Group continues to record the rental under the original contract as the cost or expense of the relevant assets in the same manner as before the concession. In case of rent remission or reduction, the Group shall treat the remission or reduction of rent as variable lease payment and write off the cost or expense of relevant assets during the remission or reduction period. If the rent is delayed in payment, the Group shall recognize the rent payable during the original payment period as the payable amount, and deduct the payable amount confirmed earlier when the actual payment is made.

When the Group acts as the lessee, for the operating lease, the Group continues to recognize the original contract rent as lease income in the same way as before the concession. In case of rent remission or reduction, the Group shall treat the remission or reduction as variable lease payment and deduct the lease income during the remission or reduction period. If the rent collection is delayed, the Group will recognize the rent collected as receivable during the original collection period, and deduct the receivable confirmed in the earlier period when the rent is actually received. For finance leases, the Group continues to calculate interest and recognize it as lease income at the same discount rate as before the concession. In case of rent reduction or reduction, the Group will take the rent reduced or reduced as the variable lease payment amount. When the right to charge the original rent is waived by reaching a concession agreement, the Group will deduct the original confirmed lease income by the amount of discount before the concession or at the discount rate before the concession, and record the insufficient write-off into investment income, and adjust the receivable finance lease funds accordingly. In case of delayed payment of rent, the Group shall write off the finance lease receivable confirmed in the earlier period when it actually receives the rent.

“Companies that have implemented the new lease standard”:

(1) Identification of leases

On the beginning date of the contract, the Center (as a lessee or lessor) assesses whether the customer in the contract has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use and has the right to direct the use of the identified asset throughout the period of use. If a contract conveys the right to control the use of an identified asset and multiple identified assets for a period of time in exchange for consideration, the Center identifies such contract is, or contains, a lease.

(2) The Center as lessee

On the beginning date of the lease, the Center recognises right-of-use assets and lease liabilities for all leases, except for short-term lease and low-value asset lease with simplified approach.

The accounting policy for right-of-use assets is set out in Note IV. 19.

The lease liability is initially measured at the present value of the lease payments that are not paid at the beginning date of the lease using the interest rate implicit in the lease or the incremental borrowing rate. Lease payments include fixed payments and in-substance fixed payments, less any lease incentives receivable; variable lease payments that are based on an index or a rate; the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; payments for terminating the lease, if the lease term reflects the lessee exercising that option of terminating; and amounts expected to be payable by the lessee under residual value guarantees. Subsequently, the interest expense on the lease liability for each period during the lease term is calculated using a constant periodic rate of interest and is recognised in profit or loss for the current period. Variable lease payments not included in the measurement of lease liabilities are charged to profit or loss in the period in which they actually arise. The Center calculates the interest expense of the lease liability for each period of the lease term based on the fixed periodic interest rate and is included in the current profit and loss. The variable lease payments that are not included in the measurement of the lease liability are recognised in profit or loss when incurred.

Short-term lease

Short-term leases refer to leases with a lease term of less than 12 months from the commencement date, except for those with a purchase option.

Lease payments on short-term leases are recognised in the cost of related assets or current profit or loss on a straight-line basis over the lease term.

Low-value asset lease

A low-value asset lease is a lease that the value of a single leased asset is below RMB40,000 when it is a new asset.

For a low-value asset lease, the Center chooses the above simplified approach based on the specific circumstances of each lease.

Lease payments on low-value asset leases are recognised on a straight-line basis over the lease term, and either included in the cost of the related asset or charged to profit or loss for the current period.

(3) The Center as lessor

When the Center is a lessor, a lease is classified as a finance lease whenever the terms of the lease transfer substantially all the risks and rewards of asset ownership to the lessee. All leases other than financial leases are classified as operating leases.

Financing lease

In a financial lease, the Center uses the net investment in leases as the carrying amount of finance lease receivables at the inception of a lease. The net investment in leases is the sum of the unguaranteed residual value and the present value of the outstanding lease payment at the inception of a lease, discounted using the interest rate implicit in the lease. The Center, as the lessor, calculates and recognises the interest income over each period of the lease term at a fixed periodic interest rate. Variable lease payments not included in the measurement of the lease liability, which are obtained by the Center as a

lessor, are recognised in profit or loss as incurred.

The derecognition and impairment of financial lease receivables shall be accounted for in accordance with the "Accounting Standards for Business Enterprises No. 22-Recognition and Measurement of Financial Instruments" and "Accounting Standards for Business Enterprises No. 23-Transfer of Financial Assets".

Operating lease

Lease payments under operating leases are recognised in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in relation to operating leases are capitalised and amortised over the lease term on the same basis as rental income and recognised in profit or loss for the current period. The variable lease payments obtained in relation to operating leases that are not included in the lease payments are recognised in profit or loss in the period in which they actually incurred.

(4) Sale and leaseback

The lessee and the lessor shall assess and determine whether the transfer of assets in a sale and leaseback transaction is a sale in accordance with the requirements of the Accounting Standard for Business Enterprises No. 14 - Revenue.

Where asset transfer under the sale and leaseback transactions is a sale, the lessee shall measure the right-of-use assets created by the sale and leaseback based on the portion of carrying amount of the original assets related to right of use obtained upon leaseback, and only recognise relevant profit or loss for the right transferred to the lessor. The lessor shall account for the purchase of assets in accordance with other applicable ASBES and account for the lease of assets in accordance with this standard.

Where asset transfer under the sale and leaseback transactions is not a sale, the lessee shall continue to recognise the transferred assets while recognising a financial liability equal to the transfer income and account for such liability according to the Accounting Standard for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments; or not to recognise the transferred assets but recognise a financial asset equal to the transfer income and account for such asset according to the Accounting Standard for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments.

34. Held for sale and discontinued operations

(1) Classification and measurement of non-current assets or disposal group held for sale

Non-current assets or disposal group is classified as held for sale when The Center recovers their carrying amounts principally through a sale transaction (including exchange of non-monetary assets with commercial substance) rather than through continuing use.

The above non-current assets do not include investment properties measured at fair value model, biological assets measured at fair value less costs to sell, assets arising from employee benefits, financial assets, deferred tax assets and contractual rights under insurance contracts.

Disposal group is being a group of assets to be disposed of, by sale or otherwise, together as a group in a single transaction, and liabilities directly associated with those assets that will be transferred in the transaction. In specific case, the disposal group includes goodwill acquired in the business combination.

Non-current assets or disposal group is classified as held for sale only when all of the following conditions

are satisfied: the non-current asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets or disposal groups; the sale is highly probable, provided that a plan to sell is resolved by The Center, firm purchase commitment has been received and the sale will be completed within one year. When a sale plan of investment in subsidiary is involving loss of control of the subsidiary and is satisfying the conditions of classification as held for sale, regardless of whether The Center retains a portion of equity interest, the investment in that subsidiary is classified as held for sale in separate financial statements of The Center and all the assets and liabilities of that subsidiary is classified as held for sale in consolidated financial statements.

On initial measurement or subsequent remeasurement at balance sheet date of non-current assets or disposal groups held for sale, assets impairment loss is recognized when its carrying amount is higher than its fair value less costs to sell. For impairment loss recognized for a disposal group held for sale, the impairment loss is allocated firstly to reduce the carrying amount of any goodwill in the disposal group, then to each of the non-current assets of disposal group on the pro-rata basis of the carrying amount of each asset.

When the fair value less costs to sell of a non-current asset or disposal group is increase in subsequent balance sheet date, its carrying amount is recovered and the assets impairment loss recognized after the classification as held for sale is reversed, and the reversal amount is recorded in profit or loss for current period. Impairment loss of goodwill is not reversed.

Non-current asset held for sale and the assets of a disposal group held for sale are not depreciated or amortized. Interest and other expenses attributable to the liabilities of a disposal group held for sale are continued to be recognized. For all or a portion of investment in associates or joint ventures classified as held for sale, the portion classified as held for sale is ceased for accounting under equity method, and the remaining portion (being not classified as held for sale) is continuously accounted under equity method; When The Center ceases to have significant influence on associates and joint ventures by a sale of investment, accounting under equity method is ceased.

If a non-current asset or disposal group was classified as held for sale, but the conditions of classification as held for sale are no longer met, The Center ceases to classify it as held for sale and measures it at the lower of:

- ① its carrying amount before it was classified as held for sale, adjusted for any depreciation, amortization or impairment that would have been recognized had the asset or disposal group not been classified as held for sale; or
- ② its recoverable amount.

(2) Discontinued operations

The Center classifies a component as a discontinued operation either upon disposal of the operation or when the operation meets the criteria to be classified as held for sale if it is separately identifiable and satisfies one of the following conditions:

- ① It represents a separate major line of business or a separate geographical area of operations;
- ② It is part of a single co-ordinated plan to dispose of a separate major line of business or a separate

geographical area of operations;

③ It is a subsidiary acquired exclusively with a view to resale.

(3) Presentation

The Center presents a non-current asset held for sale and the assets of a disposal group held for sale as “assets held for sale” in balance sheet, and the liabilities of a disposal group held for sale as “liabilities held for sale” in balance sheet.

The Center presents separately the profit or loss from continuing operations and the profit or loss from discontinued operations. For a non-current asset held for sale or a disposal group held for sale not satisfied the definition of discontinued operation, its impairment loss, reversal and gain or loss from disposal are presented in profit or loss from continuing operations. Operating profit or loss, such as impairment loss and reversal, of a discontinued operation and its gain or loss from disposal is presented in profit or loss from discontinued operations.

A disposal group, which satisfied the definition of a component in discontinued operation, that is to be closed rather than sold, it is presented as discontinued operation at the date on which it ceases to be used.

For discontinued operations presented in current period, its comparative information in prior year should be re-presented from profit or loss from continuing operations to profit or loss from discontinued operations in the current year financial statements. For discontinued operation that no longer met the conditions of classification as held for sale, its comparative information in prior year should be re-presented from profit or loss from discontinued operations to profit or loss from continuing operations in the current year financial statements.

35. 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 assets and liabilities measured by the Center at fair value include: financial assets measured at fair value through profit or loss, available-for-sale financial assets, investment properties, biological assets, financial liabilities measured at fair value through profit or loss.

For financial assets or financial liabilities in active markets, The Center uses the quoted prices in active markets as their fair value. If there is no active market, The Center uses valuation technique to determine their fair value. Valuation techniques mainly include the discount cash flow approach and the market approach, etc. Valuation techniques input mainly include the risk-free interest rate, the benchmark interest rate, exchange rate, credit spreads, liquidity premium, lack of liquidity discount, etc.

The fair value measurement of non-financial assets considers the highest and best use of the asset by market participants or the assets are sold to other market participants who have the ability to generate economic benefits.

The Center adopts the valuation technique that is suitable for the current situation and there is enough data and other information to support. The priority is the observable inputs. If there are no observable inputs, The Center uses unobservable inputs.

Financial assets or financial liabilities fair value changes generate the gains or loss, except for hedging, it should follow the below rules: ① the realized gains or losses of financial assets or financial liabilities at fair value through profit or loss, should recognize in profit or loss for the current period. ② the gains and losses arising from changes in fair value of available-for-sale financial assets, except for impairment loss and exchange difference of foreign currency financial assets, should directly recognize in owner's equity and recognize in current profit or loss when the financial assets disposed.

Investment properties measured by using the fair value model are adjusted based on the fair value of the investment properties on the balance sheet date. The difference between the fair value and the original carrying amount is included in the profit or loss for the current period.

Assets and liabilities measured or disclosed at financial statements are determined the fair value level based on the lowest level input that is significant to the measurement in its entirety. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability.

The Center should re-evaluate the asset and liabilities measured at fair value continuously on the balance sheet date to determine whether the level is changed.

36. Safety production fund and simple reproduction maintenance fee

Some mines and coal companies affiliated to The Center accrued safety production fund, simple reproduction maintenance fee, shaft engineering funds, and deposits for the restoration of the ecological environment of mines in accordance with the relevant regulations of the Ministry of Finance, the National Development and Reform Commission, the State Administration of Work Safety, and the State Administration of Coal Mine Safety Supervision. It is included in the cost of the relevant product or the profit or loss for the current period at the time of accrual, and also included in the "Special reserves".

37. Gratuitous transfers of subsidiaries between wholly state-owned enterprises

(1) Accounting treatment for transferred-in enterprise

On the date of obtaining the control of the transferred enterprise, the Center debits the "long-term equity investment" account according to the relevant amount approved by the State-owned Assets Supervision Department, and credits the "capital reserve (capital premium)" account (if the approval is clear as paid-in capital it will be credited to the "paid-in capital" subject, the same below).

The consolidated balance sheet of the Center is based on the book value of the assets and liabilities of the transferred enterprise determined by audit and approved by the State-owned Assets Supervision Department and any changes before the transfer occurred, adjusting the balance sheet of the transferred enterprise, and the difference in the assets and liabilities of the transferred enterprise should be recorded in the capital reserve (capital premium) of the Center.

The current year consolidated income statement of the Center should include the net profit of the transferred enterprise from the base date approved by the State-owned Assets Supervision Department to the end of the year that the transfer of control occurred.

The current year consolidated cash flow statement of the Center should include the cash flow of the transferred enterprise from the base date approved by the State-owned Assets Supervision Department to the end of the

year that the transfer of control occurred.

The consolidated statement of changes in owners' equity of the Center should include the changes in the owner's equity of the transferred enterprise from the base date approved by the State-owned Assets Supervision Department to the end of the year that the transfer of control occurred. The consolidated statement of changes in owners' equity can be compiled from the consolidated balance sheet and consolidated income statement.

(2) Accounting treatment for transferred-out enterprise

On the date of loss of control over the transferred enterprise, the Center debits the "capital reserve (capital premium)" account (if the approval is explicitly to reduce the capital, then should debit the "paid-in capital" account, the same below) and credit the "long-term equity investment (the transferred out enterprise)" account according to the book value of the long-term equity investment of the transferred enterprise; if the capital reserve (capital premium) is insufficient to offset, then offset the surplus reserve and retained earnings in order.

On the date of loss of control over the transferred enterprise, the company will no longer include the transferred enterprise in the scope of the consolidated financial statements, and terminate the recognition of the assets, liabilities, minority interests and other interests of the transferred enterprise as reflected in the consolidated financial statements before. The relevant difference should offset against the capital reserve (capital premium), and if the capital reserve (capital premium) is insufficient to offset, the surplus reserve and retained earnings will be offset in order. At the same time, the unrealized internal gains and losses between the Center and the transferred enterprises before the transfer of control should be transferred to the capital reserve (capital premium). If the capital reserve (capital premium) is insufficient to offset, the surplus reserve and retained earnings will be offset in order.

V. Changes in accounting policies and accounting estimates and correction of prior year errors

(1) Changes in accounting policies

1. New revenue standard (Subsidiaries that initially adopted New Revenue Standard)

The Ministry of Finance issued the "Accounting Standards for Business Enterprises No. 14-Revenue (Revised)" ("New Revenue Standards") in 2017. Some subsidiaries of the Center have implemented the New Revenue Standard on January 1, 2020 and the relevant content of accounting policies has been revised. Please refer to Note IV. 29 for the accounting policy after the change.

The subsidiaries of the Center that have implemented the new revenue standard are as follows:

Group	Companies that have implemented the new revenue standard
Shougang Group	Beijing Shougang Co., Ltd.
Beijing Energy Group	Beijing Jingneng Electric Power Co., Ltd.
Beijing Energy Group	BEIH-Property Co., Ltd.
Beijing Energy Group	Beijing Haohua Energy Co., Ltd.
Capital Development Holdings	Beijing Capital Development Co., Ltd.
Tongrentang Group	Beijing Tongrentang Co., Ltd.
Urban and Rural Group	Urban and Rural Group
Shounong Group	Beijing Sanyuan Food Co., Ltd.
Shounong Group	Hainan Jingliang Holding Co., Ltd.
Beijing Automotive Group	BAIC Bluepark New Energy Technology Co., Ltd.
Beijing Automotive Group	Beiqi Foton Motor Co., Ltd. (hereinafter referred to as Foton Motor)

Group	Companies that have implemented the new revenue standard
Beijing Automotive Group	Beijing Jingpeng Global Technology Co., Ltd.
Beijing Automotive Group	Bohai Automotive Systems Co., Ltd.
Electronic Holdings	BOE Technology Group Co., Ltd.
Electronic Holdings	North Huachuang Technology Group Co., Ltd.
Electronic Holdings	Beijing Electronic Zone High-Tech Group Co., Ltd.
Electronic Holdings	Beijing 797 Audio Co., Ltd.

Revenue is recognised when the contract performance obligations have been fulfilled, that is the customer has gained control of the relevant goods and services. When certain condition is met, it shall be obliged to fulfil its performance obligations within a certain period, otherwise, it shall be obliged to fulfil its performance obligations at a certain point. If two or more performance obligations are included in the contract, the Group shall, on the commencement date of the contract, apportion the transaction price to the individual performance obligations according to the relative proportion of the individual selling prices of the commodities or services promised by the individual performance obligations, and measure the revenue according to the transaction price apportioned to the individual performance obligations.

Subsidiaries that initially adopted New Revenue Standard have revised the related accounting policies in accordance with the specific provisions of the new revenue standards on specific matters or transactions. For example: contract cost, quality warranty, distinction between principal and agent, sales with sales return clauses, additional purchase options, intellectual property licensing, repurchase arrangements, receipts in advance, initial fees that do not need to be returned, etc.

The right to receive consideration for transferring goods to the customer, which depends on factors other than the passage of time, shall be presented as contract assets. The obligation to transfer goods to the customer after consideration received or receivable shall be presented as contract liabilities.

The subsidiaries adjusted the retained earnings at the beginning of 2020 and the amount of other relevant items in the financial statements based on the cumulative impact of the initial adoption of the new revenue standard, and did not adjust the comparative financial statement data. The subsidiaries only adjusted the beginning balance of 2020 on the relevant items in the financial statements by the amount of cumulative impact of contracts that have not been completed on 1 January 2020.

Contents and reasons of changes in accounting policies	Financial item being affected	Impact amount (as of 1 January 2020)
Due to the implementation of the new revenue standard, the subsidiary that implements the new revenue standard for the first time will include the right to receive consideration related to the sale of goods and rendering of services that does not meet the unconditional right of collection into Contract assets; records the completed and unsettled, long-term receivables related to infrastructure construction, certain manufacturing and installation business and rendering of services that do not meet the unconditional right of collection into contract assets and other non-current assets; reclassifies advance from customers relating to settled but incomplete	Accounts receivable	-131,320,640.69
	Contract assets	131,320,640.69
	Other current assets	597,472,337.23
	Deferred tax assets	-4,559,481.10
	Other payables	-247,067,406.71
	Contract liabilities	73,123,041,846.81
	Deferred income	-27,126,355.45
	Other current liabilities	5,729,838,332.29
	Advance from customers	-78,546,994,559.79
	Deferred tax liabilities	121,116,201.93
	Other non-current	44,884,655.46

Contents and reasons of changes in accounting policies	Financial item being affected	Impact amount (as of 1 January 2020)
infrastructure construction, certain manufacturing and installation business, and sales of goods that to contract liabilities.	liabilities	
	Undistributed profit	221,059,332.09
	Minority interests	174,160,809.50

2. Accounting Standards for Business Enterprises Interpretation No. 13

In December 2019, the Ministry of Finance issued the Accounting Standards for Business Enterprises Interpretation No. 13 (Cai Kuai [2019] No. 21) (hereinafter referred to as the "Interpretation No. 13").

The Interpretation No. 13 modified the three factors constituting a business, specified the determining conditions for businesses, and introduced "concentration test" for purchasers in business combinations under common control when determining whether the operating activities or asset portfolio acquired constitutes a business.

The Interpretation No. 13 clarified that the related parties of an enterprise include the associates and joint ventures of other common member units, including parent companies and subsidiaries, of the group, as well as the associates and joint ventures of investors in joint control of the enterprise.

The Interpretation No. 13 came into effect on January 1, 2020. The Group has applied the prospective application method for the accounting treatment of the above change in accounting policies.

3. Interim measures on Carbon Emission Rights

The Ministry of Finance issued the "Notice on Issuing the "Interim measures on the Accounting Treatment of Carbon Emission Trading" (Caikuai [2019] No. 22) (hereinafter referred to as the "Interim measures on Carbon Emission Rights") in December 2019, clarified the accounting and related accounting treatment of carbon emission rights, and enhanced the requirements for the presentation and information disclosure related to carbon emission rights.

According to the above-mentioned interim measures on Carbon Emission Rights, if key emission enterprises obtain carbon emission allowances through free allocation by the government, they will not be accounted for; if they obtain carbon emission allowances through purchase, the carbon emission allowances obtained will be recognised as Carbon emission rights assets are measured at cost. When the purchased carbon emission allowances are used or sold (fulfilment of emission reduction obligations), the carbon emission assets are transferred to the profit or loss for the current period.

The interim measures on carbon emission rights have been implemented from January 1, 2020, and the Center adopted prospective approach to account for the above-mentioned changes in accounting policy.

4. Covid-19-related Rent Concessions

In June 2020, the Ministry of Finance issued the Notice on Provisions on Accounting Treatment of Covid-19-related Rent Concessions (Cai Kuai [2020] No. 10). Under such accounting treatment, a simplified approach may be applied for the Covid-19-related rent concessions

The Group has adopted the simplified approach in the accounting treatment (refer to Note IV. 33) for the related rent reductions for lease of properties and buildings that occurred after January 1, 2020. During the period of reduction or exemption or when a concession agreement is reached in releasing or waiver of relevant rights and obligations, the relevant rent concession is recognised in profit or loss. The impact

of the above simplified method on the profit for the current period is RMB -241,384,098.41.

The center does not apply the above simplified approach to rent concessions that occurred before January 1, 2020.

(2) Changes in accounting estimates

The Center has no changes in accounting estimation that need to be disclosed.

(3) Correction of significant errors in prior periods

The Center adjusted the beginning balances of capital reserve by increase of RMB 3,195,092.57, other comprehensive income by increase of RMB 132,421,770.85, undistributed profit by reduction of RMB 442,928,156.91, and minority interests by increase of RMB 190,183,921.30 due to correction of prior period error. Significant matters for correction of prior period error are as follows:

1. Shougang Group, a subsidiary of the Center, based on the "Notice on Financial Processing Issues in the Reform of Enterprise Housing System" (Caiqi [2000] No. 295) and the "Supplementary Notice on Financial Processing Issues in the Reform of Enterprise Housing System" (Financial Enterprise [2000] No. 878), adjusted net gain on housing reform that has not yet been written off, and adjusted the undistributed profit by RMB -122,572,835.36, and perform a checking of houses and buildings, and adjusts them to the new price based on surveying and assets appraisal, and adjusted the undistributed profit of by 32,607,951.00. Beijing Shougang Langze New Energy Technology Co., Ltd., a subsidiary of Shougang Group, adjusted the capitalized R&D expenditures and cut-off error in expenses of the previous year, adjusted the opening balance of undistributed profit by RMB -15,236,824.82, and adjusted the opening balance of minority interests by RMB -25,711,432.80.

2. Beijing Electronics, a subsidiary of the Center, adjusted its beginning balance of undistributed profit by RMB 329,033,590.51 due to prior errors, mainly including: increase of undistributed profit by RMB 981,281.52 of its subsidiary Beijing Yandong Microelectronics Co., Ltd. due to deferred income of government grants, deferred tax assets recognized on provision for impairment of fixed assets, and non-deductible input tax of value-added tax, and appreciation in assets appraisal; reduce of undistributed profit by RMB 2,586,191.05 of its subsidiary Beijing Zhaowei Electronics (Group) Co., Ltd. due to disposed of the Jiuxianqiao Community Health Service Center in Chaoyang District, Beijing; increase of undistributed profit by RMB 229,159,527.21 of its subsidiary Beijing Seven Star Huadian Technology Group Co., Ltd. due to recalculation of defined benefit plan this year based on the changed basic data of the employee defined benefit plan; increase of undistributed profit by RMB 1,896,722.43 of its third level subsidiary Beijing 797 Audio Co., Ltd. due to adjustment of some engineering projects and bad debts; increase of undistributed profit by RMB 94,681,708.29 of its subsidiary Beijing Yiheng Electronics Group Co., Ltd. adjusted the enterprise income tax for the dividends of Beijing Tongyi Times Investment Management Co., Ltd. in 2019, adjustment of the debt restructuring and adjustment of prior year's income and reduction of undistributed profit by RMB 4,900,542.11 due to adjustment of increase in minority interests.

3. Beijing Energy Group, a subsidiary of the Center, is to solve the problem of overpayment when its subsidiary Beijing Haohua Energy Co., Ltd. purchased 30% of the equity of Ordos BOE Energy Co., Ltd. in 2015. On March 18, 2021, Beijing Coal Group signed a tripartite agreement with Industrial Development Corporation and Haohua Energy to return related expenses to Beijing Haohua Energy Co., Ltd. based on the actual amount of resources owned by Ordos BOE Energy Co., Ltd. Among them, the principal is RMB 905,486,300.00, the capital occupation fee from March 2015 to the end of 2020 is RMB 239,161,600.00, and the total is RMB 1,144,647,900.00. Retrospective adjustments were made to this matter, reducing the beginning balance of equity of 2019 by RMB 46,913,607.67, of which the undistributed profit was

reduced by RMB 430,036,273.28 and the minority interests was increased by RMB 383,122,665.61; reduce the 2019 net profit by RMB 12,124,124.78, of which net profit attributable to the parent company was reduced by RMB 22,914,911.04, and net profit attributable to the minority interests was increased by RMB 10,790,786.26; reduce the beginning balance of equity in 2020 by RMB 59,037,732.45, of which the undistributed profit was reduced by RMB 452,951,184.32 and the minority interests was increased by RMB 393,913,451.87.

4. Capital Highway Development, a subsidiary of the Center, performed a checking in its equity investments. Capital Highway Development's investment in Beijing Information Infrastructure Construction Co., Ltd. is accounted for as available-for-sale financial assets, but Capital Highway Development assigned directors to it and regularly participates in the board of directors, which has a significant influence on it and should be accounted for in long-term equity investment. Capital Highway Development made adjustments this year, reducing the beginning balance of available-for-sale financial assets of the period by RMB 91,097,791, increasing the beginning balance of long-term equity investment of the period by RMB 187,054,682, and increasing the beginning balance of capital reserve of the period by RMB 7,835,949.74, increasing the beginning balance of other comprehensive income by RMB 38,514,595.26, and increasing the beginning balance of undistributed profit by RMB 49,606,346 and increasing the investment income of the previous year by RMB 285,660.22.

Beijing Shoufa Investment Holdings Co., Ltd., a subsidiary of Capital Highway Development, performed a checking in its equity investments. For some equity investments accounted for in available-for-sale financial assets, Beijing Shoufa Investment Holdings Co., Ltd. assigned directors to the investee and participated in the board of directors, so there were significant influence on the investee. Beijing Shoufa Investment Holdings Co., Ltd. made adjustments in this year by reducing the beginning balance of available-for-sale financial assets of the period by RMB 25,050,000, increasing the beginning balance of long-term equity investment of the period by RMB 28,959,655.02, and increasing the beginning balance of undistributed profit by RMB 3,909,655.02, and reducing the investment income of the previous year by RMB 703,208.98.

5. Beijing Huade Hydraulic Industry Group Co., Ltd., a subsidiary of the Center's subsidiary Jingcheng Electromechanical, adjusted the previous year's costs and cleaned up scrapped assets. At the beginning of the year, the undistributed profit decreased by RMB 54,339,673.66. Jingcheng Electromechanical's subsidiary Wadrich Coburg Machine Tool Co., Ltd. adjusted its costs in accordance with the final arbitration award in the sales contract dispute, and the beginning balance of undistributed profit reduced by RMB 49,000,000.00. The subsidiary Beijing Boiler Factory won the loan contract, adjusted and reversed the interest expenses of the previous year, as well as other input tax adjustments and bad debts, so the beginning balance of undistributed profit of the year increased by RMB 19,765,007.99. Beiren Group, a subsidiary of Jingcheng Electromechanical, cleared the gain or loss on internal transaction carried forward from previous years, and the beginning balance of undistributed profit of the year increased by RMB 15,316,842.42. Other adjustments affected the beginning balance of undistributed profit of the year by reduction of RMB 667,003.95, and the beginning balance of minority interests of the year by reduction of RMB 497,904.36.

Due to the correction of the above-mentioned major errors in the previous period, the retained earnings at the beginning of 2020 and the beginning balance of related financial items were adjusted, including: undistributed profit decreased by RMB 68,924,827.20, owners' equity attributable to the parent company decreased by RMB 68,924,827.20, and minority interests decreased by RMB 497,904.36; total assets decreased by RMB 31,159,638.23, total liabilities increased by RMB 38,263,093.33; administrative expenses increased by RMB 141,323.41, net profit attributable to owners of the parent company decreased by RMB 80,919.05, net profit attributable to minority interests decreased by RMB 60,404.36.

6. Beijing Automotive Group Industrial Investment Co., Ltd., a subsidiary of the Center's subsidiary, Beijing Automotive Group, paid taxes for the previous year, reduced its profit for 2019 by RMB 2,499,404.13, and reduced its retained earnings at the beginning of 2020 by RMB 2,499,404.13.

7. Xianglong Company, a subsidiary of the center, due to correction of prior error in construction in progress, taxes payable, employee benefits payable, and corrections of income and costs of the subsidiary, reduced the undistributed profit at the end of 2019 by RMB 19,335,266.02, reduced the minority interests in 2019 by RMB 3,312,896.52, increased the operating income in 2019 by RMB 3,992,476.42, increased the total profit for 2019 by RMB 1,550,716.53, and reduced the net profit for 2019 by RMB 16,310,107.61 (including the reduction in net profit attributable to the owners of the parent company for 2019 by RMB 16,310,107.61).

8. Beijing Tongda Real Estate Development and Construction Corporation, a subsidiary of the center's subsidiary Shounong Group, adjusted the understated accrual of land transfer costs in previous years; Beijing Dongjiao Farm Co., Ltd., a subsidiary of Shounong Group, adjusted the understated accrual of liquidated damages in previous years for cooperation development matters, etc.; Beijing Shengfu Building Co., Ltd., a subsidiary of Shounong Group, adjusted the understated expenses of previous years; Shounong Group's subsidiary Beijing Jinghai Yongchun Property Management Co., Ltd. treated other receivables incorrectly in the reorganization of Hua Beijing Hai Industrial Headquarters; Beijing Daxing District Grain and Oil Co., Ltd., a subsidiary of Beijing Grain Group, increased the 2019 income tax expense based on the 2019 income tax clearance report. The above significant errors in the prior period caused an adjustment on the retained earnings at the beginning of 2020 and the beginning balance of other financial items, including: other receivables decreased by RMB 6,757,786.25, other current assets increased by RMB 491,509.23, taxes payable increased by RMB 18,304,458.59, other payables increased by RMB 66,863,379.00, capital reserve at the beginning of 2020 reduced by RMB 796,424.56, and undistributed profit at the beginning of 2020 reduced by RMB 90,637,690.05. The figures of the income statement for 2019 has been presented according to the adjusted figures, including: financial expenses increased by RMB 1,715,914.33, non-operating expenses increased by RMB 8,527,604.11, and income tax expense increased by RMB 17,812,949.36; the total profit for 2019 reduced by RMB 10,243,518.44, and the net profit for 2019 was reduced by RMB 28,056,467.80.

9. Beijing Yiqing Food Group Co., Ltd., a subsidiary of the Center's subsidiary Yiqing Holding, due to correction of prior error, adjusted the unpaid expenses accrued in prior year, current income tax expense of previous year, operating income of previous year, and additional accrual of pension insurance in prior year. The total amount of owners' equity increased by RMB 111,598,931.68, of which the total amount of owners' equity attributable to the parent company increased by RMB 97,129,015.44 (including the undistributed profit increased by RMB 118,759,749.78), and minority interests increased by RMB 14,469,916.24.

Beijing Liyuan Co., Ltd., a subsidiary of Yiqing Holding, adjusted the long-term equity investment in prior year according to the civil mediation document of the Beijing Second Intermediate People's Court on September 1, 2020-the investment income recognized in Shiseido Liyuan Cosmetics Co., Ltd. was overstated. As of December 31, 2019, other payables was increased by RMB 90,410,368.45, and the beginning balance of undistributed profit in 2020 was reduced by RMB 90,410,368.45

Beijing First Light Industry Research Institute Co., Ltd., a subsidiary of Yiqing Holding, adjusted the accrual of employee benefits in prior year, adjusted the deferred tax assets recognized on the impairment of accounts receivable in prior year, and adjusted the cost of subcontracted R&D projects of Yiqing Holding from 2018 to 2020. Due to the correction of the aforementioned errors, the total amount of owners' equity was increased by RMB 15,715,455.97, of which the total amount of owners' equity attributable to

the parent company was increased by RMB 15,715,455.97 (including the undistributed profit increased by RMB 15,715,455.97).

(4) Other adjustments

1. Beijing Rural Commercial Bank Co., Ltd., an associate of the Center, implemented the "New Financial Instruments Standards" in 2019. The Center made adjustments according to the shareholding ratio to increase the beginning balance of long-term equity investment by RMB 194,203,011.34, increase the beginning balance of other comprehensive income by RMB 298,642,930.26, reduce the beginning balance of undistributed profit by RMB 93,995,927.03, and reduce the beginning balance of surplus reserve by RMB 10,443,991.89.

Beijing Science and Technology Innovation Investment Management Co., Ltd., an associate of the Center, implemented the "New Financial Instruments Standards" in 2020. The Center made adjustments according to the shareholding ratio to reduce the beginning balance of other comprehensive income by RMB 74,967.13 and increase the beginning balance of undistributed profit by RMB 74,967.13.

2. Beijing Shougang Co., Ltd., a subsidiary of the Center's subsidiary Shougang Group, conducted asset exchange. Adjustments were made for the exchanged assets to adjust the 2020 beginning balance of owners' equity by RMB -179,687,582.09, including: adjust capital reserve by RMB -3,392,495.09, adjust undistributed profit by RMB -124,440,825.63, adjust minority interests by RMB -51,854,261.37.

3. Beijing Automotive Technician College, a subsidiary of the Center's subsidiary, Beijing Automotive Group, has implemented the "Government Accounting Standards" since January 1, 2019, and adjusted the government grants related to assets in accordance with the "Accounting Standards for Business Enterprises" when it is included in the scope of consolidation of Beijing Automotive Group. Adjustments were made to increase the net profit in 2019 by RMB 32,520,065.65, increase the beginning balance of retained earnings in 2020 by RMB 296,951,526.01, and reduce the beginning balance of capital reserve in 2020 by RMB 969,690,726.12.

4. According to the [Xianglongfa (2020) No. 55] document issued by Xianglong Company, Xianglong Company, a subsidiary of the Center, gratuitously transferred 73.08% of the shares of Beijing Xianglong Passenger Transport Co., Ltd. held by Xianglong Company to Beijing Public Transport Holdings (Group) Co., Ltd. The date of transfer was December 31, 2019, that is, on December 31, 2019, Xianglong Company was no longer controls Beijing Xianglong Passenger Transport Co., Ltd. Xianglong Company's subsidiary Beijing No. 2 Transportation Company, Beijing Honganda Transportation Company and Beijing Haidian Automobile Transportation Company held 2.59%, 0.392%, and 4.274% of Beijing Xianglong Passenger Transport Co., Ltd. respectively which were then classified as available-for-sale financial assets. The beginning balance of long-term equity investment of RMB 5,784,930.00 were reclassified as available-for-sale financial assets, so the beginning balance of long-term equity investment in 2020 was reduced by RMB 5,784,930.00, and beginning balance of available-for-sale financial assets in 2020 was increased by RMB 5,784,930.00.

According to "The State-owned Assets Supervision and Administration Commission of the Beijing Municipal People's Government on the approval of gratuitous transfer of 73.08% equity in Beijing Xianglong Leasing Passenger Transport Co., Ltd. held by Beijing Xianglong Asset Management Co., Ltd. to Beijing Public Transport Holdings (Group) Co., Ltd." (Jingguo Assets Quan [2020] No. 73), and approved by the municipal government, 73.08% equity of Beijing Xianglong Passenger Transport Co., Ltd. held by Xianglong Company was gratuitously transferred to Beijing Public Transport Holdings (Group). The date of transfer was December 31, 2019. The cumulative effect of the changes in the scope of consolidation on the beginning balance of owners' equity in Xianglong Company's consolidated

statement is RMB -110,345,443.37, that is: total assets decreased by RMB 76,754,604.02, total liabilities increased by RMB 33,590,839.35, owners' equity attributable to the parent company decreased by RMB 89,880,992.46, and minority interests decreased by RMB 20,464,450.91.

5. In 2020, Beijing Longda Light Industry Holding Co., Ltd., a subsidiary of the Center's subsidiary, Yiqing Holding, merged with six business units under common control, so the beginning balance of capital reserve was increased by RMB 158,339,689.24, and the beginning balance of undistributed profit was reduced by RMB 96,041,853.14.

Beijing State-owned Capital Operation and Management Center
Notes to the financial statements
For the year ended December 31, 2020 (all amounts in RMB unless otherwise stated)
[English Translation for Reference Only]

(5) Cumulative impact on owners' equity at the beginning of the period

Item	2020.01.01				
	Capital reserve	Other comprehensive income	Special reserves	Surplus reserve	Undistributed profit
Balance before retrospective adjustment	336,876,164,692.02	10,796,152,029.06	1,863,295,601.93	4,401,476,896.08	116,693,754,094.54
Retrospective adjustment of accounting policies	--	309,662,925.94	--	-10,443,991.89	10,231,512.95
Retrospective adjustment in correction of accounting error	3,195,092.57	142,339,632.45	--	--	-455,345,422.63
Others	-919,098,385.19	--	-3,302,980.79	--	98,613,323.05
Retrospectively adjusted balance	335,960,261,399.40	11,248,154,587.45	1,859,992,621.14	4,391,032,904.19	116,347,253,507.91
Continued:					
Item	2019.01.01				
	Capital reserve	Other comprehensive income	Special reserves	Surplus reserve	Undistributed profit
Balance before retrospective adjustment	328,510,099,899.87	12,536,898,385.88	1,573,345,492.86	3,296,048,398.64	113,539,444,657.42
Retrospective adjustment of accounting policies	--	309,737,893.07	--	-10,443,991.89	-106,231,192.53
Retrospective adjustment in correction of accounting error	8,004,966.05	141,767,911.33	--	--	-232,100,407.44
Others	50,813,847.71	--	-2,767,612.68	--	170,039,497.01
Retrospectively adjusted balance	328,568,918,713.63	12,988,404,190.28	1,570,577,880.18	3,285,604,406.75	113,371,152,554.46

VI. Business combination and consolidated financial statements

According to the "Notice of the Beijing Municipal Development and Reform Commission and the State-owned Assets Supervision and Administration Commission of the Beijing Municipal People's Government on Printing and Distributing the Work Plan for Restructuring and Restructuring of Beijing Engineering Consulting Companies" 2020 (Jing Fa Gai [2020] No. 365) issued by the Beijing Municipal SASAC on March 17, and "Approval on the Restructuring of Beijing Engineering Consulting Company" issued by the Center on August 26, 2020, the Beijing State-owned Assets Supervision and Administration Commission agreed to directly merge the restructuring enterprises into the Center and directly register as a wholly-owned subsidiaries of the Center.

Beijing Longying Kechuang Equity Investment Fund Center (Limited Partnership) (hereinafter referred to as the Fund) completed its registration with the Beijing Administration for Industry and Commerce on September 18, 2020. It is a partnership established by the Center and Beijing Shunxi Equity Investment Fund Management Co., Ltd.

Basic information of subsidiaries in the consolidation for this period

No.	Name of subsidiary	Level	Registration place	Paid-in capital (RMB ten thousand)	Investment amount (RMB ten thousand)
1	Shougang Group	2	Beijing	2,941,635.50	8,001,900.90
2	Beijing Electronics	2	Beijing	757,070.11	1,009,897.33
3	Jingcheng Electromechanical	2	Beijing	237,263.71	607,182.69
4	Beijing Energy Group	2	Beijing	2,133,806.00	4,318,534.51
5	Capital Highway Development	2	Beijing	3,060,899.19	3,112,539.79
6	Yiqing Holding	2	Beijing	140,151.71	433,726.09
7	Capital Development Holdings	2	Beijing	222,210.00	401,080.26
8	Beijing Automotive Group	2	Beijing	2,083,156.33	1,560,891.66
9	Tongrentang Group	2	Beijing	72,087.00	235,815.93
10	Suburb Tourism Company	2	Beijing	6,773.65	36,983.51
11	Urban and Rural Group	2	Beijing	31,680.49	77,897.15
12	Xianglong Company	2	Beijing	366,848.99	358,834.88
13	Beichen Group	2	Beijing	220,810.00	517,564.70
14	Jinyu Asset	2	Beijing	358,071.14	113,585.35
15	BBMG Group	2	Beijing	1,067,777.11	1,659,333.93
16	Shounong Group	2	Beijing	623,760.53	966,602.83

No.	Name of subsidiary	Level	Registration place	Paid-in capital (RMB ten thousand)	Investment amount (RMB ten thousand)
17	Equity Development Company	2	Beijing	10,714.29	6,280.21
18	Real Estate Investment	2	Beijing	5,500.00	5,500.00
19	Real Estate Management	2	Beijing	3,000.00	3,000.00
20	Guoguan Center Investment Holdings	2	The British Virgin Islands	300.00	198,505.16
21	Dairy Investment Fund Management	2	Beijing	100.00	100.00
22	Jingguorui Fund Management	2	Beijing	3,000.00	1,800.00
23	Jingguorui Fund	2	Beijing	1,052,179.20	915,198.26
24	Equity Exchange Group	2	Beijing	30,000.00	18,245.02
25	International Cooperation Center	2	Beijing	19,893.22	73,862.80
26	Ducheng Company	2	Beijing	1,048.03	1,080.09
27	Siban Technology	2	Beijing	40,000.00	26,857.14
28	Beijing Consulting Company	2	Beijing	37,642.69	56,272.40
29	Longying Kechuang	2	Beijing	2,201.00	2,200.00

VII. Notes to significant items of the financial statements

1. Cash and bank balances

Item	Closing balance	Beginning balance
Cash in hand	18,829,983.59	26,828,041.51
Cash at bank	342,078,462,453.66	307,927,846,835.73
Other monetary funds	28,562,757,373.85	22,106,289,336.03
Total	370,660,049,811.10	330,060,964,213.27
Including: Total amount of money deposited abroad	16,024,351,360.56	14,883,916,972.49

Cash and bank balances under restriction are as follows:

Item	Closing balance	Beginning balance
Reserve deposited in Central bank	6,895,560,496.29	6,173,075,706.32
Deposits for letter of credit	4,923,175,816.06	4,654,956,021.56

Item	Closing balance	Beginning balance
Deposits for bank acceptance bills	4,848,960,472.43	7,494,599,686.01
Restricted funds of real estate pre-sale funds	3,975,423,205.32	3,872,605,923.80
Deposits for letter of guarantee	2,417,315,286.02	1,735,997,550.21
Security deposits for mortgage loans	1,161,370,907.53	1,915,566,601.03
Security deposits for loans	992,382,952.00	3,585,860,400.00
Security deposits for contracts	801,681,556.58	1,153,442,702.66
Co-management of the bank account balance of housing purchase price	764,214,533.00	630,460,442.00
Others	5,173,157,923.53	4,833,684,856.93
Total	31,953,243,148.76	36,050,249,890.52

2. Trading financial assets

Item	Fair value at year end	Fair value at beginning of year
Designated as financial assets at fair value through profit or loss	8,585,933,052.86	7,485,624,548.93
Including: Debt instrument investment	4,444,044,861.77	6,937,775,449.57
Equity instrument investment	3,022,821,121.45	500,608,287.70
Others	1,119,067,069.64	47,240,811.66
Designated as financial assets at fair value through profit or loss	--	161,324,691.98
Including: Debt instrument investment	--	--
Hybrid instrument investment	--	--
Others	--	161,324,691.98
Total	8,585,933,052.86	7,646,949,240.91

3. Financial assets at fair value through profit or loss

Item	Fair value at year end	Fair value at beginning of year
Trading financial assets	6,591,246,357.26	3,669,799,303.79
Including: Debt instrument investment	830,000.00	950,000.00
Equity instrument investment	6,540,034,379.29	3,562,849,363.79
Others	50,381,977.97	105,999,940.00
Designated as financial assets at fair value through profit or loss	31,562,445,628.05	24,857,414,473.11
Including: Equity instrument investment	23,952,866,828.05	17,496,312,013.11
Others	7,609,578,800.00	7,361,102,460.00
Total	38,153,691,985.31	28,527,213,776.90

4. Derivative financial assets

Item	Closing balance	Beginning balance
Futures contract	--	89,121,534.00

5. Notes receivable

(1) Notes receivable by category

Category	Book balance	Closing balance Provision for bad debts	Carrying value
Bank acceptance bills	16,434,333,958.03	475,034.04	16,433,858,923.99
Commercial acceptance bills	5,219,537,571.85	9,768,586.15	5,209,768,985.70
Total	21,653,871,529.88	10,243,620.19	21,643,627,909.69

Notes receivable by category (Continued)

Category	Book balance	Beginning balance Provision for bad debts	Carrying value
Bank acceptance bills	16,981,362,348.23	9,904.60	16,981,352,443.63
Commercial acceptance bills	4,482,470,015.66	165,907,488.01	4,316,562,527.65
Total	21,463,832,363.89	165,917,392.61	21,297,914,971.28

(2) Notes receivable pledged at year end

Category	Amount pledged at year end
Bank acceptance bills	993,540,950.24

(3) Closing balance of bills endorsed or discounted to other parties but undue

Category	Amount derecognized at year end	Amount not-derecognized at year end
Bank acceptance bills	5,768,005,946.25	513,220,837.25
Commercial acceptance bills	325,640,760.03	446,656,335.55
Total	6,093,646,706.28	959,877,172.80

(4) At year end, amounts transferred to accounts receivable due to the failure of the drawer to perform the contract

Category	Amount transferred to accounts receivable at year end
Bank acceptance bills	450,000.00
Commercial acceptance bills	170,508,542.08
Total	170,958,542.08

6. Accounts receivable

Item	Closing balance		
	Book balance	Provision for bad debts	Carrying value
Companies that have not yet implemented New Financial Instruments Standards	61,127,556,267.34	8,234,069,612.71	52,893,486,654.63
Companies that have implemented the new financial instrument standards	54,564,071,456.20	4,791,089,697.63	49,772,981,758.57
Total	115,691,627,723.54	13,025,159,310.34	102,666,468,413.20

Continued:

Item	Beginning balance		
	Book balance	Provision for bad debts	Carrying value
Companies that have not yet implemented New Financial Instruments Standards	52,994,442,885.32	6,882,375,294.16	46,112,067,591.16
Companies that have implemented the new financial instrument standards	53,507,691,736.05	5,159,492,860.62	48,348,198,875.43
Total	106,502,134,621.37	12,041,868,154.78	94,460,266,466.59

(1) Information of provision for bad debts

“Companies that have not yet implemented New Financial Instruments Standards”:

Accounts receivable by category:

Category	Book balance	Closing balance		
		Ratio (%)	Provision for bad debts	Ratio (%)
Individually significant and assessed for impairment individually	4,381,570,654.19	7.17	2,655,483,675.61	60.61
Collectively assessed for impairment	55,614,999,333.50	90.98	4,788,816,330.23	8.61

Category	Book balance	Closing balance		
		Ratio (%)	Provision for bad debts	Ratio (%)
based on credit risk characteristics				
Individually insignificant but assessed for impairment individually	1,130,986,279.65	1.85	789,769,606.87	69.83
Total	61,127,556,267.34	100.00	8,234,069,612.71	13.47

Accounts receivable by category (Continued) :

Category	Book balance	Beginning balance		
		Ratio (%)	Provision for bad debts	Ratio (%)
Individually significant and assessed for impairment individually	3,171,595,831.80	5.99	2,604,624,973.30	82.12
Collectively assessed for impairment based on credit risk characteristics	48,994,242,583.74	92.45	3,730,397,114.61	7.61
Individually insignificant but assessed for impairment individually	828,604,469.78	1.56	547,353,206.25	66.06
Total	52,994,442,885.32	100.00	6,882,375,294.16	12.99

A. Provision for bad debts for accounts receivable which are individually significant and assessed for impairment individually

Name of debtor	Book balance	Provision for bad debts	Ageing	Provision ratio (%)	Reason of provision
Beijing Fengtai District Housing Management Center	499,024,359.33	--	Within 1 year	--	Others
Resident heat fee	368,820,817.13	368,820,817.13	Over 3 years	100.00	Expected to be uncollectible
Huaxin International Group Co., Ltd.	255,758,142.96	255,758,142.96	3-4 years	100.00	Expected to be uncollectible
Tangshan Tongbao Coking Co., Ltd.	182,631,161.16	182,631,161.16	Over 5 years	100.00	Expected to be uncollectible
Beijing Fengtai District Comprehensive Investment Group Co., Ltd.	151,878,300.60	--	Within 1 year	--	Others
Beijing Shougang Hongye Steel Plant	141,465,135.74	141,465,135.74	Over 5 years	100.00	Expected to be uncollectible
Tianbao Automobile Sales Co., Ltd.	140,433,030.18	140,433,030.18	Over 3 years	100.00	Expected to be uncollectible
Shandong Electric Power Construction Third Engineering Co., Ltd.	110,581,940.00	1,105,819.40	Within 1 year	1.00	According to the company's bad debt provision policy
Wuhu Shouchuang Real Estate Development Co., Ltd.	107,659,247.00	17,276,304.62	Within 1 year	16.05	Having risk in collection
Yantai Jushou Coal Co., Ltd.	103,084,119.81	103,084,119.81	Over 5 years	100.00	Expected to be uncollectible
Beijing Affordable Housing Construction Investment Center	90,273,688.25	--	Within 2 years	--	No risk of recovery
Vietnam Ong An(Vietnam-LILAMA)	81,210,278.90	48,726,167.34	Over 4 years	60.00	Disagreement between the general contractor and the owner, and the quality

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Name of debtor	Book balance	Provision for bad debts	Ageing	Provision ratio (%)	Reason of provision
Inner Mongolia Jingneng Xilin Power Generation Co., Ltd.	77,319,205.91	773,192.06	Within 1 year	1.00	deposit cannot be recovered on time According to the company's bad debt provision policy
Jinan Hongzhuo Real Estate Development Co., Ltd.	76,376,989.23	--	Within 1 year	--	No risk of recovery
Beijing Times Chuangjie Car Rental Co., Ltd.	53,454,438.94	53,454,438.94	Over 5 years	100.00	Expected to be uncollectible
Beijing Zhongjiaohuaineng Information Technology Co., Ltd.	53,230,388.90	53,230,388.90	Over 3 years	100.00	Private enterprise, ageing is longer, urging to repay frequently
Guangxi Investment Group Hengyuan Trading Co., Ltd.	52,251,345.50	52,251,345.50	2-3 years	100.00	Expected to be uncollectible
Renshou Yuxi Real Estate Co., Ltd.	51,568,504.43	51,568,504.43	Over 3 years	100.00	Private enterprise, ageing is longer, urging to repay frequently
Shougang Corporation Cold Rolled Strip Steel Plant	51,304,453.00	51,304,453.00	Over 5 years	100.00	Expected to be uncollectible
Xi'an Tianhong Electric Co., Ltd.	51,272,000.00	51,272,000.00	Over 5 years	100.00	Expected to be uncollectible
Others	1,681,973,107.22	1,082,328,654.44	—	64.35	Expected partially recoverable
Total	4,381,570,654.19	2,655,483,675.61	—	60.61	—

B. Collectively assessed for impairment based on credit risk characteristics

a. Provision for bad debts by aging analysis on accounts receivable

Ageing	Closing balance			Beginning balance		
	Book balance		Provision for bad debts	Book balance		Provision for bad debts
	Amount	Ratio (%)		Amount	Ratio (%)	
Within 1 year (inclusive of 1 year)	22,973,411,030.31	73.85	1,189,947,715.01	20,740,736,233.12	72.18	101,659,959.29
1-2 years	2,836,868,974.32	9.12	143,736,889.38	2,626,991,623.87	9.14	231,684,898.26
2-3 years	1,483,679,147.82	4.77	344,842,819.55	1,451,956,277.69	5.06	297,363,484.81
Over 3 years	3,813,251,618.64	12.26	2,690,140,995.92	3,913,992,127.48	13.62	2,413,841,432.82
Total	31,107,210,771.09	100.00	4,368,668,419.86	28,733,676,262.16	100.00	3,044,549,775.18

b. Provision for bad debts by other provision method

Group	Closing balance			Beginning balance		
	Book balance	Provision ratio (%)	Provision for bad debts	Book balance	Provision ratio (%)	Provision for bad debts
Other group	24,507,788,562.41	100.00	420,147,910.37	20,260,566,321.58	100.00	685,847,339.43

C. Individually insignificant but assessed for impairment individually

Name of debtor	Book balance	Provision for bad debts	Ageing	Provision ratio (%)	Reason of provision
Guangzhou Huahui Advertising Co., Ltd.	23,788,957.00	1,938,957.00	Over 5 years	8.15	Expected to be recovered
Beijing Banyungong Automotive Technology Co., Ltd.	21,823,143.72	21,773,343.72	3-4 years	99.77	Expected to be recovered
Beijing Jianmao Tianshun Commodity Concrete Co., Ltd.	20,458,154.05	20,458,154.05	Over 3 years	100.00	Expected to be uncollectible
Beijing New Vision Commercial Co., Ltd.	15,000,000.00	15,000,000.00	Over 3 years	100.00	Expected to be uncollectible
Langfang Xin'ao Real Estate Development Co., Ltd.	11,676,594.00	643,374.82	Within 1 year	5.51	Present value of future cash flows is lower than its carrying value
Housing Construction Service Center for Civil Servants of Central State Organs	11,093,391.63	--	Over 3 years	--	Nature of counterparty is an administrative institution, and the return of funds is stable
Construction Engineering Quality Service Station of Jinyuan District, Taiyuan City (Urban Construction and Development Service Center of Jinyuan District, Taiyuan City)	11,024,960.00	421,153.48	1-2 years	3.82	Present value of future cash flows is lower than its carrying value
Beijing Shunyi District Housing Acquisition Center Affairs Center	10,810,210.00	--	2-3 years	--	No risk of recovery
Others	1,005,310,869.25	729,534,623.80	—	72.57	Expected to be recovered
Total	1,130,986,279.65	789,769,606.87	—	69.83	—

“Companies that have implemented the new financial instrument standards”:

Accounts receivable by ageing

Ageing	Closing balance
Within 1 year	26,854,781,676.21
1-2 years	14,309,685,142.76
2-3 years	5,378,164,078.60
Over 3 years	8,021,440,558.63
Subtotal	54,564,071,456.20
Less: Provision for bad debts	4,791,089,697.63
Total	49,772,981,758.57

Disclosure by method of provision for bad debts

Category	Closing balance				Carrying value
	Book balance		Provision for bad debts		
	Amount	Ratio (%)	Amount	Expected credit loss rate (%)	
Provision for bad debts on individual item	2,049,753,744.68	3.76	1,588,378,345.00	77.49	461,375,399.68
Provision for bad debts on portfolio basis	52,514,317,711.52	96.24	3,202,711,352.63	6.10	49,311,606,358.89
Total	54,564,071,456.20	100.00	4,791,089,697.63	8.78	49,772,981,758.57

Continued:

Category	Beginning balance				Carrying value
	Book balance		Provision for bad debts		
	Amount	Ratio (%)	Amount	Expected credit loss rate (%)	
Provision for bad debts on individual item	1,809,419,727.53	3.38	1,277,643,316.13	70.61	531,776,411.40
Provision for bad debts on portfolio basis	51,698,272,008.52	96.62	3,881,849,544.49	7.51	47,816,422,464.03
Total	53,507,691,736.05	100.00	5,159,492,860.62	9.64	48,348,198,875.43

At year end, provision for bad debts on individual item:

Name of debtor	Book balance	Provision for bad debts	Expected credit loss rate (%)	Reason of provision
TECNOIMPORT	147,327,951.01	147,327,951.01	100.00	Expected to be uncollectible
Hangzhou Weiwu New Energy Automobile Technology Co., Ltd.	80,020,200.00	80,020,200.00	100.00	Expected to be uncollectible
Entity 1	78,697,034.78	78,697,034.78	100.00	Expected to be uncollectible
Entity 2	67,194,228.53	67,194,228.53	100.00	Expected to be uncollectible
Entity 3	61,710,126.62	61,710,126.62	100.00	Expected to be uncollectible
Baotou Zhongjun Transportation Co., Ltd.	59,473,417.18	59,473,417.18	100.00	Expected to be uncollectible
Others	1,555,330,786.56	1,093,955,386.88	70.34	Expected partially recoverable
Total	2,049,753,744.68	1,588,378,345.00	77.49	—

At year end, provision for bad debts on portfolios:

Provision on portfolio basis: Receivable from external customers

Ageing	Closing balance		
	Accounts receivable	Provision for bad debts	Expected credit loss rate (%)
Within 1 year	26,089,630,809.20	446,453,769.76	1.71
1-2 years	13,830,190,251.64	457,717,889.15	3.31
2-3 years	4,970,318,919.39	446,113,268.18	8.98
Over 3 years	6,421,891,460.41	1,736,039,709.14	27.03
Total	51,312,031,440.64	3,086,324,636.23	6.01

Provision on portfolio basis: Customers of UnionPay, Social Security Institution

Category	Closing balance		
	Accounts receivable	Provision for bad debts	Expected credit loss rate (%)
Related party group	117,232,695.38	--	--
UnionPay credit card	11,780,569.60	--	--
Medical insurance card	139,290,518.29	--	--
Other cards	8,814,741.56	--	--
Other groups	925,167,746.05	116,386,716.40	12.58
Total	1,202,286,270.88	116,386,716.40	9.68

(2) Reversal of provision for bad debts for the period was RMB 281,352,344.82 which is due to collection of payments.

(3) Written off of accounts receivable during the period was RMB 396,081,078.83, and the write-offs have all gone through the approval procedures of each sub-group.

(4) The closing balance of top five debtors of accounts receivable was RMB 27,248,725,566.15, which accounted for 23.55% of total accounts receivable, and the provision for bad debts was RMB 1,207,728,402.50.

7. Receivables financing

Category	Closing balance	Beginning balance
Notes receivable	14,842,822,016.70	6,033,137,759.44

8. Prepayments

(1) Prepayments by ageing

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Ageing	Closing balance			Beginning balance		
	Book balance		Provision for bad debts	Book balance		Provision for bad debts
	Amount	Ratio (%)		Amount	Ratio (%)	
Within 1 year (inclusive of 1 year)	20,144,140,038.22	78.12	5,504,057.56	27,371,800,136.44	76.96	13,399,487.06
1-2 years	2,616,065,931.95	11.85	14,886,488.05	4,150,992,568.32	10.00	33,537,449.89
2-3 years	865,609,653.50	2.86	10,161,355.97	1,003,341,023.13	3.31	116,224,710.46
Over 3 years	2,545,736,508.99	7.17	296,892,665.98	2,512,622,662.56	9.73	123,461,045.68
Total	26,171,552,132.66	100.00	327,444,567.56	35,038,756,390.45	100.00	286,622,693.09

(2) Significant prepayments with aging over 1 year

Creditor	Debtor	Closing balance	Ageing	Reasons for unsettled
Beijing Lvzhou Expo Park Investment Co., Ltd.	The People's Government of Miyun District, Beijing	325,000,000.00	1-3 years	Not yet settled
Beijing Jintai Group Co., Ltd.	Beijing Antai Industrial Co., Ltd.	196,142,470.00	Over 3 years	Project is not completed
Beijing Jingcheng Electrical Engineering Co., Ltd.	Jiayuguan Juxinda Industrial Co., Ltd.	87,407,769.00	3-4 years, 4-5 years, Over 5 years	Project in progress
Beijing Capital Highway Development Group Co., Ltd.	Beijing Municipal Construction Group Co., Ltd.	76,308,495.00	1-2 years	Not yet due for settlement
China Shougang International Trade Engineering Co., Ltd.	Beijing Zhongshou Haitong International Engineering Technology Co., Ltd.	75,946,900.00	Over 3 years	Not fully settled
Beijing Jiuyuan Eco-tourism Development Co., Ltd.	Jiuyuan Economic Cooperative, Wangping Town, Mentougou District, Beijing	67,598,277.45	Over 3 years	Project in progress
Beijing Jingcheng Electrical Engineering Co., Ltd.	Tangshan Donghua Iron and Steel Enterprise Group Co., Ltd.	65,211,954.25	3-4 years, Over 5 years	Project in progress
Beijing Ershang Logistics Co., Ltd.	Inner Mongolia Longhui Animal Husbandry Co., Ltd.	55,000,000.00	1-2 years	Not yet settled
Beijing Jintai (Liaoning) Real Estate Development Co., Ltd.	Liaoning Shenzhang New City Development and Construction Co., Ltd.	50,800,000.00	Over 3 years	Temporarily unable to settle
Total		999,415,865.70		

(3) Top five prepayments in closing balance

Name of debtor	Book balance	Proportion to total prepayments (%)	Provision for bad debts
Shenzhen Zhongxian Optoelectronics Co., Ltd.	370,171,620.00	1.41	--
Shanxi Coking Coal Group Co., Ltd.	339,011,552.04	1.30	--
The People's Government of Miyun Town, Miyun District, Beijing	325,000,000.00	1.24	--
China Railway 14th Bureau Group Co., Ltd.	310,544,036.00	1.19	--
Guizhou Moutai Sales Co., Ltd.	283,964,131.00	1.09	--
Total	1,628,691,339.04	6.23	--

9. Other receivables

Item	Closing balance	Beginning balance
Interest receivable	925,662,854.66	1,418,351,904.05
Dividends receivable	1,324,125,528.32	1,982,484,224.15
Other receivables	84,286,088,421.55	94,443,313,168.84
Total	86,535,876,804.53	97,844,149,297.04

(1) Interest receivable

① Interest receivable by category

Item	Closing balance	Beginning balance
Fixed deposits	447,120,415.11	351,929,147.61
Entrusted loans	12,696,035.15	13,393,355.34
Bond investments	29,584,038.64	403,640,083.49
Others	442,648,774.60	655,775,726.45
Subtotal:	932,049,263.50	1,424,738,312.89
Less: Provision for bad debts	6,386,408.84	6,386,408.84
Total	925,662,854.66	1,418,351,904.05

② Significant overdue interest

Creditor	Borrower	Closing balance	Overdue time (months)	Reason for overdue	Whether impairment occurred and its judgment basis
Beijing Energy Group	Changzhi Xinlong Coal Gangue Power Plant Co., Ltd.	6,386,408.84	63 months	Affected by macro policy control, Jinneng Changzhi Xinlong's low-calorific coal power generation expansion project temporarily suspended construction	Since Jinneng Changzhi Xinlong's low-calorific value coal power generation expansion project failed to operate, it was determined that interest receivable was impaired, and the provision for impairment was fully provided

(2) Dividends receivable

Item	Closing balance	Beginning balance	Reasons for non-recovery	Whether impairment occurred and its judgment basis
Dividends receivable of ageing within one year	540,204,376.08	1,173,431,221.94	—	—
Including: Guoao Investment Development Co., Ltd.	186,999,316.86	--	Unpaid	Yes

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Item	Closing balance	Beginning balance	Reasons for non-recovery	Whether impairment occurred and its judgment basis
Longhua County Xincun Mining Co., Ltd.	119,868,129.39	--	Unpaid	No
Inner Mongolia Mengda Power Generation Co., Ltd.	74,382,130.06	--	Tight cash flows	No
Inner Mongolia Shangdu Power Generation Co., Ltd.	45,416,330.79	171,961,653.11	Unpaid	No
Beijing Baineng Electric Technology Co., Ltd.	26,000,000.00	32,500,000.00	Unpaid	No
Kunming New Airport Expressway Construction Development Co., Ltd.	22,720,000.00	--	Unpaid	No
Shiseido Liyuan Cosmetics Co., Ltd.	17,921,901.25	26,645,399.83	Unpaid	No
Beijing Huadu Yukou Poultry Industry Co., Ltd.	15,981,012.66	--	Unpaid	No
Inner Mongolia Shangdu Second Power Generation Co., Ltd.	13,678,646.06	79,408,139.34	Unpaid	No
Others	17,236,909.01	862,916,029.66	Unpaid	No
Dividends receivable aged more than one year	906,915,450.89	913,347,369.17	—	—
Including: Guoao Investment Development Co., Ltd.	430,098,428.79	430,098,428.79	Unpaid	Yes
Wancheng Yonghui	165,000,000.00	--	Unpaid	No
Tenneco (Beijing) Automotive Shock Absorber Co., Ltd.	102,301,952.19	90,301,952.19	Unpaid	No
Longhua County Xincun Mining Co., Ltd.	57,687,299.40	77,687,299.40	Unpaid	NoNo
Shanxi Changqin Coal and Coke Co., Ltd.	57,606,863.46	58,606,863.46	Unpaid	No
Others	94,220,907.05	256,652,825.33	Unpaid	No
Subtotal	1,447,119,826.97	2,086,778,591.11	—	—
Less: Provision for bad debts	122,994,298.65	104,294,366.96	—	—
Total	1,324,125,528.32	1,982,484,224.15	—	—

(3) Other receivables

① Other receivables by nature

Item	Closing balance			Beginning balance		
	Book balance	Provision for bad debts	Carrying value	Book balance	Provision for bad debts	Carrying value
Companies that have not yet implemented New Financial Instruments Standards	38,592,946,209.07	12,150,038,825.66	26,442,907,383.41	50,687,663,563.90	15,611,684,388.17	35,075,979,175.73

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Companies that have implemented the new financial instrument standards	61,633,421,398.22	3,790,240,360.08	57,843,181,038.14	61,763,403,799.66	2,396,069,806.55	59,367,333,993.11
Total	100,226,367,607.29	15,940,279,185.74	84,286,088,421.55	112,451,067,363.56	18,007,754,194.72	94,443,313,168.84

② Information of provision for bad debts

“Companies that have not yet implemented New Financial Instruments Standards”:

Category	Closing balance			
	Book balance	Ratio (%)	Provision for bad debts	Ratio (%)
Individually significant and subject to separate provision of other receivables	14,947,859,730.17	38.73	8,827,970,015.34	59.06
Provision for bad debts collectively as a group based on credit risk characteristics	22,815,943,828.23	59.12	2,651,649,039.39	11.62
Individually insignificant and subject to separate provision of other receivables	829,142,650.67	2.15	670,419,770.93	80.86
Total	38,592,946,209.07	100.00	12,150,038,825.66	31.48

Other receivables by category (Continued)

Category	Beginning balance			
	Book balance	Ratio (%)	Provision for bad debts	Ratio (%)
Individually significant and subject to separate provision of other receivables	22,996,265,606.45	45.37	12,280,103,047.34	53.40
Provision for bad debts collectively as a group based on credit risk characteristics	27,062,954,367.89	53.39	2,706,434,280.37	10.00
Individually insignificant and subject to separate provision of other receivables	628,443,589.56	1.24	625,147,060.46	99.48
Total	50,687,663,563.90	100.00	15,611,684,388.17	30.80

A. Individually significant and subject to separate provision of other receivables

Name of debtor	Book balance	Provision for bad debts	Ageing	Provision ratio (%)	Reason of provision
Tonggang Group Dunhua Tadong Mining Co., Ltd.	1,723,401,259.25	1,723,401,259.25	1-5 years	100.00	Expected to be uncollectible
Beijing Yiben Real Estate Development Co., Ltd.	1,478,481,435.10	91,744,717.85	1-5 years	6.21	Expected partially unrecoverable
Dalian Yifang Donggang Land Co., Ltd.	1,336,093,855.26	193,525,300.64	1-5 years	14.48	Expected partially unrecoverable

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Name of debtor	Book balance	Provision for bad debts	Ageing	Provision ratio (%)	Reason of provision
Qinhuangdao Longhui Mining Co., Ltd.	1,246,825,205.98	1,246,825,205.98	Over 5 years	100.00	Expected to be uncollectible
Beijing Capital Tire Co., Ltd.	982,178,616.17	673,000,000.00	2 years to over 5 years	68.52	Expected partially unrecoverable
Tangshan Baoye Industrial Group Co., Ltd.	475,694,493.45	475,694,493.45	Over 3 years	100.00	Expected to be uncollectible
Shenzhen Benyuan Jinghong Equity Investment Fund Enterprise (Limited Partnership)	464,034,789.78	--	1-3 years	--	Expected to be recovered
Shanghai Huaxin Group Finance Co., Ltd.	463,185,399.81	463,185,399.81	3-5 years	100.00	Expected to be uncollectible
Retail investors	410,983,267.97	--	1 year	--	Expected to be recovered
Beijing Guorui Xingye Real Estate Co., Ltd.	406,000,000.00	--	Over 5 years	--	Expected to be recovered
Shenyang Oriental Iron & Steel Co., Ltd. Assets Group	403,340,235.43	357,049,551.39	Over 3 years	88.52	Expected partially unrecoverable
Cold rolling project Other receivables	330,699,634.33	330,699,634.33	Over 5 years	100.00	Expected to be uncollectible
Tibet BRICS Equity Investment Fund Management Co., Ltd.	302,010,000.00	205,515,000.00	2-3 years	68.05	Expected partially unrecoverable
Merchants	237,411,698.71	--	Over 3 years	--	Expected to be recovered
Hebei Longdi Shouchuang Tire Manufacturing Co., Ltd.	235,954,386.07	235,954,386.07	Over 5 years	100.00	Expected to be uncollectible
Fangcheng Shoukong Mining Co., Ltd.	171,993,019.44	88,047,351.73	Over 5 years	51.19	Having risk of recovery
State Taxation Bureau of Shunyi District, Beijing	146,609,575.14	--	Within 1 year	--	Expected to be recovered
Mido Energy Co., Ltd.	142,345,663.38	142,345,663.38	Over 3 years	100.00	Irrecoverable
Hebei Huiyuan Coking and Gas Group Co., Ltd.	125,402,512.87	37,620,753.86	4-5 years	30.00	Expected to be partly recoverable
Shenzhen Municipal Finance Bureau	110,053,371.65	110,053,371.65	Partly over 5 years	100.00	Expected to be uncollectible
Anhui Shouwen High-tech Materials Co., Ltd.	102,436,070.03	102,436,070.03	4-5 years	100.00	Expected to be uncollectible
Jingao Company	101,737,053.32	101,737,053.32	Over 3 years	100.00	Irrecoverable
National Zone Holdings Limited	96,503,271.00	96,503,271.00	3-4 years	100.00	Expected to be uncollectible
Zhongshun Automobile Holdings Co., Ltd.	94,100,403.00	94,100,403.00	Over 5 years	100.00	Expected to be uncollectible
Kailida Iron and Steel Co., Ltd., Fengrun District, Tangshan City	93,923,448.02	28,177,034.41	4-5 years	30.00	According to litigation case progress
Tianjin Binhai New Area Yizhou Dingxian International Trade Co., Ltd.	84,381,890.24	84,381,890.24	Over 5 years	100.00	Expected to be uncollectible
Manager of Beijing Capital Radial Tire Manufacturing Co., Ltd.	83,273,450.11	--	3-4 years	--	Expected to be recovered
Zhongsu International Trade (Beijing) Co., Ltd.	83,254,146.05	83,254,146.05	Over 5 years	100.00	Expected to be uncollectible
Jiangxi Jinggangshan Beiqi Investment Management Co., Ltd.	81,562,753.42	--	2-4 years	--	Expected to be recovered
Guoxing Company	76,831,900.57	76,831,900.57	Over 3 years	100.00	Expected to be uncollectible
Beijing Longjiantian Hongshun Duck Industry Co., Ltd.	75,934,482.90	75,934,482.90	1-5 years	100.00	Expected to be uncollectible
Jiangsu Qunfa Agricultural	68,981,810.31	68,981,810.31	Over 5	100.00	Expected to be

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Name of debtor	Book balance	Provision for bad debts	Ageing	Provision ratio (%)	Reason of provision
Development Co., Ltd.			years		uncollectible
Nanyang Shoukong Optoelectronics Co., Ltd.	68,610,744.89	68,610,744.89	Within 1 year	100.00	Expected to be uncollectible
Bankruptcy Administrator of Beijing Gear Factory	65,943,147.35	--	3-4 years	--	Expected to be recovered
Xinjiang Sinopoly United Mining Co., Ltd.	64,500,000.00	64,500,000.00	Over 5 years	100.00	Expected to be uncollectible
Intermediate People's Court of Hangzhou City, Zhejiang Province	59,949,751.85	--	Over 3 years	--	Forced deduction
Beijing Nenggao Automation Technology Co., Ltd.	53,789,260.00	--	Within 1 year	--	Expected to be recovered
Shenzhen Yaao Digital Technology Co., Ltd.	51,524,881.28	51,524,881.28	--	100.00	Expected irrecoverable
Beijing Relizhongda Heat Exchange Equipment Co., Ltd.	51,410,436.31	51,410,436.31	Over 5 years	100.00	Expected to be uncollectible
Ningbo Juncheng Technology Industry and Trade Co., Ltd.	51,125,733.82	51,125,733.82	Over 5 years	100.00	Expected to be uncollectible
Beijing Century Langchao Investment Management Co., Ltd.	50,855,774.86	50,855,774.86	4-5 years	100.00	Irrecoverable
Others	2,194,530,901.05	1,302,942,292.96	--	59.37	Expected to be partially recovered
Total	14,947,859,730.17	8,827,970,015.34	--	59.06	—

B. Provision for bad debts collectively as a group based on credit risk characteristics

a. Other receivables made provision for bad debts by aging analysis

Ageing	Closing balance			Beginning balance		
	Book balance		Provision for bad debts	Book balance		Provision for bad debts
	Amount	Ratio (%)		Amount	Ratio (%)	
Within 1 year (inclusive of 1 year)	4,360,993,098.71	50.73	17,567,099.16	5,579,652,605.46	56.48	198,730,266.39
1-2 years	829,845,415.94	9.65	20,865,492.79	1,270,352,638.71	12.86	81,980,019.72
2-3 years	506,955,748.42	5.90	233,423,236.30	190,751,854.94	1.94	19,741,192.21
Over 3 years	2,899,021,294.50	33.72	2,312,695,970.22	2,838,439,503.91	28.72	2,258,704,435.40
Total	8,596,815,557.57	100.00	2,584,551,798.47	9,879,196,603.02	100.00	2,559,155,913.72

b. Other receivables made provision for bad debts by other group analysis

Group	Closing balance			Beginning balance		
	Book balance	Provision ratio (%)	Provision for bad debts	Book balance	Provision ratio (%)	Provision for bad debts
Other group	14,219,128,270.66	0.47	67,097,240.92	17,183,757,764.87	0.86	147,278,366.65

C. Individually insignificant and subject to separate provision of other receivables

Name of debtor	Book balance	Provision for bad debts	Ageing	Provision ratio (%)	Reason of provision
Asian Games Village	30,000,000.00	30,000,000.00	Over 3 years	100.00	Expected to be uncollectible

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Name of debtor	Book balance	Provision for bad debts	Ageing	Provision ratio (%)	Reason of provision
Sino-Ocean Holding Group (China) Co., Ltd.	28,500,000.00	--	Within 1 year	--	Expected to be recovered
Macau Jingao Building Co., Ltd.	18,343,188.92	18,343,188.92	Over 3 years	100.00	Irrecoverable
Beijing Fangxiu Construction	16,247,617.64	8,123,808.82	2-3 years	50.00	Expected partially unrecoverable
Beijing Youhua Pharmaceutical Co., Ltd.	15,000,000.00	15,000,000.00	Over 5 years	100.00	Expected to be uncollectible
Tianning Temple Preemption	14,013,327.18	14,013,327.18	Over 3 years	100.00	Irrecoverable
Beijing Yue'an Material Management Co., Ltd.	11,724,850.00	11,724,850.00	Over 3 years	100.00	Expected to be uncollectible
Beijing Urban Construction Group Co., Ltd.	10,992,755.00	5,496,377.50	Over 3 years	50.00	Expected to be partially recovered
Renovate the Second Ring Office	10,561,900.01	10,561,900.01	Over 3 years	100.00	Expected to be uncollectible
China Academy of Chinese Medical Sciences	10,282,500.00	10,282,500.00	Within 3 years, Over 5 years	100.00	Expected to be uncollectible
Others	663,476,511.92	546,873,818.50	--	82.43	Expected to be partially recovered
Total	829,142,650.67	670,419,770.93	--	80.86	--

“Companies that have implemented the new financial instrument standards”:

Other receivables by ageing

Ageing	Closing balance
Within 1 year	24,104,300,607.99
1-2 years	11,254,912,027.22
2-3 years	9,825,715,684.35
Over 3 years	16,448,493,078.66
Subtotal	61,633,421,398.22
Less: Provision for bad debts	3,790,240,360.08
Total	57,843,181,038.14

At year end, provision for bad debts on those in first stage:

Category	Book balance	Expected credit loss rate in the next 12 months (%)	Provision for bad debts	Carrying value
Provision for bad debts	1,170,097,764.25	10.21	119,492,781.98	1,050,604,982.27

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Category	Book balance	Expected credit loss rate in the next 12 months (%)	Provision for bad debts	Carrying value
on individual item				
Provision for bad debts on portfolio basis	51,464,376,898.23	0.61	315,272,949.35	51,149,103,948.88
Deposit, security deposit, petty cash	2,430,277,672.12	0.19	4,566,906.95	2,425,710,765.17
Amounts due from related parties	27,135,993,189.21	0.01	2,284,488.91	27,133,708,700.30
Amounts due from minority shareholders	19,096,919,759.83	0.01	1,840,585.00	19,095,079,174.83
Current accounts	36,608,218.32	4.31	1,576,990.57	35,031,227.75
Payment on behalf of	232,171,048.07	9.55	22,164,582.07	210,006,466.00
Others	2,532,407,010.68	11.17	282,839,395.85	2,249,567,614.83
Total	52,634,474,662.48	0.83	434,765,731.33	52,199,708,931.15

At year end, provision for bad debts on those in second stage:

Category	Book balance	Expected credit loss rate in the next 12 months (%)	Provision for bad debts	Carrying value
Provision for bad debts on individual item	58,444,577.36	80.36	46,967,527.81	11,477,049.55
Provision for bad debts on portfolio basis	5,626,179,418.16	34.24	1,926,531,360.75	3,699,648,057.41
Deposit, security deposit, petty cash	1,062,936,620.66	18.61	197,857,354.57	865,079,266.09
Current accounts	2,561,832,612.12	36.47	934,261,452.47	1,627,571,159.65
Others	2,001,410,185.38	39.69	794,412,553.71	1,206,997,631.67
Total	5,684,623,995.52	34.72	1,973,498,888.56	3,711,125,106.96

At year end, provision for bad debts on those in third stage:

Category	Book balance	Expected credit loss rate (%) for the entire duration	Provision for bad debts	Carrying value
Provision for bad debts on individual item	3,267,940,161.80	40.87	1,335,598,411.77	1,932,341,750.03
Provision for bad debts on portfolio basis	46,382,578.42	99.99	46,377,328.42	5,250.00
Deposit, security	3,631,646.10	100.00	3,631,646.10	--

Category	Book balance	Expected credit loss rate (%) for the entire duration	Provision for bad debts	Carrying value
deposit, petty cash				
Current accounts	8,239,789.51	100.00	8,239,789.51	--
Others	34,511,142.81	99.98	34,505,892.81	5,250.00
Total	3,314,322,740.22	41.70	1,381,975,740.19	1,932,347,000.03

③ Provision, recovery or reversal of bad debts during the year

Reversal of provision for bad debts during the period was RMB 156,836,650.02 which was due to collection of payments.

④ Written-off of other receivables during the period was RMB 258,251,891.73.

⑤ Top five closing balance of other receivables was RMB 11,285,289,461.82, which accounted for 11.26% of total other receivables, and the provision for bad debts was RMB 1,723,401,259.25.

⑥ Receivables involving government grants was RMB 58,150,129.16.

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10. Inventories

(1) Inventories by category

Item	Closing balance			Beginning balance		
	Book balance	Provision for decline in value/ Provision for impairment of contract performance cost	Carrying value	Book balance	Provision for decline in value/ Provision for impairment of contract performance cost	Carrying value
Raw materials	31,799,065,588.71	2,323,520,921.42	29,475,544,667.29	24,483,193,116.82	1,335,408,549.42	23,147,784,567.40
Semi-finished goods and work in progress	412,577,766,531.88	3,409,186,967.55	409,168,579,564.33	432,039,961,854.06	3,334,154,348.95	428,705,807,505.11
Including: Completed and unsettled contractions	3,676,578,635.53	8,794,525.55	3,667,784,109.98	3,848,820,908.38	8,794,525.55	3,840,026,382.83
Real estate development product under construction	387,895,510,770.11	2,230,996,410.72	385,664,514,359.39	408,764,773,231.53	2,441,990,500.65	406,322,782,730.88
Merchandise goods (finished goods)	164,949,376,374.66	6,892,263,409.73	158,057,112,964.93	127,753,839,219.70	5,067,105,174.16	122,686,734,045.54
Including: Completed real estate products	94,559,552,930.91	1,834,173,033.52	92,725,379,897.39	59,621,052,857.23	1,409,419,327.64	58,211,633,529.59
Reusable materials (packaging, low-value consumables)	1,621,645,866.79	81,608,785.23	1,540,037,081.56	1,369,101,343.19	97,715,308.87	1,271,386,034.32
Consumptive biological assets	412,263,383.17	30,313,800.00	381,949,583.17	284,030,439.81	21,340,200.00	262,690,239.81
Others	15,339,006,720.65	148,397,575.78	15,190,609,144.87	15,486,615,033.43	126,804,988.51	15,359,810,044.92
Total	626,699,124,465.86	12,885,291,459.71	613,813,833,006.15	601,416,741,007.01	9,982,528,569.91	591,434,212,437.10

(2) Capitalization of borrowing costs

The capitalized amount of borrowing costs included in the closing balance of inventories is RMB 14,783,859,449.98.

(3) Information of completed and unsettled assets formed by construction contracts at the end of the period

Item	Closing balance
Cumulative cost incurred	42,275,421,410.02
Cumulative recognised gross profit	2,288,288,941.50
Less: Expected loss	8,794,525.55
Amount settled	40,887,131,715.99
Completed and unsettled assets formed by construction contracts	3,667,784,109.98

11. Contract assets

Item	Closing balance			Beginning balance		
	Book balance	Provision for impairment	Carrying value	Book balance	Provision for impairment	Carrying value
Completed and unsettled constructions	769,057,195.69	74,254,618.63	694,802,577.06	45,439,239.13	2,487,155.92	42,952,083.21
Sales contracts	346,726,753.82	12,513,806.98	334,212,946.84	158,535,514.40	5,553,424.24	152,982,090.16
Service contracts	119,787,083.30	836,236.21	118,950,847.09	--	--	--
Total	1,235,571,032.81	87,604,661.82	1,147,966,370.99	203,974,753.53	8,040,580.16	195,934,173.37

12. Assets held-for-sale

Item	Closing balance			Beginning balance		
	Book balance	Provision for impairment	Carrying value	Book balance	Provision for impairment	Carrying value
Assets in disposal group held-for-sale						
Including: Beijing Electronics	186,892,645.00	--	186,892,645.00	173,910,820.00	--	173,910,820.00
Tongrentang Group	164,347,500.00	--	164,347,500.00	35,685,750.20	--	35,685,750.20
Capital Development Holdings	94,738,063.02	5,016,300.00	89,721,763.02	32,476,348.51	--	32,476,348.51
Beijing Automotive Group	8,762,406.40	--	8,762,406.40	--	--	--
Xianglong Company	517,939.37	--	517,939.37	517,939.37	--	517,939.37
Total	455,258,553.79	5,016,300.00	450,242,253.79	242,590,858.08	--	242,590,858.08

Assets in disposal group held-for-sale

① Beijing Electronics

Item	Carrying value at year end	Fair value at year end	Estimated disposal cost	Time schedule
Transfer to held-for-sale due to relocation	186,892,645.00	186,892,645.00	--	March 31, 2021

Note: In March 2018, Gaochuang (Suzhou) Electronics Co., Ltd., a subsidiary of Beijing Electronics, signed a land and property sale and purchase agreement with the Wujiang Economic and Technological Development Zone Management Committee to sell the real estate and other attachments in Wujiang Economic and Technological Development Zone to Wujiang Economic and Technological Development Zone Management Committee. The carrying amount of the above-mentioned assets held-for-sale as of December 31, 2020 was RMB 186,892,645. Gaochuang (Suzhou) Electronics Co., Ltd. and the Wujiang Economic and Technological Development Zone Management Committee agreed to sell at RMB 384,047,100. The sale and purchase price is based on the evaluation report. The relevant asset disposal was completed in March 2021.

② Tongrentang Group

Item	Carrying value at year end	Fair value at year end	Estimated disposal cost	Time schedule
Beijing Tongrentang (Baoding) Zhili Traditional Chinese Medicine Hospital Co., Ltd.	164,347,500.00	164,347,500.00	--	2021

Note: Tongrentang Group's subsidiary Medical Care Group will transfer its subsidiary Beijing Tongrentang (Baoding) Zhili Traditional Chinese Medicine Hospital Co., Ltd. into assets held-for-sale. The transaction is expected to be completed in 2021.

③ Capital Development Holdings

Item	Carrying value at year end	Fair value at year end	Estimated disposal cost	Time schedule
Fixed assets	20,310,434.47	20,310,434.47	--	2021
Investment properties	938,450.36	938,450.36	--	2021
Intangible assets	68,348,980.85	68,348,980.85	--	2021
Other receivables	2,207.17	2,207.17	--	2021
Inventories	54,265.23	54,265.23	--	2021
Prepayments	67,424.94	67,424.94	--	2021
Total	89,721,763.02	89,721,763.02	--	

Note: In December 2020, Aobao Company signed a property rights transfer contract with Ta De Investment Pty Ltd, agreeing to transfer its hotel properties for Australian dollar 35.68 million, Huntington Company and Austin Hotel Group Pty Ltd signed a contract for the transfer of hotel business, agreeing to transfer the hotel business for Australian dollar 2.4 million. As of December 31, 2020, both Aobao Company and Huntington Company have not yet received the consideration for the assets transfer. When preparing its annual financial statements, Aobao Company has classified related properties and

business assets as assets held-for-sale, and its related liabilities as liabilities held-for-sale. Since the net amount of assets and liabilities held-for-sale at the end of the year is lower than the contractual transfer price, it is stated at the carrying value. Aobao Company completed the transfer of assets and business on March 26, 2021, and received the aforementioned transfer payment.

④Beijing Automotive Group

Item	Carrying value at year end	Fair value at year end	Estimated disposal cost	Time schedule
Hefei KMM plot of land	8,762,406.40	8,762,406.40	--	2021

⑤Xianglong Company

Item	Carrying value at year end	Fair value at year end	Estimated disposal cost	Time schedule
Wulidian boiler renovation	517,939.37	517,939.37	--	2021

13. Non-current assets due within one year

Item	Closing balance	Beginning balance
Long-term receivables due within one year	12,104,317,354.50	11,707,385,920.99
Entrusted loans due within one year	19,166,659.07	215,021,770.83
Others	1,581,433,114.55	448,222.51
Total	13,704,917,128.12	11,922,855,914.33

14. Other current assets

Item	Closing balance	Beginning balance
Value-added tax carried forward	15,129,168,939.70	17,106,290,011.94
Deductible input tax	14,466,118,791.79	13,336,349,950.82
Prepaid tax	11,669,103,253.21	10,127,752,272.87
Financial products	6,238,833,744.30	14,420,208,741.32
Entrusted loans	2,378,052,577.51	2,278,332,567.48
Prepayments	1,381,601,748.61	1,041,062,304.12
Warranty deposits	1,022,905,140.44	932,763,427.70
Contract acquisition cost	921,274,712.78	691,397,790.61
Input tax pending for verification	711,503,038.38	520,852,333.53
Others	2,954,076,501.19	2,867,708,120.25
Total	56,872,638,447.91	63,322,717,520.64

15. Debts investment

(1) Information of debts investment

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Item	Closing balance			Beginning balance		
	Book balance	Provision for impairment	Carrying value	Book balance	Provision for impairment	Carrying value
Policy Bank Financial Bonds-19 Agricultural Development 01	582,570,053.43	--	582,570,053.43	--	--	--
Policy Bank Financial Bonds-20 Agricultural Development 04	199,917,800.00	--	199,917,800.00	206,933,697.53	--	206,933,697.53
Entrusted loans	143,238,657.85	86,323,525.99	56,915,131.86	47,089,708.34	342,436.36	46,747,271.98
Total	925,726,511.28	86,323,525.99	839,402,985.29	254,023,405.87	342,436.36	253,680,969.51

(2) Significant debts investment

Creditor	Face value	Coupon rate	Effective interest rate	Maturity date
Entrusted loans	52,000,000.00	4.350%~5.438%	3.464%-4.230%	2022/12/31

(3) Provision for impairment

At year end, provision for impairment at stage 1:

Category	Book balance	Expected credit loss rate (%) in the next 12 months	Provision for impairment	Carrying value	Reason
Entrusted loans	143,238,657.85	60.26	86,323,525.99	56,915,131.86	Possibility of collection

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16. Available-for-sale financial assets

(1) Available-for-sale financial assets

Item	Closing balance		Beginning balance	
	Book balance	Provision for impairment	Book balance	Provision for impairment
Available-for-sale debt instruments	4,304,936,721.92	--	983,117,938.20	--
Available-for-sale equity instruments	188,168,790,997.11	1,267,848,190.33	134,562,993,650.65	1,160,766,975.27
Measured at fair value	82,023,024,057.79	--	50,542,822,273.18	17,500,000.00
Measured at cost	106,145,766,939.32	1,267,848,190.33	84,020,171,377.47	1,143,266,975.27
Total	192,473,727,719.03	1,267,848,190.33	135,546,111,588.85	1,160,766,975.27
				983,117,938.20
				133,402,226,675.38
				50,525,322,273.18
				82,876,904,402.20
				134,385,344,613.58

(2) Available-for-sale financial assets measured at fair value at year end

Item	Available-for-sale equity instruments	Available-for-sale debt instruments	Others	Total
Cost of equity instrument/Amortized costs of debts instrument	69,086,272,633.66	1,008,972,159.91	--	70,095,244,793.57
Fair value	82,023,024,057.79	4,304,936,721.92	--	86,327,960,779.71
Cumulative change in fair value recorded into other comprehensive income	12,936,751,424.13	3,295,964,562.01	--	16,232,715,986.14
Accrued provision for impairment	--	--	--	--

17. Held-to-maturity investments

(1) Held-to-maturity investments

Item	Closing balance			Beginning balance		
	Book balance	Provision for impairment	Carrying value	Book balance	Provision for impairment	Carrying value
Entrusted loans	412,650,000.00	--	412,650,000.00	482,150,000.00	--	482,150,000.00
Bond investments	1,151,441,700.58	8,650,000.00	1,142,791,700.58	22,824,686.32	9,702,000.00	13,122,686.32
Subtotal	1,564,091,700.58	8,650,000.00	1,555,441,700.58	504,974,686.32	9,702,000.00	495,272,686.32
Less: Held-to-maturity investments maturing within 1 year	542,441,700.58	--	542,441,700.58	482,179,198.91	--	482,179,198.91
Total	1,021,650,000.00	8,650,000.00	1,013,000,000.00	22,795,487.41	9,702,000.00	13,093,487.41

Beijing Energy Group fully accrued the provision for impairment of its corporate bonds of RMB 8,650,000.00.

(2) Significant held-to-maturity investments at year end

Bonds	Face value	Coupon rate	Effective interest rate	Maturity date
Bond investments	1,000,000,000.00	3.98%	3.98%	2023/9/17
Bond investments	13,000,000.00	1.50%	1.50%	2021/1/30
Total	1,013,000,000.00	--	--	--

18. Long-term receivables

Item	Closing balance			Beginning balance			Range of discount rate at year end (%)
	Book balance	Provision for bad debts	Carrying value	Book balance	Provision for bad debts	Carrying value	
Financing lease payments	19,090,249,648.58	551,502,861.30	18,538,746,787.28	20,648,561,121.00	490,256,873.40	20,158,304,247.60	2.95-5.66

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Item	Closing balance			Beginning balance			Range of discount rate at year end (%)
	Book balance	Provision for bad debts	Carrying value	Book balance	Provision for bad debts	Carrying value	
Include: Unrealized financing income	1,108,404,940.43	--	1,108,404,940.43	1,026,505,610.83	--	1,026,505,610.83	2.95-5.66
Installment receivables in sales of goods	1,057,395,508.40	88,170,733.87	969,224,774.53	1,389,005,211.63	121,022,058.62	1,267,983,153.01	2.18-5.00
Installment receivables in rendering of services	3,413,056,610.63	594,604,809.96	2,818,451,800.67	59,969,106.74	507,000.00	59,462,106.74	2.175-4.90
Others	5,928,153,468.85	1,238,781.00	5,926,914,687.85	4,830,364,720.47	1,306,976.95	4,829,057,743.52	1.00-5.66
Subtotal	29,488,855,236.46	1,235,517,186.13	28,253,338,050.33	26,927,900,159.84	613,092,908.97	26,314,807,250.87	--
Less: Long-term receivables due within one year	12,186,944,653.07	82,627,298.57	12,104,317,354.50	11,855,700,770.58	148,314,849.59	11,707,385,920.99	--
Total	17,301,910,583.39	1,152,889,887.56	16,149,020,695.83	15,072,199,389.26	464,778,059.38	14,607,421,329.88	--

19. Long-term equity investments

(1) Long-term equity investments by category

Item	Beginning balance	Increase	Decrease	Closing balance
Investment in other entities	4,312,075,063.46	709,883,393.88	34,379,220.93	4,987,579,236.41
Investment in joint ventures	46,900,517,920.39	1,727,863,748.18	23,939,870,551.12	24,688,511,117.45
Investment in associates	148,359,893,173.88	30,480,994,678.86	7,848,412,481.66	170,992,475,371.08
Subtotal	199,572,486,157.73	32,918,741,820.92	31,822,662,253.71	200,668,565,724.94
Less: Provision for impairment of long-term equity investments	4,201,862,422.16	1,253,810,314.16	56,472,233.27	5,399,200,503.05
Total	195,370,623,735.57	31,664,931,506.76	31,766,190,020.44	195,269,365,221.89

(2) Details of long-term equity investments

Investor	Investee	Closing balance	Closing balance of provision for impairment
I. Investment in joint ventures			
The Center	Beijing Equity Investment Development Center (Limited Partnership)	2,514,577,930.14	--
The Center	Beijing Equity Investment Development Management Center (Limited Partnership)	1,005,807,944.82	--
The Center	Beijing City Sub-center Construction Development Fund Management Co., Ltd.	9,921,230.24	--
The Center	Beijing Equity Investment Development Center Phase II (Limited Partnership)	213.32	--
Shougang Group	Tangshan Shougang Jingtang Xishan Coking Co., Ltd.	1,087,536,364.97	--

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Investor	Investee	Closing balance	Closing balance of provision for impairment
Shougang Group	BeijingWest Heavy Industries (Shanghai) Co., Ltd.	234,034,240.15	--
Shougang Group	Tangshan Zhonghong Carbon Chemical Co., Ltd.	108,750,931.30	--
Shougang Group	Beijing Shougang Shunpu Metal Co., Ltd.	69,433,890.55	--
Shougang Group	Tangshan Guoxing Industrial Co., Ltd. etc.	84,780,315.92	--
Beijing Electronics	Electronic Zone Huaping Dongjiu (Ningbo) Investment Management Co., Ltd.	10,691,901.19	--
Jingcheng Electromechanical	Beijing Fusheng Machinery Co., Ltd.	62,741,349.34	--
Jingcheng Electromechanical	Beijing Beizhong Zhongneng Power Station Auxiliary Equipment Co., Ltd.	9,473,865.50	--
Jingcheng Electromechanical	Beijing Capital Dechuang Fund Management Co., Ltd.	2,999,481.37	--
Beijing Energy Group	Beijing Huayuan Huizhong Environmental Technology Co., Ltd.	130,987,359.60	--
Beijing Energy Group	Beijing Petrochemical Products Development Supply Co., Ltd.	86,567,307.47	--
Beijing Energy Group	Beijing Beiran Thermal Power Co., Ltd. etc.	55,490,733.98	--
Capital Highway Development	Beijing Shoufa Jingxin Investment Fund Management Co., Ltd.	1,049,303.59	--
Yiqing Group	Wilcom Dahao (Beijing) Software Technology Co., Ltd.	5,703,341.32	--
Capital Development Holdings	Beijing Zhuzong Shoukai Real Estate Co., Ltd.	584,258,814.94	--
Capital Development Holdings	Beijing Runhe Xintong Real Estate Development Co., Ltd.	135,584,752.28	--
Capital Development Holdings	Beijing Shoukai Nomura Real Estate Management Co., Ltd.	40,853,873.70	--
Capital Development Holdings	Beijing Juntai Real Estate Development Co., Ltd.	22,009,715.44	--
Beijing Automotive Group	Beijing Hyundai Motor Co., Ltd.	5,603,399,366.40	--
Beijing Automotive Group	Beijing Foton Cummins Engine Co., Ltd.	1,939,452,351.05	--
Beijing Automotive Group	Beijing Foton Daimler Automobile Co., Ltd.	1,791,352,848.37	--
Beijing Automotive	Fujian Benz Automobile Co., Ltd.	1,673,458,184.44	--

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Investor	Investee	Closing balance	Closing balance of provision for impairment
Group			
Beijing Automotive Group	Beijing Beiqi Lear Automotive System Co., Ltd.	663,842,242.91	--
Beijing Automotive Group	Beijing Hyundai Mobis Auto Parts Co., Ltd.	437,844,369.16	--
Beijing Automotive Group	Langfang Leoni Wire Harness System Co., Ltd.	414,256,235.66	--
Beijing Automotive Group	Beijing Mercedes-Benz Sales Service Co., Ltd.	179,907,522.33	--
Beijing Automotive Group	Beijing Hainachuan Hella Automotive Lighting Co., Ltd.	177,555,830.24	--
Beijing Automotive Group	Beijing Beiqi Faurecia Automotive Systems Co., Ltd. ("BAIC Faurecia", formerly Beijing Beiqi Dashi Automotive Systems Co., Ltd.)	163,849,990.75	--
Beijing Automotive Group	New Zealand Pacific Aerospace Corporation	138,842,230.04	--
Beijing Automotive Group	Beijing Zhongdu Grovis Logistics Co., Ltd.	138,265,032.82	--
Beijing Automotive Group	Beixian Leasing Co., Ltd.	136,366,196.46	--
Beijing Automotive Group	Zhengzhou Penglong Wantong Automobile Sales Co., Ltd.	94,838,653.37	--
Beijing Automotive Group	Beijing Hainachuan Ruiyan Automotive Trim Co., Ltd.	90,061,696.07	--
Beijing Automotive Group	Beijing Penglong Avenue Automobile Sales Service Co., Ltd.	63,420,520.41	--
Beijing Automotive Group	BAIC Yinjian Investment Co., Ltd.	56,773,420.21	--
Beijing Automotive Group	BAIC Dymos (Cangzhou) Automotive System Co., Ltd.	53,214,213.97	--
Beijing Automotive Group	Yantai Penglong Weidong Automobile Sales Service Co., Ltd., etc.	615,578,787.50	--
Tongrentang Group	Beijing Tongrentang Senior Care Industry Investment Operation Center (Limited Partnership)	10,048,047.10	--
Tongrentang Group	Beijing Zhongyan Tongrentang Pharmaceutical R&D Co., Ltd., etc.	26,335,870.37	--
Xianglong Group	Beijing Huatong Toyota Motor Sales Service Co., Ltd.	10,167,549.18	--

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Investor	Investee	Closing balance	Closing balance of provision for impairment
Beichen Group	Hangzhou Jinhu Real Estate Development Co., Ltd.	172,110,322.00	--
Beichen Group	Wuhan Dangdai Beichen Real Estate Co., Ltd.	80,236,399.00	--
Beichen Group	Hangzhou Chenxu Real Estate Co., Ltd. etc.	49,493,894.00	--
BBMG Group	Jidong Heidelberg (Jingyang) Cement Co., Ltd.	663,539,889.80	--
BBMG Group	Jidong Heidelberg (Fufeng) Cement Co., Ltd.	489,091,807.62	--
BBMG Group	Anshan Jidong Cement Co., Ltd.	234,473,611.32	--
BBMG Group	CrossPointTrading274(Pty) Ltd(RF)	179,023,798.41	--
BBMG Group	Tangshan Caofeidian Dunshi New Building Materials Co., Ltd.	166,991,004.77	--
BBMG Group	Xingpai Ushiji Building Materials Co., Ltd., etc.	64,035,718.98	--
Shounong Group	Beijing McDonald's Food Co., Ltd.	1,063,667,733.50	--
Shounong Group	Beijing Zhongke E-commerce Valley Investment Co., Ltd.	482,815,136.47	--
Shounong Group	Beijing Zhengda Feed Co., Ltd.	90,824,898.49	--
Shounong Group	Shandong Liuhe Cherry Valley Duck Co., Ltd.	56,740,908.54	--
Shounong Group	Henan Huaying Cherry Valley Food Co., Ltd. etc.	153,379,974.61	--
Subtotal		24,688,511,117.45	--
II. Investment in associates			
The Center	Beijing Rural Commercial Bank Co., Ltd.	8,328,918,151.33	--
The Center	China Aviation Engine Group Co., Ltd.	4,371,763,566.44	--
The Center	Beijing Shouhuan Cultural Tourism Investment Co., Ltd.	3,897,410,154.50	--
The Center	ChinaBond Credit Promotion Investment Co., Ltd.	1,479,058,418.52	--
The Center	China Aviation Development Beijing Limited	871,474,508.58	--
The Center	Beijing Innovation Industry Investment Co., Ltd.	816,253,015.84	--
The Center	Daiwa Securities (China) Limited	307,756,267.63	--
The Center	AVIC System Limited	177,693,577.36	--
The Center	Beijing Science and Technology Innovation Investment Management Co., Ltd.	38,234,169.16	--
The Center	Carlyle (Beijing) Investment Management Co., Ltd.	18,267,393.48	--
Shougang Group	Hua Xia Bank Co., Ltd.	48,837,344,613.98	--
Shougang Group	Shoucehng Holdings Co., Ltd.	2,435,927,351.43	--
Shougang Group	Tangshan Caofeidian Industrial Port Co., Ltd.	1,224,606,320.33	--
Shougang Group	Jingtang Port Shougang Terminal Co., Ltd.	1,141,831,403.70	--
Shougang	Qian'an Sinochem Coal Chemical Co., Ltd.	952,347,397.55	--

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Investor	Investee	Closing balance	Closing balance of provision for impairment
Group			
Shougang Group	Shouchang Baojia Group Co., Ltd.	556,205,104.82	--
Shougang Group	Tangshan Tangcao Railway Co., Ltd.	450,000,000.00	--
Shougang Group	Beijing Tieke Shougang Rail Technology Co., Ltd.	439,110,127.82	--
Shougang Group	Beijing Shouxin Jinyuan Management Consulting Center (Limited Partnership)	431,802,688.92	--
Shougang Group	Tonggang Group Dunhua Tadong Mining Co., Ltd.	398,885,193.53	398,885,193.53
Shougang Group	Shanxi Changqin Coal and Coke Co., Ltd.	334,359,830.61	--
Shougang Group	Chengde Xintong Shoucheng Mining Co., Ltd.	311,317,970.07	--
Shougang Group	Hangzhou Tonggang Donglian Steel Processing and Distribution Co., Ltd., etc.	294,669,330.36	4,916,927.00
Shougang Group	Orient United Resources (Hong Kong) Co., Ltd.	220,144,784.46	--
Shougang Group	Global Digital Creative Holdings Limited	216,443,508.88	125,942,167.57
Shougang Group	Canada Kailuan Dehua Mining Co., Ltd.	182,599,794.77	--
Shougang Group	Yaskawa Shougang Robot Co., Ltd.	168,546,900.93	--
Shougang Group	Shanxi Jinshan Energy Co., Ltd.	162,000,000.00	--
Shougang Group	Tangshan Caofeidian Dunshi New Building Materials Co., Ltd.	166,991,004.81	--
Shougang Group	Beijing Wannian Huacheng Real Estate Development Co., Ltd.	126,464,732.70	--
Shougang Group	Chongqing Pinjinyue Real Estate Development Co., Ltd.	110,404,543.54	--
Shougang Group	Longhua County Xincun Mining Co., Ltd.	105,976,113.07	--
Shougang Group	Beijing Jinan Xingye Real Estate Development Co., Ltd.	90,380,065.47	--
Shougang Group	China Eagle Cao Jiantou (Cao Feidian) Real Estate Development Co., Ltd.	82,004,737.03	--
Shougang Group	BeijingWest Commercial Factoring Co., Ltd.	78,121,866.44	--
Shougang Group	Guangzhou Jinghai Shipping Co., Ltd.	74,859,702.83	--
Shougang Group	Panzhuhua Shuigang Hongfa Mining Co., Ltd.	62,886,280.77	--
Shougang Group	Liupanshui Shougang Shuigang General Hospital Co., Ltd.	58,834,793.83	--
Shougang Group	Shougang (Qingdao) Steel Industry Co., Ltd., etc.	420,729,320.38	14,964,893.58
Beijing Electronics	Beijing Core Kinetics Investment Fund (Limited Partnership)	2,058,142,325.00	--
Beijing Electronics	Beijing China Life Electric Technology Equity Investment Fund Partnership (Limited	623,937,906.86	--

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Investor	Investee	Closing balance	Closing balance of provision for impairment
	Partnership)		
Beijing Electronics	Tianjin Xianzhi Chain Investment Center (Limited Partnership)	474,207,278.00	--
Beijing Electronics	Cnoga Medical Ltd.	266,520,324.00	251,186,507.00
Beijing Electronics	Hunan BOE Yiyun Technology Co., Ltd.	253,630,000.00	--
Beijing Electronics	Beijing Innovation Industry Investment Co., Ltd.	204,063,254.00	--
Beijing Electronics	Boercheng (Beijing) Technology Co., Ltd.	200,203,487.00	--
Beijing Electronics	Beijing Industrial Design and Research Institute Co., Ltd.	80,461,170.71	--
Beijing Electronics	Beijing Riduan Electronics Co., Ltd.	71,396,821.00	--
Beijing Electronics	Beijing Senju Electronic Materials Co., Ltd. etc.	1,063,724,390.74	786,186,864.82
Jingcheng Electromechanical	Beijing ABB Switch Co., Ltd.	231,890,387.78	--
Jingcheng Electromechanical	BYJC-Okuma (Beijing) Machine Tool Co., Ltd.	128,106,641.15	--
Jingcheng Electromechanical	Beijing Jingcheng Gonghe Pension Investment Co., Ltd.	118,927,896.18	--
Jingcheng Electromechanical	Beijing ABB High Voltage Switchgear Co., Ltd.	116,503,800.05	--
Jingcheng Electromechanical	Jiangsu Tianhai Special Equipment Co., Ltd. etc.	103,697,268.41	--
Beijing Energy Group	Inner Mongolia Yitai Jingyue Suancangou Mining Co., Ltd.	2,414,886,147.42	--
Beijing Energy Group	Huaneng Beijing Thermal Power Co., Ltd.	1,841,349,281.51	--
Beijing Energy Group	Beijing Energy International Holdings Co., Ltd.	1,701,849,083.51	--
Beijing Energy Group	Inner Mongolia Shangdu Power Generation Co., Ltd.	1,380,982,469.89	--
Beijing Energy Group	Guodian Datong Power Generation Co., Ltd.	1,053,302,768.77	--
Beijing Energy Group	Inner Mongolia Mengda Power Generation Co., Ltd.	750,728,274.79	--
Beijing Energy Group	Xilin Gol Fengfeng Energy Co., Ltd.	764,718,682.38	--
Beijing Energy Group	Inner Mongolia Datang International Tuoketuo Power Generation Co., Ltd.	690,982,726.46	--
Beijing Energy Group	China Resources Power (Xilinguole) Co., Ltd.	612,181,361.21	--
Beijing Energy Group	Sanhe Power Generation Co., Ltd.	587,191,666.59	--

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Investor	Investee	Closing balance	Closing balance of provision for impairment
Beijing Energy Group	Inner Mongolia Datang International Tuoketuo Second Power Generation Co., Ltd.	577,925,480.94	--
Beijing Energy Group	African Coal Company	401,234,522.34	168,702,733.99
Beijing Energy Group	Inner Mongolia Shangdu Second Power Generation Co., Ltd.	351,487,464.39	--
Beijing Energy Group	Shanxi International Energy Yuguang Coal and Electricity Co., Ltd.	359,997,257.74	--
Beijing Energy Group	Ordos Taishengheng Mining Co., Ltd.	262,200,000.00	--
Beijing Energy Group	Beijing Static Transportation Investment Operation Co., Ltd.	238,471,340.35	--
Beijing Energy Group	Inner Mongolia Jingda Power Generation Co., Ltd.	185,309,821.96	--
Beijing Energy Group	Beijing Gaoke Energy Supply Management Co., Ltd.	176,013,292.64	--
Beijing Energy Group	Guodian Power Dalian Zhuanghe Power Generation Co., Ltd.	123,548,825.02	--
Beijing Energy Group	Beijing City Power Warehousing Co., Ltd.	84,262,704.94	--
Beijing Energy Group	Beijing Tianyin Geothermal Development Co., Ltd., etc.	275,804,802.53	369,159.61
Capital Highway Development	Beijing Xingyan Expressway Co., Ltd.	3,274,000,000.00	--
Capital Highway Development	Beijing Capital Ring Expressway Co., Ltd.	3,040,527,983.00	--
Capital Highway Development	Beijing Huabeitou New Airport North Line Expressway Co., Ltd.	2,199,240,000.00	--
Capital Highway Development	China Railway BeijingWest (Beijing) Expressway Development Co., Ltd.	675,585,321.00	--
Capital Highway Development	Beijing Tongda Jingcheng Expressway Co., Ltd.	412,464,664.51	--
Capital Highway Development	Beijing Static Transportation Investment Operation Co., Ltd.	278,219,147.64	--
Capital Highway Development	Kunming New Airport Expressway Construction Development Co., Ltd.	203,552,027.76	--
Capital Highway Development	Beijing Information Infrastructure Construction Co., Ltd.	188,228,642.54	--
Capital Highway Development	Beijing Shengtong Real Estate Development Co., Ltd. etc.	107,980,427.63	4,565,942.76
Yiqing Holding	Beijing Gemdale Hongyun Real Estate Development Co., Ltd.	286,705,632.25	--
Yiqing Holding	Shiseido Liyuan Cosmetics Co., Ltd.	281,483,306.54	--

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Investor	Investee	Closing balance	Closing balance of provision for impairment
Yiqing Holding	Zhaofeng Ceramics (Beijing) Sanitary Ware Co., Ltd.	171,169,232.50	171,169,232.50
Yiqing Holding	Beijing Baiju Electric Co., Ltd.	103,643,991.38	--
Yiqing Holding	Beijing Witton (Yuncheng) Glass Products Co., Ltd.	61,400,734.96	--
Yiqing Holding	Beijing Bausch & Lomb Eye Care Products Co., Ltd.	59,247,752.50	--
Yiqing Holding	Beijing Nonferrous Metal Supply and Marketing Co., Ltd.	52,771,829.25	--
Yiqing Holding	Hisense (Beijing) Electric Co., Ltd., etc.	388,893,461.64	5,959,361.27
Capital Development Holdings	Beijing Shoukai Xutai Real Estate Development Co., Ltd.	1,541,356,804.10	--
Capital Development Holdings	Beijing Hexin Jintai Real Estate Development Co., Ltd.	1,715,668,943.83	--
Capital Development Holdings	Guangzhou Junting Real Estate Co., Ltd.	1,196,050,325.04	--
Capital Development Holdings	Suzhou Anmao Real Estate Co., Ltd.	1,165,758,574.68	--
Capital Development Holdings	Beijing Zhitai Real Estate Development Co., Ltd.	1,004,753,319.70	--
Capital Development Holdings	Kaimao Real Estate (Hangzhou) Co., Ltd.	991,951,666.38	--
Capital Development Holdings	Beijing Shoukai Longhu Yingtai Real Estate Co., Ltd.	990,990,953.19	--
Capital Development Holdings	Suzhou Longtai Real Estate Co., Ltd.	952,933,537.22	--
Capital Development Holdings	Shoucheng Real Estate	924,704,714.57	--
Capital Development Holdings	Beijing Langtai Real Estate Development Co., Ltd.	822,154,763.82	--
Capital Development Holdings	Fuzhou Zhongtai Investment Co., Ltd.	817,618,873.32	--
Capital Development Holdings	Beijing Jardine Real Estate Co., Ltd.	816,975,347.94	--
Capital Development Holdings	Beijing Shangtai Xinhua Real Estate Development Co., Ltd.	783,786,622.60	--
Capital Development Holdings	Xiamen Yingtai Real Estate Co., Ltd.	782,881,488.46	--

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Investor	Investee	Closing balance	Closing balance of provision for impairment
Capital Development Holdings	Beijing Yicheng Real Estate Co., Ltd.	720,822,646.46	--
Capital Development Holdings	Xiamen Lintai Real Estate Co., Ltd.	705,563,893.15	--
Capital Development Holdings	Beijing Jinkailiantai Real Estate Development Co., Ltd.	593,823,315.32	--
Capital Development Holdings	Xiamen Yuetai Real Estate Co., Ltd.	568,448,586.60	--
Capital Development Holdings	Beijing Bihe Xintai Real Estate Co., Ltd.	556,627,829.63	--
Capital Development Holdings	Chengdu Chenqi Real Estate Co., Ltd.	544,381,378.39	--
Capital Development Holdings	Suzhou Shoulong Real Estate Co., Ltd.	469,597,653.21	--
Capital Development Holdings	Wuxi Runtai Real Estate Co., Ltd.	447,734,190.77	--
Capital Development Holdings	Ningbo Jinjun Real Estate Information Consulting Co., Ltd.	436,514,990.42	--
Capital Development Holdings	Beijing Chengzhi Real Estate Co., Ltd.	432,707,232.78	--
Capital Development Holdings	Shanghai Zhongcheng Real Estate Development Co., Ltd.	413,322,016.65	--
Capital Development Holdings	Beijing Shoukai Vanke Real Estate Co., Ltd.	392,802,327.86	--
Capital Development Holdings	Beijing Zhongkai Yingtai Real Estate Development Co., Ltd.	375,266,803.91	--
Capital Development Holdings	Hainan Wuzhizhou Tourism Development Co., Ltd.	355,905,654.21	--
Capital Development Holdings	Zhuhai Zhuoxuan Real Estate Co., Ltd.	352,069,021.73	--
Capital Development Holdings	Changshu Yaotai Real Estate Co., Ltd.	326,069,976.10	--
Capital Development Holdings	Guao Investment Development Co., Ltd.	283,612,004.14	--
Capital Development	Beijing Static Transportation Investment Operation Co., Ltd.	238,471,340.35	--

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Holdings			
Capital Development Holdings	Guao Investment Development Co., Ltd.	234,770,796.23	--
Capital Development Holdings	Chengdu Chenhua Real Estate Co., Ltd.	231,917,252.86	--
Capital Development Holdings	Fujian Daguang Automobile City Development Co., Ltd.	214,823,301.07	--
Capital Development Holdings	Beijing Shoukai Vanke Hetai Real Estate Co., Ltd.	202,166,636.50	--
Capital Development Holdings	Beijing Tengtai Yiyuan Real Estate Co., Ltd.	197,177,211.83	--
Capital Development Holdings	Beijing Jinliang Xingye Real Estate Development Co., Ltd.	166,683,069.15	--
Capital Development Holdings	Zhuhai Runqian Real Estate Co., Ltd.	166,468,936.19	--
Capital Development Holdings	Beijing National Speed Skating Stadium Management Co., Ltd.	128,033,971.99	--
Capital Development Holdings	Beijing Xiangsheng Huinian Real Estate Co., Ltd.	118,914,766.54	--
Capital Development Holdings	Tianjin Seaview Industrial Co., Ltd.	116,079,804.06	--
Capital Development Holdings	Wuhan Mingtai Real Estate Co., Ltd.	102,307,707.71	--
Capital Development Holdings	Beijing Wancheng Yonghui Real Estate Co., Ltd.	96,785,840.37	--
Capital Development Holdings	Shenzhen Xiliang Investment Development Co., Ltd.	86,712,798.52	--
Capital Development Holdings	Beijing Jinyu Real Estate Co., Ltd.	83,487,073.74	--
Capital Development Holdings	Suzhou Yuxiu Real Estate Development Co., Ltd.	79,662,892.34	--
Capital Development Holdings	Xiamen Zhaochun Real Estate Co., Ltd.	68,957,773.06	--
Capital Development Holdings	Beijing Houtai Real Estate Development Co., Ltd.	65,253,953.45	--

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Capital Development Holdings	Beijing Housing Industrialization Group Co., Ltd.	63,631,266.85	--
Capital Development Holdings	Beijing Yuanhe Real Estate Co., Ltd.	57,771,521.89	--
Capital Development Holdings	Beijing Jingu Chuangxin Real Estate Co., Ltd.	56,461,041.04	--
Capital Development Holdings	Beijing Houtai Real Estate Development Co., Ltd.	54,673,013.11	--
Capital Development Holdings	Beijing Shoukai Jingnan Development Co., Ltd.	50,171,284.10	--
Capital Development Holdings	Beijing Fuxing Commercial City Co., Ltd. etc.	228,855,915.46	16,000,000.00
Beijing Automotive Group	Jiujiang Bank Co., Ltd.	3,601,834,563.54	--
Beijing Automotive Group	Mercedes-Benz Leasing Co., Ltd.	2,804,469,844.03	--
Beijing Automotive Group	Beijing Hyundai Auto Finance Co., Ltd.	2,319,379,755.63	--
Beijing Automotive Group	Beijing Baowo Automobile Co., Ltd. vehicle plant	883,847,665.77	28,150,000.03
Beijing Automotive Group	Hebei Leisa Heavy Construction Machinery Co., Ltd.	421,205,925.80	--
Beijing Automotive Group	Gestamp Automotive Components (Tianjin) Co., Ltd.	276,458,707.83	--
Beijing Automotive Group	Beijing Aodong New Energy Investment Co., Ltd.	214,797,381.54	--
Beijing Automotive Group	Yanfeng Hainachuan Automotive Trim System Co., Ltd.	208,929,279.21	--
Beijing Automotive Group	Hanon Auto Parts (Beijing) Co., Ltd.	208,089,063.61	--
Beijing Automotive Group	Beijing Industrial Design and Research Institute Co., Ltd.	203,814,869.11	--
Beijing Automotive Group	Beijing Sanli Car Light Co., Ltd.	195,888,359.81	--
Beijing Automotive	BEST New Energy Technology (Jiangsu) Co., Ltd.	186,099,749.10	--

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Group			
Beijing Automotive Group	Beijing Yanfeng Beiqi Automotive Interior Parts Co., Ltd.	164,893,384.10	--
Beijing Automotive Group	Binzhou Rural Commercial Bank Co., Ltd.	128,608,935.84	--
Beijing Automotive Group	Tenneco (Beijing) Automotive Shock Absorber Co., Ltd.	104,085,466.24	--
Beijing Automotive Group	Beijing Bioin Ruijie Automotive System Co., Ltd.	89,250,165.20	--
Beijing Automotive Group	Beijing BorgWarner Automotive Transmission Co., Ltd.	84,417,046.75	--
Beijing Automotive Group	ZF Foton Automatic Transmission (Jiaxing) Co., Ltd.	81,213,951.34	--
Beijing Automotive Group	Beijing Adient Auto Parts Co., Ltd.	79,042,277.75	--
Beijing Automotive Group	Hebei Guixian Auto Parts Co., Ltd.	77,198,751.83	--
Beijing Automotive Group	Jingju New Energy Automobile Technology Co., Ltd.	73,768,649.44	--
Beijing Automotive Group	BAIC (Changzhou) Automobile Co., Ltd.	71,198,612.33	--
Beijing Automotive Group	Langfang Anpeng Equity Investment Fund Partnership (Limited Partnership)	65,000,000.00	--
Beijing Automotive Group	Beijing Zhongli Foton Axle Co., Ltd.	61,720,439.11	--
Beijing Automotive Group	Hexin Hainachuan (Cangzhou) Auto Parts Co., Ltd.	52,029,764.92	--
Beijing Automotive Group	Hefei BAIC Zhonghe Automobile Industry Equity Investment Partnership (Limited Partnership)	50,000,000.00	--
Beijing Automotive Group	Hyundai Shouxuan Used Car Management Co., Ltd.	721,795,771.04	17,938,177.17
Tongrentang Group	Beijing Industrial Design and Research Institute Co., Ltd.	102,798,943.00	--
Suburb Tourism Company	Beijing Tourism Real Estate Development Co., Ltd.	7,676,244.61	--
Urban and Rural Group	Kunming Huiyu Technology Co., Ltd.	2,265,025.66	--

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Investor	Investee	Closing balance	Closing balance of provision for impairment
Xianglong Company	Beijing Hengdeli Swiss Watch Co., Ltd.	64,614,098.78	--
Xianglong Company	Beijing Yunda Industrial Company, etc.	23,738,165.14	25,152.82
Beichen Group	Wuxi Chenwan Real Estate Co., Ltd. etc.	242,267,176.45	--
Jinyu Asset	Beijing Baineng Electric Technology Co., Ltd. etc.	241,107,096.47	14,707,812.32
BBMG Group	Beijing Innovation Industry Investment Co., Ltd.	201,217,151.75	--
BBMG Group	Toto Machinery (Beijing) Co., Ltd.	149,915,671.53	--
BBMG Group	Tianjin Yaopi Glass Co., Ltd.	147,123,950.76	--
BBMG Group	Beijing Toto Co., Ltd.	144,989,762.92	60,000,000.00
BBMG Group	Jilin Mayor Jitu Investment Co., Ltd.	133,880,350.23	--
BBMG Group	Tangshan Conch Profile Co., Ltd.	131,622,124.80	--
BBMG Group	Tianjin Binhai Jiantai Investment Co., Ltd.	110,474,400.00	--
BBMG Group	Sende (China) HVAC Equipment Co., Ltd.	106,890,558.40	--
BBMG Group	Owens Corning Composites (Beijing) Co., Ltd.	72,124,607.97	--
BBMG Group	Tianjin Xingye Longxiang Construction Engineering Co., Ltd. etc.	85,860,289.96	--
Shounong Group	Beijing Rural Commercial Bank	7,663,388,069.05	--
Shounong Group	Hangzhou Chubby Food Co., Ltd.	225,221,795.48	--
Shounong Group	Beijing Maple Real Estate Co., Ltd.	209,638,549.68	--
Shounong Group	Lawson (Beijing) Co., Ltd.	170,131,804.62	--
Shounong Group	Beijing Huadu Yukou Poultry Industry Co., Ltd.	161,049,560.04	--
Shounong Group	Beijing Chubby Food Co., Ltd.	127,435,742.32	--
Shounong Group	China Grain Reserves (Tianjin) Warehousing and Logistics Co., Ltd.	119,601,316.43	--
Shounong Group	Shandong Dazecheng Biological Technology Co., Ltd.	100,000,000.00	--
Shounong Group	Guangzhou Chobe Food Co., Ltd.	74,388,423.38	--
Shounong Group	Beijing Taiyang Pharmaceutical Co., Ltd.	70,348,858.06	--
Shounong Group	Beijing Guangming Hotel Co., Ltd.	70,030,132.73	--
Shounong Group	Beijing Sanyuan Hefeng Animal Husbandry Co., Ltd.	68,260,772.50	--
Shounong Group	Beijing Andrew Fruit Food Co., Ltd.	67,287,925.14	--
Shounong Group	Tianjin North Sugar Logistics Co., Ltd.	62,714,673.62	62,714,673.62
Shounong Group	Beijing Quanjude Sanyuan Golden Star Food Co., Ltd.	54,747,080.14	--
Shounong Group	Beijing Hormel Food Co., Ltd.	50,851,642.29	--

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Group			
Shouong Group	Jingjin Sugar Co., Ltd. etc.	757,134,898.18	104,436,125.22
International Cooperation Center	Global Guohe International Freight (Beijing) Co., Ltd.	26,461,757.54	--
International Cooperation Center	DeBest (Beijing) Property Management Co., Ltd.	5,805,362.70	--
International Cooperation Center	Beijing Guohe Huayuan Cultural Industry Development Co., Ltd.	3,332,226.30	3,332,226.30
International Cooperation Center	Guohe Pioneer (Beijing) Information Technology Co., Ltd.	524,551.81	--
Guoguan Center			
Investment Holdings	China Resources Pharmaceutical Group Co., Ltd.	6,712,195,732.89	--
Equity Exchange Group	Beijing Shunxi Equity Investment Fund (Limited Partnership), etc.	64,039,198.73	--
Guidance Fund Management	Huihua Fund Management Co., Ltd.	21,867,878.94	--
Siban Technology	Inner Mongolia Equity Exchange Center Co., Ltd.	15,715,534.39	--
Beijing Consulting Company	Beijing West Venture Capital Fund Management Co., Ltd., etc.	42,023,473.00	--
Subtotal		170,992,475,371.08	2,240,153,151.11
III. Investment in other entities			
Shougang Group	Tangshan Shougang Baoye Iron and Steel Co., Ltd.	3,700,000,000.00	2,117,140,000.00
Shougang Group	Qinhuangdao Shouqin Longhui Mining Co., Ltd.	350,000,000.00	350,000,000.00
Shougang Group	Tonggang Group Siping Iron and Steel Products Co., Ltd.	253,486,000.00	253,486,000.00
Shougang Group	Jianping Shenjing Mining Co., Ltd.	136,323,146.13	136,323,146.13
Shougang Group	Nanyang Shoukong Optoelectronics Co., Ltd.	50,500,000.00	50,500,000.00
Shougang Group	Shougang International Trade (Tianjin) Co., Ltd. etc.	26,519,579.47	26,519,579.47
Beijing Electronics	Beijing Information Vocational and Technical College Training Center	3,556,670.87	--
Jingcheng Electromechanical	Shenzhen Beikai Electric Co., Ltd. etc.	3,422,000.00	2,922,000.00
Yiqing Holding	Beijing Jinyuntong Packaging Products Co., Ltd., etc.	21,164,233.90	20,764,233.90
Capital	Beijing Boweixin Ruilong Building Material Co.,	1,500,000.00	1,500,000.00

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Investor	Investee	Closing balance	Closing balance of provision for impairment
Development Holdings Beijing Automotive Group	Ltd. etc.		
Xianglong Group	Beijing Baota Power Technology Co., Ltd., etc.	58,208,400.00	--
Beichen Group	Beijing Foreign Economic and Trade Holding Group Co., Ltd., etc.	78,066,843.65	62,649,751.00
Jinyu Asset	Xiangyuan Investment Co., Ltd.	107,000.00	107,000.00
Shounong Group	BBMG Beijing Sports (Beijing) Sports Culture Co., Ltd.	873,526.55	--
Shounong Group	Chengde Sanyuan Yudaokou Ranch Co., Ltd.	165,717,194.40	--
Shounong Group	Beijing Longjiantian Hongshun Duck Industry Co., Ltd.	60,000,000.00	60,000,000.00
Shounong Group	Hengshui Huadu Food Co., Ltd. etc.	78,134,641.44	77,135,641.44
Subtotal		4,987,579,236.41	3,159,047,351.94
Total		200,668,565,724.94	5,399,200,503.05

20. Other equity instrument investments

(1) Other equity instrument investments

Item	Closing balance	Beginning balance
Guohua Energy Co., Ltd.	374,599,815.00	373,910,427.06
New Baoshen Railway Co., Ltd.	278,124,819.43	253,967,217.04
Beijing Tieke Shougang Rail Technology Co., Ltd.	245,378,470.24	104,600,000.00
Ordos Southern Railway Co., Ltd.	121,285,301.46	115,679,550.02
Chongqing Bank Co., Ltd.	102,845,668.00	105,407,103.00
Kateeva Inc.	77,939,931.00	83,330,709.00
Inner Mongolia Hohhot Pumped Storage Power Generation Co., Ltd.	66,910,520.00	61,313,154.00
Danhua CapitalII, L.P.	65,249,007.00	64,529,850.00
Inner Mongolia Jingke Power Generation Co., Ltd.	55,235,170.90	54,659,434.52
Nanosys INC	48,936,750.00	52,321,500.00
New Century Medical Holdings Limited	36,995,513.00	53,586,259.00
Danhua Capital, L.P.	32,624,500.00	26,160,750.00
Baebies INC	28,668,368.00	30,651,239.00
MOOV INC.	26,207,585.00	28,020,288.00
Others	785,625,494.39	660,180,032.26
Total	2,346,626,913.42	2,068,317,512.90

(2) Significant other equity instrument investments at year end

Item	Dividend income recognised in the year	Cumulative gain	Cumulative loss	Amount of other comprehensive income transferred to retained earnings
Guohua Energy Co., Ltd.	14,576,823.19	44,599,815.00	--	--
New Baoshen Railway Co., Ltd.	--	--	136,044,819.43	--
Beijing Tieke Shougang Rail Technology Co., Ltd.	1,124,960.00	235,677,270.24	--	--
Ordos Southern Railway Co., Ltd.	--	--	26,320,449.98	--
Chongqing Bank Co., Ltd.	5,804,204.00	23,148,181.00	--	--
KateevaInc.	--	--	4,922,536.00	--
Inner Mongolia Hohhot Pumped Storage Power Generation Co., Ltd.	--	--	1,116,980.00	--
Danhua CapitalIII, L.P.	13,800,800.00	11,402,049.00	--	--
Inner Mongolia Jingke Power Generation Co., Ltd.	--	12,620,544.04	--	--
Total	35,306,787.19	327,447,859.28	168,404,785.41	--

21. Other non-current financial assets

Item	Fair value at year end	Fair value at beginning of year
Equity instrument investment	3,268,162,541.43	2,396,416,348.43
Debt instrument investment	278,584,900.00	153,905,200.00
Total	3,546,747,441.43	2,550,321,548.43

22. Investment properties

(1) Measured at cost

Item	Beginning balance	Increase	Decrease	Closing balance
I. Total cost	65,407,085,583.13	6,992,178,409.90	2,526,662,188.51	69,872,601,804.52
Including: House and buildings	63,406,727,820.54	6,754,107,363.13	2,526,662,188.51	67,634,172,995.16
Land use rights	2,000,357,762.59	238,071,046.77	--	2,238,428,809.36
II. Accumulated depreciation and amortization	12,444,041,837.89	1,523,765,522.98	140,694,008.18	13,827,113,352.69
Including: House and buildings	12,009,758,015.79	1,436,613,428.23	140,694,008.18	13,305,677,435.84
Land use rights	434,283,822.10	87,152,094.75	--	521,435,916.85
III. Total net book value	52,963,043,745.24	--	--	56,045,488,451.83
Including: House and buildings	51,396,969,804.75	--	--	54,328,495,559.32

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Item	Beginning balance	Increase	Decrease	Closing balance
Land use rights	1,566,073,940.49	--	--	1,716,992,892.51
IV. Total provision for impairment	22,098,115.29	28,216,230.35	--	50,314,345.64
Including: House and buildings	22,098,115.29	28,216,230.35	--	50,314,345.64
Land use rights	--	--	--	--
V. Total carrying amount	52,940,945,629.95	--	--	55,995,174,106.19
Including: House and buildings	51,374,871,689.46	--	--	54,278,181,213.68
Land use rights	1,566,073,940.49	--	--	1,716,992,892.51

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(2) Measured at fair value

Item	Fair value at beginning of year	Acquisition	Increase Transfer from own-use properties or inventories	Gain or loss on changes in fair value	Decrease		Fair value at year end
					Disposal	Transfer to own-use properties	
I. Total cost	44,164,326,369.97	122,218,880.14	1,131,922,350.83	--	500,299,592.26	26,703,208.64	44,891,464,800.04
Including: 1. House and buildings	44,052,052,950.17	122,218,880.14	1,019,579,426.40	--	500,299,592.26	26,703,208.64	44,666,848,455.81
2. Land use rights	112,273,419.80	--	112,342,924.43	--	--	--	224,616,344.23
II. Total changes in fair value	7,901,777,845.13	1,139,844.00	21,394,346.42	1,018,863,758.25	17,932,938.55	23,662,791.36	8,901,580,063.89
Including: 1. House and buildings	6,860,670,636.10	1,139,844.00	21,394,346.42	1,001,377,058.25	17,932,938.55	23,662,791.36	7,842,986,154.86
2. Land use rights	1,041,107,209.03	--	--	17,486,700.00	--	--	1,058,593,909.03
III. Total carrying value	52,066,104,215.10	123,358,724.14	1,153,316,697.25	1,018,863,758.25	518,232,530.81	50,366,000.00	53,793,044,863.93
Including: 1. House and buildings	50,912,723,586.27	123,358,724.14	1,040,973,772.82	1,001,377,058.25	518,232,530.81	50,366,000.00	52,509,834,610.67
2. Land use rights	1,153,380,628.83	--	112,342,924.43	17,486,700.00	--	--	1,283,210,253.26

23. Fixed assets

Item	Carrying value at year end	Carrying value at beginning of year
Fixed assets	865,395,458,250.14	717,738,606,823.62
Fixed assets for disposal	758,655,050.39	1,319,022,504.65
Total	866,154,113,300.53	719,057,629,328.27

(1) Fixed assets

① Fixed assets

Item	Beginning balance	Increase	Decrease	Closing balance
I. Total cost	1,080,970,719,738.56	249,227,030,575.86	31,150,934,324.18	1,299,046,815,990.24
Including: Land assets	39,942,576,954.03	5,422,202.86	4,844,079,258.62	35,103,919,898.27
House and buildings	303,069,446,798.46	62,976,709,046.84	10,466,138,389.74	355,580,017,455.56
Machinery and equipment	556,921,918,934.35	165,463,480,060.44	12,371,487,615.81	710,013,911,378.98
Transportation tools	20,254,547,047.13	5,155,608,133.32	2,202,926,109.46	23,207,229,070.99
Electronic equipment	10,545,049,849.79	5,883,195,796.93	462,897,738.02	15,965,347,908.70
Office equipment	19,455,699,555.72	3,302,420,242.21	420,591,645.64	22,337,528,152.29
Hotel Industry Furniture	105,434,286.31	2,195,895.34	19,966,119.91	87,664,061.74
Others	130,676,046,312.77	6,437,999,197.92	362,847,446.98	136,751,198,063.71
II. Total accumulated depreciation	354,928,605,499.69	72,572,143,860.36	11,823,088,503.62	415,677,660,856.43
Including: Land assets	--	--	--	--
House and buildings	69,583,908,303.65	12,729,888,659.89	3,221,227,683.97	79,092,569,279.57
Machinery and equipment	233,519,432,345.46	48,597,092,377.98	6,171,879,862.13	275,944,644,861.31
Transportation tools	10,907,856,545.67	3,154,759,585.45	1,472,054,009.72	12,590,562,121.40
Electronic equipment	6,396,640,810.82	2,849,228,649.94	372,325,943.07	8,873,543,517.69
Office equipment	11,379,634,259.04	3,237,616,713.40	335,567,180.43	14,281,683,792.01
Hotel Industry Furniture	37,499,207.07	8,494,575.22	13,324,326.79	32,669,455.50
Others	23,103,634,027.98	1,995,063,298.48	236,709,497.51	24,861,987,828.95
III. Total net book value	726,042,114,238.87	--	--	883,369,155,133.81
Including: Land assets	39,942,576,954.03	--	--	35,103,919,898.27
House and buildings	233,485,538,494.81	--	--	276,487,448,175.99
Machinery and equipment	323,402,486,588.89	--	--	434,069,266,517.67
Transportation tools	9,346,690,501.46	--	--	10,616,666,949.59
Electronic equipment	4,148,409,038.97	--	--	7,091,804,391.01
Office equipment	8,076,065,296.68	--	--	8,055,844,360.28
Hotel Industry Furniture	67,935,079.24	--	--	54,994,606.24
Others	107,572,412,284.79	--	--	111,889,210,234.76
IV. Total provision for impairment	8,303,507,415.25	10,333,600,764.19	663,411,295.77	17,973,696,883.67
Including: Land assets	--	--	--	--
House and buildings	985,114,492.03	1,335,234,331.40	213,982,946.26	2,106,365,877.17
Machinery and equipment	6,739,470,856.03	7,814,177,444.77	377,705,567.04	14,175,942,733.76
Transportation tools	108,423,020.13	351,753,380.17	61,133,197.59	399,043,202.71
Electronic equipment	7,422,371.23	677,890,183.65	1,374,780.06	683,937,774.82
Office equipment	437,219,567.69	103,060,759.09	5,172,578.48	535,107,748.30

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Item	Beginning balance	Increase	Decrease	Closing balance
Hotel Industry Furniture	--	--	--	--
Others	25,857,108.14	51,484,665.11	4,042,226.34	73,299,546.91
V. Total carrying amount	717,738,606,823.62	--	--	865,395,458,250.14
Including: Land assets	39,942,576,954.03	--	--	35,103,919,898.27
House and buildings	232,500,424,002.78	--	--	274,381,082,298.82
Machinery and equipment	316,663,015,732.86	--	--	419,893,323,783.91
Transportation tools	9,238,267,481.33	--	--	10,217,623,746.88
Electronic equipment	4,140,986,667.74	--	--	6,407,866,616.19
Office equipment	7,638,845,728.99	--	--	7,520,736,611.98
Hotel Industry Furniture	67,935,079.24	--	--	54,994,606.24
Others	107,546,555,176.65	--	--	111,815,910,687.85

② Fixed assets with temporary idle

Item	Book value	Accumulated depreciation	Provision for impairment	Carrying value
House and buildings	1,224,458,984.51	1,121,574,326.72	60,434,071.05	42,450,586.74
Machinery and equipment	3,095,087,126.61	2,585,770,063.90	407,710,399.87	101,606,662.84
Transportation tools	1,796,833.46	1,732,442.54	13,569.82	50,821.10
Office equipment	1,615,397.91	1,370,982.14	104,466.12	139,949.65
Others	7,473,812.09	6,460,319.45	--	1,013,492.64
Total	4,330,432,154.58	3,716,908,134.75	468,262,506.86	145,261,512.97

③ Fixed assets without property certificate

As of December 31, 2020, the Center has not yet completed the property certificate of fixed assets with total carrying value of RMB 18,732,946,311.94.

(2) Fixed assets for disposal

Item	Carrying value at year end	Carrying value in beginning of year	Reason for disposal
Assets to be removed and cleared	43,468,675.71	140,030,335.36	Not yet finished
Assets to be scrapped	27,890,413.11	23,936,757.74	Not yet finished
Assets to be transferred gratuitously	40,589,969.33	418,614,534.38	Not yet finished
Assets to be disposed of	646,705,992.24	736,440,877.17	Not yet finished
Total	758,655,050.39	1,319,022,504.65	—

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Item	Closing balance		Beginning balance	
	Book balance	Provision for impairment	Book balance	Provision for impairment
Others	128,064,804,971.10	1,290,239,473.55	163,956,234,069.43	1,293,583,926.85
Total	181,570,945,614.69	1,290,239,473.55	242,625,811,302.00	241,332,227,375.15

② Significant construction in progress

Item	Budget	Beginning balance	Increase	Transferred to fixed assets	Other decrease	Closing balance	Proportion of cumulative input to budget (%)	Construction progress (%)	Cumulative capitalized interest	Include: Capitalized interest in the year	Capitalization rate for the year (%)	Source of funding
Chongqing 6th generation AMOLED (flexible) production line project	46,500,000,000.00	1,462,975,936.00	10,460,532,891.00	2,591,862.00	--	11,920,916,965.00	51.00	90.00	1,242,708.00	1,242,708.00	2.04	Self-financing and borrowings
Wuhan BOE Display Technology 10.5 Generation TFT-LCD Project	46,000,000,000.00	24,749,508,699.00	9,659,161,031.00	23,848,967,181.00	8,646,359.00	10,551,056,190.00	77.36	77.36	115,596,222.00	317,760,483.00	3.81	Self-financing and borrowings
Mianyang 6th generation LTPS/AMOLED production line project	46,500,000,000.00	34,753,609,842.00	5,358,315,087.00	29,648,604,321.00	267,355,974.00	10,195,964,634.00	47.00	70.00	1,196,529,778.00	585,397,750.00	3.42	Self-financing and borrowings
National Convention Center Phase II Project	30,956,520,000.00	4,680,650,025.30	752,236,361.87	--	--	5,432,886,387.17	47.46	40.00	421,868,361.50	214,270,417.35	6.00	Self-financing and borrowings
Guangqu Road East Extension Road Project	7,852,090,000.00	2,380,343,761.54	1,761,513,647.62	--	--	4,141,857,409.16	54.00	54.00	--	--	--	Government funding
Guangqu Road Phase II	4,684,230,000.00	3,915,303,628.91	92,052,909.97	--	--	4,007,356,538.88	86.00	86.00	--	--	--	Government funding
Macheng Iron Mine Mining and Dressing Project	14,129,450,000.00	3,474,811,190.18	496,733,515.66	--	--	3,971,544,705.84	28.11	28.11	1,432,764.21	--	--	Self-financing and borrowings
Shougui Relocation Project	8,084,590,000.00	3,252,374,149.64	45,560,589.92	--	13,376,926.02	3,284,557,813.54	50.00	50.00	--	--	--	Self-financing and borrowings

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Item	Budget	Beginning balance	Increase	Transferred to fixed assets	Other decrease	Closing balance	Proportion of cumulative input to budget (%)	Construction progress (%)	Cumulative capitalized interest	Include: Capitalized interest in the year	Capitalization rate for the year (%)	Source of funding
Total	204,706,880,000.00	78,669,577,232.57	28,626,106,034.04	53,500,163,364.00	289,379,259.02	53,506,140,643.59	--	--	1,738,669,833.71	1,118,671,358.35	--	--

③ Provision for impairment of construction in progress

Item	Provision made in the period	Reason of provision
Shougui relocation project-installing equipment	23,757,798.32	According to the notice of the Ministry of Ecology and Environment "Industrial Furnace Air Pollution Comprehensive Treatment Plan", speed up the phase-out of coal-fired furnaces and kilns
Shougui Relocation Project-Construction Engineering	17,470,078.94	According to the notice of the Ministry of Ecology and Environment "Industrial Furnace Air Pollution Comprehensive Treatment Plan", speed up the phase-out of coal-fired furnaces and kilns
Parts project	10,045,399.95	Indicators of impairment
Eggshell powder workshop renovation	8,777,592.49	Project cannot continue
Zhejiang Zhongli Energy-saving Glass Manufacturing Co., Ltd. 5590KWp distributed photovoltaic power generation project	3,030,957.69	The plant may be demolished and the construction of the project will be stopped
Jidong Cement Tongchuan-Belt Corridor Project	2,422,302.52	Project suspension
Construction materials	2,214,390.00	Project suspension
Wanda Thin Plate Distributed Photovoltaic Project	2,180,238.25	The industrial structure of the industrial park was adjusted, and the construction of the project was stopped
Independent brand project	1,145,016.29	Indicators of impairment
Data fixed tangent tracking type crankshaft grinder	656,666.68	The function of the machine tool is not yet perfect, cannot meet the design requirements, and cannot be used normally
Total	71,700,441.13	—

(2) Construction materials

Item	Closing balance	Beginning balance
Jingtang Project	391,115,480.30	776,484,083.52
Special equipment and materials	110,244,532.09	292,052,009.26
Special equipment, etc.	45,588,105.38	50,672,350.73
Tools and spare parts	29,627,315.39	72,482,379.39
Qiangang Project	10,443,023.51	17,050,149.03
Special materials	--	428,314.15
The first phase of the 0.25 micron 6-inch MOSFET chip project	--	333,253.41
Other construction materials	143,751,477.75	147,912,624.82
Total	730,769,934.42	1,357,415,164.31

25. Productive biological assets

Item	Carrying value at beginning of year	Increase	Decrease	Carrying value at year end
I. Crop farming	24,438,704.44	847,747.72	1,871,754.40	23,414,697.76
II. Animal husbandry	1,881,366,591.78	2,145,491,509.11	2,195,201,638.13	1,831,656,462.76
III. Forestry	136,278,090.49	46,076,036.21	135,536,253.81	46,817,872.89
Total	2,042,083,386.71	2,192,415,293.04	2,332,609,646.34	1,901,889,033.41

26. Right-of-use assets

Item	Beginning balance	Increase	Decrease	Closing balance
I. Total cost	1,933,429,885.87	1,072,897,390.83	108,308,898.91	2,898,018,377.79
Including: Land	1,195,896,943.87	259,542,482.73	6,608,279.15	1,448,831,147.45
Houses and buildings	607,087,052.71	561,654,980.52	93,272,806.46	1,075,469,226.77
Machinery and equipment	93,079,647.43	249,869,562.84	2,384,276.32	340,564,933.95
Transportation tools	16,160,563.21	1,824,507.99	6,043,536.98	11,941,534.22
Others	21,205,678.65	5,856.75	--	21,211,535.40
II. Total accumulated depreciation	294,938,425.16	369,349,518.93	48,547,930.32	615,740,013.77
Including: Land	112,579,117.84	70,601,252.32	464,557.00	182,715,813.16
Houses and buildings	134,907,977.87	261,920,224.10	40,869,411.49	355,958,790.48
Machinery and equipment	36,861,487.19	25,608,691.22	1,527,863.99	60,942,314.42
Transportation tools	6,639,713.32	6,317,166.69	5,686,097.84	7,270,782.17
Others	3,950,128.94	4,902,184.60	--	8,852,313.54
III. Total net book value	1,638,491,460.71	--	--	2,282,278,364.02
Including: Land	1,083,317,826.03	--	--	1,266,115,334.29
Houses and buildings	472,179,074.84	--	--	719,510,436.29
Machinery and equipment	56,218,160.24	--	--	279,622,619.53
Transportation tools	9,520,849.89	--	--	4,670,752.05
Others	17,255,549.71	--	--	12,359,221.86
IV. Total provision for impairment	--	464,557.00	--	464,557.00
Including: Land	--	464,557.00	--	464,557.00
Houses and buildings	--	--	--	--
Machinery and equipment	--	--	--	--
Transportation tools	--	--	--	--
Others	--	--	--	--
V. Total carrying value	1,638,491,460.71	--	--	2,281,813,807.02

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Item	Beginning balance	Increase	Decrease	Closing balance
Including: Land	1,083,317,826.03	--	--	1,265,650,777.29
Houses and buildings	472,179,074.84	--	--	719,510,436.29
Machinery and equipment	56,218,160.24	--	--	279,622,619.53
Transportation tools	9,520,849.89	--	--	4,670,752.05
Others	17,255,549.71	--	--	12,359,221.86

27. Intangible assets

Item	Beginning balance	Increase	Decrease	Closing balance
I. Total cost	173,391,671,085.98	26,606,193,767.37	3,975,770,085.61	196,022,094,767.74
Including: Land use rights	107,197,280,537.89	6,749,353,731.12	2,535,393,759.33	111,411,240,509.68
Software	5,718,232,307.57	1,945,914,816.13	213,693,464.66	7,450,453,659.04
Intellectual property	2,052,567,458.99	16,011,706.61	23,672,442.34	2,044,906,723.26
Non-patented technology	22,209,096,077.20	10,031,551,777.65	61,697,668.46	32,178,950,186.39
Patent rights	1,501,892,247.92	830,573,793.60	3,979,013.70	2,328,487,027.82
Copyrights	99,565,513.90	35,986,460.08	--	135,551,973.98
Franchise rights	4,551,938,886.24	1,300,131,943.76	134,215,635.86	5,717,855,194.14
Mining rights	13,120,768,280.87	3,553,137,098.67	238,977,287.09	16,434,928,092.45
Exploration rights	2,492,579,718.75	--	--	2,492,579,718.75
Trademark rights	5,338,697,569.10	110,628,839.83	4,578,011.87	5,444,748,397.06
Others	9,109,052,487.55	2,032,903,599.92	759,562,802.30	10,382,393,285.17
II. Total accumulated amortization	31,479,011,561.91	9,875,807,696.52	951,799,876.91	40,403,019,381.52
Including: Land use rights	8,108,955,335.67	1,793,384,624.99	443,958,885.63	9,458,381,075.03
Software	3,194,360,034.65	893,865,226.02	45,743,296.26	4,042,481,964.41
Intellectual property	1,284,308,319.35	235,304,405.67	22,314,535.01	1,497,298,190.01
Non-patented technology	11,011,354,929.69	4,354,528,471.53	21,972,084.63	15,343,911,316.59
Patent rights	1,068,633,149.77	114,971,492.12	1,387,324.00	1,182,217,317.89
Copyrights	54,375,095.66	18,883,320.72	--	73,258,416.38
Franchise rights	456,003,089.74	233,051,989.75	36,197,982.27	652,857,097.22
Mining rights	1,684,953,594.91	1,223,650,896.96	49,636,575.09	2,858,967,916.78
Exploration rights	--	--	--	--
Trademark rights	274,855,101.72	72,429,942.65	--	347,285,044.37
Others	4,341,212,910.75	935,737,326.11	330,589,194.02	4,946,361,042.84
III. Provision for impairment	447,327,190.17	1,206,463,864.43	142,701,071.07	1,511,089,983.53
Including: Land use rights	24,054,325.31	32,572,300.79	--	56,626,626.10
Software	1,128,646.76	669,220.32	32,715.24	1,765,151.84

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Item	Beginning balance	Increase	Decrease	Closing balance
Intellectual property	--	--	--	--
Non-patented technology	44,335,411.76	--	--	44,335,411.76
Patent rights	74,089.68	17,000.00	--	91,089.68
Copyrights	--	--	--	--
Franchise rights	--	--	--	--
Mining rights	172,073,486.73	961,250,215.11	2,177,684.78	1,131,146,017.06
Exploration rights	103,982,109.37	103,386,906.02	--	207,369,015.39
Trademark rights	8,384,129.59	--	--	8,384,129.59
Others	93,294,990.97	108,568,222.19	140,490,671.05	61,372,542.11
IV. Total carrying value	141,465,332,333.90	--	--	154,107,985,402.69
Including: Land use rights	99,064,270,876.91	--	--	101,896,232,808.55
Software	2,522,743,626.16	--	--	3,406,206,542.79
Intellectual property	768,259,139.64	--	--	547,608,533.25
Non-patented technology	11,153,405,735.75	--	--	16,790,703,458.04
Patent rights	433,185,008.47	--	--	1,146,178,620.25
Copyrights	45,190,418.24	--	--	62,293,557.60
Franchise rights	4,095,935,796.50	--	--	5,064,998,096.92
Mining rights	11,263,741,199.23	--	--	12,444,814,158.61
Exploration rights	2,388,597,609.38	--	--	2,285,210,703.36
Trademark rights	5,055,458,337.79	--	--	5,089,079,223.10
Others	4,674,544,585.83	--	--	5,374,659,700.22

Note: As of December 31, 2020, the carrying value of intangible assets for which the Center has not completed the property rights certificate was in total RMB 98,115,197.18, all of which are land use rights. Including: the carrying value of incomplete registration of land use rights of BBMG Group of RMB 38,888,882.07, the carrying value of incomplete registration of land use rights of Beijing Automotive Group of RMB 1,791,712.61, and the carrying value of incomplete registration of land use rights of Tongrentang Group of RMB 57,434,602.50.

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Item	Beginning balance	Increase			Decrease			Closing balance
		Internal development expenses	Others	Recognized as intangible assets	Transferred to profit or loss	Others		
Shougang Group								
Development costs	29,511,713.61	128,543,446.74	7,469,620.10	17,129,025.99	87,104,024.75	4,739,157.29	56,552,572.42	
Electronic Holdings								
Integrated Circuit Process Equipment	1,440,035,741.52	1,051,103,491.59	--	456,983,610.56	3,374,447.85	3,200,489.55	2,027,580,685.15	
Peony Public Opinion Service	15,196,756.35	--	3,698,635.00	--	--	--	18,895,391.35	
State-owned Assets System Cloud Communication Platform Item (Phase II)	14,856,308.82	97,092.76	--	--	--	--	14,953,401.58	
New commercial display system integration project	13,561,974.80	--	--	--	--	--	13,561,974.80	
Other development costs	75,194,685.52	106,337,150.16	129,812,258.29	58,253,348.20	74,483,859.88	132,924,919.96	45,681,965.93	
Subtotal	1,558,845,467.01	1,157,537,734.51	133,510,893.29	515,236,958.76	77,858,307.73	136,125,409.51	2,120,673,418.81	
Jingcheng Electromechanical								
TAURUS	23,717,600.80	906,825.00	635,767.03	--	4,387,493.51	--	20,872,699.32	
New product development of through shaft pump	21,354,583.99	3,194,484.47	--	--	--	--	24,549,068.46	
Research and development of K1711 sludge fluidized bed incinerator series products (budget 12.64 million)	11,539,518.49	--	--	--	--	--	11,539,518.49	

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Item	Beginning balance	Increase		Decrease		Closing balance	
		Internal development expenses	Others	Recognized as intangible assets	Transferred to profit or loss		Others
New product development of industrial valves	10,419,711.94	2,905,654.13	--	--	69.00	--	13,325,297.07
Research and Application of Comprehensive Recovery and Utilization Process of HB.K1134 Lead Containing Smoke and Dust	9,672,054.43	6,709,114.23	--	--	--	--	16,381,168.66
Other development costs	213,441,914.91	141,607,431.12	15,522,248.12	24,924,402.45	103,960,631.98	15,134,281.33	226,552,278.39
Subtotal	290,145,384.56	155,323,508.95	16,158,015.15	24,924,402.45	108,348,194.49	15,134,281.33	313,220,030.39
Beijing Energy Group							
Research and Application of Anticorrosion Technology of Gas Turbine Combustor Based on Fey(Sx) Oz Corrosion Mechanism	--	63,655,621.87	--	--	--	--	63,655,621.87
Research and Demonstration of Industrialization of New Energy Storage and Heat Storage to Promote Heating and Cooling Supply	--	25,100,830.84	--	--	303,188.68	--	24,797,642.16
Research and Application of "Digital Operation Management Platform" Based on SAPS4 HANA for Large Gas Combined Cycle Unit	--	24,711,688.30	--	--	--	--	24,711,688.30

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Item	Beginning balance	Increase		Decrease		Closing balance
		Internal development expenses	Others	Recognized as intangible assets	Transferred to profit or loss	
Innovative application of water extraction technology for wet desulfurization flue gas system of 630MW bituminous coal unit Burner retrofit	--	--	23,693,135.61	--	--	23,693,135.61
Construction and improvement of intelligent heating network dispatching system (Phase I)	16,353,211.78	--	--	--	--	16,279,951.60
Construction and improvement of intelligent heating network dispatching system	11,130,988.27	8,198,146.54	--	4,249,173.98	--	15,079,960.83
Construction and improvement of intelligent heating network dispatching system	14,603,849.05	559,488.44	--	--	559,488.44	14,603,849.05
R&D and demonstration of prefabricated thermal insulation pipe with plastic sleeve (heat-resistant polyethylene PE-RT II) for secondary network	11,911,325.70	4,716.98	--	4,716.98	--	11,911,325.70
Multi-source complementary collaborative optimization operation scheduling decision support platform for smart city heating systems	11,622,126.93	--	--	--	--	11,622,126.93
Other development costs	267,399,160.55	350,172,928.57	9,743,736.24	194,283,712.21	177,739,634.50	167,671,499.11
Subtotal	333,020,662.28	472,403,421.54	33,436,871.85	198,840,791.85	178,372,383.12	374,026,801.16
Yiqing Holding						

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Item	Beginning balance	Increase			Decrease			Closing balance
		Internal development expenses	Others	Recognized as intangible assets	Transferred to profit or loss	Others		
Other development costs	5,230,633.29	45,585,062.14	--	34,991,038.54	6,146,740.20	1,938,445.67	7,739,471.02	
Capital Development Holdings								
Other development costs	12,612,992.40	3,677,466.43	--	1,368,926.24	11,698,084.76	--	3,223,447.83	
Beijing Automotive Group								
Research phase	--	1,935,371,978.48	--	--	1,935,371,978.48	--	--	
Development stage	14,082,814,579.95	7,738,226,364.79	--	7,755,125,126.17	2,369,733,411.89	--	11,696,182,406.68	
Subtotal	14,082,814,579.95	9,673,598,343.27	--	7,755,125,126.17	4,305,105,390.37	--	11,696,182,406.68	
Tongrentang								
Traditional Chinese Medicine Granules project	68,679,245.54	--	--	--	--	--	68,679,245.54	
Other development costs	25,541,553.56	3,941,297.43	--	26,442,850.99	--	--	3,040,000.00	
Subtotal	94,220,799.10	3,941,297.43	--	26,442,850.99	--	--	71,719,245.54	
Ducheng Company								
Shoucai Cloud Platform project	--	1,220,500.00	--	--	--	--	1,220,500.00	
Shounong Group								
Development costs	26,598,632.30	29,407,680.00	580,000.00	7,557,896.55	1,440,576.27	42,847,164.25	4,740,675.23	
Total	16,433,000,864.50	11,671,238,461.01	191,155,400.39	8,470,397,205.23	4,796,542,110.42	379,156,841.17	14,649,298,569.08	

29. Goodwill

(1) Carrying value of goodwill

Name of investee	Beginning balance	Increase	Decrease	Closing balance
Hutubi Xigou Coal Co., Ltd.	201,547,404.25	142,284,345.45	--	343,831,749.70
Qinghai Haihe Coal Development Co., Ltd.	284,000,000.00	--	--	284,000,000.00
Shanxi Yicheng Shouwang Coal Industry Co., Ltd.	254,030,829.52	--	--	254,030,829.52
BeijingWest Heavy Industry International Co., Ltd.	174,047,199.46	--	1,064,520.61	172,982,678.85
Fengning County Huabing Mining Co., Ltd.	70,243,084.65	--	--	70,243,084.65
Shougang Yili Iron and Steel Co., Ltd.	29,695,614.10	--	--	29,695,614.10
Others	162,054,771.91	3,830.90	144,151,271.76	17,907,331.05
Subtotal of Shougang Group	1,175,618,903.89	142,288,176.35	145,215,792.37	1,172,691,287.87
SESI magotagSA	706,406,821.00	--	--	706,406,821.00
Chengdu CEC Panda Display Technology Co., Ltd.	--	537,038,971.00	--	537,038,971.00
Nanjing CEC Panda Flat Panel Display Technology Co., Ltd.	--	155,714,415.00	--	155,714,415.00
BOE Health Investment Management Co., Ltd.	146,460,790.00	--	--	146,460,790.00
Beijing Yinghe Century Real Estate Co., Ltd.	42,940,434.00	--	--	42,940,434.00
Zhiyu Zhilian Technology (Fujian) Co., Ltd.	--	29,824,156.00	--	29,824,156.00
Beijing Audio Equipment Factory	22,931,450.50	--	--	22,931,450.50
NAURAAKRION.INC	18,099,626.17	--	1,170,889.79	16,928,736.38
Others	17,581,142.58	--	--	17,581,142.58
Subtotal of Beijing Electronics	954,420,264.25	722,577,542.00	1,170,889.79	1,675,826,916.46
Repurchase of 69.35% of Beizhong's equity held by China Huarong Asset Management Co., Ltd.	--	212,354,678.23	--	212,354,678.23
TIGIEFEES.R.L	39,438,253.45	--	--	39,438,253.45
Others	7,512,344.06	--	--	7,512,344.06
Subtotal of Jingcheng Electromechanical	46,950,597.51	212,354,678.23	--	259,305,275.74
Sichuan Dachuan Electric Power Co., Ltd.	934,371,645.39	--	--	934,371,645.39
Shenzhen Yuhu Electric Power Co., Ltd./Zhuhai Yuhai Electric Power Co., Ltd.	706,040,252.59	--	--	706,040,252.59
Inner Mongolia Huaning Thermal Power Co., Ltd.	558,004,480.74	--	--	558,004,480.74

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Name of investee	Beginning balance	Increase	Decrease	Closing balance
Sichuan Zhongneng Electric Power Co., Ltd.	359,142,308.38	--	--	359,142,308.38
Zhangjiakou Xuanhua Ziyun Chemical Co., Ltd.	147,613,804.98	--	--	147,613,804.98
Yingjiang Huaifu Hydropower Development Co., Ltd.	96,000,000.00	--	--	96,000,000.00
New Gullen Range Wind Farm (Holdings) Co., Ltd.	65,738,850.33	--	--	65,738,850.33
Tongxiang Kemao New Energy Co., Ltd.	55,015,776.18	--	--	55,015,776.18
Xilin Gol Jixiang Huaya Wind Power Co., Ltd.	34,000,000.00	--	--	34,000,000.00
Beijing Jintai Xiangda Investment Management Co., Ltd.	32,498,288.62	--	--	32,498,288.62
Dawa Mandura Foreign Investment Co., Ltd.	16,790,414.56	--	--	16,790,414.56
Beijing Tianchuang Real Estate Development Co., Ltd.	12,401,747.64	--	--	12,401,747.64
Beijing Le Duo Port Development Co., Ltd.	12,351,066.63	--	--	12,351,066.63
Others	9,668,878.06	3,618,319.20	--	13,287,197.26
Subtotal of Beijing Energy Group	3,039,637,514.10	3,618,319.20	--	3,043,255,833.30
Beijing Boyu Tongda Technology Co., Ltd.	2,695,261.76	--	--	2,695,261.76
Subtotal of Capital Highway Development	2,695,261.76	--	--	2,695,261.76
Zhejiang Dahao Mingde Intelligent Control Equipment Co., Ltd.	147,801,046.41	--	--	147,801,046.41
Suzhou Feature Electronic Technology Co., Ltd.	--	48,490,355.88	--	48,490,355.88
China Paper Online (Suzhou) E-Commerce Co., Ltd.	44,617,536.53	--	--	44,617,536.53
Beijing Luyuan Plastic Co., Ltd.	3,627,775.10	--	--	3,627,775.10
Subtotal of Yiqing Holding	196,046,358.04	48,490,355.88	--	244,536,713.92
Guangzhou Hupin Real Estate Co., Ltd. (hereinafter referred to as Guangzhou Hupin)	9,181,088.60	--	--	9,181,088.60
Xingmao Real Estate (Hangzhou) Co., Ltd. (hereinafter referred to as Hangzhou Xingmao)	8,714,022.17	--	--	8,714,022.17
Others	1,944,182.59	945,119.15	--	2,889,301.74
Subtotal of Capital Development Holdings	19,839,293.36	945,119.15	--	20,784,412.51
Beijing Benz Automobile Co., Ltd.	901,945,451.41	--	--	901,945,451.41

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Inalfa Skylight Systems Group	784,152,277.64	21,015,614.99	--	805,167,892.63
Jiangxi Changhe Automobile Co., Ltd.	718,522,906.21	--	--	718,522,906.21
Beiqi Foton Motor Co., Ltd.	192,946,654.37	--	--	192,946,654.37
Others	115,955,242.41	75,093,904.32	--	191,049,146.73
Beijing Century Beiguang Advertising Co., Ltd.	32,602,120.51	--	--	32,602,120.51
Beijing Automotive Assets Heyuan Co., Ltd.	18,503,866.26	--	--	18,503,866.26
Others	5,629,990.71	--	--	5,629,990.71
Subtotal of Beijing Automotive Group	2,770,258,509.52	96,109,519.31	--	2,866,368,028.83
Da hong trading co., ltd.	44,269,577.55	--	2,678,512.05	41,591,065.50
Hujialou Second Community Health Service Center, Chaoyang District, Beijing	25,597,948.59	--	--	25,597,948.59
Beijing Tongrentang Health (Dalian) Marine Food Co., Ltd.	12,837,314.65	--	--	12,837,314.65
Others	15,061,780.45	--	21,450.98	15,040,329.47
Subtotal of Tongrentang Group	97,766,621.24	--	2,699,963.03	95,066,658.21
Merger of Beijing Yishang Meijie Commercial Co., Ltd. not under common control	10,921,767.60	--	--	10,921,767.60
Others	3,937,988.16	--	--	3,937,988.16
Subtotal of Xianglong Company	14,859,755.76	--	--	14,859,755.76
Jidong Cement Business	2,013,854,242.93	--	--	2,013,854,242.93
Jidong Equipment Business	477,549,380.23	--	--	477,549,380.23
Hebei Jinyu Dingxin Cement Co., Ltd.	189,815,999.91	--	--	189,815,999.91
Handan Shexian Jinyu Cement Co., Ltd.	56,276,121.38	--	--	56,276,121.38
Handan BBMG Taihang Cement Co., Ltd.	26,884,752.28	--	--	26,884,752.28
Baoding Taihang Heyi Cement Co., Ltd.	11,428,946.82	--	--	11,428,946.82
Tianjin Jinyu Zhenxing Environmental Protection Technology Co., Ltd.	10,931,009.96	--	--	10,931,009.96
Others	17,373,925.13	--	--	17,373,925.13
Subtotal of BBMG Group	2,804,114,378.64	--	--	2,804,114,378.64
BrassicaHoldings	1,656,010,673.38	44,390,536.25	--	1,700,401,209.63
Goodwill from Hainan Zhujiang Holdings Co., Ltd.	1,148,982,225.24	--	--	1,148,982,225.24
CVF Holding UK acquires Anatis	881,912,293.54	--	1,238,382.92	880,673,910.62

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Name of investee	Beginning balance	Increase	Decrease	Closing balance
Zhejiang Little Prince Food Co., Ltd.	191,394,422.51	--	--	191,394,422.51
Shandong Sanyuan Dairy Co., Ltd.	75,161,868.73	--	--	75,161,868.73
Xinxiang Sanyuan Food Co., Ltd.	20,998,538.55	--	--	20,998,538.55
Crowley Properties Ltd.	20,662,641.12	--	874,142.55	19,788,498.57
Beijing Baimai Food Processing Co., Ltd.	18,484,012.05	--	--	18,484,012.05
Others	80,398,462.85	1,112,351.93	23,380,078.93	58,130,735.85
Subtotal of Shounong Group	4,094,005,137.97	45,502,888.18	25,492,604.40	4,114,015,421.75
Beijing Shunlong Private Equity Bond Investments Fund Management Co., Ltd.	5,000,512.66	--	--	5,000,512.66
Beijing Harmony Jiarui Investment Management Co., Ltd.	416,840.29	--	416,840.29	--
Subtotal of Equity Exchange Group	5,417,352.95	--	416,840.29	5,000,512.66
Beijing Harmony Jiarui Investment Management Co., Ltd.	--	416,840.29	--	416,840.29
Subtotal of Siban Technology	--	416,840.29	--	416,840.29
Beijing Urban and Rural Architectural Design Institute Co., Ltd.	--	4,598,766.52	--	4,598,766.52
Subtotal of Beijing Consulting Company	--	4,598,766.52	--	4,598,766.52
Total	15,221,629,948.99	1,276,902,205.11	174,996,089.88	16,323,536,064.22

(2) Provision for impairment of goodwill

Name of investee	Beginning balance	Increase	Decrease	Closing balance
Qinghai Haihe Coal Development Co., Ltd.	284,000,000.00	--	--	284,000,000.00
BeijingWest Heavy Industry International Co., Ltd.	124,400,000.00	--	--	124,400,000.00
Fengning County Huabing Mining Co., Ltd.	70,243,084.65	--	--	70,243,084.65
Jilin Tonggang Automation Information Technology Co., Ltd.	--	3,830.90	--	3,830.90
Subtotal of Shougang Group	478,643,084.65	3,830.90	--	478,646,915.55
SES Imagotag SA	196,766,653.00	--	--	196,766,653.00
Others	9,018,678.58	--	--	9,018,678.58
Subtotal of Beijing Electronics	205,785,331.58	--	--	205,785,331.58
Tianhai Americas Company	6,562,344.06	--	--	6,562,344.06

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Name of investee	Beginning balance	Increase	Decrease	Closing balance
Subtotal of Jingcheng Electromechanical	6,562,344.06	--	--	6,562,344.06
Sichuan Dachuan Electric Power Co., Ltd.	117,143,692.25	36,925,079.61	--	154,068,771.86
Shenzhen Yuhu Electric Power Co., Ltd./Zhuhai Yuhai Electric Power Co., Ltd.	400,671,314.29	305,368,938.30	--	706,040,252.59
Inner Mongolia Huaning Thermal Power Co., Ltd.	303,397,400.00	254,607,080.74	--	558,004,480.74
Sichuan Zhongneng Electric Power Co., Ltd.	15,187,151.23	--	--	15,187,151.23
Yingjiang Huaifu Hydropower Development Co., Ltd.	96,000,000.00	--	--	96,000,000.00
Xilin Gol Jixiang Huaya Wind Power Co., Ltd.	34,000,000.00	--	--	34,000,000.00
Dawa Mandura Foreign Investment Co., Ltd.	16,790,414.56	--	--	16,790,414.56
Heishui County Sanlian Hydropower Development Co., Ltd.	--	4,000.00	--	4,000.00
Subtotal of Beijing Energy Group	983,189,972.33	596,905,098.65	--	1,580,095,070.98
Beijing Luyuan Plastic Co., Ltd.	--	3,627,775.10	--	3,627,775.10
Subtotal of Yiqing Holding	--	3,627,775.10	--	3,627,775.10
Others	--	7,488,181.54	86,146.36	7,402,035.18
Subtotal of Beijing Automotive Group	--	7,488,181.54	86,146.36	7,402,035.18
Tongrentang Chengdu	--	1,234,500.00	--	1,234,500.00
Subtotal of Tongrentang Group	--	1,234,500.00	--	1,234,500.00
Jidong Equipment Business	150,000,000.00	130,000,000.00	--	280,000,000.00
Handan Shexian Jinyu Cement Co., Ltd.	35,521,793.75	--	--	35,521,793.75
Tianjin Jinyu Zhenxing Environmental Protection Technology Co., Ltd.	10,931,009.96	--	--	10,931,009.96
Others	16,192,591.88	--	--	16,192,591.88
Subtotal of BBMG Group	212,645,395.59	130,000,000.00	--	342,645,395.59
Xinxiang Sanyuan Food Co., Ltd.	20,998,538.55	--	--	20,998,538.55
Liuzhou Sanyuan Tianai Dairy Co., Ltd.	2,806,465.23	--	--	2,806,465.23
Subtotal of Shouong Group	23,805,003.78	--	--	23,805,003.78
Total	1,910,631,131.99	739,259,386.19	86,146.36	2,649,804,371.82

30. Long-term prepaid expenses

Item	Beginning balance	Increase	Amortization in the year	Other decrease	Closing balance
Rock stripping fee	4,919,139,970.80	--	466,834,372.57	--	4,452,305,598.23
Renovation costs	1,594,971,184.78	738,740,793.66	501,230,286.15	44,567,895.03	1,787,913,797.26
Fixed assets improvement expenditure	1,221,874,929.07	406,245,492.37	390,768,394.17	38,294,237.86	1,199,057,789.41
Engineering renovation cost	1,107,344,103.14	148,525,566.80	162,700,801.33	5,942,285.75	1,087,226,582.86
Rental fees	884,017,719.10	173,112,546.17	150,027,551.11	1,652,554.75	905,450,159.41
Mine stripping fee	737,669,639.09	64,447,261.33	94,973,491.00	--	707,143,409.42
Geological exploration fee	58,850,648.10	30,000.00	216,576.00	--	58,664,072.10
Compensation fee	42,831,535.68	--	1,495,966.80	--	41,335,568.88
Others	2,788,520,014.06	1,615,768,467.08	1,686,977,763.28	87,134,645.71	2,630,176,072.15
Total	13,355,219,743.82	3,146,870,127.41	3,455,225,202.41	177,591,619.10	12,869,273,049.72

31. Deferred tax assets and deferred tax liabilities

(1) Deferred tax assets and deferred tax liabilities before offsetting

Recognized amount of deferred tax assets and deferred tax liabilities

Item	Closing balance		Beginning balance	
	Deferred tax assets or liabilities	Deductible or taxable timing differences	Deferred tax assets or liabilities	Deductible or taxable timing differences
I. Deferred tax assets				
Accrued expenses	13,605,068,329.98	55,895,967,166.63	14,326,869,408.80	58,282,623,788.19
Provision for impairment of assets	3,660,272,808.55	14,367,350,706.67	3,387,581,492.72	15,309,880,244.13
Advance from customers	2,169,993,698.03	8,214,188,235.05	3,083,945,839.26	12,343,462,964.16
Deductible tax loss	1,768,257,365.52	7,381,466,466.09	1,732,050,564.20	7,195,444,165.88
Offset of unrealized gain or loss of internal sales	893,753,662.62	3,377,502,037.85	1,234,803,532.33	5,105,877,112.16
Deferred income	851,266,880.80	3,820,910,245.31	408,572,050.66	2,065,860,676.90
Depreciation and amortization	373,781,484.03	2,431,900,565.82	635,616,799.32	3,186,471,687.95
Difference in cost of completed liquidation	310,852,088.77	1,243,408,355.16	861,843,935.99	3,447,375,744.05
Valuation of trading financial instruments and derivative	40,066,800.09	140,554,195.05	42,005,716.28	149,750,691.24
Others	1,807,715,192.43	9,849,425,874.92	2,113,369,922.61	9,574,481,953.11
Subtotal	25,481,028,310.82	106,722,673,848.55	27,826,659,262.17	116,661,229,027.77

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Item	Closing balance		Beginning balance	
	Deferred tax assets or liabilities	Deductible or taxable timing differences	Deferred tax assets or liabilities	Deductible or taxable timing differences
II. Deferred tax liabilities				
Increase in value in appraisal	5,033,528,914.35	20,010,513,459.86	4,421,865,213.91	17,562,652,354.47
Changes in the fair value of financial assets included in other comprehensive income	2,613,181,341.58	10,334,402,780.10	3,257,205,163.58	13,952,211,968.36
Valuation of trading financial instruments and derivative	1,201,384,390.00	4,929,244,415.73	546,621,487.39	2,433,394,094.03
Long-term prepaid expenses	1,020,830,728.95	3,460,443,148.97	1,080,049,091.14	3,661,183,359.81
Fixed assets	833,809,419.19	2,903,950,918.83	655,241,255.67	2,263,820,253.84
Joint test cost	189,603,391.65	1,264,022,611.18	256,104,827.73	1,707,365,518.43
Difference in depreciation and amortization	146,896,261.27	529,960,197.23	142,936,383.58	507,250,970.46
Investment properties	15,028,029.43	60,112,117.72	17,378,508.38	107,786,246.66
Others	4,464,528,292.10	18,324,632,957.82	3,998,049,818.26	18,057,479,559.32
Subtotal	15,518,790,768.52	61,817,282,607.44	14,375,451,749.64	60,253,144,325.38

(2) Deferred tax assets and deferred tax liabilities after offsetting

A. Deferred tax assets or liabilities after offsetting and the corresponding offsetting deductible or taxable temporary differences

Item	Deferred tax assets or liabilities after offsetting at the end of the reporting period	Deductible or taxable temporary differences after offsetting at the end of the reporting period	Deferred tax assets or liabilities after offsetting at the beginning of the year	Deductible or taxable temporary differences after offsetting at the beginning of the year
I. Deferred tax assets				
Deductible tax loss	182,887,519.67	625,501,329.65	111,182,956.00	361,764,556.00
Appraisal and appreciation of Yinghe Century's investment	32,750,775.00	131,003,100.00	44,789,007.09	136,556,956.00
Provision for impairment of assets	150,297,758.94	560,737,977.52	29,587,380.00	131,848,265.00
Difference in depreciation and amortization	8,441,918.00	33,806,002.00	25,764,520.00	147,798,525.00
Changes in fair value of other equity instrument investments	--	--	20,316,651.00	135,444,338.00
Others	1,155,624,266.04	4,613,535,214.23	28,367,445.29	132,539,694.17
Subtotal	1,530,002,237.65	5,964,583,623.40	260,007,959.38	1,045,952,334.17
II. Deferred tax liabilities				
Valuation of trading financial instruments and derivative financial instruments	713,559,149.00	2,395,173,489.00	775,485,519.81	2,605,695,945.24

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Item	Deferred tax assets or liabilities after offsetting at the end of the reporting period	Deductible or taxable temporary differences after offsetting at the end of the reporting period	Deferred tax assets or liabilities after offsetting at the beginning of the year	Deductible or taxable temporary differences after offsetting at the beginning of the year
Difference in depreciation and amortization	721,371,438.00	4,622,699,062.00	644,317,756.22	4,182,138,380.75
Others	77,172,245.02	262,218,349.10	92,757,052.81	422,678,071.19
Subtotal	1,512,102,832.02	7,280,090,900.10	1,512,560,328.84	7,210,512,397.18

B. Details of deferred tax assets and deferred tax liabilities:

Item	Offset amount during the period
Difference in depreciation and amortization	23,063,090.03
Changes in fair value of other equity instrument investments (previously available for sale)	18,536,450.76
Luzhou Tuojiang New City's overall urbanization of municipal roads and comprehensive pipeline corridor construction PPP project	11,773,258.48
Rent concession amortization	7,360,845.00
PPP project of infrastructure construction of military-civilian integration industrial park in Lizhou District, Guangyuan City	6,388,518.91
Provision for impairment of assets	4,865,615.65
Road construction project from Baolun Zilan to Sandui Minefield in Lizhou District, Guangyuan City (Baolun Section of Lingbao Express Extension Road) PPP project	27,076.52
Others	23,221,550.64

32. Other non-current assets

Item	Closing balance	Beginning balance
Prepayments	7,855,372,749.23	4,209,001,519.93
Deductible value-added tax	7,068,849,748.55	6,063,225,133.62
Contract acquisition cost	89,936,357.70	129,479,686.00
Others	18,319,115,570.86	12,338,130,435.10
Total	33,333,274,426.34	22,739,836,774.65

33. Short-term loans

(1) Short-term loans by category

Category	Closing balance	Beginning balance
Pledge loans	502,471,737.55	2,869,210,820.99
Mortgage loans	5,271,100,058.09	3,056,233,193.71
Guaranteed loans	78,945,794,262.09	35,851,120,735.09
Unsecured loans	160,274,396,400.56	185,657,669,984.39
Total	244,993,762,458.29	227,434,234,734.18

(2) Short-term loans that have been overdue and not repaid

Debtor	Creditor	Closing balance	Borrowing rate	Overdue time (months)	Overdue interest rate
Yiqing Holding	Beijing Municipal Finance Bureau	19,065,957.17	3.00	193	3.00
Yiqing Holding	Social Security Center	3,654,352.00	3.00	193	3.00
Yiqing Holding	Beijing Municipal Finance Bureau	400,000.00	0.00	348	0.00
Total	—	23,120,309.17	--	--	--

34. Trading financial liabilities

Item	Fair value at year end	Fair value at beginning of year
Designated as financial liabilities at fair value through profit or loss	206,682.35	130,794,467.49

35. Derivative financial liabilities

Item	Closing balance	Beginning balance
Hedging instruments	380,436,436.84	235,040.00
Swap transaction	299,105,422.28	244,616,527.13
Total	679,541,859.12	244,851,567.13

36. Notes payable

Category	Closing balance	Beginning balance
Commercial acceptance bills	8,392,721,561.40	16,256,499,747.38
Bank acceptance bills	27,885,826,120.25	31,814,022,314.41
Total	36,278,547,681.65	48,070,522,061.79

37. Accounts payable

Ageing	Closing balance	Beginning balance
Within 1 year (inclusive of 1 year)	166,929,665,148.16	143,073,902,265.75
1-2 years (inclusive of 2 years)	19,542,482,978.62	16,776,194,730.74
2-3 years (inclusive of 3 years)	5,561,356,389.70	7,834,587,027.88
Over 3 years	14,192,121,150.80	11,879,343,640.92
Total	206,225,625,667.28	179,564,027,665.29

Significant accounts payable with ageing over one year

Company abbreviation	Creditor	Closing balance	Reason for outstanding
Shounong Group	Nanyuan project estimated development cost	613,391,139.09	Settlement is not yet complete
Beichen Group	Anhui Sanjian Engineering Co., Ltd.	433,504,715.72	Not reach the payment term
Beijing Automotive Group	Qingdao Jiangshan New Energy Automobile Parts Industry Base Construction Co., Ltd.	384,388,981.24	Project cooperation is in progress
Shougang Group	Shanxi Liulinzhai Yadi Coal Industry Co., Ltd.	338,095,468.69	Tight funding
Beijing Energy Group	China Power Construction Group Jiangxi Electric Power Construction Co., Ltd.	271,493,348.28	Not yet settled
Shougang Group	Tangshan Shougang Baoye Iron and Steel Co., Ltd.	237,853,901.57	Not reach the payment term
Beichen Group	Beijing Sixth Construction Group Co., Ltd.	230,788,175.91	Not reach the payment term
Shougang Group	Beijing Water Conservation Management Center	209,069,682.41	Tight funding
Shounong Group	Oriental Ruiping Guaranteed Housing Advances Public Rental Housing Costs	206,111,201.09	Settlement is not yet complete
Shougang Group	China Huaye Science and Industry Group Co., Ltd.	185,040,979.30	Tight funding
Capital Development Holdings	Beijing Jingang Airport Construction Co., Ltd.	174,012,071.02	Not yet settled
Beichen Group	Beijing Municipal Construction Group Co., Ltd.	170,786,447.46	Not reach the payment term
Beijing Energy Group	Guodian Nanjing Automation Co., Ltd.	158,846,330.82	Not yet settled
Shougang Group	Construction Office of Wenzhou Erjing Construction Co., Ltd. in Bazhou Kaihong Mining Company	158,772,228.96	Tight funding
Beijing Automotive Group	Jiangsu Hezhongpufang New Energy Technology Co., Ltd.	156,730,948.19	Project cooperation is in progress
Shounong Group	Beijing Third Construction Engineering Co., Ltd.	148,408,639.71	Settlement is not yet complete
Beichen Group	Unforeseeable expenses (tianchengtian)	129,320,108.41	Not reach the payment term
Shougang Group	Tonghua Hongyuan Building Material Co., Ltd.	120,214,292.89	Tight funding
Capital Development Holdings	Zhongtian Construction Group Co., Ltd.	103,243,883.52	Not yet settled
Beijing Electronics	EVERADVANCEDPRECISIONTECHNOLOGY LTD	102,572,871.00	Contract has not been executed
Shougang Group	Guizhou Shuicheng Mining Co., Ltd.	100,000,000.00	Tight funding
Capital Development Holdings	Beijing Baijian Development and Construction Co., Ltd.	93,395,652.85	Not yet settled
Shounong Group	Guangxi Nongken Sugar Group Trading Co., Ltd.	84,609,811.24	Not ask for payment
Beijing Energy Group	Shandong Yitong Installation Co., Ltd.	80,332,211.71	Not yet settled

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Company abbreviation	Creditor	Closing balance	Reason for outstanding
Beichen Group	Accrued costs	79,033,454.22	Accrued costs
Beichen Group	Beijing Third Construction Engineering Co., Ltd.	77,745,570.35	Not reach the payment term
Beijing Energy Group Capital Development Holdings	China Power Construction Group Guizhou Engineering Co., Ltd.	75,673,880.00	Not yet settled
Capital Development Holdings	Nantong Yucheng Construction Co., Ltd.	71,187,033.23	Not yet settled
Capital Development Holdings	Beijing Jishun Engineering Consulting Co., Ltd.	70,000,000.00	Not yet settled
Shougang Group Capital Development Holdings	Qian'an City Natural Resources and Planning Bureau	70,000,000.00	Tight funds
Capital Development Holdings	Beichen Zhengfang Construction Group Co., Ltd.	69,807,554.12	Not yet settled
Beijing Energy Group Capital Development Holdings	Shanghai Electric Group Co., Ltd.	66,997,805.62	Not yet settled
Capital Development Holdings	Sichuan Zhongcheng Coal Construction (Group) Co., Ltd.	65,109,194.28	Not yet settled
Capital Development Holdings	Beijing Baohong Construction Item Management Co., Ltd.	62,946,202.23	Not yet settled
Beichen Group Capital Development Holdings	Accrued costs	56,927,169.57	Transfer from accruals
Capital Development Holdings	Jiangsu Nantong Second Construction Group Co., Ltd.	51,947,637.17	Not yet settled
Total		5,708,358,591.87	—

38. Advance from customers

Ageing	Closing balance	Beginning balance
Within 1 year (inclusive of 1 year)	42,827,840,408.24	45,777,785,902.32
Over 1 year	13,178,448,906.58	15,208,353,435.81
Total	56,006,289,314.82	60,986,139,338.13

Significant advance from customers with ageing over one year

Creditor	Closing balance	Reason of not transfer
Beijing Haidian District Affordable Housing Development Co., Ltd.	838,332,908.61	Not due for settlement
BRAMHANIINDUSTRIESLIMITED	487,049,341.46	Not due for settlement
Shanxi Shentou Electric Co., Ltd. (Phase 2)	441,145,000.00	Project in progress
Purchase contract housing payment for relocation housing in the Southern Suburb shed reconstruction and resettlement housing project	231,780,344.00	Not due for settlement

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Creditor	Closing balance	Reason of not transfer
Beijing Xicheng District Housing and Land Management Center	163,820,328.00	Not due for settlement
Malaysia Golden Lion Group	132,148,236.46	Not due for settlement
Jingrun Modern City pre-collected housing payment	102,322,091.00	Not due for settlement
Purchase payment for Xinghong Yayuan shared property housing project	95,929,045.00	Not due for settlement
SHADEED IRON & STEEL CO.	92,795,966.85	Not due for settlement
Yunnan Desheng Steel Co., Ltd.	90,167,239.01	Not due for settlement
Infrastructure construction fee for Tangshan Bay Eco-city Management Committee	89,033,144.83	Not due for settlement
Zhongshan District Housing Management Service Center, Liupanshui City	78,948,343.15	Not due for settlement
Jindal Urban Waste Management	71,068,958.84	Not due for settlement
Erenhot Zhengbei Economic and Trade Co., Ltd.	60,510,000.00	Not due for settlement
Shandong Yiren Paper Co., Ltd. Hengfeng Branch	58,905,566.10	Project suspension of execution and postponement of delivery
JindalUrbanWasteManagement(Guntur) Ltd.	57,414,996.32	Not due for settlement
Beijing Tianyuan Hongda Property Management Co., Ltd.	55,320,960.00	Contract has not been executed
Anhui First Mine Dachang Metal Material Co., Ltd.	54,666,376.39	Not due for settlement
Beijing Tiandi Investment Management Co., Ltd.	54,000,000.00	Installment not yet due

39. Contract liabilities

Item	Closing balance	Beginning balance
Receipt in advance in house selling	98,967,841,408.98	87,535,387,940.84
Receipt in advance in development projects	17,760,366,356.00	24,145,578,877.00
Receipt in advance in sale of goods	15,302,426,503.12	9,773,354,344.49
Others	1,414,680,733.02	1,127,299,278.18
Less: Contract liabilities recorded as other non-current liabilities	2,480,810.83	2,688,197.39
Total	133,442,834,190.29	122,578,932,243.12

40. Employee benefits payable

(1) Employee benefits payable

Item	Beginning balance	Increase	Decrease	Closing balance
Short-term employee benefits	11,645,753,010.31	86,006,401,499.44	83,820,865,530.35	13,831,288,979.40
Post-employment benefits - defined contribution plans	1,068,400,266.73	4,662,059,786.66	4,581,561,761.27	1,148,898,292.12

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Item	Beginning balance	Increase	Decrease	Closing balance
Termination benefits	187,443,983.41	757,425,409.17	800,259,874.56	144,609,518.02
Other benefits due within one year	39,453,729.34	56,598,365.74	42,183,575.92	53,868,519.16
Others	80,118,592.86	37,772,535.51	38,090,353.38	79,800,774.99
Total	13,021,169,582.65	91,520,257,596.52	89,282,961,095.48	15,258,466,083.69

(2) Short-term employee benefits

Item	Beginning balance	Increase	Decrease	Closing balance
Salaries, bonus, and allowances	7,652,598,569.89	68,253,842,997.23	66,719,172,876.13	9,187,268,690.99
Staff welfare	185,713,189.26	4,099,739,324.69	4,105,073,396.40	180,379,117.55
Social insurances	996,901,741.37	4,558,338,922.25	4,408,420,878.89	1,146,819,784.73
Including: Medical insurance	794,651,345.55	4,268,241,237.16	4,118,516,339.90	944,376,242.81
Work injury insurance	16,079,263.86	159,869,293.24	161,240,088.21	14,708,468.89
Maternity insurance	13,766,239.37	92,372,996.29	95,907,478.23	10,231,757.43
Others	172,404,892.59	37,855,395.56	32,756,972.55	177,503,315.60
Housing Fund	179,667,097.23	5,100,682,023.28	4,949,951,440.08	330,397,680.43
Union funds and employee education	2,036,338,706.33	1,712,215,190.95	1,388,897,367.64	2,359,656,529.64
Vocation leave	15,085,622.24	31,083,211.06	29,375,347.92	16,793,485.38
Short-term profit sharing plan	15,318,651.04	16,572,011.72	11,022,555.40	20,868,107.36
Other short-term employee benefits	564,129,432.95	2,233,927,818.26	2,208,951,667.89	589,105,583.32
Total	11,645,753,010.31	86,006,401,499.44	83,820,865,530.35	13,831,288,979.40

(3) Defined contribution plan

Item	Beginning balance	Increase	Decrease	Closing balance
Basic pension insurance	774,901,866.55	3,419,681,326.66	3,325,772,562.02	868,810,631.19
Unemployment insurance	106,741,286.51	377,212,295.28	365,300,332.58	118,653,249.21
Corporate annuity fund	182,794,491.38	864,709,313.79	890,032,015.74	157,471,789.43
Others	3,962,622.29	456,850.93	456,850.93	3,962,622.29
Total	1,068,400,266.73	4,662,059,786.66	4,581,561,761.27	1,148,898,292.12

41. Taxes payable

Item	Beginning balance	Accrual for the year	Paid in the year	Closing balance
Value-added tax	3,510,255,341.53	39,051,329,340.37	38,685,353,294.71	3,876,231,387.19
Consumption tax	2,724,857,851.29	8,348,568,907.26	8,260,210,838.32	2,813,215,920.23
Resources tax	60,443,704.07	941,139,543.48	870,801,078.95	130,782,168.60
Enterprise income tax	12,773,437,560.10	23,404,264,669.96	26,717,083,996.40	9,460,618,233.66
Urban maintenance and construction tax	415,232,782.81	2,499,349,074.07	2,392,837,178.25	521,744,678.63

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Item	Beginning balance	Accrual for the year	Paid in the year	Closing balance
Property tax	178,813,076.83	2,988,643,346.82	2,959,206,030.60	208,250,393.05
Land use tax	89,534,674.13	1,070,608,109.29	1,060,264,566.81	99,878,216.61
Personal income tax	395,828,054.18	3,082,588,092.54	3,033,955,886.05	444,460,260.67
Education surcharge (including local education surcharge)	308,883,032.13	1,876,041,356.15	1,795,963,986.72	388,960,401.56
Other taxes	5,840,177,342.07	11,521,385,462.73	12,202,378,170.04	5,159,184,634.76
Total	26,297,463,419.14	94,783,917,902.67	97,978,055,026.85	23,103,326,294.96

42. Other payables

Category	Closing balance	Beginning balance
Interest payable	8,181,385,850.13	8,864,390,523.19
Dividend payables	1,591,014,451.95	1,691,198,774.88
Other payables	179,730,227,057.14	160,748,371,172.90
Total	189,502,627,359.22	171,303,960,470.97

(1) Interest payable

Item	Closing balance	Beginning balance
Interest on long-term borrowings due in installments	310,335,539.54	1,237,163,106.86
Corporate bonds interest	6,867,531,898.06	6,403,157,740.14
Short-term loans interest payable	595,947,882.68	347,436,892.66
Interest on preferred shares\perpetual bonds classified as financial liabilities	--	65,095,890.42
Other interest	407,570,529.85	811,536,893.11
Total	8,181,385,850.13	8,864,390,523.19

(2) Dividend payables

Item	Closing balance	Beginning balance
Dividend for common shares	1,119,478,012.95	1,275,104,833.34
Dividends on preferred shares\perpetual bonds classified as equity instruments	353,300,390.99	298,506,586.73
Others	118,236,048.01	117,587,354.81
Total	1,591,014,451.95	1,691,198,774.88

(3) Other payables

① Other payables by nature

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Item	Closing balance	Beginning balance
Current accounts	87,445,464,531.83	64,858,031,405.20
Accrued expenses	31,493,657,125.66	31,828,050,968.50
Deposit, security deposit	15,104,321,398.42	14,794,161,257.29
Compensation for demolition, construction and land	12,135,505,331.40	16,413,515,933.42
Collection and payment on behalf	9,132,533,293.96	9,069,694,144.55
Public Service Maintenance Fund	5,885,689,639.39	3,332,199,888.01
Value-added tax on imported equipment	1,920,558,529.00	2,277,269,457.00
Home purchasing deposits	1,666,336,139.13	1,846,657,188.54
Employee social security, etc	1,179,649,559.98	932,428,746.18
Industry adjustment and enterprise restructuring fees	699,212,094.11	2,125,280,032.88
Equity transfer funds	282,301,977.22	438,963,865.76
Resettlement housing payment	39,411,820.21	33,980,900.26
Others	12,745,585,616.83	12,798,137,385.31
Total	179,730,227,057.14	160,748,371,172.90

② Other payables with ageing more than 1 year

Debtor	Creditor	Closing balance	Reason for unpaid
Shounong Group	Beijing Haidian District Affordable Housing Development Co., Ltd.	2,924,580,483.00	Allocation of funds for the use of housing
Beijing Automotive Group	Daimler AG	1,056,359,279.48	Contract has not been executed
Shougang Group	Tangshan Shougang Baoye Iron and Steel Co., Ltd.	974,895,641.96	Unpaid
Capital Development Holdings	Xiamen Lintai	840,788,345.67	Unpaid
Jingcheng Electromechanical	Beijing Xicheng District Housing and Land Management Center	830,685,946.72	Not yet due for settlement
Jingcheng Electromechanical	Beijing Xicheng District Housing Acquisition Affairs Center	714,503,345.58	Not yet due for settlement
Capital Development Holdings	Shoukai Vanke Real Estate	640,652,310.00	Unpaid
Shounong Group	Land Compensation Funds for Nanjiao Shed Reform Project	543,670,000.00	Not completed
Capital Development Holdings	Beijing Liangxiang Urban Construction Development Co., Ltd.	507,148,375.00	Not yet settled
Jingcheng Electromechanical	Outsourcing fees	464,711,384.33	Accrued expenses
Jingcheng Electromechanical	Industry Adjustment Fund	400,835,539.29	Collect outstanding payments from affiliated companies

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Debtor	Creditor	Closing balance	Reason for unpaid
Shougang Group	Beijing Wannian Huacheng Real Estate Development Co., Ltd.	397,980,367.44	Not reach payment term
Capital Development Holdings	Wuhan Overseas Chinese Town Industrial Development Co., Ltd.	364,598,673.13	Not yet settled
Capital Development Holdings	Beijing City Sub-center Investment and Construction Group Co., Ltd.	358,294,811.49	Unpaid
Jingcheng Electromechanical	Beijing Deyuan Industrial Investment Management Co., Ltd.	355,592,668.02	Not yet due for settlement
Jingcheng Electromechanical	Beijing Xuanfang Investment Management Group Co., Ltd.	350,273,077.06	Not yet due for settlement
Capital Development Holdings	Beijing Zhuzong Shoukai Real Estate Co., Ltd.	328,545,236.15	Not yet settled
Capital Development Holdings	Wancheng Yonghui Real Estate Co., Ltd.	319,925,327.78	Unpaid
Shounong Group	Beijing Nanhaizi Investment Management Co., Ltd.	307,553,997.10	Loan and collection on behalf of demolition compensation
Xianglong Company	Xiaoguan No. 43 demolition compensation	293,517,555.88	Unsettled
Capital Development Holdings	Beijing Pengrun Real Estate Development Co., Ltd.	288,907,828.07	Liquidation not completed
Shounong Group	Dingsi Road Social Housing Compensation	278,956,653.22	Unpaid
Capital Development Holdings	Beijing Jiamao Real Estate Co., Ltd.	259,201,212.82	Unpaid
Shounong Group	Beijing Fire Brigade of the Chinese People's Armed Police Force	216,437,974.40	Allocation of funds for the use of housing
Shounong Group	Xiyuan Hospital, China Academy of Chinese Medical Sciences	216,118,470.40	Allocation of funds for the use of housing
Beijing Energy Group	Tianyin Building land transfer fee	204,109,200.00	Accrued land transfer fee
Yiqing Holding	Zhaofeng Ceramics (Beijing) Sanitary Ware Co., Ltd.	200,000,000.00	Related party
Shounong Group	Compensation for Demao Cattle Farm of Southern Suburb Farm	196,903,150.00	Unpaid
Yiqing Holding	Beijing Economic and Technological Investment Corporation	172,592,102.36	Not ask for payment
Xianglong Company	Qunxing Import and Export Co., Ltd.	156,250,906.66	Money involved in litigation case, to be executed
Shounong Group	Dongjiao Law School Project	154,724,593.17	Unpaid
Capital Highway Development	Highway Bureau start-up funds	150,400,000.00	Matters left over from history, pending
Jingcheng	R&D funds	136,465,193.76	R&D funds Unpaid

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Debtor	Creditor	Closing balance	Reason for unpaid
Electromechanical			
Beijing Energy Group	Civil air defense parking spaces of Beijing Tianchuang Shiyuan Real Estate Development Co., Ltd.	134,000,900.00	Not yet settled
Xianglong Company	Xuanwu Branch of Beijing Land Consolidation and Reserve Center	130,000,000.00	Not yet settled
Shounong Group	Xi Yushun Park Construction Project Fund	124,280,000.00	Development and Reform Commission project-specific funding
Shounong Group	Retirees placement fee	123,929,417.35	Unpaid
Shounong Group	Beijing Yiben Real Estate Development Co., Ltd.	120,000,000.00	Agreement has not expired
Jingcheng Electromechanical Beijing Automotive Group	Sales guarantee	110,896,226.45	Accrued expenses
Beijing Automotive Group	Beijing Municipal Finance Bureau	109,282,620.99	Tight fundsUnpaid
Capital Highway Development	Beijing Municipal Road & Bridge Co., Ltd.	108,608,265.00	Not yet due for settlement
Capital Highway Development	Payable to be settled (Wukesong Parking Lot)	105,172,645.20	Unfinished project accounts
Beijing Automotive Group	Daimler Greater China Investment Co., Ltd.	103,350,000.00	Payment approval has not been completed
Beijing Energy Group	Hunan Xingye Green Energy Co., Ltd.	100,611,635.00	Payment conditions are not met
Total		16,876,311,359.93	—

43. Liabilities held-for-sale

Item	Carrying value at year end	Fair value at year end	Estimated disposal cost	Time schedule
Accounts payable	13,652.36	13,652.36	--	--
Advance from customers	27,891.68	27,891.68	--	--
Employee benefits payable	625,982.82	625,982.82	--	--
Other current liabilities	1,914,533.10	1,914,533.10	--	--
Total	2,582,059.96	2,582,059.96	--	--

Note: In December 2020, Aobao Company signed a property rights transfer contract with Ta De Investment Pty Ltd, agreeing to transfer its hotel properties for Australian dollar 35.68 million, Huntington Company and Austin Hotel Group Pty Ltd signed a contract for the transfer of hotel business, agreeing to transfer the hotel business for Australian dollar 2.4 million. As of December 31, 2020, both Aobao Company and Huntington Company have not yet received the consideration for the assets transfer. When preparing its annual financial statements, Aobao Company has classified related properties and business assets as assets held-for-sale, and its related liabilities as liabilities held-for-sale. Since the net amount of assets and liabilities held-for-sale at the end of the year is lower than the contractual transfer price, it is stated at the carrying value. Aobao Company completed the transfer of assets and business on March 26, 2021, and received the aforementioned transfer payment.

44. Non-current liabilities due within one year

Item	Closing balance	Beginning balance
Long-term loans due within 1 year	104,709,189,695.12	100,254,012,637.61
Bonds payable due within 1 year	72,237,508,214.28	58,650,595,623.48
Long-term payables due within one year	10,033,109,874.94	6,340,232,316.62
Lease liabilities due within 1 year	289,651,522.39	220,467,352.87
Long-term employee benefits due within 1 year	2,107,824.24	1,396,227.18
Other long-term liabilities due within 1 year	2,663,612,628.81	2,196,452,129.59
Total	189,935,179,759.78	167,663,156,287.35

45. Other current liabilities

Item	Closing balance	Beginning balance
Short-term financing bills	23,100,333,730.74	27,297,464,240.01
Short-term bonds payable	16,484,612,362.30	12,792,992,842.36
Accrued expenses	10,208,145,297.41	9,840,401,927.79
Output VAT pending for transfer	9,398,192,809.69	7,071,008,287.44
Accrual of land appreciation tax	6,263,473,057.84	7,342,153,098.45
Ultra-short-term financing bills	4,018,719,363.30	6,515,410,357.89
Product warranty	1,615,534,790.00	940,668,393.00
Accrued project cost	1,299,710,738.07	1,643,186,079.98
Compensation reserve of guarantee	55,893,030.60	4,170,324.03
Unexpired liability reserve	50,048,826.48	15,866,542.83
Pre-collect membership card dues	19,301,703.20	17,813,133.19
Fiduciary agent liabilities	14,299,014.19	19,261,905.10
Forward Energy Agreement (Green Certificate)	5,525,740.38	5,380,334.86
Shougang Land Occupation Compensation	3,500,016.00	3,505,264.00
Fair value of grain and oil commodity hedging	844,540.00	--
Reclassification of taxes	401,896.23	1,690,481.13
Settlement provisions	306,573.10	1,168,109.30
Rebate amount from Financial Bureau (expenditure balance carried forward)	23,125.23	451,524.72
Security deposits	--	20,400,000.00
Job stabilization subsidy	--	840,122.84
Hundred Leading Talents Training Project	--	550,000.00
Others	1,296,338,513.09	596,474,813.43
Total	73,835,205,127.85	74,130,857,782.35

46. Long-term loans

Category	Closing balance	Beginning balance
Pledge loans	29,152,301,190.57	38,970,105,437.02
Mortgage loans	137,621,025,004.83	150,511,592,422.43
Guaranteed loans	138,112,657,393.82	116,170,664,278.40
Unsecured loans	195,459,507,476.17	142,291,672,781.94
Total	500,345,491,065.39	447,944,034,919.79

47. Bonds payable

(1) Bonds payable

Item	Closing balance	Beginning balance
Bonds payable	349,298,191,552.43	326,416,110,568.43
Less: Bonds payable due within one year	72,074,540,080.28	56,477,441,635.38
Total	277,223,651,472.15	269,938,668,933.05

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(2) Changes in bonds payable (Excluding other financial instruments such as preferred stocks and perpetual bonds classified as financial liabilities)

Bond name	Face value	Issue date	Bond term	Issued amount	Beginning balance	Issued in the year	Interest accrued at face value	Premium and discount amortization	Repayment in the current period	Other decrease	Closing balance
The Center											
10-year note	2,000,000,000.00	2015/10/19	10 years	2,000,000,000.00	1,997,600,000.00	--	81,221,917.79	213,698.61	81,000,000.00	--	1,997,608,219.18
5-year note	3,000,000,000.00	2015/11/11	5 years	3,000,000,000.00	2,996,128,767.12	--	94,929,041.01	-19,642,191.87	3,110,700,000.00	--	--
5-year note	3,000,000,000.00	2016/4/22	5 years	3,000,000,000.00	2,998,631,506.83	--	105,287,671.25	287,671.25	105,000,000.00	2,998,631,506.83	--
10-year note	4,000,000,000.00	2016/11/14	10 years	4,000,000,000.00	3,994,789,041.09	--	143,592,328.75	392,328.75	143,200,000.00	--	3,994,789,041.09
5-year note	3,000,000,000.00	2016/11/21	5 years	3,000,000,000.00	2,996,005,479.45	--	104,686,027.44	286,027.44	104,400,000.00	2,996,005,479.45	--
5-year note	3,000,000,000.00	2017/8/3	5 years	3,000,000,000.00	2,997,361,643.83	--	141,386,301.42	386,301.42	141,000,000.00	--	2,997,361,643.83
5-year note	1,000,000,000.00	2017/11/10	5 years	1,000,000,000.00	998,713,698.63	--	47,128,767.12	128,767.12	47,000,000.00	--	998,713,698.63
5-year note	2,000,000,000.00	2018/4/19	5 years	2,000,000,000.00	1,999,112,328.76	--	89,845,479.42	245,479.42	89,600,000.00	--	1,999,112,328.76
5-year note	2,000,000,000.00	2018/4/26	5 years	2,000,000,000.00	1,999,054,794.51	--	94,257,534.23	257,534.23	94,000,000.00	--	1,999,054,794.51
5-year note	2,000,000,000.00	2018/8/6	5 years	2,000,000,000.00	1,998,216,438.35	--	83,227,397.28	227,397.28	83,000,000.00	--	1,998,216,438.35
5-year note	3,000,000,000.00	2018/10/29	5 years	3,000,000,000.00	2,996,289,041.09	--	129,654,246.60	354,246.60	129,300,000.00	--	2,996,289,041.09
3-year note	2,000,000,000.00	2019/4/29	3 years	2,000,000,000.00	1,998,383,561.61	--	78,213,698.58	-432,876.79	78,000,000.00	--	1,999,030,136.98
5-year note	2,000,000,000.00	2019/9/25	5 years	2,000,000,000.00	1,996,671,232.86	--	73,200,000.00	-967,123.30	73,000,000.00	--	1,997,838,356.16
10-year note	1,000,000,000.00	2019/10/21	10 years	1,000,000,000.00	997,986,301.37	--	43,920,000.00	-689,589.04	43,800,000.00	--	998,795,890.41
10-year note	1,000,000,000.00	2019/10/25	10 years	1,000,000,000.00	997,965,753.43	--	43,920,000.00	-693,698.62	43,800,000.00	--	998,779,452.05
5-year note	2,000,000,000.00	2020/2/28	5 years	2,000,000,000.00	--	2,000,000,000.00	56,705,753.42	57,486,575.38	--	--	1,999,219,178.04
5-year note	2,000,000,000.00	2020/3/4	5 years	2,000,000,000.00	--	2,000,000,000.00	55,619,178.11	56,468,493.22	--	--	1,999,150,684.89
5-year note	3,000,000,000.00	2020/3/30	5 years	3,000,000,000.00	--	3,000,000,000.00	75,814,520.51	77,622,739.68	--	--	2,998,191,780.83
10-year corporate bond	6,000,000,000.00	2011/12/26	10 years	6,000,000,000.00	5,992,800,000.00	--	324,000,000.00	-3,600,000.00	324,000,000.00	5,996,400,000.00	--
"5+5+5" corporate bond	1,820,100,000.00	2014/9/16	5+5+5 years	4,500,000,000.00	1,820,100,000.00	--	67,343,700.00	--	67,343,700.00	--	1,820,100,000.00
5-year corporate bond	3,000,000,000.00	2019/1/14	5 years	3,000,000,000.00	2,992,737,096.77	--	115,816,438.33	-3,891,780.85	115,500,000.00	--	2,996,945,315.95

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5-year corporate bond	2,000,000,000.00	2019/8/23	5 years	2,000,000,000.00	1,994,500,000.00	--	74,202,739.74	-2,602,739.70	74,000,000.00	--	1,997,305,479.44
Shougang Group											
08 Shougang Debt 02	5,000,000,000.00	2008/10/22	15 years	5,000,000,000.00	5,000,000,000.00	--	218,000,000.00	--	218,000,000.00	--	5,000,000,000.00
15 Shougang PPN001	3,500,000,000.00	2015/2/12	5 years	3,500,000,000.00	3,500,000,000.00	--	24,768,493.15	--	3,524,768,493.15	--	--
17 Shougang MTN001	5,000,000,000.00	2017/3/10	5 years	5,000,000,000.00	5,000,000,000.00	--	250,000,000.00	--	250,000,000.00	--	5,000,000,000.00
17 Shougang MTN002	5,000,000,000.00	2017/3/20	5 years	5,000,000,000.00	5,000,000,000.00	--	265,000,000.00	--	265,000,000.00	--	5,000,000,000.00
18 Shougang MTN001	3,000,000,000.00	2018/4/27	3 years	3,000,000,000.00	3,000,000,000.00	--	153,600,000.00	--	153,600,000.00	3,000,000,000.00	--
18 Shougang MTN002	3,500,000,000.00	2018/7/20	3 years	3,500,000,000.00	3,500,000,000.00	--	162,750,000.00	--	162,750,000.00	3,500,000,000.00	--
18 Shougang MTN003	3,500,000,000.00	2018/8/10	3 years	3,500,000,000.00	3,500,000,000.00	--	157,150,000.00	--	157,150,000.00	3,500,000,000.00	--
18 Shougang MTN004	1,500,000,000.00	2018/10/29	5 years	1,500,000,000.00	1,500,000,000.00	--	64,200,000.00	--	64,200,000.00	--	1,500,000,000.00
18 Shougang MTN005	3,000,000,000.00	2018/11/21	5 years	3,000,000,000.00	3,000,000,000.00	--	131,400,000.00	--	131,400,000.00	--	3,000,000,000.00
19 Shougang MTN001	2,000,000,000.00	2019/1/25	5 years	2,000,000,000.00	2,000,000,000.00	--	85,800,000.00	--	85,800,000.00	--	2,000,000,000.00
19 Shougang MTN002	1,000,000,000.00	2019/3/1	5 years	1,000,000,000.00	1,000,000,000.00	--	43,600,000.00	--	43,600,000.00	--	1,000,000,000.00
19 Shougang MTN003	2,000,000,000.00	2019/4/10	5 years	2,000,000,000.00	2,000,000,000.00	--	92,000,000.00	--	92,000,000.00	--	2,000,000,000.00
19 Shougang MTN004	2,000,000,000.00	2019/6/5	5 years	2,000,000,000.00	2,000,000,000.00	--	88,600,000.00	--	88,600,000.00	--	2,000,000,000.00
17 Shougang E1	3,762,000,000.00	2017/4/28	3 years	3,600,000,000.00	3,600,000,000.00	--	11,539,726.03	--	3,611,539,726.03	--	--
17 Shougang E2	2,507,865,000.00	2017/9/6	3 years	2,400,000,000.00	2,400,000,000.00	--	14,675,794.52	--	2,414,675,794.52	--	--
19 Shougang 01	2,000,000,000.00	2019/6/24	6 years	2,000,000,000.00	2,000,000,000.00	--	91,400,000.00	--	91,400,000.00	--	2,000,000,000.00
19 Shougang 02	3,000,000,000.00	2019/7/22	5 years	3,000,000,000.00	3,000,000,000.00	--	125,700,000.00	--	125,700,000.00	--	3,000,000,000.00
19 Shougang 03	3,000,000,000.00	2019/8/21	5 years	3,000,000,000.00	3,000,000,000.00	--	121,500,000.00	--	121,500,000.00	--	3,000,000,000.00
19 Shougang 04	3,000,000,000.00	2019/9/23	5 years	3,000,000,000.00	3,000,000,000.00	--	124,500,000.00	--	124,500,000.00	--	3,000,000,000.00
19 Shougang 05	3,000,000,000.00	2019/11/14	4 years	3,000,000,000.00	3,000,000,000.00	--	123,000,000.00	--	123,000,000.00	--	3,000,000,000.00
20 Shougang 01	3,000,000,000.00	2020/2/12	5 years	3,000,000,000.00	--	3,000,000,000.00	102,209,589.04	--	102,209,589.04	--	3,000,000,000.00

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20 Shougang 02	3,000,000,000.00	2020/4/10	5 years	3,000,000,000.00	--	3,000,000,000.00	70,617,534.25	--	70,617,534.25	--	3,000,000,000.00
20 Shougang 03	2,500,000,000.00	2020/6/26	6 years	2,500,000,000.00	--	2,500,000,000.00	32,350,684.93	--	32,350,684.93	--	2,500,000,000.00
20 Shougang 04	2,500,000,000.00	2020/10/15	6 years	2,500,000,000.00	--	2,500,000,000.00	20,675,342.47	--	20,675,342.47	--	2,500,000,000.00
20 Shouqin 01	2,500,000,000.00	2020/9/17	5 years	2,500,000,000.00	--	2,500,000,000.00	28,468,055.57	--	--	28,468,055.57	2,500,000,000.00
U.S. dollar bonds 1	3,262,450,000.00	2019/5/23	5 years	3,449,600,000.00	3,488,100,000.00	--	130,498,000.00	-225,650,000.00	581,798,000.00	--	3,262,450,000.00
U.S. dollar bonds 2	2,776,800,000.00	2017/9/28	5 years	2,744,518,847.38	2,775,695,944.00	--	98,052,006.98	-161,388,238.29	420,828,483.56	--	2,614,307,705.71
Euro debt	3,315,280,000.00	2017/8/7	3 years	3,073,320,000.00	3,126,200,000.00	--	25,933,392.12	-189,080,000.00	3,341,213,392.12	--	--
Zhong Shi Xie Zhu [2015] MTN688	2,000,000,000.00	2016/11/3	5 years	2,000,000,000.00	4,513,433,333.38	--	205,200,000.04	--	2,705,200,000.00	2,013,433,333.42	--
Zhong Shi Xie Zhu [2015] MTN692	2,000,000,000.00	2016/11/3	5 years	2,000,000,000.00	2,513,433,333.34	--	106,400,000.00	--	606,400,000.00	2,013,433,333.34	--
Parking debt	1,180,000,000.00	2017/3/20	10 years	1,180,000,000.00	1,180,000,000.00	--	64,965,189.10	--	64,965,189.10	--	1,180,000,000.00
Fund bonds	500,000,000.00	2020/2/28	5 years	500,000,000.00	--	500,000,000.00	13,625,000.00	-1,843,201.64	17,311,403.28	--	498,156,798.36
Capital Highway Development											
2013 Medium Term Notes Phase 2	1,500,000,000.00	2013/6/16	7 years	1,500,000,000.00	1,496,592,284.11	--	--	-3,407,715.89	1,500,000,000.00	--	--
2014 corporate bond	1,400,000,000.00	2014/4/21	15 years	1,400,000,000.00	495,182,126.62	--	--	-1,290,791.08	--	--	496,472,917.70
2016 corporate bond	1,200,000,000.00	2016/1/27	12 years	1,200,000,000.00	1,188,256,587.79	--	--	-1,266,494.77	--	--	1,189,523,082.56
2017 corporate bond	1,500,000,000.00	2017/12/14	12 years	1,500,000,000.00	1,480,282,850.08	--	--	263,035.18	--	--	1,480,019,814.90
2018 corporate bonds	1,500,000,000.00	2018/6/14	12 years	1,500,000,000.00	1,479,609,404.22	--	--	-1,500,260.86	--	--	1,481,109,665.08
2019 Corporate Bond Phase 1	6,000,000,000.00	2019/3/5	12 years	6,000,000,000.00	5,914,385,679.68	--	--	-6,079,145.05	--	--	5,920,464,824.73
2019 Corporate Bond Phase 2	4,000,000,000.00	2019/5/15	12 years	4,000,000,000.00	3,942,267,727.37	--	--	-4,026,329.99	--	--	3,946,294,057.36
2019 non-public targeted debt financing instruments	3,000,000,000.00	2019/11/14	5 years	3,000,000,000.00	2,992,225,272.95	--	--	708,195.50	--	--	2,991,517,077.45
2020 Phase 1 targeted bond	2,000,000,000.00	2020/2/28	5 years	2,000,000,000.00	--	2,000,000,000.00	--	896,433.60	--	--	1,999,103,566.40

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Bond name	Face value	Issue date	Bond term	Issued amount	Beginning balance	Issued in the year	Interest accrued at face value	Premium and discount amortization	Repayment in the current period	Other decrease	Closing balance
financing instrument											
Beijing Shoufa Investment Holdings Co., Ltd. publicly issued 2020 corporate bond (Phase 1)	300,000,000.00	2020/5/7	3 years	300,000,000.00	--	300,000,000.00	--	396,226.43	--	--	299,603,773.57
Beijing Energy Group											
13 Beijing Coal Bond (Beijing Coal Group)	1,400,000,000.00	2013/9/9	7 years	1,400,000,000.00	280,000,000.00	--	--	--	280,000,000.00	--	--
17 Jingneng Electric Power MTN001 (Jingneng Electric Power)	1,500,000,000.00	2017/6/25	3 years	1,500,000,000.00	1,525,393,561.65	--	--	--	1,525,393,561.65	--	--
15 Beijing Thermal MTN001 (Thermal Group)	1,000,000,000.00	2015/7/10	5 years	1,000,000,000.00	1,000,000,000.00	--	--	--	1,000,000,000.00	--	--
17 Jingneng Clean Energy MTN001 (Clean Energy)	2,000,000,000.00	2017/1/21	5 years	2,000,000,000.00	1,908,875,342.46	--	109,974,474.19	--	110,000,000.02	13,562,222.92	1,895,287,593.71
18 Beijing Energy MTN001 (Beijing Energy Headquarters)	2,000,000,000.00	2018/6/1	5 years	2,000,000,000.00	1,890,000,000.00	--	99,800,000.00	--	99,800,000.00	--	1,890,000,000.00
19 Jingneng Corporate Bond 01 (Jingneng Headquarters)	1,500,000,000.00	2019/4/18	3 years	1,500,000,000.00	1,500,000,000.00	--	58,500,000.00	--	58,500,000.00	--	1,500,000,000.00
18 Jingneng Clean Energy MTN001 (Clean Energy)	1,500,000,000.00	2018/4/3	5 years	1,500,000,000.00	1,558,227,534.25	--	77,690,906.37	--	77,650,000.00	63,728,819.98	1,494,339,622.64
14 Haohua 01 (Haohua Energy)	1,500,000,000.00	2015/3/26	7 years	1,500,000,000.00	1,497,516,213.03	--	62,412,794.55	-1,079,063.83	26,000,000.00	62,412,794.55	1,472,595,276.86
19 Jingdian 01 (Jingneng International)	1,100,000,000.00	2019/6/10	3 years	1,100,000,000.00	1,123,414,931.50	--	41,690,000.00	--	65,104,931.50	--	1,100,000,000.00
20 Beijing Coal MTN001 (Beijing Coal Group)	1,000,000,000.00	2020/10/30	3 years	1,000,000,000.00	--	1,000,000,000.00	7,791,780.82	--	7,791,780.82	--	1,000,000,000.00
17 Beijing Coal MTN001 (Beijing)	1,000,000,000.00	2017/6/23	5 years	1,000,000,000.00	1,000,000,000.00	--	55,150,684.97	--	55,150,684.97	--	1,000,000,000.00

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Coal (Group)											
18 Beijing Thermal MTN002 (Thermal Group)	1,000,000,000.00	2018/12/27	5 years	1,000,000,000.00	1,000,000,000.00	--	41,500,000.00	--	41,500,000.00	--	1,000,000,000.00
19 Jingneng Clean Energy MTN001 (clean energy)	1,000,000,000.00	2019/11/13	3 years	1,000,000,000.00	1,004,873,224.04	--	36,399,999.98	--	36,399,999.98	5,231,714.63	999,641,509.41
20 Jingneng Clean Energy MTN001 (clean energy)	1,000,000,000.00	2020/4/9	5 years	1,000,000,000.00	--	1,000,000,000.00	24,768,919.47	1,415,094.34	--	24,768,919.47	998,584,905.66
19 Jingneng Power MTN001 (Jingneng International)	800,000,000.00	2019/7/17	3 years	800,000,000.00	813,280,000.00	--	29,280,000.00	--	42,560,000.00	--	800,000,000.00
20 Jingneng 01 (Jingneng International)	800,000,000.00	2020/10/16	3 years	800,000,000.00	--	800,000,000.00	3,336,438.34	--	6,328,767.12	--	797,007,671.22
20 Jingneng Real Estate ZR001 (Jingneng Real Estate)	300,000,000.00	2020/3/31	3 years	300,000,000.00	419,716,666.68	300,000,000.00	41,363,333.34	--	26,000,000.00	--	735,100,000.02
20 Jingjie 02 (Clean Energy)	600,000,000.00	2020/4/16	5 years	600,000,000.00	--	600,000,000.00	13,939,684.50	215,094.34	--	13,939,684.50	599,784,905.66
14 Haohua 02 (Haohua Energy)	1,500,000,000.00	2016/1/22	7 years	1,500,000,000.00	1,097,043,553.74	--	60,647,671.27	-1,033,943.57	--	722,261,580.74	436,463,587.84
20 Jingjie 01 (Clean Energy)	400,000,000.00	2020/4/16	3 years	400,000,000.00	--	400,000,000.00	3,432,354.96	143,396.23	--	7,673,450.85	395,615,507.88
20 Jingneng Real Estate ZR002 (Jingneng Real Estate)	200,000,000.00	2020/6/30	2 years	200,000,000.00	--	200,000,000.00	6,166,666.68	--	--	--	206,166,666.68
16 Jintai 01 (Jintai Real Estate)	500,000,000.00	2016/6/16	5 years	500,000,000.00	500,000,000.00	--	28,643,835.62	--	28,643,835.62	500,000,000.00	--
18 Jingneng Power MTN001 (Jingneng Power)	700,000,000.00	2018/7/6	3 years	700,000,000.00	715,447,945.21	--	31,586,301.37	--	6,585,480.80	740,448,765.78	--
18 Jingneng 01 (Jingneng International)	600,000,000.00	2018/1/27	3 years	600,000,000.00	601,363,561.64	--	23,764,931.51	--	5,510,820.57	619,617,672.58	--
18 Beijing Thermal MTN001 (Thermal Group)	1,000,000,000.00	2018/1/27	3 years	1,000,000,000.00	1,000,000,000.00	--	39,400,000.00	--	39,400,000.00	1,000,000,000.00	--
18 Beijing Energy MTN002 (Beijing	1,500,000,000.00	2018/9/10	3 years	1,500,000,000.00	1,500,000,000.00	--	64,500,000.00	--	64,500,000.00	1,500,000,000.00	--

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Energy Headquarters)											
18 Beijing Energy MTN003 (Beijing Energy Headquarters)	1,500,000,000.00	2018/9/13	3 years	1,500,000,000.00	1,500,000,000.00	--	65,250,000.00	--	65,250,000.00	1,500,000,000.00	--
Tongrentang Group											
Beijing Tongrentang Technology Development Co., Ltd. publicly issued 2016 corporate bonds (Phase 1)	800,000,000.00	2016/7/31	5 years	800,000,000.00	816,325,840.87	--	--	10,245,945.60	--	806,080,195.27	--
Beichen Group											
2014 corporate bonds-5 years (i)	1,000,000,000.00	2015/1/20	5 years	1,000,000,000.00	600,022,376.00	--	-2,945,793.00	--	600,022,376.00	--	--
2014 corporate bonds-7 years (i)	1,500,000,000.00	2015/1/20	7 years	1,500,000,000.00	1,494,970,599.00	--	-77,884,300.00	-2,383,630.00	2,225,000.00	--	1,495,129,229.00
2016 corporate bonds-5 years (ii)	1,500,000,000.00	2016/4/21	5 years	1,500,000,000.00	356,667,787.00	--	-16,128,000.00	-2,590,670.00	--	359,258,457.00	--
2017 medium-term notes-5 years (iii)	1,320,000,000.00	2017/9/18	5 years	1,320,000,000.00	1,314,638,012.00	--	-60,934,606.00	-1,629,990.00	200,000,000.00	--	1,116,267,002.00
2019 corporate bonds-5 years (iv)	1,200,000,000.00	2019/4/16	5 years	1,200,000,000.00	1,191,630,806.00	--	-57,600,000.00	-1,799,242.00	--	--	1,193,430,048.00
2020 corporate bonds-5 years (v)	600,000,000.00	2020/1/15	5 years	600,000,000.00	--	595,200,000.00	-24,026,055.00	-845,048.00	--	--	596,045,048.00
2020 Medium Term Notes-2 Years (vi)	260,000,000.00	2020/10/28	2 years	260,000,000.00	--	258,830,000.00	-1,750,192.00	-102,126.00	--	--	258,932,126.00
BBMG Group											
900 million corporate bonds	900,000,000.00	2012/3/20	5+3 years	900,000,000.00	418,315,330.01	--	--	-379,669.99	418,695,000.00	--	--
800 million corporate bonds	800,000,000.00	2012/10/15	10 years	800,000,000.00	798,262,481.01	--	48,000,000.00	-606,877.08	--	--	798,869,358.09
3.2 billion corporate bonds	3,200,000,000.00	2016/3/14	3+2 years	3,200,000,000.00	3,189,708,833.39	--	124,217,455.38	-1,986,853.61	--	3,191,695,687.00	--
1.8 billion corporate bonds	1,800,000,000.00	2016/3/14	5+2 years	1,800,000,000.00	1,795,173,893.04	--	62,825,000.00	-766,895.22	--	1,795,940,788.26	--
500 million corporate bonds	500,000,000.00	2017/5/19	7 years	500,000,000.00	498,697,370.15	--	26,900,000.04	-791,242.89	--	--	499,488,613.04

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Bond name	Face value	Issue date	Bond term	Issued amount	Beginning balance	Issued in the year	Interest accrued at face value	Premium and discount amortization	Repayment in the current period	Other decrease	Closing balance
3.5 billion corporate bonds	3,500,000,000.00	2017/5/19	3+2 years	3,500,000,000.00	3,493,070,972.35	319,107,000.00	145,626,666.66	-3,533,674.96	319,107,000.00	--	3,496,604,647.31
500 million corporate bonds	500,000,000.00	2017/7/3	2+1 years	500,000,000.00	314,469,614.39	--	--	-530,385.61	315,000,000.00	--	--
1.25 billion corporate bonds	1,250,000,000.00	2017/7/13	2+1 years	1,250,000,000.00	468,655,975.73	--	9,032,032.26	-344,024.27	469,000,000.00	--	--
1.75 billion corporate bonds	1,750,000,000.00	2017/7/13	3+2 years	1,750,000,000.00	1,746,327,209.11	--	51,105,080.65	-714,899.88	1,610,000,000.00	--	137,042,106.99
2 billion medium-term notes	2,000,000,000.00	2018/1/18	5 years	2,000,000,000.00	2,000,000,000.00	--	117,000,000.00	--	--	--	2,000,000,000.00
500 million debt financing plan	500,000,000.00	2018/2/27	2+3 years	500,000,000.00	500,000,000.00	--	4,583,333.34	--	500,000,000.00	--	--
2.5 billion debt financing plan	2,500,000,000.00	2018/6/25	3 years	2,500,000,000.00	2,500,000,000.00	--	157,062,500.00	--	--	2,500,000,000.00	--
1.5 billion corporate bonds	1,500,000,000.00	2018/7/12	3+2 years	1,500,000,000.00	1,496,300,463.49	--	70,304,166.67	-955,675.92	--	1,497,256,139.41	--
1.5 billion corporate bonds	1,500,000,000.00	2018/7/12	5+2 years	1,500,000,000.00	1,495,853,170.05	--	74,791,666.67	-650,596.20	--	--	1,496,503,766.25
2.5 billion medium-term notes	2,500,000,000.00	2018/8/9	5 years	2,500,000,000.00	2,500,000,000.00	--	117,173,611.15	--	--	--	2,500,000,000.00
500 million corporate bonds	500,000,000.00	2019/1/9	3+2 years	500,000,000.00	498,566,229.88	--	18,650,000.02	-324,338.34	--	--	498,890,566.22
1.5 billion corporate bonds	1,500,000,000.00	2019/1/9	5+2 years	1,500,000,000.00	1,495,395,557.95	--	61,050,000.00	-662,110.72	--	--	1,496,057,668.67
2.5 billion medium-term notes	2,500,000,000.00	2019/3/7	5 years	2,500,000,000.00	2,500,000,000.00	--	108,447,916.67	--	--	--	2,500,000,000.00
1.2 billion corporate bonds	1,200,000,000.00	2019/3/21	3 years	1,200,000,000.00	1,197,146,271.18	--	59,640,000.00	-675,601.77	--	--	1,197,821,872.95
2 billion medium-term notes	2,000,000,000.00	2019/8/7	5 years	2,000,000,000.00	2,000,000,000.00	--	78,581,111.15	--	--	--	2,000,000,000.00
1.5 billion corporate bonds	1,500,000,000.00	2019/10/29	3 years	1,500,000,000.00	1,495,892,448.00	--	63,000,000.00	-832,264.34	--	--	1,496,724,712.34
2 billion medium-term notes	2,000,000,000.00	2019/11/12	5 years	2,000,000,000.00	2,000,000,000.00	--	82,599,999.96	--	--	--	2,000,000,000.00
4.5 billion corporate bonds	4,500,000,000.00	2020/1/10	5+2 years	4,500,000,000.00	--	4,500,000,000.00	175,206,048.39	-2,935,227.28	15,750,000.00	--	4,487,185,227.28
2 billion corporate bonds	2,000,000,000.00	2020/6/15	3+2 years	2,000,000,000.00	--	2,000,000,000.00	35,100,000.00	-1,166,668.22	7,000,000.00	--	1,994,166,668.22
1.5 billion corporate bonds	1,500,000,000.00	2020/8/13	3 years	1,500,000,000.00	--	1,500,000,000.00	20,841,335.48	-668,010.75	5,250,000.00	--	1,495,418,010.75
2.82 billion corporate bonds	2,820,000,000.00	2020/11/11	6 years	2,820,000,000.00	--	1,463,876,018.19	783,333.31	-13,196,843.07	--	--	1,477,072,861.26
Shoumng Group											

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Bond name	Face value	Issue date	Bond term	Issued amount	Beginning balance	Issued in the year	Interest accrued at face value	Premium and discount amortization	Repayment in the current period	Other decrease	Closing balance
Shouning 2017 Phase 1 medium-term note	500,000,000.00	2017/12/18	3 years	500,000,000.00	500,000,000.00	--	27,079,452.05	--	500,000,000.00	--	--
Shouning 2017 Phase 1 Corporate Bond Shouning 2017 Phase 2	1,000,000,000.00	2017/4/11	5 years	1,000,000,000.00	1,000,000,000.00	--	29,500,000.00	--	764,900,000.00	--	235,100,000.00
Corporate Bond Shouning 2018 Phase 1 medium-term note	1,000,000,000.00	2017/8/10	5 years	1,000,000,000.00	1,000,000,000.00	--	16,597,260.27	--	1,000,000,000.00	--	--
Corporate Bond Shouning 2018 Phase 1 medium-term note	1,000,000,000.00	2018/3/29	3 years	1,000,000,000.00	1,000,000,000.00	--	51,400,000.00	--	--	1,000,000,000.00	--
Shouning 2019 Phase 1 medium-term note	1,100,000,000.00	2019/3/14	3 years	1,100,000,000.00	1,100,000,000.00	--	41,800,000.00	--	--	--	1,100,000,000.00
Shouning 2019 Phase 3 medium-term note	500,000,000.00	2019/10/28	3 years	500,000,000.00	500,000,000.00	--	18,850,000.00	--	--	--	500,000,000.00
Shouning 2020 Phase 1 medium-term note	1,000,000,000.00	2020/3/27	3 years	1,000,000,000.00	--	1,000,000,000.00	22,246,575.34	--	--	--	1,000,000,000.00
Shouning 2020 Phase 2 medium-term note	2,000,000,000.00	2020/4/13	3 years	2,000,000,000.00	--	2,000,000,000.00	40,350,684.93	--	--	--	2,000,000,000.00
Shouning 2020 Phase 3 medium-term note	2,000,000,000.00	2020/4/23	3 years	2,000,000,000.00	--	2,000,000,000.00	36,043,835.62	--	--	--	2,000,000,000.00
Urban and Rural Group 15 Urban and Rural 01	300,000,000.00	2015/6/30	5 years	300,000,000.00	71,567,183.84	--	1,743,000.00	-175,816.16	73,486,000.00	--	--
Beijing Automotive Group 14 BAIC Group MTN001	800,000,000.00	2014/9/11	7 years	800,000,000.00	797,653,365.13	--	--	-1,361,162.43	--	799,014,527.56	--
16 Jingqi Group MTN002A	1,000,000,000.00	2016/4/8	5+2 years	1,000,000,000.00	997,566,361.25	--	--	-1,914,607.05	--	999,480,968.30	--
16 Jingqi Group MTN003	2,000,000,000.00	2016/6/22	5+2 years	2,000,000,000.00	1,993,735,193.60	--	--	-4,233,942.93	--	1,997,969,136.53	--
16 Jingqi Group MTN001A	1,900,000,000.00	2016/3/3	5+2 years	1,900,000,000.00	1,895,725,422.25	--	--	-3,650,680.46	--	1,899,376,102.71	--
17 BAIC Group	1,000,000,000.00	2017/4/17	3 years	1,000,000,000.00	999,727,176.36	--	--	--	999,727,176.36	--	--
15 BAIC 01	1,500,000,000.00	2015/12/10	5 years	1,497,000,000.00	1,499,391,469.64	--	--	--	1,499,391,469.64	--	--

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Bond name	Face value	Issue date	Bond term	Issued amount	Beginning balance	Issued in the year	Interest accrued at face value	Premium and discount amortization	Repayment in the current period	Other decrease	Closing balance
16 BAIC 01	1,500,000,000.00	2016/3/17	5 years	1,497,000,000.00	1,499,231,559.63	-	-	-635,532.40	-	1,499,867,092.03	--
15 Jingqi MTN001	500,000,000.00	2015/2/12	5 years	499,500,000.00	499,941,095.87	-	-	-	499,941,095.87	-	--
14 Jingqi MTN001	400,000,000.00	2014/9/10	7 years	399,400,000.00	399,400,000.00	-	-	-184,109.58	-	399,584,109.58	--
14 Jingqi MTN002	300,000,000.00	2014/9/22	7 years	299,550,000.00	299,550,000.00	-	-	-123,287.67	-	299,673,287.67	--
14 Jingqi MTN003	300,000,000.00	2014/9/22	7 years	299,550,000.00	299,550,000.00	-	-	-123,287.67	-	299,673,287.67	--
Medium-term notes	Euro 500,000,000.00	2015/11/2	5 years	Euro 492,145,024.79	3,920,831,630.28	-	-	-	3,920,831,630.28	-	--
Corporate bonds	1,000,000,000.00	2015/3/31	5 years	1,000,000,000.00	999,802,134.72	-	-	-	999,802,134.72	-	--
16 Jingqi Group MTN002B	1,000,000,000.00	2016/4/8	7 years	1,000,000,000.00	993,701,944.34	-	37,000,000.00	-1,846,039.27	-	-	995,547,983.61
16 Jingqi Group MTN001B	1,100,000,000.00	2016/3/3	7 years	1,100,000,000.00	1,093,268,010.19	-	40,590,000.00	-2,038,120.11	-	-	1,095,306,130.30
16 BAIC Group	1,000,000,000.00	2016/3/25	7 years	1,000,000,000.00	997,586,797.98	-	36,000,000.00	-717,957.87	-	-	998,304,755.85
18 BAIC Group	1,000,000,000.00	2018/8/31	5 years	1,000,000,000.00	997,172,392.76	-	46,900,000.00	-725,752.31	-	-	997,898,145.07
18 Jingqi Group MTN001	1,000,000,000.00	2018/9/5	5 years	1,000,000,000.00	995,458,844.48	-	46,900,000.00	98,839,980.27	-	-	896,618,864.21
18 Jingqi Group MTN002	1,000,000,000.00	2018/10/17	5 years	1,000,000,000.00	996,012,582.19	-	45,300,000.00	-986,921.57	-	-	996,999,503.76
18 BAIC 02	1,000,000,000.00	2018/10/19	5 years	1,000,000,000.00	997,079,697.40	-	44,800,000.00	-722,451.58	-	-	997,802,143.98
18 Jingqi Group MTN003	1,000,000,000.00	2018/11/30	5 years	1,000,000,000.00	995,201,231.65	-	41,900,000.00	-1,152,534.73	-	-	996,353,766.38
18 Jingqi Group MTN004	1,000,000,000.00	2018/12/17	5 years	1,000,000,000.00	995,144,599.70	-	43,300,000.00	-1,148,607.24	-	-	996,293,206.94
19 BAIC 01	1,000,000,000.00	2019/3/13	5 years	1,000,000,000.00	996,795,985.13	-	33,830,136.99	-714,078.37	-	-	997,510,063.50
19 BAIC 02	1,000,000,000.00	2019/7/4	3 years	1,000,000,000.00	998,340,730.88	-	17,653,698.63	-646,105.01	-	-	998,986,833.89
19 BAIC 03	2,000,000,000.00	2019/7/4	5 years	2,000,000,000.00	1,994,021,660.25	-	39,572,054.79	-1,237,744.45	-	-	1,995,259,404.70
19 BAIC 05	1,000,000,000.00	2019/8/1	3 years	1,000,000,000.00	998,292,201.19	-	14,671,232.88	-644,560.00	-	-	998,936,761.19
19 BAIC 06	2,000,000,000.00	2019/8/1	5 years	2,000,000,000.00	1,993,929,095.23	-	33,031,232.88	-1,234,942.96	-	-	1,995,164,038.19
19 BAIC 08	1,000,000,000.00	2019/9/6	3 years	1,000,000,000.00	998,229,726.84	-	10,962,739.73	-642,669.06	-	-	998,872,395.90
19 BAIC 09	2,000,000,000.00	2019/9/6	5 years	2,000,000,000.00	1,993,810,401.16	-	24,361,643.84	-1,233,040.87	-	-	1,995,043,442.03

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19 Jingqi Group MTN001A	400,000,000.00	2019/11/1	3 years	400,000,000.00	399,466,224.87	-	2,573,698.63	-182,032.67	-	-	399,648,257.54
19 Jingqi Group MTN001B	600,000,000.00	2019/11/1	5 years	600,000,000.00	599,179,983.07	-	4,211,506.85	-156,572.01	-	-	599,336,555.08
19 Jingqi Group MTN002A	400,000,000.00	2019/11/1	3 years	400,000,000.00	399,466,224.88	-	2,573,698.63	-182,032.64	-	-	399,648,257.52
19 Jingqi Group MTN002B	600,000,000.00	2019/11/1	5 years	600,000,000.00	599,179,983.07	-	4,211,506.85	-156,572.01	-	-	599,336,555.08
19 BAIC 11	2,000,000,000.00	2019/11/15	3 years	2,000,000,000.00	1,996,215,419.06	-	9,219,726.03	-1,275,071.34	-	-	1,997,490,490.40
19 BAIC 12	1,000,000,000.00	2019/11/15	5 years	1,000,000,000.00	996,788,178.71	-	5,086,301.37	-610,278.39	-	-	997,398,457.10
20 BAIC 01	2,000,000,000.00	2020/4/16	5 years	2,000,000,000.00	-	2,000,000,000.00	59,600,000.00	5,722,071.25	-	-	1,994,277,928.75
20 BAIC 02	1,000,000,000.00	2020/4/16	7 years	1,000,000,000.00	-	1,000,000,000.00	32,800,000.00	4,199,138.37	-	-	995,800,861.63
20 BAIC 03	2,000,000,000.00	2020/4/30	5 years	2,000,000,000.00	-	2,000,000,000.00	59,800,000.00	5,769,897.90	-	-	1,994,230,102.10
20 BAIC 05	2,000,000,000.00	2020/6/3	3 years	2,000,000,000.00	-	2,000,000,000.00	57,600,000.00	3,220,846.06	-	-	1,996,779,153.94
20 BAIC 06	500,000,000.00	2020/6/3	5 years	500,000,000.00	-	500,000,000.00	17,750,000.00	1,473,407.50	-	-	498,526,592.50
20 BAIC 07	500,000,000.00	2020/6/3	7 years	500,000,000.00	-	500,000,000.00	20,000,000.00	2,142,549.59	-	-	497,857,450.41
19 BAIC Xinmeng MTN001	1,000,000,000.00	2019/7/23	3 years	996,739,622.64	1,015,118,732.62	-	41,049,105.48	57,899,879.92	41,000,000.00	-	916,218,652.70
19 BAIC Xinmeng MTN002	1,500,000,000.00	2019/8/7	3 years	1,496,269,811.33	1,521,403,990.53	-	62,317,566.81	-62,532,405.43	62,250,000.00	-	1,521,686,395.96
19 BAIC Xinmeng MTN003	1,000,000,000.00	2019/8/21	3 years	996,739,622.64	1,012,145,074.05	-	42,041,185.71	126,167,301.48	42,000,000.00	-	843,977,772.57
19 Beixin Bond	1,500,000,000.00	2019/9/24	3 years	1,493,721,698.11	1,511,127,215.47	-	63,046,216.02	-65,075,384.22	63,000,000.00	-	1,513,202,599.69
19 Beixin 02	500,000,000.00	2019/12/29	3 years	498,811,320.76	499,504,104.59	-	19,674,678.10	-20,055,147.47	19,672,814.19	-	499,886,437.87
20 BAIC Xinmeng MTN001	1,000,000,000.00	2020/3/4	3 years	1,000,000,000.00	-	996,739,622.64	29,803,278.69	-30,670,372.35	-	-	1,027,409,994.99
16 Beijing Auto Green Bond 01	2,500,000,000.00	2016/4/22	7 years	2,497,625,000.00	2,498,772,919.45	-	86,086,655.07	-357,480.35	-	-	2,499,130,399.80
17 Jingqi Green Bond 01	2,300,000,000.00	2017/7/4	7 years	2,297,745,188.68	2,298,467,342.39	-	108,413,725.63	-313,800.66	-	-	2,298,781,143.05
17 BAIC 01	800,000,000.00	2017/1/20	7 years	799,420,000.00	799,643,476.76	-	34,320,000.04	-82,377.74	-	-	799,725,854.50
2020 corporate bonds	600,000,000.00	2020/1/8	3 years	600,000,000.00	-	599,433,962.26	19,963,334.30	-155,115.09	-	-	599,589,077.35
Bohai Automobile MNT001	400,000,000.00	2018/1/23	3 years	400,000,000.00	398,902,855.80	-	11,416,692.40	-11,992,492.40	-	-	410,895,346.20

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Bond name	Face value	Issue date	Bond term	Issued amount	Beginning balance	Issued in the year	Interest accrued at face value	Premium and discount amortization	Repayment in the current period	Other decrease	Closing balance
Bohai Automobile MINT001	600,000,000.00	2019/4/19	3 years	600,000,000.00	598,017,530.18	--	17,125,038.60	-17,918,838.60	--	--	615,936,368.78
Medium-term notes	1,000,000,000.00	2019/6/27	3 years	1,000,000,000.00	997,049,761.88	--	55,319,959.97	185,120,377.21	--	--	811,929,384.67
18 Beijing Auto Investment	680,000,000.00	2018/12/27	3 years	680,000,000.00	680,000,000.00	--	11,791,404.20	--	--	--	680,000,000.00
19 Auto Investment 01	600,000,000.00	2019/3/1	3 years	600,000,000.00	600,000,000.00	--	9,883,971.12	--	--	--	600,000,000.00
19 Auto Investment 02	520,000,000.00	2019/4/1	3 years	520,000,000.00	520,000,000.00	--	7,964,977.90	--	--	--	520,000,000.00
20 Auto Investment 01	600,000,000.00	2020/3/9	3 years	600,000,000.00	--	600,000,000.00	2,751,406.82	--	--	--	600,000,000.00
20 Auto Investment 02	500,000,000.00	2020/7/24	3 years	500,000,000.00	--	500,000,000.00	1,520,245.50	--	--	--	500,000,000.00
Jingcheng Electromechanical											
17 Jing Electromechanical MTN001	600,000,000.00	2017/3/24	5 years	600,000,000.00	600,000,000.00	--	39,360,000.00	--	39,360,000.00	--	600,000,000.00
18 Electromechanical 01	1,200,000,000.00	2018/1/15	3 years	1,200,000,000.00	867,979,245.29	--	1,964,856.15	-1,320,754.72	871,264,856.16	--	--
19 Jing Electromechanical MTN001	650,000,000.00	2019/10/24	3 years	650,000,000.00	650,000,000.00	--	37,050,000.00	--	37,050,000.00	--	650,000,000.00
Capital Development Holdings											
14 Shoukai 01 debt	130,000,000.00	2014/1/15	7 years	130,000,000.00	277,209,632.12	--	9,606,638.89	-938,785.71	148,694,000.00	139,061,056.72	--
14 Shoukai 02 debt	200,000,000.00	2014/2/27	7 years	200,000,000.00	419,534,646.82	--	14,877,777.78	-938,785.71	226,000,000.00	209,351,210.31	--
Public issuance of corporate bonds in 2014	4,000,000,000.00	2015/6/3	5 years	4,000,000,000.00	3,995,977,907.92	--	80,262,295.08	-4,022,092.08	4,000,000,000.00	--	--
15 Shoukai 01 debt	1,900,000,000.00	2015/10/13	5 years	1,900,000,000.00	1,921,170,800.60	--	82,755,555.56	-2,473,643.84	2,006,400,000.00	--	--
2015 corporate bonds (Phase 1)	3,000,000,000.00	2015/10/27	5 years	3,000,000,000.00	2,120,046,805.48	--	95,434,918.03	-3,953,194.52	2,124,000,000.00	--	--
2016-public bond	750,000,000.00	2016/3/14	5 years	750,000,000.00	768,635,000.00	--	24,750,000.00	-1,200,000.00	24,750,000.00	769,835,000.00	--
2016-Non-public bonds	1,500,000,000.00	2016/8/10	5 years	1,500,000,000.00	1,523,849,259.90	--	67,500,000.00	-2,241,973.26	67,500,000.00	1,526,091,233.16	--
2016 Corporate Bonds (Phase 1)	2,000,000,000.00	2016/1/11	5 years	2,000,000,000.00	1,996,947,482.44	--	87,800,000.00	-2,971,764.77	--	1,999,919,247.21	--

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2016 Corporate Bonds (Phase 2)	3,000,000,000.00	2016/9/5	3+2 years	3,000,000,000.00	320,000,000.00	--	11,488,000.00	--	--	320,000,000.00	--
2016 Corporate Bonds (Phase 3)	1,000,000,000.00	2016/10/27	5 years	1,000,000,000.00	100,000,000.00	--	3,570,000.00	--	--	100,000,000.00	--
U.S. dollar bonds	3,264,565,655.00	2016/11/4	5 years	3,264,565,655.00	3,460,847,459.11	--	--	213,343,661.04	--	3,247,503,798.07	--
2017 Shoukai MTN003 Medium Term Notes	4,000,000,000.00	2017/6/15	3 years	4,000,000,000.00	3,995,066,158.45	--	88,180,327.87	-4,933,841.55	4,000,000,000.00	--	--
2017 Shoukai Property-backed Securities	2,910,000,000.00	2017/9/28	3 years	2,910,000,000.00	2,905,921,839.19	2,756,019,000.26	115,484,065.57	-4,078,160.81	5,666,019,000.26	--	--
2018-medium term notes	1,500,000,000.00	2018/5/7	3 years	1,500,000,000.00	1,546,223,576.50	--	74,700,000.00	-2,830,188.68	74,700,000.00	1,549,053,765.18	--
2018 Liting Baodhen Income Rights Asset Backed Plan	1,469,000,000.00	2018/1/17	3 years	1,469,000,000.00	1,311,588,659.52	--	60,376,534.74	-2,411,340.48	1,314,000,000.00	--	--
2018 Phase 1 Medium Term Notes (18 Shoukai MNT001)	2,500,000,000.00	2018/3/22	3 years	2,500,000,000.00	2,492,575,643.55	--	136,500,000.00	-6,007,796.90	--	2,498,583,440.45	--
2018 Phase 1 Debt Financing Plan (18 Beijing Shoukai ZR001)	500,000,000.00	2018/7/2	2 years	500,000,000.00	499,223,184.11	--	16,409,836.07	-776,815.89	500,000,000.00	--	--
issuance of 2018 corporate bonds (Phase 1)	3,000,000,000.00	2018/8/29	5 years	3,000,000,000.00	2,991,191,553.50	--	171,000,000.00	-5,113,327.23	--	--	2,996,304,880.73
2018 Phase 2 Debt Financing Plan (18 Beijing Shoukai ZR002)	500,000,000.00	2018/9/25	2 years	500,000,000.00	498,860,385.48	--	24,073,770.49	-1,139,614.52	500,000,000.00	--	--
2018 Phase 3 Debt Financing Plan (18 Beijing Shoukai ZR003)	3,000,000,000.00	2018/8/31	3 years	3,000,000,000.00	2,985,480,452.94	--	198,600,000.00	-8,605,133.95	--	2,994,085,586.89	--
2019 Phase 1 directional debt financing instrument (19 Shoukai PPN001)	3,000,000,000.00	2019/3/8	5 years	3,000,000,000.00	2,990,184,698.63	--	132,000,000.00	-4,638,596.28	--	--	2,994,823,294.91
2019 Phase 1 Debt Financing Plan (19 Beijing Shoukai ZR001)	1,000,000,000.00	2019/1/11	2 years	1,000,000,000.00	996,248,463.01	--	61,491,803.28	-3,751,536.99	1,000,000,000.00	--	--

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2019 Shoukai MTN001 Medium Term Note	2,500,000,000.00	2019/4/3	5 years	2,500,000,000.00	2,488,642,493.15	--	99,500,000.00	-5,022,984.71	--	--	2,493,665,477.86
Real Estate Group Non-public Issuance of Corporate Bonds in 2019 (Phase 1)	1,500,000,000.00	2019/1/14	3 years	1,500,000,000.00	1,500,000,000.00	--	77,400,000.00	--	--	--	1,500,000,000.00
2019 Phase 2 Debt Financing Plan (19 Beijing Shoukai ZR002)	1,200,000,000.00	2019/5/31	2 years	1,200,000,000.00	1,195,376,377.15	--	68,400,000.00	-3,255,756.00	--	1,198,632,133.15	--
Non-public issuance of 2019 corporate bonds (Phase 1) (19 Shougu 01)	2,000,000,000.00	2019/5/22	5 years	2,000,000,000.00	1,992,050,980.92	--	87,800,000.00	-3,435,935.17	--	--	1,995,486,915.99
2019 Phase 3 Debt Financing Plan (19 Beijing Shoukai ZR003)	1,100,000,000.00	2019/7/5	2 years	1,100,000,000.00	1,093,643,250.09	--	61,600,000.00	-4,178,385.56	--	1,097,821,635.65	--
Non-public issuance of 2019 corporate bonds (Phase 2) (19 Shougu 02)	1,680,000,000.00	2019/8/28	5 years	1,680,000,000.00	1,674,044,622.89	--	69,552,000.00	-2,247,773.86	--	--	1,676,292,396.75
2019 Fourth Phase of Debt Financing Plan (19 Beijing Shoukai ZR004)	800,000,000.00	2019/10/11	2 years	800,000,000.00	795,728,933.70	--	44,960,000.00	-2,381,339.19	--	798,110,272.89	--
2019 Phase 2 directional debt financing instrument (19 Shoukai PPN002)	1,000,000,000.00	2019/10/15	5 years	1,000,000,000.00	995,812,550.27	--	40,000,000.00	-1,479,599.73	--	--	997,292,150.00
Non-public issuance of 2020 corporate bonds (Phase 1)	2,700,000,000.00	2020/2/26	3+2 years	2,700,000,000.00	--	2,689,200,000.00	85,529,508.20	-3,082,911.78	--	--	2,692,282,911.78
Non-public issuance of 2020 corporate bonds (Phase 2)	1,200,000,000.00	2020/3/4	3+2 years	1,200,000,000.00	--	1,195,200,000.00	36,416,065.57	-1,332,382.68	--	--	1,196,532,382.68
2020 Phase 1 Asset Backed Notes (20	3,000,000,000.00	2020/1/21	3+3+3+2 years	3,000,000,000.00	--	2,991,000,000.00	67,384,918.03	-2,743,746.83	6,610,000.00	--	2,987,133,746.83

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Shoukai ABN001)											
2020 Phase 1 directional debt financing instrument (20 Shoukai PPN001)	1,000,000,000.00	2020/4/16	3+2 years	1,000,000,000.00	--	995,500,000.00	24,934,426.23	-1,022,084.93	--	--	996,522,084.93
2020 Phase 2 Medium Term Notes (20 Shoukai MTN002)	4,200,000,000.00	2020/4/27	3+2 years	4,200,000,000.00	--	4,181,100,000.00	77,149,180.33	-4,215,576.82	--	--	4,185,315,576.82
2020 Phase 2 directional debt financing instrument (20 Shoukai PPN002)	1,000,000,000.00	2020/3/16	3+2 years	1,000,000,000.00	--	995,500,000.00	21,516,393.44	-884,773.98	--	--	996,384,773.98
2020 Phase 1 Debt Financing Plan (20 Beijing Shoukai ZR001)	750,000,000.00	2020/6/18	2 years	750,000,000.00	--	746,100,000.00	20,144,057.38	-1,030,548.56	--	--	747,130,548.56
2020 Phase 2 Debt Financing Plan (20 Beijing Shoukai ZR002)	2,000,000,000.00	2020/6/24	2 years	2,000,000,000.00	--	1,988,000,000.00	53,438,251.37	-3,080,259.62	--	--	1,991,080,259.62
2020 Phase 3 Debt Financing Plan (20 Beijing Shoukai ZR003)	500,000,000.00	2020/8/21	2 years	500,000,000.00	--	498,500,000.00	9,357,240.44	-262,483.70	--	--	498,762,483.70
2020 Phase 3 directional debt financing instrument (20 Shoukai PPN003)	1,000,000,000.00	2020/5/21	3+2 years	1,000,000,000.00	--	997,000,000.00	12,699,453.55	-298,318.90	--	--	997,298,318.90
Non-public issuance of corporate bonds in 2020 (Phase 3) 2020 Shoukai-Liting Baochen Duanlai Asset Support Special Plan	1,905,000,000.00	2020/9/30	3+2 years	1,905,000,000.00	--	1,897,380,000.00	20,669,250.00	-642,259.53	--	--	1,898,022,259.53
China Merchants Chuangrong-Shoukai Shares 2020 House Purchase Final	1,840,000,000.00	2020/10/16	3 years	1,840,000,000.00	--	1,835,480,000.00	16,645,464.48	-375,626.67	1,000,000.00	--	1,834,855,626.67
	1,600,000,000.00	2020/1/29	2 years	1,600,000,000.00	--	1,677,000,000.00	4,826,229.51	-245,657.64	85,000,000.00	--	1,592,245,657.64

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Asset-backed											
Special Plan											
Haitong Huatai-Huayue Beijing Asset-backed Special Project	800,000,000.00	2020/6/31	2020/8/31-2021/10/22	800,000,000.00	--	800,000,000.00	10,810,000.00	--	--	800,000,000.00	--
2020-01 Public Bond	1,900,000,000.00	2020/9/23	5 years	1,900,000,000.00	--	1,894,622,641.51	20,583,333.33	-294,649.78	--	20,583,333.33	1,894,917,291.29
Beijing											
Electronics											
16 Beijing Electric City Investment MTN001	550,000,000.00	2016/2/26	5 years	550,000,000.00	548,581,767.30	--	1,266,847.45	--	--	549,848,614.75	--
EuroPP	235,419,000.00	2017/3/29	6 years	235,419,000.00	233,145,481.00	--	8,294,475.00	-6,657,060.00	8,294,475.00	--	239,802,541.00
EuroPP	78,473,000.00	2016/12/29	7 years	78,473,000.00	77,674,350.00	--	2,764,825.00	-2,192,453.00	2,764,825.00	--	79,866,803.00
17 electric control 01	1,380,000,000.00	2017/7/25	3 years	1,380,000,000.00	1,378,427,196.28	--	--	--	1,378,427,196.28	--	--
19 electric control 01	620,000,000.00	2019/6/12	3 years	620,000,000.00	617,418,054.71	--	23,622,000.00	-1,114,082.74	23,622,000.00	--	618,532,137.45
EuroPP	75,977,975.00	2019/7/22	6 years	75,977,975.00	77,058,553.00	--	3,594,273.00	-2,243,842.00	3,594,273.00	--	79,302,395.00
17 Beijing Electric City Investment MTN001	650,000,000.00	2017/7/7	5 years	650,000,000.00	646,586,715.87	--	1,365,153.48	--	--	--	647,951,869.35
Guangdong Yuecai Trust Co., Ltd.	1,800,000,000.00	2018/5/16	3 years	1,700,000,000.00	1,659,033,872.28	--	54,434,000.75	26,845,073.03	1,595,450,161.08	91,172,638.92	--
Corporate Bond Phase 1	800,000,000.00	2020/2/27	3 years	800,000,000.00	--	800,000,000.00	6,385,660.06	23,396,226.41	--	--	782,989,433.65
Corporate Bond Phase 2	1,700,000,000.00	2020/7/10	3 years	1,700,000,000.00	--	1,700,000,000.00	8,124,559.72	52,700,000.00	--	--	1,655,424,559.72
20 electric control 01	2,000,000,000.00	2020/3/20	3 years	2,000,000,000.00	--	1,993,207,547.17	54,666,666.67	-1,765,860.00	54,666,666.67	--	1,994,973,407.17
Total					326,416,110,568.43	86,563,995,792.03	12,443,785,282.11	-15,399,586.00	70,635,886,346.01	72,074,540,080.28	277,223,651,472.15

48. Financial instruments such as preferred shares and perpetual bonds

Financial instruments outstanding	Beginning balance		Increase			Decrease		Closing balance	
	Quantity	Carrying value	Quantity	Carrying value	Quantity	Carrying value	Quantity	Carrying value	
15 Shoufa MTN001	RMB 10 million	999,011,944.05	--	988,055.95	RMB 10 million	1,000,000,000.00	--	--	
15 Shoufa MTN002	RMB 10 million	999,011,944.05	--	988,055.95	RMB 10 million	1,000,000,000.00	--	--	
Total	RMB 20 million	1,998,023,888.10	--	1,976,111.90	RMB 20 million	2,000,000,000.00	--	--	

49. Lease liabilities

Item	Closing balance	Beginning balance
Lease payment	2,391,791,221.59	1,696,432,682.91
Unrecognized financing costs	557,086,009.67	426,407,373.09
Reclassification to non-current liabilities due within one year	289,651,522.39	220,467,352.87
Reclassification to other current assets	15,291,808.64	9,316,061.35
Lease liabilities net amount	1,560,345,498.17	1,058,874,018.30

50. Long-term payables

Item	Closing balance	Beginning balance
Long-term payables	40,773,676,399.99	30,518,505,795.76
Specific payables	76,868,085,909.30	71,919,400,242.49
Total	117,641,762,309.29	102,437,906,038.25

(1) Long-term payables

Top 5 closing balances of long-term payables:

Item	Closing balance	Beginning balance
Capital subscription	10,338,947,270.16	10,936,590,000.00
Lease payments	7,769,870,783.07	6,561,284,335.13
Current accounts	7,300,388,557.24	--
Special government bonds payable	6,000,000,000.00	--
Mining rights	2,522,364,274.99	1,569,374,513.56
Others	6,842,105,514.53	11,451,256,947.07
Total	40,773,676,399.99	30,518,505,795.76

(2) Specific payables

Top 5 closing balances of specific payables:

Item	Beginning balance	Increase	Decrease	Closing balance
Special funding	52,848,850,168.10	12,706,174,956.68	693,598,463.09	64,861,426,661.69
Special subsidy	395,899,354.74	203,226,758.68	367,257,468.22	231,868,645.20

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Item	Beginning balance	Increase	Decrease	Closing balance
Construction fee	73,313,424.67	10,250,000.00	--	83,563,424.67
Land transfer fee	12,361,146,100.51	856,415,518.05	6,241,439,617.30	6,976,122,001.26
Relocation compensation	1,560,990,226.54	1,083,404,661.34	995,283,772.97	1,649,111,114.91
Total	67,240,199,274.56	14,859,471,894.75	8,297,579,321.58	73,802,091,847.73

51. Long-term employee benefits payable

Item	Beginning balance	Increase	Decrease	Closing balance
Post-employment benefits – net liabilities of defined benefits plan	2,962,165,747.22	270,895,039.18	327,112,541.68	2,905,948,244.72
Termination benefits	554,177,541.36	34,215,817.89	71,921,731.64	516,471,627.61
Other long-term benefits	17,612,802.61	1,604,795.79	3,901,760.43	15,315,837.97
Total	3,533,956,091.19	306,715,652.86	402,936,033.75	3,437,735,710.30

52. Provisions

Item	Closing balance	Beginning balance
Product quality warranties	2,929,911,686.84	3,178,383,829.58
Pending litigations	737,907,614.35	422,524,204.61
Abandonment costs	114,532,463.83	129,635,570.51
External guarantee	18,670,162.33	197,582,146.70
Pending loss contract	177,864.50	538,627.13
Others	1,161,323,061.07	1,102,392,640.97
Total	4,962,522,852.92	5,031,057,019.50

53. Deferred income

Item	Beginning balance	Increase	Decrease	Closing balance
Government grants	26,621,323,204.27	9,563,775,394.29	8,208,961,366.79	27,976,137,231.77
Project funds for heat network, Qinghe non-coalization and other projects	657,840,535.04	750,198,299.34	56,820,068.14	1,351,218,766.24
Pipe network, heat access fee	1,045,677,728.81	256,480,397.10	191,814,737.44	1,110,343,388.47
Mould subsidy	1,171,565,302.12	148,404,043.04	413,295,252.17	906,674,092.99
Demolition compensation for	980,146,704.67	--	73,762,843.59	906,383,861.08

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Item	Beginning balance	Increase	Decrease	Closing balance
purchased assets				
Others	567,417,300.86	589,556,786.41	415,952,013.62	741,022,073.65
Total	31,043,970,775.77	11,308,414,920.18	9,360,606,281.75	32,991,779,414.20

Including: Deferred income – government grants

Company name	Item/Category	Beginning balance	Increase	Decrease	Closing balance
Shougang Group	Environmental protection subsidies	1,535,529,660.36	162,722,277.98	163,341,778.62	1,534,910,159.72
	Compensation for removal of ground objects	106,243,245.84	562,476,921.18	269,683,556.85	399,036,610.17
	Research subsidies	258,169,167.89	117,505,421.00	10,800,680.53	364,873,908.36
	Employee placement subsidies	156,227,007.23	--	59,788,261.18	96,438,746.05
	Vocational training subsidies	44,432,252.77	2,980,000.00	16,804,506.11	30,607,746.66
	Others	135,691,589.71	304,833,711.15	34,094,718.92	406,430,581.94
Subtotal		2,236,292,923.80	1,150,518,331.31	554,513,502.21	2,832,297,752.90
Beijing Electronics	Government grants	2,940,005,666.75	3,204,015,910.08	1,443,143,759.61	4,700,877,817.22
	Beijing Municipal Committee Office Project	1,652,082,663.28	694,593,795.51	179,485,192.85	2,167,191,265.94
	90mm front lithography machine and domestic key equipment verification and application project	328,500,000.00	213,500,000.00	114,437,561.26	427,562,438.74
	National Commission Office Project	74,047,959.81	265,858,700.00	13,923,681.60	325,982,978.21
	798 Art District Cultural District Creative Industry Development Special Fund	54,291,435.57	500,000.00	1,327,942.53	53,463,493.04
	Suining Economic Development Zone Industry Support Fund	6,486,805.33	22,000,000.00	2,140,841.77	26,345,963.56
	Support fund for purchase of commercial buildings	15,740,000.00	--	--	15,740,000.00
	Metal magnetic powder core technological transformation project	14,650,000.00	--	--	14,650,000.00
	Subsidies for non-transferable assets	38,078,999.00	--	25,754,919.47	12,324,079.53
	sic device line technology research	12,000,000.00	--	--	12,000,000.00
	High-performance condenser microphone chip technology research and development platform project	--	12,419,978.91	776,248.68	11,643,730.23
	798 Art District Creative Plaza area ultra-low energy building and sponge city renovation project	7,250,000.00	3,250,000.00	--	10,500,000.00
	Other deferred income	228,586,172.91	34,238,869.21	108,459,969.00	154,365,073.12
Subtotal		5,371,719,702.65	4,450,377,253.71	1,889,450,116.77	7,932,646,839.59
Jingcheng Electromechanical	High-end manufacturing relocation project of Bavi Boiler	--	30,000,000.00	167,565.72	29,832,434.28
	Other deferred income	24,386,411.41	33,829,962.11	43,059,323.33	15,157,050.19
Subtotal		24,386,411.41	63,829,962.11	43,226,889.05	44,989,484.47
Beijing Energy Group Capital Highway Development	Government grants	5,549,690,290.08	1,019,686,746.38	1,070,825,275.16	5,498,551,761.30
	Beijing-Hong Kong-Macao Nangang depression water treatment project	175,000,000.00	--	--	175,000,000.00
	Financial interest discount	216,263,331.00	--	10,952,000.00	205,311,331.00

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Company name	Item/Category	Beginning balance	Increase	Decrease	Closing balance
	Capital Highway Development cancels the highway toll station project at the provincial boundary	--	173,848,000.00	5,432,750.00	168,415,250.00
	Special funds for commercial circulation development	33,807,850.63	--	2,070,291.48	31,737,559.15
	Other deferred income	109,638,130.45	230,138,602.78	319,227,976.54	20,548,756.69
Subtotal		534,709,312.08	403,986,602.78	337,683,018.02	601,012,896.84
Yiqing Holding Capital Development Holdings	Government grants	223,495,076.25	20,521,419.76	17,147,301.69	226,869,194.32
	2017 subsidy for old pipe network renovation	--	20,510,621.00	3,507,915.78	17,002,705.22
	Subsidies for rental housing projects	--	40,735,000.00	151,666.67	40,583,333.33
	Ultra-low energy consumption reward funds	12,500,000.00	10,000,000.00	--	22,500,000.00
	Non-comprehensive subsidy	2,182,310,821.95	668,668,993.14	2,415,232,083.68	435,747,731.41
	Other deferred income	11,412,767.92	34,149,008.25	12,678,031.17	32,883,745.00
Subtotal		2,206,223,589.87	774,063,622.39	2,431,569,697.30	548,717,514.96
Beijing Automotive Group	Home purchase subsidy	21,012,858.75	--	600,367.32	20,412,491.43
	Shunyi Auto City allocates subsidies to the production base of BAIC Research Institute	231,000,000.00	--	7,000,000.00	224,000,000.00
	Base infrastructure construction subsidy	647,517,690.51	--	32,765,822.50	614,751,868.01
	Pure electric vehicle technology research and development subsidy	117,424,694.14	23,468,900.00	29,336,148.50	111,557,445.64
	Subsidy for pure electric vehicle projects	27,877,197.80	8,099,595.15	43,184.78	35,933,608.17
	Beijing Engineering Laboratory Equipment Subsidy	17,260,000.00	--	947,249.99	16,312,750.01
	Innovation and Technology Center Construction Subsidy	--	81,750,000.00	2,952,062.26	78,797,937.74
	Government funding	672,739,200.11	77,894,524.15	100,230,360.86	650,403,363.40
	Base construction subsidies	633,273,356.20	--	33,679,625.01	599,593,731.19
	Project development subsidy	2,228,201,851.52	17,940,418.68	266,574,730.62	1,979,567,539.58
	Enterprise support subsidies	153,342,802.50	--	3,221,000.00	150,121,802.50
	Industry Development Fund	107,738,446.12	9,744,200.00	8,054,959.20	109,427,686.92
	National Satellite Navigation Application Military-civilian Integration Project (Phase I) Subsidy for the Internet of Vehicles Application Project	99,540,000.00	42,660,000.00	90,018,051.00	52,181,949.00
	Changsha Automobile Plant Expansion of Sanitation Vehicle Project	79,712,489.90	--	4,952,772.98	74,759,716.92
	Miyun County Finance Bureau transferred to Beijing multi-functional automobile plant production subsidy	78,827,967.00	--	3,992,388.00	74,835,579.00
	Weifang City Finance Bureau appropriated Futian Company's Weifang New Energy Project to support R&D funds	67,043,469.37	--	25,000,000.00	42,043,469.37
	Miyun County Finance Bureau transferred the land subsidy to Beijing Multifunctional Automobile Plant	58,966,061.14	--	1,397,664.00	57,568,397.14
	The Miyun County Finance Bureau transferred the equipment subsidy to Beijing Multifunctional Automobile Factory	44,352,193.00	--	25,871,964.00	18,480,229.00

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Company name	Item/Category	Beginning balance	Increase	Decrease	Closing balance
	Industry Development Fund	33,652,882.60	--	11,217,627.53	22,435,255.07
	Subsidies for the research and development and application of key technologies for Foton hydrogen fuel cell buses	30,000,000.00	--	9,226,629.40	20,773,370.60
	10KV power subsidy	17,135,903.76	--	639,300.00	16,496,603.76
	Land Resettlement Compensation Funds of the People's Government of Shahe Town, Changping District	14,575,767.96	--	393,941.72	14,181,826.24
	Deferred income on land rebate	43,315,133.12	--	975,200.04	42,339,933.08
	Xiangyun base land subsidy	30,642,483.58	23,270,000.00	660,907.56	53,251,576.02
	G190600901 open source platform project	22,000,000.00	--	--	22,000,000.00
	P200600101-04 Car-level chip system integration and vehicle verification (01 special project)	--	64,212,000.00	--	64,212,000.00
	P200600101-02 Development of a high-speed and high-reliability communication chip for vehicle-grade standards (01 special project)	--	10,000,000.00	--	10,000,000.00
	P200600101-03 Car-level chip testing and certification platform and standard system construction (01 special project)	--	237,915,200.00	103,127,200.00	134,788,000.00
	Rent subsidy for Guosheng Park project	--	40,361,700.00	21,414,163.25	18,947,536.75
	Special subsidy funds	45,670,000.00	--	--	45,670,000.00
	Three-year action plan for cultivating and developing emerging industries, 2016 central budget investment plan subsidy funds	20,300,000.00	--	--	20,300,000.00
	Jingdezhen Industrial Base Parts Project	44,540,209.68	--	1,535,869.32	43,004,340.36
	Chongqing Liangjiang New District Finance Bureau Construction Support Fund	20,608,000.08	--	735,999.96	19,872,000.12
	Cangzhou Economic and Technological Development Zone Finance Bureau Industrial Development Special Fund	34,626,666.56	--	1,236,666.72	33,389,999.84
	Zhenjiang City Dantu District Development Reform and Economic Informationization Committee	15,000,000.00	--	500,000.04	14,499,999.96
	Automobile Industry Innovation Support Fund				
	Government grants	225,325,418.43	6,965,000.00	12,856,318.63	219,434,099.80
	Other deferred income	236,994,703.28	227,052,616.12	200,822,394.97	263,224,924.43
Subtotal		6,120,217,447.11	871,334,154.10	1,001,980,570.16	5,989,571,031.05
Tongrentang Group	Demolition compensation	118,830,257.93	15,819,974.33	19,642,278.76	115,007,953.50
	Land fund rebate	--	62,390,000.00	--	62,390,000.00
	Financial subsidies for house decoration and land leveling	--	30,000,000.00	--	30,000,000.00
	Construction of Northwest Characteristic Biological Resources Deep Processing Project	30,538,903.76	--	1,559,245.76	28,979,658.00
	Tongrentang Tangshan Health Products Land Fund Return	15,890,047.69	11,976,000.00	5,825,264.84	22,040,782.85
	Chinese medicine extraction liquid preparation project	10,000,000.00	3,000,000.00	411,666.73	12,588,333.27
	Subsidies for Chinese medicine production projects	6,060,000.00	5,415,700.00	--	11,475,700.00

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Company name	Item/Category	Beginning balance	Increase	Decrease	Closing balance
	Other deferred income	197,750,579.87	21,358,472.49	71,432,414.14	147,676,638.22
Subtotal		379,069,789.25	149,960,146.82	98,870,870.23	430,159,065.84
Suburb Tourism Company	Compensation for the renovation of old elevators	87,339.92	--	62,390.00	24,949.92
Urban and Rural Group	Boiler retrofit subsidy	4,010,193.80	--	511,224.48	3,498,969.32
	Subsidy for the basic transformation of cultural science and technology park	8,857,142.86	--	1,142,857.14	7,714,285.72
Subtotal		12,867,336.66	--	1,654,081.62	11,213,255.04
Xianglong Company	Compensation for demolition of Mentougou Station	16,252,649.31	--	700,000.00	15,552,649.31
	EPA boiler subsidy	46,294,557.03	--	1,437,550.20	44,857,006.83
	Other deferred income	15,210,663.84	15,162,649.69	4,870,763.87	25,502,549.66
Subtotal		77,757,870.18	15,162,649.69	7,008,314.07	85,912,205.80
Beichen Group	Government grants	1,943,396.00	800,000.00	--	2,743,396.00
BBMG Group	Tiantan demolition compensation asset subsidy	157,757,241.75	--	6,953,370.96	150,803,870.79
	Eco-island environmental protection equipment subsidy	126,163,285.46	--	15,189,051.44	110,974,234.02
	Funding for Beijing Cement Plant's sludge project	21,946,388.88	--	2,976,666.68	18,969,722.20
	Tangshan Qixin Cement Industry Museum Project	47,726,666.30	--	1,480,873.20	46,245,793.10
	Liushui construction waste project subsidy	38,550,666.64	--	6,709,333.32	31,841,333.32
	Compensation for demolition of construction machinery	46,060,606.36	--	1,842,424.20	44,218,182.16
	Zanhuang Co-processing of Domestic Waste and Sludge Project	14,425,500.00	--	1,062,000.00	13,363,500.00
	Heilongjiang Industrial Project Subsidy	12,332,666.63	1,040,104.45	1,028,674.68	12,344,096.40
	Hechuan 4600 tons cement clinker production line project	--	12,589,100.00	107,369.72	12,481,730.28
	Jianyuan Replacement Subsidy	--	18,867,924.53	--	18,867,924.53
	Other deferred income	372,453,359.93	43,474,060.17	43,286,881.65	372,640,538.45
Subtotal		837,416,381.95	75,971,189.15	80,636,645.85	832,750,925.25
Shouong Group	Jingliang Group-Demolition Compensation	320,677,120.50	13,241,776.05	17,872,018.97	316,046,877.58
	Jingliang Group-warehouse maintenance and renovation project funds	303,140,342.70	5,046,281.25	15,571,743.57	292,614,880.38
	Xinle Industrial Park Project Construction	168,278,312.51	--	4,620,914.76	163,657,397.75
	Ershang Group-Ershang Meat Workshop Equipment Renovation Subsidy	75,510,003.23	88,757,104.17	11,800,768.54	152,466,338.86
	Ershang Group Pig Breeding Phase II Breeding Farm and Fattening Farm Project	146,044,500.00	--	--	146,044,500.00
	Agricultural Machinery Subsidy Project	162,752,812.42	12,591,799.96	95,871,063.83	79,473,548.55
	Shouong Co., Ltd.-Hebei Luanping Broiler Processing Equipment Renewal Project	57,181,549.93	15,595,400.00	5,155,295.88	67,621,654.05
	Sanyuan Seed Industry-Subsidies for Manure and Wastewater Treatment Projects	56,189,057.60	1,606,400.00	1,167,974.37	56,627,483.23
	Sanyuan Seed Industry-Feed Branch Feed Production Line Upgrading	34,125,702.50	21,944,538.00	2,186,065.83	53,884,174.67

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Company name	Item/Category	Beginning balance	Increase	Decrease	Closing balance
	Project				
	In-kind compensation for the construction of the office building of the General Staff of Fisheries	57,500,000.00	--	3,750,000.00	53,750,000.00
	Beijing Yunong-Fresh-cut Fruit and Vegetable Production Line Construction Project	42,182,567.57	13,155,200.00	1,904,627.78	53,433,139.79
	Shounong Co., Ltd.-Jinxing Duck Industry Duck Breeding Base Equipment and Facilities Upgrade Project	36,297,010.60	19,313,800.00	4,530,034.94	51,080,775.66
	Jingliang Group-Hainan Zhujiang Holding "Tianjin Lingang Industrial Zone Management Committee" enterprise infrastructure supporting	51,206,627.77	--	1,277,504.16	49,929,123.61
	Northern Suburb Farm-Hei Six Breeding Base Upgrade Project	47,161,925.07	100,000.00	1,023,293.89	46,238,631.18
	Jingliang Group-Fangshan Grain and Oil Production and Marketing Cooperation Fund	49,277,519.55	--	5,884,512.47	43,393,007.08
	Xijiao Farm-Sanyuan Agricultural Park Upgrading Project	9,562,849.29	34,356,777.92	1,181,765.33	42,737,861.88
	Shounong Co., Ltd.-Hebei Xingtang 250,000 sets of egg breeder breeding base and supporting incubation facilities construction project	--	38,493,400.00	--	38,493,400.00
	Shounong shares-great ancestors pig farm construction project	--	36,813,600.00	--	36,813,600.00
	Ershang Group-Beijing Fisheries Shipbuilding and Equipment Renovation Subsidy	40,968,333.29	--	5,639,999.97	35,328,333.32
	Ershang Group-Ershang Meat Sewage Treatment Equipment Renewal and Transformation Subsidy	39,411,829.89	--	6,536,670.56	32,875,159.33
	Ershang Group-Tongzhou Aquatic Products Processing Factory Reconstruction Project	31,137,201.61	3,900,000.00	2,538,500.79	32,498,700.82
	Ershang Group-Government subsidy for the comprehensive market transformation project of aquatic products company	17,500,244.42	12,300,000.00	917,473.80	28,882,770.62
	Ershang Group-Ershang Meat Pig House Expansion and Farming Equipment Subsidies	32,111,269.62	--	3,716,490.09	28,394,779.53
	Shuangta Lvgu-Shounong Manor Park Overall Improvement Project	9,488,786.35	18,087,200.00	390,238.08	27,185,748.27
	Shounong Co., Ltd.-Feed Processing Production Line Modernization Upgrading Project	26,995,300.00	--	--	26,995,300.00
	Sanyuan Seed Industry-Chengde Sanyuan Xiaoya Dairy Cow Standardization Demonstration Farm Construction	11,390,736.88	16,319,344.27	1,265,472.13	26,444,609.02
	Jushan Farm-Beijing Jushan Farm Fresh Agricultural Products Supply Guarantee System Construction Project	25,095,724.23	--	--	25,095,724.23
	Shounong Company-Yukou Poultry Industry "Advanced Subsidization" Industrialization Project Subsidy Fund	--	23,444,000.00	--	23,444,000.00
	Shounong Headquarter-Milk Project Office	22,667,812.60	--	--	22,667,812.60
	Beijing Municipal Bureau of Finance on Digital Agriculture Project	22,550,000.00	--	--	22,550,000.00

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Company name	Item/Category	Beginning balance	Increase	Decrease	Closing balance
	Upgrading and Transformation Project of Energy Saving and Emission Reduction System of Breeding Base	22,787,930.36	-	431,613.64	22,356,316.72
	Boiler subsidy	22,403,174.83	1,759,571.26	2,192,059.57	21,970,686.52
	Hebei Shounong Intelligent Pasture Construction and Equipment Subsidies	21,985,600.00	--	349,950.00	21,635,650.00
	Sanyuan Seed Industry-Chengde Sanyuan Yudaokou Ranch Scenic Area Tourism Development Fund	21,500,000.00	--	--	21,500,000.00
	Jingliang Group-Yuanyisheng Grain and Oil Finance allocates infrastructure funds	19,686,383.94	--	469,192.20	19,217,191.74
	Shounong Animal Husbandry Agency Milk Quality Improvement Project	19,153,400.00	--	--	19,153,400.00
	Shounong Company-Huaduyukou 2017 Agricultural Comprehensive Development and Chengwu Project	19,551,422.22	--	521,444.45	19,029,977.77
	Cherry Valley Farm Duck Breeding Project	--	18,235,165.03	--	18,235,165.03
	Shounong Headquarters-Reduction and exemption of rent subsidies due to the epidemic	--	17,877,952.64	--	17,877,952.64
	Sanyuan Taxi-Electric Vehicle Subsidy	--	17,638,200.00	203,718.75	17,434,481.25
	Nankou Agricultural Infrastructure Construction Project	14,320,817.29	2,194,471.80	1,266,928.35	15,248,360.74
	Jushan Farm--Production Facility Reconstruction and Upgrade Project	16,109,615.42	--	894,978.60	15,214,636.82
	Shounong Company Chengde Duck Industry land bidding	15,275,520.00	--	399,360.00	14,876,160.00
	Jushan Farm--Jushan Farm Supply Base Expansion Project	15,134,939.80	--	918,607.68	14,216,332.12
	Jushan Farm--Beijing Jushan Farm high-quality vegetable production facilities and supporting facilities renovation project	14,344,482.80	--	227,828.88	14,116,653.92
	Reconstruction and Upgrade Project of Beijing Youji Free-range House	12,761,938.33	--	728,639.10	12,033,299.23
	Beijiao Farm-2018 Landscape Ecological Forest Project	11,760,000.00	--	--	11,760,000.00
	Sanyuan Seed Industry-Dairy Cow Breeding Center Milk Cow Production Performance Measurement Project	12,746,656.20	951,208.86	2,117,811.78	11,580,053.28
	Xijiao Field-Changping Municipal Subsidy	11,457,973.36	--	--	11,457,973.36
	Yukou Poultry Industry's 50 Million Chicks Production Base Transformation Project	11,998,163.75	--	604,043.75	11,394,120.00
	Ershang Group-Special Agricultural Products Sales Center Upgrade and Reconstruction Project Funds	10,906,588.80	--	138,829.20	10,767,759.60
	Jingliang Group-Hainan Zhujiang Holdings Infrastructure Investment Special Subsidy	11,205,178.95	--	908,692.05	10,296,486.90
	Shounong Headquarters-Daily Necessities Reserve Fund	--	10,102,783.23	--	10,102,783.23
	Ershang Group-Meat Food Comprehensive Research Center Demonstration Center Project	10,080,000.00	--	--	10,080,000.00
	Other deferred income	832,639,556.61	123,737,328.65	466,588,233.60	489,788,651.66
Subtotal		3,044,214,482.79	567,563,303.09	673,764,361.34	2,938,013,424.54
International Cooperation	International Technology Cooperation Collaboration Platform	582,687.60	13.00	405,000.00	177,700.60

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Company name	Item/Category	Beginning balance	Increase	Decrease	Closing balance
Center					
	Siemens Photovoltaic Project VR Display Equipment	256,666.67	--	93,333.32	163,333.35
	Siemens photovoltaic project sand table display equipment	192,500.00	--	70,000.00	122,500.00
	Special subsidy funds for the comprehensive improvement of the intelligent management level of the Wangjing Building office building	200,000.00	--	--	200,000.00
Subtotal		1,231,854.27	13.00	568,333.32	663,533.95
Total		26,621,323,204.27	9,563,775,394.29	8,208,961,366.79	27,976,137,231.77

54. Other non-current liabilities

Item	Closing balance	Beginning balance
Financial liabilities	3,710,474,960.00	3,699,127,228.00
Deferred value-added tax on imported equipment	1,472,958,998.00	4,409,269,015.00
In-vehicle software service	612,118,479.94	495,524,284.05
Pending sales tax	244,594,035.83	325,173,270.06
24-hour roadside assistance service	155,924,151.10	279,874,094.71
Contract liabilities	73,312,598.66	52,577,438.52
Others	1,269,451,063.34	559,698,866.58
Total	7,538,834,286.87	9,821,244,196.92

55. Paid-in capital

Investor	Beginning balance		Increase	Decrease	Closing balance	
	Investment amount	Ratio (%)			Investment amount	Ratio (%)
Beijing State-owned Assets Supervision and Administration Commission	38,803,577,526.58	100.00	130,500,000.00	--	38,934,077,526.58	100.00

Note: (1) According to the "Notice on the Appropriation of State-owned Capital Operation Budget Funds for 2020" by the Beijing Municipal SASAC on December 22, 2020, and in accordance with the "Notice of the Beijing Municipal Bureau of Finance on Issuing the State-owned Capital Operation Budget for 2020 by the Municipal State-owned Assets Supervision and Administration Commission" (Jingcai Zichen Zhi [2020] No. 2205), the 2020 state-owned capital operation budget allocated funds to increase the state capital of The Center by RMB 1.8 million for the purpose of supporting the BBMG Group Gu Jun-Solid Waste Co-processing Technology Innovation Team Project. The Center received the above payment on December 23, 2020 and included it in the paid-in capital.

(2) According to the "Notice on Appropriating BBMG Group's Use of Cement Kiln Cooperative Disposal of Hazardous Waste Project in 2020 State-owned Capital Operation Budget Funds" issued by Beijing Municipal State-owned Assets Supervision and Administration Commission on December 22, 2020, and in accordance with the "Notice of the Beijing Municipal Bureau of Finance on Issuing the 2020 State-owned Capital Operation Budget of the Municipal State-owned Assets Supervision and Administration Commission" (Jingcai Zichen Zhi [2020] No. 2205), the 2020 state-owned capital operation budget

allocated funds to increase the state capital of The Center by RMB 28 million to support the co-processing of hazardous waste projects in cement kilns of BBMG. The Center received the above payment on December 23, 2020 and included it in the paid-in capital.

(3) According to the "Notice on Appropriation of State-owned Capital Operation Budget Funds for the Construction Project of BBMG Yutian Prefabricated Building Parts Base in 2020" issued by Beijing's State-owned Assets Supervision and Administration Commission on December 22, 2020, and the "Notice of the Beijing Municipal Bureau of Finance on Issuing the 2020 State-owned Capital Operation Budget of the Municipal State-owned Assets Supervision and Administration Commission" (Jingcai Zichen Zhi [2020] No. 2238), the 2020 state-owned capital operation budget allocated funds to increase the state capital of The Center by RMB 100 million to support the construction of the Yutian prefabricated building parts base of BBMG. The Center received the above payment on December 23, 2020 and included it in the paid-in capital.

(4) According to the "Notice on the allocation of budgetary funds for state-owned capital operations in 2020" issued by Beijing Municipal SASAC on December 22, 2020, and in accordance with the "Notice of the Beijing Municipal Bureau of Finance on Issuing the 2020 State-owned Capital Operation Budget of the Municipal State-owned Assets Supervision and Administration Commission" (Jingcai Zichen Zhi [2020] No. 2205), the 2020 state-owned capital operating budget allocated funds to increase the state capital of The Center by RMB 700,000 to support the BBMG Group Lu Guozhong-Green Building and Ultra-Low Energy Building Innovation Team Project. The Center received the above payment on December 23, 2020 and included it in the paid-in capital.

56. Capital reserve

Item	Beginning balance	Increase	Decrease	Closing balance
Capital premium	257,920,839,827.30	8,349,866,490.83	1,026,887,042.80	265,243,819,275.33
Other capital reserve	78,039,421,572.10	5,583,410,230.59	2,311,914,350.83	81,310,917,451.86
Total	335,960,261,399.40	13,933,276,721.42	3,338,801,393.63	346,554,736,727.19

(1) According to the state capital allocated by the Beijing Municipal Finance Bureau received by each subsidiaries, the capital premium of The Center was increased by RMB 1,852,311,293.42 accordingly.

(2) According to the "Letter from the Beijing Municipal Finance Bureau on Appropriating Funds to the Investment Guidance Fund of the Beijing Municipal Government" issued by the Beijing Municipal Finance Bureau, RMB 4,656,000,000 was allocated to the Center for the purpose of contribution to the Beijing Municipal Government's Investment Guidance Fund. On December 31, 2020, the Center received the payment of RMB 4,656,000,000, which was included in Capital reserve-Capital premium.

(3) According to the "Notice on Appropriation of State-owned Capital Operation Budget Funds of the State Administration Center for 2020" issued by the Beijing Municipal SASAC on December 25, 2020, in accordance with the "Notice of the Beijing Municipal Bureau of Finance on Issuing the 2020 State-owned Capital Operation Budget of the Municipal State-owned Assets Supervision and Administration Commission"(Jingcai Zichen Zhi [2020] No. 2313), the 2020 state-owned capital operating budget allocated funds of RMB 747,345,332.54 to increase capital reserve of the Center, which is used for capital contribution to Jingguorui Fund. The Center received the above payment on December 25, 2020, and it is included in the Capital reserve-Capital premium.

(4) According to the "Notice on Printing and Distributing the Work Plan for Restructuring and Restructuring of Beijing Engineering Consulting Companies" (Jing Fa Gai [2020] No. 365) jointly issued by the Beijing

Municipal Development and Reform Commission and Beijing State-owned Assets Supervision and Administration Commission, the municipal government agreed to gratuitously transfer Beijing Consulting Company to the Center and directly registered as a wholly-owned subsidiary of The Center. The Center determined the audited net assets attributable to the parent company of Beijing Consulting Company of RMB 562,723,994.07 as of August 31, 2020 as the initial investment cost of the long-term equity investment, and accordingly increased Capital reserve-Capital premium by RMB 562,723,994.07.

(5) According to the "Letter on Turn Over the Financial Capital Cost Reimbursement and income of Jingguorui Fund" (Jing Guo Zixin [2020] No. 21), the principal and income on the exit of Jingguorui Fund attributable to the Municipal Finance as of April 30, 2020 after deducting relevant taxes and fees are turned over to the Beijing Municipal Government Investment Guidance Fund. The Center turned over a payment on July 17, 2020 and the Capital reserve-Capital premium was reduced by RMB358,662,311.51 accordingly.

(6) According to the " Notice on Carrying out the Collection of Income and Withdrawal of Principal in Municipal Government Investment Fund" issued by the Beijing Municipal Finance Bureau, all municipal fund holding agencies are required to return the income earned on the fund allocated and withdrawal of principle to the Municipal Finance as of November 30, 2020 after deducting reasonable taxes and fees, the income and the principal payable of the exited projects shall be turned over to the Beijing Municipal Government Investment Guidance Fund before December 31, 2020. The Center turned over the payment on December 31, and the Capital reserve-Capital premium was reduced by RMB 72,931,301.95 accordingly.

(7) The net change in capital premium of the subsidiaries of the Center was RMB -63,807,558.54.

(8) The change in other capital reserve was due to the change in other equity in the subsidiaries of the Center.

57. Special reserves

Item	Beginning balance	Increase	Decrease	Closing balance
Safety production fee	683,661,642.44	517,534,267.80	494,263,709.89	706,932,200.35
Simple reproduction maintenance fee	1,113,933,776.82	199,859,404.82	96,425,987.78	1,217,367,193.86
Others	62,397,201.88	8,752,218.87	16,218,483.36	54,930,937.39
Total	1,859,992,621.14	726,145,891.49	606,908,181.03	1,979,230,331.60

58. Surplus reserve

Item	Beginning balance	Increase	Decrease	Closing balance
Statutory surplus reserve	4,391,032,904.19	605,477,321.74	--	4,996,510,225.93

59. Undistributed profit

Item	Current year	Prior year
Closing balance of prior year	116,230,790,802.43	115,272,184,003.63
Add: Changes in accounting policies	116,462,705.48	-1,792,352,400.88

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Item	Current year	Prior year
Correction of previous errors	--	-139,701,027.56
Others	--	31,021,979.27
Beginning balance of the current period	116,347,253,507.91	113,371,152,554.46
Increase	15,192,368,171.23	15,966,040,826.05
Including: Net profit for the year	13,573,693,101.15	16,127,817,910.83
Other adjustments	1,618,675,070.08	-161,777,084.78
Decrease	7,102,919,677.20	13,106,402,578.08
Including: Appropriation to surplus reserve	605,477,321.74	1,105,428,497.44
Appropriation of general risk reserve	102,691,367.84	13,179,525.13
Appropriation of cash dividends	5,649,588,228.60	11,316,896,660.16
Other decrease	745,162,759.02	670,897,895.35
Closing balance of the current period	124,436,702,001.94	116,230,790,802.43

60. Operating revenue and operating costs

(1) Operating revenue and operating costs

Item	Current year		Prior year	
	Revenue	Cost	Revenue	Cost
1. Primary operations				
Manufacturing	270,208,340,087.93	211,257,960,246.84	251,429,910,934.24	194,815,520,468.01
Steel	170,733,531,832.06	159,734,821,057.05	171,793,930,655.97	151,285,895,730.66
Commerce	167,887,858,040.53	148,617,847,870.73	156,363,728,875.64	134,309,185,135.73
Electronic	149,825,066,211.59	119,110,756,939.91	125,794,971,945.05	104,861,702,764.88
Real estate	129,138,925,367.47	97,872,818,146.26	124,901,103,721.25	84,971,256,977.32
Food processing	99,640,592,023.17	92,885,101,906.41	84,232,329,666.21	77,173,998,393.63
Electricity	35,312,447,898.53	26,410,881,136.13	32,830,600,892.73	25,152,987,035.31
Medicine	16,630,301,027.74	8,380,536,453.00	17,563,609,905.49	8,684,792,022.47
Heat	13,639,390,275.61	16,465,379,732.16	11,453,857,996.87	14,520,403,010.10
Agriculture	5,486,142,992.98	3,639,071,158.72	5,766,594,525.47	3,971,997,527.17
Coal	3,435,179,980.77	2,097,421,212.12	5,967,489,001.55	3,461,290,466.30
Others	45,714,710,600.80	33,850,188,811.66	43,650,316,156.95	33,573,041,080.16
Subtotal of primary operations	1,107,652,486,339.18	920,322,784,670.99	1,031,748,444,277.42	836,782,070,611.74
2. Other operations				
Manufacturing	14,171,522,547.91	7,192,917,290.41	18,536,818,391.64	14,472,774,792.27
Electromechanical	3,819,073,324.36	1,883,123,077.70	3,269,845,839.79	1,869,912,373.87
Real estate	1,881,935,805.37	678,307,666.95	2,500,655,163.33	628,693,153.70
Steel	1,446,045,127.75	1,618,261,134.85	1,919,728,181.72	2,034,205,082.79
Highway	395,182,006.30	279,175,749.55	465,834,861.41	466,931,395.73

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Item	Current year		Prior year	
	Revenue	Cost	Revenue	Cost
Commerce	293,615,539.35	137,274,899.11	157,385,325.10	92,847,734.10
Medicine	134,516,312.57	75,905,986.51	122,792,380.54	73,160,205.49
Others	9,326,921,006.83	8,114,135,377.93	10,087,757,555.44	6,438,208,735.93
Subtotal of other operations	31,468,811,670.44	19,979,101,183.01	37,060,817,698.97	26,076,733,473.88
Total	1,139,121,298,009.62	940,301,885,854.00	1,068,809,261,976.39	862,858,804,085.62

(2) Construction contract (top 10 largest construction contracts with revenue recognized in current period)

Contract	Total contract sum	Total contract cost	Completion progress %	Cumulative contract revenue recognised	Cumulative contract cost recognised
Cangzhou Yanshan Beijing Xinfadi Agricultural and Sideline Products Wholesale Market Project	274,103,267.65	258,731,615.66	100.00	274,103,267.65	258,731,615.66
Yantai Vanke Weihai Emerald Park Phase 1 Project 4	338,618,103.96	325,073,379.80	44.05	149,176,167.22	143,209,120.51
Yantai Vanke Upper Car Door Project Demonstration Zone and Phase I Turnkey Project	238,554,891.83	226,627,147.24	70.95	169,262,992.69	160,799,842.63
Shanghai Qingpu Project-Equipment	196,236,194.69	149,639,300.00	65.00	127,553,526.55	97,265,545.00
Yantai Vanke Weihai Emerald Park Phase 1 Project 3	335,879,546.97	322,444,365.09	56.70	190,446,134.90	182,828,290.60
Vientiane Xintian M Block Phase I Construction Project-1 and -2 Project	204,313,315.44	134,046,285.21	99.00	124,289,784.99	120,210,517.69
Zhongliang Lanting Garden Project	196,279,139.45	186,465,182.48	60.70	119,140,558.32	113,183,530.56
Jingkeyuan Residential District	272,127,518.46	258,521,142.54	97.80	266,151,878.45	252,844,284.39
Tangshan Tixiang County Project Phase I Construction General Contracting Project	262,461,613.45	244,089,300.51	79.76	209,336,634.91	194,683,071.52
Hejian Project-Equipment	301,598,800.00	207,300,900.00	43.63	131,587,085.00	90,445,058.63

Continued:

Contract	Cumulative gross profit recognised	Settlement payment has been processed	Cumulative collection	Contract revenue recognised in the period	Contract cost recognised in the period
Cangzhou Yanshan Beijing Xinfadi Agricultural and Sideline Products Wholesale Market Project	15,371,651.99	209,786,238.13	225,795,589.95	169,084,741.29	158,438,922.40
Yantai Vanke Weihai Emerald Park Phase 1 Project 4	5,967,046.71	152,181,561.11	122,859,021.22	142,414,390.34	136,717,814.37
Yantai Vanke Upper Car Door Project Demonstration Zone and Phase I Turnkey Project	8,463,150.06	156,378,113.82	118,297,910.73	141,937,188.24	134,840,329.33

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Contract	Cumulative gross profit recognised	Settlement payment has been processed	Cumulative collection	Contract revenue recognised in the period	Contract cost recognised in the period
Shanghai Qingpu Project-Equipment	30,287,981.55	88,674,336.16	100,201,800.00	127,553,526.55	97,265,545.00
Yantai Vanke Weihai Emerald Park Phase 1 Project 3	7,617,844.30	169,420,913.69	140,445,574.85	119,647,270.85	114,861,382.60
Vientiane Xintian M Block Phase I Construction Project-1 and -2 Project	4,079,267.30	124,289,784.99	45,043,470.01	117,862,382.78	111,858,456.65
Zhongliang Lanting Garden Project	5,957,027.76	126,655,007.74	72,958,597.57	115,318,948.78	109,553,002.10
Jingkeyuan Residential District	13,307,594.06	253,333,476.76	231,024,802.02	109,847,361.48	107,481,084.04
Tangshan Tixiang County Project Phase I Construction General Contracting Project	14,653,563.39	174,219,061.89	185,494,852.25	105,781,838.41	98,377,110.93
Hejian Project-Equipment	41,142,026.37	133,388,407.39	150,728,900.00	101,455,031.08	69,735,297.97

61. Selling expenses

Item	Current year	Prior year
Sales service fee	12,306,188,260.67	11,092,216,808.16
Employee's salary	9,907,649,044.32	10,016,553,950.52
Transportation fee	3,556,653,866.57	6,669,953,169.13
Advertising fee	3,030,959,309.32	3,669,143,211.00
Market development fee	705,430,213.17	846,647,748.35
Rental fee	689,092,531.47	609,253,978.73
Warehousing fee	678,965,102.80	511,259,018.81
Depreciation and amortization expense	540,688,002.38	762,571,251.64
Business expenses	537,584,824.58	1,882,263,479.47
Exhibition fee	501,188,896.67	631,402,440.45
Consignment sale fee	192,528,613.36	432,817,528.68
Loading and unloading fee	113,013,438.28	256,475,353.61
Others	6,844,760,899.41	6,165,372,013.42
Total	39,604,703,003.00	43,545,929,951.97

62. Administrative expenses

Item	Current year	Prior year
Employee's salary	26,587,321,809.01	27,733,522,786.20
Depreciation and amortization	7,603,474,294.58	6,980,085,860.99
Repair fee	3,681,015,619.95	3,439,342,655.45
Hiring intermediary agency fee	1,168,304,296.64	1,212,494,190.44
Office expenses	1,021,713,312.11	1,115,160,665.77

Item	Current year	Prior year
Consultation fee	602,873,755.58	324,132,697.63
Insurance premium	348,733,924.48	300,790,032.87
Rental fees	267,343,511.65	361,782,108.09
Travel expenses	256,743,614.60	498,075,664.89
Business entertainment expenses	178,296,588.75	256,302,198.86
Utility bill	173,925,510.33	215,857,843.24
Property fee	132,198,758.93	131,077,388.10
Long-term prepaid expenses amortization	97,776,430.38	121,259,671.11
Technology transfer fee	92,791,827.13	9,089,606.25
Service charge	70,474,018.14	77,307,740.88
Sewage charges	59,819,462.56	58,520,748.22
Machine material consumption	50,184,609.49	69,337,505.85
Conference fee	41,847,510.18	67,995,569.89
Office room costs	40,362,130.66	59,337,071.81
Shipping fee	26,693,995.00	36,021,757.06
Others	9,829,507,127.46	9,932,749,640.02
Total	52,331,402,107.61	53,000,243,403.62

63. Research and development expenses

Item	Current year	Prior year
Labor cost	6,753,749,796.98	5,403,265,096.36
Depreciation and amortization	3,475,652,837.83	2,716,855,842.40
Material fee	2,329,301,744.32	2,199,980,246.48
Research processing fee	475,769,702.62	417,006,831.16
External development fee	207,542,190.39	86,408,369.07
Labor fee	51,934,157.85	39,707,435.52
Outsourcing costs	37,802,826.88	58,703,320.10
Travel expenses	30,923,524.40	52,335,382.21
Fuel-powered utilities	16,894,051.61	2,958,513.22
Others	2,950,545,456.06	2,700,422,335.03
Total	16,330,116,288.94	13,677,643,371.55

64. Financial expenses

Item	Current year	Prior year
Total interest expenses	50,478,145,768.54	48,475,276,554.34
Less: Capitalized interest	11,860,555,400.62	10,898,567,026.34
Net interest expenses	38,617,590,367.92	37,576,709,528.00

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Item	Current year	Prior year
Less: Interest income	6,958,873,074.88	6,105,198,404.64
Discount on acceptance bills	86,946,754.21	105,955,510.53
Exchange gain or loss	282,715,034.26	-122,132,262.02
Bank charges and other	1,540,085,184.70	1,890,107,397.48
Total	33,568,464,266.21	33,345,441,769.35

65. Other income

Company name	Item	Current year	Prior year
The Center	Financial interest discount for Beijing AVIC Development Project	100,000,000.00	75,000,000.00
	Financial interest discount for Beiyi Machine Tool Restructuring Project	--	25,000,000.00
	Others	946,961.28	1,300,000.00
Subtotal		100,946,961.28	101,300,000.00
Shougang Group	Staff placement fee	246,764,957.27	881,688,551.92
	Environmental protection subsidies	229,362,205.37	181,442,409.39
	Poverty alleviation subsidies	214,780,049.60	60,309,867.31
	Research subsidies	54,526,681.15	47,859,827.90
	Special subsidies for structural adjustment	50,997,862.28	67,012,783.71
	Others	315,054,431.46	314,481,521.71
Subtotal		1,111,486,187.13	1,552,794,961.94
Beijing Electronics	VAT refund	181,656,720.18	81,137.44
	Beijing Municipal Committee Office Project	166,143,128.17	--
	90mm front lithography machine and domestic key equipment verification and application project	114,437,561.26	--
	Xiqing Development Zone Support Fund	77,400,000.00	3,314,121.58
	Chaoyang District promotes the high-quality development of the business economy guide funds	41,577,000.00	--
	Others	2,827,529,127.48	3,111,466,903.07
Subtotal		3,408,743,537.09	3,114,862,162.09
Jingcheng Electromechanical	Land compensation	613,021,940.26	1,211,061,337.13
	Deferred income amortization	83,027,895.91	76,431,217.17
	Reform and restructuring funds	28,136,596.76	30,957,041.94
	Funds for scientific research and special projects	13,742,591.10	18,974,930.70
	Tax deductions, tax refunds, tax refunds	13,640,849.58	11,483,568.69

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Company name	Item	Current year	Prior year
	Others	69,358,064.01	41,313,937.17
Subtotal		820,927,937.62	1,390,222,032.80
Beijing Energy Group	Subsidy funds for loss of urban heat supply operation	3,196,308,443.43	3,453,808,300.00
	Electricity price subsidy	711,987,419.33	701,964,844.50
	Subsidies for heating fuel, etc.	432,601,737.89	568,898,576.51
	Replenishment funds for various awards	424,795,545.70	352,134,761.70
	Compensation for land occupation and demolition	412,318,013.17	197,643,477.14
	Others	743,555,965.13	621,767,425.52
Subtotal		5,921,567,124.65	5,896,217,385.37
Capital Highway Development	Highway greening promotion project subsidy	195,471,568.00	181,340,801.00
	Hub subsidy	99,334,000.00	100,000,000.00
	Key high-speed protection net maintenance projects	13,949,900.00	--
	Job stabilization subsidy	13,131,398.28	6,346,834.41
	Financial interest discount	10,952,000.00	10,952,000.00
	Others	54,845,591.26	26,937,919.61
Subtotal		387,684,457.54	325,577,555.02
Yiqing Holding	Tax rebates, exemptions, and incentives	52,944,190.50	52,477,009.03
	Industry Support Fund	39,742,159.76	18,696,032.82
	Subsidies for retired enterprises	21,410,775.39	24,569,010.86
	Others	57,336,448.26	41,871,873.99
Subtotal		171,433,573.91	137,613,926.70
Capital Development Holdings	Incentives for taxation, energy saving, etc.	22,087,668.65	16,394,580.65
	Input tax plus deduction	10,293,485.43	5,001,800.57
	Others	44,365,532.94	46,476,078.17
Subtotal		76,746,687.02	67,872,459.39
Beijing Automotive Group	Project development subsidy	402,104,178.39	284,553,596.81
	Base construction subsidies	333,464,784.97	33,426,281.01
	Support funds	114,853,203.04	2,031,441,599.42
	New energy subsidies	111,074,012.81	1,112,884,663.60
	Government funding	100,230,360.86	--
	specific fund	40,142,509.96	41,285,999.92
	Social Security Bureau subsidies	31,714,786.73	2,704,824.20
	Others	395,308,500.17	493,131,318.33

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Company name	Item	Current year	Prior year
Subtotal		1,528,892,336.93	3,999,428,283.29
Tongrentang Group	Tongrentang Share Epidemic Prevention and Anti-epidemic Fund	16,880,643.72	--
	Job stabilization subsidy	16,509,519.88	6,329,944.28
	Others	65,718,180.58	63,281,666.22
Subtotal		99,108,344.18	69,611,610.50
Suburb Tourism Company	Others	1,156,683.01	124,972.96
Urban and Rural Group	Others	11,850,043.60	9,004,860.90
Xianglong Company	Others	39,090,619.81	14,984,828.09
International Cooperation Center	Others	1,387,754.63	914,050.07
Ducheng Company	Others	292,440.22	1,635,280.48
Beichen Group	Attract investment	13,215,811.94	16,355,693.00
	Epidemic relief of rent subsidies for small, medium and micro enterprises	11,375,827.40	--
	Others	6,461,488.62	11,151,320.69
Subtotal		31,053,127.96	27,507,013.69
Jinyu Asset	Others	8,765,627.09	7,361,919.44
BBMG Group	VAT refund	576,039,717.42	577,918,676.86
	Others subsidy income	297,890,961.94	158,559,863.87
	Heating subsidy	7,411,420.00	1,600,000.00
Subtotal		881,342,099.36	738,078,540.73
Shounong Group	Agricultural support funds and subsidies	278,990,442.32	118,636,379.38
	Land purchase and storage	110,721,356.22	166,145,262.49
	Project construction subsidies	90,197,327.32	69,086,851.95
	Union contribute subsidy	26,077,599.85	4,950,000.00
	Others	288,048,299.90	409,515,143.08
Subtotal		794,035,025.61	768,333,636.90
Equity Development Company	Individual tax fee refund income	8,668.65	87,290.07
Real Estate Investment	Others	587,836.04	801,621.80
Equity Exchange Group	Others	51,781.64	434,688.00
Siban Technology	Others	66,531.81	--

Company name	Item	Current year	Prior year
Jingguorui Fund Management Guiding Fund Management Companies	Individual tax fee refund income	2,135.84	--
Beijing Consulting Company	Others	2,104,181.93	--
Total		15,399,332,582.47	18,224,769,080.23

66. Investment income

Source	Current year	Prior year
Income from long-term equity investment by equity method	10,256,443,642.17	12,157,893,439.20
Income from holding of available for sale financial assets	3,411,351,198.31	4,247,921,988.92
Gain from disposal of financial assets at fair value through profit or loss	1,992,822,834.81	1,048,272,057.44
Gain from disposal of long-term equity investment	1,906,004,896.29	3,029,001,077.88
Income from holding of financial assets at fair value through profit or loss	1,465,236,551.60	395,180,326.83
Gain from disposal of available for sale financial assets	1,064,965,562.42	1,123,774,705.26
Gain from remeasurement at fair value of remaining shareholdings when the loss of control over investees	778,333,689.07	695,624,353.46
Dividend income from holding of other equity instrument investments (applicable to new standard)	225,978,932.37	223,112,471.25
Interest income from holding of debts investment	146,572,483.57	8,974,580.75
Gain from disposal of trading financial assets	93,386,651.06	287,807,328.19
Income from long-term equity investment by cost method	63,126,866.98	74,924,017.78
Income from holding of trading financial assets	54,035,089.45	99,833,883.21
Gain from remeasurement at fair value of shareholdings when acquired the control over investees	50,432,279.52	7,624,022.26
Income from holding of held to maturity investments	13,246,974.07	3,534,199.79
Gain from disposal of held to maturity investments	18,219,815.08	26,755,160.66
Gain from disposal of other debts investment	3,966,279.17	-443,184,451.58
Interest income from holding of other debts investment	161,217.65	--
Others	713,493,533.87	600,043,894.71
Total	22,257,778,497.46	23,587,093,056.01

67. Gains from change in fair value

Source	Current year	Prior year
Trading financial assets	-11,904,150.53	253,226,058.28
Financial assets at fair value through profit or loss	3,905,940,671.83	1,582,504,567.31
Derivative financial assets	-17,773,316.66	853,500.26
Other non-current financial assets	510,685,842.82	284,628,244.36

Source	Current year	Prior year
Trading financial liabilities	610,716.77	-28,582,858.30
Financial liabilities at fair value through profit or loss	-365,852,771.48	-658,947,704.04
Investment properties measured at fair value	741,611,339.92	973,351,282.94
Others	135,962,945.90	10,887,028.00
Total	4,899,281,278.57	2,417,920,118.81

68. Credit impairment loss

Item	Current year	Prior year
Bad debts	-2,522,865,450.67	-1,617,069,348.66
Impairment loss of contract assets	--	548,767.01
Impairment loss of debts investment	-85,981,089.63	-718,562.59
Others	-67,165,318.35	-29,437,937.18
Total	-2,676,011,858.65	-1,646,677,081.42

69. Assets impairment loss

Item	Current year	Prior year
Bad debts	-1,726,085,643.92	-7,355,776,034.11
Decline in value of inventories	-6,862,578,966.23	-5,350,348,242.68
Impairment loss of available-for-sale financial assets	-151,452,338.07	-33,987,206.39
Impairment loss of contract acquisition costs	-3,572,824.00	--
Impairment loss of long-term equity investment	-405,896,218.57	-352,836,063.67
Impairment loss of investment properties	-9,817,999.09	--
Impairment loss of fixed assets	-1,631,879,639.14	-716,898,354.05
Impairment loss of construction in progress	-71,700,441.13	-497,923,084.92
Impairment loss of productive biological assets	--	-32,153.00
Impairment loss of intangible assets	-252,412,184.42	-211,613,988.50
Impairment loss of goodwill	-731,767,373.75	-973,662,407.39
Other	-1,281,313.77	-331,489,103.56
Total	-11,848,444,942.09	-15,824,566,638.27

70. Gains from disposal of assets

Item	Current year	Prior year	Amount included in non-recurring gain or loss
Gain from disposal of fixed assets ("-" for loss)	2,513,483,889.87	1,521,829,007.48	2,513,483,889.87
Gain from disposal of intangible assets ("-" for loss)	54,645,942.92	7,157,929.68	54,645,942.92
Gain from disposal of Construction in progress ("-" for loss)	437,879.52	--	437,879.52

Item	Current year	Prior year	Amount included in non-recurring gain or loss
Gains from disposal of non-current assets in debt restructuring (“-” for loss)	-905,646.27	--	-905,646.27
Gains from the exchange of non-monetary assets (“-” for loss)	-9,647,770.03	--	-9,647,770.03
Gain from disposal of productive biological assets (“-” for loss)	-51,569,093.23	-76,553,240.21	-51,569,093.23
Income from transfer of coal production replacement index	--	115,283,019.30	--
Others	-26,614,568.08	-9,328,309.16	-26,614,568.08
Total	2,479,830,634.70	1,558,388,407.09	2,479,830,634.70

71. Non-operating income

Item	Current year	Prior year	Amount included in non-recurring gain or loss
Demolition compensation income	1,166,737,243.81	1,441,707,380.39	1,166,737,243.81
Amount unable to pay	703,760,407.90	633,606,711.85	703,760,407.90
Compensation, liquidated damages, fine income, etc.	503,107,562.75	599,419,959.36	503,107,562.75
Government grants	251,428,448.04	379,548,635.37	251,428,448.04
Gain from the acquisition cost less than the share of net assets acquired in investee	151,049,343.66	250,988,553.83	151,049,343.66
Waiver of loan guarantee	116,165,271.88	6,571,624.53	116,165,271.88
Non-current asset scrapping gains	109,901,628.25	58,414,567.33	109,901,628.25
Transfer of non-commercial assets	57,709,970.03	19,116,401.84	57,709,970.03
Sale of scrap	4,703,344.40	6,597,608.81	4,703,344.40
Others	695,051,708.21	1,205,115,473.43	695,051,708.21
Total	3,759,614,928.93	4,601,086,916.74	3,759,614,928.93

Including, details of government grants:

Company name	Item	Current year	Prior year
Shougang Group	Government Supplementary Employment Subsidy Scheme	1,804,432.29	--
	Others	1599426.77	1184582.76
	Subtotal	3,403,859.06	1,184,582.76
Beijing Electronics	Government grants on transfer of non-commercial assets	24,763,755.70	69,550,209.05
	Contract Office Project Subsidies	22,147,910.68	--

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Company name	Item	Current year	Prior year
	Same frequency forwarding project of terrestrial digital TV broadcasting	15,063,989.60	12,119,944.70
	Government grants not related to the daily activities of the company	12,324,843.85	--
	Government grants on other scientific research, etc.-income related	8,254,770.89	9,800,810.27
	Others	10,624,976.08	43,398,656.75
Subtotal		93,180,246.80	134,869,620.77
Beijing Energy Group	Tax refund, exemption and tax rebate, etc.	6,373,353.34	6,390,793.41
	Centralized procurement of medicines and medical insurance liquidation, etc.	5,009,622.64	--
	Financial support funds for smart parking industry projects	4,952,000.00	16,000,000.00
	Enterprise Development Fund	3,563,000.00	3,562,700.00
	Government incentive funds	2,352,310.92	15,221,970.76
	Others	4,340,074.06	2,605,762.85
Subtotal		26,590,360.96	43,781,227.02
Capital Highway Development	Others	--	776166.04
Yiqing Holding	Special Support Fund	72,830,000.00	--
	Financial incentives for economic growth contribution	8,753,235.00	9,123,443.00
	Disadvantaged companies withdraw subsidies	3,795,727.71	--
	Cultural Industry Development Guidance Fund	2,000,000.00	--
	13th Five-Year Project Subsidy	1,516,947.00	--
	Others	7,254,077.07	40,966,170.75
Subtotal		96,149,986.78	50,089,613.75
Capital Development Holdings	Others	525,000.00	--
Beijing Automotive Group	Jiujiang Municipal Labor Service and Employment Bureau Stabilization Subsidy	14,283,920.00	--
	Others	8,702,826.82	9,051,466.31
Subtotal		22,986,746.82	9,051,466.31
Tongrentang Group	Others	96,378.33	509,000.00

Company name	Item	Current year	Prior year
Xianglong Company	Beijing Municipal Commission of Commerce Fund Subsidy	1,919,000.00	2,104,360.00
	Subsidies from the Development and Reform Commission of Dongcheng District, Beijing	1,580,000.00	540,000.00
	Enhancing the influence of time-honored brands, transformation, design R&D and the overall project of the exhibition center	1,078,600.00	--
	Others	2,178,242.22	8,512,736.83
Subtotal		6,755,842.22	11,157,096.83
Beichen Group	Financial incentives	405,567.00	1,390,000.00
Jinyu Asset	Demolition compensation	--	4,454,231.18
	Others	16,604.24	236,000.00
Subtotal		16,604.24	4,690,231.18
BBMG Group	Government grants	--	111,663,451.47
Shounong Group	Others	1,317,855.83	10,386,179.24
Total		251,428,448.04	379,548,635.37

72. Non-operating expenses

Item	Current year	Prior year	Amount included in non-recurring gain or loss
Compensation, liquidated damages, fines and late fees	723,545,032.66	689,519,871.34	723,545,032.66
Compensation expenses	625,502,586.68	573,496,648.61	625,502,586.68
Non-commercial asset transfer fee	577,500,773.27	336,745,686.55	577,500,773.27
Pending litigation	520,949,224.54	34,800,000.00	520,949,224.54
Reserve for external guarantee	343,473,012.51	2,933,248.50	343,473,012.51
Loss on disposal of non-current assets	286,238,922.14	662,157,333.01	286,238,922.14
Donations	186,001,276.73	207,971,154.25	186,001,276.73
Shuanghe Farm's 2019 retirement expenses	160,383,013.46	31,847,537.35	160,383,013.46
Transfer of "Three Supply and One Industry" Assets	82,648,378.41	22,282,954.63	82,648,378.41
Others	480,573,835.89	1,455,116,135.81	480,573,835.89
Total	3,986,816,056.29	4,016,870,570.05	3,986,816,056.29

73. Income tax expense

Item	Current year	Prior year
Current income tax	22,200,684,937.63	25,223,674,312.40
Deferred income tax	1,338,265,684.70	-3,539,121,957.62
Others	-8,122,321.87	-725,734.86
Total	23,530,828,300.46	21,683,826,619.92

74. Share-based payments

(1) Information about share-based payments

Information about share-based payments of Beijing Energy Group

Total amount of equity instruments granted during the year	RMB 3,969,808.05
Total amount of equity instruments exercised during the year	--
Total amount of equity instruments forfeited during the year	--
Range of exercise price and residual life of outstanding share options at the end of the year	The exercise price of the first stock option incentive plan is RMB 3.05 per share, and the remaining period of the contract is 35 months. The exercise price of the granted reserved stock options is RMB 3.12 per share, and the remaining period of the contract is 44 months.
Range of exercise price and residual life of outstanding other equity instruments at the end of the year	--

Note: Beijing Jingneng Electric Power Co., Ltd., a subsidiary of Beijing Energy Group, according to the fourth extraordinary general meeting of shareholders of 2019 held on December 9, 2019, reviewed and approved the "Proposal on the Company's Stock Option Incentive Plan (Draft) and its Summary" (hereinafter referred to as the "Incentive Plan (Draft) ") and the "Proposal on Granting Stock Options to Incentive Objects of the Company's First Stock Option Incentive Plan" reviewed and approved by the 29th meeting of the 6th Board of Directors and the 15th meeting of the 6th Board of Supervisors, granted 60,172,570 stock options to 172 incentive participants. In the process of share registration after the grant date, two incentive participants gave up all the stock options granted, in total 548,000 stock options, due to personal reasons. Therefore, the company finally granted 59,624,570 stock options to 170 incentive participants. The stock option grant date is December 9, 2019, and the exercise price is RMB 3.17 per share.

As the company's 2019 annual equity distribution plan has been implemented, in accordance with the relevant provisions of the "Incentive Plan (Draft) ", Electric Power Company convened a board of directors meeting to resolve the revision of the exercise price of the first period of stock options from the original RMB 3.17 per share to RMB 3.05 per share. Electric Power Company granted 6,746,721 stock options to 23 incentive participants on September 29, 2020. In the process of share registration after the grant date, the two incentive participants gave up all the stock options granted, in total 639,312 stock options, due to personal reasons. Therefore, the company finally granted 6,107,409 stock options to 21 incentive participants. September 29, 2020 was the date of granting reserved stock options, and the exercise price was RMB 3.12 per share.

Information about share-based payments of Beijing Electronics

Total amount of equity instruments granted during the year	1,859,308,500.00
Total amount of equity instruments exercised during the year	28,333,866.33
Total amount of equity instruments forfeited during the year	23,298,689.43
Range of exercise price and residual life of outstanding share options at the end of the year	North Huachuang: The first-phase exercise price is RMB 35.25 per share, and the remaining period of the contract is 0.5 years and 1.5 years; the second-phase exercise price is RMB 69.14 per share, and the remaining period of the contract is 417 days
Range of exercise price and residual life of outstanding other equity instruments at the end of the year	None

(2) Equity-settled share-based payments

Equity-settled share-based payments of Beijing Energy Group

Method in determining the fair value of equity instruments at the date of grant	The company uses the internationally accepted Black-Scholes model to evaluate the fair value of stock options, and predicts the stock options granted this time using the closing price of the stock option grant date as the benchmark price.
Basis in best estimate of quantity of exercisable equity instruments	Make the best estimate based on the latest obtained subsequent information such as the change in the number of vested employees, and revise the Quantity of the equity instrument that is expected to be vested.
Reason for significant difference of estimation between current year and prior year	None
Accumulated amount recorded in capital reserve for equity-settled share-based payments	RMB 5,510,932.21
Total expenses recognized for equity-settled share-based payments in the year	The equity-settled share-based payment in the current period is included in administrative expenses of RMB 11,388,566.86, and included in construction in progress of RMB 3,402,525.26. The accumulated equity-settled share-based payment included in administrative expenses was RMB 12,143,257.57, and included in construction in progress RMB 3,517,336.85.

Equity-settled share-based payments of Beijing Electronics

Method in determining the fair value of equity instruments at the date of grant	North Huachuang: BS model; BOE: According to the difference between the assessed fair value of the stock options on the grant date and the subscription price in RMB (respectively: RMB 1.68 per share, RMB 1.93 per share and RMB 2.09 per share) in determining the fair value of equity instruments on the grant date.
Basis in best estimate of quantity of exercisable equity instruments	North Huachuang: According to the incentive plan exercise conditions, make the best estimate based on the latest information on the number of vested employees; BOE: During the vesting period, on each balance sheet date, according to the latest obtained changes in the number of vested employees, Make the best estimate of the follow-up information such as the completion of performance indicators, and revise the Quantity of the equity instrument that is expected to be exercised. On the vesting date, the final estimated quantity of vesting equity instruments is consistent with the actual quantity of vesting equity instruments
Reason for significant difference of estimation between current year and prior year	None
Accumulated amount recorded in capital reserve for equity-settled share-based payments	497,600,809.60
Total expenses recognized for equity-settled share-based payments in the year	339,361,115.30

75. Debt restructuring

(1) Disclosure of debtors

Method of debt restructuring	Carrying value of debt	Gain from debt restructuring	Increase in owners' equity
Pay off debt with cash lower than the carrying value of the debt	43,588,406.96	5,315,161.65	--

Method of debt restructuring	Carrying value of debt	Gain from debt restructuring	Increase in owners' equity
Settle debts with non-monetary assets	--	--	--
Conversion of debt into capital	--	--	--
Modify other debt covenants	5,849,730.24	5,849,730.24	--
Hybrid reorganization	72,377.69	72,377.69	--

Continued:

Item	Fair value amount	Determination method and basis
Non-monetary assets	--	--
Debt converted into shares	--	--
Debt after modifying other covenants	--	Forgive all debts

(2) Disclosure of creditors

Method of debt restructuring	Carrying value of debt	Loss from debt restructuring	Increase in long-term equity investment	Percentage of debtor's equity
Cash less than the carrying value of the creditor's rights to recover the creditor's rights	3,760,750.28	146,544.18	--	--
Recovery of claims with non-monetary assets	--	--	--	--
Convert debt to equity	--	--	--	--
Modify other debt covenants	140,000.00	140,000.00	--	--
Hybrid reorganization	298,152,210.35	27,830,293.78	--	--

Continued:

Item	Fair value amount	Determination method and basis
Non-monetary assets	--	--
Debt converted into shares	325,526,730.16	Debt restructuring agreement and valuation consulting report
Debt after modifying other covenants	--	--

76. Borrowing costs

Name of company	Capitalized borrowing costs for the year	Capitalization rate (%)
Shougang Group	1,253,749,271.55	3.42-6.80
Beijing Electronics	1,407,444,981.00	3.85

Name of company	Capitalized borrowing costs for the year	Capitalization rate (%)
Jingcheng Electromechanical	8,138,922.22	5.21-5.43
Beijing Energy Group	966,807,460.98	1.00-10.00
Capital Highway Development	36,170,630.14	3.42
Capital Development Holdings	4,782,303,024.36	--
Beijing Automotive Group	215,513,378.19	1.20-5.97
Tongrentang Group	10,242,978.27	3.97-4.41
Xianglong Company	5,831,132.80	--
Beichen Group	2,335,670,581.59	6.00-6.29
BBMG Group	3,327,814,079.35	3.18-4.45
Shounong Group	939,607,554.52	2.99-11.00
Total	15,289,293,994.97	--

77. Leases

“Companies that have not yet implemented the new lease standard”:

(1) As lessor in financing leases

Remaining lease term	Minimum lease receivables
Within 1 year (inclusive of 1 year)	11,902,385,479.27
Over 1 year and within 2 years (inclusive of 2 years)	5,735,164,764.13
Over 2 year and within 3 years (inclusive of 3 years)	1,792,189,822.28
Over 3 years	754,864,212.38
Total	20,184,604,278.06

(2) As lessor in operating leases

Category of assets under operating leases	Carrying value at year end	Carrying value at beginning of year
1. Housing and buildings	38,051,754,079.99	36,303,313,237.55
2. Land use rights	1,078,806,113.75	510,397,481.86
3. Machinery and equipment	1,602,818,598.56	372,940,008.16
4. Transportation tools	836,884,986.94	1,019,134,091.56
5. Electronic equipment	5,627,630.58	75,623.16
6. Others	2,987,848.56	4,684,292.94
Total	41,578,879,258.38	38,210,544,735.23

(3) As lessee under financing leases

Category of fixed assets under financing leases	Closing balance	Beginning balance
I. Cost		
1. Housing and buildings	3,239,330.32	98,060,405.31

Category of fixed assets under financing leases	Closing balance	Beginning balance
2. Machinery and equipment	2,301,103,827.50	1,761,244,770.64
3. Transportation tools	303,348,492.92	350,965,369.98
Subtotal	2,607,691,650.74	2,210,270,545.93
II. Accumulated depreciation		
1. Housing and buildings	1,554,687.52	34,901,149.77
2. Machinery and equipment	796,229,036.30	206,046,659.83
3. Transportation tools	108,068,382.82	84,753,590.54
Subtotal	905,852,106.64	325,701,400.14
III. Accumulated provision for impairment	--	--

Minimum lease payments to be paid in subsequent years:

Remaining lease term	Minimum lease payments
Within 1 year (inclusive of 1 year)	421,862,196.07
Over 1 year and within 2 years (inclusive of 2 years)	1,413,190,250.70
Over 2 year and within 3 years (inclusive of 3 years)	291,039,095.04
Over 3 years	281,108,337.90
Total	2,407,199,879.71

(4) As lessee in operating leases

Remaining lease term	Operating lease payment
Within 1 year (inclusive of 1 year)	378,941,133.22
Over 1 year and within 2 years (inclusive of 2 years)	292,795,031.17
Over 2 year and within 3 years (inclusive of 3 years)	267,882,200.60
Over 3 years	1,998,433,148.88
Total	2,938,051,513.87

"Companies that have implemented the new lease standard":

(1) As lessee

① Information of lessee

Item	Amount
Interest expense on lease liabilities	71,728,544.61
Short-term lease expenses included in current profit or loss	336,817,844.72
Low-value asset lease expenses included in current profit or loss	--
Variable lease payments not included in the measurement of lease liabilities	36,385,414.72
Income from sublease of right-of-use assets	--

Item	Amount
Total cash outflow related to lease	--
Gain and loss arising from sale and leaseback transactions	571,386,111.66
Others	--

② Supplementary information of lessee

On December 31, 2020, Beijing Jingneng Clean Energy Power Co., Ltd., a subsidiary of Beijing Energy Group and its subsidiaries, identified a total of 267 lease contracts in accordance with the Accounting Standards for Business Enterprises No. 21-Lease (Revision). The lease objects are mainly land, houses and roofs, wasteland and barren hills, ponds and water surfaces and surrounding land, etc. The lease term is up to August 30, 2047, and the tax-exclusive lease payments to be paid in the future is total RMB 1,251,286,500.75.

(2) As lessor

Operating lease as landlord

Item	Amount
1. Information of revenue	1,788,910,392.94
Rental income	1,788,910,392.94
Income related to variable lease payments not included in lease receipts	--
II. Undiscounted lease receipts that will be received each year for five consecutive years after the balance sheet date	2,513,385,848.98
First year	159,326,261.64
Second year	388,278,819.78
Third year	307,437,327.48
Fourth year	296,331,704.37
Fifth year	277,881,791.53
Over 5 years	1,084,129,944.18

78. Discontinued operations

Item	Current year	Prior year
I. Revenue from discontinued operation	--	-67,842,257.08
Less: Operating expenses of discontinued operations	--	6,471,579.60
II. Profit from discontinued operations	--	-74,313,836.68
Less: Income tax of discontinued operations	--	--
III. Net profit of discontinued operation	--	-74,313,836.68
Including: profit of discontinued operation attributable to the parent company	--	-74,313,836.68
Add: Net gain from disposal (after tax)	--	--
Including: Total gain or loss on disposal	--	--
Less: Income tax expense (or income)	--	--
IV. Total net profit from discontinued operations	--	-74,292,587.52

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Item	Current year	Prior year
Including: Total net profit from discontinued operations attributable to owners of the parent company	--	-6,400,187.84
V. Net cash flow from discontinued operations	--	--

79. Supplement to consolidated cash flows statement

(1) Supplement to cash flows statement

Item	Current year	Prior year
I. Reconciliation of net profit to cash flow from operating activities:		
Net profit	41,672,389,630.91	43,858,632,234.27
Add: Impairment for assets	11,848,444,942.09	15,824,566,638.27
Credit impairment loss	2,676,011,858.65	1,646,677,081.42
Depreciation of fixed assets, amortization of investment properties, depreciation of right-of-use assets, depreciation of productive biological assets	62,497,127,000.77	54,394,812,578.32
Amortization of intangible assets	8,654,823,387.38	7,489,545,220.89
Amortization of long-term prepaid expenses	2,774,461,168.66	2,514,763,833.04
Losses on disposal of fixed assets, intangible assets, and other long-term assets (Gain as in "-")	-2,563,239,617.28	-1,652,576,436.56
Loss on retirement of fixed assets (Gain as in "-")	548,163,645.55	592,972,549.13
Losses on changes in fair value (Gain as in "-")	-4,899,281,278.57	-2,417,920,118.81
Financial expenses (Gain as in "-")	37,316,494,011.68	32,430,022,068.78
Investment losses (Gain as in "-")	-22,257,778,497.46	-23,587,093,056.01
Decrease in deferred tax assets (Increase as in "-")	1,064,970,846.81	-4,289,643,357.45
Increase in deferred tax liabilities (Decrease as in "-")	615,235,027.67	478,438,148.57
Decrease in inventories (Increase as in "-")	-25,038,940,938.36	-52,336,116,665.02
Decrease in operating receivables (Increase as in "-")	-1,184,600,125.43	-15,244,871,420.96
Increase in operating payables (Decrease as in "-")	-767,650,632.27	28,467,035,024.64
Others	2,110,954,167.07	695,770,976.88
Net cash flows from operating activities	115,067,584,597.87	88,865,015,299.40
II. Significant investment or finance activities not involving cash:		
Debts converted to capital	1,109,277,323.84	--
Convertible debts mature within one year	--	--
Fixed assets acquired under finance leases	914,099.27	843,700.09
II. Net increase / (decrease) in cash and cash equivalents:		
Cash as at end of year	338,740,077,137.60	294,553,468,704.47
Less: cash as at beginning of year	294,553,468,704.47	303,860,013,175.49
Add: cash equivalents as at end of year	--	--
Less: cash equivalents as at beginning of year	--	--

Item	Current year	Prior year
Net increase in cash and cash equivalents	44,186,608,433.13	-9,306,544,471.02

(2) Net cash paid for acquisition of subsidiary during the year

Item	Amount
1. Cash and cash equivalents paid in current year for business combination happened in current year	7,456,028,040.54
Less: Cash and cash equivalents held by subsidiary at acquisition date	6,618,520,006.87
Add: Cash and cash equivalents paid in current year for business combination happened in previous years	173,047,570.65
Net cash paid for acquisition of subsidiary	1,010,555,604.32
2. Cash and cash equivalents received in current year from disposal of subsidiary happened in current year	607,012,521.22
Less: Cash and cash equivalents held by subsidiary at the date of loss of control	732,706,579.60
Add: Cash and cash equivalents received in current year from disposal of subsidiary in previous periods	56,602,304.00
Net cash received from disposal of subsidiary	-69,091,754.38

(3) Cash and cash equivalents

Item	Closing balance	Beginning balance
1. Cash	338,740,077,137.60	294,553,468,704.47
Including: Cash on hand	18,829,983.59	26,828,041.51
Cash at bank readily available for payment	321,937,734,275.66	285,608,575,560.83
Other monetary fund readily available for payment	9,046,326,246.72	3,543,879,674.61
Cash at central bank available on demand	763,163,471.78	488,532,332.66
Amounts due from banks	6,974,023,159.85	4,885,653,094.86
2. Cash equivalents	--	--
3. Cash and cash equivalents as at closing balance	338,740,077,137.60	294,553,468,704.47

80. Items in foreign currencies

Item	Closing balance in foreign currency	Conversion rate	Closing balance translated into RMB
Cash and bank balances			49,099,387,989.76
Including: USD	5,722,110,351.66	6.5249	37,336,197,833.55
EUR	793,275,871.91	8.0250	6,366,038,872.08
HKD	3,271,212,605.81	0.8416	2,753,052,529.05
GBP	76,993,529.49	8.8903	684,495,575.22
JPY	11,399,597,761.15	0.0632	720,454,578.50
Others	8,252,050,208.60	--	1,239,148,601.36
Accounts receivable			20,919,681,061.75
Including: USD	2,634,885,865.73	6.5249	17,192,366,785.30

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Item	Closing balance in foreign currency	Conversion rate	Closing balance translated into RMB
EUR	392,318,792.63	8.0250	3,148,358,310.86
HKD	165,939,332.78	0.8416	139,654,542.47
GBP	5,481,749.04	8.8903	48,734,393.49
JPY	154,439,596.33	0.0632	9,760,582.49
Others	26,157,475,605.34	--	380,806,447.14
Other receivables			10,472,611.57
Including: USD	1,095,799.95	6.5249	7,149,985.09
EUR	361,675.27	8.0250	2,902,444.04
HKD	325,240.00	0.8416	273,721.98
Others	328,534.00	--	146,460.46
Long-term receivables			320,194,708.18
Including: USD	49,072,738.00	6.5249	320,194,708.18
Short-term loans			38,179,566,210.58
Including: USD	1,200,590,799.82	6.5249	7,833,734,909.75
EUR	3,468,237,402.04	8.0250	27,832,605,151.37
HKD	2,068,733,000.00	0.8416	1,741,045,692.80
JPY	3,431,811,323.00	0.0632	216,890,475.61
Others	12,443,246,574.42	--	555,289,981.05
Notes payable			611,635,947.30
Including: USD	93,738,746.54	6.5249	611,635,947.30
Accounts payable			220,228,471.18
Including: USD	11,784,045.50	6.5249	76,889,718.48
EUR	16,269,691.81	8.0250	130,564,276.78
Others	2,631,978.41	--	12,774,475.92
Other payables			987,264,724.37
Including: USD	1,663,134.94	6.5249	10,851,789.17
EUR	117,448,354.22	8.0250	942,523,042.62
Others	7,135,107.95	--	33,889,892.58
Taxes payable			100,466.50
Including: USD	15,397.40	6.5249	100,466.50
Non-current liabilities due within one year			5,558,301,735.09
Including: USD	30,000,000.00	6.5249	195,747,000.00
EUR	130,281,166.63	8.0250	1,045,506,362.21
HKD	3,969,283,077.96	0.8416	3,340,548,638.41
Others	194,658,438.23	--	976,499,734.47
Long-term loans			77,848,956,666.78
Including: USD	5,880,616,442.30	6.5249	38,370,434,224.36
EUR	4,331,746,096.78	8.0250	34,762,262,426.66

Item	Closing balance in foreign currency	Conversion rate	Closing balance translated into RMB
HKD	2,694,047,016.68	0.8416	2,267,309,969.24
JPY	1,418,939,816.01	0.0632	89,676,996.37
Others	469,795,911.65	--	2,359,273,050.15
Bonds payable			6,275,733,426.56
Including: USD	900,666,935.59	6.5249	5,876,761,688.03
EUR	49,716,104.49	8.0250	398,971,738.53

81. Ownership or using rights of assets subject to restriction

Item	Carrying value at year end	Reason of restriction
Cash and bank balances	31,953,243,148.76	Security deposits, pledge, etc.
Notes receivable	4,435,068,791.93	Bill pledge, pledge restriction, etc.
Accounts receivable	156,999,850.51	Loan mortgage, pledge, etc.
Inventories	119,548,298,871.81	Mortgage loans, etc.
Fixed assets	236,732,012,214.99	Loan mortgage, frozen by court, etc.
Intangible assets	2,557,372,367.84	Long-term loan mortgage, legal disputes, etc.
Construction in progress	23,143,871,728.63	Loan mortgage, guarantee, etc.
Investment properties	22,209,849,583.25	Loan mortgage, etc.
Equity	16,114,827,366.78	Loan mortgage, equity mortgage
Others	8,817,453,797.91	Pledge, frozen by court, etc.

VIII. Contingencies

(I) Contingent liabilities arising from pending Litigation arbitration and their financial impact

1. Pending litigation and arbitration of Shougang Group

As of December 31, 2020, Shougang Group, as the defendant, had a total of 9 outstanding litigation or arbitration cases involving larger amount of litigation with total of RMB 835.05 million, all of which are in trial.

2. Pending litigation and arbitration of Jingcheng Electromechanical

As of December 31, 2020, Jingcheng Electromechanical, as the plaintiff, had 28 outstanding litigation cases, involving amount in total of RMB 1,289.67 million, of which 12 cases have been won and are being enforced, 1 case is in litigation stage, 4 cases are under trial, 1 case is awaiting the result of arbitration, 1 case is in court for mediation and 1 case is in compulsory execution, 5 cases is in the stage of enforcement, 2 cases in arbitration stage, and 1 case is in arbitration execution stage. Jingcheng Electromechanical, as the defendant, had 17 remaining outstanding litigation cases, involving amount in total of RMB 635.75 million, of which 3 cases were in the compulsory execution stage, 4 cases were in the payment obligation fulfillment stage stated in the effective mediation document, 3 cases are at the trial stage, 1 cases were under legal preservation, 1 case is under litigation, 1 case has agreed for settlement, 1 case is in the

litigation execution stage, 1 case is in the arbitration stage, 1 case is in the arbitration execution stage, and 1 case is in first-instance judgment.

3. Pending litigation and arbitration of Beijing Energy Group

As of December 31, 2020 Beijing Energy Group, as the plaintiff, had 4 outstanding litigation cases involving amount in total of RMB 580.38 million, of which 3 cases are in the execution stage, 1 case has not yet executed. Beijing Energy Group was the defendant in 9 pending litigation cases, involving amount in total of RMB 1,314.41 million, of which 6 cases were in trial, 2 case is not executed, and 1 cases are in execution.

4. Pending litigation and arbitration of Tongrentang Group

As of December 31, 2020, the bank accounts of Tongrentang Group and its subsidiaries have been frozen due to contract disputes of RMB 43.15 million.

5. Pending litigation and arbitration of Xianglong Company

As of December 31, 2020, Xianglong Company involved a total of 68 cases in litigation, involving a total of RMB 1,215,064,360.69, including: 15 cases of being sued, involving a total of RMB 909,494,109.24.

6. Pending litigation and arbitration of Shounong Group

As of December 31, 2020, Shounong Group has a total of 77 cases in litigation that have not obtained effective judgments, and the cases are still under trial. The amount involved is RMB 413.07 million. The major cases involved are as follows:

Including: Shounong Group as the defendant involved a total of 7 outstanding litigation or arbitration cases involving larger cases with total of RMB 246.52 million, including: 1 case is at the stage of settlement negotiations, and the remaining cases are under trial. Shounong Group, as the plaintiff, has 1 pending litigation or arbitration case involving larger case with total of RMB 40.56 million. The case is under trial.

7. Pending litigation and arbitration of Beijing Electronics

As of December 31, 2020, Beijing Electronics has been involved in 2 cases, involving an amount of RMB 7.60 million. One of them was under enforcement.

8. Pending litigation and arbitration of Yiqing Holding

As of December 31, 2020, Yiqing Holding, as the plaintiff, involved a total of RMB 13.80 million in the case. It is expected that the final judgment will be available before the end of June 2021.

(II) Guarantee provided to other entities

As of December 31, 2020, the Center provides loan guarantees for the following entities:

1. As of December 31, 2020, the subsidiaries of the Center provided guarantees to internal entities of RMB 274.24 billion, Euro 3,973.36 million, and US dollar 778.00 million. Including:

(1) Shougang Group and its subsidiaries provided guarantees to the group companies in total amount of RMB 50.01 billion and USD 530.00 million.

(2) Jingcheng Electromechanical and its subsidiaries provided guarantees to the group companies in a total amount of RMB 5,904.01 million.

(3) Beijing Automotive Group and its subsidiaries provided guarantees to the group companies in a total amount of RMB 18.33 billion, Euro 3,973.36 million and US dollar 248.00 million

(4) Xianglong Company and its subsidiaries provided guarantees to the group companies in a total amount of RMB 703.80 million.

(5) Shounong Group and its subsidiaries provided guarantees to the group companies in a total amount of RMB 29.43 billion.

(6) Beijing Energy Group and its subsidiaries provided guarantees to the group companies in a total amount of RMB 42.98 billion.

(7) Yiqing Holding Co., Ltd. and its subsidiaries provided guarantees to the group companies in a total amount of RMB 68.50 million.

(8) BBMG Group and its subsidiaries provided guarantees to the group companies in a total amount of RMB 21.48 billion.

(9) Beijing Electronics and its subsidiaries provided guarantees to the group companies in a total amount of RMB 105.33 billion.

2. As of December 31, 2020, the Center's subsidiaries provided guaranteed to external entities in a total amount of RMB 46.82 billion, Euro 4.52 million and US dollar 12.00 million. The details are as follows:

Company name	Entity being guaranteed	Guarantee amount (RMB ten thousand)	Mode of guarantee	Category of guarantee	Whether overdue	Status of entity being guaranteed
Shougang Group	Commercial Housing Purchaser	748,400.00	Guarantee by stage	Loan guarantee	No	Normal operation
	Inner Mongolia Zhunxing Heavy Haul Expressway Co., Ltd.	342,331.25	Joint and several liability guarantee	Loan guarantee	No	Normal operation
	China Niobium Investment Holdings Co., Ltd.	92,457.83	Joint and several liability guarantee	Loan guarantee	No	Normal operation
	Shanxi Changqin Coal and Coke Co., Ltd.	64,925.00	Joint and several liability guarantee	Loan guarantee	No	Normal operation
	Beijing Jinan Xingye Real Estate Development Co., Ltd.	27,702.64	Joint and several liability guarantee	Loan guarantee	No	Normal operation
	Shanxi Qinxin Energy Group Co., Ltd.	10,000.00	Joint and several liability guarantee	Loan guarantee	No	Normal operation
	Shuicheng Iron and Steel Group (Industry and Trade) Co., Ltd.	7,326.00	Joint and several liability guarantee	Loan guarantee	No	Normal operation
	Anhui Shouwen High-tech Materials Co., Ltd.	1,000.00	Joint and several liability guarantee	Loan guarantee	No	Normal operation
	Beijing Electronics	Beijing Yuwu Technology Co., Ltd.	32,300.00	Joint and several liability guarantee	Loan guarantee	No
Beijing Yilong Information Technology Co., Ltd.		19,692.00	Joint and several liability guarantee	Loan guarantee	No	Normal operation
Ronglian Digital (Beijing) Information Technology Co., Ltd.		19,000.00	Joint and several liability guarantee	Loan guarantee	No	Normal operation
Beijing MCC Jindu Technology Co., Ltd.		3,947.00	Joint and several liability guarantee	Loan guarantee	No	Normal operation
Beijing Beiguang Electronics Group Co., Ltd.		3,658.40	Joint and several liability guarantee	Contract guarantee	No	Normal operation
Beijing Shibaolai Amusement Equipment Co., Ltd.		2,937.00	Joint and several liability guarantee	Loan guarantee	No	Normal operation

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Company name	Entity being guaranteed	Guarantee amount (RMB ten thousand)	Mode of guarantee	Category of guarantee	Whether overdue	Status of entity being guaranteed
Jingcheng Electromechanical Beijing Energy Group	Yongxing Dongrun (China) Clothing Co., Ltd.	2,850.00	Joint and several liability guarantee	Loan guarantee	No	Normal operation
	Beijing Jinghan Jiaxin Trading Co., Ltd.	2,829.00	Joint and several liability guarantee	Loan guarantee	No	Normal operation
	Dongfeng (Shiyan) Environmental Engineering Co., Ltd.	268.62	Joint and several liability guarantee	Loan guarantee	No	Normal operation
	Beijing Energy International Holdings Co., Ltd. and its subsidiaries	488,259.75	Joint and several liability guarantee	Loan guarantee	No	Normal operation
	Shanxi International Energy Yuguang Coal and Electricity Co., Ltd.	90,456.00	Joint and several liability guarantee	Loan guarantee	No	Normal operation
	Commercial Housing Purchaser	56,912.48	Guarantee by stage	Loan guarantee	No	Normal operation
	Han River Hydropower Development Company	54,052.00	Joint and several liability guarantee	Loan guarantee	No	Normal operation
	Inner Mongolia Jingke Power Generation Co., Ltd.	43,700.00	Joint and several liability guarantee	Loan guarantee	No	Normal operation
	Tianjin Jingneng Languang Real Estate Development Co., Ltd.	15,840.00	Joint and several liability guarantee	Loan guarantee	No	Normal operation
	Tianjin Hechuang Real Estate Development Co., Ltd.	5,199.92	Joint and several liability guarantee	Loan guarantee	No	Normal operation
	Beijing Petrochemical Products Development Supply Co., Ltd.	3,422.00	Joint and several liability guarantee	Loan guarantee	No	Normal operation
	Qingdao Eastern Scientific Instruments Import and Export Company	926.23	Joint and several liability guarantee	Other guarantee	Yes	Normal operation
	Beijing Gas Group Co., Ltd.	698.64	Joint and several liability guarantee	Loan guarantee	No	Normal operation
	Capital Development Holdings	Beijing Sundade Economic and Technological Development Co., Ltd.	70.00	Joint and several liability guarantee	Loan guarantee	Yes
Beijing Taihe Automobile Service Center		13.00	Joint and several liability guarantee	Loan guarantee	Yes	Shut down
Beijing Hexin Jintai Real Estate Development Co., Ltd.		162,350.00	Joint and several liability guarantee	Loan guarantee	No	Normal operation
Tianjin Seaview Industrial Co., Ltd.		113,900.00	Joint and several liability guarantee	Loan guarantee	No	Normal operation
Beijing Juntai Real Estate Development Co., Ltd.		70,418.02	General guarantee	Loan guarantee	No	Normal operation
Beijing Chengzhi Real Estate Co., Ltd.		19,159.00	Joint and several liability guarantee	Loan guarantee	No	Normal operation
Beijing Shoukai Longhu Yingtai Real Estate Co., Ltd.		6,067.65	Joint and several liability guarantee	Loan guarantee	No	Normal operation
Fuzhou Hongteng		5,115.00	Joint and several liability guarantee	Loan guarantee	No	Normal operation
Beijing Shoukai Cuncao Pension Service Co., Ltd.		3,496.37	General guarantee	Loan guarantee	No	Normal operation
Ningbo Longxi		20.06	Joint and several liability guarantee	Loan guarantee	No	Normal operation
Beijing Automotive Group	Beijing Baowo Automobile Co., Ltd.	73,000.00	Joint and several liability guarantee	Credit guarantee	No	Normal operation
	Beijing Hainachuan Ruiyan Automotive Trim Co., Ltd.	13,500.00	General guarantee	Loan guarantee	No	Normal operation
	Hebei Leisa Heavy Construction Machinery Co., Ltd.	10,000.00	Joint and several liability guarantee	Credit guarantee	No	Normal operation
	ZF Foton Automatic Transmission (Jiaxing) Co., Ltd.	9,495.73	Joint and several liability guarantee	Credit guarantee	No	Normal operation

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Company name	Entity being guaranteed	Guarantee amount (RMB ten thousand)	Mode of guarantee	Category of guarantee	Whether overdue	Status of entity being guaranteed
	Beijing Dalin Wanda Auto Parts Co., Ltd.	7,326.00	General guarantee	Loan guarantee	No	Normal operation
	Hexin Hainachuan (Cangzhou) Auto Parts Co., Ltd.	6,954.00	General guarantee	Loan guarantee	No	Normal operation
	Hainachuan Haila Electronics (Jiangsu) Co., Ltd.	5,300.00	General guarantee	Loan guarantee	No	Normal operation
	Chongqing Dier E Shuwen Auto Parts Co., Ltd.	4,308.00	General guarantee	Loan guarantee	No	Normal operation
	Hexin Hainachuan (Chongqing) Auto Parts Co., Ltd.	2,939.00	General guarantee	Loan guarantee	No	Normal operation
	BAIC Hanyi (Cangzhou) Automotive Trim Co., Ltd.	2,444.00	General guarantee	Loan guarantee	No	Normal operation
	BAIC Hanyi (Chongqing) Automotive Trim Co., Ltd.	2,130.00	General guarantee	Loan guarantee	No	Normal operation
	Hexin Hainachuan (Cangzhou) Auto Parts Co., Ltd.	452.00 (Euro)	General guarantee	Loan guarantee	No	Normal operation
	China-Africa Futian Investment Co., Ltd.	1,200.00 (USD)	Joint and several liability guarantee	Credit guarantee	No	Normal operation
Beichen Group	Commercial Housing Purchaser	1,795,066.53	Guarantee by stage	Loan guarantee	No	Normal operation
	Wuxi Beichen Shengyang Real Estate Co., Ltd.	21,180.00	Joint and several liability guarantee	Loan guarantee	No	Normal operation
Shouong Group	Beijing Agricultural Products Central Logistics Park Co., Ltd.	82,182.36	Joint and several liability guarantee	Loan guarantee	No	Normal operation
	Beijing (Gannan) Shuanghe Farm	15,000.00	Joint and several liability guarantee	Loan guarantee	No	Normal operation
	Beijing Food Bureau	1,182.00	General guarantee	Loan guarantee	No	Normal operation
	Beijing Jingci Technology Company	127.00	Joint and several liability guarantee	Loan guarantee	No	Normal operation
Jinyu Asset	Beijing Anyuan Housing Co., Ltd.	9,541.54	Joint and several liability guarantee	Loan guarantee	Yes	Normal operation
BBMG Group	Tangshan Cultural Tourism Investment Group Co., Ltd.	45,000.00	Joint and several liability guarantee	Loan guarantee	No	Normal operation
	Tangshan Cultural Tourism Investment Group Co., Ltd.	42,000.00	Joint and several liability guarantee	Loan guarantee	No	Normal operation
	Tangshan Cultural Tourism Investment Group Co., Ltd.	6,500.00	Joint and several liability guarantee	Loan guarantee	No	Normal operation
	Anshan Jidong Cement Co., Ltd.	3,200.00	Joint and several liability guarantee	Loan guarantee	No	Normal operation
	Anshan Jidong Cement Co., Ltd.	2,000.00	Joint and several liability guarantee	Loan guarantee	No	Normal operation
Total RMB		4,682,077.02				
Total Euro		452.00				
Total USD		1,200.00				

(III) Other contingencies

Asset mortgage or pledge of Jingcheng Electromechanical

(1) On December 21, 2018, The Center signed an entrusted loans contract with Jingcheng Electromechanical. The Center provided RMB 1.00 billion entrusted loans to Jingcheng Electromechanical. The loan period was from December 28, 2018 to September 28, 2023. Meanwhile, the Center signed a mortgage and pledge contract with Jingcheng Electromechanical. The collateral is the house ownership and its corresponding land use rights owned by Beijing First Machine Tool Plant, Beijing Huade Hydraulic Industry Group Co., Ltd., Beijing Institute of Mechanical and Electrical

Technology Co., Ltd. and Beijing Institute of Hydraulic Technology. The assets under pledge are: 86.53 million equity of Beijing Bijie Electric Co., Ltd., 112.14 million equity of Beijing Jingcheng Environmental Protection Co., Ltd., and 100% equity of Beijing Jingcheng Electromechanical Asset Management Co., Ltd. On January 10, 2020, the Center signed an entrusted loans contract with Jingcheng Electromechanical. The Center provided RMB 1.00 billion of entrusted loans to Jingcheng Electromechanical. The loan period is from January 10, 2020 to October 10, 2024. Guarantees are the same as the originally signed mortgage and pledge contract.

(2) In February 2019, Beijing Jingcheng New Energy Co., Ltd. (the pledger/debtor) pledged all the shares of its subsidiary Shangdu County Kezhi Huayuan Wind Power Co., Ltd. to its ultimate controller, Beijing Jingcheng Electromechanical Holding Co., Ltd. (Pledgee/Creditor). Guaranteed principal creditor's rights and maximum amount: The pledger voluntarily provides guarantee for the pledgee's and debtor's loan claims formed from July 1, 2018 to December 31, 2025, and the maximum balance of the secured creditor's rights is RMB 300 million.

(IV) Commitments

(1) Commitment of Beijing Electronics

As of December 31, 2020, the subsidiary BOE Technology Group Co., Ltd. has signed an unfulfilled or incomplete foreign investment contract of RMB 58,885,156,561.00; authorized but not yet signed foreign investment contracts of RMB 74,192,859,943.00.

According to the irrevocable property operating lease agreement, the minimum lease payment payable by the subsidiary BOE Technology Group Co., Ltd. after December 31, 2020 is RMB 169,392,403.00, of which RMB 76,151,901.00 for within 1 year (inclusive of 1 year), RMB 38,471,518.00 for more than 1 year and within 2 years (including 2 years), RMB 21,725,645.00 for over 2 years and within 3 years (including 3 years), and RMB 33,043,339.00 for over 3 years.

(2) Commitment of BBMG Group

Item	Closing balance	Beginning balance
Purchase of assets with contract signed but not yet executed	886,398,279.13	149,181,143.13
Real estate development contracts with contract signed but not yet executed	7,261,767,509.25	2,638,777,513.45
Total	8,148,165,788.38	2,787,958,656.58

(3) Commitment of Tongrentang Group

Approved by "Approval of the Approval of Beijing Tongrentang Co., Ltd.'s Issuance of Convertible Corporate Bonds" (Zheng Jian Xing [2012] No. 1396) issued by the China Securities Regulatory Commission, Tongrentang Group is approved to publicly issue corporate bonds with total face value of RMB 1,205.00 million to the public (hereinafter referred to as "Tongren Convertible Bonds") with a maturity of 5 years.

Tongren Convertible Bonds issued this time had a face value of RMB 100.00 each certificate, a total of 12.05 million certificate, and the total amount of funds to be raised is RMB 1,205,000,000.00. After deducting an underwriting fee of RMB 24,100,000.00, the raised funds are RMB 1,180,900,000.00, plus a deduction of sponsor fees and audits. In addition, after deducting the sponsor fee, audit fee, attorney fee, statutory information disclosure fee and other issuance expenses of RMB 4,940,000.00, Tongrentang

Group raised the net proceeds of RMB 1,175,960,000.00. Since December 24, 2012, Tongrentang Group has implemented special account storage for raised funds, established a special account for the use of raised funds in banks, and signed the "Tripartite Supervision Agreement on Special Account Storage of Raised Funds" with the bank and the sponsor. Strict approval for use is implemented to ensure that the earmarked funds are used exclusively.

According to the review and approval of the sixth meeting of the sixth session board of directors of Tongrentang Group on February 4, 2013, Tongrentang Group agreed to pre-invest in the investment project by self-financing capital of RMB 74,921,219.73. As of December 31, 2020, Tongrentang Group has invested a total of RMB 872,327,966.97 with raised funds, and the current balance of raised funds is RMB 413,750,941.09. The specific investment of Tongrentang Group is as follows:

Item	Raised funds and direct investment		Actual contribution time
	Item	Amount	
Daxing production base construction project	Land payment	65,981,800.00	2011
	Security deposits for start up	5,000,000.00	2012
	Initial investment	3,939,419.73	2012
	Initial investment	3,145,404.40	2013
	Construction fee	10,000,000.00	2013
	Construction fee	98,313,682.00	2014
	Recover the start-up deposits	-5,000,000.00	2015
	Construction fee	173,324,645.38	2015
	Construction fee	162,794,551.06	2016
	Construction fee	118,135,190.83	2017
	Construction fee	73,540,279.07	2018
	Initial working capital	20,000,000.00	2018
	Construction fee	25,868,772.72	2019
	Construction fee	54,284,221.78	2020
Initial working capital	63,000,000.00	2020	
Total	—	872,327,966.97	—

During the reporting period, the Daxing branch at the location of the fund-raising project has basically reached production capacity, and the overall operation is stable. As of the end of the reporting period, the final accounts for completion have not yet been completed.

As of December 31, 2020, the special account deposit amount of the raised funds is RMB 413,750,941.09, including: the interest income for the year is RMB 9,421,146.11, and the cumulative interest income is RMB 110,118,908.06; the actual investment in the current project is RMB 54,284,221.78 yuan, and the initial working capital is RMB 63,000,000.00, and the cumulative investment is RMB 872,327,966.97.

(4) Commitment of Urban and Rural Group

As of the balance sheet date, the irrevocable operating lease contracts signed with external parties are as follows:

Minimum lease payments for irrevocable operating leases	Closing balance	Beginning balance
First year after balance sheet date	9,723,731.31	10,201,808.83
Second year after balance sheet date	8,443,326.91	8,241,794.96
Third year after balance sheet date	7,045,179.23	7,461,661.25
In subsequent year	15,649,291.12	22,693,719.12
Total	40,861,528.57	48,598,984.16

(5) Commitment of Beichen Group

Commitments related to contract with related parties that have been signed but do not have included in the balance sheet:

Receiving services	Closing balance	Beginning balance
Kangchen Yao	7,775,759.00	5,060,172.00

As of December 31, 2020, the Center has no other contingent matters other than the above information that should be disclosed.

IX. Event after balance sheet date

(I) Beijing Electronics

1. After the third meeting of the 11th Board of Directors held on July 31, 2019, the "Proposal on the Company's Proposal to Register and Issue Ultra-short-term Financing Bonds" was reviewed and approved, Beijing Electronics City High-Tech Group Co., Ltd., a subsidiary of Beijing Electronics, issued the "2021 First Phase Ultra-short-term Financing Bonds" on February 24, 2021. The actual total issuance is RMB 550 million, the maturity term is 239 days, the redemption date is October 22, 2021, and the issuance interest rate is 4.17%. The face value is RMB 100 each certificate, and the issue price is RMB 100 per certificate. The abbreviation of this issue is "21 Beijing Electronic City SCP001" and the code is "012100688". On February 25, 2021, the company has received RMB 550 million in issuance.

2. Approved by the fourth meeting of the seventh board of directors of North Huachuang Technology Group Co., Ltd., a subsidiary of Beijing Electronics, in order to meet the company's production and operation needs, broaden financing channels and reduce financing costs, it is proposed to apply to the National Association of Financial Market Institutional Investors for the issuance of ultra-short-term financing bonds with a total amount not exceeding RMB 1.00 billion (including RMB 1.00 billion) and medium-term notes with a total amount not exceeding RMB 500 million (including RMB 500 million).

3. On April 21, 2021, Beijing Electronics Zone High-Tech Group Co., Ltd., a subsidiary of Beijing Electronics, held the 31st meeting of the 11th Board of Directors to approve the 2020 profit distribution plan and distribute a cash dividend of RMB 156,601,906.30.

4. North Huachuang Technology Group Co., Ltd., a subsidiary of Beijing Electronics, held the fourth meeting of the seventh board of directors on April 24, 2021 to approve the 2020 profit distribution plan and distribute a cash dividend of RMB 31,192,356.70 (tax inclusive).

(II) Beijing Energy Group

1. Beijing Jingneng Clean Energy Power Co., Ltd. (0579.hk), a subsidiary of Beijing Energy Group, announced in July 2020 that it intends to make conditional voluntary cash offer to acquire H shares (except those held by Beijing Energy Group and parties acting in concert) at HK\$2.7 per share. According to the conditions of the H-share offer, although the extraordinary general meeting of Beijing Jingneng Clean Energy Power Co., Ltd. voted to pass the special resolution on February 19, 2021. On the date of expiry on March 1, 2021, the proportion of valid H shares received under the offer is 80.22%, which is lower than the acceptance condition of 90% of the effective offer, and the privatization is terminated.

(III) Yiqing Holding

1. Regarding the 35 kg platinum litigation: According to the judgment issued by the Chaoyang Court on July 13, 2018: Anhui Longyang Optical Glass Co., Ltd. is required to return 35,000 grams of platinum to Beijing 603 Factory within seven days of the effective date of the judgment, and to pay the platinum rent and the penalty for late payment of the rent at the same time. If the payment obligation cannot be fulfilled on time, the real estate under the defendant's name will be auctioned, and the sold price will enjoy the priority of compensation within the guaranteed amount of RMB 9.17 million. The defendant failed to perform all obligations in accordance with the judgment. Beijing No. 603 Factory applied to Chaoyang Court for compulsory execution in April 2019. In December 2019, the mortgaged property had completed the assets appraisal procedures, and the People's Court of Chaoyang District, Beijing issued an execution ruling (2019) Jing 0105 No. 13149 on July 28, 2020: The executor Anhui Long Yangguang Xue Glass Co., Ltd. has repaid RMB 200,000.00. The court seized and auctioned the property under the name of the executor An Huizhi located at Unit 901, 9th Floor, Building 16, Xiajiayuan, Chaoyang District, Beijing. The creditor's rights of the claimant were repaid in the amount of RMB 9.17 million. After investigation by the court, it was found that the person subject to execution had no other property available for execution, and the execution procedure was terminated.

(IV) Beijing Automotive Group

1. On March 17, 2021, BAIC Finance Investment Co., Ltd., an indirect wholly-owned subsidiary of Beijing Automotive Co., Ltd. which is a subsidiary of Beijing Automotive Group, issued a corporate bond with an amount of US\$350 million at a coupon rate of 2.00% per annum. Beijing Automotive Co., Ltd., a subsidiary of Beijing Automotive Group, provided guarantee for the bond, which will mature in March 2024.

2. On February 3, 2021, Beiqi Foton Motor Co., Ltd., a subsidiary of Beijing Automotive Group, and Kunming Yunnei Power Co., Ltd. signed the "Physical Assets Transaction Contract", and Transferred the idle equipment assets of Shandong Multifunctional Vehicle Plant to Yunnei Power at a price of RMB 6.36 million.

3. On March 11, 2021, the board of directors of Beiqi Foton Motor Co., Ltd., a subsidiary of Beijing Automotive Group, reviewed and approved the "Proposal on Providing Guarantees for Beijing Baowo's Loan of RMB 400 Million". The resolution is as follows: Agree to the company's plan to provide guarantees for Beijing Baowo's RMB 400 million loan to Hua Xia Bank; agree to authorize the manager office to handle related matters. Guarantee for RMB 400 million loan was provided in this time, meanwhile the guaranteed obligation for the expired RMB 400 million loan was released, and the company's guarantee balance for loan of Beijing Baowo did not increase, and there was no new guaranteed obligation.

4. On April 1, 2021, the board of directors of Beiqi Foton Motor Co., Ltd., a subsidiary of Beijing Automotive Group, deliberated and approved "Regarding the proposal of placing 100% equity of Changsha Brock and 49% equity of Hebei Leisa for the exchange of equity in Leisa Company and related party transaction", It is agreed that Beiqi Foton Motor Co., Ltd. exchanges its 49% of Hebei Leisa's equity (assessed value of

RMB 336.89 million subject to the appraisal results by Beijing Automotive Group) and its 100% equity of Changsha Brock (assessed value of RMB 99.41 million, subject to the appraisal result by Beijing Automotive Group), with total estimated value of RMB 436.30 million (subject to the appraisal result by Beijing Automotive Group) for the equity in Leisa Company. After the completion of the share purchase, Beiqi Foton Motor Co., Ltd. held approximately 42.07% of the shares of Leisa Company (the equity ratio is finally determined according to the appraisal results filed by Beijing Automotive Group); the manager is authorized to handle the relevant procedures.

(V) Tongrentang Group

1. In the case of a contract dispute between Beijing Tongrentang Health Pharmaceutical Co., Ltd., a subsidiary of Tongrentang Group, the two parties involved in the lawsuit signed a contract termination agreement in February 2021, stipulating that Beijing Tongrentang Health Pharmaceutical Co., Ltd. paid the initial payment of RMB 10 million and then the other party withdraw the lawsuit and apply for the removal of property preservation. After the account was unfrozen, another RMB8.50 million shall be paid. On March 9, 2021, Beijing Tongrentang Health Pharmaceutical Co., Ltd. paid RMB 10 million to the other party in accordance with the contract. On April 15, 2021, the frozen funds were unfrozen.

2. Beijing Tongrentang (Bozhou) Decoction Pieces Co., Ltd., a subsidiary of Tongrentang Group, was frozen for the cash and bank balances of RMB 2,520,659.26 under a litigation. The People's Court of Huanren Manchu Autonomous County, Liaoning Province (2020) Liao 0522 Minchu 2974-4 Civil Ruling Order ruled that the freezing was removed on January 12, 2021.

3. According to the resolution of the 20th meeting of the 8th Board of Directors of Beijing Tongrentang Co., Ltd., a subsidiary of Tongrentang Group, Beijing Tongrentang Co., Ltd. intends to distribute a cash dividend of RMB 2.70 (tax inclusive) for every 10 shares to all shareholders based on the total share capital of 1,371,470,262 shares at the end of 2020. The plan still needs to be implemented after deliberation and approval by the general meeting of shareholders.

(VI) Urban and Rural Group

1. On January 8, 2021, Urban and Rural Group acquired the minority shareholders' equity in its subsidiary Beijing Urban and Rural Tourism Car Rental Co., Ltd. The industrial and commercial changing procedures was completed. After the change, Beijing Urban and Rural Tourism Car Rental Co., Ltd. became a wholly-owned subsidiary of Urban and Rural Group.

(VII) Jinyu Asset

On November 12, 2020, the 26th Party Branch of Jinyu Asset 2020 passed the resolution of Beijing Jingcai Talent Development Center Co., Ltd. to absorb and merge Beijing Rencai Tiandi Advertising Co., Ltd. On January 7, 2021, Beijing Rencai Tiandi Advertising Co., Ltd. completed the business cancellation registration. After the merger is completed, all its creditors and debtors had been transferred to Beijing Jingcai Talent Development Center Co., Ltd.

(VIII) BBMG Group

After deliberation and approval at the 31st meeting of the fifth board of directors on March 25, 2021, BBMG Group intends to use the total share capital of 10,677,771,134 shares at the end of 2020 as the base to distribute cash dividend of RMB 0.6 (tax inclusive) for every 10 shares to all shareholders, a total dividend of RMB 640,666,268.04 was distributed.

As of April 30, 2021, the Center has no other matters after the balance sheet date that should disclose.

X. Related parties and their transactions

1. Parent company of the Center

The ultimate controlling party of The Center is Beijing State-owned Assets Supervision and Administration Commission.

2. Subsidiaries of the Center

Details of secondary-level subsidiaries refer to Note VI.

3. Joint ventures and associates of the Center

Details of financial information of joint ventures or associates refer to Note VII.19.

4. Related parties

As of December 31, 2020, the details of the Center's guarantee provided to internal entities refer to Note VIII. 2.

XI. Notes to significant items of financial statements of parent company

1. Accounts receivable

Category	Book balance	Closing balance		
		Ratio (%)	Provision for bad debts	Ratio (%)
Individually significant and assessed for impairment individually	96,343,249.87	100.00	--	--

Accounts receivable by category (Continued):

Category	Book balance	Beginning balance		
		Ratio (%)	Provision for bad debts	Ratio (%)
Individually significant and assessed for impairment individually	114,667,660.75	100.00	--	--

Individually significant and assessed for impairment individually at year end

Name of debtor	Book balance	Provision for bad debts	Ageing	Provision ratio (%)	Reason of provision
Real Estate Investment	78,343,249.87	--	Within 1 year	--	Expected to be recovered
Jingguorui Fund Management	18,000,000.00	--	Within 1 year	--	Expected to be recovered
Total	96,343,249.87	--	--	--	--

2. Other receivables

Item	Closing balance	Beginning balance
Interest receivable	375,248,734.46	99,073,066.93
Other receivables	670,797.55	582,075.85
Total	375,919,532.01	99,655,142.78

(1) Interest receivable

Item	Closing balance	Beginning balance
Interest on fixed deposits	360,468,143.05	97,293,326.41
Interest on bonds	11,558,356.16	--
Interest on entrusted loans	3,222,235.25	1,779,740.52
Total	375,248,734.46	99,073,066.93

(2) Other receivables

Category	Book balance	Closing balance		
		Ratio (%)	Provision for bad debts	Ratio (%)
Individually insignificant and subject to separate provision of other receivables	670,797.55	100.00	--	--

Other receivables by category (Continued)

Category	Book balance	Beginning balance		
		Ratio (%)	Provision for bad debts	Ratio (%)
Individually insignificant and subject to separate provision of other receivables	582,075.85	100.00	--	--

At year end, individually insignificant and subject to separate provision of other receivables

Name of debtor	Book balance	Provision for bad debts	Ageing	Provision ratio (%)	Reason of provision
Rental of public housing rental	538,305.05	--	1-2 years	--	Expected to be recovered
Others	132,492.50	--	1-5 years	--	Expected to be recovered
Total	670,797.55	--	—	--	--

3. Long-term equity investments

Item	Beginning balance	Increase	Decrease	Closing balance
Investment in subsidiaries	235,872,331,181.86	5,962,848,366.76	293,693,910.03	241,541,485,638.59

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Item	Beginning balance	Increase	Decrease	Closing balance
Investment in joint-ventures	23,347,230,603.40	1,222,304,389.07	21,039,227,673.95	3,530,307,318.52
Investment in associates	11,558,004,207.36	5,521,640,232.33	504,773,368.18	16,574,871,071.51
Subtotal	270,777,565,992.62	12,706,792,988.16	21,837,694,952.16	261,646,664,028.62
Less: Provision for impairment of long-term equity investments	579,838,000.00	--	--	579,838,000.00
Total	270,197,727,992.62	12,706,792,988.16	21,837,694,952.16	261,066,826,028.62

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(1) Details of long-term equity investments

Investee	Accounting method	Investment cost	Beginning balance	Changes in the year	Closing balance	Provision for impairment at year end	Shareholding in investee (%)
(1) Subsidiaries							
Shougang Group	Cost method	80,019,008,989.42	79,768,608,989.42	250,400,000.00	80,019,008,989.42	--	100.00
Electronic Holdings	Cost method	10,098,973,285.99	7,366,543,137.74	2,732,430,148.25	10,098,973,285.99	--	100.00
Jingcheng Electromechanical	Cost method	6,071,826,862.34	6,054,826,862.34	17,000,000.00	6,071,826,862.34	--	100.00
Beijing Energy Group	Cost method	43,185,345,084.71	43,185,345,084.71	--	43,185,345,084.71	--	100.00
Capital Highway Development	Cost method	31,125,397,909.77	31,125,397,909.77	--	31,125,397,909.77	--	100.00
Yiqing Holding	Cost method	4,337,260,924.13	4,267,760,924.13	69,500,000.00	4,337,260,924.13	--	100.00
Capital Development Holdings	Cost method	4,010,802,639.70	3,158,702,639.70	852,100,000.00	4,010,802,639.70	--	100.00
Beijing Automotive Group	Cost method	15,608,916,629.75	15,064,416,629.75	544,500,000.00	15,608,916,629.75	--	100.00
Tongrentang	Cost method	2,358,159,299.57	2,292,559,299.57	65,600,000.00	2,358,159,299.57	--	100.00
Suburb tourism	Cost method	369,835,114.93	369,835,114.93	--	369,835,114.93	--	100.00
Urban and Rural Group	Cost method	778,971,520.39	778,971,520.39	--	778,971,520.39	--	34.23
Xianglong Company	Cost method	3,588,348,842.55	3,527,486,720.61	60,862,121.94	3,588,348,842.55	--	100.00
Beichen Group	Cost method	5,175,646,951.71	4,875,646,951.71	300,000,000.00	5,175,646,951.71	--	100.00
Jinyu Asset	Cost method	1,135,853,539.20	1,278,592,511.73	-142,738,972.53	1,135,853,539.20	--	100.00

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Investee	Accounting method	Investment cost	Beginning balance	Changes in the year	Closing balance	Provision for impairment at year end	Shareholding in investee (%)
BBMG Group	Cost method	16,593,339,304.62	16,593,339,304.62	--	16,593,339,304.62	--	44.93
Shouning Group	Cost method	9,666,028,327.14	9,446,058,327.14	219,970,000.00	9,666,028,327.14	--	100.00
Equity Development Company	Cost method	62,802,100.00	62,802,100.00	--	62,802,100.00	--	58.33
Real Estate Investment	Cost method	55,000,000.00	55,000,000.00	--	55,000,000.00	--	100.00
Real Estate Management	Cost method	30,000,000.00	30,000,000.00	--	30,000,000.00	--	100.00
Pharmaceutical Holdings	Cost method	1,985,051,595.22	1,985,051,595.22	--	1,985,051,595.22	--	100.00
Dairy Investment Fund Management	Cost method	1,000,000.00	1,000,000.00	--	1,000,000.00	--	100.00
Jingguorui Fund Management	Cost method	18,000,000.00	18,000,000.00	--	18,000,000.00	--	60.00
Jingguorui Fund	Cost method	304,362,504.76	189,555,339.76	114,807,165.00	304,362,504.76	--	3.45
Equity Exchange Group	Cost method	182,450,176.62	451,021,605.19	-268,571,428.57	182,450,176.62	--	67.31
International Cooperation Center	Cost method	738,627,963.23	738,627,963.23	--	738,627,963.23	--	100.00
Ducheng Company	Cost method	10,800,857.76	10,800,857.76	--	10,800,857.76	--	100.00
Beijing Consulting Company	Cost method	562,723,994.07	--	562,723,994.07	562,723,994.07	--	100.00
Siban Technology	Cost method	268,571,428.57	--	268,571,428.57	268,571,428.57	--	67.31
Longying Kechuang	Cost method	22,000,000.00	--	22,000,000.00	22,000,000.00	--	99.95
Beijing Automotive Co.,	Cost	732,898,238.44	732,898,238.44	--	732,898,238.44	--	3.42

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Investee	Accounting method	Investment cost	Beginning balance	Changes in the year	Closing balance	Provision for impairment at year end	Shareholding in investee (%)
Ltd.	method						
Beiqi Foton Motor Co., Ltd.	Cost method	1,262,998,254.00	1,262,998,254.00	--	1,262,998,254.00	579,838,000.00	4.51
Beijing Jingneng Clean Energy Power Co., Ltd.	Cost method	420,000,000.00	420,000,000.00	--	420,000,000.00	--	2.72
Hainan Jingliang Holding Co., Ltd.	Cost method	255,000,000.00	255,000,000.00	--	255,000,000.00	--	7.07
Beijing Beiyi Machine Tool Co., Ltd.	Cost method	471,108,300.00	471,108,300.00	--	471,108,300.00	--	11.79
Beijing Ershang Food Co., Ltd.	Cost method	34,375,000.00	34,375,000.00	--	34,375,000.00	--	4.20
Subtotal		241,541,485,638.59	235,872,331,181.86	5,669,154,456.73	241,541,485,638.59	579,838,000.00	--
(2) Joint ventures							
China Securities Co., Ltd.		--	19,680,879,763.04	-19,680,879,763.04	--	--	--
Beijing Equity Investment Development Center (Limited Partnership)	Equity method	1,704,922,133.03	2,706,300,464.36	-191,722,534.22	2,514,577,930.14	--	99.99
Beijing Equity Investment Development Center Phase II (Limited Partnership)	Equity method	3,322.03	15,034.67	-14,821.35	213.32	--	0.002
Beijing Equity Investment Development Management Center (Limited Partnership)	Equity method	945,427,786.07	950,280,375.68	55,527,569.14	1,005,807,944.82	--	99.95

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Investee	Accounting method	Investment cost	Beginning balance	Changes in the year	Closing balance	Provision for impairment at year end	Shareholding in investee (%)
Beijing City Sub-center Construction Development Fund Management Co., Ltd.	Equity method	5,000,000.00	9,754,965.65	166,264.59	9,921,230.24	--	50.00
Subtotal		2,655,353,241.13	23,347,230,603.40	-19,816,923,284.88	3,530,307,318.52	--	--
(3) Associates							
Beijing Rural Commercial Bank Co., Ltd.	Equity method	4,596,960,000.00	--	4,596,960,000.00	4,596,960,000.00	--	7.75
ChinaBond Credit Promotion Investment Co., Ltd.	Equity method	990,000,000.00	1,431,147,943.80	47,910,474.72	1,479,058,418.52	--	16.50
China Aviation Development Beijing Limited	Equity method	923,776,957.74	882,049,939.08	-10,575,430.50	871,474,508.58	--	18.18
Beijing Jingyi Technology Co., Ltd.		--	383,067,234.39	-383,067,234.39	--	--	--
AVIC System Limited	Equity method	200,000,000.00	177,219,377.36	474,200.00	177,693,577.36	--	23.71
Carlisle (Beijing) Investment Management Co., Ltd.	Equity method	3,337,700.00	18,768,491.76	-501,098.28	18,267,393.48	--	20.00
Beijing Shouhuan Cultural Tourism Investment Co., Ltd.	Equity method	4,150,000,000.00	4,037,602,739.17	-140,192,584.67	3,897,410,154.50	--	25.00
AVIC Aviation High-Tech Co., Ltd.		--	58,650,391.54	-58,650,391.54	--	--	--
Beijing Innovation Industry Investment Co., Ltd.	Equity method	800,000,000.00	400,638,548.23	415,614,467.61	816,253,015.84	--	40.00

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Investee	Accounting method	Investment cost	Beginning balance	Changes in the year	Closing balance	Provision for impairment at year end	Shareholding in investee (%)
China Aviation Engine Group Co., Ltd.	Equity method	4,000,000,000.00	4,126,323,917.26	245,439,649.18	4,371,763,566.44	--	8.00
Beijing Science and Technology Innovation Investment Management Co., Ltd.	Equity method	50,000,000.00	42,535,624.77	-4,301,455.61	38,234,169.16	--	25.00
Daiwa Securities (China) Limited	Equity method	330,000,000.00	--	307,756,267.63	307,756,267.63	--	33.00
Subtotal		16,044,074,657.74	11,558,004,207.36	5,016,866,864.15	16,574,871,071.51	--	--
Total		260,240,913,537.46	270,777,565,992.62	-9,130,901,964.00	261,646,664,028.62	579,838,000.00	--

Note: The Center's own funds subscription to Jingguorui Fund accounted for 3.45% of the capital, and subscription on behalf of the municipal finance bureau accounted for 80.45% of the capital.

(2) Main financial information of significant joint ventures

Item	Beijing Equity Investment Development Management Center (Limited Partnership)		Beijing Equity Investment Development Center (Limited Partnership)	
	Closing balance	Beginning balance	Closing balance	Beginning balance
Total assets	1,509,903,867.83	951,396,114.19	2,513,646,998.12	2,704,221,215.28
Total liabilities	162,833.33	120,000.00	248,621.67	307,521.67
Net assets attributable to the parent company	1,509,741,034.50	951,276,114.19	2,513,398,376.45	2,703,913,693.61
Share of net assets calculated based on shareholding ratio	1,005,807,944.82	950,280,375.68	2,514,577,930.14	2,706,300,464.36
Carrying value of equity investment in joint ventures	1,005,807,944.82	950,280,375.68	2,514,577,930.14	2,706,300,464.36
Difference between the share of net assets and carrying value	--	--	--	--

Continued:

Item	Beijing Equity Investment Development Management Center (Limited Partnership)		Beijing Equity Investment Development Center (Limited Partnership)	
	Current year	Prior year	Current year	Prior year
Operating income	--	--	--	148,725,039.83
Income tax expense	--	--	--	10,531.52
Net profit attributable to the parent company	116,616,515.65	9,435,050.38	618,100,015.33	132,367,274.37
Other comprehensive income attributable to the parent company	--	--	-245,610.41	-848,389.59
Total comprehensive income attributable to the parent company	116,616,515.65	9,435,050.38	617,854,404.92	131,518,884.78
Dividends received from joint ventures in the current period	14,856,527.47	--	493,202,221.77	271,930,048.54

(3) Main financial information of significant associates

Item	China Aviation Engine Group Co., Ltd.		ChinaBond Credit Promotion Investment Co., Ltd.	
	Closing balance	Beginning balance	Closing balance	Beginning balance
Total assets	160,581,294,996.80	159,341,584,470.33	16,971,434,546.54	15,046,914,981.75
Total liabilities	60,850,818,866.35	65,454,200,992.39	5,007,444,131.22	4,873,291,079.92

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Item	China Aviation Engine Group Co., Ltd.		ChinaBond Credit Promotion Investment Co., Ltd.	
	Closing balance	Beginning balance	Closing balance	Beginning balance
Net assets attributable to the parent company	73,593,854,028.85	68,442,572,858.99	11,963,990,415.32	10,173,623,901.83
Share of net assets calculated based on shareholding ratio	4,371,763,566.44	4,126,323,917.26	1,479,058,418.52	1,431,147,943.80
Carrying value of equity investment in associates	4,371,763,566.44	4,126,323,917.26	1,479,058,418.52	1,431,147,943.80
Difference between the share of net assets and carrying value	--	--	--	--

Continued:

Item	China Aviation Engine Group Co., Ltd.		ChinaBond Credit Promotion Investment Co., Ltd.	
	Current year	Prior year	Current year	Prior year
Operating income	54,369,123,855.55	49,439,569,337.96	1,712,416,072.01	1,350,871,063.58
Income tax expense	536,960,531.58	508,550,413.88	130,547,390.94	189,957,297.27
Net profit attributable to the parent company	1,609,479,758.67	1,496,719,762.11	524,476,664.62	661,316,657.13
Other comprehensive income attributable to the parent company	-290,500,423.55	328,597,534.89	136,239,848.87	254,198,927.09
Total comprehensive income attributable to the parent company	1,318,979,335.12	1,825,317,297.00	660,716,513.49	915,515,584.22
Dividends received by the company from associates in the current period	10,776,400.00	--	49,500,000.00	49,500,000.00

4. Operating revenue and operating costs

Item	Current year		Prior year	
	Revenue	Cost	Revenue	Cost
1. Primary operations				
Consulting income	16,781,606.37	--	16,981,132.08	--
Management fee income	14,670,110.64	--	17,820,052.33	--
Subtotal of primary operations	31,451,717.01	--	34,801,184.41	--
2. Other operations				
Rental income	319,913,947.72	66,704,024.64	350,390,999.23	66,704,024.64

Item	Current year		Prior year	
	Revenue	Cost	Revenue	Cost
Others	1,806,630.95	--	6,569,714.29	--
Subtotal of other operations	321,720,578.67	66,704,024.64	356,960,713.52	66,704,024.64
Total	353,172,295.68	66,704,024.64	391,761,897.93	66,704,024.64

5. Investment income

Item	Current year	Prior year
Income from long-term equity investment by equity method	740,624,591.15	2,110,336,274.77
Gain from disposal of long-term equity investment	302,589,698.11	197,383,597.95
Income from long-term equity investment by cost method	4,508,497,823.56	8,894,595,325.73
Income from holding of held to maturity investments	111,532,745.43	84,429,826.58
Income from holding of available for sale financial assets	1,659,177,169.11	1,824,813,563.44
Investment income of agreement deposits	80,847,362.07	590,294,426.08
Others	716,874,327.71	7,900.76
Total	8,120,143,717.14	13,701,860,915.31

6. Supplement to cash flow statement

(1) Supplement to cash flow statement

Item	Current year	Prior year
1. Reconciliation of net profit to cash flow from operating activities:		
Net profit	6,054,773,217.37	11,054,284,974.38
Add: Impairment for assets	--	579,838,000.00
Depreciation of fixed assets	76,146,366.79	76,540,047.09
Amortization of intangible assets	2,697,092.57	1,105,192.35
Losses on disposal of fixed assets, intangible assets, and other long-term assets (Gain as in "-")	--	-33,237.55
Loss on scrapping of fixed assets (Gain as in "-")	--	--
Financial expenses (Gain as in "-")	2,402,529,463.03	2,674,317,747.33
Investment losses (Gain as in "-")	-8,120,143,717.14	-13,701,860,915.31
Decrease in operating receivables (Increase as in "-")	-245,085,219.61	295,609,065.89
Increase in operating payables (Decrease as in "-")	209,923,933.38	540,847,001.00
Others	--	--
Net cash flows from operating activities	380,841,136.39	1,520,647,875.18
2. Significant investment or finance activities not involving cash:		
3. Net increase / (decrease) in cash and cash equivalents:		
Cash as at end of year	16,731,930,559.85	7,956,590,654.22

Beijing State-owned Capital Operation and Management Center
Notes to the financial statements
For the year ended December 31, 2020 (all amounts in RMB unless otherwise stated)
[English Translation for Reference Only]

Item	Current year	Prior year
Less: cash at beginning of year	7,956,590,654.22	15,878,231,457.57
Net increase in cash and cash equivalents	8,775,339,905.63	-7,921,640,803.35

(2) Cash and cash equivalents

Item	Closing balance	Beginning balance
1. Cash	16,731,930,559.85	7,956,590,654.22
Including: Cash on hand	--	--
Cash at bank readily available for payment	16,290,868,045.52	7,956,587,945.68
Other monetary fund readily available for payment	441,062,514.33	2,708.54
2. Cash equivalents		
Including: Bond investments with maturity within 3 months	--	--
3. Cash and cash equivalents as at closing balance	16,731,930,559.85	7,956,590,654.22
Including: Cash and cash equivalents subject to restriction	--	--

XII. Approval of financial statements

The financial statements and notes to the financial statements have been approved by the Center.





姓名 莫大伟
 Full name 莫大伟
 性别 男
 Sex 男
 出生日期 1967/11/04
 Date of birth 1967/11/04
 工作单位 北京京都会计师事务所有限公司
 Working unit 北京京都会计师事务所有限公司
 身份证号码 1101026671104307
 Identity card No. 1101026671104307



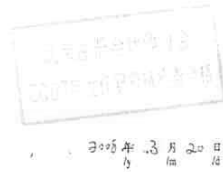
年度检验登记
Annual Renewal Registration

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.



证书编号: 110000152560
No. of Certificate

批准注册协会: 北京市注册会计师协会
Authorized Institute of CPAs

发证日期: 2002年 09月 05日
Date of issuance 2002年 09月 05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.



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 the holder to be transferred from



同意调入
Agree the holder to be transferred to



注册会计师工作单位变更事项登记
Registration of a Change of Working Unit by a CPA

同意调出
Agree the holder to be transferred from

转出协会盖章
Stamp of the transfer-out Institute of CPAs
年 月 日

同意调入
Agree the holder to be transferred to

转入协会盖章
Stamp of the transfer-in Institute of CPAs
年 月 日



姓名 Full name 康向红
 性别 Sex 女
 出生日期 Date of birth 1991-04-27
 工作单位 Working unit 致同会计师事务所(特殊普通合伙)
 身份证号码 Identity card No. 130634199104273123



证书编号: No. of Certificate 110101560269

批准注册协会: Authorized Institute of CPAs 北京注册会计师协会

发证日期: Date of Issuance 2015 年 11 月 17 日

年 月 日



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stration

姓名: 康向红
证书编号: 110101560269

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lid for another year after

this renewal.



证书编号: No. of Certificate 110101560269

批准注册协会: Authorized Institute of CPAs 北京注册会计师协会

发证日期: Date of Issuance 2015 年 11 月 17 日

年 月 日

证书序号: 0014469

此件仅用于业务报告使用, 复印无效



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》。

会计师事务所 执业证书



名称: 北京火齐会计师事务所 (特殊普通合伙)

首席合伙人: 王惠琦

主任会计师: 王惠琦

经营场所: 北京市朝阳区建国门外大街22号赛特广场5层

组织形式: 特殊普通合伙

执业证书编号: 11010156

批准执业文号: 京财会许可[2011]0130号

批准执业日期: 2011年12月13日



发证机关: 北京市财政局
二〇一一年十一月十一日

中华人民共和国财政部制

**BEIJING STATE-OWNED CAPITAL OPERATION AND
MANAGEMENT CENTER
FOR THE YEAR ENDED DECEMBER 31, 2019**

AUDIT REPORT

(ENGLISH TRANSLATION FOR REFERENCE ONLY)

Grant Thornton

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Auditor's Report

[English Translation for Reference Only]
GTCSZ (2020) No. 110ZA10403

To Beijing State-owned Capital Operation and Management Center:

I. Opinion

We have audited the financial statements of Beijing State-owned Capital Operation and Management Center (hereinafter "the Center"), which comprise the consolidated and company balance sheets as at December 31, 2019, and the consolidated and company income statements, consolidated and company cash flow statements and consolidated and company statements of changes in owners' equity for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and company financial positions as at December 31, 2019, and their financial performance and their cash flows for the year then ended in accordance with the requirements of Accounting Standards for Business Enterprises.

II. Basis for Opinion

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

III. Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management of the Center is responsible for the preparation of the financial statements to achieve fair presentation in accordance with Accounting Standards for Business Enterprises, and for the design, implementation and maintenance of such internal control as management determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

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

IV. Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

(3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(4) Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Center's ability to continue as a going concern. If we conclude that a material uncertainty exists, the auditing standards require us to draw attention to users of the financial statements in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify

our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Center to cease to continue as a going concern.

(5) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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



Auditor's signature and stamp



Auditor's signature and stamp



Beijing, China

May 29, 2020

This report, the accompanying financial statements and notes to the financial statements are English translation of the Chinese version of the Center. This translation is not required by law or any regulation. This material was prepared solely for the information of management of the Center. The accuracy or completeness of this translation is not guaranteed. In the event of any inconsistency between this English translation and the Chinese version, the Chinese version shall prevail.



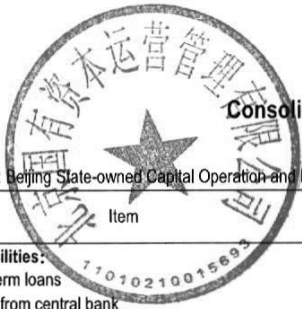
Consolidated and Company Balance Sheets

As at December 31, 2019

Prepared by: Beijing State-owned Capital Operation and Management Center

Expressed in RMB

Item	Note	Closing balance		Beginning balance	
		Consolidated	Company	Consolidated	Company
Current assets:					
Cash and bank	VII.1	330,039,937,543.35	7,956,590,654.22	339,868,166,850.62	15,878,231,457.57
△ Settlement provisions		248,418,469.15		97,968,128.42	
△ Lending to banks and other financial institutions					
☆ Trading financial assets	VII.2	7,646,949,240.91		6,577,985,643.40	
Financial assets at fair value through profit or loss	VII.3	28,526,263,776.90		20,340,796,832.97	
Derivative financial assets	VII.4	89,121,534.00		71,260,414.60	
Notes receivable	VII.5	21,666,670,985.55		28,327,507,991.09	
Accounts receivable	VII.6	94,616,215,644.39	114,667,660.75	95,163,561,020.97	3,694,829.56
☆ Receivable financing	VII.7	5,668,384,710.37		3,846,847,937.20	
Prepayments	VII.8	34,759,030,205.55	3,200,339.98	34,329,497,233.42	973,664.39
△ Insurance premium receivables					
△ Reinsurance receivables					
△ Contract reserve of reinsurance receivable					
Other receivables	VII.9	97,904,989,304.29	99,655,142.78	89,562,042,374.49	555,363,301.35
△ Financial assets purchased under agreement to resell		2,000,010.00			
Inventories	VII.10	591,861,043,556.07		531,072,117,754.85	
Including: Raw materials		23,155,065,525.82		20,831,797,766.80	
Merchandise inventories(finished goods)		122,900,975,073.65		117,045,387,334.16	
☆ Contract assets	VII.11	64,613,532.68			
Assets held-for-sale	VII.12	242,590,858.08		12,929,769,765.77	
Non-current asset due within one year	VII.13	11,922,855,914.33	482,150,000.00	9,071,213,616.33	2,180,850,000.00
Other current assets	VII.14	62,774,680,996.61	4,414,378,341.38	59,117,438,248.17	9,560,728,279.85
Total current assets		1,288,033,766,282.23	13,070,642,139.11	1,230,376,173,812.30	28,179,841,532.72
Non-current assets:					
△ Loans and advances		8,671,861,471.81		5,148,155,370.53	
☆ Debts investment	VII.15	253,680,969.51		36,935,185.58	
Available-for-sale financial assets	VII.16	134,303,862,215.12	84,327,798,254.86	102,334,825,037.76	75,564,531,096.45
☆ Other debts investment					
Held-to-maturity investments	VII.17	13,093,487.41	1,000,000,000.00		1,000,000,000.00
Long-term receivables	VII.18	14,718,379,735.13		9,774,203,328.43	
Long-term equity investments	VII.19	195,155,332,442.82	270,197,727,992.62	191,157,984,135.80	274,005,544,847.82
☆ Other equity instruments investment	VII.20	2,068,317,512.90		1,986,744,390.94	
☆ Other non-current financial assets	VII.21	2,550,321,548.43		2,389,588,133.79	
Investment properties	VII.22	105,035,790,713.23	3,195,517,412.91	87,376,585,605.54	3,262,221,437.55
Fixed assets	VII.23	718,946,560,191.54	395,224,420.50	729,188,751,380.69	402,851,595.92
Construction in progress	VII.24	242,790,247,253.50		201,648,283,101.09	
Productive biological assets	VII.25	2,042,083,386.71		1,974,660,935.06	
Oil and gas assets					
☆ Right-of-use assets	VII.26	1,638,491,460.71		1,829,299,668.46	
Intangible assets	VII.27	141,451,721,520.80	1,171,078.33	136,226,374,749.77	1,411,387.53
Development costs	VII.28	16,468,040,380.28		13,917,123,544.58	
Goodwill	VII.29	13,310,998,817.00		15,065,604,097.07	
Long-term deferred expenses	VII.30	13,350,089,112.72		13,313,309,332.65	
Deferred tax assets	VII.31	28,048,067,086.02		23,690,438,204.88	
Other non-current assets	VII.32	22,728,947,422.09		20,678,560,509.28	
Including: authorised reserve materials					
Total non-current assets		1,663,545,886,727.73	359,117,439,159.22	1,557,737,426,711.90	354,236,560,365.27
Total assets		2,951,579,653,009.96	372,188,081,298.33	2,788,113,600,524.20	382,416,401,897.99



Consolidated and Company Balance Sheets (Continued)

As at December 31, 2019

Prepared by: Beijing State-owned Capital Operation and Management Center

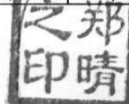
Expressed in RMB

Item	Note	Closing balance		Beginning balance	
		Consolidated	Company	Consolidated	Company
Current liabilities:					
Short-term loans	VII.33	227,464,227,484.18	1,000,000,000.00	233,522,750,355.46	
△ Loans from central bank					
△ Placement from banks and other financial institutions				500,000,000.00	
☆ Trading financial liabilities	VII.34	130,794,467.49			
Financial liabilities at fair value through profit or loss					
Derivative financial liability	VII.35	244,616,527.13		172,513,253.24	
Notes payable	VII.36	48,070,522,061.79		53,093,269,260.62	
Accounts payable	VII.37	179,512,054,413.26	229,468.00	177,950,618,440.66	334,072.00
Advances from customers	VII.38	139,121,137,961.47		121,045,388,442.83	
☆ Contract liabilities	VII.39	49,909,836,475.64		52,561,177,998.70	
△ Financial assets sold under agreement to repurchase				42,670,158.52	
△ Absorbing deposit and interbank deposit		4,274,813,112.42		1,780,893,304.00	
△ Securities brokerage agency					
△ Securities underwriting agency					
Employee benefits payable	VII.40	13,037,920,258.33	1,637,489.19	13,038,822,134.59	3,021,330.08
Including: Salary payable		7,623,053,281.32		7,206,934,713.63	
Welfare benefits payable		185,716,989.26		196,007,578.83	
Taxes and surcharges payable	VII.41	26,248,213,943.18	57,466,962.79	26,079,094,459.62	17,834,867.39
Including: Taxes payable		25,662,134,487.15	57,333,135.14	25,939,747,677.32	17,088,439.77
Other payables	VII.42	172,402,167,936.45	1,241,312,242.72	157,078,552,040.50	1,108,169,982.71
△ Fees and commissions payable					
△ Reinsurance payable					
Liabilities held-for-sale	VII.43	2,625,321.54		4,205,747,751.54	
Non-current liabilities due within one year	VII.44	167,663,156,287.35	3,476,128,767.12	163,005,117,501.12	24,993,576,712.36
Other current liabilities	VII.45	68,393,827,347.70	2,008,117,635.45	68,962,598,002.02	999,649,211.43
Total current liabilities		1,096,475,913,597.93	7,784,892,565.27	1,073,039,213,103.42	27,122,586,175.97
Non-current liabilities:					
△ Reserve of insurance contract					
Long-term loans	VII.46	447,940,389,086.48	1,150,000,000.00	408,122,685,081.62	2,530,000,000.00
Bonds payable	VII.47	269,938,668,933.05	43,766,917,918.58	230,744,623,113.98	33,955,671,232.77
Including: Preferred shares					
Perpetual bonds	VII.48			1,997,485,959.22	
☆ Lease liabilities	VII.49	1,058,874,018.30		1,426,392,851.28	
Long-term payables	VII.50	102,488,578,920.75	12,597,390,000.00	99,187,493,625.05	12,597,390,000.00
Long-term employee benefits payable	VII.51	3,851,193,091.19		3,943,071,033.58	
Provisions	VII.52	5,009,412,055.95		4,820,615,904.72	
Deferred income	VII.53	29,485,962,289.02		28,094,877,314.51	
Deferred tax liabilities	VII.31	15,752,078,650.79	322,581,569.14	15,413,874,425.45	434,438,813.29
Other non-current liabilities	VII.54	9,683,404,420.92		12,415,724,766.02	
Including: authorized reserve fund					
Total non-current liabilities		885,208,561,466.45	57,836,889,487.72	804,169,358,116.21	49,517,500,046.06
Total liabilities		1,981,684,475,064.38	65,621,782,052.99	1,877,208,571,219.63	76,640,086,222.03
Equity:					
Paid-in capital	VII.55	38,803,577,526.58	38,803,577,526.58	38,702,277,526.58	38,702,277,526.58
State-owned capital		38,803,577,526.58	38,803,577,526.58	38,702,277,526.58	38,702,277,526.58
State-owned legal person's capital					
Collectively owned capital					
Private capital					
Foreign capital					
#Less: Repatriated capital					
Paid-in capital-net value		38,803,577,526.58	38,803,577,526.58	38,702,277,526.58	38,702,277,526.58
Other equity instruments					
Capital reserve	VII.56	336,876,164,692.02	255,805,566,128.44	328,510,099,899.87	254,455,110,002.75
Less: Treasury shares					
Other comprehensive income		10,796,152,029.06	1,210,364,002.18	12,536,898,385.88	1,383,122,650.52
Including: Currency translation reserve		67,471,646.45		-636,315,529.34	
Special reserve	VII.57	1,863,295,601.93		1,573,345,492.86	
Surplus reserve	VII.58	4,401,476,896.08	4,401,476,896.08	3,296,048,398.64	3,296,048,398.64
Including: Statutory surplus reserve		4,401,476,896.08	4,401,476,896.08	3,296,048,398.64	3,296,048,398.64
Discretionary surplus reserves					
△ General risk reserve		924,336,096.58		911,156,571.45	
Undistributed profits	VII.59	116,693,754,094.54	6,345,314,692.06	113,539,444,657.42	7,939,757,097.47
Equity attributable to parent company		510,358,756,936.79	306,566,299,245.34	499,069,270,932.70	305,776,315,675.96
* Minority interests		459,536,421,008.79		411,835,758,371.87	
Total owner's equity		969,895,177,945.58	306,566,299,245.34	910,905,029,304.57	305,776,315,675.96
Total liabilities and owner's equity		2,951,579,653,009.96	372,188,081,298.33	2,788,113,600,524.20	382,416,401,897.99

Legal representative:

Person in charge of accounting affairs:

2



Head of the accounting department:



Consolidated and Company Income Statements

For the year ended December 31, 2019

Prepared by: Beijing State-owned Capital Operation and Management Center

Expressed in RMB

Item	Note	2019		2018	
		Consolidated	Company	Consolidated	Company
I.Total operation revenue		1,070,191,204,699.32	391,761,897.93	997,059,846,179.98	319,082,301.00
Including: Operating revenue	VII.60	1,068,969,493,522.66	391,761,897.93	995,995,440,116.67	319,082,301.00
△ Interest income		1,214,541,815.21		1,060,821,294.70	
△ Insurance gained				3,584,768.61	
△ Fees and commissions income		7,169,361.45			
II.Total operation cost		1,033,033,071,983.30	2,419,987,118.56	967,219,275,207.28	2,707,413,908.22
Including: operating cost	VII.60	862,766,159,305.73	66,704,024.64	802,870,225,390.76	66,704,024.64
△ Interest expenses		81,095,032.54		133,143,475.10	
△ Fees and commissions expenses		8,167,314.77		6,801,431.13	
△ Cash surrender amount					
△ Net amount of expense of compensation					
△ Net provisions for insurance contract reserves					
△ Dividends of insurance contract					
△ Reinsurance expenses					
Taxes and surcharges		26,870,179,499.40	60,164,825.31	26,502,458,960.62	59,186,836.65
Selling expenses	VII.61	43,580,783,230.75		41,232,010,214.27	
Administrative expenses	VII.62	53,015,403,244.84	112,276,220.08	52,999,813,464.82	102,691,245.00
Research and development costs	VII.63	13,661,098,731.30		9,906,833,342.40	
Finance expenses	VII.64	33,050,185,623.97	2,180,842,048.53	33,567,988,928.18	2,478,851,801.93
Including: Interest expenses		37,487,157,545.02	2,601,304,936.65	36,202,408,739.10	2,687,935,326.14
Interest income		6,311,663,257.55	498,573,895.73	5,702,539,263.05	286,743,436.97
Net loss on foreign exchange ("-" for losses)		-122,136,560.70		1,235,377,143.89	
Other					
Add: Other income	VII.65	18,154,512,149.90	101,300,000.00	15,628,763,907.57	139,231.86
Investment income ("-" for loss)	VII.66	23,593,668,174.35	13,701,860,915.31	23,431,277,506.08	7,043,083,601.91
Including: Investment income from associates and joint ventures		11,189,962,978.17		14,437,449,815.07	2,172,214,776.11
☆ Gain from derecognition of financial assets at amortized cost ("-" for loss)		-443,184,451.58			
△ Gain on foreign exchange ("-" for loss)		1,288,481.55		1,047,113.54	
☆ Gain from net exposure of hedge ("-" for loss)					
Gains from changes of fair value ("-" for loss)	VII.67	2,417,920,118.81		221,155,477.10	
☆ Credit impairment losses ("-" for loss)	VII.68	-1,631,847,759.45		-456,671,632.57	
Assets impairment loss ("-" for loss)	VII.69	-15,824,936,944.07	-579,838,000.00	-8,034,548,977.90	
Gain from disposal of assets ("-" for loss)	VII.70	1,555,777,447.52		672,722,180.04	
III. Operating profits ("-" for loss)		65,424,514,384.63	11,195,097,694.68	61,304,316,546.56	4,654,891,226.55
Add: Non-operating income	VII.71	4,607,528,035.71	113,354.40	5,628,274,794.63	110,000.01
Including: Government grants		406,670,041.73		843,289,392.06	
Less: Non-operating expenses	VII.72	4,001,565,640.40	6,353,492.65	4,781,677,677.18	84,800.36
IV. Profit before tax ("-" for loss)		66,030,476,779.94	11,188,857,556.43	62,150,913,664.01	4,654,916,426.20
Less: Income tax expenses	VII.73	21,664,172,200.83	134,572,582.05	19,467,372,221.92	
V. Net profit ("-" for net loss)		44,366,304,579.11	11,054,284,974.38	42,683,541,442.09	4,654,916,426.20
(I) Classified by attribution to ownership					
1. Net profit attributable to owners of the parent		16,422,489,100.00	11,054,284,974.38	16,111,060,237.07	4,654,916,426.20
2. Net profit attributable to minority interests		27,943,815,479.11		26,572,481,205.02	
(II) Classified by continuity of operations					
Net profit from continuing operations ("-" for loss)		44,440,618,415.79	11,054,284,974.38	42,723,908,233.79	4,654,916,426.20
Net profit from discontinued operations ("-" for loss)		-74,313,836.68		-40,366,791.70	
VI. Other comprehensive income - after tax		37,707,791.09	-172,758,648.34	-5,976,803,019.20	-80,437,230.14
Other comprehensive income - after tax attributable to owners of the parent		-1,741,869,918.67	-172,758,648.34	-5,191,976,491.07	-80,437,230.14
(I) Other comprehensive income that will not be reclassified to profit or loss		-480,069,093.69		-578,599,361.82	
Including: a. Changes in remeasurement of defined benefit plan		42,871,489.08		-50,373,443.55	
b. Other comprehensive income not to be reclassified as profit or loss under equity method		8,770,332.39			
☆ c. Changes in the fair value of other equity instruments		-537,842,285.33		-528,148,654.52	
☆ d. Changes in fair value of the Company's own credit risk					
e. Others		6,131,370.17		-77,263.75	
(II) Other comprehensive income that may be reclassified to profit or loss		-1,261,800,824.96	-172,758,648.34	-4,613,377,129.25	-80,437,230.14
Including: a. Share of other comprehensive income of associates and joint ventures under equity method		257,988,971.14	162,813,084.09	272,306,823.84	150,135,980.92
☆ b. Changes in the fair value of other debt investments		-24,079,025.07			
c. Gain or loss from fair value changes of available-for-sale financial assets		-2,255,725,143.26	-152,296,986.24	-5,215,544,476.85	-326,352,510.54
☆ d. Redclassification of financial assets recognised as other comprehensive income		-10,631.88		2,612,992.03	
e. Gain or loss in reclassification of held-to-maturity investments to available-for-sale financial assets					
☆ f. Credit impairment loss of other debt investments				-115,723,414.74	
g. Cash flow hedging reserve (effective part of cash flow hedging profit or loss)		-13,637,711.63		-75,222,493.33	
h. Translation differences arising on translation of foreign currency financial statements		703,787,175.79		189,938,704.20	
i. Other		69,875,539.93	-183,274,746.19	328,254,735.60	95,779,299.48
Other comprehensive income - after tax attributable to minority interests		1,779,577,709.76		-784,826,528.13	
VII. Total comprehensive income		44,404,012,370.20	10,881,526,326.04	36,706,738,422.89	4,574,479,196.06
Total comprehensive income attributable to owners of the parent		14,680,619,181.33	10,881,526,326.04	10,919,083,746.00	4,574,479,196.06
Total comprehensive income attributable to minority interests		29,723,393,188.87		25,787,654,676.89	

Legal representative:

Person in charge of accounting affairs:

Head of the accounting department:





Consolidated and Company Cash Flow Statements

For the year ended December 31, 2019

Prepared by: Beijing State-owned Capital Operation and Management Center

Expressed in RMB

Item	Note	2019		2018	
		Consolidated	Company	Consolidated	Company
I. Cash flows from operating activities:					
Cash received from sales and services		1,156,203,496,277.80	303,707,578.11	1,101,549,232,275.47	327,665,245.06
△ Net increase in deposits and placements from financial institutions		7,521,526,701.84		488,826,365.07	
△ Net increase in due to central banks				230,623,493.00	
△ Net increase in placement from financial institutions		-500,000,000.00		300,000,000.00	
△ Cash received from premiums of original insurance contracts					
△ Net amount of reinsurance business					
△ Net increase in insured's deposits and investments					
△ Net increase in disposal of financial assets at fair value through profit or loss					
△ Cash received from interests, fees and commissions		1,243,895,296.40		1,126,354,003.28	
△ Net increase of placement from banks and other financial institutions					
△ Net increase in repurchasing		-42,670,158.52		-951,985,689.05	
△ Net cash received on behalf of investors in securities					
Refund of taxes and surcharge		12,843,413,550.57		10,913,993,974.66	
Other cash receipts related to operating activities		122,873,202,846.19	5,297,131,298.82	131,434,020,300.09	85,169,799.61
Total cash inflows from operating activities		1,300,142,864,514.28	5,600,838,876.93	1,245,081,064,722.52	412,835,044.67
Cash paid for goods and services		892,478,803,328.75		849,940,014,632.32	
△ Net increase in loans and advances		5,158,980,467.37		-258,083,365.87	
△ Net increase in deposits with central banks and other financial institutions		408,032,985.30		268,668,963.31	
△ Cash paid for claim settlements on original insurance contracts					
△ Net increase in lending to banks and other financial institutions					
△ Cash paid for interest, fees and commissions		83,407,529.24		131,835,041.83	
△ Cash paid for insurance policy dividends					
Cash paid to and on behalf of employees		86,819,085,817.13	76,347,032.86	83,340,520,038.91	72,001,686.20
Cash payments for taxes and surcharges		80,833,882,304.86	228,245,005.38	82,377,763,034.82	104,619,979.09
Other cash payments related to operating activities		145,213,452,186.47	3,775,598,963.51	151,916,748,244.88	41,725,421.32
Total cash outflows from operating activities		1,210,995,644,619.12	4,080,191,001.75	1,167,717,466,590.20	218,347,086.61
Net cash flows from operating activities		89,147,219,895.16	1,520,647,875.18	77,363,598,132.32	194,487,958.06
II. Cash flows from investing activities					
Cash received from withdrawal of investments		63,103,636,332.12	2,881,001,438.56	90,770,348,597.62	4,577,040,313.45
Cash received from investment income		14,239,757,895.08	12,532,403,191.66	12,496,685,294.86	9,378,263,031.81
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		2,698,659,126.45	86,683.00	3,385,755,229.49	900.00
Net cash received from disposal of subsidiaries and other business units		1,776,952,960.20		2,304,157,956.68	
Other cash receipts related to investing activities		75,754,616,698.07	25,094,000,000.00	71,083,727,010.94	26,809,000,000.00
Total cash inflows from investing activities		157,573,623,011.92	40,507,491,313.22	180,040,674,089.59	40,764,304,245.26
Cash paid for fixed assets, intangible assets and other long-term assets		132,995,483,581.42	5,570,991.15	132,343,743,245.75	2,687,313.80
Cash payments for investments		102,800,740,089.37	4,893,704,583.93	123,513,990,661.14	14,455,241,635.47
△ Net increase in pledged loans					
Net cash paid for acquiring subsidiaries and other business units		1,855,095,885.71		11,335,866,314.14	
Other cash payments related to investing activities		68,058,533,384.62	20,192,022,160.00	69,833,289,640.23	27,969,518,085.00
Total cash outflows from investing activities		305,709,852,941.12	25,091,297,735.08	337,026,889,861.26	42,427,447,034.27
Net cash flows from investing activities		-148,136,229,929.20	15,416,193,578.14	-156,986,215,771.67	-1,663,142,789.01
III. Cash flows from financing activities					
Cash received from investments by others		37,356,105,701.81	767,441,122.19	34,176,930,332.87	7,360,566,014.15
Including: Cash received by subsidiaries from minority shareholders' investments		21,426,827,161.51		16,833,227,167.47	
Cash received from borrowings		656,525,916,472.20	19,000,000,000.00	606,369,376,162.71	14,550,000,000.00
△ Cash received from bond issuance		32,209,862,226.41		32,972,000,000.00	
Other cash receipts related to other financing activities		27,431,851,498.28		48,538,856,085.35	5,000,000,000.00
Total cash inflows from financing activities		753,523,735,898.70	19,767,441,122.19	722,057,162,580.93	26,910,566,014.15
Cash repayments for debts		594,505,599,018.06	30,089,900,000.00	526,463,230,306.07	3,010,000,000.00
Cash payments for distribution of dividends, profit or interest expenses		84,863,009,842.30	14,458,197,776.24	71,284,330,679.31	6,643,565,257.87
Including: Dividends or profit paid by subsidiaries to minority shareholders		14,232,195,177.87		13,081,335,595.09	
Other cash payments related to financing activities		25,134,509,366.68	77,825,602.62	17,324,786,023.16	236,913,313.41
Total cash outflows from financing activities		704,503,118,227.04	44,625,923,378.86	615,072,347,008.54	9,890,478,571.28
Net cash flows from financing activities		49,020,617,671.66	-24,858,482,256.67	106,984,815,572.39	17,020,087,442.87
IV. Effect of foreign exchange rate changes on cash and cash equivalents					
		828,269,639.91		1,912,452,072.75	
V. Net increase in cash and cash equivalents					
		-9,140,122,722.47	-7,921,640,803.35	29,274,650,005.79	15,551,432,611.92
Add: Cash and cash equivalents at beginning of year		303,672,564,757.01	15,878,231,457.57	274,397,914,751.22	326,798,845.65
VI. Cash and cash equivalent at year end		294,532,442,034.54	7,956,590,654.22	303,672,564,757.01	15,878,231,457.57

Legal representative:

Person in charge of accounting affairs:

Head of the accounting department:



Consolidated Statement of Changes in Owners' Equity


Expressed in RMB

For the year ended December 31, 2019

Prepared by Beijing State-owned Capital Operation and Management Center



Item	Owner's equity attributable to the parent company													
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Column	Paid-in capital	Preferred shares	Other equity instruments	Capital reserve	Special reserve	Surplus reserve	General risk provision	Undistributed profits	Subtotal	Minority interests	Total owner's equity			
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
I. Balance at end of previous year	38,702,277,526.58				328,516,096,896.87	1,573,345,462.86	11,893,891,996.79	1,573,345,462.86	3,306,069,222.19	911,156,571.45	113,394,593,383.53	566,346,626,657.38	411,861,611,641.42	912,196,437,896.49
Add: Changes in accounting policies							653,004,425.18		-4,020,823.55		-1,918,504,547.31	-1,167,202,945.68	-4,511,945.52	-1,173,832,894.20
Correction of errors														
Others														
II. Balance in beginning of year	38,702,277,526.58				328,516,096,896.87	1,573,345,462.86	12,546,896,421.97	1,573,345,462.86	3,306,069,222.19	911,156,571.45	113,394,593,383.53	566,346,626,657.38	411,861,611,641.42	912,196,437,896.49
III. Movement over the year ^(*) , "for decrease"	191,206,000.00				8,306,664,762.15	203,350,195.07	-1,740,746,338.82	203,350,195.07	1,165,426,497.44	13,179,525.13	3,154,399,437.12	499,098,279,832.79	411,832,781,371.87	919,069,029,394.57
(I) Total comprehensive income for the year					8,306,664,762.15	203,350,195.07	-1,740,746,338.82	203,350,195.07	1,165,426,497.44	13,179,525.13	3,154,399,437.12	499,098,279,832.79	411,832,781,371.87	919,069,029,394.57
(II) Owner's contributions and decrease of capital	101,300,000.00				8,306,664,762.15	5,413,273.04	-43,318.74	5,413,273.04						
1. Increase in owner's equity resulted from other equity instruments	101,300,000.00				8,306,664,762.15	5,413,273.04	-43,318.74	5,413,273.04						
2. Increase in owner's equity resulted from share-based payments														
3. Increase in owner's equity resulted from share-based payments														
4. Others														
(III) Special reserve appropriation and usage														
1. Appropriation to special reserves														
2. Usage of special reserves														
(IV) Profit distribution														
1. Appropriation for surplus reserve														
Include: Statutory surplus reserve														
Discretionary surplus reserve														
2. Appropriation for general risks														
3. Distribution to owners (or owners)														
4. Others														
(V) Inter-account movements in owners' equity														
1. Capital surplus transfer to capital														
2. Surplus reserve transfer to capital														
3. Surplus reserve offsetting losses														
4. Changes in owner's equity transfer to														
5. Others														
IV. Closing balance of current year	38,903,277,526.58				336,822,761,658.92	1,623,021,913.33	12,546,896,421.97	1,623,021,913.33	4,471,475,689.63	924,336,096.58	116,548,992,820.65	515,354,756,524.79	499,536,421,006.79	969,865,177,645.58

Legal representative: 

Head of the accounting department: 

Person in charge of accounting affairs: 

Consolidated Statement of Changes in Owners' Equity

Expressed in RMB

2018

For the year ended December 31, 2018

Prepared by Beijing Subscribed Capital Operation and Management Center

Item	Owner's equity attributable to the parent company										Total owner's equity			
	15	16-18		19	20	21	22	23	24	25		26	27	28
Column	Product capital	Preferred shares	Perpetual bonds	Other	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Δ General risk provision	Undistributed profits	Subtotal	Minority interests	
I. Balance at end of previous year	38,962,692,534.29				312,191,685,392.36		16,974,986,462.88	1,634,698,873.81	2,834,877,878.57	437,833,062.56	194,698,598,584.41	471,158,678,699.98	399,873,894,548.04	847,138,845,818.82
II. Add: Changes in accounting policies					-220,418,183.54		-3,191,044.37				2,338,204,182.14	2,148,594,924.23	213,936,865.08	2,320,530,890.31
III. Correction of errors					-4,464,000.00		-7,005,546.46				-1,899,123,793.33	-1,899,123,793.33	-2,229,603,821.47	-3,838,127,611.00
IV. Others					1,351,194,894.10		119,471,642.61	-5,628,182.14			579,773,219.57	2,035,361,694.14	2,494,781,843.71	4,480,743,447.85
V. Balance in beginning of year	38,962,692,534.29				313,397,698,182.82		17,876,459,461.77	1,628,670,688.67	2,834,877,878.57	437,833,062.56	196,819,812,163.84	479,698,598,584.41	402,374,676,391.85	851,619,589,266.67
VI. Movement over the year ⁽¹⁾ , "for decrease"					15,282,131,797.05		-5,191,878,481.07	144,674,871.89	465,491,642.82	473,223,588.89	9,333,674,667.49	30,558,894,943.36	41,448,978,186.86	62,944,973,634.82
VII. Total comprehensive income for the year							-5,191,878,481.07				16,111,900,237.07	10,919,083,746.00	25,797,654,978.89	30,700,738,622.89
VIII. Owner's contributions and decrease of capital					15,136,090,778.69		-8,046,116.40				-1,587,624,704.36	13,689,687,658.22	36,614,678,440.77	59,284,578,396.89
IX. Increase in owner's equity resulted from other equity instruments					13,237,715,127.53							13,437,390,119.82	19,639,590,341.88	33,076,890,461.70
X. Increase in owner's equity resulted from share-based payments					-546,231,165.44							-546,231,165.44	6,888,014,109.95	6,341,782,944.51
XI. Others					2,354,609,846.60		-8,046,116.40				-1,587,624,704.36	778,730,025.84	3,861,757,691.34	3,861,757,691.34
XII. Special reserve appropriation and usage														
XIII. Appropriation to special reserves														
XIV. Usage of special reserves														
XV. Profit distribution														
XVI. Appropriation for surplus reserve														
XVII. Discretionary surplus reserve														
XVIII. Appropriation for general risks														
XIX. Distribution to owners (or owners)														
XX. Others														
XXI. Inter-account movements in owner's equity														
XXII. Capital surplus transfer to capital														
XXIII. Surplus reserve transfer to capital														
XXIV. Surplus reserve offsetting losses														
XXV. Changes in owner's interest (paid interest or interest received)														
XXVI. Others														
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Company Statement of Changes in Owners' Equity

Expressed in RMB

For the year ended December 31, 2019

2019

Prepared by: Beijing State-owned Capital Operation and Management Center

Item	Column	Paid-in capital		Other equity instruments		Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	△ General risk provision	Undistributed profits	Total owner's equity
		1	2	3	4								
I. Balance at end of previous year		38,702,277,526.58				254,455,114,002.75		1,383,968,878.68		3,300,069,222.19		7,975,944,699.40	395,817,398,239.80
Add: Changes in accounting policies								-694,326.16		-4,020,823.55		-35,187,411.93	-41,072,583.64
Correction of errors													
Others													
II. Balance in beginning of year		38,702,277,526.58				254,455,114,002.75		1,383,274,552.52		3,296,048,398.64		7,940,757,287.47	395,776,315,675.96
III. Movement over the year ⁽¹⁾ , "for decrease"		101,300,000.00				1,350,458,125.69		-172,708,648.34		1,105,428,497.44		-1,594,442,465.41	783,963,589.38
(I) Owner's contributions and decrease of capital		101,300,000.00				1,350,458,125.69		-172,708,648.34				11,054,284,974.38	10,881,526,326.04
1. Capital contribution from owner		101,300,000.00				1,350,458,125.69							1,451,756,125.69
2. Increase in owner's equity resulted from other equity instruments						1,415,569,943.18							1,516,869,943.18
3. Increase in owner's equity resulted from share-based payments													
4. Others						-65,113,817.49							-65,113,817.49
(II) Special reserve appropriation and usage													
1. Appropriation to special reserves													
2. Usage of special reserves													
(IV) Profit distribution													
1. Appropriation for surplus reserve													
Include: Statutory surplus reserve													
Discretionary surplus reserve													
2. Appropriation for general risks													
3. Distribution to owners (or owners)													
4. Others													
(V) Inter-account movements in owners' equity													
1. Capital surplus transfer to capital													
2. Surplus reserve transfer to capital													
3. Surplus reserve offsetting losses													
4. Changes in defined benefits plan transfer to retained earnings													
5. Others													
I. Others													
IV. Closing balance of current year		38,803,577,526.58				255,805,566,128.44		1,210,564,902.18		4,401,470,896.08		6,345,314,692.05	396,566,290,243.34

Person in charge of accounting affairs:

Head of the accounting department:

Legal representative:



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Company Statement of Changes in Owners' Equity (Continued)

Prepared by: Beijing State-owned Capital Operation and Management Center

2018

Expressed in RMB

Item	Row	Column	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	△ General risk provision	Undistributed profits	Total owner's equity
			Preferred shares	Perpetual bonds	Other								
I. Balance at end of previous year	1	13	14	15	16	17	18	19	20	21	22	23	24
Add: Changes in accounting policies	2	38,892,892,334.29				247,138,624,632.79		1,464,624,208.82		2,834,577,579.57		8,145,636,768.93	298,176,865,724.31
Correction of errors	3												
Others	4												
II. Balance in beginning of year	5	38,892,892,334.29				247,138,624,632.79		1,464,624,208.82		2,834,577,579.57		8,145,636,768.93	298,176,865,724.31
III. Movement over the year ("+" for decrease)	6	189,674,892.29				7,315,485,370.05		-80,437,230.14		465,491,642.62		-180,692,259.53	7,646,522,515.29
(I) Total comprehensive income for the year	7							-80,437,230.14					
(II) Owner's contributions and decrease of capital	8	109,674,892.29				7,315,485,370.05							4,574,479,196.06
1. Capital contribution from owner	9	109,674,892.29				8,399,304,323.49							7,245,031,147.57
2. Increase in owner's equity resulted from other equity instruments	10												8,508,979,315.78
3. Increase in owner's equity resulted from share-based payments	11												
4. Others	12					-1,083,818,953.44							-1,253,946,168.21
(III) Special reserve appropriation and usage	13												
1. Appropriation to special reserves	14												
2. Usage of special reserves	15												
(IV) Profit distribution	16												
1. Appropriation for surplus reserve	17												
Include: Statutory surplus reserve	18												
Discretionary surplus reserve	19												
2. Appropriation for general risks	20												
3. Distribution to owners (or owners)	21												
4. Others	22												
(V) Inter-account movements in owners' equity	23												
1. Capital surplus transfer to capital	24									465,491,642.62			-4,178,967,828.34
2. Surplus reserve transfer to capital	25									465,491,642.62			
3. Surplus reserve offsetting losses	26												
4. Changes in defined benefits plan transfer to retained earnings	27												
5. Others	28												
f. Others	29												
IV. Closing balance of current year	30	38,702,277,536.33				254,455,110,002.75		1,383,966,978.68		3,300,069,222.19		7,975,944,509.40	305,917,388,239.60

Person in charge of accounting affairs: 李军峰



Head of the accounting department: 李军峰

李军峰

Notes to the Financial Statements

I. Company information

Beijing State-owned Capital Operation and Management Center (hereinafter referred to as The Center) is an enterprise owned by the whole people. It was set up by the State-owned Assets Supervision and Administration Commission of Beijing Municipal People's Government (hereinafter referred to as Beijing State-owned Assets Supervision and Administration Commission) by contributing cash of RMB 50 million, 100% equity of Beijing Energy Investment (Group) Co., Ltd. (hereinafter referred to as Beijing Energy Group), 74.24% equity of Beijing Capital Highway Development Group Co., Ltd. (hereinafter referred to as Capital Highway Development) and 20% equity of Beijing Pharmaceutical Group Co., Ltd. (hereinafter referred to as Pharmaceutical Group) for a total value of RMB 34.50 billion. The initial registered capital is RMB 30 billion. On December 30, 2008, the "Corporate Legal Person Business License" with the registration number 110000011550542 was obtained from the Beijing Administration for Industry and Commerce.

In 2012, the registered capital of the Center was changed to RMB 35 billion. On May 31, 2012, it received a renewed "Corporate Legal Person Business License" from Beijing Administration for Industry and Commerce.

On December 12, 2016, the Center exchanged a business license with a unified social credit code of 91110000683551038C issued by the Beijing Administration for Industry and Commerce.

The registered address of the Center is No. 2 Huaibishu Street, Xicheng District, Beijing.

The legal representative of the Center is Zhang Guilin.

Business scope: Principally engaged in investment and investment management; asset management; administer the corporate asset reorganization and mergers and acquisitions.

As of December 31, 2019, the details of the secondary level subsidiaries of the Center are as follows:

No.	Name of secondary level entity	Abbreviation	Shareholding ratio (%)	Registered capital (RMB ten thousand)	Economic nature
1	Shougang Group Co., Ltd.	Shougang Group	100	2,875,502.50	Limited liability company (wholly state-owned)
2	Beijing Electronics Holdings Co., Ltd.	Beijing Electronics	100	241,835.00	Limited liability company (wholly state-owned)
3	Beijing Jingcheng Electromechanical Holding Co., Ltd.	Jingcheng Electromechanical	100	204,468.71	Limited liability company (wholly state-owned)
4	Beijing Energy Group Co., Ltd.	Beijing Energy Group	100	2,133,806.00	Limited liability company (wholly state-owned)

Beijing State-owned Capital Operation and Management Center
Notes to the financial statements
For the year ended December 31, 2019 (all amounts in RMB unless otherwise stated)
[English Translation for Reference Only]

No.	Name of secondary level entity	Abbreviation	Shareholding ratio (%)	Registered capital (RMB ten thousand)	Economic nature
5	Beijing Capital Highway Development Group Co., Ltd.	Capital Highway Development	100	3,057,800.00	Limited liability company (wholly state-owned)
6	Beijing Yiqing Holding Co., Ltd.	Yiqing Holding	100	109,784.20	Limited liability company (wholly state-owned)
7	Beijing Capital Development Holdings (Group) Co., Ltd.	Capital Development Holdings	100	133,000.00	Limited liability company (wholly state-owned)
8	Beijing Automotive Group Co., Ltd.	Beijing Automotive Group	100	1,713,200.83	Limited liability company (wholly state-owned)
9	China Beijing Tongrentang (Group) Co., Ltd.	Tongrentang Group	100	59,404.00	Limited liability company (wholly state-owned)
10	Beijing Suburb Tourism Industry Development Company	Suburb Tourism Company	100	6,773.65	Enterprise owned by the whole people
11	Beijing Xianglong Asset Management Co., Ltd.	Xianglong Company	100	238,867.00	Limited liability company (wholly state-owned)
12	Beijing Beichen Industrial Group Co., Ltd.	Beichen Group	100	220,810.00	Limited liability company (wholly state-owned)
13	Beijing Jinyu Asset Management Co., Ltd.	Jinyu Asset	100	357,509.00	Limited liability company (wholly state-owned)
14	Beijing Shounong Group Co., Ltd.	Shounong Group	100	602,053.53	Limited liability company (wholly state-owned)
15	Beijing Equity Investment Development Management Co., Ltd.	Equity Development Company	58.33	10,714.29	Limited liability company
16	Beijing Urban and Rural Commercial (Group) Co., Ltd.	Urban and Rural Group	34.23	31,680.50	Joint stock company limited
17	Beijing BBMG Group Co., Ltd.	BBMG Group	44.93	1,067,777.11	Joint stock company limited
18	Beijing Jingguoguan Real Estate Investment Co., Ltd.	Real Estate Investment	100	5,500.00	Limited liability company (wholly state-owned)
19	Beijing Jingguoguan Real Estate Management Co., Ltd.	Real Estate Management	100	3,000.00	Limited liability company (wholly state-owned)
20	Beijing Guoguan Center Investment Holdings Co., Ltd.	Guoguan Center Investment Holdings	100	US\$ 1 million	Limited liability company (wholly state-owned)
21	Beijing Dairy Investment Fund Management Co., Ltd.	Dairy Investment Fund Management	100	100.00	Limited liability company (wholly state-owned)
22	Beijing Jingguorui Equity Investment Fund Management Co., Ltd.	Jingguorui Fund Management	60	3,000.00	Limited liability company (wholly state-owned)

No.	Name of secondary level entity	Abbreviation	Shareholding ratio (%)	Registered capital (RMB ten thousand)	Economic nature
23	Beijing Jingguorui State-owned Enterprise Reform and Development Fund (Limited Partnership)	Jingguorui Fund	83.86	1,741,057.03	Limited Partnership
24	Zhongguancun Equity Exchange Service Group Co., Ltd.	Equity Exchange Group	67.31	70,000.00	Other limited liability company
25	Beijing International Technical Cooperation Center Co., Ltd.	International Cooperation Center	100	73,292.85	Limited liability company (wholly state-owned)
26	Beijing Ducheng Consulting Co., Ltd.	Ducheng Company	100	1,048.03	Limited liability company (wholly state-owned)

II. Basis of preparation

The financial statements are prepared in accordance with the Accounting Standards for Business Enterprises and guidelines, interpretations and other related provisions promulgated by the Ministry of Finance (collectively "Accounting Standards for Business Enterprises").

The financial statements have been prepared on going concern basis.

III. Statement of compliance with the Accounting Standards for Business Enterprises

The financial statements have been prepared in compliance with the Accounting Standards for Business Enterprises to truly and completely reflect The Center's and consolidated financial positions as of December 31, 2019 and their operating performance and their cash flows and other relevant information for the year ended December 31, 2019.

Beijing Automotive Industry Advanced Technical School, a subsidiary of Beijing Automotive Group, which is included in The Center's consolidation scope, implements the "Accounting System for Institutions" and related regulations. Its financial statements have been converted into corporate financial statements in accordance with "Notice on Printing and Distributing Reference Formats for the Conversion of Financial Statements of Public Institutions After Central Enterprises Implementing the Accounting Standards for Business Enterprises" (Evaluation Letter [2008] No. 262) issued by the State-owned Assets Supervision and Administration Commission of the State Council.

Some subsidiaries included in the consolidation scope implemented, with effective on January 1, 2018, the "Accounting Standards for Business Enterprises No. 22-Recognition and Measurement of Financial Instruments (Revised in 2017)" (Cai Kuai [2017] No. 7), "Accounting Standards for Business Enterprises No. 23-Transfer of Financial Assets (Revised in 2017)" (Cai Kuai [2017] No. 8), "Accounting Standards for Business Enterprises No. 24-Hedging Accounting (2017 Revision)" (Cai Kuai [2017] No. 9) issued by the Ministry of Finance on March 31, 2017, and "Accounting Standards for Business Enterprises No. 37-Presentation of Financial Instruments (2017 Revision)" (Cai Kuai [2017] No. 14) issued on May 2, 2017 (hereinafter collectively referred to as the "New Financial Instruments Standards"), and the "Accounting Standards for Business Enterprises No. 14-Revenue (2017 Revision)" (Caikuai [2017] No. 22) (hereinafter referred to as the "New Revenue Standard") issued on July 5,

2017. With effective January 1, 2019, "Accounting Standards for Business Enterprises No. 22-Leases (2018 Revision) " (Cai Kuai [2018] No. 35) (hereinafter referred to as the "New Lease Standard") is taken effective on January 1, 2019 which was issued by the Ministry of Finance on December 7, 2018.

According to Caikuai (2017) No. 22, the Company did not adjust the financial statements of subsidiaries that under the scope of consolidation and have adopted New Financial Instruments Standards, New Revenue Standard and New Lease Standard in accordance with the Company's accounting policies when preparing the consolidated financial statements. In the depict of accounting policies and accounting estimates, the Company separately described them as "Companies that have implemented New Financial Instruments Standards" and "Companies that have not yet implemented New Financial Instruments Standards" as well as "Companies that have implemented New Revenue Standard" and "Companies that have not yet implemented New Revenue Standard", as well as "Companies that have implemented New Lease Standard" and "Companies that have not yet implemented New Lease Standard".

IV. Significant accounting policies and accounting estimates

1. Accounting period

The accounting period of The Center is from 1 January to 31 December of each calendar year.

2. Functional currency

The Center uses Renminbi ("RMB") as their functional currency.

3. Accounting basis and principal of measurement

The Center adopts the accrual basis of accounting. Except for certain financial instruments and investment properties, the financial statements are prepared under the historical cost convention. In the event that impairment of assets occurs, a provision for impairment is made accordingly in accordance with the relevant regulations.

4. Business combination

(1) Business combinations involving enterprises under common control

For a business combination involving enterprises under common control, assets acquired and liabilities assumed by acquirer in the business combination are measured at their carrying amounts of the acquiree in the consolidated financial statements of the ultimate controlling party at the combination date, except for adjustments due to different accounting policies. The difference between the carrying amount of the consideration paid for the combination and the carrying amount of the net assets acquired is adjusted to capital reserve (capital premium). If the capital reserve (capital premium) is not sufficient to absorb the difference, any excess is adjusted to retained earnings.

The overhead for the business combination are recorded in profit or loss for the current period when incurred.

(2) Business combinations involving enterprises not under common control

For business combinations involving enterprises not under common control, the consideration costs include acquisition-date fair values of the assets transferred, liabilities incurred or assumed and the equity instruments issued by the acquirer in exchange for control of the acquiree. At the acquisition date, the acquired assets, liabilities and contingent liabilities of the acquiree are measured at their fair value.

The overhead for the business combination, including the expenses for audit, legal services, valuation advisory, and other administrative expenses, are recorded in profit or loss for the current period when incurred. The transaction costs of equity or debt instruments issued as the considerations of business combination are included in the initial recognition amount of the equity or debt instruments.

The contingent consideration involved is included in the combination cost at its fair value on the acquisition date. If there is new or further evidence of the existing conditions on the acquisition date within 12 months after the acquisition date, and the contingent consideration needs to be adjusted, the goodwill shall be adjusted accordingly.

Where the combination cost exceeds the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is recognized as goodwill, and subsequently measured on the basis of its costs less accumulated impairment provisions. Where the combination cost is less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is credited in profit or loss for the current period after reassessment.

For business combinations involving entities not under common control achieved in stages and involved multiple transactions, in the consolidated financial statements, the combination cost is the sum of the consideration paid at the acquisition date and the fair value of equity investment of the acquiree held prior to the acquisition date. The cost of equity investment of the acquiree held prior to the acquisition date is re-measured at the fair value at the acquisition date, the difference between the fair value and carrying value is recognized as profit or loss for the current period. Other comprehensive income and changes of other owners' equity from the equity interest held in the acquiree prior to the acquisition date are transferred to profit or loss for the current period, except for other comprehensive income resulted in the change of net liabilities or assets in the investee's re-measurement of defined benefit plan.

Method for determining the date of acquisition and date of sale of a business combination not under the same control: The Center determines the date of acquisition and date of sale based on the obtaining or losing control over the acquiree.

Method for determining the fair value of the relevant transaction on the date of acquisition: The Center uses market prices as the main basis to determine the fair value of the relevant transactions on the combination date. Refer to Note IV. 35 for specific recognition method.

5. Preparation of consolidated financial statements

The scope of the consolidated financial statements includes The Center and all of its subsidiaries.

The scope of consolidated financial statements is determined on the basis of control.

The consolidated financial statements are prepared by The Center based on the financial statements of The Center and its subsidiaries and other relevant information. In preparation of consolidated financial statements, the accounting policies and accounting periods of the subsidiaries should be consistent with

those established by The Center, and all significant intercompany accounts and transactions are eliminated.

Where a subsidiary or business was acquired during the reporting period, through a business combination involving enterprises under common control, the subsidiary or business is deemed to be included in the consolidated financial statements from the date they are controlled by the ultimate controlling party. Their operating results and cash flows are included in the consolidated income statement and consolidated cash flow statement respectively from the date they are controlled by the ultimate controlling party.

The portion of a subsidiary's equity that is not attributable to the parent is treated as minority interests and presented separately in the consolidated balance sheet within shareholders' equity. The portion of net profit or loss of subsidiaries for the period attributable to minority interests is presented in the consolidated income statement below the "net profit" line item as "minority interests". When the amount of loss for the current period attributable to minority interests of the subsidiary exceeds the minority interests' share of the opening equity of the subsidiary, the excess is still allocated against the minority interests.

Where The Center acquires minority interests of subsidiary or disposes of a portion of an interest in a subsidiary without a change in control, the difference between the amount by which the minority interests are adjusted and the amount of the consideration paid or received is adjusted to the capital reserve in the consolidated balance sheet, with any excess adjusted to retained earnings.

When The Center loses control over subsidiary because of disposing part of equity investment or other reasons, the remaining part of the equity investment is re-measured at fair value at the date when losing control over the subsidiary. A gain or loss is recognized in profit or loss for the current period and is calculated by the aggregate of the consideration received in disposal and the fair value of remaining part of the equity investment deducting the share of carrying value of net assets in proportion to previous shareholding percentage in former subsidiary since acquisition date and the goodwill. Other comprehensive income related to the former subsidiary is recorded as investment gains for the current period when the control is lost.

Other comprehensive income related to the former subsidiary is transferred to profit or loss for the current period when the control is lost, except for the comprehensive income arising from the movement of net liabilities or assets in the former subsidiary's re-measurement of defined benefit plan.

Disposing equity investment by stages until losing control that qualified as a single transaction, the carrying amount of long-term equity investments relating to each transaction of disposal is derecognized, the difference between the consideration received and the carrying amount of disposed long-term equity investments is recognized as other comprehensive income, and finally is recognized in profit or loss for the current period at the date of losing control.

6. Joint arrangement classification and accounting treatment for joint operation

A joint arrangement is an arrangement of which two or more parties have joint control. The Center classifies joint arrangements into joint operations and joint ventures.

(1) Joint operations

A joint operation is a joint arrangement whereby the joint operators have rights to the assets, and obligations for the liabilities, relating to the arrangement.

The Center recognizes the following items in relation to its interest in a joint operation, and account for them in accordance with relevant accounting standards:

- A. its solely-held assets, and its share of any Assets incurred jointly;
- B. its solely-assumed liabilities, and its share of any liabilities incurred jointly;
- C. its revenue from the sale of its share of the output arising from the joint operation;
- D. its share of the revenue from the sale of the output by the joint operation; and
- E. its solely-incurred expenses, and its share of any expenses incurred jointly.

(2) Joint ventures

A joint venture is a joint arrangement whereby the joint venturers have rights to the net assets of the arrangement.

The Center adopts equity method under long-term equity investment in accounting for its investment in joint venture.

7. Cash and cash equivalents

Cash comprises cash on hand and deposits that can be readily drawn on demand. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

8. Foreign currency transactions and translation of foreign currency financial statements

(1) Foreign currency transactions

Foreign currency transactions are translated into the functional currency of The Center at the spot exchange rates on the dates of the transactions.

Monetary items denominated in foreign currencies are translated to Renminbi at the spot exchange rate at the balance sheet date. The resulting exchange differences between the spot exchange rate on balance sheet date and the spot exchange rate on initial recognition or on the previous balance sheet date are recognized in profit or loss. Non-monetary items that are measured at historical cost in foreign currencies are translated to Renminbi using the exchange rate at the transaction date. Non-monetary items that are measured at fair value in foreign currencies are translated using the exchange rate at the date the fair value is determined. The resulting exchange differences are recognized in profit or loss for the current period.

(2) Translation of foreign currency financial statements

When translating the foreign currency financial statements of overseas subsidiaries, the assets and liabilities of the balance sheet are translated to RMB using the spot exchange rate at the balance sheet date. Items of the shareholders' equity, except for "undistributed profits", are translated to RMB at the spot exchange rate at the transaction dates.

Income and expenses in the income statement of foreign operation are translated to RMB at the spot exchange rate at the transaction date.

Cash flow statement of foreign operation is translated to Renminbi at the spot exchange rates [the rates determined under a systematic and rational method that approximate the spot exchange rates] at the cash flow occurrence dates. Effect of foreign exchange rate changes on cash and cash equivalents is presented separately as "Effect of foreign exchange rate changes on cash and cash equivalents" in the cash flow statement.

The resulting translation differences are recognized in other comprehensive income in shareholders' equity of balance sheet.

When the control on foreign operation is lost due to disposal, exchange differences of foreign currency financial statements attributable to the foreign operation as presented under shareholder's equity item in the balance sheet are transferred to profit or loss for the current period entirely or partially on disposed portion.

9. Financial instruments

"Companies that have not yet implemented New Financial Instruments Standards":

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

(1) Classification and measurement of financial assets

Financial assets are, upon initial recognition, classified into the following four categories: financial assets at fair value through profit or loss ("FVTPL" financial assets), held-to-maturity investments, loans and receivables, and available-for-sale financial assets ("AFS" financial assets). Financial assets are measured initially at fair value. For financial assets at fair value through profit or loss ("FVTPL" financial assets), any related directly attributable transaction costs are charged to profit or loss for the current period; for other categories of financial assets, any related directly attributable transaction costs are included in their initial costs.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and those designated upon initial recognition as at fair value through profit or loss. This kind of financial assets are subsequently measured at fair value, gains and losses arising from changes in fair value and the dividend and interest income are recognized in profit or loss for the current period.

Financial assets and financial liabilities may be designated at initial recognition as at fair value through profit or loss if the following criteria are met:

- ① the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or recognising gains or losses on them on a different basis;
- ② the assets are part of a Group of financial assets which are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management strategy and information about the Center of financial assets is provided internally on that basis to the key management personnel;
- ③ the financial asset contains an embedded derivative that would need to be separately recorded.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that The Center has the positive intention and ability to hold to maturity. Held-to-maturity investments are subsequently measured at amortized cost using the effective interest method. Gains and losses arising from derecognition, impairment or amortization is recognized in profit or loss for the current period.

Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market including notes receivable, accounts receivable and other receivables (Note IV. 11). Receivables are subsequently measured at amortized cost using the effective interest method. Gains and losses arising from derecognition, impairment or amortization is recognized in profit or loss for the current period.

Available-for-sale financial assets

Available-for-sale financial assets are those non-derivative financial assets that are designated as available for sale and financial assets other than those above mentioned. Available-for-sale financial assets are subsequently measured at fair value, the discount or premium is amortized using the effective interest method and recognized as interest income. The gains and losses arising from changes in fair value of available-for-sale financial assets (other than impairment losses and foreign exchange gains and losses resulted from foreign currency monetary assets which are recognized directly in profit or loss for the current period) are recognized as other comprehensive income. When the financial assets are derecognized, the gain or loss accumulated in other comprehensive income is reclassified to profit or loss for the current period. Interest income and dividends related to the available-for-sale financial assets are recognized as profit or loss for the current period.

(2) Classification and measurement of financial liabilities

The Center classifies financial liabilities into different categories at initial recognition: financial liabilities at fair value through profit or loss (FVTPL) or other financial liabilities. For financial liabilities not classified as at fair value through profit or loss financial liabilities, any related directly attributable transaction costs are recognized in the initial recognition amounts.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trade and financial liabilities designated as at fair value through profit or loss in the initial recognition. Such financial liabilities are subsequently measured at fair value, gains and losses arising from changes in fair value are recognized in profit or loss for the current period.

Other financial liabilities

Derivative financial liabilities which are linked to equity instrument that is not quoted in an active market and its fair value cannot be reliably measured and settled by delivering the equity instrument are subsequently measured at cost. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Gains and losses arising from derecognition or amortization is recognized in profit or loss for the current period.

Financial guarantee contract

Financial guarantee contracts are initially recognized at fair value, and are subsequently measured at the higher of the estimated amount of contingent liabilities and the initially recognized amount deducting with the cumulative amortization.

Distinction between financial liabilities and equity instruments

A financial liability is recognized if one of the following conditions is satisfied:

- (a) a contractual obligation to deliver cash or another financial asset to another entity;
- (b) a contractual obligation to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to The Center;
- (c) a non-derivative contract that will or may be settled in The Center's own equity instruments and The Center is obliged to deliver a variable number of The Center's own equity instruments;
- (d) a derivative contract that will or may be settled in The Center's own equity instruments, except for a derivative contract that is settled by the exchange of a fixed number of The Center's own equity instruments for a fixed amount of cash or other financial assets.

An equity instrument is a contract that evidences a residual interest in the assets of The Center after deducting all of its liabilities.

If The Center does not have an unconditional right to avoid delivering cash or another financial asset to settle a contractual obligation, the obligation meets the definition of a financial liability.

If a financial instrument will or may be settled in The Center's own equity instruments, classification of the instrument depends on whether The Center's own equity instruments work as the replacement of cash or other financial instrument, or represent the investor's residual interest in The Center's assets after deducting all its liabilities. In the former case, the instrument is classified as a financial liability; in the latter case, the instrument is classified as an equity instrument.

(3) Derivative financial instruments and embedded derivative instruments

The Center's derivative financial instruments include forward exchange contract, currency exchange rate swap contracts, interest rate swap contracts and foreign exchange option contracts, etc. Derivative financial instruments are initially measured at the fair value of the date a derivative contract entered into and subsequently measured at their fair value. Derivative financial instruments of positive fair value are recognized as assets; those of negative fair value are recognized as liabilities. Any gains or losses arising from changes in fair value which do not meet the requirements of hedge accounting are directly recognized to profit or loss for the current period.

For hybrid instrument with embedded derivative, where financial assets or liabilities not designated as fair value through profit or loss, the economic features and risks of the embedded derivative are not closely related to that of the host contract, and a similar instrument with the same terms as the embedded derivative would meet the definition of a derivative, then embedded derivative is separated from hybrid instrument and accounted for as a derivative. If embedded derivative is unable to measure separately either at acquisition or subsequently at balance sheet date, hybrid instrument as a whole is designated as financial assets or liabilities at fair value through profit or loss.

(4) Impairment of financial assets

The carrying amounts of financial assets are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. If any such evidence exists, an impairment loss is recognized. Objective evidence of impairment of financial assets are the matters that occurred after the initial recognition of financial assets which has impact on the expected future cash flows of financial assets, and can be reliably measured by The Center.

Financial asset measured at amortized cost

If there is objective evidence that the financial assets are impaired, then the carrying amount of financial assets are reduced to the present value of estimated future cash flows (excluding future credit losses that have not been incurred), with the reduced amount recognized to profit or loss for the current period. The present value of estimated future cash flows is carried according to the financial asset's original effective interest rate, and considers the value of collateral.

For a financial asset that is individually significant, The Center assesses the asset individually for impairment, if there is objective evidence that it has been impaired, impairment loss is recognized in profit or loss for the current period. For a financial asset that is not individually significant, The Center assesses the asset by including the asset in a group of financial assets with similar credit risk characteristics and collectively assess them for impairment. For financial assets not having been individually assessed as impaired (including financial assets no matter it is individually significant or not), The Center performs impairment assessment collectively where financial assets share similar credit risk characteristics. For financial assets having been individually assessed as impaired, they are not included in collective assessment of impairment.

If, after an impairment loss has been recognized on financial assets measured at amortized cost, there is objective evidence of a recovery in value of the financial asset which can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss. A reversal of an impairment loss will not result in the asset's carrying

amount exceeding that which would have been determined had no impairment loss been recognized in prior years.

Available-for-sale financial assets

If there is objective evidence that available-for-sale financial assets are impaired, accumulated losses due to decreases in fair value previously recognized directly in other comprehensive income are reversed and charged to profit or loss for the current period. The reversed accumulated losses are the asset's initial acquisition costs after deducting amounts recovered and amortized, current fair value and impairment losses previously recognized in profit or loss.

If, in a subsequent period, the fair value of financial assets increases and the increase can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment losses are reversed and charged to profit or loss for the current period. The impairment loss of available-for-sale equity instruments is not reversed through profit or loss.

Financial assets measured at cost

When there is impairment of 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 derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, the difference between the carrying amount and the present value discounted at the market rate of return on future cash flows of the similar financial assets be recognized as impairment loss in profit or loss in the current period. The impairment loss recognized is not reversed.

(5) Basis for measuring gain or loss on financial assets and financial liabilities

A gain or loss on a financial asset or financial liability classified as at fair value through profit or loss shall be recognized in profit or loss. A gain or loss on an available-for-sale financial asset shall be recognized directly in equity, through the statement of changes in equity, except for impairment losses and foreign exchange gains and losses, until the financial asset is derecognized, at which time the cumulative gain or loss previously recognized in equity shall be recognized in profit or loss. However, interest calculated using the effective interest method is recognized in profit or loss. Dividends on an available-for-sale equity instrument are recognized in profit or loss when the entity's right to receive payment is established.

Method in determination of fair value of financial assets and financial liabilities refer to Note IV.35.

For financial assets and financial liabilities carried at amortized cost with effective interest rate, a gain or loss will be recognized when the financial asset or financial liability is derecognized or impaired. The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash flows through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

When calculating the effective interest rate, The Center considers the future cash flows according to all contractual terms of the financial instrument (but shall not consider future credit losses). The calculation

includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

On derecognition of a financial asset, the difference between the carrying amount and the consideration received and any cumulative gain or loss that had been recognized directly in other comprehensive income shall be recognized in profit or loss.

If part of a financial asset being considered meeting the conditions for derecognition, the carrying amount of the transferring financial asset shall be allocated based on the relative fair values. The difference between the carrying amount allocated to the part derecognized and the sum of the consideration received for the part derecognized with other comprehensive income allocated shall be recognized in profit or loss.

(6) Transfer of financial assets

Transfer of financial assets refers to the transference or deliverance of financial assets to the other party (the transferee) other than the issuer of financial assets.

The Center derecognizes a financial asset if it transfers substantially all the risks and rewards of ownership of the financial asset to the transferee. If substantially all the risks and rewards of ownership of the financial asset is retained, the financial asset is not derecognized.

The Center neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, and the accounting treatment is shown as following: if The Center has forgone control over the financial asset, the financial assets is derecognized, and new assets and liabilities are recognized. If The Center retains control over the financial asset, the financial asset is recognized to the extent of its continuing involvement in the transferred financial asset, and an associated liability is recognized.

(7) Recognition and derecognition of financial instruments

A financial asset or financial liability is recognized when The Center becomes one party of financial instrument contracts.

If one of the following conditions is met, the financial assets are terminated:

- ① The right of the contract to receive the cash flows of financial assets terminates;
- ② The financial asset has been transferred, and is in accordance with the following conditions for derecognition.

Transfer of financial assets refers to the transference or deliverance of financial assets to the other party (the transferee) other than the issuer of financial assets.

The Center derecognizes a financial asset if it transfers substantially all the risks and rewards of ownership of the financial asset to the transferee. If substantially all the risks and rewards of ownership of the financial asset is retained, the financial asset is not derecognized.

The Center neither transfers nor retains substantially all the risks and rewards of ownership of financial assets, then accounting for the following circumstances: if control over the financial assets is surrendered, derecognize the financial assets and recognize any assets and liabilities arose; if The Center retains the control of the financial assets, recognize the financial assets to the extent of the continuing involvement in the transferred financial assets by The Center and recognize any relating liability.

If the obligations of financial liability have been discharged in total or in part, derecognize all or part of it. If The Center (debtor) makes an agreement with the creditor to replace the current financial liability of assuming new financial liability which contract provisions are different in substance, derecognize the current financial liability and meanwhile recognize as the new financial liability.

If the financial assets are traded routinely, The Center recognizes and derecognizes at the transaction date.

(8) Offset between financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Otherwise, financial assets and financial liabilities are separately shown in the balance sheet and not allowed to offset.

(9) Entrusted loan

The Center calculated the interest receivable in accordance with the entrusted loan principal and the nominal interest rate in the contract at the balance sheet date; and the investment income is calculated based on the amortized cost of the entrust loan and effective interest rate, the variance is recorded in the entrust loan (Interest adjustment).

The Center performs comprehensive inspection at the balance sheet date whether there were signs of impairment for entrusted loans. If there was objective evidence that the book value of entrusted loan exceeds its recoverable amount, then the variance should be recognized as assets impairment loss and accrued of impairment provision. Interest income is calculated on the amortized cost of entrust loan and the effective interest rate and recognized as investment income, and reduced the impairment provision of entrusted loans. At the same time, The Center registered the interest receivable in accordance with the principal and the nominal interest rate in the contract in off-balance sheet.

“Companies that have implemented New Financial Instruments Standards”:

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

(1) Recognition and derecognition of financial instruments

A financial asset or financial liability is recognized when The Center becomes a party to the contractual provisions of a financial instrument.

If one of the following conditions is met, the financial assets are derecognized:

- ① the contractual rights to the cash flows from the financial asset expire;
- ② the financial asset has been transferred, and is in accordance with the following conditions for derecognition.

A financial liability (or part of it) is derecognized when its contractual obligation (or part of it) is discharged or cancelled or expires. If The Center (as a debtor) makes an agreement with the creditor to replace the current financial liability with assuming a new financial liability, and contractual provisions are different in substance, the current financial liability is derecognized and a new financial liability is recognized meanwhile.

If the financial assets are traded routinely, the financial assets are recognized and derecognized at the transaction date.

(2) Classification and measurement of financial assets

The classification of financial assets at initial recognition depends on The Center's business model for managing them and contractual cash flow characteristics of the financial assets. Financial assets are classified as financial assets at amortized cost, financial assets at fair value through other comprehensive income ("FVTOCI"), and financial assets at fair value through profit or loss ("FVTPL").

Financial assets measured at amortized cost

The Center classifies a financial assets as measured at amortized cost when the financial asset is not designated as at FVTPL and meets the following conditions:

- the financial asset is held within a business model whose objective is to collect contractual cash flows;
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, such financial assets at amortised cost are subsequently measured using the effective interest method. Gains and losses arising on financial assets at amortised cost and not being part of a hedging relationship are recognised in profit or loss for the current period when the asset is derecognised, amortized on effective interest method or impaired.

Financial assets at fair value through other comprehensive income (FVTOCI)

The Center classifies a financial asset as FVTOCI when it is not designed as FVTPL and meets both of the following conditions:

- ① the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets;

- ② the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After the initial recognition, such financial assets are subsequently measured at fair value. Interest calculated on effective interest method, impairment losses or gains and exchange gain or loss are recognised in profit or loss for the current period. Other gains or losses are recognised as other comprehensive income. When the financial assets are derecognized, the gain or loss accumulated in other comprehensive income is reclassified to profit or loss for the current period.

Financial assets at fair value through profit or loss (FVTPL)

Except for the above financial assets at amortised costs and FVTOCI, The Center classifies all other financial assets as FVTPL. At initial recognition, The Center may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

After the initial recognition, such financial assets are subsequently measured at fair value. Any gains or losses (including interest and dividend income) are recognized in profit or loss for the current period, unless the financial asset is part of a hedging relationship.

However, for non-trading equity instrument investment, the Center irrevocably designates it as a financial asset measured at fair value through other comprehensive income at the time of initial recognition. The designation is made on a single investment basis and the relevant investments meet the definition of an equity instrument from issuer's perspective.

After the initial recognition, this kind of financial assets are subsequently measured at fair value. Satisfied dividend income is included in the profit or loss, other gains or losses and changes in fair value are included in other comprehensive income. When derecognized, the accumulated gains or losses previously recorded in other comprehensive income are transferred out and recorded in retained earnings.

Business model for managing financial assets refers to how The Center manages financial assets to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both. The Center determines the business model for managing financial assets based on objective facts and based on the specific business objectives of financial assets as determined by key management personnel.

The Center evaluates the contractual cash flow characteristics of financial assets and determines whether the contractual cash flows generated by the relevant financial assets on a specific date are solely payments of principal and interest ("SPPI") on the principal amount outstanding. The principal is the fair value of the financial assets at initial recognition. The interest is a consideration including the time value of money, the credit risk associated with the outstanding principal amount for a specific period, and other basic lending risks, costs and profits. In addition, The Center evaluates the contractual terms that may result in a change in timing or amount of contractual cash flows of financial asset to determine whether it meets the requirements of the above contractual cash flow characteristics.

Only when The Center changes its business model for managing financial assets, all affected financial assets are reclassified on the first day of the first reporting period following the change in business

model, otherwise the financial assets is not reclassified after initial recognition.

Financial assets are measured initially at fair value. For financial assets at fair value through profit or loss (“FVTPL” financial assets), any related directly attributable transaction costs are charged to profit or loss for the current period; for other categories of financial assets, any related directly attributable transaction costs are included in their initial costs. Accounts receivable arising from the sale of products or providing services that do not contain or do not consider significant financing components, The Center initially recognises the amount of consideration based on the amount expected to be charged.

(3) Classification and measurement of financial liabilities

The Center classifies financial liabilities into different categories at initial recognition: financial liabilities at fair value through profit or loss (FVTPL) or financial liabilities at amortized costs. For financial liabilities not classified as at fair value through profit or loss, any related directly attributable transaction costs are recognized in the initial recognition amounts.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trade and financial liabilities designated as at fair value through profit or loss in the initial recognition. Such financial liabilities are subsequently measured at fair value, gains and losses arising from changes in fair value are recognized in profit or loss for the current period.

Financial liabilities at amortized costs

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Gains and losses arising from derecognition or amortization is recognized in profit or loss for the current period.

Financial guarantee contract

Financial guarantee contract, which is not designated as Financial liabilities at fair value through profit or loss, is measured at fair value at the time of initial recognition. Subsequent measurement is made according to the higher of the estimated loss provision determined using the expected credit loss model and the balance of the initial recognized amount after deducting the accumulated amortization amount.

Distinction between financial liabilities and equity instruments

A financial liability is recognized if one of the following conditions is satisfied:

- ① a contractual obligation to deliver cash or another financial asset to another entity;
- ② a contractual obligation to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to The Center;
- ③ a non-derivative contract that will or may be settled in The Center's own equity instruments and The Center is obliged to deliver a variable number of The Center's own equity instruments;

④ a derivative contract that will or may be settled in The Center's own equity instruments, except for a derivative contract that is settled by the exchange of a fixed number of The Center's own equity instruments for a fixed amount of cash or other financial assets.

An equity instrument is a contract that evidences a residual interest in the assets of The Center after deducting all of its liabilities.

If The Center does not have an unconditional right to avoid delivering cash or another financial asset to settle a contractual obligation, the obligation meets the definition of a financial liability.

If a financial instrument will or may be settled in The Center's own equity instruments, classification of the instrument depends on whether The Center's own equity instruments work as the replacement of cash or other financial instrument, or represent the investor's residual interest in The Center's assets after deducting all its liabilities. In the former case, the instrument is classified as a financial liability; in the latter case, the instrument is classified as an equity instrument.

(4) Derivative financial instruments and embedded derivative instruments

The Center's derivative financial instruments include forward exchange contract, currency exchange rate swap contracts, interest rate swap contracts and foreign exchange option contracts, etc. Derivative financial instruments are initially measured at the fair value of the date a derivative contract entered into and subsequently measured at their fair value. Derivative financial instruments of positive fair value are recognized as assets; those of negative fair value are recognized as liabilities. Any gains or losses arising from changes in fair value which do not meet the requirements of hedge accounting are directly recognized to profit or loss for the current period.

For hybrid instrument with embedded derivative, if the host contract is a financial asset, the hybrid instrument as a whole applies the relevant policies in classification of financial assets. If the host contract is non-financial assets and the hybrid instrument is not treated at fair value through profit or loss, the economic features and risks of the embedded derivative are not closely related to that of the host contract, and a similar instrument with the same terms as the embedded derivative would meet the definition of a derivative, then embedded derivative is separated from hybrid instrument and accounted for as a derivative. If embedded derivative is unable to measure separately either at acquisition or subsequently at balance sheet date, hybrid instrument as a whole is designated as financial assets or liabilities at fair value through profit or loss.

(5) Fair value of financial instruments

Determination of fair value of financial assets and financial liabilities refers to Note IV. 35.

(6) Impairment of financial assets

The Center assesses impairment and accrues for provision for impairment on the basis of expected credit losses on the following items:

① Financial assets at amortized costs;

- ② Receivables and debts investment at FVTOCI;
- ③ Contract assets as defined in "Accounting Standards for Business Enterprises No. 14-Revenue";
- ④ Lease receivables;
- ⑤ Financial guarantee contracts (Except for those measured at fair value through profit or loss, transfer of financial assets that does not meet the conditions for derecognition or continuing involvement in transferred financial assets).

Measurement of expected credit losses (ECL)

Expected credit losses are a probability-weighted estimate of credit losses over the expected life of the financial instrument. A credit loss is the present value of the difference between the contractual cash flows that are due to an entity under the contract; and the cash flows that the entity expects to receive, i.e. the present value of all cash shortfalls.

The Center considers reasonable and well-founded information about past events, current conditions, and predictions of future economic conditions, and uses the risk of default as a weighting to calculate the difference between the contractual cash flow receivable and the discounted probability-weighted measurement of expected cash flow and such difference is recognized as expected credit loss.

The Center measures the expected credit losses of financial instruments at different stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, that is the first stage, The Center provides for loss allowance that results from default events that are possible within the next 12-months. For those credit exposures for which there has been a significant increase in credit risk since initial recognition but are not credit-impaired, that is second stage, The Center provides for loss allowance expected over the lifetime of the exposure. For those credit exposures for which there has been credit impairment after initial recognition, that is third stage, The Center provides for loss allowance expected over the lifetime of the exposure.

For financial instruments with lower credit exposures on the balance sheet date, The Center assumes that their credit exposures have not increased significantly since initial recognition, the credit losses is measured according to the expected credit losses in next 12-month.

Lifetime expected credit losses refers to the expected credit losses that result from all possible default events over the expected life of a financial instrument. 12-month expected credit losses refers to the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date (in case the expected lifetime of a financial instrument is shorter than 12 months, the lifetime expected credit losses is over its expected lifetime).

The maximum period to be considered when estimating ECLs is the maximum contractual period over which The Center is exposed to credit risk, including renewal options.

For the financial instruments at the first and second stages and with low credit risks, The Center

calculates the interest income based on the book balance and the effective interest rate before deducting the impairment provisions. For financial instruments at the third stage, interest income is calculated based on the amortised cost after deducting impairment provisions made from the book balance and the effective interest rate.

For notes receivable, accounts receivable and contract assets, regardless of whether there is a significant financing component, The Center always makes provision for impairment at an amount equal to lifetime ECLs.

Assessment of significant increase in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly upon initial recognition, The Center compares the risk of default of the financial instrument at the balance sheet date with that at the date of initial recognition to determine the relative change in risk of default within the expected lifetime of the financial instrument.

In determining whether the credit risk has increased significantly upon initial recognition, The Center considers reasonable and well-founded information, including forward-looking information, which can be obtained without unnecessary extra costs or efforts. Information considered by The Center includes:

- ① The debtor's failure to make payments of principal and interest on their contractually due dates;
- ② An actual or expected significant deterioration in a financial instrument's external or internal credit rating (if any) ;
- ③ An actual or expected significant deterioration in the operating results of the debtor;
- ④ Existing or expected changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to The Center.

Depending on the nature of the financial instruments, The Center assesses whether there has been a significant increase in credit risk on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on their common credit risk characteristics, such as past due information and credit risk ratings.

The Center determines that the credit risk on a financial asset has increased significantly if it is more than 30 days.

Credit-impaired financial assets

At balance sheet date, The Center assesses whether financial assets measured at amortised cost and debt investments measured at fair value through other comprehensive income are credit-impaired. A financial asset is credit-impaired when one or more events that have an adverse effect on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired:

- Significant financial difficulty of the issuer or debtor;

- A breach of contract by the debtor, such as a default or delinquency in interest or principal payments;
- For economic or contractual reasons relating to the debtor's financial difficulty, The Center having granted to the debtor a concession that would not otherwise consider;
- It becomes probable that the debtor will enter bankruptcy or other financial reorganization;
- The disappearance of an active market for that financial asset because of financial difficulties of the issuer or debtor.

Presentation of provisions for ECLs

ECLs are remeasured at each balance sheet date to reflect changes in the financial instrument's credit risk upon initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss for the current period. For financial assets measured at amortised cost, the provision of impairment is deducted from the carrying amount of the financial assets presented in the balance sheet; for debt investments at fair value through other comprehensive income, The Center makes provisions of impairment in other comprehensive income without reducing the carrying amount of the financial asset.

Write-offs

The book balance of a financial asset is directly written off to the extent that there is no realistic prospect of recovery of the contractual cash flows of the financial asset (either partially or in full). Such write-off constitutes derecognition of such financial asset. This is generally the case when The Center determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with The Center's procedures for recovery of amounts due.

If a write-off of financial assets is later recovered, the recovery is credited to profit or loss in the period in which the recovery occurs.

(7) Transfer of financial assets

Transfer of financial assets refers to the transfer or delivery of financial assets to another party other than the issuer of such financial assets (the transferee).

If The Center transfers substantially all the risks and rewards of ownership of the financial asset to the transferee, the financial asset shall be derecognised. If The Center retains substantially all the risks and rewards of ownership of a financial asset, the financial asset shall not be derecognized.

If The Center neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, it accounts for the transaction as follows: if The Center does not retain control, it derecognises the financial asset and recognises any resulting assets or liabilities; if the control over the financial asset is not waived, the relevant financial asset is recognised according to the extent of its continuing involvement in the transferred financial asset and the relevant liability is recognised accordingly.

(8) Offset of financial assets and financial liabilities

If The Center owns the legitimate rights of offsetting the recognised financial assets and financial liabilities, which are enforceable currently, and The Center plans to realise the financial assets or to clear off the financial liabilities on a net amount basis or simultaneously, the net amount of financial assets and financial liabilities shall be presented in the balance sheet upon offsetting. Otherwise, financial assets and financial liabilities are presented separately in the balance sheet without offsetting.

10. Hedge accounting

“Companies that have not yet implemented New Financial Instruments Standards”:

At the inception of a hedge relationship, The Center formally designates and documents the hedge relationship to which The Center wishes to apply hedge accounting, the risk management objective and its strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how The Center will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Certain transactions of derivative financial instruments provide an effective economic hedge to risks as managed by The Center's risk management, but these transactions do not meet the above criteria of hedge accounting and therefore, they are treated as derivatives held for trading and the changes in their fair value are recognized in profit or loss. Hedges which meet the strict criteria of hedge accounting are accounted for in accordance with The Center's hedge accounting policies below.

Fair value hedge

Fair value hedge refers to a hedge of the exposure to changes in fair value of a recognized asset or liability or an unrecognized firm commitment, or a component of any such item, that is attributable to a particular risk and could affect profit or loss. For fair value hedge, the carrying amount of hedged items is adjusted by the hedging gain or loss on the hedged item in offsetting risk position and the hedging gain or loss is recognized in profit or loss for current period; and the difference in fair value remeasurement of derivative financial instrument is recognized in profit or loss for current period.

If the hedged item is a financial instrument measured at amortized cost, any adjustment to the carrying amount of the hedged item is amortized to profit or loss. The amortization is based on a recalculated effective interest rate at the date that amortization begins. Amortization may begin as soon as an adjustment exists and begin no later than when the hedged item ceases to be adjusted for hedging gains and losses.

When unrecognized firm commitment is designated as a hedged item, the cumulative change in the fair value of the hedged item subsequent to its designation is recognized as an asset or a liability with a corresponding gain or loss recognized in profit or loss. Change in fair value of hedge instrument is also recognized in profit or loss for current period.

When the hedge instrument expires, is sold, terminated or exercised, or hedging relationship is no

longer in accordance with conditions of hedging accounting, or The Center cancels the designation of hedging relationship, The Center will cease to adopt fair value hedging accounting.

Cash flow hedge

Cash flow hedge refers to a hedge of exposure from cash flow changes. This variability in cash flows is attributable to a particular risk associated with a recognized asset or liability or a highly probably forecast transaction and can affect profit or loss. The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized in owners' equity. Any remaining gain or loss on the hedging instrument that is hedged ineffective is recognized in profit or loss for the current period.

When the hedged cash flow affects profit or loss, the gains or losses of hedge instruments previously recognized in shareholders' equity are transferred to profit or loss in the current period. When the hedge instrument expires, is sold, terminated or exercised, or if the hedging no longer fulfills the accounting requirement of a hedge, the gains or losses previously recognized in shareholders' equity are not transferred temporarily until the forecast transactions actually occurs. If the forecast transactions are not expected to occur, then the gains or losses of hedge instruments previously recognized in shareholders' equity are transferred to profit or loss for the current period.

“Companies that have implemented New Financial Instruments Standards”:

When the initial hedging relationship is designated, the Center formally designates the hedging instrument and the hedged item, and has formal written documents to record the hedging relationship, risk management strategy and risk management objectives. The contents of the records include the hedging instrument, the hedged item, the nature of the hedged risk and the evaluation method of the hedging effectiveness.

The Center continuously evaluates the effectiveness of hedging and judges whether the hedging meets the requirements of hedging accounting for effectiveness during the accounting period in which the hedging relationship is designated. If it is not satisfied, the hedging relationship shall be terminated. The application of hedge accounting shall meet the following requirements for the effectiveness of hedging:

- (1) There is an economic relationship between the hedged item and the hedging instrument.
- (2) In the value changes caused by the economic relationship between the hedged item and the hedge instrument, the influence of credit risk does not play a dominant role.
- (3) the hedging relationship of the hedging ratio, amount of the hedged item shall be equal to the enterprise actual hedging and its hedging ratio of the actual number of the hedging instrument, but should not reflect the hedged item and the hedging tools relative weight imbalance, the imbalance will lead to the hedging is invalid, and may be produced with the hedging accounting target inconsistent results.

The Center shall terminate the use of hedge accounting under any of the following circumstances:

- (1) Because of the change of risk management objectives, the hedging relationship no longer meets the risk management objectives.

- (2) The hedging instrument has expired, been sold, the contract has been terminated or exercised.
- (3) There is no economic relationship between the hedged item and the hedge instrument, or in the value change caused by the economic relationship between the hedged item and the hedge instrument, the influence of credit risk starts to play a dominant role.
- (4) The hedge relationship no longer meets the other conditions of using the hedge accounting method.

Fair value hedging

The term "fair value hedging" refers to the hedging of the exposure to a change in the fair value of a recognized asset or liability of the Center, a firm commitment that has not been recognized, or a change in the fair value of a component of the said item arising from a specific risk that will affect the profit or loss or other comprehensive income of the enterprise.

For fair value hedging, the gain or loss generated by the hedging instrument is recorded into the current profit or loss. The gain or loss of the hedged item due to the hedged risk exposure is recorded into the profit or loss of the current period, and the book value of the recognized hedged item that is not measured at its fair value is adjusted.

If the hedged item is a financial instrument (or its components) measured at amortized cost, the adjustment to the book value of the hedged item shall be amortized at the effective interest rate recalculation on the date of the beginning of amortization and shall be recorded into the profit or loss of the current period.

If the hedged item is an unrecognized definite commitment (or part thereof), the accumulated change in the fair value caused by the hedged risk after the designation of the hedging relationship shall be recognized as an asset or liability, and the relevant gains or losses shall be recorded into the profits and losses of each relevant period. When an asset or liability is acquired due to the performance of a certain commitment, the initial recognized amount of the asset or liability is adjusted to include the accumulated change in the fair value of the recognized hedged item.

Cash flow hedging

The term "cash flow hedging" refers to hedging against the risk of changes in cash flow. Such cash flow changes arise from specific risks related to recognized assets or liabilities, anticipated transactions that are highly likely to occur, or components of the above items, and will affect the profit or loss of the enterprise.

The gains or losses generated by the hedging instrument, which are valid for hedging, shall be taken as the cash flow hedging reserve and recorded into other comprehensive income. The part belonging to the invalid hedging (that is, other gains or losses after deducting other comprehensive income) shall be included in the profit or loss for the current period.

For cash flow hedging, a hedged item for the forecast transaction, and the forecast transaction makes the group then confirm a non-financial asset or non-financial liability, or a non-financial asset or non-financial liability expectations of a deal to form a suitable for the determination of fair value hedging accounting commitment, the group will be the original in other comprehensive income to confirm the

amount of cash flow hedging reserve roll-out, included in the amount of initial recognition of assets or liabilities.

For a cash flow hedge that does not fall into the above circumstances, the Center will transfer out the cash flow hedge reserve amount originally recognized in other comprehensive income during the same period when the expected cash flow of the hedge affects the profit or loss and record it into the profit or loss for the current period.

If the amount of cash flow hedge reserve recognized in other comprehensive income is a loss, and the loss is not fully or partially expected to be made up in the future accounting period, when the Center is expected to be made up, the part that is not expected to be made up will be transferred out of other comprehensive income and recorded into the profit or loss for the current period.

When the Center applies the hedge accounting for the termination of the cash flow hedge, if the future cash flow to be hedged is still expected to occur, the amount of the accumulated cash flow hedge reserve recognized in other comprehensive income will be retained until the expected transaction actually occurs, and then it will be treated according to the above-mentioned accounting policies for the cash flow hedge. If the future cash flow to be hedged is no longer expected to occur, the amount of the accumulated cash flow hedge reserve recognized in other comprehensive income shall be transferred out from other comprehensive income and recorded into profit or loss for the current period. The hedged future cash flow is no longer expected to occur but may still be expected to occur. In the case of expected occurrence, the amount of the accumulated cash flow hedge reserve will be retained until the expected transaction actually occurs, and then it will be treated according to the accounting policy of the above cash flow hedge.

11. Receivables

“Companies that have not yet implemented New Financial Instruments Standards”:

Receivables include notes receivable, accounts receivables and other receivables.

(1) Receivables that are individually significant and assessed individually for impairment

Criteria of individually significant receivables: the carrying amount of receivables of over RMB 50 million (50 million inclusive) are recognized as individually significant receivable.

Method of provisioning for bad and doubtful debts for receivables that are individually significant and assessed individually: Receivables that are individually significant are subject to separate impairment assessment, if there is objective evidence of impairment, provision for bad debts is recognized on the shortfall between the present value of future cash flows and the carrying amount.

For receivables not having been individually assessed as impaired, The Center makes impairment assessment collectively.

(2) Receivables that are individually insignificant but assessed individually for impairment

Reasons for provision individually	Litigation receivables, receivables from customer with deteriorating creditability.
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Method of provision	Recognize the provision for bad debts on the shortfall between the present value of future cash flows and the carrying amount.
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(3) Receivables that are collectively assessed for impairment

Other receivables with insignificant individual amounts are divided into several portfolios based on credit risk characteristics. Based on the actual loss rate of the accounts receivable portfolio with similar or similar credit risk characteristics in the previous year, each portfolio is determined based on the current situation. The provision for bad debts that should be provided for the current period as determined on the ratio of provision for bad debts.

“Companies that have implemented New Financial Instruments Standards”:

Refer to Note IV.9 **“Companies that have implemented New Financial Instruments Standards” – (6) Impairment of financial assets.**

12. Inventories

(1) Classification of inventories

Inventories of The Center include raw materials, semi-finished goods and work-in progress (including completed but unsettled construction projects and real estate products under development), finished goods (including completed real estate products), reusable materials (packaging materials, low-value consumables), and consumptive biological assets.

(2) Method for calculating value of inventories and amortization

The Center adopts perpetual inventory system. Inventories are measured at the actual cost on acquisition. The difference between the planned cost and the actual cost shall be calculated through the cost difference account, and the cost difference borne by the inventory shall be carried over on schedule, and the planned cost shall be adjusted to the actual cost. Low value consumables and low value packaging materials are one-time write off when taken for use.

Construction contract is measured on actual costs, including both direct and indirect expenses, that attributable to the contract execution, incurred from the date of contract to the date of completion. Presentation of construction contract in balance sheet is being the net amount of cumulative costs incurred and cumulative gross margin (loss) recognized deducting the amount of billings. When the total of cumulative costs incurred and cumulative gross margin (loss) recognized in construction contract is exceeding the amount of billings, the net amount is presented as “Completed but not billed balances arising from construction contracts” in inventories. When the amount of billings in construction contract is exceeding the total of cumulative costs incurred and cumulative gross margin (loss) recognized, the net amount is presented as “Billed but not completed balances arising from construction contracts” in advance from customers.

For those travelling expenses and bidding fees arising for obtaining the contract, if the cost can be distinguished and reliable measured and the contract is likely to be concluded, they are included in the contract cost when the contract concluded. Otherwise, they are recorded in profit or loss for the current period.

(3) Provision for decline in value of inventories

At balance sheet date, when the cost of inventory exceeds its net realizable value, provision for decline in value of inventories is recognized. The Center usually recognizes provision for decline in value of inventories by a single or group of inventory item. When the factors causing the inventory impairment no longer exist, the provision for decline in value of inventories previously made is reversed.

(4) Basis for determining the net realizable value

Net realizable value is the estimated selling price less estimated costs to be incurred upon completion, estimated selling expenses and related taxes. When determining the net realizable value of inventory, basis is relied on the actual evidences obtained while the objectives of inventories holding and the impact of post balance sheet date event are also considered.

13. Long-term equity investments

Long-term equity investments include equity investments where the Center has control of, or significant influence over and equity investments in joint venture. Where the Center can exercise significant influence over the investee, the investee is an associate.

(1) Determination of investment cost

Long-term equity investment acquired through a business combination: For a business combination involving enterprises under common control, the initial investment cost of a long-term equity investment is the combining party's share of the carrying amount of the owners' equity of the combined party in the consolidated financial statements of the ultimate controlling party at the date of combination. For a business combination not involving enterprises under common control, the initial investment cost of a long-term equity investment is the cost of acquisition. Business combinations involving entities under common control achieved in stage that involves multiple transactions, the initial investment cost of a long-term equity investment is sum of the book value of long-term equity investment which prior to the purchase date and the new investment amount of purchasing date.

Long-term equity investment acquired other than through a business combination: For a long-term equity investment acquired by cash, the initial investment cost is the amount of cash paid. For a long-term equity investment acquired by issuing equity securities, the initial investment cost is the fair value of the equity securities issued.

(2) Subsequent measurement and recognition of profit or loss

The Center has the control of the investee is accounted for using the cost method. The investment in associates and joint ventures are accounted for using the equity method.

For long-term equity investment which is accounted for using the cost method, investment income is recognized in profit or loss for the current period as the cash dividend or profit announced and distributed, except for those cash dividend or profit which have already included in the actual payment or consideration of offer when the investment was made.

For long-term equity investment which is accounted for using the equity method, where the initial

investment cost of a long-term equity investment exceeds The Center's interest in the fair values of the investee's identifiable net assets, no adjustment is made to the initial investment cost. Where the initial investment cost is less than The Center's interest in the fair values of the investee's identifiable net assets, the difference is charged to profit or loss for the current period, and the carrying amount of the long-term equity investment is adjusted accordingly.

Under the equity method, The Center recognizes its share of the investee's net profit or losses, as well as its share of the investee's other comprehensive income, as investment income or losses and other comprehensive income, and adjust the carrying amount of the investment accordingly. The carrying amount of the investment is reduced by the portion of any profit distributions or cash dividends declared by the investee that is attributable to The Center. The Center's share of the investee's owners' equity changes, other than those arising from the investee's net profit or loss, other comprehensive income or profit distribution, is recognized in the capital reserve, and the carrying amount of the long-term equity investment is adjusted accordingly. The Center recognizes its share of the investee's net profits or losses based on the fair values of the investee's individual separately identifiable assets at the time of acquisition, after making appropriate adjustments thereto in conformity with the accounting policies and accounting periods of The Center.

When The Center becomes capable of exercising significant influence or joint control (but not sole control) over an investee due to additional investment or other reasons, the accounting is changed to the equity method and the initial investment cost on the date of change is the sum of the fair value of the previously-held equity investment and additional investment cost. The differences between the fair value and carrying amount of previously-held equity investment and the accumulated changes in fair value included in other comprehensive income are transferred to profit or loss for the current period upon commencement of the equity method.

The unrealized profit or loss from internal transactions entered into between The Center and its associate or joint venture is offset according to the shareholding percentage held by The Center and the remaining portion is recognized as investment income or loss. However, the unrealized loss from internal transactions entered into between The Center and its investee is not offset if it belongs to impairment loss from assets transferred.

(3) Basis for recognition of joint control or significant influence over an investee

Control is The Center held the rights in investee and enjoys the changeable return through the participation relevant activities in the investee and has the ability to use the investee's rights to influence the return amount. Subsidiary refers to controlled by The Center (including enterprise, separable parts in investee and structuring bodies controlled by the enterprise, etc.).

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. In assessing whether joint control of an arrangement exists, The Center firstly assesses whether all the parties or a group of the parties control the arrangement collectively. When all the parties or a group of the parties must act together unanimously in directing the relevant activities, then all the parties or a group of the parties are regarded as having joint control of an arrangement. Then assess whether decisions about the relevant activities require the unanimous consent of those parties that control the arrangement collectively. When more than one combination of the parties can control an arrangement collectively, joint control does not exist. Protective rights of any party are not considered when

determining joint 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 of those policies. When determining whether an investor can exercise significant influence over an investee, the effect of potential voting rights (for example, warrants, share options and convertible bonds) held by the investors or other parties that are currently exercisable or convertible be considered.

When The Center, directly or indirectly through subsidiaries, owns more than 20% (20% inclusive) but less than 50% of the voting shares of the investee, The Center has significant influence on the investee unless there is clear evidence to show that The Center cannot participate in the business and operation decisions of the investee, and accordingly cannot exercise any significant influence. When The Center owns less than 20% of the voting shares of the investee, The Center has no significant influence on the investee unless there is clear evidence to show that The Center can participate in the business and operation decisions of the investee, and accordingly can exercise a significant influence.

(4) Disposal of long-term equity investments

On disposal of a long-term investment, the difference between the carrying amount of the investment and the actual consideration paid is recognized in current profit or loss. For a long-term equity investments accounted for using the equity method, when dispose of the investment, same basis shall be adopted as if the investee is dispose relevant assets or liabilities, other comprehensive income shall be accounted for on a pro-rata basis according to the proportion of disposed investment.

When the joint control or significant influence over the invested unit are lost due to disposal of partial equity investment etc., the residual equity after disposal shall be recognized in current profit or loss as the variance between the fair value on the date of joint control or significant influence is lost and book value. Other comprehensive income for the original equity investment confirmed by equity method should, when equity method is terminated for accounting, adopt the same accounting treatment as the investee directly dispose relevant assets or liabilities; the change of other owners' equity related to the original equity investment shall be transferred into current profit and loss.

When the control over the investee are lost due to disposal of partial equity investment etc., if the residual equity after disposal could exert common control or important influence over the investee, equity method shall be adopted for the accounting, and adjustment shall be made on this partial equity deemed that equity method has been used for accounting since the acquisition; when the residual equity after disposal could not exert common control or important influence over the investee, accounting treatment shall be made according to relevant regulations in Accounting Standard for Business Enterprises No. 22-The recognition and measurement of financial instruments, and the difference between the fair value and book value on the date when the control right is lost shall be recorded in the current profit and loss.

(5) Method of impairment testing and impairment provision

For investment of subsidiaries, associates and joint ventures, refer to Note IV. 23 for The Center's method of asset impairment.

14. Investment properties

Investment property is a property held to earn rentals or for capital appreciation. The Center's investment property includes land use rights and buildings leased to other party, and land use rights held for appreciation.

The Center's investment property is initially measured at acquisition cost, and is depreciated or amortized according to the same policy for fixed assets or intangible assets.

Investment properties of Jingcheng Electromechanical, Beijing Energy Group, and BBMG Group adopt fair value measurement. Investment properties of other companies adopt cost model for subsequent measurement. See Note IV. 23 for the method of accruing asset impairment.

The Center's investment properties have active property transaction market, and the Center can obtain market prices and other relevant information of same or similar property from the property transaction market, so as to make a reasonable estimate of the fair value of the investment properties. The Center adopts the fair value model for subsequent measurement of investment property, and any change in fair value are included in the profit or loss for the current period.

When determining the fair value of investment properties, it is reference to the current market price of the same or similar property in active market. If the current market price of the same or similar property cannot be obtained, it is reference to the latest transaction price of the same or similar or similar property in active market, and consider the transaction circumstance, transaction date, location and other factors, so as to make a reasonable estimate of the fair value of investment properties; or based on the present value of the relevant cash flow of expected future rental income to determine its fair value.

When an investment property is sold, transferred, retired or damaged, the amount of proceeds on disposal of the property deducting the carrying amount and related taxes and surcharges is recognized in profit or loss for the current period.

15. Fixed assets

(1) Recognition of fixed assets

Fixed assets are tangible assets that are held for use in the production or supply of services, for rental to others, or for administrative purposes and have useful lives more than one accounting year.

Fixed assets are only recognized when its related economic benefits are likely to flow to The Center and its cost can be reliably measured.

Fixed assets are initially measured at cost when acquired.

(2) Category of fixed assets and depreciation methods

The Center adopts straight line method in providing depreciation. Fixed assets start to provide depreciation when they reach the intended status of use, and ceased to continue depreciation when they are derecognized or classified as non-current assets held for sale. Without considering provision for impairment, the annual depreciation rate of various fixed assets is determined according to the category of fixed assets, estimated useful lives and estimated residual value. For impaired fixed assets,

cumulative amount of impairment provision is deducted in determining the depreciation rate.

(3) Impairment testing and the impairment provision of fixed assets refers to Note IV. 23.

(4) Determination and measurement of fixed assets under financing lease

“Companies that have not yet implemented the new lease standard”:

Fixed assets under lease arrangement are determined as fixed assets under financing lease if they meet one or more of the following criteria:

- ① The ownership of leased assets is transferred to The Center by the end of the lease term.
- ② The Center has the option to purchase the asset at a price that is expected to be sufficiently lower than the fair value at the date of the option becomes exercisable for it to be reasonably certain, at the inception of the lease, that the option will be exercised.
- ③ Lease term is for the major part of the useful life of the asset even if the ownership of assets is not transferred.
- ④ At the inception of lease, the present value of minimum lease payments amounts to at least substantially all of the fair value of leased asset.
- ⑤ Leased assets are of such a specialized nature that only The Center can use them without major modifications.

At inception date of lease, the leased assets are recognized at the lower of the fair value of leased asset at inception date and the present value of minimum lease payments. Amount of minimum lease payments is recorded as long term payables, and the difference between them is recorded as unrecognized financing charges. Initial direct costs such as service charges, legal fee, travelling expenses and stamp duty of the lease incurred for the lease are recognized in the amount of leased assets. Unrecognized financing charges are amortized over the lease term by effective interest method.

Fixed assets under financing lease are depreciated on a basis consistent with the depreciation policy adopted for fixed assets that are self-owned. When a leased asset can be reasonably determined that its ownership will be transferred at the end of the lease term, it is depreciated over the expected useful life. When there is uncertainty about the ownership of leased asset will be transferred at the end of the lease term, the leased asset is depreciated over the shorter of the lease term and the expected useful life.

(5) The Center reviews the useful life, estimated net residual value and the depreciation method of fixed assets at the end of each financial year

Useful lives of fixed assets are adjusted if they are different with the initial estimates. Estimated net residual values are adjusted if they are different with the initial estimates.

(6) Overhaul costs

The overhaul costs incurred in regular inspection of fixed assets are capitalized as cost of fixed assets if there is clear evidence that it meets the recognition criteria of fixed assets. It is recognized in profit or loss for the current period if it does not meet the recognition criteria of fixed assets. Depreciation continues during the period of regular overhaul.

16. Construction in progress

Construction in progress is recognized based on the actual construction cost, including all expenditures incurred for construction projects, capitalized borrowing costs for the construction in progress before it has reached the working condition for its intended use and other related expenses during the construction period.

Construction in progress is transferred to fixed assets when it has reached the working condition for its intended use.

Provision for impairment of construction in progress refers to note IV. 23.

17. Borrowing costs

(1) Recognition of borrowing costs capitalization

Borrowing costs are capitalized when they are directly attributable to the acquisition, construction or production of a qualifying asset and included in the cost of related assets. Other borrowing costs are recognized as expenses and recorded in profit or loss for the current period when incurred. Capitalization of such borrowing costs commenced only when all of the following conditions are satisfied:

- ① Expenditures for the asset are being incurred, capital expenditure includes the expenditure in the form of cash payment, transfer of non-cash assets or interest bearing liabilities for the purpose of acquiring or constructing assets eligible for capitalization;
- ② Borrowing costs are being incurred; and
- ③ 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.

(2) Borrowing costs capitalization period

Capitalization of such borrowing costs ceases when the qualifying assets being acquired, constructed or produced become ready for their intended use or sale. Borrowing cost incurred after the qualifying assets became ready for their intended use or sale is recognized as an expense when incurred and recorded in profit or loss for the current period.

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. Borrowing costs continues to be capitalized during the normal suspension period.

18. Biological assets

(1) Criteria of recognition of the biological assets

Biological assets refer to the assets constituted by living animals and plants. Biological assets are recognized only when the Center can satisfy all of the following conditions:

- ① The Center owns or controls the biological asset due to past transactions or events.
- ② The associated economic benefits are likely to flow into the Center;
- ③ The costs of biological assets can be measured reliably.

(2) Classification of biological assets

The Center's biological assets include consumptive biological assets, productive biological assets and public welfare biological assets.

① Consumptive biological assets

Consumptive biological assets include biological assets held for sale, or harvested in the future as agricultural products consisting of growing field crops, vegetables, commercial forests, livestock on hand etc. Consumptive biological assets are initially measured at cost. The cost of consumptive biological assets by self-cultivating, constructing, breeding or planting is the necessary expenditure directly attributable to the consumptive biological assets incurred before crown closure including qualifying borrowing costs. The subsequent expenditure for managing, protecting and feeding the consumptive biological assets after crown closure is recognized in profit or loss.

When consumptive biological assets are harvested or sold, the cost of consumptive biological assets being harvested or sold is measured by weighted average method.

② Productive biological assets

Productive biological assets include biological assets held for the purpose of producing agricultural products, rendering labor services, renting etc., consisting of the economic forests, fuel forests, productive livestock, draught animals etc. Productive biological assets are initially measured at cost. The cost of productive biological assets by self-growing or breeding is the necessary expenditure directly attributable to the productive biological assets incurred before achieving the expected objective of production and operation including qualifying borrowing costs.

The subsequent expenditure for managing, protecting and feeding the productive biological assets after crown closure or achieving the expected objective of production and operation is recognized in profit or loss.

Depreciation of productive biological assets is calculated using the straight-line method, and the depreciation rate is determined after deducting the residual value based on the estimated useful life of various biological assets.

The Center reviews the useful life, estimated net residual value, and depreciation method of Productive biological assets at least at the end of each year. Any changes will be treated as changes in accounting estimates.

The difference of the disposal income from the sale, inventory loss, death or damage of productive biological assets after deducting its carrying value and related taxes is included in the profit or loss for the current period.

③ Public welfare biological assets

Public welfare biological assets refer to the biological assets whose main purpose is protection and environmental protection, including windbreak and sand fixation forests, soil and water conservation forests and water resource conservation forests. Biological assets for public welfare shall be initially measured according to the cost. The cost of a self-created public welfare biological asset refers to the necessary expenditures that can be directly attributed to the asset before the asset is closed, including the borrowing costs that meet the capitalization conditions.

Subsequent expenditures such as management and maintenance expenses and feeding expenses incurred after the closure of public welfare biological assets shall be recorded into the profit or loss for the current period.

Public welfare biological assets shall be measured according to the cost. There is no provision for impairment of public welfare biological assets.

The balance of the disposal income from the sale, inventory loss, death or damage of public welfare biological assets after deducting its carrying value and relevant taxes and fees is recorded into the profit or loss for the current period.

(3) Impairment of biological assets

If the net realizable value of consumptive biological assets is lower than its carrying value, the provision for decline in value of biological assets shall be accrued according to the difference between the net realizable value lower than the carrying value and included in the profit or loss for the current period. If the factors affecting the impairment of consumptive biological assets have disappeared, the write-down amount shall be reversed and not exceeding the amount of previous provision for decline in value, and the reversal amount shall be included in the profit or loss for the current period.

Refer to Note IV. 23 for the method of accruing asset impairment for productive biological assets.

No provision for impairment is provided for public welfare biological assets.

19. Right-of-use assets

(1) Recognition of right-of-use assets

The Center's right-of-use assets refer to the Center's right to use the leased assets during the lease term as the lessee.

On the beginning date of the lease period, the right-of-use assets shall be initially measured at cost. The cost includes: the initial measurement amount of the lease liability; the amount of lease payment paid on or before the commencement date of the lease term, if there is a lease incentive, the relevant amount of lease incentive already enjoyed will be deducted; initial direct expenses incurred by the Center as the lessee; the costs which the Center, as the lessee, expects to incur in dismantling and removing the leased assets, restoring the premises on which the leased assets are located or restoring the leased assets to the state agreed in the lease contracts. The Center, as the lessee, recognizes and measures the costs of demolition and restoration in accordance with the Accounting Standards for Business Enterprises No. 13 - Contingencies. Subsequent adjustments are made for any remeasurement of lease liabilities.

(2) Depreciation method of the right-of-use assets

The Center adopts the straight line method for depreciation. Where the Center, as the lessee, can reasonably determine that it obtains the ownership of the leased assets upon expiration of the lease term, depreciation is provided over the remaining service life of the leased assets. Where it is unable to reasonably determine that the ownership of the leased asset can be obtained at the expiration of the lease term, depreciation is provided in the shorter period between the lease term and the remaining useful life of the leased asset.

(3) Impairment method of right-of-use assets refers to Note IV. 23.

20. Intangible assets

The Center's intangible assets include land use rights, software, intellectual property rights, patent rights, non-patent technology, trademark rights, copyrights, franchise rights, mining rights, exploration rights, etc.

Intangible asset is initially measured at cost and its useful life is determined on acquisition. An intangible asset with a finite useful life is amortized by a method which can reflect the expected realization of economic benefits related to the asset since the intangible asset is available for use. When the expected realization of economic benefits cannot be reliably determined, intangible asset is amortized under straight-line method. An intangible asset with an indefinite useful life is not amortized.

The Center reviews the finite useful life of an intangible asset and the amortization method at the end of each financial year. Any change is accounted for as a change in accounting estimate.

On the balance sheet date, if it is expected that an intangible asset can no longer bring future economic benefits to The Center, the carrying amount of the intangible asset is fully transferred to the profit or loss for the current period.

Impairment method of intangible assets refers to Note IV. 23.

21. Research and development expenditure

Expenditure on an internal research and development project is classified into expenditure on the research phase and expenditure on the development phase.

Expenditure on the research phase is recorded in profit or loss when incurred.

Expenditure on the development phase is capitalized only when The Center can satisfy all of the following conditions: it is technical feasible that the intangible asset can be used or sold upon completion; there is intention to complete the intangible asset for use or sale; the intangible asset can generate economic benefits, including there is evidence that the products produced using the intangible asset has a market or the intangible asset itself has a market; if the intangible asset is for internal use, there is evidence that there is usage for the intangible asset; there is sufficient support in terms of technology, financial resources and other resources in order to complete the development of the intangible asset, and there is capability to use or sell the intangible asset; the expenses attributable to the development stage of the intangible asset can be measured reliably. Expenditure on the development phase is recorded in profit or loss for the current period if the above conditions are not met.

Research and development projects of The Center will enter into the development phase when they meet the above conditions and pass the technical feasibility and economic feasibility studies and necessary approval of the project.

Capitalized expenditure on the development phase is presented as “development costs” in the balance sheet and is transferred to intangible assets when the project is completed to its intended use.

22. Long-term deferred expenses

Long-term deferred expenses are recorded at the actual cost, and amortized evenly over the expected benefit period. For the long-term deferred expense that cannot benefit in future accounting period, their amortized value is recognized in profit or loss for the current period.

23. Impairment of assets

The impairment of subsidiaries, associates and joint ventures in the long-term equity investments, investment property subsequently measured at cost model, fixed assets, construction in progress, productive biological assets, right-of-use assets, intangible assets and goodwill (excluding inventories, investment property measured at fair value model, deferred income tax assets and financial assets) are determined as follows:

At each balance sheet date, The Center determines whether there may be indication of impairment of the assets, if there is any, The Center will estimate the recoverable amount of the asset, and perform test for impairment. For goodwill arising from a business combination, intangible assets with indefinite useful life and intangible assets that have not reached the usable condition are tested for impairment annually regardless of whether such indication exists.

The recoverable amount of an asset is determined by the higher of the net amount after deducting the disposal costs from the asset's fair value and the present value of the asset's estimated future cash flow. The recoverable amount of asset is estimated on individual basis. If it is not possible to estimate the recoverable amount of the individual asset, The Center determines the recoverable amount of the

asset group to which the asset belongs. The identification of the asset group is based on whether the cash flow generated from the asset group is independent of the major cash inflows from other assets or asset groups.

When the asset or asset group's recoverable amount is lower than its carrying amount, The Center reduces its carrying amount to its recoverable amount, the reduced amount is recorded in profit or loss for the current period and the provision for impairment of assets is recognized.

For tests of goodwill impairment, the carrying amount of goodwill arising from a business combination is allocated reasonably to the relevant asset group since the acquisition date. If the carrying value of goodwill is unable to be allocated to asset group, the carrying value of goodwill will be allocated to asset portfolio. Asset group or portfolio of asset group is asset group or portfolio of asset group which can benefit from synergies of a business combination and is not greater than the reportable segment of The Center.

In impairment testing, if indication of impairment exists in asset group or portfolio of asset group containing allocated goodwill, impairment test is first conducted on asset group or portfolio of asset group that does not contain goodwill, and corresponding recoverable amount is estimated and any impairment loss is recognized. Then asset group or portfolio of asset group containing goodwill is conducted impairment test by comparing its carrying amount and its recoverable amount. If the recoverable amount is less than the carrying amount, impairment loss of goodwill is recognized.

Once an impairment loss is recognized, it is not reversed in a subsequent period.

24. Employee benefits

(1) Scope of employee benefits

Employee benefits refer to all forms of consideration or compensation given by The Center in exchange for service rendered by employees or for the termination of employment relationship. Employee benefits include short-term employee benefits, post-employment benefits, termination benefits and other long-term employee benefits. Benefits provided to the employee's spouse, children, dependents, family members of deceased employees, or other beneficiaries are also employee benefits.

(2) Short-term employee benefits

In the accounting period in which employees have rendered services, The Center recognized the employee wages, bonus, social security contributions according to regulations such as medical insurance, work injury insurance and maternity insurance as well as housing funds as liability, and charged to profit or loss for the current period or cost of relevant assets. If the liability is not expected to be settled wholly in twelve months after the balance sheet date, and the amount is significant, the liability is measured at the discounted amount.

(3) Post-employment benefits

Post-employment benefit plan includes defined contribution plans and defined benefit plans. Defined contribution plans are post-employment benefit plans under which a corporate pays fixed contributions into an escrow fund and will have no further obligation. Defined benefit plans are post-employment

benefit plans other than defined contribution plans.

Defined contribution plans

Defined contribution plans include basic pension insurance, unemployment insurance and corporate annuity plan.

In the accounting periods which employees rendered services, the amount of defined contribution plan is recognized as liability and charged to profit or loss for the current period or cost of relevant assets.

Defined benefit plans

For defined benefit plans, independent actuaries estimate the actuarial value at the balance sheet date to determine the cost of welfare by using the Projected Unit Credit method. The Center recognizes the following components of employee benefits cost arising from defined benefit plan:

- ① service cost, comprising current service cost, past service cost and any gain or loss on settlement. Current service cost is the increase in the present value of the defined benefit plan obligation resulting from employee service in the current period. Past service cost is the increase or decrease in the present value of the defined benefit plan obligation for employee service in prior periods, resulting from a plan amendment.
- ② net interest on the defined benefit plan net liabilities or assets, including interest income on plan assets, interest cost on the defined benefit plan obligation and interest on the effect of the asset ceiling.
- ③ changes as a result of remeasurement of the net defined benefit plan liabilities or assets.

Item① and item② above are recognized in profit or loss for the current period unless another Accounting Standard requires or permits the inclusion of the employee benefit costs in the cost of assets. Item③ is recognized in other comprehensive income and is not reclassified to profit or loss in subsequent period. On termination of defined benefit plans, other comprehensive income previously recognized is transferred to retained earnings.

(4) Termination benefits

Termination benefits provided by The Center to employees are recognized as an employee benefits liability and charged to profit or loss for the current period at the earlier of the following dates: The Center cannot unilaterally withdraw the offer of termination benefits because of an employment termination plan or a curtailment proposal; and when The Center recognizes costs or expenses related to the restructuring that involves the payment of termination benefits.

For early retirement arrangement, early retirement benefits are accounted for termination benefits, in which the salaries and social security contributions to be paid to and for the early retired employees from the off-duty date to the normal retirement date are charged to the profit or loss for the current period. Compensations after the normal retirement date (such as formal endowment insurance) are accounted for as post-employment benefits.

(5) Other long-term employee benefits

Other long-term employee benefits provided by The Center to the employees satisfied the conditions for classifying as a defined contributions plan; those benefits are accounted for in accordance with the above requirements relating to defined contribution plan. When the benefits satisfied a defined benefits plan, they are accounted for in accordance with the above requirements relating to defined benefits plan, but the movement of net liabilities or assets in re-measurement of defined benefit plan is recorded in profit or loss for the current period or cost of relevant assets.

25. Share-based payments

(1) Types of share-based payment

The share-based payment can be distinguished into equity-settled and cash-settled share-based payment

(2) Determination of fair value of equity instruments

If there exists an active market for options and other equity instruments granted by the Center, their fair value is determined on the price quotes in an active market. If an active market does not exist for options and other equity instruments granted by the Center, their fair value is determined by using an option pricing model. Selection of option pricing model considers the following factors: A) Exercise price of option; B) Validity period of option; C) Spot price of subject shares; D) Estimated volatility of share price; E) Estimated dividend of shares; F) Risk-free interest rate in the validity period of option.

(3) Basis for the best estimate of vested equity instruments

At each balance sheet date of the vesting period, the Center revises the number of equity instruments that will ultimately vest based on the best estimate of the latest number of eligible employees and other subsequent information. On vesting date, the number of expected vested equity instruments should be agreed with the actual number vested.

26. Bonds payable

The bonds issued externally shall be initially measured according to the amount that the fair value net of transaction expense, and subsequently measured at amortized cost using the effective interest method through the maturity date.

Interest expenses are directly recorded into profit or loss for the current period, except in certain situation where they meet the conditions of capitalization of borrowing costs.

27. Provisions

A provision is recognized as a liability when an obligation related to a contingency satisfied all of the following conditions:

- (1) The obligation is a present obligation of The Center;

- (2) It is probable that an outflow of economic benefits will be required to settle the obligation;
- (3) The amount of the obligation can be measured reliably.

Provisions are initially measured at the best estimate of the payment to settle the associated obligations and consider the relevant risk, uncertainty and time value of money. If the impact of time value of money is significant, the best estimate is determined as its present value of future cash outflow. The Center reviews the carrying amount of provisions at the balance sheet date and adjusts the carrying amount to reflect the best estimate.

If all or part of the expenses necessary for settling the provision is expected to be compensated by a third party, the amount of compensation is separately recognized as an asset when it is basically certain to be received. The recognized compensation amount shall not exceed the carrying value of the provision.

28. Preference shares and perpetual bonds

The Center initially recognizes and measures financial instrument in accordance with the standards of financial instrument. On the basis of the category of financial instrument issued, interest is accrued or dividends are paid at each balance sheet date according to the relevant specific enterprise accounting standards. For the financial instrument classified as equity instrument, the interest or dividend paid is treated as profit distribution of the Center and the repurchase and cancellation of the financial instrument is treated as the movement in equity. For the financial instrument classified as financial liability, the interest or dividend paid is treated as borrowing cost for accounting treatment and gains or losses arising from the repurchase or redemption of financial instrument is recognized in profit or loss for the current period.

The transaction costs such as handle charges and commission in issuance of financial instrument are recognized in the initial recognition amount of issued instrument if it is classified as liability instrument and measured by amortized cost. The transaction costs are deducted from equity if it is classified as equity instrument.

29. Revenue recognition

“Companies that have not yet implemented the new revenue standards”:

(1) Sale of goods

Revenue from the sale of goods is recognized when The Center has transferred to the buyer the significant risks and rewards of ownership of the goods, The Center retains neither continuing managerial involvement nor effective control over the goods sold, and related income can be measured reliably and the economic benefits are likely to flow to The Center, and the associated costs can be measured reliably.

(2) Rendering of services

When the result of rendering of services can be measured reliably, The Center recognizes related revenue from services in accordance with the percentage of completion as at the balance sheet date.

The completion progress of rendering service is recognized by service cost incurred as a percentage of estimated total cost.

The result of rendering of services can be estimated reliably when all of the following conditions are satisfied: A) The amount of revenue can be measured reliably; B) The associated economic benefits are likely to flow into The Center; C) The completion progress of the transaction can be measured reliably; D) The costs incurred and to be incurred in the transaction can be measured reliably.

If the result of rendering of service transaction cannot be estimated reliably, revenue from rendering of services is recognized only to the extent of service cost incurred that is recoverable probably, and service cost incurred is charged to profit or loss for the current period. If the service cost incurred is not expected to be recoverable, no revenue is recognized.

(3) Transfer of the right to use assets

Revenue is recognized when the economic benefits associated with the transfer of the right to use assets can flow to The Center and the amount can be measured reliably.

(4) Construction contracts

Where the outcome of a construction contract can be estimated reliably at the balance sheet date, revenues and expenses associated are recognized using the percentage of completion method. Where the outcome of a construction contract cannot be estimated reliably, it is treated either: if contract costs is recoverable, contract revenue is recognized on actual contract costs that can be recovered and contract costs incurred is regarded as expenses in the current period. If the contract cost incurred is not recoverable, the contract cost is regarded as expenses and no revenue is recognized.

If the estimated total costs exceed contract revenue, The Center recognizes estimated loss in profit or loss for the current period.

The completion progress of contract is recognized by contract cost incurred as a percentage of estimated total contract.

The outcome of a construction contract can be estimated reliably when all of the following conditions are satisfied: A) The amount of contract revenue can be measured reliably; B) The associated economic benefits are likely to flow to The Center; C) The actual contract costs incurred can be distinguished clearly and measured reliably; D) The completion progress of the contract and the costs need to be incurred to complete the contract can be measured reliably.

“Companies that have implemented the new revenue standards”:

The Center recognizes revenue when (or as) a performance obligation is satisfied, i.e. revenue is recognized when the control of the goods or services is transferred to the customer.

Where the contract includes two or more performance obligations, the Center determines the stand-alone selling price at contract inception of the distinct good or service underlying each performance obligation in the contract and allocates the transaction price in proportion to those stand-alone selling prices. Revenue of each performance obligation is measured on the allocated

transaction price.

A performance obligation is satisfied over time if one of the following criteria is met, otherwise, it is a performance obligation satisfied at a point in time:

- ① when the customer simultaneously receives and consumes the benefits provided by the Center when the Center performs its obligations under the contract ;
- ② when the customer is able to control the goods in progress in the course of performance by the Center under the contract ;
- ③ when the goods produced by the Center under the contract are irreplaceable and the Center has the right to receive payment for performance completed to date during the whole contract term .

For performance obligations performed over a period of time, the Center recognizes revenue according to the progress of the performance during that period. If the Center cannot reasonably measure the outcome of a performance obligation, but the Center expects to recover the costs incurred in satisfying the performance obligation, then revenue is recognized only to the extent of the costs incurred until such time that the outcome of the performance obligation can be reasonably measured.

For performance obligations performed at a point in time, the Center recognizes revenue when the customer obtains control of the goods or services. In determining whether a customer has obtained the control of goods or services, the Center will consider the following factors:

- ① The Center has a present right to receive payment for the goods or services, that is the customer is presently obliged to pay for the goods or services;
- ② the Center has transferred the legal title of the goods to the customer, that is the customer has legal title to the goods;
- ③ the Center has transferred physical possession of the goods to the customer, that is the customer has physical possession of the goods;
- ④ the Center has transferred the significant risks and rewards of ownership of the goods to the customer, that is the customer has the significant risks and rewards of ownership of the goods;
- ⑤ the customer has accepted the goods or services;
- ⑥ Other indications that the customer has obtained control of the goods.

A contract asset is the Center's right to consideration (and the right depends on other factors other than a passage of time) in exchange for goods or services that the Center has transferred to a customer. A

contract asset is assessed for impairment on the basis of expected credit loss (refer to Note IV.9 “Companies that have implemented New Financial Instruments Standard”- (6)) . A receivable represents the Center’s unconditional right to consideration (only the passage of time is required) to be received from the customer. A contract liability represents the Center’s obligation to transfer goods or services to a customer for which the Center has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to a contract are accounted for and presented on a net basis. If the net amount is debit balance, it is presented as “contract assets” or “other non-current assets” according to its liquidity; if the net amount is credit balance, it is presented as “contract liabilities” or “other non-current liabilities” according to its liquidity.

30. Contract costs

Contract costs consist of incremental costs of obtaining a contract and contract fulfillment costs.

Incremental costs of obtaining a contract are those costs that an entity incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained (for example, a sales commission). The Center recognizes as an asset the incremental costs of obtaining a contract with a customer if those costs are expected to be recoverable. Other expenses incurred by the Center other than the incremental costs that are expected to be recovered in obtaining a contract are recognized in profit or loss for the current period when incurred.

The Center recognizes as an assets the costs incurred in fulfilling a contract with a customer if those costs are not within the scope of another Standard (for example, Inventories) and meet all of the following criteria:

- ① the costs relate directly to a contract or to an anticipated contract, including direct labour, direct materials, manufacturing costs (or similar costs) , costs that are explicitly chargeable to the customer and other costs that are incurred only because the Center entered into the contract;
- ② the costs generate or enhance resources of the Center that will be used in satisfying performance obligations in the future; and
- ③the costs are expected to be recovered.

Assets recognised on incremental costs of obtaining a contract and contract performance costs (hereinafter refer as “Contract assets”) are amortized on a systematic basis that is consistent to the revenue recognition of the related goods or services, and are charged to profit or loss for the current period.

The Center recognises provision for impairment of assets when the carrying amount of contract asset is higher than the difference between the following two items:

- ① the remaining amount of consideration that the Center expects to receive in exchange for the goods or services to which the asset relates;

- ② costs anticipated to be incurred for the transfer of goods or services.

As determined at contract inception, contract fulfilment costs that is recognised as an asset is presented as “inventories” if the amortization period is not more than one year or one operating cycle, or is presented as “other non-current assets” if the amortization period is more than 1 year or one operating cycle.

As determined at contract inception, incremental costs of obtaining a contract that is recognised as an asset is presented as “other current assets” if the amortization period is not more than one year or one operating cycle, or is presented as “other non-current assets” if the amortization period is more than 1 year or one operating cycle.

31. Government grants

Government grant is recognized when prescribed conditions are satisfied and the grant will be received.

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 transfer of a non-monetary asset, it is measured at fair value. If fair value cannot be reliably determined, it is measured at a nominal amount of RMB 1.

A government grant related to an asset is a grant obtained by The Center for purchase, construction or formation of long-term assets. The grant not related to an asset is classified as government grant related to income.

For government grant with unspecified purpose, the amount of grant used to form a long-term asset or related to an asset is regarded as government grant related to an asset, the remaining amount of grant is regarded as government grant related to income. If it is not possible to distinguish, the amount of grant is treated as government grant related to income.

A government grant related to an asset is either deducted the carrying amount of the asset, or recognized as deferred income and amortized to profit or loss over the useful life of the related asset on a reasonable and systematic basis. For a government grant related to income, if the grant is a compensation for related expenses or losses already incurred, the grant is recognized immediately in profit or loss for the current period. If the grant is a compensation for related expenses or losses to be incurred in subsequent periods, the grant is recognized as deferred income, and recognized in profit or loss over the periods in which the related expenses or losses are recognized. Government grants measured at nominal amounts are directly recognized in profit or loss for the period. The Center adopts same treatment for those transactions of similar government grants.

Government grants relating to daily activities, according to the substance of business transaction, it is either recorded as other income or deduction of related expenditure. If it is not relating to daily activities, it is recorded as Non-operating income.

When there is requirement of refund the government grant, if there exists of the related deferred income balance, then the deferred income balance is reduced by the amount repayable, any excess is charged to profit or loss for the current period. Repayment of a government grant related to situation, it is directly charged to profit or loss for the current period.

32. Deferred tax assets and deferred tax liabilities

Income tax comprises of current tax and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that they relate to transactions or items recognized directly in equity and goodwill arising from a business combination.

Temporary differences arising from the difference between the carrying amount of an asset or liability and its tax base are recognized as deferred tax using the balance sheet liability method.

All the taxable temporary differences are recognized as deferred tax liabilities except for those incurred in the following transactions:

- (1) Initial recognition of goodwill or initial recognition of an asset or liability in a transaction which is neither a business combination nor affects accounting profit or taxable profit (or deductible loss) when the transaction occurs;
- (2) The taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, and The Center is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The Center recognizes a deferred tax asset for the carry forward of deductible temporary differences, deductible losses and tax credits to subsequent periods, to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, deductible losses and tax credits can be utilized, except for those incurred in the following transactions:

- (1) The transaction is neither a business combination nor affects accounting profit or taxable profit (or deductible loss) when the transaction occurs;
- (2) The deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, the corresponding deferred tax asset is recognized when both of the following conditions are satisfied: it is probable that the temporary difference will reverse in the foreseeable future and it is probable that taxable profits will be available in the future against which the temporary difference can be utilized.

At the balance sheet date, deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, and their tax effect is reflected.

At the balance sheet date, The Center reviews the carrying amount of a deferred tax asset. If it is probable that sufficient taxable profits will not be available in future periods to allow the benefit of the deferred tax asset to be utilized, the carrying amount of the deferred tax asset is reduced. Any such reduction in amount is reversed when it becomes probable that sufficient taxable profits will be available.

33. Leasing

“Companies that have not yet implemented the new lease standard”:

(1) Category of leasing

A finance lease is a lease that transfers in substance all the risks and rewards incidental to ownership of an asset (No matter the ownership finally transfer or not). An operating lease is a lease other than a finance lease.

If the leasing meets one or more of the following criteria should be recognized as finance lease:

- ① ownership of the asset is transferred to the lessee at the end of the lease term;
- ② the lease contains a bargain purchase option to buy the equipment at a price which is less than fair market value, therefore the lessee will be reasonably deemed to exercise this option at the beginning of leasing date;
- ③ the lease term is for the major part of the economic life of the asset even if the title is not transferred;
- ④ at the inception of the lease, the lease present value of the minimum lease payments amounts to at least substantially all of the fair value of the leased asset;
- ⑤ the leased assets are of a specialized nature such that only the lessee can use them without major modifications being made.

(2) Accounting treatment for the operating lease as lessee

Rental derived from operating leases is recognized as related asset cost or profit or loss for the current period using the straight-line method over the lease term.

The initial direct costs incurred are recognized in profit or loss for the current period.

Contingent rents are recognized in the profits and losses for current period when they actually arise.

(3) Accounting treatment for the finance lease as lessee

At the commencement of the lease, The Center recognizes the lower of the fair value of leased asset and the present value of minimum lease payments as the book value of the leased asset. Present value of minimum lease payments is recognized as long-term payables. The difference between the fair value of lease asset and the present value of minimum lease payments is accounted for as unrecognized finance charge.

Initial direct costs such as service charges, legal fee, travelling expenses and stamp duty of the lease incurred for the lease are recognized in the amount of leased assets.

Unrecognized financing charges are amortized over the lease term by effective interest method.

Fixed assets under financing lease are depreciated on a basis consistent with the depreciation policy adopted for fixed assets that are self-owned. When a leased asset can be reasonably determined that

its ownership will be transferred at the end of the lease term, it is depreciated over the expected useful life. When there is uncertainty about the ownership of leased asset will be transferred at the end of the lease term, the leased asset is depreciated over the shorter of the lease term and the expected useful life.

Contingent rents are recognized in the profits and losses for current period when they actually arise.

(4) Accounting treatment for the operating lease as lessor

Rental receipt from operating leases is recognized in profit or loss on a straight-line basis over the lease term.

If large amount of initial direct costs incurred, they are capitalized and subsequently recognized in profit or loss under the same basis of income recognition or straight line method; for smaller amounts of initial direct costs, they are recognized in profit or loss for current period when incur.

Contingent rents are recognized in the profits and losses for current period when they actually arise.

Assets leased out under operating leases are included in the balance sheet items according to their nature. The depreciation of fixed assets under operating leases is accordance with the depreciation policies on the similar assets of The Center. For other assets under operating lease, amortization is made on a systematic basis.

(5) Accounting treatment for the finance lease as lessor

At the commencement of the lease, The Center recognizes the sum of minimum lease receipt amount and initial direct costs as the recognized amount of finance leases receivable and also recognized the unguaranteed residual value. The difference between the aggregate of the minimum lease receipts, the initial direct costs and the unguaranteed residual value, and the aggregate of their present value is recognized as unearned finance income. Unrealized finance income is allocated over the lease period by effective interest method and finance income is recognized in profit or loss for the current period.

Contingent rents are recognized in the profits and losses for current period when they actually arise.

“Companies that have implemented the new lease standard”:

(1) Identification of leases

On the beginning date of the contract, the Center (as a lessee or lessor) assesses whether the customer in the contract has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use and has the right to direct the use of the identified asset throughout the period of use. If a contract conveys the right to control the use of an identified asset and multiple identified assets for a period of time in exchange for consideration, the Center identifies such contract is, or contains, a lease.

(2) The Center as lessee

On the beginning date of the lease, the Center recognises right-of-use assets and lease liabilities for all

leases, except for short-term lease and low-value asset lease with simplified approach.

The accounting policy for right-of-use assets is set out in Note IV. 19.

The lease liability is initially measured at the present value of the lease payments that are not paid at the beginning date of the lease using the interest rate implicit in the lease or the incremental borrowing rate. Lease payments include fixed payments and in-substance fixed payments, less any lease incentives receivable; variable lease payments that are based on an index or a rate; the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; payments for terminating the lease, if the lease term reflects the lessee exercising that option of terminating; and amounts expected to be payable by the lessee under residual value guarantees. Subsequently, the interest expense on the lease liability for each period during the lease term is calculated using a constant periodic rate of interest and is recognised in profit or loss for the current period. Variable lease payments not included in the measurement of lease liabilities are charged to profit or loss in the period in which they actually arise. The Center calculates the interest expense of the lease liability for each period of the lease term based on the fixed periodic interest rate and is included in the current profit and loss. The variable lease payments that are not included in the measurement of the lease liability are recognised in profit or loss when incurred.

Short-term lease

Short-term leases refer to leases with a lease term of less than 12 months from the commencement date, except for those with a purchase option.

Lease payments on short-term leases are recognised in the cost of related assets or current profit or loss on a straight-line basis over the lease term.

Low-value asset lease

A low-value asset lease is a lease that the value of a single leased asset is below RMB40,000 when it is a new asset.

For a low-value asset lease, the Center chooses the above simplified approach based on the specific circumstances of each lease.

Lease payments on low-value asset leases are recognised on a straight-line basis over the lease term, and either included in the cost of the related asset or charged to profit or loss for the current period.

(3) The Center as lessor

When the Center is a lessor, a lease is classified as a finance lease whenever the terms of the lease transfer substantially all the risks and rewards of asset ownership to the lessee. All leases other than financial leases are classified as operating leases.

Financing lease

In a financial lease, the Center uses the net investment in leases as the carrying amount of finance lease receivables at the inception of a lease. The net investment in leases is the sum of the

unguaranteed residual value and the present value of the outstanding lease payment at the inception of a lease, discounted using the interest rate implicit in the lease. The Center, as the lessor, calculates and recognises the interest income over each period of the lease term at a fixed periodic interest rate. Variable lease payments not included in the measurement of the lease liability, which are obtained by the Center as a lessor, are recognised in profit or loss as incurred.

The derecognition and impairment of financial lease receivables shall be accounted for in accordance with the "Accounting Standards for Business Enterprises No. 22-Recognition and Measurement of Financial Instruments" and "Accounting Standards for Business Enterprises No. 23-Transfer of Financial Assets".

Operating lease

Lease payments under operating leases are recognised in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in relation to operating leases are capitalised and amortised over the lease term on the same basis as rental income and recognised in profit or loss for the current period. The variable lease payments obtained in relation to operating leases that are not included in the lease payments are recognised in profit or loss in the period in which they actually incurred.

(4) Sale and leaseback

The lessee and the lessor shall assess and determine whether the transfer of assets in a sale and leaseback transaction is a sale in accordance with the requirements of the Accounting Standard for Business Enterprises No. 14 - Revenue.

Where asset transfer under the sale and leaseback transactions is a sale, the lessee shall measure the right-of-use assets created by the sale and leaseback based on the portion of carrying amount of the original assets related to right of use obtained upon leaseback, and only recognise relevant profit or loss for the right transferred to the lessor. The lessor shall account for the purchase of assets in accordance with other applicable ASBEs and account for the lease of assets in accordance with this standard.

Where asset transfer under the sale and leaseback transactions is not a sale, the lessee shall continue to recognise the transferred assets while recognising a financial liability equal to the transfer income and account for such liability according to the Accounting Standard for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments; or not to recognise the transferred assets but recognise a financial asset equal to the transfer income and account for such asset according to the Accounting Standard for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments.

34. Held for sale and discontinued operations

(1) Classification and measurement of non-current assets or disposal group held for sale

Non-current assets or disposal group is classified as held for sale when The Center recovers their carrying amounts principally through a sale transaction (including exchange of non-monetary assets with commercial substance) rather than through continuing use.

The above non-current assets do not include investment properties measured at fair value model,

biological assets measured at fair value less costs to sell, assets arising from employee benefits, financial assets, deferred tax assets and contractual rights under insurance contracts.

Disposal group is being a group of assets to be disposed of, by sale or otherwise, together as a group in a single transaction, and liabilities directly associated with those assets that will be transferred in the transaction. In specific case, the disposal group includes goodwill acquired in the business combination.

Non-current assets or disposal group is classified as held for sale only when all of the following conditions are satisfied: the non-current asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets or disposal groups; the sale is highly probable, provided that a plan to sell is resolved by The Center, firm purchase commitment has been received and the sale will be completed within one year. When a sale plan of investment in subsidiary is involving loss of control of the subsidiary and is satisfying the conditions of classification as held for sale, regardless of whether The Center retains a portion of equity interest, the investment in that subsidiary is classified as held for sale in separate financial statements of The Center and all the assets and liabilities of that subsidiary is classified as held for sale in consolidated financial statements.

On initial measurement or subsequent remeasurement at balance sheet date of non-current assets or disposal groups held for sale, assets impairment loss is recognized when its carrying amount is higher than its fair value less costs to sell. For impairment loss recognized for a disposal group held for sale, the impairment loss is allocated firstly to reduce the carrying amount of any goodwill in the disposal group, then to each of the non-current assets of disposal group on the pro-rata basis of the carrying amount of each asset.

When the fair value less costs to sell of a non-current asset or disposal group is increase in subsequent balance sheet date, its carrying amount is recovered and the assets impairment loss recognized after the classification as held for sale is reversed, and the reversal amount is recorded in profit or loss for current period. Impairment loss of goodwill is not reversed.

Non-current asset held for sale and the assets of a disposal group held for sale are not depreciated or amortized. Interest and other expenses attributable to the liabilities of a disposal group held for sale are continued to be recognized. For all or a portion of investment in associates or joint ventures classified as held for sale, the portion classified as held for sale is ceased for accounting under equity method, and the remaining portion (being not classified as held for sale) is continuously accounted under equity method; When The Center ceases to have significant influence on associates and joint ventures by a sale of investment, accounting under equity method is ceased.

If a non-current asset or disposal group was classified as held for sale, but the conditions of classification as held for sale are no longer met, The Center ceases to classify it as held for sale and measures it at the lower of:

- ① its carrying amount before it was classified as held for sale, adjusted for any depreciation, amortization or impairment that would have been recognized had the asset or disposal group not been classified as held for sale; or
- ② its recoverable amount.

(2) Discontinued operations

The Center classifies a component as a discontinued operation either upon disposal of the operation or when the operation meets the criteria to be classified as held for sale if it is separately identifiable and satisfies one of the following conditions:

- ① It represents a separate major line of business or a separate geographical area of operations;
- ② It is part of a single co-ordinated plan to dispose of a separate major line of business or a separate geographical area of operations;
- ③ It is a subsidiary acquired exclusively with a view to resale.

(3) Presentation

The Center presents a non-current asset held for sale and the assets of a disposal group held for sale as “assets held for sale” in balance sheet, and the liabilities of a disposal group held for sale as “liabilities held for sale” in balance sheet.

The Center presents separately the profit or loss from continuing operations and the profit or loss from discontinued operations. For a non-current asset held for sale or a disposal group held for sale not satisfied the definition of discontinued operation, its impairment loss, reversal and gain or loss from disposal are presented in profit or loss from continuing operations. Operating profit or loss, such as impairment loss and reversal, of a discontinued operation and its gain or loss from disposal is presented in profit or loss from discontinued operations.

A disposal group, which satisfied the definition of a component in discontinued operation, that is to be closed rather than sold, it is presented as discontinued operation at the date on which it ceases to be used.

For discontinued operations presented in current period, its comparative information in prior year should be re-presented from profit or loss from continuing operations to profit or loss from discontinued operations in the current year financial statements. For discontinued operation that no longer met the conditions of classification as held for sale, its comparative information in prior year should be re-presented from profit or loss from discontinued operations to profit or loss from continuing operations in the current year financial statements.

35. 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 assets and liabilities measured by the Center at fair value include: financial assets measured at fair value through profit or loss, available-for-sale financial assets, investment properties, biological assets, financial liabilities measured at fair value through profit or loss.

For financial assets or financial liabilities in active markets, The Center uses the quoted prices in active markets as their fair value. If there is no active market, The Center uses valuation technique to

determine their fair value. Valuation techniques mainly include the discount cash flow approach and the market approach, etc. Valuation techniques input mainly include the risk-free interest rate, the benchmark interest rate, exchange rate, credit spreads, liquidity premium, lack of liquidity discount, etc.

The fair value measurement of non-financial assets considers the highest and best use of the asset by market participants or the assets are sold to other market participants who have the ability to generate economic benefits.

The Center adopts the valuation technique that is suitable for the current situation and there is enough data and other information to support. The priority is the observable inputs. If there are no observable inputs, The Center uses unobservable inputs.

Financial assets or financial liabilities fair value changes generate the gains or loss, except for hedging, it should follow the below rules: ① the realized gains or losses of financial assets or financial liabilities at fair value through profit or loss, should recognize in profit or loss for the current period. ② the gains and losses arising from changes in fair value of available-for-sale financial assets, except for impairment loss and exchange difference of foreign currency financial assets, should directly recognize in owner's equity and recognize in current profit or loss when the financial assets disposed.

Investment properties measured by using the fair value model are adjusted based on the fair value of the investment properties on the balance sheet date. The difference between the fair value and the original carrying amount is included in the profit or loss for the current period.

Assets and liabilities measured or disclosed at financial statements are determined the fair value level based on the lowest level input that is significant to the measurement in its entirety. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability.

The Center should re-evaluate the asset and liabilities measured at fair value continuously on the balance sheet date to determine whether the level is changed.

36. Safety production fund and simple reproduction maintenance fee

Some mines and coal companies affiliated to The Center accrued safety production fund, simple reproduction maintenance fee, shaft engineering funds, and deposits for the restoration of the ecological environment of mines in accordance with the relevant regulations of the Ministry of Finance, the National Development and Reform Commission, the State Administration of Work Safety, and the State Administration of Coal Mine Safety Supervision. It is included in the cost of the relevant product or the profit or loss for the current period at the time of accrual, and included in the "Special reserves".

37. Gratuitous transfers of subsidiaries between wholly state-owned enterprises

(1) Accounting treatment for transferred-in enterprise

On the date of obtaining the control of the transferred enterprise, the Center debits the "long-term equity

investment” account according to the relevant amount approved by the State-owned Assets Supervision Department, and credits the “capital reserve (capital premium)” account (if the approval is clear as paid-in capital it will be credited to the “paid-in capital” subject, the same below).

The consolidated balance sheet of the Center is based on the book value of the assets and liabilities of the transferred enterprise determined by audit and approved by the State-owned Assets Supervision Department and any changes before the transfer occurred, adjusting the balance sheet of the transferred enterprise, and the difference in the assets and liabilities of the transferred enterprise should be recorded in the capital reserve (capital premium) of the Center.

The current year consolidated income statement of the Center should include the net profit of the transferred enterprise from the base date approved by the State-owned Assets Supervision Department to the end of the year that the transfer of control occurred.

The current year consolidated cash flow statement of the Center should include the cash flow of the transferred enterprise from the base date approved by the State-owned Assets Supervision Department to the end of the year that the transfer of control occurred.

The consolidated statement of changes in owners' equity of the Center should include the changes in the owner's equity of the transferred enterprise from the base date approved by the State-owned Assets Supervision Department to the end of the year that the transfer of control occurred. The consolidated statement of changes in owners' equity can be compiled from the consolidated balance sheet and consolidated income statement.

(2) Accounting treatment for transferred-out enterprise

On the date of loss of control over the transferred enterprise, the Center debits the “capital reserve (capital premium) ” account (if the approval is explicitly to reduce the capital, then should debit the "paid-in capital " account, the same below) and credit the "long-term equity investment (the transferred out enterprise) " account according to the book value of the long-term equity investment of the transferred enterprise; if the capital reserve (capital premium) is insufficient to offset, then offset the surplus reserve and retained earnings in order.

On the date of loss of control over the transferred enterprise, the company will no longer include the transferred enterprise in the scope of the consolidated financial statements, and terminate the recognition of the assets, liabilities, minority interests and other interests of the transferred enterprise as reflected in the consolidated financial statements before. The relevant difference should offset against the capital reserve (capital premium), and if the capital reserve (capital premium) is insufficient to offset, the surplus reserve and retained earnings will be offset in order. At the same time, the unrealized internal gains and losses between the Center and the transferred enterprises before the transfer of control should be transferred to the capital reserve (capital premium). If the capital reserve (capital premium) is insufficient to offset, the surplus reserve and retained earnings will be offset in order.

V. Changes in accounting policies and accounting estimates and correction of prior year errors

(1) Changes in accounting policies

1. Financial statements format

The Ministry of Finance issued the “Notice of the Ministry of Finance on Revising and Issuing the Format of General Financial Statements for 2019” (Caihui [2019] No. 6) on 30 April 2019, and at the same time, the “Notice on the Format of General Enterprise Financial Statements for 2018 (Caihui

[2018] No. 15) is abolished. The Ministry of Finance issued the “Notice of the Ministry of Finance on Revising and Printing the Format of Consolidated Financial Statements (2019 Version) “(Caihui [2019] No. 16) on 19 September 2019, and at the same time, the “Notice of the Ministry of Finance on Revising the Format of the 2018 Consolidated Financial Statements” (Caihui [2019] No. 1) is also abolished. According to Caihui [2019] No. 6 and Caihui [2019] No. 16, The Center made the following amendments to the financial statement format:

In balance sheet, “Notes receivable and accounts receivable” is split into “Notes receivable” and “Accounts receivable”, and “Notes payable and accounts payable” is split into “Notes payable” and “accounts payable”.

The Center adjusted the comparative data of the comparable period according to Caihui [2019] No. 6 and Caihui [2019] No. 16.

The revision of the financial statement format has no impact on The Center's total assets, total liabilities, net profit and other comprehensive income.

2. New financial instrument standards (Companies that have implemented New Financial Instruments Standards)

In 2017, the Ministry of Finance have issued “Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments (Revised) “,”Accounting Standards for Business Enterprises No. 23 - Finance Asset Transfer (Revised) “,”Accounting Standards for Business Enterprises No.24 - Hedge Accounting(Revised) “,”Accounting Standards for Business Enterprises No.37 - Financial Instruments Presentation (Revised) “(collectively referred to as the “New Financial Instruments Standards”). Certain subsidiaries of the Center had implemented the New Financial Instruments Standards since 1 January 2019 and adjusted the relevant accounting policies. Refer to Note IV.9 for accounting policies after the adjustment.

In accordance with the provisions of the new financial instrument standards, except for certain specific circumstances, the classification and measurement (including impairment) of financial instruments are adjusted retrospectively. The difference of carrying amount between the original financial instruments standard and the new financial instrument standards (i.e. 1 January 2019) are recorded in retained profits or other comprehensive income in the beginning of 2019. At the same time, The Center has not adjusted the comparative financial statement figures.

The subsidiaries of the Center that have implemented the new financial instrument standards are as follows:

Group	Companies that have implemented the new financial instrument standards
Shougang Group	Beijing Shougang Co., Ltd.
Beijing Energy Group	Beijing Jingneng Electric Power Co., Ltd.
Beijing Energy Group	BEIH-Property Co., Ltd.
Beijing Energy Group	Beijing Haohua Energy Co., Ltd.
Capital Development Holdings	Beijing Capital Development Co., Ltd.

Group	Companies that have implemented the new financial instrument standards
Tongrentang Group	Beijing Tongrentang Co., Ltd.
Urban and Rural Group	Urban and Rural Group
Shounong Group	Beijing Sanyuan Food Co., Ltd.
Shounong Group	Hainan Jingliang Holding Co., Ltd.
Beijing Automotive Group	BAIC Bluepark New Energy Technology Co., Ltd.
Beijing Automotive Group	Beiqi Foton Motor Co., Ltd. (hereinafter referred to as Foton Motor)
Beijing Automotive Group	Beijing Jingpeng Global Technology Co., Ltd.
Beijing Automotive Group	Bohai Automotive Systems Co., Ltd.
Electronic Holdings	BOE Technology Group Co., Ltd.
Electronic Holdings	North Huachuang Technology Group Co., Ltd.
Electronic Holdings	Beijing Electronic Zone Investment and Development Group Co., Ltd.
Electronic Holdings	Beijing 797 Audio Co., Ltd.

As of 1 January 2019, comparison of classification and measurement of financial instruments under original financial instrument standards and new financial instrument standards of subsidiaries adopted the New Financial Instruments Standards:

Item	Book amount before adjustment (December 31, 2018)	Adjusted book amount (January 1, 2019)	Adjustments
Trading financial assets	1,431,544,640.05	6,577,985,643.40	5,146,441,003.35
Financial assets at fair value through profit or loss	1,156,624.30	--	-1,156,624.30
Notes receivable	17,834,226,884.68	14,354,115,079.32	-3,480,111,805.36
Accounts receivable	51,144,787,716.79	51,062,080,555.26	-82,707,161.53
Receivables financing	--	3,846,847,937.20	3,846,847,937.20
Other current assets	13,090,789,502.32	8,670,262,575.32	-4,420,526,927.00
Debts investment	--	36,935,185.58	36,935,185.58
Available-for-sale financial assets	14,564,437,053.68	7,229,456,375.84	-7,334,980,677.84
Other equity instrument investments	469,555,111.81	1,986,744,390.94	1,517,189,279.13
Other non-current financial assets	520,052,383.36	2,389,588,133.79	1,869,535,750.43
Other comprehensive income	2,103,748,350.51	2,283,858,332.19	180,109,981.68

3. New lease standard (companies that have implemented the new lease standard)

The Ministry of Finance promulgated the "Accounting Standards for Business Enterprises No. 21-Lease (Revision)" (hereinafter referred to as the "New Lease Standard") in 2018, and some subsidiaries of the Center (see the table below) have implemented this standard on January 1, 2019. The relevant

accounting policy has been adjusted. Please refer to Note IV. 33 for the accounting policy after the change.

Group	Companies that have implemented the new lease standard
Shougang Group	Shougang Concord Grand (Group) Limited
Shougang Group	BeijingWest Industries International Limited
Beijing Energy Group	Beijing Jingneng Clean Energy Power Co., Ltd.
Beijing Automotive Group	Beijing Automotive Co., Ltd.
BBMG Group	BBMG Group
Shounong Group	Beijing Sanyuan Foods Co., Ltd.

As lessee

The new leasing standard requires lessees to recognize right-of-use assets and lease liabilities for all leases, with the exception of simplified short-term leases and leases of low-value assets, and to recognize depreciation and interest expenses respectively.

For the existing contracts prior to the first implementation date, the Center chooses not to re-evaluate whether they are leases or include leases on the first execution date.

The new leasing standard allows lessees to choose one of the following methods of connection accounting:

- In accordance with the provisions of the Accounting Standards for Business Enterprises No. 28 - Changes in Accounting Policies, Accounting Estimates and Errors Correction, retrospective adjustment method is adopted.
- According to the cumulative impact of the first implementation of the standard, the amount of retained earnings and other relevant items in the financial statements at the beginning of the year of the first implementation of this standard will be adjusted, without adjusting the information for comparable periods.

The Center's subsidiaries, Shougang Group, Beijing Energy Group, BBMG Group, and Shounong Group, have retrospectively adjusted the differences between the new lease standard on the first implementation date and the current lease standard into retained earnings at the beginning of 2019 in accordance with the provisions of the new lease standards. Meanwhile, no adjustments were made to the comparative financial statement figures. Beijing Automotive Group, a subsidiary of The Center, adopts the retrospective adjustment method to conduct convergent accounting for leases in accordance with the provisions of the new lease standard, and at the same time adjust the comparative financial statement figures.

As lessor

According to the new lease standards, subsidiaries that have implemented the new lease standards do not need to adjust their leases as lessors in accordance with the convergence regulations, but they need to perform accounting treatments in accordance with the new lease standards from the date of the first implementation of the new lease standards.

The implementation of the new lease standards for some subsidiaries of The Center's is as follows:

(1) Shougang Group

The subsidiaries of Shougang Group, Shougang Concord Grand (Group) Limited and BeijingWest Industries International Limited, have implemented the new lease standard from January 1, 2019.

The impact of the implementation of the new lease standard on balance sheet items as of January 1, 2019 is as follows:

Item	Book amount before adjustment (December 31, 2018)	Reclassification	Remeasurement	Adjusted book amount (January 1, 2019)
Assets:				
Prepayments	6,052,694,859.42	--	-5,199,620.77	6,047,495,238.65
Right-of-use assets	--	--	164,158,403.80	164,158,403.80
Deferred tax assets	895,791,039.03	--	33,516,759.72	929,307,798.75
Liabilities:				
Other payables	12,320,049,343.08	--	-8,897,693.77	12,311,151,649.31
Non-current liabilities due within one year	24,935,063,497.77		37,595,801.43	24,972,659,299.20
Lease liabilities	--	--	130,260,675.37	130,260,675.37
Deferred tax liabilities	2,756,357,972.55	--	33,516,759.72	2,789,874,732.27

The impact of the implementation of the new lease standard on the financial statement items of 2019 is as follows:

Item in consolidated balance sheet	Financial statement items as of 2019.12.31	Assuming the use of previous lease standard	Increase / Decrease
Assets:			
Prepayments	7,185,292,630.55	7,190,630,364.09	-5,337,733.54
Right-of-use assets	136,468,265.72	--	136,468,265.72
Deferred tax assets	1,283,644,513.06	1,255,749,354.77	27,895,158.29
Liabilities			
Other payables	11,106,816,673.46	11,115,202,285.37	-8,385,611.91
Non-current liabilities due within one year	39,458,109,858.50	39,428,222,716.50	29,887,142.00
Lease liabilities	113,176,717.21	--	113,176,717.21
Deferred tax liabilities	3,161,041,594.50	3,133,623,941.98	27,417,652.52
Owners' equity			
Undistributed profit	-4,283,413,401.85	-4,280,544,660.63	-2,868,741.22

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Other comprehensive income	2,909,688,927.36	2,909,890,395.49	-201,468.13
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Continued:

Item in consolidated income statement	Financial statement items as of 2019.12.31	Assuming the use of previous lease standard	Increase / Decrease
Operating costs	177,366,484,202.83	177,386,030,556.20	-19,546,353.37
Administrative expenses	6,786,679,424.42	6,767,421,500.41	19,257,924.01
Financial expenses	10,019,155,779.10	10,015,540,114.44	3,615,664.66
Income tax expense	1,926,347,889.78	1,926,806,383.86	-458,494.08

(2) Beijing Energy Group

Clean Energy Company, a subsidiary of Beijing Energy Group, has retrospectively adjusted the differences between the new lease standard and the current lease standard on the first implementation date to the retained earnings at the beginning of 2019 in accordance with the provisions of the new lease standard. Meanwhile, Clean Energy Company did not adjust the comparative financial statement figures. The impact of balance sheet items on the implementation of the new lease standard on Clean Energy Company on January 1, 2019 is as follows:

Item	Book amount before adjustment (December 31, 2018)	Reclassification	Remeasurement	Adjusted book amount (January 1, 2019)
Assets:				
Prepayments	162,056,147.18	-39,254,658.89	--	122,801,488.29
Other current assets	242,504,678.44	--	4,320,209.41	246,824,887.85
Fixed assets	34,082,499,753.22	-5,604,575.00	--	34,076,895,178.22
Construction in progress	2,908,712,108.46	-55,537,096.52	--	2,853,175,011.94
Right-of-use assets	--	--	491,272,958.86	491,272,958.86
Long-term prepaid expenses	182,683,035.74	-63,881,732.44	--	118,801,303.30
Other non-current assets	1,034,923,756.92	405,105.06	--	1,035,328,861.98
Total assets	38,613,379,479.96	-163,872,957.79	495,593,168.27	38,945,099,690.44
Liabilities:				
Accounts payable	3,223,677,176.69	-4,946,669.60	--	3,218,730,507.09
Non-current liabilities due within one year	1,472,838,218.75	--	12,231,935.77	1,485,070,154.52
Lease liabilities	--	--	324,434,944.31	324,434,944.31
Total liabilities	4,696,515,395.44	-4,946,669.60	336,666,880.08	5,028,235,605.92

The impact of the implementation of the new leasing standard on Clean Energy Company's 2019

financial statement items is as follows:

Item in consolidated balance sheet	Financial statement items as of 2019.12.31	Assuming the use of previous lease standard	Increase / Decrease (-)
Assets:			
Prepayments	113,467,903.97	144,452,888.70	-30,984,984.73
Other current assets	683,945,926.93	676,885,765.58	7,060,161.35
Fixed assets	36,877,838,694.30	36,888,865,154.81	-11,026,460.51
Construction in progress	4,683,930,182.14	4,708,256,322.85	-24,326,140.71
Long-term prepaid expenses	205,952,354.71	380,435,550.30	-174,483,195.59
Right-of-use assets	811,472,209.44	--	811,472,209.44
Other non-current assets	1,924,555,260.86	1,924,150,155.80	405,105.06
Total assets	45,301,162,532.35	44,723,045,838.04	578,116,694.31
Liabilities:			
Accounts payable	4,017,501,897.28	4,025,097,839.68	-7,595,942.40
Non-current liabilities due within one year	2,809,445,785.40	2,777,913,745.23	31,532,040.17
Lease liabilities	575,608,026.57	--	575,608,026.57
Total liabilities	7,402,555,709.25	6,803,011,584.91	599,544,124.34

(Continued)

Item in consolidated income statement	Financial statement items as of 2019.12.31	Assuming the use of previous lease standard	Increase / Decrease (-)
Operating costs	13,055,979,514.49	13,056,506,489.11	-526,974.62
Financial expenses	1,198,938,417.95	1,181,650,614.06	17,287,803.89
Administrative expenses	600,455,151.69	600,596,643.96	-141,492.27
Income tax expense	518,479,673.89	518,637,481.07	-157,807.18

(3) Shouong Group

① The impact of the implementation of the new lease standard on the subsidiaries' balance sheet items as of January 1, 2019 is as follows:

Item	Book amount before adjustment (December 31, 2018)	Reclassification	Remeasurement	Adjusted book amount (January 1, 2019)
Assets:				
Other non-current assets	--	--	-93,175.71	-93,175.71
Right-of-use assets	--	--	6,646,168.96	6,646,168.96

Total assets	--	--	6,552,993.25	6,552,993.25
Liabilities:				
Lease liabilities	--	--	6,552,993.25	6,552,993.25
Total liabilities	--	--	6,552,993.25	6,552,993.25

② The impact of equity investments in companies that have implemented the new lease standard

Beijing McDonald's Food Co., Ltd., a joint venture of Shounong Group's Sanyuan Company, implemented the "New Lease Standards" in 2019 and adjusted the retained earnings at the beginning of 2019. Sanyuan Company accounted for its equity method and reduced the undistributed profit at the beginning of the year by RMB 33,456,664.68; when the corresponding Shounong Group prepared the consolidated financial statements, it reduced the undistributed profit at the beginning of the year by RMB 15,452,277.16 and the minority interests by RMB 18,004,387.52.

(4) Beijing Automotive Group

Beijing Automotive Co., Ltd., a subsidiary of Beijing Automotive Group (hereinafter referred to as the "subsidiary that has implemented the new lease standard"), has implemented the standard since January 1, 2019, and adjusted the relevant content of the accounting policy.

Subsidiaries that have implemented the new lease standard adopt the retrospective adjustment method to conduct convergent accounting for leases and adjust the comparative financial statements in accordance with the provisions of the new lease standard.

The impact of the implementation of the new lease standard on balance sheet items as of January 1, 2019 is as follows:

Item	Book amount before adjustment (December 31, 2018)	Reclassification	Remeasurement	Adjusted book amount (January 1, 2019)
Assets:				
Right-of-use assets	--	--	13,143,642.53	13,143,642.53
Total assets	--	--	13,143,642.53	13,143,642.53
Liabilities:				
Non-current liabilities due within one year	--	--	5,934,568.97	5,934,568.97
Lease liabilities	--	--	7,209,073.56	7,209,073.56
Total liabilities	--	--	13,143,642.53	13,143,642.53

Reconciliation of the minimum lease payments that have not yet been paid for major operating leases disclosed in the 2018 financial statements to the lease liabilities as recognised under the new lease standard by using the incremental borrowing rate as the lessee on January 1, 2019 is as follows:

Operating lease commitments disclosed as of December 31, 2018	129,893,535.08
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Less: Simplified approach for minimum lease payments	116,149,125.45
Including: Short-term leases	116,149,125.45
Add: Minimum lease payment for financing lease as of December 31, 2018	--
Less: Adjustment of variable lease payments based on index or rate	--
Minimum lease payments under the new lease standard on January 1, 2019	13,744,409.63
Weighted average value by incremental borrowing rates on January 1, 2019	-600,767.10
Lease liabilities as of January 1, 2019	13,143,642.53

The impact of the implementation of the new leasing standard in 2019 financial statement items is as follows:

Item in consolidated balance sheet	Financial statement items as of 2019.12.31	Assuming the use of previous lease standard	Increase / Decrease (-)
Assets:			
Right-of-use assets	49,197,716.00	--	49,197,716.04
Total assets	49,197,716.04	--	49,197,716.04
Liabilities:			
Non-current liabilities due within one year	31,556,857.25	--	31,556,857.25
Lease liabilities	18,034,247.61	--	18,034,247.61
Total liabilities	49,591,104.86	--	49,591,104.86

(Continued)

Item in consolidated income statement	Financial statement items as of 2019.12.31	Assuming the use of previous lease standard	Increase / Decrease (-)
Operating costs	5,693,590.74	6,107,675.14	(414,084.40)
Financial expenses	1,405,518.22	--	1,405,518.22
Administrative expenses	13,400,447.26	--	14,006,358.15

(5) BBMG Group

Regarding the outstanding minimum lease payments for major operating leases disclosed in the 2018 financial statements, in accordance with January 1, 2019 as the lessee's incremental borrowing rate, the adjustment table for adjusting the outstanding minimum operating lease payments disclosed under the original lease standard to the lease liabilities recognized under the new lease standard is as follows:

Operating lease commitments disclosed as of December 31, 2018	1,074,063,817.13
Less: Simplified approach for minimum lease payments	36,163,097.43
Including: Short-term leases	34,623,246.03
Low-value item leases	1,539,851.40
Add: Increase in lease payments caused by the exercise of the lease renewal option not confirmed on December 31, 2018 but	211,590,407.22

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reasonably certain	
Weighted average incremental borrowing rate	5.14%
Minimum lease payments under the new lease standard on January 1, 2019	1,116,600,498.79
Add: Finance lease payable as of December 31, 2018	13,468,876.97
Lease liabilities as of January 1, 2019	1,130,069,375.76

The impact of the implementation of the new lease standard on consolidated balance sheet items of BBMG Group as of January 1, 2019 is as follows:

Item in consolidated balance sheet	Financial statement items as of 2019.12.31	Assuming the use of previous lease standard	Increase / Decrease (-)
Right-of-use assets	1,154,078,494.31	--	1,154,078,494.31
Fixed assets	44,667,521,680.58	44,692,772,001.56	-25,250,320.98
Long-term prepaid expenses	1,117,784,329.34	1,242,705,854.17	-124,921,524.83
Long-term payables	299,949,336.99	315,856,652.08	-15,907,315.09
Lease liabilities due within one year	172,134,210.97	--	172,134,210.97
Lease liabilities	957,935,164.79	--	957,935,164.79
Undistributed profit	24,607,271,890.46	24,646,427,835.84	-39,155,945.38
Minority interests	21,477,931,580.55	21,549,031,047.34	-71,099,466.79

The impact of the implementation of the new leasing standard on BBMG Group's 2019 financial statement items is as follows:

Item in consolidated balance sheet	Financial statement items as of 2019.12.31	Assuming the use of previous lease standard	Increase / Decrease (-)
Prepayments	1,524,225,471.45	1,537,737,295.16	-13,511,823.71
Other receivables	9,067,357,777.42	9,067,490,877.42	-133,100.00
Other current assets	6,284,046,698.11	6,285,563,367.47	-1,516,669.36
Fixed assets	44,512,207,458.24	44,528,669,601.48	-16,462,143.24
Right-of-use assets	589,176,549.64	--	589,176,549.64
Long-term prepaid expenses	1,276,284,193.48	1,436,013,915.60	-159,729,722.12
Accounts payable	17,701,948,542.45	17,702,979,736.42	-1,031,193.97
Other payables	8,517,423,661.65	8,517,615,565.36	-191,903.71
Non-current liabilities due within one year	20,319,530,862.57	20,210,022,686.65	109,508,175.92
Lease liabilities	317,196,853.52	--	317,196,853.52
Long-term payables	17,818,306.88	31,287,183.85	-13,468,876.97

Undistributed profit	26,505,650,840.60	26,514,978,468.47	-9,327,627.87
Minority interests	21,400,150,833.94	21,405,013,169.65	-4,862,335.71

(Continued)

Item in consolidated income statement	Financial statement items as of 2019.12.31	Assuming the use of previous lease standard	Increase / Decrease (-)
Operating costs	67,402,240,134.58	67,438,394,422.80	-36,154,288.22
Financial expenses	3,397,042,746.61	3,362,014,208.57	35,028,538.04
Selling expenses	3,076,483,834.81	3,082,415,913.77	-5,932,078.96
Administrative expenses	7,056,088,671.55	7,067,160,275.20	-11,071,603.65
Non-operating income	522,575,890.90	444,639,875.11	77,936,015.79

4. New Debt Restructuring Standard

On 16 May 2019, the Ministry of Finance published the Accounting Standard for Business Enterprises No. 12 - Debt Restructuring (hereinafter referred to as the "New Debt Restructuring Standard"), which revised the definition of debt restructuring, clarified the applicable standards such as the Accounting Standard for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments in relation to financial instruments in debt restructuring, clarified that assets other than the financial assets transferred to creditors shall be initially measured at cost, and clarified that the distinction between the profit or loss from asset disposal and the profit or loss from debt restructuring is no longer required when the debt is settled with assets by the debtor.

According to the requirements under Cai Kuai [2019] No. 6 Document, the "Non-operating income" and "non-operating expenses" items no longer include gains or losses from disposal of non-current assets in debt restructuring.

The Company adopted the prospective application method for the new debt restructuring occurred on January 1, 2019, and did not make retrospective adjustments for the debt restructuring occurred before January 1, 2019.

The impact of the revision of the debt restructuring standard on the Center's financial statements for the current period is as follows:

(1) Shougang Group's operating revenue decreased by RMB 152,843,100.85, operating expenses decreased by RMB 12,657,151.19, investment income increased by RMB 86,683,165.95, and other income increased by RMB 53,502,783.71.

(2) Jingcheng Electromechanical's debt restructuring reduced the principal of debt payable this year and recorded in investment income of RMB 22,084,398.31, including its subsidiary Beijing Jingcheng New Energy Co., Ltd. of RMB8,705,602.31, Beijing Heavy Motor Factory Co., Ltd. of RMB 7,424,020.50,

Beijing Beiyi Machine Tool Co., Ltd. of RMB 2,787,078.45, Beijing Jingcheng Intelligent Technology Co., Ltd. of RMB 2,356,810.67, Beiren Group Corporation of RMB 810,886.38.

(3) Shounong Group's investment income is impacted by RMB 3,407,831.67, of which: Sanyuan Seed Industry impacted by RMB -41,500, and Shounong Company impacted by RMB 3,449,331.67.

5. New non-monetary exchange standard

The Ministry of Finance issued "Accounting Standards for Business Enterprises No. 7 - Exchange of Non-Monetary Assets" (hereinafter referred to as "new non-monetary exchange standard") on May 9, 2019, which clarifies the concepts of monetary assets and non-monetary assets and the scope of application of the standard, clarifies the timing of recognition of non-monetary asset exchange, clarifies the measurement basis and accounting methods of non-monetary asset exchange under different conditions and improves relevant information disclosure requirements. The Company adopts the prospective approach for the new non-monetary asset exchange transactions that occurred after January 1, 2019, and does not retroactively adjust the non-monetary asset exchange transactions that occurred before January 1, 2019.

The revision of non-monetary exchange standards has no significant impact on the Center.

6. Other

(1) Government accounting system regulations

The Ministry of Finance issued the "Notice of the Government Accounting System-Accounting Subjects and Statements of Administrative Institutions" (Cai Kuai [2017] No. 25) (hereinafter referred to as the Government Accounting System) in October 2017. It is fully implemented by various administrative institutions at all levels nationwide.

Some subsidiaries of The Center have implemented the "Government Accounting System Regulations" from January 1, 2019 as follows:

① Beijing Municipal Machinery Industry Administration Party School, Beijing Jingcheng Electromechanical Holding Co., Ltd. Training Center, Beijing Municipal Bureau of Machinery Industry Technology Development Institute, Beijing Mechanical and Electrical Products Standard Quality Monitoring Center, and Beijing The College of Industry and Trade Technicians, which are subsidiaries of The Center's subsidiary Jingcheng Electromechanical, had implemented the "Government Accounting System Regulations" since January 1, 2019. According to the "Government Accounting Standards No. 3-Fixed Assets", the depreciation of fixed assets has been provided in this period.

The item and amount of the affected financial statements in the current period are: the additional accumulative depreciation and amortization at the beginning of the year is RMB 2,656,055.23, and the depreciation and amortization of the current period is RMB 457,505,760.02. Among them, the Party School of Beijing Municipal Administration of Machinery Industry made an additional depreciation of RMB 3,686,522.66 in this period; Beijing Jingcheng Electromechanical Holding Co., Ltd. Training Center made an additional depreciation of RMB 142,820.11 in this period; Beijing Electromechanical Product

Standard Quality Monitoring Center made additional accumulated depreciation at the beginning of the year of RMB 2,620,738.95, current depreciation of RMB 686,617.01, accumulative amortization at the beginning of the year of RMB 35,316.28, and current amortization of RMB 77,642.72; Beijing Municipal Bureau of Machinery Industry Technology Development Institute accrued depreciation in this period of RMB 296,480.81; Beijing Institute of Technology and Trade made additional depreciation and amortization of fixed assets of RMB 452,615,676.71.

② Party School of the Committee of the Communist Party of China Beijing Energy Group Co., Ltd. and Beijing Jingmei Group's subordinate institutions Beijing Science and Technology Advanced Technical School and Beijing Jingmei Group Geological Exploration Team, which are subsidiaries of the Center's subsidiary Beijing Energy Group, revised the format of the financial statements, and additional depreciation was made by RMB 67.81 million

③ The Cadre School Company of Beijing Yishang Group Co., Ltd., a subsidiary of The Center, retrospectively accrued fixed assets of RMB 7,646,603.04 before December 31, 2017, and accrued depreciation of RMB 512,929.51 in 2018, reduced the fixed assets at the end of 2018 by RMB 8,159,532.55, reduced the undistributed profit at the end of 2018 by RMB 8,159,532.55.

Beijing Commercial School, a subsidiary of Xianglong Company, retrospectively accrued accumulated depreciation of fixed assets of RMB 162,135,435.09 before December 31, 2017, and accrued depreciation of RMB 19,982,750.19 in 2018, reduced the fixed assets at the end of 2018 by RMB 182,118,185.28, and reduced the undistributed profit at the end of 2018 by RMB 182,118,185.28.

Beijing 36th Vocational Skills Appraisal Institute, a subsidiary of Xianglong Company, retroactively accrued accumulated depreciation of fixed assets of RMB 36,620.00 before December 31, 2017, reduced fixed assets at the end of 2018 by RMB 36,620.00, and reduced undistributed profit at the end of 2018 by RMB 36,620.00.

The Party School of Beijing Municipal Materials Co., Ltd., a subsidiary of Xianglong Company, retrospectively accrued accumulated depreciation of fixed assets of RMB 4,630,799.91 before December 31, 2017, and accrued depreciation of RMB 217,188.00 in 2018, reduced the fixed assets at the end of 2018 by RMB 4,847,987.91, and reduced the undistributed profit at the end of 2018 by RMB 4,847,987.91.

④ The subsidiaries of Yiqing Holding, a subsidiary of The Center, implemented the government accounting system, reducing fixed assets by RMB 226,011,217.82, reduced intangible assets by RMB 3,538,888.60, accrued additional provision for impairment of accounts receivable by RMB 868,077.12, and reduced capital reserve by RMB 230,418,183.54 accordingly.

⑤ Beijing Automotive Industry Advanced Technical School, a subsidiary of The Center's subsidiary Beijing Automotive Group, implemented the "Government Accounting System-Administrative Institution Accounting Subjects and Reports" issued by the Ministry of Finance on October 24, 2017 with effective from January 1, 2019. The additional depreciation of fixed assets of the previous year was RMB 343,804,540.03, and the additional amortization of intangible assets was RMB 9,256,839.14, undistributed profit is reduced by RMB 353,061,379.17 at January 1, 2019.

(2) Changes in policy of investment properties

Beijing Energy Group, a subsidiary of The Center, was approved by the board of directors to change the subsequent measurement method of investment properties from a cost method to a fair value measurement method. This change in accounting policy has been implemented since January 1, 2019. In accordance with the relevant provisions of the Accounting Standards for Business Enterprises, the retained earnings at the beginning of 2019 was adjusted retrospectively, including: Surplus reserve increased by RMB 77,051,568.22, undistributed profit increased by RMB 2,834,439,486.19. The income statement for 2018 was revised according to the adjusted figures. Among them, the net profit attributable to parent company was increased by RMB 106,630,794.03, and the net profit attributable to minority interests was increased by RMB 2,727,962.92. The specific effects of retrospective adjustments on the company's financial statements are as follows:

Item	Book amount before adjustment (December 31, 2018)	Impact amount (Increase "+", Decrease "-")	Adjusted book amount (January 1, 2019)
Investment properties	13,769,250,608.89	3,044,327,748.50	16,813,578,357.39
Fixed assets	115,724,806,834.86	75,313,280.76	115,800,120,115.62
Intangible assets	12,227,244,714.16	-174,786,503.48	12,052,458,210.68
Deferred tax assets	953,730,347.66	-1,134,788.20	952,595,559.46
Deferred tax liabilities	2,106,356,850.66	10,329,575.96	2,116,686,426.62
Surplus reserve	2,684,302,269.61	77,051,568.22	2,761,353,837.83
Undistributed profit	17,205,254,444.79	2,834,439,486.19	20,039,693,930.98
Minority interests	30,558,255,371.30	21,899,107.21	30,580,154,478.51

(3) Changes in accounting estimates

1. Beijing Energy Shenzhen Financial Leasing Co., Ltd., a subsidiary of Beijing Energy Group, adjusted the classification and ratio of bad debt provision of long-term receivables in this year. The above-mentioned changes in accounting estimates adopt the prospective approach. According to the new bad debt provision policy, provision for bad debts is accrued RMB 27,197,483.10 in this year, and the accumulative provision for bad debts is RMB 61,153,148.55.

2. Capital Highway Development approved the change in policy for the provision for bad debts ratio of ageing of receivables in the ageing analysis method. The ratios before and after the adjustment are as follows:

Ageing	Appropriation ratio after adjustment (%)	Appropriation ratio before adjustment (%)
Within 1 year	--	--
1-2 years	5.00	5.00
2-3 years	15.00	10.00
3-4 years	25.00	15.00
4-5 years	50.00	25.00
Over 5 years	100.00	50.00

After the policy was changed, provision for bad debts was increased by RMB 61,525,157.69, which

increased the asset impairment loss by RMB 61,525,157.69, correspondingly increased deferred tax assets by RMB 9,256,257.89, and reduced the deferred income tax expense by RMB 9,256,257.89.

(4) Correction of significant errors in prior periods

The Center reduced its beginning balance of capital reserve by RMB 22,964,000.00, reduced other comprehensive income by RMB 7,005,429.34, reduced the beginning balance of undistributed profit by RMB 1,800,046,314.67, and reduced the beginning balance of minority interests by RMB 2,226,543,153.21 due to correction of prior period error. Significant matters for correction of prior period error are as follows:

1. Beijing Haohua Energy Co., Ltd. (hereinafter referred to as "Haohua Energy Company"), a subsidiary of the Center's subsidiary Beijing Energy Group, acquired 30% equity of Erdos BOE Energy Investment Co., Ltd. (hereinafter referred to as "BOE Energy") from Beijing Industrial Development Investment Management Co., Ltd. The allocation of resources in 960 million tons of Bayannao Minefield owned by BOE Energy used in the calculation has an error, and the actual resource should be 450 million tons. This matter resulted in the adjustment of Beijing Energy Group's consolidated financial statements to reduce the beginning balance of equity in 2018 by RMB 2,824,923,681.25, of which the undistributed profit was reduced by RMB 879,963,726.71 and the minority interests were reduced by RMB 1,944,959,954.54, which had no impact on the profit or loss for 2018.

2. Beijing Beiyi Machine Tool Co., Ltd., a subsidiary of The Center's subsidiary Jingcheng Electromechanical, reduced its beginning balance of other comprehensive income by RMB 6,673,538.66 and its beginning balance of undistributed profit by RMB 407,361,720.26. Among them, Italy Sofop Machine Tool Co., Ltd., after 5 years of international litigation, obtained the final judgment in 2019, and Beiyi Machine Tool won the lawsuit and adjusted related profit or loss. In addition, the cost in the prior year was adjusted by RMB 43,179,723.49, and the provision for decline in value of inventories was additional accrued by RMB 8,621,099.10. Beijing Huade Hydraulic Industry Group Co., Ltd., a subsidiary of Jingcheng Electromechanical, adjusted the prior year's cost and accrued additional taxes, and together reduced the undistributed profit at the beginning of the year by RMB 99,716,439.43. For other adjustments, the undistributed profit at the beginning of the year was reduced by RMB 1,967,255.56, and the surplus reserve at the beginning of the year was reduced by RMB 100,292.59.

Due to the correction of the above-mentioned major errors in the previous period, the balance of retained earnings and related item at the beginning of 2019 were adjusted, including: other comprehensive income decreased by RMB 6,673,538.66, surplus reserve decreased by RMB 100,292.59, undistributed profit decreased by RMB 509,045,415.25, owners' equity attributable to the parent company decreased by RMB 515,819,246.50, minority interests decreased by RMB 956,250.00, total assets decreased by RMB 482,574,995.67, total liabilities increased by RMB 34,200,500.83, investment income reduced by RMB 1,002,925.94, and the net profit attributable to the owners of the parent company reduced by RMB 1,002,925.94.

3. Xianglong Company adjusted the accounting errors due to taxes and fees, the correction of accounting errors in employee's benefits payable and termination benefits, and the correction of

revenue and costs of its subsidiaries, together resulted in the reduce of undistributed profit at the end of 2018 by RMB 168,583,104.09, increase of minority interests at the end of 2018 by RMB 28,248,819.31, increase of operating revenue in 2018 by RMB 4,037,180.92, reduce of total profit in 2018 by RMB 162,274,042.05, and reduce of net profit in 2018 by RMB 162,149,940.39 (including the reduction in net profit attributable to the parent company in 2018 by RMB 162,067,143.94, reduce of profit attributable to minority interests in 2018 by RMB 82,796.45).

4. Shouong Group corrected the original value of the 2018 perpetual bonds of the subordinate Beijing Grain Group in 2019, Beijing Daxing District Grain and Oil Co., Ltd. adopted retrospective adjustments for the short-term loans owed to the bank in the previous year, and Beijing Xinan Suburban Warehouse Co., Ltd. adjusted the early major errors in the equity method accounting of Beijing Satake Fine Wheat Flour Co., Ltd., with an adjustment on the beginning balances of retained earnings and other balance sheets items in 2019, including: increase other equity instruments at the beginning of the year by RMB 18,500,000.00, reduce capital reserve at the beginning of the year by RMB 22,964,000.00, reduce undistributed profit at the beginning of the year by RMB 9,143,490.95, and increase minority interests at the beginning of the year by RMB 2,763,848.67. The figures in income statement for 2018 has been presented according to the adjusted figures, including: reduce operating revenue by RMB 596,712.69, increase taxes and surcharges by RMB 613,265.73, increase administrative expenses by RMB 401,532.58, reduce non-operating expenses by RMB 155,682.04, and reduce income tax expense by RMB 5,678,493.37; reduce profit before tax in 2018 by RMB 1,455,828.96, and increase net profit by RMB 4,222,664.41.

5. In July 2016, the Company's subsidiaries, such as BAIC Foton and BAIC Industrial Investment, as former shareholders of Pride signed a "Profit Compensation Agreement for Issuing Shares and Paying Cash to Purchase Assets" with Dongfang Precision, and transferred their shareholdings in Pride to Dongfang Precision and also committed to compensate for related financial performance. In April 2019, Dongfang Precision disclosed Pride's 2016-2018 audit results. Because Pride's operating performance did not meet the requirements, Dongfang Precision requested the Pride's former shareholders to compensate it for RMB 2.645 billion, of which BAIC Industrial Investment should compensate RMB 634 million, because of the significant uncertainty in the above-mentioned performance compensation amount, but BAIC Industrial Investment did not recognise the amount of compensation in 2018; In November 2019, the former shareholders of Pride signed an "Agreement" with Dongfang Precision, and the former shareholders of Pride will compensate for the performance compensation amounted to RMB 1.676 billion by transfer of 292 million shares of Dongfang Precision. In December 2019, the former shareholders of Pride have delivered the above shares to Dongfang Precision, of which the fair value of 70.44 million shares of Dongfang Precision delivered by BAIC Industrial Investment was RMB 308 million, which was included in the 2018 "non-operating expenses" as a correction of prior error.

Beijing BAIC Penglong Automotive Service Trading Co., Ltd. ("BAIC Penglong"), a subsidiary of the Company, conducted a comprehensive review of the control rights of its subsidiaries within the scope of consolidation. Comprehensive assessment in according to the company's articles of association, shareholding ratio, number of directors' seats and ability of resolution of financial and operational decision, it was found that several subsidiaries of Tianjin Penglong Jiuzhou Automobile Sales and

Service Co., Ltd., which was a subsidiary of BAIC Penglong, did not meet the conditions of control and should no longer be included in the scope of consolidation. Due to the correction of the aforementioned error, the beginning balance of retained earnings and related items in 2019 were adjusted, including: Undistributed profit attributable to the parent company was reduced by RMB 64,117,713.57, and minority interests was reduced by RMB 326,374,377.76.

BAIC South Africa Automotive Co., Ltd., a subsidiary of Beijing Automotive Group, corrected the expense of construction in progress irrelevant to the scope of capitalization. Due to the correction of the prior error in the above matters, the beginning balance of retained earnings in 2019 and the related items were adjusted, including: reduce construction in progress at the beginning of 2019 by RMB 53,443,379.12, increase other payables at the beginning of 2019 by RMB 5,181,343.46, reduce other comprehensive income at the beginning of 2019 by RMB 506,791.02, and reduce undistributed profit at the beginning of 2019 by RMB 58,117,931.56.

(5) Other adjustment matters

(1) According to the "Approval on the Restructuring of Beijing International Technology Cooperation Center" issued by Beijing State-owned Assets Supervision and Administration Commission on February 27, 2019 (Jing Guozi [2019] No. 54), and "Statement on the Registration of Restructuring Enterprises of Beijing International Technical Cooperation Center" issued by Beijing State-owned Assets Supervision and Administration Commission on June 20, 2019, the Municipal Standing Committee decided to directly merge the restructured enterprises into The Center and directly register them as wholly-owned subsidiaries of The Center.

According to the "Approval on the Restructuring of the Beijing Municipal Bureau of Machinery Industry" (Jing Guozi [2019] No. 55) issued by Beijing State-owned Assets Supervision and Administration Commission on February 27, 2019, and "Notes Regarding the Registration of Restructuring Enterprises of the Beijing Municipal Bureau of Machinery Industry" issued by Beijing State-owned Assets Supervision and Administration Commission on June 20, 2019, the Municipal Standing Committee agreed to directly merge the restructured enterprises into The Center and directly register them as wholly-owned subsidiaries of The Center.

According to the "Notice on the Merger and Reorganization of Beijing State-owned Capital Operation and Management Center and Zhongguancun Equity Exchange Service Group Co., Ltd." issued by Beijing State-owned Assets Supervision and Administration Commission (Jing Guozi [2019] No. 58), with the approval of the Municipal Party Committee and Municipal Government, the Beijing State-owned Assets Supervision and Administration Commission decided to descend Equity Exchange Group into a secondary level subsidiary of The Center.

For the above matters, The Center conducted accounting treatment in accordance with business combinations under common control, and retrospectively adjusted the 2018 comparative financial statements.

(2) According to the "Notice of the State-owned Assets Supervision and Administration Commission of

the Beijing Municipal People's Government on the Merger and Reorganization of Beijing Capital Development Holdings (Group) Co., Ltd. and Beijing Real Estate Group Co., Ltd." (Jing Guo Zi [2019] No. 59) issued by Beijing State-owned Assets Supervision and Administration Commission, Capital Development Holdings conducted accounting treatment in accordance with business combinations under common control, and retrospectively adjusted the 2018 comparative financial statements.

(3) According to "Notice of the State-owned Assets Supervision and Administration Commission of the Beijing Municipal People's Government on the Merger and Reorganization of Beijing Yiqing Holding Co., Ltd. and Beijing Longda Light Industry Holdings Co., Ltd." (Jing Guozi (2019) No. 143) issued by Beijing State-owned Assets Supervision and Administration Commission on November, 2019, Beijing State-owned Assets Supervision and Administration Commission decided to merge and reorganize Yiqing Holding and Beijing Longda Light Industry Holdings Co., Ltd. Yiqing Holding carried out accounting treatment in accordance with business combinations under common control, and retrospectively adjusted the 2018 comparative financial statements.

(6) Cumulative impact on owners' equity at the beginning of the period

	2019.01.01				
	Capital reserve	Other comprehensive income	Special reserves	Surplus reserve	Undistributed profit
Balance before retrospective adjustment	325,849,343,195.45	11,799,226,292.37	1,579,523,259.65	3,300,069,222.19	114,338,137,664.58
Retrospective adjustment of accounting policies	-230,418,183.54	653,004,425.18	--	-4,020,823.55	546,150,165.33
Retrospective adjustment in correction of accounting error	-22,964,000.00	-7,005,429.34	--	--	-1,800,046,314.67
Others	2,914,138,887.96	91,673,097.67	-6,177,766.79	--	455,203,142.18
Retrospectively adjusted balance	328,510,099,899.87	12,536,898,385.88	1,573,345,492.86	3,296,048,398.64	113,539,444,657.42

Continued:

	2018.01.01				
	Capital reserve	Other comprehensive income	Special reserves	Surplus reserve	Undistributed profit
Balance before retrospective adjustment	312,191,685,392.26	16,974,595,402.98	1,434,098,973.91	2,834,577,579.57	104,689,585,584.41
Retrospective adjustment of accounting policies	-230,418,183.54	-2,191,044.37	--	--	2,339,204,152.14
Retrospective adjustment in correction of accounting error	-4,464,000.00	-7,005,549.45	--	--	-1,597,654,240.08
Others	1,351,164,894.10	110,471,642.61	-5,428,152.14	--	579,773,219.57
Retrospectively adjusted balance	313,307,968,102.82	17,075,870,451.77	1,428,670,821.77	2,834,577,579.57	106,010,908,716.04

VI. Business combination and consolidated financial statements

According to the "Approval on the Restructuring of Beijing International Technology Cooperation Center" issued by Beijing State-owned Assets Supervision and Administration Commission on February 27, 2019 (Jing Guozi [2019] No. 54), and "Statement on the Registration of Restructuring Enterprises of Beijing International Technical Cooperation Center" issued by Beijing State-owned Assets Supervision and Administration Commission on June 20, 2019, the Municipal Standing Committee decided to directly merge the restructured enterprises into The Center and directly register them as wholly-owned subsidiaries of The Center.

According to the "Approval on the Restructuring of the Beijing Municipal Bureau of Machinery Industry" (Jing Guozi [2019] No. 55) issued by Beijing State-owned Assets Supervision and Administration Commission on February 27, 2019, and "Notes Regarding the Registration of Restructuring Enterprises of the Beijing Municipal Bureau of Machinery Complete Sets" issued by the Beijing State-owned Assets Supervision and Administration Commission on June 20, 2019, the Municipal Standing Committee agreed to directly merge the restructured enterprises into The Center and directly register them as wholly-owned subsidiaries of The Center.

According to the "Notice on the Merger and Reorganization of Beijing State-owned Capital Operation and Management Center and Zhongguancun Equity Exchange Service Group Co., Ltd." issued by Beijing State-owned Assets Supervision and Administration Commission (Jing Guozi [2019] No. 58), with the approval of the Municipal Party Committee and Municipal Government, the Beijing State-owned Assets Supervision and Administration Commission decided to descend Equity Exchange Group into a secondary level subsidiary of The Center.

(I) Basic information of subsidiaries in the consolidation for this period

No.	Name of subsidiary	Level	Registration place	Paid-in capital (RMB ten thousand)	Investment amount (RMB ten thousand)
1	Shougang Group	2	Beijing	2,916,595.50	7,976,860.90
2	Beijing Electronics	2	Beijing	477,441.88	736,654.31
3	Jingcheng Electromechanical	2	Beijing	235,563.71	605,482.69
4	Beijing Energy Group	2	Beijing	2,044,340.00	4,318,534.51
5	Capital Highway Development	2	Beijing	3,060,899.19	3,112,539.79
6	Yiqing Holding Capital	2	Beijing	133,201.71	426,776.09
7	Development Holdings	2	Beijing	137,000.00	315,870.26
8	Beijing Automotive Group	2	Beijing	2,028,706.33	1,506,441.66
9	Tongrentang Group	2	Beijing	65,527.00	229,255.93
10	Suburb Tourism	2	Beijing	6,773.65	36,983.51

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No.	Name of subsidiary	Level	Registration place	Paid-in capital (RMB ten thousand)	Investment amount (RMB ten thousand)
	Company				
11	Urban and Rural Group	2	Beijing	31,680.49	77,897.15
12	Xianglong Company	2	Beijing	357,205.11	352,748.67
13	Beichen Group	2	Beijing	190,810.00	487,564.70
14	Jinyu Asset	2	Beijing	386,628.77	127,859.25
15	BBMG Group	2	Beijing	1,067,777.11	1,659,333.93
16	Shounong Group	2	Beijing	601,763.53	944,605.83
	Equity				
17	Development Company	2	Beijing	10,714.29	6,280.21
18	Real Estate Investment	2	Beijing	5,500.00	5,500.00
19	Real Estate Management	2	Beijing	3,000.00	3,000.00
20	Guoguan Center Investment Holdings	2	The British Virgin Islands	300.00	198,505.16
21	Dairy Investment Fund Management	2	Beijing	100.00	100.00
22	Jingguorui Fund Management	2	Beijing	3,000.00	1,800.00
23	Jingguorui Fund	2	Beijing	1,080,537.34	1,001,457.41
24	Equity Exchange Group	2	Beijing	70,000.00	45,102.16
25	International Cooperation Center	2	Beijing	19,893.22	73,862.80
26	Ducheng Company	2	Beijing	1,048.03	1,080.09

(2) Accounting firms that audit the financial statements of subsidiaries and types of audit report opinions

No.	Name of secondary level subsidiaries	Accounting firm	Audit report number	Audit opinion
1	Shougang Group	Grant Thornton Certified Public Accountants (Special General Partnership)	ZTSZ(2020) No.110ZA3322	Unqualified opinion
2	Beijing Electronics	China Audit Asia Pacific Certified Public Accountants (Special General Partnership)	ZSYTSZ(2020) 010062	Unqualified opinion

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No.	Name of secondary level subsidiaries	Accounting firm	Audit report number	Audit opinion
3	Jingcheng Electromechanical	Grant Thornton Certified Public Accountants (Special General Partnership)	ZTSZ(2020) No.110ZB5955	Unqualified opinion
4	Beijing Energy Group	Grant Thornton Certified Public Accountants (Special General Partnership)	ZTSZ(2020) No.110ZA6292	Unqualified opinion
5	Capital Highway Development	Beijing Tianyuanquan Certified Public Accountants (Special General Partnership)	TYQSZ [2020] 000034	Unqualified opinion with emphasis of matter
6	Yiqing Holding	China Audit Asia Pacific Certified Public Accountants (Special General Partnership)	ZSYTSZ(2020) 010012	Unqualified opinion
7	Capital Development Holdings	Grant Thornton Certified Public Accountants (Special General Partnership)	ZTSZ(2020) No.110ZA1384	Unqualified opinion
8	Beijing Automotive Group	Grant Thornton Certified Public Accountants (Special General Partnership)	ZTSZ(2020) No.110ZA2320	Unqualified opinion
9	Tongrentang Group	Grant Thornton Certified Public Accountants (Special General Partnership)	ZTSZ(2020) No.110ZB5830	Unqualified opinion
10	Suburb Tourism Company	Grant Thornton Certified Public Accountants (Special General Partnership)	ZTSZ(2020) No.110ZC7208	Unqualified opinion
11	Urban and Rural Group	Grant Thornton Certified Public Accountants (Special General Partnership)	ZTSZ(2020) No.110ZA6110	Unqualified opinion
12	Xianglong Company	Beijing Tianyuanquan Certified Public Accountants (Special General Partnership)	TYQSZ [2020] 000497	Unqualified opinion
13	Beichen Group	Zhongshen Zhonghuan Certified Public Accountants (Special General Partnership)	ZHSZ(2020) 023574	Unqualified opinion
14	Jinyu Asset	Ernst & Young Hua Ming Certified Public Accountants (Special General Partnership)	E&YHM(2020) ZZ No.61387261_A01	Unqualified opinion with emphasis of matter
15	BBMG Group	Ernst & Young Hua Ming Certified Public Accountants (Special General Partnership)	E&YHM(2020) SZ No.67053_A02	Unqualified opinion
16	Shounong Group	Grant Thornton Certified Public Accountants (Special General Partnership)	ZTSZ(2020) No.110ZA6994	Unqualified opinion
17	Equity Development Company	PricewaterhouseCoopers Zhongtian Certified Public Accountants Co., Ltd.	PWCZTBJSZ(2020) No.1187	Unqualified opinion
18	Real Estate Investment	Grant Thornton Certified Public Accountants (Special General Partnership)	ZTSZ(2020) No.110ZC4458	Unqualified opinion
19	Real Estate Management	Grant Thornton Certified Public Accountants (Special General Partnership)	ZTSZ(2020) No.110ZC4460	Unqualified opinion

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No.	Name of secondary level subsidiaries	Accounting firm	Audit report number	Audit opinion
20	Guoguan Center Investment Holdings	Grant Thornton Certified Public Accountants (Special General Partnership)	ZTSZ(2020) No.110ZC7083	Unqualified opinion
21	Dairy Investment Fund Management	Grant Thornton Certified Public Accountants (Special General Partnership)	ZTSZ(2020) No.110ZC5996	Unqualified opinion
22	Jingguorui Fund Management	PricewaterhouseCoopers Zhongtian Certified Public Accountants Co., Ltd.	PWCZTBJSZ(2020) No.1184	Unqualified opinion
23	Jingguorui Fund	PricewaterhouseCoopers Zhongtian Certified Public Accountants Co., Ltd.	PWCZTBJSZ(2020) No.1197	Unqualified opinion
24	Equity Exchange Group	Beijing Xingzhonghai Certified Public Accountants Co., Ltd.	XZHSZ [2020] No.0059	Unqualified opinion
25	International Cooperation Center	Beijing Zhongyongzhi Certified Public Accountants Co., Ltd.	ZYSZ [2020] No.1026-1	Unqualified opinion
26	Ducheng Company	Zhongxi Certified Public Accountants (Special General Partnership)	ZXSZ [2020] No.00653	Unqualified opinion

Note: Matters leading to not a clean audit opinion

(1) Emphasis of matter in Capital Highway Development

The main business of Capital Highway Development's subsidiary, Beijing Gonglian Highway Link Co., Ltd., is the construction of public transportation infrastructure such as urban roads and hubs invested by the city's financial funds. As of December 31, 2019, fixed assets formed by government investment were RMB 30.443 billion. The Company recognized this part of assets as a public welfare asset, and it has not provided for depreciation in accordance with the relevant provisions of the "Accounting Standards for Business Enterprises No. 4-Fixed assets". The policy of non-depreciable public welfare assets is still being communicated and resolved.

(2) Emphasis of matter in Jinyu Asset

Jinyu Asset's consolidated financial statements include the financial statements of Jinyu Asset and its subsidiaries, as well as the Party School of the Communist Party of China Beijing Building Materials Group Corporation Committee and Beijing Jinyu Technology School (hereinafter referred to as the "two schools"). The two schools have implemented the "Government Accounting System-Accounting Subjects and Statements of Administrative Institutions" (Cai Kuai [2017] No. 25) since January 1, 2019, with reference to "About the Implementation of the Government Accounting System-Administrative Institution Accounting" Supplementary Provisions on Subjects and Statements" and "Regulations on the Cohesion of the Implementation of the <Government Accounting System-Accounting Subjects and Statements of Administrative Institutions> in Primary and Secondary Schools".

The financial statements prepared by Jinyu Asset is for the purpose of the 2019 financial reporting and is not suitable for other purposes.

VII. Notes to significant items of the financial statements

1. Cash and bank balances

Item	Closing balance	Beginning balance
Cash in hand	26,812,092.30	84,906,467.56
Cash at bank	307,905,886,115.01	311,151,792,423.74
Other monetary funds	22,107,239,336.04	28,631,467,959.32
Total	330,039,937,543.35	339,868,166,850.62
Including: Total amount of money deposited abroad	14,841,425,898.19	11,871,549,544.65

Cash and bank balances under restriction are as follows:

Item	Closing balance	Beginning balance
Deposits for bank acceptance bills	7,494,599,686.01	8,066,793,369.14
Reserve deposited in Central bank	6,173,075,706.32	5,765,042,721.02
Deposits for letter of credit	4,654,956,021.56	6,502,377,099.20
Restricted funds of real estate pre-sale funds	3,872,605,923.80	2,926,411,562.08
Security deposits for loans	3,591,127,204.12	2,347,397,864.00
Security deposits for mortgage loans	1,915,566,601.03	1,288,201,357.66
Deposits for letter of guarantee	1,736,997,550.21	2,069,643,281.43
Security deposits for contracts	1,153,442,702.66	1,706,655,593.72
Maintenance funds	1,391,629,765.31	1,185,194,437.47
Others	3,523,494,347.79	4,337,884,807.89
Total	35,507,495,508.81	36,195,602,093.61

2. Trading financial assets

Item	Fair value at year end	Fair value at beginning of year
Designated as financial assets at fair value through profit or loss	7,485,624,548.93	6,334,029,019.10
Including: Debt instrument investment	7,171,234,625.13	5,495,322,008.98
Equity instrument investment	277,903,430.63	692,391,436.63
Others	36,486,493.17	146,315,573.49
Designated as financial assets at fair value through profit or loss	161,324,691.98	243,956,624.30
Including: Debt instrument investment	--	--
Hybrid instrument investment	--	--
Others	161,324,691.98	243,956,624.30
Total	7,646,949,240.91	6,577,985,643.40

3. Financial assets at fair value through profit or loss

Item	Fair value at year end	Fair value at beginning of year
Trading financial assets	3,562,670,877.79	3,256,694,046.20
Including: Equity instrument investment	3,562,670,877.79	3,256,694,046.20
Designated as financial assets at fair value through profit or loss	24,963,592,899.11	17,084,102,786.77
Including: Equity instrument investment	17,496,490,499.11	14,068,488,244.41
Others	7,467,102,400.00	3,015,614,542.36
Total	28,526,263,776.90	20,340,796,832.97

4. Derivative financial assets

Item	Closing balance	Beginning balance
Futures contract	89,121,534.00	71,260,414.60

5. Notes receivable

(1) Notes receivable by category

Category	Closing balance			Beginning balance		
	Book balance	Provision for bad debts	Carrying value	Book balance	Provision for bad debts	Carrying value
Bank acceptance bills	17,430,318,362.50	9,904.60	17,430,308,457.90	24,799,624,009.31	5,386,077.30	24,794,237,932.01
Commercial acceptance bills	4,402,190,015.66	165,827,488.01	4,236,362,527.65	3,603,791,155.57	70,521,096.49	3,533,270,059.08
Total	21,832,508,378.16	165,837,392.61	21,666,670,985.55	28,403,415,164.88	75,907,173.79	28,327,507,991.09

(2) Notes receivable pledged at year end

Category	Amount pledged at year end
Bank acceptance bills	629,085,200.79

(3) Closing balance of bills endorsed or discounted to other parties but undue

Category	Amount derecognized at year end	Amount not-derecognized at year end
Bank acceptance bills	15,892,889,459.67	1,392,608,052.17
Commercial acceptance bills	338,597,717.03	449,872,986.02
Total	16,231,487,176.70	1,842,481,038.19

- (4) At year end, amounts transferred to accounts receivable due to the failure of the drawer to perform the contract

Category	Amount transferred to accounts receivable at year end
Bank acceptance bills	419,563,462.20
Commercial acceptance bills	142,110,000.00
Total	561,673,462.20

6. Accounts receivable

Item	Closing balance			Beginning balance		
	Book balance	Provision for bad debts	Carrying value	Book balance	Provision for bad debts	Carrying value
Companies that have not yet implemented New Financial Instruments						
Companies that have implemented the new financial instrument standards						
implemented New Financial Instruments	53,513,247,186.55	6,896,765,416.93	46,616,481,769.62	52,904,441,175.75	5,597,041,918.16	47,307,399,257.59
the new financial instrument standards	53,122,332,241.83	5,122,598,367.06	47,999,733,874.77	52,292,926,115.25	4,436,764,351.87	47,856,161,763.38
Total	106,635,579,428.38	12,019,363,783.99	94,616,215,644.39	105,197,367,291.00	10,033,806,270.03	95,163,561,020.97

- (1) Information of provision for bad debts

“Companies that have not yet implemented New Financial Instruments”:

Accounts receivable by category:

Category	Closing balance			
	Book balance	Ratio (%)	Provision for bad debts	Ratio (%)
Individually significant and assessed for impairment individually	3,185,440,316.65	5.95	2,606,539,929.71	81.83
Collectively assessed for impairment based on credit risk characteristics	49,497,076,768.63	92.50	3,734,387,663.64	7.54
Individually insignificant but assessed for impairment individually	830,730,101.27	1.55	555,837,823.58	66.91
Total	53,513,247,186.55	100.00	6,896,765,416.93	12.89

Accounts receivable by category (Continued):

Category	Book balance	Beginning balance		
		Ratio (%)	Provision for bad debts	Ratio (%)
Individually significant and assessed for impairment individually	2,978,286,576.90	5.63	1,981,812,698.44	66.54
Collectively assessed for impairment based on credit risk characteristics	49,309,086,010.50	93.20	3,203,176,463.44	6.50
Individually insignificant but assessed for impairment individually	617,068,588.35	1.17	412,052,756.28	66.78
Total	52,904,441,175.75	100.00	5,597,041,918.16	10.58

A. Provision for bad debts for accounts receivable which are individually significant and assessed for impairment individually

Name of debtor	Book balance	Provision for bad debts	Ageing	Provision ratio (%)	Reason of provision
Resident heating fee	389,038,030.88	372,171,837.49	Over 3 years	95.66	Expected partially unrecoverable
CEFC International Group Co., Ltd.	255,758,142.96	255,758,142.96	2-3 years	100.00	Expected to be uncollectible
Tangshan Tongbao Coking Co., Ltd.	182,631,161.16	182,631,161.16	Over 5 years	100.00	Expected to be uncollectible
Tianbao Automobile Sales Co., Ltd.	140,433,030.18	140,433,030.18	Over 3 years	100.00	Expected to be uncollectible
Yantai Jushou Coal Co., Ltd.	103,084,119.81	103,084,119.81	Over 5 years	100.00	Expected to be uncollectible
Beijing Affordable Housing Construction Investment Center	90,273,688.25	--	Within 1 year	--	Expected to be recovered
China Hydropower Fourth Bureau Mechanical Energy Equipment Co., Ltd.	62,266,860.00	9,340,029.00	2-3 years	15.00	Expected partially unrecoverable
Beijing Times Chuangjie Car Rental Co., Ltd.	57,395,427.94	56,954,438.94	Over 5 years	99.23	Expected partially unrecoverable
Shuicheng Iron and Steel (Group) Industry and Trade Co., Ltd.	52,558,887.41	52,558,887.41	Over 5 years	100.00	Expected to be uncollectible
Guangxi Investment Group Hengyuan Trading Co., Ltd.	52,251,345.50	52,251,345.50	1-2 years	100.00	Expected to be uncollectible
Xi'an Tianhong Electric Co., Ltd.	51,272,000.00	21,272,000.00	Over 5 years	41.49	Expected partially unrecoverable
Qinhuangdao Shouqin Longhui Mining Co., Ltd.	50,898,530.31	50,898,530.31	1-5 years	100.00	Expected to be uncollectible

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Name of debtor	Book balance	Provision for bad debts	Ageing	Provision ratio (%)	Reason of provision
Others	1,697,579,092.25	1,309,186,406.95		77.12	Expected partially unrecoverable
Total	3,185,440,316.65	2,606,539,929.71			

B. Collectively assessed for impairment based on credit risk characteristics

a. Provision for bad debts by aging analysis on accounts receivable

Ageing	Closing balance			Beginning balance		
	Book balance		Provision for bad debts	Book balance		Provision for bad debts
	Amount	Ratio (%)		Amount	Ratio (%)	
Within 1 year (inclusive of 1 year)	21,224,173,379.18	72.70	106,657,354.47	18,436,130,382.52	67.24	82,033,371.06
1-2 years	2,622,505,136.02	8.98	230,594,161.33	3,047,345,985.46	11.11	108,844,372.10
2-3 years	1,449,515,236.29	4.96	296,035,766.40	2,180,157,658.58	7.95	198,627,226.19
Over 3 years	3,899,594,677.97	13.36	2,402,678,800.28	3,755,157,455.24	13.70	2,129,828,525.68
Total	29,195,788,429.46	100.00	3,035,966,082.48	27,418,791,481.80	100.00	2,519,333,495.03

b. Provision for bad debts collectively by groups

Group	Closing balance			Beginning balance		
	Book balance	Provision ratio (%)	Provision for bad debts	Book balance	Provision ratio (%)	Provision for bad debts
Other group	20,301,288,339.17	3.44	698,421,581.16	21,890,294,528.70	3.12	683,842,968.41

C. Individually insignificant but assessed for impairment individually

Name of debtor	Book balance	Provision for bad debts	Ageing	Provision ratio (%)	Reason of provision
Shenzhen Zhaofeng Rui Investment Development Co., Ltd.	27,448,052.51	27,448,052.51	1-2 years	100.00	Expected to be uncollectible
Mercedes-Benz Leasing Co., Ltd.	24,876,107.04	--	Within 1 year	--	Expected to be recovered
Huizhou Zhonglian Car Box Manufacturing Co., Ltd.	20,835,033.39	20,835,033.39	1-3 years	100.00	Expected to be uncollectible

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Name of debtor	Book balance	Provision for bad debts	Ageing	Provision ratio (%)	Reason of provision
Deyang Xianglong Petroleum Machinery Equipment Co., Ltd.	20,679,298.77	20,679,298.77	2-3 years	100.00	Expected to be uncollectible
Beijing Jianmao Tianshun Commodity Concrete Co., Ltd.	20,498,154.05	20,498,154.05	Over 3 years	100.00	Expected to be uncollectible
Tsinghua University High School	17,817,814.59	--	1-2 years	--	Expected to be recovered
Beijing New Vision Commercial Co., Ltd.	15,000,000.00	15,000,000.00	Over 3 years	100.00	Expected to be uncollectible
Others	683,575,640.92	451,377,284.86		66.03	Expected partially unrecoverable
Total	830,730,101.27	555,837,823.58		--	

“Companies that have implemented the new financial instrument standards”:

Accounts receivable by ageing

Ageing	Closing balance
Within 1 year	30,484,490,875.34
1-2 years	10,839,993,092.73
2-3 years	5,570,034,339.15
Over 3 years	6,227,813,934.61
Subtotal	53,122,332,241.83
Less: Provision for bad debts	5,122,598,367.06
Total	47,999,733,874.77

Disclosure by method of provision for bad debts

Category	Closing balance				Carrying value
	Book balance		Provision for bad debts		
	Amount	Ratio (%)	Amount	Expected credit loss rate (%)	
Provision for bad debts on individual item	1,787,660,402.98	3.37	1,262,307,032.68	70.61	525,353,370.30
Provision for bad debts on portfolio basis	51,334,671,838.85	96.63	3,860,291,334.38	7.52	47,474,380,504.47

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Total	53,122,332,241.83	100.00	5,122,598,367.06	9.64	47,999,733,874.77
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Continued:

Category	Beginning balance				Carrying amount
	Book balance		Provision for bad debts		
	Amount	Ratio (%)	Amount	Expected credit loss rate (%)	
Provision for bad debts on individual item	1,790,682,451.35	3.42	916,904,310.12	51.20	873,778,141.23
Provision for bad debts on portfolio basis	50,502,243,663.90	96.58	3,519,860,041.75	6.97	46,982,383,622.15
Total	52,292,926,115.25	100.00	4,436,764,351.87	8.48	47,856,161,763.38

At year end, provision for bad debts on individual item:

Name of debtor	Book balance	Provision for bad debts	Ageing	Expected credit loss rate (%)	Reason of provision
Entity 1	137,406,869.10	75,475,155.06	1-2 years	54.93	Expected partially unrecoverable
TECNOIMPORT	127,295,172.71	71,882,347.50	Within 1 year, 1-2 years, 2-3 years	56.47	Expected partially unrecoverable
Hangzhou Weiwu New Energy Automobile Technology Co., Ltd.	82,020,200.00	82,020,200.00	3-4 years	100.00	Expected to be uncollectible
Entity 2	78,697,034.78	78,697,034.78	Over 5 years	100.00	Expected to be uncollectible
Entity 3	67,194,228.53	67,194,228.53	Over 5 years	100.00	Expected to be uncollectible
Baotou Zhongjun Transportation Co., Ltd.	61,046,492.58	61,046,492.58	1-2 years, 4-5 years, Over 5 years	100.00	Expected to be uncollectible
Entity 4	51,900,000.00	51,900,000.00	Over 5 years	100.00	Expected to be uncollectible
Other entities	1,182,100,405.28	774,091,574.23		65.48	Expected partially unrecoverable
Total	1,787,660,402.98	1,262,307,032.68		--	

At year end, provision for bad debts on portfolios:

Provision on portfolio basis: Receivable from external customers

Ageing	Closing balance		
	Accounts receivable	Provision for bad debts	Expected credit loss rate (%)
Within 1 year	33,219,451,512.34	719,986,544.18	2.17
1-2 years	8,756,689,139.66	415,612,286.79	4.75
2-3 years	4,215,891,814.77	489,579,770.23	11.61
Over 3 years	4,969,682,145.52	2,235,112,733.18	44.97
Total	51,161,714,612.29	3,860,291,334.38	--

Provision on portfolio basis: Customers of UnionPay, Social Security Institution

Category	Closing balance		
	Accounts receivable	Provision for bad debts	Expected credit loss rate (%)
UnionPay credit card	26,718,880.54	--	--
Medical insurance card	142,286,785.74	--	--
Other cards	3,951,560.28	--	--
Total	172,957,226.56	--	--

(2) Reversal of provision for bad debts for the period was RMB 65,037,599.62 which is due to collection of payments.

(3) Written off of accounts receivable during the period was RMB 63,018,385.88, and the write-offs have all gone through the approval procedures of each sub-group.

(4) The closing balance of top five debtors of accounts receivable was RMB 14,893,495,760.47, which accounted for 13.97 % of total accounts receivable, and the provision for bad debts was RMB 0.00.

7. Receivables financing

Category	Closing balance	Beginning balance
Notes receivable	5,668,384,710.37	3,846,847,937.20

8. Prepayments

(1) Prepayments by ageing

Ageing	Closing balance			Beginning balance		
	Book balance		Provision for bad debts	Book balance		Provision for bad debts
	Amount	Ratio (%)		Amount	Ratio (%)	

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Within 1 year (inclusive of 1 year)	27,374,484,313.43	78.12	13,399,487.06	29,341,872,988.62	84.97	10,101,167.18
1-2 years	4,149,736,700.77	11.84	33,537,449.89	2,073,073,325.58	6.00	11,869,633.73
2-3 years	1,003,329,303.11	2.86	116,143,018.60	1,185,437,235.39	3.43	20,408,557.75
Over 3 years	2,513,770,148.11	7.18	119,210,304.32	1,932,389,908.55	5.60	160,896,866.06
Total	35,041,320,465.42	100.00	282,290,259.87	34,532,773,458.14	100.00	203,276,224.72

(2) Significant prepayments with aging over 1 year

Creditor	Debtor	Closing balance	Ageing	Reasons for unsettled
Beijing Shougang Construction Investment Co., Ltd.	Beijing Gucheng Tairan Investment Management Company	451,609,448.00	1-2 years	Not yet settled
Beijing Lvzhou Expo Park Investment Co., Ltd.	The People's Government of Miyun District, Beijing	285,000,000.00	1-2 years	Not yet settled
Beijing Jintai Group Co., Ltd.	Beijing Antai Industrial Co., Ltd.	196,142,470.00	2-3 years	Project is not completed
Beijing Ershang Meat Food Group Co., Ltd.	Shanghai Huaxin Capital Investment Co., Ltd.	155,181,200.00	1-2 years	Debt restructuring
Beijing Jingcheng Electrical Engineering Co., Ltd.	Hebei Huiyuan Coking and Gas Group Co., Ltd.	125,402,512.87	3-4 years	Litigation
Beijing Jingcheng Electrical Engineering Co., Ltd.	Jiayuguan Juxinda Industrial Co., Ltd.	112,607,769.00	2-3 years, 3-4 years, 4-5 years	Project is not completed
Beijing Jingcheng Electrical Engineering Co., Ltd.	Tangshan Fengrun District Kailida Steel Co., Ltd.	110,273,448.02	3-4 years	Litigation
Beijing Ershang Meat Food Group Co., Ltd.	Shanghai New Silk Road Huaxin Equity Investment Fund Partnership (Limited Partnership)	100,000,000.00	1-2 years	Debt restructuring
Shuozhou Electronic Zone Cyberport Development Co., Ltd.	Shuocheng District Government, Shuozhou City, Shanxi Province	95,300,000.00	Over 5 years	Prepaid land price
Beijing Jingcheng Electrical Engineering Co., Ltd.	Tangshan Donghua Iron and Steel Enterprise Group Co., Ltd.	89,211,954.25	2-3 years, 4-5 years	Project is not completed
China Shougang	Beijing Zhongshou	75,946,900.00	Over 3	Not yet settled

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Creditor	Debtor	Closing balance	Ageing	Reasons for unsettled
International Trade Engineering Co., Ltd.	Haitong International Engineering Technology Co., Ltd.		years	
Beijing Thermal Group Co., Ltd.	Beijing Urban Construction Wuwei Construction Co., Ltd.	66,056,753.64	1-2 years, Over 3 years	Project is not completed
Beijing Jintai (Liaoning) Real Estate Development Co., Ltd.	Liaoning Shenzhang New City Development and Construction Co., Ltd.	50,800,000.00	Over 3 years	Not yet settled
Beijing Shougang Resources Reuse Technology Co., Ltd.	Tangshan Lubei District Hemingda Cargo Joint Fleet	50,000,000.00	1-2 years	Not yet settled
Total		1,963,532,455.78		

(3) Top five prepayments in closing balance

Name of debtor	Book balance	Proportion to total prepayments (%)	Provision for bad debts
Beijing Gucheng Tairan Investment Management Company	1,514,335,909.79	4.32	--
Wucheng Sub-district Office, Xiaodian District, Taiyuan City	1,500,000,000.00	4.28	--
Kweichow Moutai Sales Co., Ltd.	534,047,871.14	1.52	--
Beijing Land Consolidation and Reserve Center	489,000,000.00	1.40	--
The People's Government of Miyun District, Beijing	355,000,000.00	1.01	--
Total	4,392,383,780.93	12.53	--

9. Other receivables

Item	Closing balance	Beginning balance
Interest receivable	1,416,340,731.35	816,880,018.83
Dividends receivable	1,979,734,112.59	2,311,391,643.36
Other receivables	94,508,914,460.35	86,433,770,712.30
Total	97,904,989,304.29	89,562,042,374.49

(1) Interest receivable

① Interest receivable by category

Item	Closing balance	Beginning balance
Fixed deposits	352,133,136.19	405,337,126.28

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Item	Closing balance	Beginning balance
Entrusted loans	13,393,355.34	7,630,310.58
Bond investments	403,615,499.16	287,751,517.44
Others	653,585,149.50	122,548,108.37
Subtotal:	1,422,727,140.19	823,267,062.67
Less: Provision for bad debts	6,386,408.84	6,387,043.84
Total	1,416,340,731.35	816,880,018.83

② Significant overdue interest

Borrower	Closing balance	Overdue time (months)	Reason for overdue	Whether impairment occurred and its judgment basis
Changzhi Xinlong Coal Gangue Power Plant Co., Ltd.	6,386,408.84	51 months	Affected by macro policy control, Jinneng Changzhi Xinlong's low-calorific coal power generation expansion project temporarily suspended construction	Since Jinneng Changzhi Xinlong's low-calorific value coal power generation expansion project failed to operate, it was determined that interest receivable was impaired, and the provision for impairment was fully provided

(2) Dividends receivable

Item	Closing balance	Beginning balance	Reasons for non-recovery	Whether impairment occurred and its judgment basis
Dividends receivable of ageing within one year	1,170,681,110.39	1,084,158,987.29		
Including: Inner Mongolia Shangdu Power Generation Co., Ltd.	171,961,653.11	181,443,707.11	Unpaid	No
Beijing Wancheng Yonghui Real Estate Co., Ltd.	165,000,000.00	--	Unpaid	No
Inner Mongolia Datang International Tuoketuo Second Power Generation Co., Ltd.	117,392,391.46	97,673,872.59	Unpaid	No

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Item	Closing balance	Beginning balance	Reasons for non-recovery	Whether impairment occurred and its judgment basis
Inner Mongolia Datang International Tuoketuo Power Generation Co., Ltd.	116,330,410.70	126,340,692.63	Unpaid	No
Beijing Yanfeng Beiqi Automotive Interior Parts Co., Ltd.	106,268,788.08	--	Unpaid	No
Beijing Shoucheng Real Estate Co., Ltd.	105,345,250.00	129,943,900.00	Unpaid	No
Inner Mongolia Shangdu Second Power Generation Co., Ltd.	79,408,139.34	74,720,870.00	Unpaid	No
Beijing Beiqi Yanfeng Auto Parts Co., Ltd.	64,071,325.18	--	Unpaid	No
Sanhe Power Generation Co., Ltd.	36,251,380.89	--	Unpaid	No
Beijing West Heavy Industries (Shanghai) Co., Ltd.	35,809,790.70	--	Unpaid	No
Beijing Baineng Electric Technology Co., Ltd.	32,500,000.00	6,500,000.00	Unpaid	No
Shiseido Liyuan Cosmetics Co., Ltd.	26,646,049.83	97,647,043.04	Unpaid	No
Huaneng Beijing Thermal Power Co., Ltd.	22,761,946.25	155,822,752.59	Unpaid	No
Beijing Beiqi Guanghua Auto Parts Co., Ltd.	14,000,000.00	--	Unpaid	No
Beijing Bioinrich Automotive Systems Co., Ltd.	12,000,000.00	--	Unpaid	No
Zhongguancun Development Group Co., Ltd.	10,896,181.73	--	Unpaid	No
Others	54,037,803.12	214,066,149.33	Unpaid	No
Dividends receivable aged more than one year	913,347,369.16	1,232,232,656.07		
Including: Guoao Investment Development Co., Ltd.	430,098,428.79	430,098,428.79	Unpaid	No
Capital Land	229,943,900.00	100,000,000.00	Unpaid	No
Tenneco (Beijing) Automotive	90,301,952.19	90,301,952.19	Unpaid	No

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Item	Closing balance	Beginning balance	Reasons for non-recovery	Whether impairment occurred and its judgment basis
Shock Absorber Co., Ltd.				
Longhua County Xincun Mining Co., Ltd.	77,687,299.40	77,687,299.40	Unpaid	No
Shanxi Changqin Coal and Coke Co., Ltd.	58,606,863.46	58,606,863.46	Unpaid	No
Others	26,708,925.32	475,538,112.23	Unpaid	No
Subtotal	2,084,028,479.55	2,316,391,643.36		
Less: Provision for bad debts	104,294,366.96	5,000,000.00		
Total	1,979,734,112.59	2,311,391,643.36		

(3) Other receivables

① Other receivables by nature

Item	Closing balance			Beginning balance		
	Book balance	Provision for bad debts	Carrying value	Book balance	Provision for bad debts	Carrying value
Companies that have not yet implemented the new financial instrument standards	50,753,274,329.39	15,607,411,037.82	35,145,863,291.57	38,901,114,546.84	10,725,150,651.75	28,175,963,895.09
Companies that have implemented the new financial instrument standards	61,761,848,944.99	2,398,797,776.21	59,363,051,168.78	60,262,840,594.90	2,005,033,777.69	58,257,806,817.21
Total	112,515,123,274.38	18,006,208,814.03	94,508,914,460.35	99,163,955,141.74	12,730,184,429.44	86,433,770,712.30

② Information of provision for bad debts

“Companies that have not yet implemented New Financial Instruments”:

Category	Closing balance			
	Book balance	Ratio (%)	Provision for bad debts	Ratio (%)
Individually significant and subject to separate provision of other receivables	22,904,104,934.97	45.13	12,252,038,595.92	53.49
Provision for bad debts collectively as a group based	26,304,092,538.23	51.83	2,661,102,536.00	10.12

Category	Closing balance			
	Book balance	Ratio (%)	Provision for bad debts	Ratio (%)
on credit risk characteristics Individually insignificant and subject to separate provision of other receivables	1,545,076,856.19	3.04	694,269,905.90	44.93
Total	50,753,274,329.39	100.00	15,607,411,037.82	30.75

Other receivables by category (Continued)

Category	Beginning balance			
	Book balance	Ratio (%)	Provision for bad debts	Ratio (%)
Individually significant and subject to separate provision of other receivables	15,452,647,322.63	39.72	7,911,844,617.99	51.20
Provision for bad debts collectively as a group based on credit risk characteristics	21,654,148,456.89	55.66	2,285,310,816.34	10.55
Individually insignificant and subject to separate provision of other receivables	1,794,318,767.32	4.62	527,995,217.42	29.43
Total	38,901,114,546.84	100.00	10,725,150,651.75	27.57

A. Individually significant and subject to separate provision of other receivables

Name of debtor	Book balance	Provision for bad debts	Ageing	Provision ratio (%)	Reason of provision
Tonghua Iron and Steel Group Co., Ltd.	10,719,507,541.55	5,707,513,672.00	A portion over 3 years	53.24	Bankruptcy reorganization plan
Dalian Yifang Donggang Land Co., Ltd.	1,782,249,392.49	327,223,868.42	A portion over 3 years	18.36	Expected to be partially recovered
Jiangxi Jinggangshan Beiqi Investment Management Co., Ltd.	1,268,283,137.12	664,549,689.51	Over 3 years	52.40	Expected to be partially recovered
Qinhuangdao Shouqin Longhui Mining Co., Ltd.	1,246,825,205.98	1,246,825,205.98	Over 3 years	100.00	File for bankruptcy
Shenzhen Benyuan Jinghong Equity Investment Fund Enterprise (Limited)	499,034,789.78	--	2-3 years	--	Expected to be recovered

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Name of debtor	Book balance	Provision for bad debts	Ageing	Provision ratio (%)	Reason of provision
Partnership)					
Tangshan Shougang Baoye Industrial Co., Ltd.	475,694,493.45	475,694,493.45	Over 2 years	100.00	Expected to be uncollectible
Shanghai Huaxin Group Finance Co., Ltd.	463,185,399.81	463,185,399.81	Over 3 years	100.00	Expected to be uncollectible
Beijing Guorui Xingye Real Estate Co., Ltd.	406,000,000.00	--	Over 3 years	--	Expected to be recovered
Shenyang Oriental Iron & Steel Co., Ltd.	405,865,179.81	357,049,551.39	Over 3 years	87.97	Expected to be partially recovered
Assets Group					
Beijing Registration and Clearing Co., Ltd.	403,898,749.50	--	Within 1 year	--	Expected to be recovered
Beijing Urban Construction Longda Real Estate Co., Ltd.	401,000,000.00	--	Over 3 years	--	Expected to be recovered
Housing Fund and Maintenance Fund	352,450,657.21	--	Within 1 year	--	Expected to be recovered
Hebei Longdi Shouchuang Tire Manufacturing Co., Ltd.	235,954,386.07	235,954,386.07	Over 3 years	100.00	Expected to be uncollectible
Shanghai Ronghui Materials Co., Ltd.	199,451,000.00	143,451,000.00	1-2 years	71.92	Expected to be partially recovered
Beijing Municipal Finance Bureau	197,162,600.00	--	Within 1 year	--	Expected to be recovered
Fangcheng Shoukong Mining Co., Ltd.	176,094,703.45	88,047,351.73	Over 3 years	50.00	Expected to be partially recovered
Beijing Yongyuanxing Real Estate Co., Ltd.	164,340,000.00	--	1-2 years	--	Expected to be recovered
Mido Energy Co., Ltd.	142,345,663.38	142,345,663.38	Over 3 years	100.00	Expected to be uncollectible
Beijing Anyuan Housing Co., Ltd.	128,827,278.96	--	Within 1 year	--	Expected to be recovered
Shenzhen Municipal Finance Bureau	110,053,371.65	110,053,371.65	Over 3 years	100.00	Expected to be uncollectible
Anhui Shouwen High-tech Materials Co., Ltd.	101,775,666.45	101,775,666.45	Over 3 years	100.00	Expected to be uncollectible

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Name of debtor	Book balance	Provision for bad debts	Ageing	Provision ratio (%)	Reason of provision
Jingao Company	101,737,053.32	101,737,053.32	Over 3 years	100.00	Expected to be uncollectible
Shenzhen Jinggangshan New Energy Investment Management Co., Ltd.	87,969,333.33	--	2-3 years	--	Expected to be recovered
Beijing Zhonghe Alliance Trading Co., Ltd.	85,000,000.00	--	Over 3 years	--	Expected to be recovered
Tianjin Binhai New Area Yizhou Dingxian International Trade Co., Ltd.	84,381,890.24	84,381,890.24	Over 3 years	100.00	Expected to be uncollectible
Manager of Beijing Capital Radial Tire Manufacturing Co., Ltd.	83,273,450.11	--	Over 3 years	--	Expected to be recovered
Zhongsu International Trade (Beijing) Co., Ltd.	83,254,146.05	83,254,146.05	Over 3 years	100.00	Expected to be uncollectible
Beijing Baiyu Investment Co., Ltd.	83,200,836.39	--	Over 3 years	--	Expected to be recovered
Beijing Zhonghe Yirong Investment Consulting Co., Ltd.	82,000,000.00	--	Over 3 years	--	Expected to be recovered
Jiangsu Qunfa Agricultural Development Co., Ltd.	78,674,054.11	78,674,054.11	Over 3 years	100.00	Expected to be uncollectible
Beijing Jupeng Investment Company	78,431,641.89	--	Over 3 years	--	Expected to be recovered
Guoxing Company	76,831,900.57	76,831,900.57	Over 3 years	100.00	Expected to be uncollectible
Bankruptcy Administrator of Beijing Gear Factory	65,939,147.35	--	Over 3 years	--	Expected to be recovered
Shenzhen Yao Digital Technology Co., Ltd.	51,524,881.28	51,524,881.28	Over 3 years	100.00	Expected irrecoverable
Beijing Century Langchao Investment Management Co., Ltd.	50,855,871.20	50,855,871.20	Over 3 years	100.00	Expected to be uncollectible
Others	1,931,031,512.47	1,661,109,479.31		86.02	Expected to be partially

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Name of debtor	Book balance	Provision for bad debts	Ageing	Provision ratio (%)	Reason of provision recovered
Total	22,904,104,934.97	12,252,038,595.92		--	

B. Provision for bad debts collectively as a group based on credit risk characteristics

a. Other receivables made provision for bad debts by aging analysis

Ageing	Closing balance			Beginning balance		
	Book balance		Provision for bad debts	Book balance		Provision for bad debts
	Amount	Ratio (%)		Amount	Ratio (%)	
Within 1 year (inclusive of 1 year)	5,698,587,385.63	58.85	198,730,266.39	4,852,857,189.54	58.05	102,476,756.26
1-2 years	1,275,781,512.58	13.17	81,946,845.74	754,639,367.51	9.03	39,607,466.00
2-3 years	189,795,714.96	1.96	18,994,278.89	295,850,386.96	3.54	32,621,842.40
Over 3 years	2,519,574,009.30	26.02	2,019,178,298.46	2,456,591,193.15	29.38	1,762,223,046.65
Total	9,683,738,622.47	100.00	2,318,849,689.48	8,359,938,137.16	100.00	1,936,929,111.31

b. Other receivables made provision for bad debts by other group analysis

Group	Closing balance			Beginning balance		
	Book balance	Provision ratio (%)	Provision for bad debts	Book balance	Provision ratio (%)	Provision for bad debts
Other group	16,620,353,915.76	2.06	342,252,846.52	13,294,210,319.73	2.62	348,381,705.03

C. Individually insignificant and subject to separate provision of other receivables

Name of debtor	Book balance	Provision for bad debts	Ageing	Provision ratio (%)	Reason of provision
Sichuan Fenglian Trade Development Co., Ltd.	34,708,000.00	34,708,000.00	Over 3 years	100.00	Expected to be uncollectible
Meishi Logistics Co., Ltd.	34,320,000.00	34,320,000.00	Over 3 years	100.00	Expected to be uncollectible
China National Materials Group Co., Ltd.	26,531,142.74	--	Over 3 years	--	Expected to be recovered
Macau Jingao Building Co., Ltd.	16,895,249.41	16,895,249.41	Over 3 years	100.00	Expected to be uncollectible
Beijing Youhua Pharmaceutical	15,000,000.00	15,000,000.00	Over 3 years	100.00	Expected to be

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Name of debtor	Book balance	Provision for bad debts	Ageing	Provision ratio (%)	Reason of provision
Co., Ltd.					uncollectible
Chengming Building	14,907,838.98	7,453,919.49	Over 3 years	50.00	Expected to be partially recovered
Yunnan Feiqi Automobile Sales Service Co., Ltd.	11,866,710.41	11,866,710.41	2-3 years	100.00	Expected to be uncollectible
Beijing Yue'an Material Management Co., Ltd.	11,724,850.00	11,724,850.00	Over 3 years	100.00	Expected to be uncollectible
Beijing Urban Construction Group Co., Ltd.	10,992,755.00	5,496,377.50	Over 3 years	50.00	Expected to be partially recovered
Second Ring Renovation Office	10,561,900.01	10,561,900.01	Over 3 years	100.00	Expected to be uncollectible
Tianjin Sanden Automobile Air Conditioning Co., Ltd.	10,324,400.00	10,324,400.00	1-2 years	100.00	Expected to be uncollectible
Yunnan Penglong Huachang Automobile Service Co., Ltd.	10,305,632.62	--	1-2 years	--	Expected to be recovered
China Academy of Chinese Medical Sciences	10,192,500.00	10,192,500.00	Over 3 years	100.00	Expected to be uncollectible
Others	1,326,745,877.02	525,725,999.08		39.63	Expected to be partially recovered
Total	1,545,076,856.19	694,269,905.90		--	

“Companies that have implemented the new financial instrument standards”:

Ageing	Closing balance
Within 1 year	24,850,218,629.60
1-2 years	13,515,321,766.20
2-3 years	17,758,545,759.62
Over 3 years	5,637,762,789.57
Subtotal	61,761,848,944.99
Less: Provision for bad debts	2,398,797,776.21
Total	59,363,051,168.78

At year end, provision for bad debts on those in first stage:

Category	Book balance	Expected credit loss rate in the next 12 months (%)	Provision for bad debts	Carrying value
Provision for bad debts on individual item	1,118,239,122.90	--	--	1,118,239,122.90

Category	Book balance	Expected credit loss rate in the next 12 months (%)	Provision for bad debts	Carrying value
Provision for bad debts on portfolio basis	51,316,782,537.18	0.29	148,001,118.79	51,168,781,418.39
Deposit, security deposit, petty cash	2,906,461,124.29	0.62	18,159,135.42	2,888,301,988.87
Amounts due from related parties	24,981,682,318.02	0.05	12,849,111.67	24,968,833,206.35
Amounts due from minority shareholders	18,939,836,349.90	0.01	1,713,426.00	18,938,122,923.90
Current accounts	17,388,397.28	24.96	4,340,695.16	13,047,702.12
Payment on behalf of	130,798,162.01	0.63	824,335.18	129,973,826.83
Others	4,340,616,185.68	2.54	110,114,415.36	4,230,501,770.32
Total	52,435,021,660.08	0.28	148,001,118.79	52,287,020,541.29

At year end, provision for bad debts on those in second stage:

Category	Book balance	Expected credit loss rate in the next 12 months (%)	Provision for bad debts	Carrying value
Provision for bad debts on individual item	2,901,739,359.48	3.53	102,370,013.17	2,799,369,346.31
Provision for bad debts on portfolio basis	2,468,819,993.20	39.87	984,425,521.44	1,484,394,471.76
Deposit, security deposit, petty cash	104,838,907.69	8.08	8,472,930.38	96,365,977.31
Current accounts	2,294,089,265.54	41.75	957,741,063.87	1,336,348,201.67
Others	69,891,819.97	26.06	18,211,527.19	51,680,292.78
Total	5,370,559,352.68	20.24	1,086,795,534.61	4,283,763,818.07

At year end, provision for bad debts on those in third stage:

Category	Book balance	Expected credit loss rate (%) for the entire duration	Provision for bad debts	Carrying value
Provision for bad debts on individual item	3,892,956,691.19	28.62	1,114,335,001.23	2,778,621,689.96

Category	Book balance	Expected credit loss rate (%) for the entire duration	Provision for bad debts	Carrying value
Provision for bad debts on portfolio basis	63,311,241.04	78.45	49,666,121.58	13,645,119.46
Deposit, security deposit, petty cash	6,973,353.38	100.00	6,973,353.38	--
Current accounts	8,189,789.51	100.00	8,189,789.51	--
Others	48,148,098.15	71.66	34,502,978.69	13,645,119.46
Total	3,956,267,932.23	29.42	1,164,001,122.81	2,792,266,809.42

③ Provision, recovery or reversal of bad debts during the year

Reversal of provision for bad debts during the period was RMB 36,509,018.90 which was due to collection of payments.

④ Written-off of other receivables during the period was RMB 337,169,883.44.

⑤ Top five closing balance of other receivables was RMB 21,545,800,964.78, which accounted for 19.15% of total other receivables, and the provision for bad debts was RMB 5,809,883,685.17.

⑥ Receivables involving government grants was RMB 14,856,973.23.

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10. Inventories

Item	Book balance	Closing balance Provision for decline in value/ Provision for impairment of contract performance cost	Carrying value	Book balance	Beginning balance Provision for decline in value/ Provision for impairment of contract performance cost	Carrying value
Raw materials	24,491,660,549.98	1,336,640,590.12	23,155,019,959.86	21,959,200,338.89	1,127,402,572.09	20,831,797,766.80
Semi-finished goods and work in progress	435,878,494,497.88	3,334,154,348.95	432,544,340,148.93	377,429,548,632.04	1,995,577,250.82	375,433,971,381.22
Including: Completed and unsettled contractions	8,500,351,127.24	8,794,525.55	8,491,556,601.69	5,770,608,043.53	8,794,525.55	5,761,813,517.98
Real estate development product under construction	402,114,290,765.93	2,441,990,500.65	399,672,300,265.28	349,120,431,999.60	1,309,261,544.82	347,811,170,454.78
Merchandise goods (finished goods)	127,967,779,773.62	5,067,062,929.97	122,900,716,843.65	120,999,126,913.11	3,953,997,808.95	117,045,129,104.16
Including: Completed real estate products	59,620,045,218.47	1,409,419,327.64	58,210,625,890.83	63,315,475,079.05	778,943,573.70	62,536,531,505.35
Reusable materials (packaging, low-value consumables)	1,368,813,596.71	97,274,469.00	1,271,539,127.71	1,289,971,481.21	47,642,251.84	1,242,329,229.37
Consumptive biological assets	284,030,439.81	21,340,200.00	262,690,239.81	241,618,702.54	21,263,500.00	220,355,202.54
Others	11,853,542,224.62	126,804,988.51	11,726,737,236.11	16,486,836,841.19	188,301,770.43	16,298,535,070.76
Total	601,844,321,082.62	9,983,277,526.55	591,861,043,556.07	538,406,302,908.98	7,334,185,154.13	531,072,117,754.85

11. Contract assets

Item	Closing balance			Beginning balance		
	Book balance	Provision for impairment	Carrying value	Book balance	Provision for impairment	Carrying value
Completed and unsettled constructions	45,439,239.13	2,487,155.92	42,952,083.21	--	--	--
Rental from Beijing Jingcheng Haitong Technology and Culture Development Co., Ltd.	21,844,947.03	183,497.56	21,661,449.47	--	--	--
Total	67,284,186.16	2,670,653.48	64,613,532.68	--	--	--

12. Assets held-for-sale

Item	Closing balance			Beginning balance		
	Book balance	Provision for impairment	Carrying value	Book balance	Provision for impairment	Carrying value
Assets in disposal group held-for-sale						
Including: Beijing Electronics	173,910,820.00	--	173,910,820.00	21,421,285.40	--	21,421,285.40
Tongrentang Group	35,685,750.20	--	35,685,750.20	--	--	--
Capital Development Holdings Xianglong Company	32,476,348.51	--	32,476,348.51	--	--	--
BBMG Group	517,939.37	--	517,939.37	2,847,298.20	--	2,847,298.20
Beijing Automotive Group	--	--	--	109,534,153.31	--	109,534,153.31
	--	--	--	12,795,967,028.86	--	12,795,967,028.86
Total	242,590,858.08	--	242,590,858.08	12,929,769,765.77	--	12,929,769,765.77

Assets in disposal group held-for-sale

①Beijing Electronics

Item	Carrying value at year end	Fair value at year end	Estimated disposal cost	Time schedule
Assets transfer to be held-for-sale due to relocation	173,910,820.00	173,910,820.00	--	June 30, 2020

② Tongrentang Group

Item	Carrying value at year end	Fair value at year end	Estimated disposal cost	Time schedule
Property in Melbourne	35,685,750.20	35,685,750.20	--	March 2020

Note: Beijing Tongrentang (Melbourne) Investment Co., Ltd., a subsidiary of Tongrentang Group, signed an agreement to sell the property in Melbourne on October 25, 2019. The property is presented as Assets held-for-sale.

③ Capital Development Holdings

Item	Carrying value at year end	Fair value at year end	Estimated disposal cost	Time schedule
Cash and bank balances	4,276,775.85	4,276,775.85	--	April 2020
Receivables	13,802,200.00	13,802,200.00	--	April 2020
Other receivables	325,398.08	325,398.08	--	April 2020
Inventories	13,901,970.70	13,901,970.70	--	April 2020
Other current assets	160,965.01	160,965.01	--	April 2020
Fixed assets	9,038.87	9,038.87	--	April 2020
Total	32,476,348.51	32,476,348.51	--	

Note: In December 2019, Beijing Capital Development, a subsidiary of Capital Development Holdings, signed an equity rights transfer contract with Beijing Tianhong Hongcheng Real Estate Development Co., Ltd. It was agreed to transfer the 51% equity of Beijing Tianhong Jiacheng Real Estate Development Co., Ltd. (hereinafter referred to as Tianhong Jiacheng) for a consideration of RMB 34,173,240.00. As of December 31, 2019, Beijing Capital Development has not received the consideration for the equity transfer, nor has it completed the industrial and commercial registration procedures for the equity transfer of Tianhong Jiacheng. When Beijing Capital Development prepares its annual financial statements, it has classified all assets of Tianhong Jiacheng into assets held-for-sale after excluding the receivables from Capital Development Holdings, and has classified all liabilities of Tianhong Jiacheng as liabilities held-for-sale. Since the net amount of assets and liabilities held-for-sale at the end of the year is less than the transfer price agreed in the contract, it was presented as the carrying value.

As of the date of approval of this report, Beijing Capital Development has received the aforementioned equity transfer payment.

④ Xianglong Company

Item	Carrying value at year end	Fair value at year end	Estimated disposal cost	Time schedule
Wulidian boiler renovation	517,939.37	517,939.37	--	2020

13. Non-current assets due within one year

Item	Closing balance	Beginning balance
Long-term receivables due within one year	11,707,385,920.99	8,971,213,616.33
Entrusted loans due within one year	215,021,770.83	--
Others	448,222.51	100,000,000.00
Total	11,922,855,914.33	9,071,213,616.33

14. Other current assets

Item	Closing balance	Beginning balance
Value-added tax	38,683,533,928.78	31,505,648,707.58
Financial products	15,587,482,186.32	20,125,626,474.39
Entrusted loans	2,278,332,567.48	2,360,459,295.35
Prepaid tax	2,392,155,485.09	2,838,089,026.52
Prepayments	1,041,062,304.12	1,767,829.39
Warranty deposits	932,763,427.70	1,008,070,795.30
Loans and advances	431,448,881.48	400,490,225.11
Contract acquisition cost	173,190,163.38	112,551,581.11
Changes in fair value of hedged items	95,964,318.54	158,800.00
Others	1,158,747,733.72	764,575,513.42
Total	62,774,680,996.61	59,117,438,248.17

15. Debts investment

(1) Information of debts investment

Item	Closing balance			Beginning balance		
	Book balance	Provision for impairment	Carrying value	Book balance	Provision for impairment	Carrying value
Policy Bank						
Financial						
Bonds-19	206,933,697.53	--	206,933,697.53	--	--	--
Agricultural						
Development 01						
Beijing						
Automotive	47,089,708.34	342,436.36	46,747,271.98	37,111,763.35	176,577.77	36,935,185.58
Group-Entrusted						

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Item	Closing balance			Beginning balance		
	Book balance	Provision for impairment	Carrying value	Book balance	Provision for impairment	Carrying value
loans						
Total	254,023,405.87	342,436.36	253,680,969.51	37,111,763.35	176,577.77	36,935,185.58

(2) Significant debts investment

Creditor	Face value	Coupon rate	Effective interest rate	Maturity date
Policy Bank Financial Bonds-19 Agricultural Development 01	199,917,800.00	3.75	3.75	2029/1/25
Beijing Automotive Group-Entrusted loans	44,000,000.00	4.350%~5.438%	3.469%~4.001%	2022/12/31
Total	243,917,800.00	--	--	--

(3) Provision for impairment

At year end, provision for impairment at stage 1:

Category	Book balance	Expected credit loss rate (%) in the next 12 months	Provision for impairment	Carrying value	Reason
Entrusted loans	47,089,708.34	0.73	342,436.36	46,747,271.98	Possibility of collection

At year end, there were no provision for impairment of debts investment in stage 2 and stage 3.

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16. Available-for-sale financial assets

(1) Available-for-sale financial assets

Item	Closing balance			Beginning balance		
	Book balance	Provision for impairment	Carrying value	Book balance	Provision for impairment	Carrying value
Available-for-sale debt instruments	983,117,938.20	--	983,117,938.20	957,701,973.82	--	957,701,973.82
Available-for-sale equity instruments	134,480,753,500.30	1,160,009,223.38	133,320,744,276.92	102,535,865,945.31	1,179,665,013.57	101,356,200,931.74
Measured at fair value	50,542,822,273.18	17,500,000.00	50,525,322,273.18	32,152,484,765.08	--	32,152,484,765.08
Measured at cost	83,937,931,227.12	1,142,509,223.38	82,795,422,003.74	70,383,381,180.23	1,179,665,013.57	69,203,716,166.66
Others	--	--	--	20,922,132.20	--	20,922,132.20
Total	135,463,871,438.50	1,160,009,223.38	134,303,862,215.12	103,514,490,051.33	1,179,665,013.57	102,334,825,037.76

(2) Available-for-sale financial assets measured at fair value at year end

Item	Available-for-sale equity instruments	Available-for-sale debt instruments	Others	Total
Cost of equity instrument/Amortized costs of debts instrument	44,132,097,463.82	781,766,992.89	--	44,913,864,456.71
Fair value	50,525,322,273.18	983,117,938.20	--	51,508,440,211.38
Cumulative change in fair value recorded into other comprehensive income	6,410,724,809.36	201,350,945.31	--	6,612,075,754.67
Accrued provision for impairment	17,500,000.00	--	--	17,500,000.00

17. Held-to-maturity investments

(1) Held-to-maturity investments

Item	Closing balance			Beginning balance		
	Book balance	Provision for impairment	Carrying value	Book balance	Provision for impairment	Carrying value
Entrusted loans	482,150,000.00	--	482,150,000.00	2,180,850,000.00	--	2,180,850,000.00
Bond investments	22,824,686.32	9,702,000.00	13,122,686.32	109,702,000.00	9,702,000.00	100,000,000.00
Subtotal	504,974,686.32	9,702,000.00	495,272,686.32	2,290,552,000.00	9,702,000.00	2,280,850,000.00
Less: Held-to-maturity investments maturing within 1 year	482,179,198.91	--	482,179,198.91	2,280,850,000.00	--	2,280,850,000.00
Total	22,795,487.41	9,702,000.00	13,093,487.41	9,702,000.00	9,702,000.00	--

Shougang Group made provision for impairment of full amount in the bonds issued by National Raw Material Investment Corporation of RMB 1,052,000.00.

Beijing Energy Group made provision for impairment of full amount in the corporate bonds of RMB 8,650,000.00.

(2) Significant held-to-maturity investments at year end

Bonds	Face value	Coupon rate	Effective interest rate	Maturity date
Shaanxi National Investment Security Fund	13,000,000.00	1.50%	1.50%	2021/1/30

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18. Long-term receivables

Item	Closing balance			Beginning balance			Range of discount rate at year end (%)
	Book balance	Provision for bad debts	Carrying value	Book balance	Provision for bad debts	Carrying value	
Financing lease payments	20,648,561,121.00	490,256,873.40	20,158,304,247.60	13,034,527,088.31	231,428,763.65	12,803,098,324.66	2.95-15.00
Include:							
Unrealized financing income	1,026,505,610.83	--	1,026,505,610.83	867,777,461.21	--	867,777,461.21	2.95-15.00
Installment receivables in sales of goods	1,389,005,211.63	121,022,058.62	1,267,983,153.01	1,609,781,401.48	137,265,374.03	1,472,516,027.45	2.18-13.00
Installment receivables in rendering of services	59,969,106.74	507,000.00	59,462,106.74	205,169,333.08	134,736,504.85	70,432,828.23	2.175-13.00
Others	4,941,323,125.72	1,306,976.95	4,940,016,148.77	4,399,791,883.42	422,119.00	4,399,369,764.42	1.00-15.00
Subtotal	27,038,858,565.09	613,092,908.97	26,425,765,656.12	19,249,269,706.29	503,852,761.53	18,745,416,944.76	--
Less:							
Long-term receivables due within one year	11,855,700,770.58	148,314,849.59	11,707,385,920.99	8,976,256,887.96	5,043,271.63	8,971,213,616.33	--
Total	15,183,157,794.51	464,778,059.38	14,718,379,735.13	10,273,012,818.33	498,809,489.90	9,774,203,328.43	--

19. Long-term equity investments

(1) Long-term equity investments by category

Item	Beginning balance	Increase	Decrease	Closing balance
Investment in subsidiaries	4,933,171,074.19	85,594,579.47	705,640,590.20	4,313,125,063.46
Investment in joint ventures	45,260,089,055.25	5,040,774,402.43	3,459,705,666.94	46,841,157,790.74
Investment in associates	146,354,009,775.53	20,085,564,760.57	18,236,662,525.32	148,202,912,010.78
Subtotal	196,547,269,904.97	25,211,933,742.47	22,402,008,782.46	199,357,194,864.98
Less: Provision for impairment of long-term equity investments	5,389,285,769.17	356,518,630.73	1,543,941,977.74	4,201,862,422.16
Total	191,157,984,135.80	24,855,415,111.74	20,858,066,804.72	195,155,332,442.82

(2) Details of long-term equity investments

Investor	Investee	Closing balance	Closing balance of provision for impairment
I. Investment in joint ventures			
The Center	China Securities Co., Ltd.	19,680,879,763.04	--

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Investor	Investee	Closing balance	Closing balance of provision for impairment
The Center	Beijing Equity Investment Development Center (Limited Partnership)	2,706,300,464.36	--
The Center	Beijing Equity Investment Development Management Center (Limited Partnership)	950,280,375.68	--
The Center	Beijing City Sub-center Construction Development Fund Management Co., Ltd.	9,754,965.65	--
The Center	Beijing Equity Investment Development Center Phase II (Limited Partnership)	15,034.67	--
Shougang Group	Tangshan Shougang Jingtang Xishan Coking Co., Ltd.	1,067,180,716.78	--
Shougang Group	Beijing West Heavy Industries (Shanghai) Co., Ltd.	262,418,433.84	--
Shougang Group	Beijing Shoufang Jinhui Real Estate Development Co., Ltd.	235,379,703.77	--
Shougang Group	Tangshan Zhonghong Carbon Chemical Co., Ltd.	119,388,108.81	--
Shougang Group	Beijing Shougang Shunpu Metal Co., Ltd.	60,583,626.97	--
Shougang Group	Tangshan Guoxing Industrial Co., Ltd. etc.	33,372,846.58	--
Beijing Electronics	Electronic Zone Huaping Dongjiu (Ningbo) Investment Management Co., Ltd.	8,175,230.07	--
Jingcheng Electromechanical	Beijing Fusheng Machinery Co., Ltd.	73,258,769.41	--
Jingcheng Electromechanical	Beijing Capital Dechuang Fund Management Co., Ltd.	2,999,617.81	--
Beijing Energy Group	Huayuan Huizhong Environmental Technology Co., Ltd.	153,051,132.92	--
Beijing Energy Group	Beijing Petrochemical Products Development Supply Co., Ltd.	80,053,365.54	--
Beijing Energy Group	Beijing Beiran Thermal Power Co., Ltd. etc.	53,829,007.93	--
Capital Highway Development	Beijing Tianxing Shoufa Investment Management Co., Ltd., etc.	3,417,114.31	--
Capital Development Holdings	Beijing Zhuzong Shoukai Real Estate Co., Ltd.	534,622,217.83	--
Capital Development Holdings	Beijing Shoukai Nomura Real Estate Management Co., Ltd.	62,486,494.91	--
Beijing Automotive Group	Beijing Hyundai Motor Co., Ltd.	8,820,300,125.71	--
Beijing Automotive Group	Beijing Foton Cummins Engine Co., Ltd.	1,611,123,404.26	--

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Beijing Automotive Group	Fujian Benz Automobile Co., Ltd.	1,567,932,120.62	--
Beijing Automotive Group	Beijing Foton Daimler Automobile Co., Ltd.	1,494,954,905.19	--
Beijing Automotive Group	Beijing Beiqi Lear Automotive System Co., Ltd.	638,841,002.53	--
Beijing Automotive Group	Beijing Hyundai Mobis Auto Parts Co., Ltd.	512,202,831.72	--
Beijing Automotive Group	Langfang Leoni Wire Harness System Co., Ltd.	353,497,236.59	--
Beijing Automotive Group	Beijing Beiqi Dashi Automotive System Co., Ltd.	179,739,679.74	--
Beijing Automotive Group	New Zealand Pacific Aerospace Corporation	165,566,555.62	--
Beijing Automotive Group	Beijing Hainachuan Hella Automotive Lighting Co., Ltd.	143,311,839.48	--
Beijing Automotive Group	Beijing Mercedes-Benz Sales Service Co., Ltd.	138,477,117.94	--
Beijing Automotive Group	Beijing Zhongdu Grovis Logistics Co., Ltd.	104,260,876.71	--
Beijing Automotive Group	Zhengzhou Penglong Wantong Automobile Sales Co., Ltd.	85,303,172.44	--
Beijing Automotive Group	Beixian Leasing Co., Ltd.	84,807,441.56	--
Beijing Automotive Group	BAIC Yinjian Investment Co., Ltd.	62,732,448.05	--
Beijing Automotive Group	Beijing Penglong Avenue Automobile Sales Service Co., Ltd.	56,116,529.99	--
Beijing Automotive Group	BAIC Dymos (Cangzhou) Automotive System Co., Ltd.	614,727,181.89	7,650,000.00
Tongrentang Group	Yaokang International Co., Ltd.	36,252,290.32	--
Xianglong Company	Beijing Huatong Toyota Motor Sales Service Co., Ltd.	9,405,323.48	--
International Cooperation Center	Beijing Guohe Huayuan Cultural Industry Development Co., Ltd.	211,367.76	--
Beichen Group	Hangzhou Jinhu Real Estate Development Co., Ltd.	332,675,725.00	--
Beichen Group	Wuhan Dangdai Beichen Real Estate Co., Ltd.	81,049,471.00	--
Beichen Group	Hangzhou Chenxu Real Estate Co., Ltd.	20,954,171.00	--

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Shouong Group	Beijing McDonald's Food Co., Ltd.	1,063,680,423.26	--
Shouong Group	Beijing Zhongke E-commerce Valley Investment Co., Ltd.	485,215,613.50	--
Shouong Group	Beijing Zhengda Feed Co., Ltd.	72,816,569.30	--
Shouong Group	Shandong Liuhe Cherry Valley Duck Co., Ltd. etc.	236,599,764.31	--
Yiqing Holding	Wilcom Dahao (Beijing) Software Technology Co., Ltd.	6,960,746.05	--
BBMG Group	Jidong Heidelberg (Jingyang) Cement Co., Ltd.	681,625,793.39	--
BBMG Group	Jidong Heidelberg (Fufeng) Cement Co., Ltd.	511,176,266.95	--
BBMG Group	Anshan Jidong Cement Co., Ltd.	227,690,996.47	--
BBMG Group	Tangshan Caofeidian Dunshi New Building Materials Co., Ltd.	155,562,628.99	--
BBMG Group	Cross Point Trading 274 (Pty) Ltd (RF)	135,993,387.14	--
BBMG Group	Star-USG Building Materials Co., Ltd.	51,945,791.90	--
Subtotal		46,841,157,790.74	7,650,000.00
II. Investment in associates			
The Center	China Aviation Engine Group Co., Ltd.	4,126,323,917.26	--
The Center	Beijing Shouhuan Cultural Tourism Investment Co., Ltd.	4,037,602,739.17	--
The Center	ChinaBond Credit Promotion Investment Co., Ltd.	1,431,147,943.80	--
The Center	China Aviation Development Beijing Limited	882,049,939.08	--
The Center	Beijing Innovation Industry Investment Co., Ltd.	400,638,548.23	--
The Center	Beijing Jingyi Technology Co., Ltd.	383,067,234.39	--
The Center	AVIC System Limited	177,219,377.36	--
The Center	AVIC Aviation High-Tech Co., Ltd.	58,650,391.54	--
The Center	Beijing Science and Technology Innovation Investment Management Co., Ltd.	42,535,624.77	--
The Center	Carlyle (Beijing) Investment Management Co., Ltd.	18,768,491.76	--
Shougang Group	Hua Xia Bank Co., Ltd.	46,225,821,122.19	--
Shougang Group	Shougang International Enterprise Co., Ltd.	2,645,052,563.35	--
Shougang Group	Tangshan Caofeidian Industrial Port Co., Ltd.	1,113,525,503.23	--
Shougang Group	Jingtang Port Shougang Terminal Co., Ltd.	1,058,621,283.52	--
Shougang Group	Qian'an Sinochem Coal Chemical Co., Ltd.	991,143,793.18	--
Shougang Group	Shouchang Baojia Group Co., Ltd.	474,457,789.54	--
Shougang Group	Tangshan Tangcao Railway Co., Ltd.	450,000,000.00	--

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Shougang Group	Chengde Xintong Shoucheng Mining Co., Ltd.	327,710,898.94	--
Shougang Group	Shanxi Changqin Coal and Coke Co., Ltd.	321,193,864.16	--
Shougang Group	Beijing Tieke Shougang Rail Technology Co., Ltd.	249,260,510.18	--
Shougang Group	Orient United Resources (Hong Kong) Co., Ltd.	237,809,864.77	--
Shougang Group	Global Digital Creative Holdings Limited	232,540,655.60	134,043,623.00
Shougang Group	Beijing Shouxin Jinyuan Management Consulting Center (Limited Partnership)	203,826,594.33	--
Shougang Group	Longhua County Xincun Mining Co., Ltd.	186,841,436.01	--
Shougang Group	Henan Tianguan Group Enterprise Co., Ltd.	186,174,137.74	--
Shougang Group	Canada Kailuan Dehua Mining Co., Ltd.	182,578,851.19	--
Shougang Group	Shanxi Jinshan Energy Co., Ltd.	162,000,000.00	--
Shougang Group	Yaskawa Shougang Robot Co., Ltd.	158,908,205.42	--
Shougang Group	Tangshan Caofeidian Dunshi New Building Materials Co., Ltd.	155,562,629.02	--
Shougang Group	Beijing Wannian Huacheng Real Estate Development Co., Ltd.	121,711,571.99	--
Shougang Group	Zhongying Cao Jiantou (Cao Feidian) Real Estate Development Co., Ltd.	83,329,599.95	--
Shougang Group	Jingxi Commercial Factoring Co., Ltd.	78,205,747.06	--
Shougang Group	Guangzhou Jinghai Shipping Co., Ltd.	76,324,903.49	--
Shougang Group	Liupanshui Shougang Shuigang General Hospital Co., Ltd.	55,805,299.49	--
Shougang Group	Panzhuhua Shuigang Hongfa Mining Co., Ltd.	52,228,812.34	--
Shougang Group	Ningxia Sun Mountain Energy Development Co., Ltd., etc.	786,344,058.91	18,415,310.38
Beijing Electronics	Beijing Singularity Power Investment Funds (Limited Partnership)	1,944,514,849.00	--
Beijing Electronics	Ordos BOE Energy Investment Co., Ltd.	907,348,226.00	777,858,312.00
Beijing Electronics	Cnoga Medical Ltd.	307,506,903.00	--
Beijing Electronics	Beijing Innovation Industry Investment Co., Ltd.	100,363,345.00	--
Beijing Electronics	Beijing Industrial Design and Research Institute Co., Ltd.	76,571,707.34	--
Beijing Electronics	Beijing Yingfei Hailin Investment Center	74,384,952.00	--
Beijing Electronics	Beijing China Life Electric Technology Equity Investment Fund Partnership (Limited Partnership)	68,187,738.77	--
Beijing Electronics	Beijing Riduan Electronics Co., Ltd.	64,808,755.00	--

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Beijing Electronics Jingcheng Electromechanical	Beijing Senju Electronic Materials Co., Ltd. etc.	148,781,975.88	9,385,032.73
Jingcheng Electromechanical	Beijing ABB Switch Co., Ltd.	230,843,782.60	--
Jingcheng Electromechanical	Kitakuma (Beijing) Machine Tool Co., Ltd.	126,262,406.14	--
Jingcheng Electromechanical	Beijing Jingcheng Gonghe Pension Investment Co., Ltd.	124,037,120.52	--
Jingcheng Electromechanical	Beijing ABB High Voltage Switchgear Co., Ltd.	102,873,740.97	--
Jingcheng Electromechanical	Jiangsu Tianhai Special Equipment Co., Ltd. etc.	87,605,841.15	--
Beijing Energy Group	Inner Mongolia Yitai Jingyue Suancangou Mining Co., Ltd.	2,080,725,952.79	--
Beijing Energy Group	Huaneng Beijing Thermal Power Co., Ltd.	1,881,209,176.72	--
Beijing Energy Group	Inner Mongolia Shangdu Power Generation Co., Ltd.	1,425,442,947.85	--
Beijing Energy Group	Guodian Datong Power Generation Co., Ltd.	1,030,938,405.93	--
Beijing Energy Group	Inner Mongolia Mengda Power Generation Co., Ltd.	835,809,703.05	--
Beijing Energy Group	Inner Mongolia Datang International Tuoketuo Power Generation Co., Ltd.	749,431,188.18	--
Beijing Energy Group	Inner Mongolia Datang International Tuoketuo Second Power Generation Co., Ltd.	601,820,184.01	--
Beijing Energy Group	China Resources Power (Xilinguole) Co., Ltd.	572,950,222.61	--
Beijing Energy Group	Sanhe Power Generation Co., Ltd.	564,298,561.93	--
Beijing Energy Group	Africa Coal Co., Ltd.	428,816,390.20	168,702,733.99
Beijing Energy Group	Inner Mongolia Shangdu Second Power Generation Co., Ltd.	354,950,645.75	--
Beijing Energy Group	Ordos Taishengheng Mining Co., Ltd.	262,200,000.00	--
Beijing Energy Group	Shanxi International Energy Yuguang Coal Power Co., Ltd.	239,997,677.26	--
Beijing Energy Group	Beijing Static Transportation Investment Operation Co., Ltd.	237,980,517.84	--
Beijing Energy Group	Inner Mongolia Jingda Power Generation Co., Ltd.	176,085,766.72	--
Beijing Energy Group	Beijing Gaoke Energy Supply Management Co., Ltd.	156,047,201.64	--
Beijing Energy Group	Guodian Power Zhuanghe Power Generation Co., Ltd.	102,948,035.26	--

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Beijing Energy Group	Beijing City Power Warehousing Co., Ltd.	92,989,928.34	--
Beijing Energy Group	Tianjin Jingmei Jinyu Real Estate Co., Ltd.	305,904,226.81	369,159.61
Capital Highway Development	Beijing Xingyan Expressway Co., Ltd.	3,274,000,000.00	--
Capital Highway Development	Beijing Capital Ring Expressway Co., Ltd.	3,040,527,983.00	--
Capital Highway Development	Beijing Huabeitou New Airport North Line Expressway Co., Ltd.	1,372,000,000.00	--
Capital Highway Development	Beijing Tongda Jingcheng Expressway Co., Ltd.	393,049,528.54	--
Capital Highway Development	Beijing Static Transportation Investment Operation Co., Ltd.	277,643,937.47	--
Capital Highway Development	Kunming New Airport Expressway Construction Development Co., Ltd.	220,786,988.22	--
Capital Highway Development	Beijing Sinopec First Oil Enterprise Management Co., Ltd.	75,530,848.28	--
Yiqing Holding	Beijing Gemdale Hongyun Real Estate Development Co., Ltd.	294,673,628.01	--
Yiqing Holding	Shiseido Liyuan Cosmetics Co., Ltd.	266,937,995.38	--
Yiqing Holding	Zhaofeng Ceramics (Beijing) Sanitary Ware Co., Ltd.	171,169,232.50	171,169,232.50
Yiqing Holding	Beijing Baiju Electric Co., Ltd.	97,167,638.35	--
Yiqing Holding	Beijing Bausch & Lomb Eye Care Products Co., Ltd.	90,975,190.70	--
Yiqing Holding	Beijing Witton (Yuncheng) Glass Products Co., Ltd.	57,957,773.94	--
Yiqing Holding	Beijing Nonferrous Metal Supply and Marketing Co., Ltd.	52,866,950.57	--
Yiqing Holding	Hisense (Beijing) Electric Co., Ltd.	51,358,133.48	--
Yiqing Holding	Beijing Pepsi-Cola Beverage Co., Ltd. etc.	327,874,805.21	5,959,361.27
Capital Development Holdings	Beijing Hexin Jintai Real Estate Development Co., Ltd.	1,458,909,048.48	--
Capital Development Holdings	Xiamen Lintai Real Estate Co., Ltd.	1,218,634,020.44	--
Capital Development Holdings	Suzhou Anmao Real Estate Co., Ltd.	1,122,791,259.29	--
Capital Development Holdings	Guangzhou Junting Real Estate Co., Ltd.	1,085,288,789.58	--
Capital Development	Kaimao Real Estate (Hangzhou) Co., Ltd.	1,003,973,384.90	--

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Investor	Investee	Closing balance	Closing balance of provision for impairment
Holdings			
Capital Development Holdings	Beijing Shoukai Longhu Yingtai Real Estate Co., Ltd.	995,535,354.28	--
Capital Development Holdings	Suzhou Longtai Real Estate Co., Ltd.	970,986,314.22	--
Capital Development Holdings	Beijing Zhitai Real Estate Development Co., Ltd.	959,971,923.01	--
Capital Development Holdings	Beijing Shoucheng Real Estate Co., Ltd.	901,311,263.81	--
Capital Development Holdings	Beijing Yihe Real Estate Co., Ltd.	842,421,197.76	--
Capital Development Holdings	Xiamen Yingtai Real Estate Co., Ltd.	787,705,474.13	--
Capital Development Holdings	Beijing Shangtai Xinhua Real Estate Development Co., Ltd.	767,310,683.06	--
Capital Development Holdings	Beijing Langtai Real Estate Development Co., Ltd.	737,967,869.37	--
Capital Development Holdings	Xiamen Yuetai Real Estate Co., Ltd.	593,534,944.98	--
Capital Development Holdings	Beijing Bihe Xintai Real Estate Co., Ltd.	554,277,885.24	--
Capital Development Holdings	Suzhou Shoulong Real Estate Co., Ltd.	458,516,903.80	--
Capital Development Holdings	Wuxi Runtai Real Estate Co., Ltd.	453,941,797.39	--
Capital Development Holdings	Beijing Chengzhi Real Estate Co., Ltd.	435,983,667.81	--
Capital Development Holdings	Tianjin Haijing Industrial Co., Ltd.	402,979,453.39	--
Capital Development Holdings	Hainan Haijing Paradise International Co., Ltd.	376,429,122.98	--
Capital Development Holdings	Zhuhai Zhuoxuan Real Estate Co., Ltd.	341,565,196.31	--
Capital Development Holdings	Shenyang Shoukai Guosheng Investment Co., Ltd.	298,026,780.06	--
Capital Development Holdings	Beijing Shoukai Vanke Real Estate Co., Ltd.	275,831,549.50	--
Capital Development Holdings	Guoao Investment Development Co., Ltd.	260,289,065.93	--

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Investor	Investee	Closing balance	Closing balance of provision for impairment
Capital Development Holdings	Ningbo Jinjun Real Estate Information Consulting Co., Ltd.	255,400,668.79	--
Capital Development Holdings	Beijing Shoukai Vanke Hetai Real Estate Co., Ltd.	239,810,580.21	--
Capital Development Holdings	Beijing Static Transportation Investment Operation Co., Ltd.	237,980,517.84	--
Capital Development Holdings	Fujian Daguang Automobile City Development Co., Ltd.	218,388,809.28	--
Capital Development Holdings	Chengdu Chenqi Real Estate Co., Ltd.	206,019,786.97	--
Capital Development Holdings	Beijing Tengtai Yiyuan Real Estate Co., Ltd.	201,712,389.04	--
Capital Development Holdings	Zhuhai Runqian Real Estate Co., Ltd.	168,741,520.15	--
Capital Development Holdings	Beijing Yuanhe Real Estate Co., Ltd.	164,396,417.56	--
Capital Development Holdings	Nanjing Jintai Real Estate Development Co., Ltd.	152,528,959.75	--
Capital Development Holdings	Beijing Jinliang Xingye Real Estate Development Co., Ltd.	147,844,033.93	--
Capital Development Holdings	Chengdu Longhu Jinxiang Real Estate Co., Ltd.	129,839,496.56	--
Capital Development Holdings	Beijing National Speed Skating Stadium Management Co., Ltd.	128,156,176.02	--
Capital Development Holdings	Beijing Houtai Real Estate Development Co., Ltd.	125,207,414.36	--
Capital Development Holdings	Wuhan Mingtai Real Estate Co., Ltd.	118,965,826.04	--
Capital Development Holdings	Shenzhen Xiliang Investment Development Co., Ltd.	85,832,965.80	--
Capital Development Holdings	Beijing Wancheng Yonghui Real Estate Co., Ltd.	82,510,347.55	--
Capital Development Holdings	Suzhou Yuxiu Real Estate Development Co., Ltd.	73,852,985.28	--
Capital Development Holdings	Beijing Housing Industrialization Group Co., Ltd.	59,289,098.10	--
Capital Development Holdings	Beijing Shoukai Jingnan Development Co., Ltd.	50,003,157.67	--
Capital Development Holdings	Beijing Fuxing Commercial City Co., Ltd. etc.	322,557,301.59	16,400,000.00

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Investor	Investee	Closing balance	Closing balance of provision for impairment
Beijing Automotive Group	Jiujiang Bank Co., Ltd.	3,349,234,563.54	--
Beijing Automotive Group	Mercedes-Benz Leasing Co., Ltd.	2,230,555,880.99	--
Beijing Automotive Group	Beijing Hyundai Auto Finance Co., Ltd.	2,147,686,843.94	--
Beijing Automotive Group	Beijing Borgward Automobile Co., Ltd. (hereinafter referred to as Beijing Borgward Corporation)	1,305,079,211.42	--
Beijing Automotive Group	Yanfeng Hainachuan Automotive Trim System Co., Ltd.	229,088,014.63	--
Beijing Automotive Group	Hanon Auto Parts (Beijing) Co., Ltd.	210,562,594.45	--
Beijing Automotive Group	Beijing Sanli Automotive Lighting Co., Ltd.	201,801,680.04	--
Beijing Automotive Group	Beijing Industrial Design and Research Institute Co., Ltd.	196,035,942.36	--
Beijing Automotive Group	Gestamp Automotive Components (Tianjin) Co., Ltd.	192,446,295.98	--
Beijing Automotive Group	Beidian New Energy Technology (Jiangsu) Co., Ltd.	184,573,023.82	--
Beijing Automotive Group	Keruishi Bohai (Binzhou) Electric Co., Ltd.	169,809,565.36	--
Beijing Automotive Group	Beijing Aodong New Energy Investment Co., Ltd.	128,571,428.50	--
Beijing Automotive Group	Binzhou Rural Commercial Bank Co., Ltd.	128,208,935.84	--
Beijing Automotive Group	Beijing Plastic Omnium Auto Inergy Co., Ltd.	121,204,924.45	--
Beijing Automotive Group	BAIC Yinxiang Automobile Co., Ltd.	115,627,237.41	--
Beijing Automotive Group	Beijing BorgWarner Automotive Transmission Co., Ltd.	106,305,353.25	--
Beijing Automotive Group	Tenneco (Beijing) Automotive Shock Absorber Co., Ltd.	89,321,116.47	--
Beijing Automotive Group	Beijing Beiqi Yanfeng Auto Parts Co., Ltd.	83,188,596.42	--
Beijing Automotive Group	Hebei Guixian Auto Parts Co., Ltd.	82,432,273.99	--

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Beijing Automotive Group	Beijing Adient Auto Parts Co., Ltd.	72,382,394.66	--
Beijing Automotive Group	Jingju New Energy Automobile Technology Co., Ltd.	72,210,892.43	--
Beijing Automotive Group	Beijing Yanfeng Beiqi Automotive Interior Parts Co., Ltd.	67,336,706.27	1,548,621.89
Beijing Automotive Group	Beijing Hainachuan Ruiyan Automotive Trim Co., Ltd.	67,221,497.41	--
Beijing Automotive Group	Beijing Zhongli Foton Axle Co., Ltd.	59,765,804.40	--
Beijing Automotive Group	Hefei Beiqi Zhonghe Automobile Industry Equity Investment Partnership (Limited Partnership)	50,000,000.00	--
Beijing Automotive Group	Beijing Dalin Wanda Auto Parts Co., Ltd.	732,770,803.44	--
Tongrentang Group	Beijing Industrial Design and Research Institute Co., Ltd.	97,498,727.62	--
Suburb Tourism Company	Beijing Tourism Real Estate Development Co., Ltd.	9,385,438.12	--
Urban and Rural Group	Kunming Huiyu Technology Co., Ltd.	2,271,506.46	--
Xianglong Company	Beijing Hengdeli Swiss Watch Co., Ltd.	63,465,156.38	--
Xianglong Company	Beijing Yunda Industrial Company, etc.	22,384,667.76	25,152.82
International Cooperation Center	Global Guohe International Freight (Beijing) Co., Ltd.	26,138,536.59	--
International Cooperation Center	Beijing Oriental Asia Port International Information Co., Ltd., etc.	12,581,656.73	5,255,600.00
Beichen Group	Hangzhou Xufa Real Estate Co., Ltd.	20,956,486.00	--
Beichen Group	Beijing Polaris Real Estate Investment Fund Management Co., Ltd., etc.	10,142,707.95	--
BBMG Group	Beijing Baineng Electric Technology Co., Ltd.	169,679,649.75	--
BBMG Group	Beijing Jianmao Yongxin Glass Industry Co., Ltd.	45,530,396.20	14,707,812.32
BBMG Group	Tianjin Yaopi Glass Co., Ltd.	150,176,058.58	--
BBMG Group	Beijing Toto Co., Ltd.	145,045,601.14	--
BBMG Group	Jilin Changjitu Investment Co., Ltd.	137,302,540.20	--
BBMG Group	Tangshan Conch Profile Co., Ltd.	130,912,736.91	--
BBMG Group	Tianjin Binhai Jiantai Investment Co., Ltd.	129,664,427.82	--
BBMG Group	Toto Machinery (Beijing) Co., Ltd.	127,711,909.27	--

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Investor	Investee	Closing balance	Closing balance of provision for impairment
BBMG Group	Sende (China) HVAC Equipment Co., Ltd.	103,037,341.89	--
BBMG Group	Beijing Innovation Industry Investment Co., Ltd.	100,436,014.35	--
BBMG Group	Owens Corning Compound Materials (Beijing) Co., Ltd.	71,385,513.95	--
BBMG Group	Tianjin Xingye Longxiang Construction Engineering Co., Ltd.	150,472,157.71	--
Shounong Group. Yiqing Holding. Xianglong Company	Beijing Rural Commercial Bank Co., Ltd.	10,786,231,576.65	--
Shounong Group	Beijing Maple Real Estate Co., Ltd.	203,798,135.97	--
Shounong Group	China Grain Reserves (Tianjin) Warehousing and Logistics Co., Ltd.	117,636,450.78	--
Shounong Group	Beijing Chubby Food Co., Ltd.	101,624,537.32	--
Shounong Group	Beijing Guangming Hotel Co., Ltd.	71,991,663.76	--
Shounong Group	Beijing Quanjude Sanyuan Golden Star Food Co., Ltd.	70,816,981.27	--
Shounong Group	Beijing Taiyang Pharmaceutical Co., Ltd.	70,136,355.64	--
Shounong Group	Beijing Andrew Fruit Food Co., Ltd.	64,300,399.04	62,714,673.62
Shounong Group	Tianjin North Sugar Logistics Co., Ltd.	62,714,673.62	--
Shounong Group	Beijing Sanyuan Hefeng Animal Husbandry Co., Ltd.	59,490,335.91	--
Shounong Group	Shandong Ningyang Heying Parental Generation Duck Breeding Co., Ltd.	52,681,670.85	--
Shounong Group	Jingjin Sugar Co., Ltd.	743,484,247.97	105,486,125.22
Guoguan Center Investment Holdings	China Resources Pharmaceutical Group Co., Ltd.	6,217,147,285.20	--
Equity Exchange Group	Beijing Shunxi Equity Investment Fund (Limited Partnership)	40,158,138.24	--
Equity Exchange Group	Inner Mongolia Stock Exchange Center	27,219,164.59	--
Beijing Municipal Government Investment Guidance Fund Management Co., Ltd. (hereinafter referred to as Guidance Fund Management Company)	Huihua Fund Management Co., Ltd.	16,515,566.04	--
Subtotal		148,202,912,010.78	1,492,040,751.35

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Investor	Investee	Closing balance	Closing balance of provision for impairment
III. Investment in other entities			
Shougang Group	Tangshan Shougang Baoye Iron and Steel Co., Ltd.	3,700,000,000.00	2,117,140,000.00
Shougang Group	Qinhuangdao Shouqin Longhui Mining Co., Ltd.	350,000,000.00	350,000,000.00
Shougang Group	Nanyang Shoukong Optoelectronics Co., Ltd.	50,500,000.00	50,500,000.00
Shougang Group	Shougang International Trade (Tianjin) Co., Ltd.	23,019,579.47	23,019,579.47
Beijing Automotive Group	Xingdongfang Automotive Equipment (Beijing) Co., Ltd.	14,000,000.00	14,000,000.00
Beijing Automotive Group	Zhejiang Xiexin Technology Co., Ltd.	27,000,000.00	18,500,000.00
Xianglong Company	Beijing Fuyitong Real Estate Development Co., Ltd.	24,000,000.00	24,000,000.00
Xianglong Company	Beijing Andeli Parking Co., Ltd.	53,900,308.65	38,483,216.00
Beijing Electronics	Other	1,501,300.00	--
Jingcheng	Other	3,422,000.00	2,922,000.00
Electromechanical	Other	22,540,233.90	21,364,233.90
Yiqing Holding	Other	107,000.00	107,000.00
Beichen Group	Other	43,134,641.44	42,135,641.44
Shoungong Group	Other		
Subtotal		4,313,125,063.46	2,702,171,670.81
Total		199,357,194,864.98	4,201,862,422.16

20. Other equity instrument investments

(1) Other equity instrument investments

Item	Closing balance	Beginning balance
Guohua Energy Co., Ltd.	373,910,427.06	330,000,000.00
Listed company stock investment	346,058,753.92	359,076,638.08
New Baoshen Railway Co., Ltd.	253,967,217.04	186,059,923.29
Ordos Southern Railway Co., Ltd.	115,679,550.02	99,966,469.86
Chongqing Bank H shares	105,407,103.00	98,705,065.00
Beijing Tieke Shougang Rail Technology Co., Ltd.	104,600,000.00	94,900,000.00
Others	768,694,461.86	818,036,294.71
Total	2,068,317,512.90	1,986,744,390.94

(2) Significant other equity instrument investments at year end

Item	Investment cost	Cumulative amount of changes in fair value recorded in other comprehensive income	Fair value at year end
Guohua Energy Co., Ltd.	330,000,000.00	43,910,427.06	373,910,427.06
Listed company stock investment	450,201,827.20	-104,143,073.28	346,058,753.92
New Baoshen Railway Co., Ltd.	142,080,000.00	111,887,217.04	253,967,217.04
Ordos Southern Railway Co., Ltd.	142,000,000.00	-26,320,449.98	115,679,550.02
Total	1,064,281,827.20	25,334,120.84	1,089,615,948.04

21. Other non-current financial assets

Item	Fair value at year end	Fair value at beginning of year
Equity instrument investment	2,263,943,873.17	1,385,367,572.10
Tianhong Innovation Asset Management Co., Ltd.	80,935,200.00	74,940,000.00
Bank of Communications Schroder Asset Management Co., Ltd.	47,970,000.00	47,970,000.00
Beijing Intelligent Vehicle Industry Innovation Center Co., Ltd.	3,522,262.43	2,807,793.33
Beijing-Hebei Management Fund	--	160,320,441.97
MGN (OFFTAKE AGREEMENT)	--	144,751,941.39
Huazheng Value No. 330 Targeted Asset Management	--	104,000,000.00
Xinhua FTSE New Hope No. 1	--	110,980,000.00
Others	153,950,212.83	358,450,385.00
Total	2,550,321,548.43	2,389,588,133.79

22. Investment properties

(1) Measured at cost

Item	Beginning balance	Increase	Decrease	Closing balance
I. Total cost	55,465,726,509.63	10,465,400,107.47	486,686,812.16	65,444,439,804.94
Including: House and buildings	53,429,512,805.89	10,397,033,075.15	481,391,838.69	63,345,154,042.35
Land use rights	2,036,213,703.74	68,367,032.32	5,294,973.47	2,099,285,762.59

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Item	Beginning balance	Increase	Decrease	Closing balance
II. Accumulated depreciation and amortization	10,913,663,235.36	1,618,796,934.39	79,804,978.23	12,452,655,191.52
Including: House and buildings	10,521,856,290.17	1,575,071,720.70	78,556,641.45	12,018,371,369.42
Land use rights	391,806,945.19	43,725,213.69	1,248,336.78	434,283,822.10
III. Total net book value	44,552,063,274.27	--	--	52,991,784,613.42
Including: House and buildings	42,907,656,515.72	--	--	51,326,782,672.93
Land use rights	1,644,406,758.55	--	--	1,665,001,940.49
IV. Total provision for impairment	22,088,627.29	9,488.00	--	22,098,115.29
Including: House and buildings	22,088,627.29	9,488.00	--	22,098,115.29
Land use rights	--	--	--	--
V. Total carrying amount	44,529,974,646.98	--	--	52,969,686,498.13
Including: House and buildings	42,885,567,888.43	--	--	51,304,684,557.64
Land use rights	1,644,406,758.55	--	--	1,665,001,940.49

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(2) Measured at fair value

Item	Fair value at beginning of year	Acquisition	Increase Transfer from own-use properties or inventories	Gain or loss on changes in fair value	Decrease		Fair value at year end
					Disposal	Transfer to own-use properties	
I. Total cost	25,365,868,517.77	5,606,485,548.23	2,676,602,047.11	--	72,760,233.47	181,522,854.43	33,394,673,025.21
Including: 1. House and buildings	25,315,797,644.58	5,606,485,548.23	2,614,399,500.50	--	72,760,233.47	181,522,854.43	33,282,399,605.41
2. Land use rights	50,070,873.19	--	62,202,546.61	--	--	--	112,273,419.80
II. Total changes in fair value	17,480,742,440.79	--	219,909,200.61	973,351,282.94	100,200.00	2,471,534.45	18,671,431,189.89
Including: 1. House and buildings	16,448,485,833.46	--	216,880,029.68	967,529,852.17	100,200.00	2,471,534.45	17,630,323,980.86
2. Land use rights	1,032,256,607.33	--	3,029,170.93	5,821,430.77	--	--	1,041,107,209.03
III. Total carrying value	42,846,610,958.56	5,606,485,548.23	2,896,511,247.72	973,351,282.94	72,860,433.47	183,994,388.88	52,066,104,215.10
Including: 1. House and buildings	41,764,283,478.04	5,606,485,548.23	2,831,279,530.18	967,529,852.17	72,860,433.47	183,994,388.88	50,912,723,586.27
2. Land use rights	1,082,327,480.52	--	65,231,717.54	5,821,430.77	--	--	1,153,380,628.63

(3) Investment properties without certificate of title

Item	Carrying value	Reason
Tianjin Building Materials Bohai Rim	879,341,430.00	Application in process
Jianjin Building	232,900,000.00	Application in process
Jinhuanyu Building	136,100,000.00	Application in process
Buildings and buildings in the original factory of Sanyuan, Hebei	17,878,024.40	Application in process
Subtotal	1,266,219,454.40	

23. Fixed assets

Item	Carrying value at year end	Carrying value at beginning of year
Fixed assets	717,627,537,686.89	728,013,647,222.53
Fixed assets for disposal	1,319,022,504.65	1,175,104,158.16
Total	718,946,560,191.54	729,188,751,380.69

(1) Fixed assets

① Fixed assets

Item	Beginning balance	Increase	Decrease	Closing balance
I. Total cost	1,057,017,325,446.11	94,353,448,387.96	70,390,892,314.95	1,080,979,881,519.12
Including: Land assets	52,723,618,523.37	34,654,299.51	12,830,907,619.04	39,927,365,203.84
House and buildings	296,776,745,801.09	26,202,976,572.67	19,584,231,887.73	303,395,490,486.03
Machinery and equipment	533,281,531,383.26	53,522,067,956.34	31,401,809,035.32	555,401,790,304.28
Transportation tools	17,833,671,993.42	5,472,538,403.21	2,645,270,771.98	20,660,939,624.65
Electronic equipment	10,907,468,696.89	2,385,770,713.90	2,785,544,518.08	10,507,694,892.71
Office equipment	16,336,529,453.53	3,684,133,033.29	565,785,349.93	19,454,877,136.89
Hotel Industry Furniture	100,705,968.39	1,949,306.37	459,376.57	102,195,898.19
Others	129,057,053,626.16	3,049,358,102.67	576,883,756.30	131,529,527,972.53
II. Total accumulated depreciation	319,595,361,340.24	59,747,979,942.20	24,278,872,255.75	355,064,469,026.69
Including: Land assets	--	--	--	--
House and buildings	65,204,464,926.67	9,280,263,831.91	4,888,509,024.93	69,596,219,733.65
Machinery and equipment	207,716,661,770.81	40,790,066,097.60	15,141,950,448.99	233,364,777,419.42
Transportation tools	9,516,645,506.05	3,252,246,772.34	1,611,342,322.23	11,157,549,956.16
Electronic equipment	6,507,056,216.74	1,740,875,325.05	1,883,658,197.38	6,364,273,344.41
Office equipment	9,448,935,376.76	2,251,902,292.82	310,926,125.76	11,389,911,543.82
Hotel Industry Furniture	23,949,276.07	11,741,846.88	449,231.66	35,241,891.29
Others	21,177,648,267.14	2,420,883,775.60	442,036,904.80	23,156,495,137.94
III. Total net book value	737,421,964,105.87	--	--	725,915,412,492.43
Including: Land assets	52,723,618,523.37	--	--	39,927,365,203.84

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Item	Beginning balance	Increase	Decrease	Closing balance
House and buildings	231,572,280,874.42	--	--	233,799,270,752.38
Machinery and equipment	325,564,869,612.45	--	--	322,037,012,884.86
Transportation tools	8,317,026,487.37	--	--	9,503,389,668.49
Electronic equipment	4,400,412,480.15	--	--	4,143,421,548.30
Office equipment	6,887,594,076.77	--	--	8,064,965,593.07
Hotel Industry Furniture	76,756,692.32	--	--	66,954,006.90
Others	107,879,405,359.02	--	--	108,373,032,834.59
IV. Total provision for impairment	9,408,316,883.34	1,407,694,279.19	2,528,136,356.99	8,287,874,805.54
Including: Land assets	--	--	--	--
House and buildings	865,460,588.71	200,765,612.21	81,111,708.88	985,114,492.04
Machinery and equipment	8,173,300,723.70	932,967,623.15	2,382,434,495.17	6,723,833,851.68
Transportation tools	111,270,779.83	50,850,605.86	53,698,365.56	108,423,020.13
Electronic equipment	9,668,756.52	2,066,795.17	4,308,785.83	7,426,765.86
Office equipment	217,654,480.20	220,836,737.75	1,271,650.26	437,219,567.69
Hotel Industry Furniture	--	--	--	--
Others	30,961,554.38	206,905.05	5,311,351.29	25,857,108.14
V. Total carrying amount	728,013,647,222.53	--	--	717,627,537,686.89
Including: Land assets	52,723,618,523.37	--	--	39,927,365,203.84
House and buildings	230,706,820,285.71	--	--	232,814,156,260.34
Machinery and equipment	317,391,568,888.75	--	--	315,313,179,033.18
Transportation tools	8,205,755,707.54	--	--	9,394,966,648.36
Electronic equipment	4,390,743,723.63	--	--	4,135,994,782.44
Office equipment	6,669,939,596.57	--	--	7,627,746,025.38
Hotel Industry Furniture	76,756,692.32	--	--	66,954,006.90
Others	107,848,443,804.64	--	--	108,347,175,726.45

② Fixed assets with temporary idle

Item	Book value	Accumulated depreciation	Provision for impairment	Carrying value
House and buildings	1,238,413,309.38	1,133,534,789.63	64,542,545.99	40,335,973.76
Machinery and equipment	3,426,461,792.17	2,877,983,652.23	471,319,183.68	77,158,956.26
Transportation tools	3,153,813.03	2,531,711.63	13,569.82	608,531.58
Office equipment	150,086.97	120,366.54	--	29,720.43
Electronic equipment	8,328,167.88	5,321,469.94	106,365.20	2,900,332.74
Others	18,154,913.78	16,004,021.05	1,282,944.85	867,947.88

Item	Book value	Accumulated depreciation	Provision for impairment	Carrying value
Total	4,694,662,083.21	4,035,496,011.02	537,264,609.54	121,901,462.65

③ Fixed assets without property certificate

As of December 31, 2019, the Center has not yet completed the property certificate of fixed assets with total carrying value of RMB 14,766,040,287.44.

(2) Fixed assets for disposal

Item	Carrying value at year end	Carrying value in beginning of year	Reason for disposal
Assets to be removed and cleared	138,913,029.45	122,429,665.66	Not yet finished
Assets to be scrapped	27,709,979.36	26,901,625.51	Not yet finished
Assets to be transferred gratuitously	418,614,534.38	427,535,914.07	Not yet finished
Assets to be disposed of	733,784,961.46	598,236,952.92	Not yet finished
Total	1,319,022,504.65	1,175,104,158.16	

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24. Construction in progress

Item	Closing balance			Beginning balance		
	Book balance	Provision for bad debts	Carrying value	Book balance	Provision for bad debts	Carrying value
Construction in progress	242,742,031,167.97	1,309,199,078.78	241,432,832,089.19	201,061,200,959.26	835,967,039.99	200,225,233,919.27
Construction materials	1,373,397,641.88	15,982,477.57	1,357,415,164.31	1,439,333,111.29	16,283,929.47	1,423,049,181.82
Total	244,115,428,809.85	1,325,181,556.35	242,790,247,253.50	202,500,534,070.55	852,250,969.46	201,648,283,101.09

(1) Construction in progress

① Construction in progress

Item	Closing balance			Beginning balance		
	Book balance	Provision for impairment	Carrying value	Book balance	Provision for impairment	Carrying value
Mianyang 6th generation LTPS/AMOLED production line project	34,753,609,842.00	--	34,753,609,842.00	23,065,639,272.00	--	23,065,639,272.00
Wuhan high-generation thin film transistor liquid crystal display device production line project and supporting projects	24,749,508,699.00	--	24,749,508,699.00	5,226,487,285.00	--	5,226,487,285.00
Chengdu 6th generation LTPS/AMOLED production line project	19,490,899,526.00	--	19,490,899,526.00	15,759,483,392.00	--	15,759,483,392.00
Shougang Jingtang Phase II Project	16,800,493,905.29	--	16,800,493,905.29	13,390,211,436.51	--	13,390,211,436.51

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Item	Closing balance			Beginning balance		
	Book balance	Provision for impairment	Carrying value	Book balance	Provision for impairment	Carrying value
Joint venture brand project	8,820,190,408.92	--	8,820,190,408.92	7,044,770,635.99	--	7,044,770,635.99
Independent brand project	5,620,571,948.11	27,809,933.79	5,592,762,014.32	6,132,871,261.34	27,809,933.79	6,105,061,327.55
Thermal Power Cogeneration project	4,882,138,465.27	--	4,882,138,465.27	4,464,487,440.65	--	4,464,487,440.65
National Convention Center Phase II Project	4,680,650,025.30	--	4,680,650,025.30	3,686,647,070.56	--	3,686,647,070.56
Guangqu Road Phase II	3,915,303,628.91	--	3,915,303,628.91	3,614,112,365.91	--	3,614,112,365.91
Macheng Iron Mine Mining and Dressing Project	3,474,811,190.18	--	3,474,811,190.18	2,862,456,106.75	--	2,862,456,106.75
Others	115,553,853,528.99	1,281,389,144.99	114,272,464,384.00	115,814,034,692.55	808,157,106.20	115,005,877,586.35
Total	242,742,031,167.97	1,309,199,078.78	241,432,832,089.19	201,061,200,959.26	835,967,039.99	200,225,233,919.27

② Significant construction in progress

Item	Budget	Beginning balance	Increase	Transferred to fixed assets	Other decrease	Closing balance	Proportion of cumulative input to budget (%)	Construction progress (%)	Cumulative capitalized interest	Include: Capitalized interest in the year	Capitalization rate for the year (%)	Source of funding
Mianyang 6th generation LTPS/AMOLED production line project	44,500,000,000.00	23,065,639,272.00	11,849,171,781.47	161,201,211.47	--	34,753,609,842.00	78.90	78.90	613,132,029.00	556,855,158.00	4.51	Self-financing and borrowings
Wuhan high-generation thin film transistor liquid crystal display device production line project and supporting projects	44,000,000,000.00	5,226,487,285.00	20,161,031,012.00	638,009,598.00	--	24,749,508,699.00	58.63	58.63	93,594,026.00	93,594,026.00	3.73	Self-financing and borrowings

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Item	Budget	Beginning balance	Increase	Transferred to fixed assets	Other decrease	Closing balance	Proportion of cumulative input to budget (%)	Construction progress (%)	Cumulative capitalized interest	Include: Capitalized interest in the year	Capitalization rate for the year (%)	Source of funding
Chengde 6th generation LTPS/AMOLED production line project	44,800,000,000.00	15,759,483,392.00	5,534,324,202.00	1,800,721,546.00	2,186,522.00	19,490,899,526.00	86.07	86.07	837,160,130.00	454,186,034.00	4.84	Self-financing and borrowings
Shougang Jingfang Phase II Project	22,536,000,000.00	13,390,211,436.51	7,783,812,530.78	4,373,530,062.00	--	16,800,493,905.29	93.96	93.96	1,153,789,218.30	577,303,197.38	4.68	Self-financing and borrowings
Joint venture brand project	54,000,000,000.00	7,044,770,635.99	7,497,325,661.99	5,721,905,889.06	--	8,820,190,408.92	74.24	74.24	95,203,270.38	--	--	Self-financing
China National Convention Center Phase II	30,957,000,000.00	3,686,647,070.56	994,002,954.74	--	--	4,680,650,025.30	8.14	10.00	498,588,266.12	453,276,608.52	6.00	Self-financing and borrowings
Guanggu Road Phase II	4,684,230,000.00	3,614,112,365.91	301,191,263.00	--	--	3,915,303,628.91	83.58	94.00	--	--	--	Government funding
Macheng Iron Mine Mining and Dressing Project	13,193,360,000.00	2,862,456,106.75	612,716,621.90	361,538.47	--	3,474,811,190.18	26.34	26.34	1,432,764.21	--	--	Self-financing and borrowings
Shougu Relocation Project	8,084,590,000.00	3,135,687,549.01	149,419,283.40	--	32,732,682.77	3,252,374,149.64	40.23	40.23	--	--	--	Self-financing
Huozhou Coal Power 2*350MWp Low Calorific Value Coal	3,438,070,000.00	2,741,260,311.06	205,441,566.74	300,484,876.86	--	2,646,217,000.94	92.44	92.44	187,582,610.12	48,418,241.26	5.04	Self-financing and borrowings
Power Generation Project in Linxian County, Shanxi Province												
Total	270,193,250,000.00	80,526,755,424.79	55,088,436,878.02	12,996,214,721.86	34,919,204.77	122,584,058,376.18	--	--	3,480,482,314.13	2,183,633,265.16		

③ Provision for impairment of construction in progress

Item	Provision made in the period	Reason of provision
Infrastructure expenditure	362,938,396.42	Confirmed impaired
Shenzhen International Low Carbon City Distributed Energy Project	49,912,525.61	Business pending liquidation
0.25-micron 6-inch MOSFET chip project (Phase I)	15,615,151.93	Technological advances and changes in the types of products required by the market have led to impairment of equipment under construction
Plant construction auxiliary engineering	6,884,519.35	Releasing the plant lease contract
Purple potato chips and slice production line	1,853,879.40	Project termination
Jidong Cement Tongchuan-Belt Corridor Project	1,816,726.89	Project suspension
Model burning host	1,013,763.63	Project termination
Jidong Group-Nanhu Guest House	679,527.70	Project suspension
Enclosure Project of Breeding Pig Demonstration Farm	234,600.00	There is a legal dispute with the land lessor, and the loss is expected to occur in the negotiation and settlement
Meat processing project	150,370.50	Impairment in appraisal
Cake beater	119,658.12	Project termination
35m cooling and sterilization line	59,829.06	Project termination
Air compressor	34,188.03	Project termination
Agricultural Machinery Subsidy Project of the Agricultural Bureau of China Breeding Pig and Boar Station	27,769.13	Impairment in appraisal
Frying machine, boiled sugar machine	15,600.00	Project termination
Others	31,574,081.12	
Total	472,930,586.89	

(2) Construction materials

Item	Closing balance	Beginning balance
Jingtang Project	776,484,083.52	768,811,232.84
Special equipment and materials	343,152,674.14	335,593,168.32
Tools and spare parts	72,482,379.39	57,975,113.25
Qiangang Project	17,050,149.03	39,257,115.48
0.25-micron 6-inch MOSFET chip project phase I	333,253.41	333,253.41
Tong Steel Equipment	--	38,128,810.15
Other construction materials	147,912,624.82	182,950,488.37
Total	1,357,415,164.31	1,423,049,181.82

25. Productive biological assets

Measured at cost

Item	Carrying value at beginning of year	Increase	Decrease	Carrying value at year end
I. Crop farming	25,644,969.85	951,232.29	2,157,497.70	24,438,704.44
II. Animal husbandry	1,916,033,178.78	2,734,662,038.71	2,769,328,625.71	1,881,366,591.78
III. Forestry	32,982,786.43	103,380,569.10	85,265.04	136,278,090.49
Total	1,974,660,935.06	2,838,993,840.10	2,771,571,388.45	2,042,083,386.71

26. Right-of-use assets

Item	Beginning balance	Increase	Decrease	Closing balance
I. Total cost	1,974,245,641.73	601,495,256.17	642,311,012.03	1,933,429,885.87
Including: Land	353,479,438.54	47,017,430.56	32,272,717.45	368,224,151.65
Houses and buildings	1,037,155,177.18	177,111,175.54	607,179,300.01	607,087,052.71
Machinery and equipment	91,557,946.64	1,446,131.99	206,780.68	92,797,297.95
Transportation tools	9,149,104.79	8,386,817.71	1,093,009.81	16,442,912.69
Others	482,903,974.58	367,533,700.37	1,559,204.08	848,878,470.87
II. Total accumulated depreciation	144,945,973.27	266,195,550.23	116,203,098.34	294,938,425.16
Including: Land	20,921,553.35	34,256,409.90	--	55,177,963.25
Houses and buildings	113,870,737.96	136,872,913.71	115,454,438.13	135,289,213.54
Machinery and equipment	--	36,970,999.39	203,628.32	36,767,371.07
Transportation tools	--	7,278,861.33	545,031.89	6,733,829.44
Others	10,153,681.96	50,816,365.90	--	60,970,047.86
III. Total net book value	1,829,299,668.46	--	--	1,638,491,460.71

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Item	Beginning balance	Increase	Decrease	Closing balance
Including: Land	332,557,885.19	--	--	313,046,188.40
Houses and buildings	923,284,439.22	--	--	471,797,839.17
Machinery and equipment	91,557,946.64	--	--	56,029,926.88
Transportation tools	9,149,104.79	--	--	9,709,083.25
Others	472,750,292.62	--	--	787,908,423.01
IV. Total provision for impairment	--	--	--	--
Including: Land	--	--	--	--
Houses and buildings	--	--	--	--
Machinery and equipment	--	--	--	--
Transportation tools	--	--	--	--
Others	--	--	--	--
V. Total carrying value	1,829,299,668.46	--	--	1,638,491,460.71
Including: Land	332,557,885.19	--	--	313,046,188.40
Houses and buildings	923,284,439.22	--	--	471,797,839.17
Machinery and equipment	91,557,946.64	--	--	56,029,926.88
Transportation tools	9,149,104.79	--	--	9,709,083.25
Others	472,750,292.62	--	--	787,908,423.01

27. Intangible assets

Item	Beginning balance	Increase	Decrease	Closing balance
I. Total cost	161,930,458,146.37	19,644,400,873.08	8,205,524,782.25	173,369,334,237.20
Including: Land use rights	105,471,105,708.55	5,135,223,808.48	3,487,330,077.94	107,118,999,439.09
Software	5,039,442,004.83	1,160,319,855.04	479,585,601.53	5,720,176,258.34
Intellectual property	2,033,492,071.34	17,722,505.07	--	2,051,214,576.41
Non-patented technology	17,711,261,802.53	4,517,664,037.89	19,962,782.09	22,208,963,058.33
Patent rights	2,037,472,706.04	40,642,302.02	587,171,304.76	1,490,943,703.30
Copyrights	99,296,853.52	268,660.38	--	99,565,513.90
Franchise rights	3,120,855,056.44	1,849,016,123.19	424,907,929.71	4,544,963,249.92
Mining rights	11,118,951,643.25	4,651,305,646.33	2,569,127,617.23	13,201,129,672.35
Exploration rights	2,492,579,718.75	--	--	2,492,579,718.75
Trademark rights	4,927,992,019.39	444,154,840.29	26,684,323.06	5,345,462,536.62
Others	7,878,008,561.73	1,828,083,094.39	610,755,145.93	9,095,336,510.19
II. Total accumulated amortization	25,462,200,539.32	8,298,671,242.05	2,290,586,255.14	31,470,285,526.23
Including: Land use rights	7,172,782,742.54	1,363,872,966.47	499,430,805.57	8,037,224,903.44
Software	2,659,077,602.66	742,312,213.78	202,048,760.64	3,199,341,055.80

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Item	Beginning balance	Increase	Decrease	Closing balance
Intellectual property	1,077,213,611.02	206,602,533.06	--	1,283,816,144.08
Non-patented technology	7,713,571,491.16	3,758,688,181.84	460,933,339.21	11,011,326,333.79
Patent rights	475,756,403.28	609,601,718.98	17,090,158.28	1,068,267,963.98
Copyrights	43,746,587.45	10,628,508.21	--	54,375,095.66
Franchise rights	294,621,728.44	160,466,906.73	--	455,088,635.17
Mining rights	2,330,352,757.29	366,200,291.37	1,011,599,453.75	1,684,953,594.91
Exploration rights	--	--	--	--
Trademark rights	205,800,386.77	76,025,843.90	498,826.35	281,327,404.32
Others	3,489,277,228.71	1,004,272,077.71	98,984,911.34	4,394,564,395.08
III. Provision for impairment	241,882,857.28	212,066,139.48	6,621,806.59	447,327,190.17
Including: Land use rights	13,844,647.29	16,428,997.10	6,097,606.59	24,176,037.80
Software	106,626.89	1,022,019.87	--	1,128,646.76
Intellectual property	--	--	--	--
Non-patented technology	44,859,611.76	--	524,200.00	44,335,411.76
Patent rights	74,089.68	--	--	74,089.68
Copyrights	--	--	--	--
Franchise rights	--	--	--	--
Mining rights	138,442,624.57	33,630,862.16	--	172,073,486.73
Exploration rights	--	103,982,109.37	--	103,982,109.37
Trademark rights	8,384,129.59	--	--	8,384,129.59
Others	36,171,127.50	57,002,150.98	--	93,173,278.48
IV. Total carrying value	136,226,374,749.77	--	--	141,451,721,520.80
Including: Land use rights	98,284,478,318.72	--	--	99,057,598,497.85
Software	2,380,257,775.28	--	--	2,519,706,555.78
Intellectual property	956,278,460.32	--	--	767,398,432.33
Non-patented technology	9,952,830,699.61	--	--	11,153,301,312.78
Patent rights	1,561,642,213.08	--	--	422,601,649.64
Copyrights	55,550,266.07	--	--	45,190,418.24
Franchise rights	2,826,233,328.00	--	--	4,089,874,614.75
Mining rights	8,650,156,261.39	--	--	11,344,102,590.71
Exploration rights	2,492,579,718.75	--	--	2,388,597,609.38
Trademark rights	4,713,807,503.03	--	--	5,055,751,002.71
Others	4,352,560,205.52	--	--	4,607,598,836.63

Note: As of December 31, 2019, the carrying value of intangible assets for which the Center has not completed the property rights certificate was in total RMB 225,407,471.91, all of which are Land use rights. Including: the carrying value of incomplete registration of land use rights of BBMG Group of RMB 92,592,491.88, and the carrying value of incomplete registration of land use rights of Beijing Automotive Group of RMB 132,814,980.03.

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28. Development costs

Item	Beginning balance	Increase		Recognized as intangible assets	Decrease		Closing balance
		Internal development expenses	Others		Transferred to profit or loss	Others	
Shougang Group							
Development costs	3,578,268.27	93,076,186.78	--	636,216.97	24,163,282.14	4,980,721.12	66,874,234.82
Electronic Holdings							
Integrated circuit process equipment	911,736,692.09	693,514,246.76	--	163,647,057.71	1,568,139.62	--	1,440,035,741.52
Research and development of gas delivery integrated control system	23,164,973.12	12,723,725.43	--	--	--	--	35,888,698.55
Peony Public Opinion Service	8,089,669.40	--	7,107,086.95	--	--	--	15,196,756.35
State-owned Assets System Cloud Communication Platform Project (Phase II)	--	14,856,308.82	--	--	--	--	14,856,308.82
New commercial display system integration project	13,615,184.88	--	--	--	--	53,210.08	13,561,974.80
Other development costs	36,469,529.88	276,954,962.54	19,462,231.03	10,623,100.42	266,702,645.37	14,997,806.37	40,563,171.29
Subtotal	993,076,049.37	998,049,243.55	26,569,317.98	174,270,158.13	268,270,784.99	15,051,016.45	1,560,102,651.33
Jingcheng Electromechanical							
Engineering valve development project	27,310,904.64	230,328.01	--	--	--	64,865.19	27,476,367.46
Others project new product development	16,133,188.21	15,158,607.02	--	--	2,226,863.22	3,559,792.20	25,505,139.81
TAURUS	27,062,845.52	851,889.50	--	--	4,087,466.17	109,668.05	23,717,600.80
Through shaft pump new product development	14,751,174.30	6,639,462.51	--	--	36,052.82	--	21,354,583.99
MultifContour	11,790,482.35	117,232.50	--	--	1,354,763.00	47,779.18	10,505,172.67

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Item	Beginning balance	Increase		Decrease		Closing balance
		Internal development expenses	Others	Recognized as intangible assets	Transferred to profit or loss	
New industrial valve development	12,222,353.80	1,771,951.80	--	--	3,574,593.66	10,419,711.94
Other development costs	133,294,571.67	80,214,789.88	--	5,914,989.40	6,493,445.37	171,166,807.89
Subtotal	242,565,520.49	104,984,261.22	--	5,914,989.40	13,850,143.65	290,145,384.56
Beijing Energy Group						
Denitration reformation of waste heat boiler	--	28,260,531.19	--	--	--	28,260,531.19
Research and application of the world's first 660MW-class integrated device for desulfurization and synergistic dust removal, mercury removal and flue gas water extraction	674,712.90	21,414,146.87	--	--	--	22,088,859.77
Research and Application of Ultra-low NOx Emissions from Waste Heat Boiler Burner retrofit	--	21,192,361.15	--	--	--	21,192,361.15
Science and technology projects	11,099,372.90	16,353,211.78	--	--	--	16,353,211.78
Development of automatic assembly line for detonator	9,756,226.56	3,532,250.51	--	--	--	14,631,623.41
Research on the application of key technologies for flexible operation and deep peak shaving of 660MW supercritical thermal power units	4,207,290.40	8,060,485.92	--	--	--	13,956,131.45
Development and demonstration of prefabricated thermal insulation pipe with plastic sleeve (heat-resistant polyethylene PE-RT II) for secondary network	4,943,844.75	7,421,725.36	--	454,244.41	--	11,911,325.70

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Item	Beginning balance	Increase			Decrease			Closing balance
		Internal development expenses	Others	Recognized as intangible assets	Transferred to profit or loss	Others		
Multi-source complementary collaborative optimization operation scheduling decision support platform for smart city heating systems	6,430,565.00	6,020,820.50	--	--	829,258.57	--	11,622,126.93	
Other development costs	138,567,434.05	500,587,437.23	4,707,345.66	6,091,154.01	440,157,485.10	16,876,863.25	180,736,714.58	
Subtotal	175,679,446.56	617,042,875.40	4,707,345.66	6,091,154.01	441,440,988.08	16,876,863.25	333,020,662.28	
Yiqing Holding								
Other development costs	17,717,407.33	152,409,890.69	--	17,442,767.55	149,024,675.18	2,009,411.75	1,650,443.54	
Capital Development Holdings								
Other development costs	10,238,890.26	4,360,615.65	--	1,124,524.91	861,988.60	--	12,612,992.40	
Beijing Automotive Group								
Research phase	--	985,374,637.50	--	--	985,374,637.50	--	--	
Development phase	12,381,422,146.72	5,922,827,417.75	460,620,309.42	4,088,444,847.39	593,610,446.55	--	14,082,814,579.95	
Subtotal	12,381,422,146.72	6,908,202,055.25	460,620,309.42	4,088,444,847.39	1,578,985,084.05	--	14,082,814,579.95	
Tongrentang								
Traditional Chinese Medicine Granule Pieces Project	68,679,245.54	--	--	--	--	--	68,679,245.54	
Other development costs	3,680,000.00	21,861,553.56	--	--	--	--	25,541,553.56	
Subtotal	72,359,245.54	21,861,553.56	--	--	--	--	94,220,799.10	
Shounong Group								
Development costs	20,486,570.04	39,282,512.90	4,634,057.84	17,448,905.10	20,355,603.38	--	26,598,632.30	
Total	13,917,123,544.58	8,939,269,195.00	496,531,030.90	4,311,373,563.46	2,520,741,670.52	52,768,156.22	16,468,040,380.28	

29. Goodwill

(1) Carrying value of goodwill

Name of investee	Beginning balance	Increase	Decrease	Closing balance
Qinghai Haihe Coal Development Co., Ltd.	284,000,000.00	--	--	284,000,000.00
Shanxi Yicheng Shouwang Coal Industry Co., Ltd.	254,030,829.52	--	--	254,030,829.52
Hutubi Xigou Coal Co., Ltd.	201,547,404.25	--	--	201,547,404.25
BeijingWest Industries International Limited	173,474,106.76	573,092.70	--	174,047,199.46
Hutubi Xiaoxigou Coal Co., Ltd.	142,284,345.45	--	--	142,284,345.45
Fengning County Huabing Mining Co., Ltd.	70,243,084.65	--	--	70,243,084.65
Shougang Yili Iron and Steel Co., Ltd.	29,695,614.10	--	--	29,695,614.10
China Peace International Travel Co., Ltd.	9,028,139.88	--	--	9,028,139.88
Beijing Jingxi Supply Chain Management Co., Ltd.	--	7,554,855.20	--	7,554,855.20
Beijing Shouke Industrial Engineering Technology Co., Ltd.	2,315,866.35	--	--	2,315,866.35
Shouhua BeijingWest Collaborative Innovation (Beijing) Technology Development Co., Ltd.	806,980.20	9,284.83	--	816,265.03
Beijing Dingshengcheng Packaging Materials Co., Ltd.	55,300.00	--	--	55,300.00
Tonghua Iron and Steel Group Co., Ltd.	850,163,720.93	--	850,163,720.93	--
Shouzhong Investment Development Co., Ltd.	40,010,857.05	--	40,010,857.05	--
Xinjiang First Control Kaihong Co., Ltd.	5,900,000.00	--	5,900,000.00	--
Jilin Tonggang Automation Information Technology Co., Ltd.	3,830.90	--	3,830.90	--
Subtotal of Shougang Group	2,063,560,080.04	8,137,232.73	896,078,408.88	1,175,618,903.89
SES Imagotag SA	706,406,821.00	--	--	706,406,821.00
BOE Health Investment Management Co., Ltd.	146,460,790.00	--	--	146,460,790.00
Beijing Yinghe Century Real Estate Co., Ltd.	42,940,434.00	--	--	42,940,434.00
Beijing Audio Equipment Factory	--	22,931,450.50	--	22,931,450.50
Northern Huachuang Aikelong Company	17,938,435.54	295,839.01	134,648.38	18,099,626.17
Gaochuang (Suzhou) Electronics Co., Ltd.	8,562,464.00	--	--	8,562,464.00
Beijing Zhaowei Automation Equipment Technology Co., Ltd.	4,594,802.58	--	--	4,594,802.58
Beijing BOE Optoelectronics Technology Co., Ltd.	4,423,876.00	--	--	4,423,876.00
Xinxiang Microelectronics (Beijing) Co., Ltd.	5,757,014.05	--	5,757,014.05	--

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Name of investee	Beginning balance	Increase	Decrease	Closing balance
Subtotal of Beijing Electronics	937,084,637.17	23,227,289.51	5,891,662.43	954,420,264.25
TIGIEFEE S.R.L.	39,438,253.45	--	--	39,438,253.45
Tianhai Americas Company	6,562,344.06	--	--	6,562,344.06
Shangdu County Kezhi Huayuan Wind Power Co., Ltd.	950,000.00	--	--	950,000.00
Subtotal of Jingcheng Electromechanical	46,950,597.51	--	--	46,950,597.51
Sichuan Dachuan Electric Power Co., Ltd.	934,371,645.39	--	--	934,371,645.39
Shenzhen Yuhu Electric Power Co., Ltd.	706,040,252.59	--	--	706,040,252.59
Inner Mongolia Huaning Thermal Power Co., Ltd.	558,004,480.74	--	--	558,004,480.74
Sichuan Zhongneng Electric Power Co., Ltd.	359,142,308.38	--	--	359,142,308.38
Zhangjiakou Xuanhua Ziyun Chemical Co., Ltd.	147,613,804.98	--	--	147,613,804.98
Yingjiang Huafu Hydropower Development Co., Ltd.	96,000,000.00	--	--	96,000,000.00
New GullenRange Wind Farm (Holdings) Co., Ltd.	65,738,850.33	--	--	65,738,850.33
Tongxiang Kemao New Energy Co., Ltd.	--	55,015,776.18	--	55,015,776.18
Xilin Gol Jixiang Huaya Wind Power Co., Ltd.	34,000,000.00	--	--	34,000,000.00
Beijing Jintai Xiangda Investment Management Co., Ltd.	32,498,288.62	--	--	32,498,288.62
Dawa Mandura Foreign Investment Co., Ltd.	16,790,414.56	--	--	16,790,414.56
Beijing Tianchuang Real Estate Development Co., Ltd.	12,401,747.64	--	--	12,401,747.64
Beijing Le Duo Port Development Co., Ltd.	12,351,066.63	--	--	12,351,066.63
Tianjin Hongtai Chemical Co., Ltd.	4,863,918.31	--	--	4,863,918.31
Inner Mongolia Jingtai Power Generation Co., Ltd.	3,800,000.00	--	--	3,800,000.00
Beijing Zhongguanbao New Energy Investment Co., Ltd.	--	897,000.00	--	897,000.00
Beijing Zhengtai Hengtong Blasting Engineering Co., Ltd.	103,959.75	--	--	103,959.75
Heishui County Sanlian Hydropower Development Co., Ltd.	4,000.00	--	--	4,000.00
Hebei Zhuozhou Liyuan Thermal Power Co., Ltd.	6,900,058.70	--	6,900,058.70	--
Subtotal of Beijing Energy Group	2,990,624,796.62	55,912,776.18	6,900,058.70	3,039,637,514.10
Beijing Boyu Tongda Technology Co., Ltd.	2,695,261.76	--	--	2,695,261.76
Subtotal of Capital Highway Development	2,695,261.76	--	--	2,695,261.76
Zhejiang Dahao Mingde Intelligent Control Equipment Co., Ltd.	147,801,046.41	--	--	147,801,046.41

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Name of investee	Beginning balance	Increase	Decrease	Closing balance
China Paper Online (Suzhou) E-Commerce Co., Ltd.	32,943,564.32	--	--	32,943,564.32
Beijing Jingrong Hengda Paper Co., Ltd.	11,673,972.21	--	--	11,673,972.21
Beijing Luyuan Plastic Co., Ltd.	3,627,775.10	--	--	3,627,775.10
Beijing Youpengzuo Environmental Art Center Co., Ltd.	456,082.38	--	456,082.38	--
Subtotal of Yiqing Holding	196,502,440.42	--	456,082.38	196,046,358.04
Guangzhou Hupin Real Estate Co., Ltd.	9,181,088.60	--	--	9,181,088.60
Xingmao Real Estate (Hangzhou) Co., Ltd.	8,714,022.17	--	--	8,714,022.17
Beijing Xiuyi Decoration Engineering Co., Ltd.	856,045.23	--	--	856,045.23
Fuzhou Rongcheng Real Estate Development Co., Ltd.	444,064.63	--	--	444,064.63
Suzhou Maotai	281,494.41	--	--	281,494.41
Beijing Shengqiu Petroleum Products Co., Ltd.	--	243,563.96	--	243,563.96
Libo International Building Materials Exhibition (Beijing) Co., Ltd.	115,952.52	--	--	115,952.52
Beijing Botai Jiaying Real Estate Development Co., Ltd.	3,061.84	--	--	3,061.84
Beijing Real Estate Auction Co., Ltd.	520,540.26	--	520,540.26	--
Subtotal of Capital Development Holdings	20,116,269.66	243,563.96	520,540.26	19,839,293.36
Beijing Benz Automobile Co., Ltd.	901,945,451.41	--	--	901,945,451.41
Inalfa Skylight Systems Group	787,342,865.89	--	9,089,063.96	778,253,801.93
Jiangxi Changhe Automobile Co., Ltd.	718,522,906.21	--	--	718,522,906.21
Foton Motor	192,946,654.37	--	--	192,946,654.37
Beijing Century Beiguang Advertising Co., Ltd.	32,602,120.51	--	--	32,602,120.51
Beijing Automotive Assets Heyuan Co., Ltd.	18,503,866.26	--	--	18,503,866.26
Beijing Shunyuan Yongkang Asset Management Co., Ltd.	5,573,758.33	--	--	5,573,758.33
Beijing Penglong Liheng Renewable Resources Recycling Co., Ltd.	56,232.38	--	--	56,232.38
Others	121,883,835.80	--	30,117.68	121,853,718.12
Subtotal of Beijing Automotive Group	2,779,377,691.16	--	9,119,181.64	2,770,258,509.52
Da hong trading co., ltd.	43,300,964.34	968,613.21	--	44,269,577.55
Hujialou Second Community Health Service Center, Chaoyang District, Beijing	--	25,597,948.59	--	25,597,948.59
Beijing Tongrentang Health (Dalian) Marine Food Co., Ltd.	12,837,314.65	--	--	12,837,314.65

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Name of investee	Beginning balance	Increase	Decrease	Closing balance
Beijing Tongrentang Health (USA) Co., Ltd.	5,860,788.31	--	--	5,860,788.31
Healthy tea industry	4,965,492.45	--	--	4,965,492.45
Tongrentang Chengdu	3,132,714.20	--	--	3,132,714.20
Ningbo Beijing Tongrentang Pharmacy Co., Ltd.	630,844.40	--	--	630,844.40
Beijing Tongrentang Taifeng Co., Ltd.	--	354,539.73	--	354,539.73
Zhoushan Beijing Tongrentang Pharmacy Co., Ltd.	67,092.74	--	--	67,092.74
Ningbo Haishu Tongrentang Traditional Chinese Medicine Clinic Co., Ltd.	50,308.62	--	--	50,308.62
Subtotal of Tongrentang Group	70,845,519.71	26,921,101.53	--	97,766,621.24
Acquired equity of Beijing Yishang Meijie Commercial Co., Ltd.	10,921,767.60	--	--	10,921,767.60
Acquired equity of Volkswagen Service Center (Beijing) Co., Ltd.	3,937,988.16	--	--	3,937,988.16
Subtotal of Xianglong Company	14,859,755.76	--	--	14,859,755.76
Jidong Cement Business	2,013,854,242.93	--	--	2,013,854,242.93
Jidong Equipment Business	477,549,380.23	--	--	477,549,380.23
Hebei Jinyu Dingxin Cement Co., Ltd.	189,815,999.91	--	--	189,815,999.91
Handan Shexian Jinyu Cement Co., Ltd.	56,276,121.38	--	--	56,276,121.38
Handan BBMG Taihang Cement Co., Ltd.	26,884,752.28	--	--	26,884,752.28
Baoding Taihang Heyi Cement Co., Ltd.	11,428,946.82	--	--	11,428,946.82
Tianjin Jinyu Zhenxing Environmental Protection Technology Co., Ltd.	10,931,009.96	--	--	10,931,009.96
Beijing Taihang Prospect Environmental Protection Technology Co., Ltd.	9,482,871.64	--	--	9,482,871.64
Gongyi Tongda Zhongyuan Refractory Technology Co., Ltd.	3,967,009.95	--	--	3,967,009.95
Beijing Qianglian Cement Co., Ltd.	2,742,710.29	--	--	2,742,710.29
Baotou Steel Jidong Cement Co., Ltd.	--	1,181,333.25	--	1,181,333.25
Subtotal of BBMG Group	2,802,933,045.39	1,181,333.25	--	2,804,114,378.64
Brassica Holdings	1,662,748,711.82	--	6,738,038.44	1,656,010,673.38
Acquired the equity of Hainan Zhujiang Holding Co., Ltd.	1,148,982,225.24	--	--	1,148,982,225.24
Goodwill generated by CVF Holding UK's acquisition of Anatis	867,627,140.68	14,285,152.86	--	881,912,293.54
Acquired the equity of Zhejiang Little Prince Food Co., Ltd.	191,394,422.51	--	--	191,394,422.51
Shandong Sanyuan Dairy Co., Ltd.	75,161,868.73	--	--	75,161,868.73
Beijing Aucma Zhongjia Real	22,500,000.00	--	--	22,500,000.00

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Name of investee	Beginning balance	Increase	Decrease	Closing balance
Estate Development Co., Ltd.				
Xinxiang Sanyuan Food Co., Ltd.	20,998,538.55	--	--	20,998,538.55
Crowley Properties Ltd.	19,486,803.36	1,175,837.76	--	20,662,641.12
Beijing Baimai Food Processing Co., Ltd.	18,484,012.05	--	--	18,484,012.05
Beijing Shell Petroleum Co., Ltd.	8,874,911.36	--	--	8,874,911.36
Beijing Baijiayi Food Co., Ltd.	7,661,578.05	--	--	7,661,578.05
Beijing Automotive Service Co., Ltd.	7,297,587.03	--	--	7,297,587.03
Beijing Sanyuan Food Co., Ltd.	6,220,449.24	--	--	6,220,449.24
Shaanxi Pucheng Dahongmen Food Co., Ltd.	4,936,747.34	--	--	4,936,747.34
Beijing Shounong Sanyuan Logistics Co., Ltd.	4,522,596.83	--	--	4,522,596.83
Yangzhou Hengjiu Security Service Co., Ltd.	4,160,000.00	--	--	4,160,000.00
Beijing Dahongmen Jingshen Seafood Wholesale Market Co., Ltd.	3,850,000.00	--	--	3,850,000.00
Liuzhou Sanyuan Tianai Dairy Co., Ltd.	2,806,465.23	--	--	2,806,465.23
Guangzhou Baimai Food Co., Ltd.	2,627,818.59	--	--	2,627,818.59
Beijing Red Star Vegetable Food Frozen Co., Ltd.	2,369,368.71	--	--	2,369,368.71
Hebei Anping Dahongmen Food Co., Ltd.	880,078.93	--	--	880,078.93
Acquired the equity of Qufu Pharmaceutical Excipients Co., Ltd.	774,292.29	--	--	774,292.29
Beijing Junying Property Management Co., Ltd.	420,000.00	--	--	420,000.00
Dongguan Baijiayi Food Co., Ltd.	399,046.17	--	--	399,046.17
Acquired the equity of Heilongjiang Yuanfa Grain Logistics Co., Ltd.	97,523.08	--	--	97,523.08
Subtotal of Shounong Group	4,085,282,185.79	15,460,990.62	6,738,038.44	4,094,005,137.97
Goodwill formed in Shunlong Investment Management	5,000,512.66	--	--	5,000,512.66
Goodwill formed in Hexie Jiarui	--	416,840.29	--	416,840.29
Subtotal of Equity Exchange Group	5,000,512.66	416,840.29	--	5,417,352.95
Total	16,015,832,793.65	131,501,128.07	925,703,972.73	15,221,629,948.99

(2) Provision for impairment of goodwill

Name of investee	Beginning balance	Increase	Decrease	Closing balance
Qinghai Haihe Coal Development Co., Ltd.	--	284,000,000.00	--	284,000,000.00
BeijingWest Industries International Limited	124,400,000.00	--	--	124,400,000.00

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Name of investee	Beginning balance	Increase	Decrease	Closing balance
Fengning County Huabing Mining Co., Ltd.	--	70,243,084.65	--	70,243,084.65
Xinjiang First Control Kaihong Co., Ltd.	5,900,000.00	--	5,900,000.00	--
Jilin Tonggang Automation Information Technology Co., Ltd.	3,830.90	--	3,830.90	--
Subtotal of Shougang Group	130,303,830.90	354,243,084.65	5,903,830.90	478,643,084.65
SES Imagotag SA	--	196,766,653.00	--	196,766,653.00
Beijing Zhaowei Automation Equipment Technology Co., Ltd.	4,594,802.58	--	--	4,594,802.58
Beijing BOE Optoelectronics Technology Co., Ltd.	4,423,876.00	--	--	4,423,876.00
Subtotal of Beijing Electronics	9,018,678.58	196,766,653.00	--	205,785,331.58
Tianhai Americas Company	6,562,344.06	--	--	6,562,344.06
Subtotal of Jingcheng Electromechanical	6,562,344.06	--	--	6,562,344.06
Shenzhen Yuhu Electric Power Co., Ltd.	229,571,144.55	171,100,169.74	--	400,671,314.29
Inner Mongolia Huaning Thermal Power Co., Ltd.	201,844,900.00	101,552,500.00	--	303,397,400.00
Sichuan Dachuan Electric Power Co., Ltd.	117,143,692.25	--	--	117,143,692.25
Yingjiang Huafu Hydropower Development Co., Ltd.	96,000,000.00	--	--	96,000,000.00
Xilin Gol Jixiang Huaya Wind Power Co., Ltd.	34,000,000.00	--	--	34,000,000.00
Dawa Mandura Foreign Investment Co., Ltd.	16,790,414.56	--	--	16,790,414.56
Sichuan Zhongneng Electric Power Co., Ltd.	15,187,151.23	--	--	15,187,151.23
Hebei Zhuozhou Liyuan Thermal Power Co., Ltd.	6,900,058.70	--	6,900,058.70	--
Subtotal of Beijing Energy Group	717,437,361.29	272,652,669.74	6,900,058.70	983,189,972.33
Beijing Youpengzuo Environmental Art Center Co., Ltd.	456,082.38	--	456,082.38	--
Subtotal of Yiqing Holding	456,082.38	--	456,082.38	--
Handan Shexian Jinyu Cement Co., Ltd.	35,521,793.75	--	--	35,521,793.75
Tianjin Jinyu Zhenxing Environmental Protection Technology Co., Ltd.	10,931,009.96	--	--	10,931,009.96
Beijing Taihang Prospect Environmental Protection Technology Co., Ltd.	9,482,871.64	--	--	9,482,871.64
Gongyi Tongda Zhongyuan Refractory Technology Co.,	3,967,009.95	--	--	3,967,009.95

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Name of investee	Beginning balance	Increase	Decrease	Closing balance
Ltd.				
Beijing Qianglian Cement Co., Ltd.	2,742,710.29	--	--	2,742,710.29
Baotou Steel Jidong Cement Co., Ltd.	--	150,000,000.00	--	150,000,000.00
Subtotal of BBMG Group	62,645,395.59	150,000,000.00	--	212,645,395.59
Xinxiang Sanyuan Food Co., Ltd.	20,998,538.55	--	--	20,998,538.55
Liuzhou Sanyuan Tianai Dairy Co., Ltd.	2,806,465.23	--	--	2,806,465.23
Subtotal of Shounong Group	23,805,003.78	--	--	23,805,003.78
Total	950,228,696.58	973,662,407.39	13,259,971.98	1,910,631,131.99

30. Long-term prepaid expenses

Item	Beginning balance	Increase	Amortization in the year	Other decrease	Closing balance
Rock stripping fee	4,734,521,333.25	1,504,264,082.56	649,862,128.86	669,783,316.15	4,919,139,970.80
Compensation expenses	44,327,502.48	--	1,495,966.80	--	42,831,535.68
Geological exploration fee	38,785,061.42	29,878,454.48	416,576.00	9,396,291.80	58,850,648.10
Engineering renovation cost	1,155,136,688.30	233,868,126.44	167,835,524.09	9,393,135.64	1,211,776,155.01
Fixed assets improvement expenditure	861,812,863.38	343,183,188.80	295,619,083.79	32,961,645.64	876,415,322.75
Mine stripping fee	582,350,585.77	211,243,119.21	54,080,489.63	1,843,576.26	737,669,639.09
Renovation costs	1,539,334,054.66	633,221,848.44	464,108,092.99	28,456,296.59	1,679,991,513.52
Rental fees	974,157,389.56	204,356,643.65	112,882,639.21	103,428,206.16	962,203,187.84
Others	3,382,883,853.83	1,235,265,938.86	770,862,582.54	986,076,070.22	2,861,211,139.93
Total	13,313,309,332.65	4,395,281,402.44	2,517,163,083.91	1,841,338,538.46	13,350,089,112.72

31. Deferred tax assets and deferred tax liabilities

(1) Deferred tax assets and deferred tax liabilities before offsetting

Recognized amount of deferred tax assets and deferred tax liabilities

Item	Closing balance		Beginning balance	
	Deferred tax assets or liabilities	Deductible or taxable timing differences	Deferred tax assets or liabilities	Deductible or taxable timing differences
I. Deferred tax assets				
Accrued expenses	12,184,327,339.52	49,578,207,768.95	8,713,024,828.90	35,366,288,896.11
Provision for	3,998,251,428.73	17,743,172,128.95	3,281,800,294.12	14,627,176,954.77

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Item	Closing balance		Beginning balance	
	Deferred tax assets or liabilities	Deductible or taxable timing differences	Deferred tax assets or liabilities	Deductible or taxable timing differences
impairment of assets				
Advance from customers	3,074,452,949.12	12,294,531,836.35	3,675,069,352.49	14,712,772,583.06
Offset of unrealized gain or loss of internal sales	2,091,978,300.95	8,460,487,267.28	1,644,312,023.27	6,645,428,705.19
Deductible tax loss	1,506,105,837.01	6,291,665,257.14	1,652,753,731.12	6,702,202,953.60
Difference in cost of completed liquidation	861,843,935.99	3,447,375,744.05	393,432,420.85	1,573,729,683.48
Accrued real estate development costs	702,791,933.75	2,811,167,735.00	716,275,891.63	2,865,103,566.52
Depreciation and amortization	635,629,944.50	3,186,158,715.68	659,633,188.76	2,812,726,497.60
Deferred income	212,480,422.58	970,552,431.14	198,863,231.90	955,582,997.80
Land appreciation tax	88,995,395.06	355,981,580.25	404,072,357.25	1,616,289,428.99
Valuation of trading financial instruments and derivative financial instruments	42,005,716.28	149,750,691.24	40,572,892.56	150,364,546.96
Others	2,399,845,691.24	11,176,196,604.27	2,058,254,370.03	8,346,929,545.19
Subtotal	27,798,708,894.73	116,465,247,760.30	23,438,064,582.88	96,374,596,359.27
II. Deferred tax liabilities				
Fair value adjustment of assets in business combination	5,098,372,826.65	20,277,951,034.01	4,498,351,141.04	17,883,464,949.69
Available-for-sale financial assets	2,856,470,726.89	11,430,535,431.70	2,910,794,449.51	11,365,103,167.84
Investment properties	2,443,958,079.50	9,814,104,531.14	2,283,911,733.87	9,125,599,151.42
Long-term prepaid expenses	1,080,049,091.14	3,661,183,359.81	736,989,968.60	2,498,271,080.00
Fixed assets	654,260,471.35	2,259,385,664.84	532,793,952.97	1,832,797,732.51
Valuation of trading financial instruments and derivative financial instruments	546,621,487.39	2,433,394,094.03	402,539,349.74	1,609,745,522.12
Changes in the fair value of financial assets included in other comprehensive income	64,005,497.46	1,174,760,779.80	171,032,252.68	1,490,392,431.96
Joint test cost	256,104,827.73	1,707,365,518.43	533,243,354.23	3,554,955,694.91
Difference in depreciation and amortization	194,749,027.72	714,579,646.19	111,807,232.02	390,813,727.08
Increase in value in	19,948,870.57	82,406,810.77	796,898,245.79	3,200,552,685.39

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Item	Closing balance		Beginning balance	
	Deferred tax assets or liabilities	Deductible or taxable timing differences	Deferred tax assets or liabilities	Deductible or taxable timing differences
appraisal				
Others	1,017,189,035.91	4,222,594,136.08	985,217,674.21	3,647,150,439.79
Subtotal	14,231,729,942.31	57,778,261,006.80	13,963,579,354.66	56,598,846,582.71

(2) Deferred tax assets and deferred tax liabilities after offsetting

A. Deferred tax assets or liabilities after offsetting and the corresponding offsetting deductible or taxable temporary differences

Item	Deferred tax assets or liabilities after offsetting at the end of the reporting period	Deductible or taxable temporary differences after offsetting at the end of the reporting period	Deferred tax assets or liabilities after offsetting at the beginning of the year	Deductible or taxable temporary differences after offsetting at the beginning of the year
I. Deferred tax assets				
Deductible tax loss	111,182,956.00	361,764,556.00	67,447,589.00	230,110,593.00
Appraisal and appreciation of Yinghe Century's investment	34,139,239.00	136,556,956.00	35,527,702.00	142,110,808.00
Provision for impairment of assets	29,587,380.00	131,848,265.00	69,662,802.00	391,727,136.00
Difference in depreciation and amortization	25,764,520.00	147,798,525.00	22,699,045.00	125,811,735.00
Changes in fair value of other equity instrument investments	20,316,651.00	135,444,338.00	--	--
Others	28,367,445.29	132,539,694.17	57,036,484.00	315,971,832.00
Subtotal	249,358,191.29	1,045,952,334.17	252,373,622.00	1,205,732,104.00
II. Deferred tax liabilities				
Valuation of trading financial instruments and derivative financial instruments	775,485,519.81	2,605,695,945.24	835,036,150.00	2,777,250,385.00
Difference in depreciation and amortization	644,317,756.22	4,182,138,380.75	517,769,740.00	3,248,856,623.00
Others	100,545,432.45	453,831,589.69	97,489,180.79	638,835,417.15
Subtotal	1,520,348,708.48	7,241,665,915.68	1,450,295,070.79	6,664,942,425.15

B. Details of deferred tax assets and deferred tax liabilities:

Item	Offset amount during the period
Luzhou Tuojiang New City's overall urbanization of municipal roads and	12,311,146.46

comprehensive pipeline corridor construction PPP project	
PPP project of infrastructure construction of military-civilian integration industrial park in Lizhou District, Guangyuan City	7,834,089.15
Others	13,074,064.00

32. Other non-current assets

Item	Closing balance	Beginning balance
VAT input pending for verification	6,063,225,133.62	3,828,342,890.64
Prepayments	4,209,001,519.93	7,116,062,542.88
Others	12,456,720,768.54	9,734,155,075.76
Total	22,728,947,422.09	20,678,560,509.28

33. Short-term loans

Category	Closing balance	Beginning balance
Pledge loans	2,869,210,820.99	4,954,602,887.82
Mortgage loans	3,056,233,193.71	6,041,378,267.32
Guaranteed loans	41,000,127,535.09	44,665,965,360.37
Unsecured loans	180,538,655,934.39	177,860,803,839.95
Total	227,464,227,484.18	233,522,750,355.46

34. Trading financial liabilities

Item	Fair value at year end	Fair value at beginning of year
Designated as financial liabilities at fair value through profit or loss	130,794,467.49	--

35. Derivative financial liabilities

Item	Closing balance	Beginning balance
Swap transaction	244,616,527.13	172,513,253.24

Note: Capital Development Holdings completed a currency swap transaction with Bank of China Hong Kong Co., Ltd. on January 17, 2017 in order to avoid the risk of exchange rate fluctuations between the British pound and the U.S. dollar. The transaction amount was GBP 306 million, and the agreed GBP transaction rate was 2.44% per year, and the term was 5 years.

36. Notes payable

Category	Closing balance	Beginning balance
Commercial acceptance bills	16,676,844,453.94	16,232,818,418.07
Bank acceptance bills	31,393,677,607.85	36,860,450,842.55
Total	48,070,522,061.79	53,093,269,260.62

37. Accounts payable

Ageing	Closing balance	Beginning balance
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Within 1 year (inclusive of 1 year)	143,280,982,778.65	142,404,141,542.24
1-2 years (inclusive of 2 years)	16,689,943,250.20	18,221,684,582.12
2-3 years (inclusive of 3 years)	7,801,952,365.78	5,649,838,333.91
Over 3 years	11,739,176,018.63	11,674,953,982.39
Total	179,512,054,413.26	177,950,618,440.66

Significant accounts payable with ageing over one year

Company abbreviation	Creditor	Closing balance	Reason for outstanding
Beichen Group	Anhui Sanjian Engineering Co., Ltd.	414,121,239.02	Not reach the payment term
Beichen Group	China Construction Second Engineering Bureau Co., Ltd.	396,688,452.39	Not reach the payment term
Shougang Group	Construction Office of Wenzhou Erjing Construction Co., Ltd. in Bazhou Kaihong Mining Company	256,011,883.51	Tight funding
Beichen Group	Beijing Sixth Construction Group Co., Ltd.	231,668,800.17	Not reach the payment term
Shougang Group	Beijing Water Conservation Management Center	209,069,682.41	Tight funding
Beichen Group	Beijing Construction Engineering Group Co., Ltd.	200,576,770.80	Not reach the payment term
Shougang Group	Tangshan Shougang Baoye Iron and Steel Co., Ltd.	199,968,694.59	Not reach the payment term
Beichen Group	Beijing Municipal Construction Group Co., Ltd.	180,915,448.10	Not reach the payment term
Capital Development Holdings	Beijing Jingang Airport Construction Co., Ltd.	174,012,071.02	Not yet settled
Beichen Group	China Construction Fifth Bureau Third Construction Co., Ltd.	155,188,611.20	Not reach the payment term
Beijing Automotive Group	CATL New Energy Technology Co., Ltd.	137,316,109.66	Project cooperation is in progress
Beijing Energy Group	Shanghai Electric Group Co., Ltd.	133,647,030.99	Not yet settled
Beichen Group	Temporary estimated cost (Hangzhou Beichen)	129,320,108.41	Not reach the payment term
Beichen Group	Temporary estimated cost (Tianchengtian)	121,320,259.29	Accrued costs
Jingcheng Electromechanical	Beijing Beizhong Steam Turbine Motor Co., Ltd.	107,696,731.94	Tight funding
Beijing Automotive Group	Hefei Guoxuan Hi-Tech Power Energy Co., Ltd.	106,408,401.11	Project cooperation is in progress
Capital Development Holdings	Zhongtian Construction Group Co., Ltd.	103,243,883.52	Not yet settled
Beichen Group	Century Royal View accrual costs	102,982,540.87	Not reach the payment term
Shougang Group	Shuicheng Mining (Group) Co., Ltd.	100,000,000.00	Tight funding
Beijing Electronics	Aggregate below RMB 4 million	97,339,805.50	Not yet settled
Capital Development	Beijing Baijian Development and Construction Co., Ltd.	93,395,652.85	Not yet settled

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Company abbreviation	Creditor	Closing balance	Reason for outstanding
Holdings			
Beijing Energy Group	Guodian Nanjing Automation Co., Ltd.	86,452,713.10	Contract has not been executed
Beichen Group	Beijing Tianheng Construction Engineering Co., Ltd.	82,613,132.19	Not reach the payment term
Beijing Electronics	EVER ADVANCED PRECISION TECHNOLOGY	80,202,372.00	Contract has not been executed
Beijing Energy Group	China Energy Construction Group Tianjin Electric Power Construction Co., Ltd.	73,130,006.21	Not yet settled
Capital Development Holdings	Nantong Yucheng Construction Co., Ltd.	71,187,033.23	Not yet settled
Capital Development Holdings	Beijing Jishun Engineering Consulting Co., Ltd.	70,000,000.00	Not yet settled
Shougang Group	Qian'an City Natural Resources and Planning Bureau	70,000,000.00	Withdrawal for mining right premium, and the later documents are invalidated and unpaid
Capital Development Holdings	Beichen Zhengfang Construction Group Co., Ltd.	69,807,554.12	Not yet settled
Shoungong Group	Guangxi Nongken Sugar Group Trading Co., Ltd.	67,874,060.01	Settlement is not yet complete
Beijing Energy Group	Provision of unpaid construction funds payable for shed reform items	66,445,818.82	Not yet settled
Shougang Group	Wenzhou Jianfeng Mine Engineering Co., Ltd.	65,276,631.03	Tight funding
Capital Development Holdings	Sichuan Zhongcheng Coal Construction (Group) Co., Ltd.	65,109,194.28	Not yet settled
Capital Development Holdings	Beijing Baohong Construction Item Management Co., Ltd.	62,946,202.23	Not yet settled
Beijing Energy Group	China Power Construction Group Jiangxi Electric Power Design Institute Co., Ltd.	62,924,044.39	Not yet settled
Beichen Group	Beijing Third Construction Engineering Co., Ltd.	62,885,523.28	Contract payment time has not arrived
Shoungong Group	Beijing Urban Construction Eighth Construction Development Co., Ltd. (six bids)	60,169,682.55	Settlement is not yet complete
Shoungong Group	Beijing Urban Construction One Construction Development Co., Ltd. (four bids)	56,604,020.27	Settlement is not yet complete
Beichen Group	Sino-Foreign Construction Huacheng Urban Construction Co., Ltd.	56,382,801.32	Not reach the payment term
Shoungong Group	Beijing Changshui Construction Company (seven bids)	56,181,994.87	Settlement is not yet complete
Shoungong Group	Nantong Qiyi Construction Group Co., Ltd. (Five Standards)	54,646,895.68	Settlement is not yet complete
Capital	Jiangsu Nantong Second Construction	51,947,637.17	Not yet settled

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Company abbreviation	Creditor	Closing balance	Reason for outstanding
Development Holdings	Group Co., Ltd.		
Shounong Group	Hebei Construction Engineering Group Co., Ltd. (Three Standards)	51,322,732.66	Settlement is not yet complete
Jingcheng Electromechanical	Dalian Huarui Heavy Industry Group Co., Ltd.	50,007,547.58	Pay according to the progress of the agreement
Total		5,145,009,774.34	

38. Advance from customers

Ageing	Closing balance	Beginning balance
Within 1 year (inclusive of 1 year)	100,816,361,695.73	85,830,179,798.09
Over 1 year	38,304,776,265.74	35,215,208,644.74
Total	139,121,137,961.47	121,045,388,442.83

Significant advance from customers with ageing over one year

Creditor	Closing balance	Reason of not transfer
Beijing Haidian District Affordable Housing Development Co., Ltd.	2,863,952,196.00	Not yet delivery housing
BRAMHANI INDUSTRIES LIMITED	487,049,341.46	Not due for settlement
Shanxi Shentou Electric Co., Ltd. (Phase 2)	293,756,000.00	Project in progress
Nanjiao Farm Shed Reconstruction Resettlement Housing Project Relocation Housing Purchase Contract Housing Payment	231,780,344.00	Not yet delivery housing
Malaysia Golden Lion Group	178,635,725.70	Not due for settlement
Beijing Xicheng District Housing and Land Management Center	163,820,328.00	Not yet delivery housing
Beijing Shiji Infrastructure Investment Co., Ltd.	127,322,467.27	Demolition compensation
Yunnan Desheng Steel Co., Ltd.	101,697,239.00	Not due for settlement
SHADEED IRON&STEEL CO.	92,795,966.85	Not due for settlement
Daihai Power Plant	78,728,500.72	Project in progress
Zhongshan District Housing Management Service Center, Liupanshui City	69,920,499.15	Not due for settlement
Erenhot Zhengbei Economic and Trade Co., Ltd.	60,510,000.00	Not due for settlement
Beijing Tianyuan Hongda Property Management Co., Ltd.	59,320,960.00	The contract has not been executed yet
Beijing Tiandi Investment Management Co., Ltd.	58,500,000.00	Unsettled
China Communications Network Technology Co., Ltd.	52,745,523.28	Not due for settlement

39. Contract liabilities

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Item	Closing balance	Beginning balance
Receipt in advance in development projects	24,145,578,877.00	28,329,021,728.00
Receipt in advance in house selling	22,674,040,221.21	21,150,513,544.32
Receipt in advance in sale of goods	2,122,397,612.89	2,382,069,614.44
Others	967,819,764.54	699,573,111.94
Total	49,909,836,475.64	52,561,177,998.70

40. Employee benefits payable

(1) Employee benefits payable

Item	Beginning balance	Increase	Decrease	Closing balance
Short-term employee benefits	11,257,045,700.48	82,049,865,965.99	81,692,056,253.19	11,614,855,413.28
Post-employment benefits - defined contribution plans	1,386,335,991.71	8,783,165,010.79	9,088,109,247.44	1,081,391,755.06
Termination benefits	266,790,477.70	660,623,486.83	709,308,271.62	218,105,692.91
Other benefits due within one year	45,388,278.29	93,525,557.32	99,460,106.27	39,453,729.34
Others	83,261,686.41	33,324,484.83	32,472,503.50	84,113,667.74
Total	13,038,822,134.59	91,620,504,505.76	91,621,406,382.02	13,037,920,258.33

(2) Short-term employee benefits

Item	Beginning balance	Increase	Decrease	Closing balance
Salaries, bonus, and allowances	7,206,934,713.63	64,204,353,950.66	63,788,235,382.97	7,623,053,281.32
Staff welfare	196,062,416.66	3,914,572,599.56	3,924,921,826.96	185,713,189.26
Social insurances	935,156,498.97	5,352,541,615.27	5,289,096,368.10	998,601,746.14
Including: Medical insurance	732,703,684.19	4,613,485,607.84	4,564,300,839.52	781,888,452.51
Work injury insurance	20,126,228.31	332,918,748.57	336,954,329.39	16,090,647.49
Maternity insurance	14,556,056.79	321,937,933.83	321,650,012.18	14,843,978.44
Others	167,770,529.68	84,199,325.03	66,191,187.01	185,778,667.70
Housing Fund	445,517,225.99	4,546,627,957.06	4,812,844,964.81	179,300,218.24
Union funds and employee education	1,895,973,064.50	1,620,914,924.16	1,480,341,758.98	2,036,546,229.68
Vocation leave	14,659,429.77	30,918,106.74	30,491,914.27	15,085,622.24
Short-term profit-sharing plan	10,822,806.41	11,066,139.55	6,570,294.92	15,318,651.04
Other short-term employee benefits	551,919,544.55	2,368,870,672.99	2,359,553,742.18	561,236,475.36
Total	11,257,045,700.48	82,049,865,965.99	81,692,056,253.19	11,614,855,413.28

(3) Defined contribution plan

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Item	Beginning balance	Increase	Decrease	Closing balance
Basic pension insurance	1,076,121,689.60	7,480,358,865.83	7,781,304,812.65	775,175,742.78
Unemployment insurance	102,461,522.04	542,405,449.98	538,100,482.71	106,766,489.31
Corporate annuity fund	207,752,780.07	760,375,818.53	768,679,075.63	199,449,522.97
Others	--	24,876.45	24,876.45	--
Total	1,386,335,991.71	8,783,165,010.79	9,088,109,247.44	1,081,391,755.06

41. Taxes payable

Item	Beginning balance	Accrual for the year	Paid in the year	Closing balance
Value-added tax	4,820,710,832.99	35,733,631,673.67	37,044,693,927.38	3,509,648,579.28
Consumption tax	2,533,860,470.82	8,419,318,542.82	8,228,227,411.57	2,724,951,602.07
Resources tax	83,735,545.15	701,958,617.53	726,414,227.22	59,279,935.46
Enterprise income tax	10,554,484,573.09	25,250,291,354.45	23,079,009,220.73	12,725,766,706.81
Urban maintenance and construction tax	563,362,812.92	2,471,640,266.24	2,619,890,822.11	415,112,257.05
Property tax	200,727,934.29	2,977,837,141.85	2,990,497,687.22	188,067,388.92
Land use tax	115,801,198.14	1,195,538,630.08	1,218,779,479.00	92,560,349.22
Personal income tax	408,562,777.64	2,340,128,074.94	2,329,914,689.24	418,776,163.34
Education surcharge	416,959,972.47	1,845,671,116.06	1,954,164,822.67	308,466,265.86
Other taxes	6,380,888,342.11	12,138,895,079.74	12,714,198,726.68	5,805,584,695.17
Total	26,079,094,459.62	93,074,910,497.38	92,905,791,013.82	26,248,213,943.18

42. Other payables

Category	Closing balance	Beginning balance
Interest payable	8,868,073,898.50	8,271,747,752.12
Dividend payables	1,696,411,826.39	2,297,834,212.37
Other payables	161,837,682,211.56	146,508,970,076.01
Total	172,402,167,936.45	157,078,552,040.50

(1) Interest payable

Item	Closing balance	Beginning balance
Interest on long-term borrowings due in installments	1,255,024,302.21	1,446,439,754.13
Corporate bonds interest	6,428,756,399.46	5,723,251,183.46
Short-term loans interest payable	348,454,546.82	520,437,144.29
Interest on preferred shares/perpetual bonds classified as financial liabilities	65,095,890.42	65,095,890.42

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Item	Closing balance	Beginning balance
Other interest	770,742,759.59	516,523,779.82
Total	8,868,073,898.50	8,271,747,752.12

(2) Dividend payables

Item	Closing balance	Beginning balance
Dividend for common shares	1,240,823,296.10	1,858,438,530.79
Dividends on preferred shares\perpetual bonds classified as equity instruments	298,506,586.73	282,184,364.54
Others	157,081,943.56	157,211,317.04
Total	1,696,411,826.39	2,297,834,212.37

(3) Other payables

① Other payables by nature

Item	Closing balance	Beginning balance
Current accounts	63,855,825,240.81	60,082,165,318.27
Accrued expenses	32,014,459,423.84	21,303,083,734.49
Compensation for demolition, construction and land	16,385,880,607.74	16,318,720,782.13
Deposit, security deposit	14,564,833,322.84	14,245,294,206.11
Collection and payment on behalf	8,820,333,893.19	9,294,168,220.65
Public Service Maintenance Fund	3,670,816,555.35	3,572,057,698.57
Value-added tax on imported equipment	2,277,269,457.00	1,474,005,040.00
Industry adjustment and enterprise restructuring fees	2,023,526,878.73	2,301,412,394.27
Home purchasing deposits	1,817,843,940.54	1,480,312,471.00
Heating peak shaving funds	874,971,403.62	1,221,005,140.72
Employee social security, etc.	831,594,858.78	1,352,377,587.48
Equity transfer funds	438,963,865.76	929,193,818.65
Resettlement housing payment	33,980,900.26	46,774,360.33
Others	14,227,381,863.10	12,888,399,303.34
Total	161,837,682,211.56	146,508,970,076.01

② Other payables with ageing more than 1 year

Debtor	Creditor	Closing balance	Reason for unpaid
Capital Development Holdings	Xiamen Lintai	1,927,367,628.86	Not yet paid
Shouong Group	Land Compensation Fund for Cui Gezhuang Affordable Housing Project	1,585,484,325.03	Not yet paid

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Debtor	Creditor	Closing balance	Reason for unpaid
Shounong Group	Demolition Compensation Project for the Affordable Housing Project in the West of Naizifang Village	1,367,159,469.77	Not yet paid
Shounong Group	Beijing Haidian District Affordable Housing Development Co., Ltd.	1,253,320,512.00	Allocation of housing funds
Capital Development Holdings	Beijing City Sub-Center Investment and Construction Group Co., Ltd.	1,215,467,083.33	Not yet paid
Beijing Automotive Group	Daimler AG	1,056,359,279.48	Contract has not been executed
Shougang Group	Tangshan Shougang Baoye Iron and Steel Co., Ltd.	888,748,213.46	Tight funding
Beijing Energy Group	Beijing Municipal Finance Bureau	874,971,403.62	Carry forward to next year
Jingcheng Electromechanical Capital Development Holdings	Outsourcing advance	820,077,674.21	Accrued expenses
Shoungang Group	Shoukai Vanke Real Estate	742,331,869.45	Not yet paid
Shounong Group	Land Compensation Funds for Nanjiao Shed Reform Project	543,670,000.00	Not yet paid
Jingcheng Electromechanical	Industry Adjustment Fund	543,390,976.53	Outstanding payables on collection from affiliated companies
Shounong Group	Dingsi Road Social Housing Compensation	538,656,653.22	Not yet paid
Capital Development Holdings	Beijing Liangxiang Urban Construction Development Co., Ltd.	489,250,000.00	Not yet settled
Jingcheng Electromechanical	Beijing Xicheng District Housing and Land Management Center	407,755,023.84	Not reach settlement date
Shougang Group	Beijing Wannian Huacheng Real Estate Development Co., Ltd.	398,000,000.00	Not reach payment date
Capital Development Holdings	Wuhan Overseas Chinese Town Industrial Development Co., Ltd.	362,339,000.00	Not yet settled
Capital Development Holdings	Wancheng Yonghui Real Estate Co., Ltd.	319,925,327.78	Not yet paid
Capital Development Holdings	Beijing Polyxing Real Estate Development Co., Ltd.	319,135,811.08	Not yet settled
Shougang Group	Beijing Xuanfang Investment Management Group Co., Ltd.	313,820,150.00	Not reach payment date
Jingcheng Electromechanical	Beijing Xicheng District Housing Acquisition Affairs Center	312,158,199.23	Not reach settlement date
Shounong Group	Beijing Nanhaizi Investment Management Co., Ltd.	307,553,997.10	Loan and collection and payment of demolition compensation
Xianglong Company	Xiaoguan No. 43 demolition compensation	293,520,259.27	Unsettled

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Debtor	Creditor	Closing balance	Reason for unpaid
Capital Development Holdings	Beijing Pengrun Real Estate Development Co., Ltd.	288,907,828.07	Not yet settled
Capital Development Holdings	Beijing Gemdale Hongzhi Enterprise Management Consulting Co., Ltd.	255,451,071.64	Not yet settled
Capital Development Holdings	Beijing Jiamao Real Estate Co., Ltd.	234,701,212.82	Not yet settled
Capital Development Holdings	Zhuzong Shoukai	226,456,666.69	Not yet paid
Beijing Energy Group	Tianyin Building land transfer fee	204,109,200.00	Accrued land transfer fee
Jingcheng Electromechanical	Beijing Xuanfang Investment Management Group Co., Ltd.	202,490,551.49	Not reach settlement date
Capital Highway Development	Start-up funds of Highway Bureau and Transportation Bureau	200,400,000.00	Not reach settlement date
Beijing Energy Group	Beijing BOE Optoelectronics Technology Co., Ltd.	200,000,000.00	Payment conditions are not met
Yiqing Holding	Zhaofeng Ceramics (Beijing) Sanitary Ware Co., Ltd.	200,000,000.00	Counterparty not asked for payment
Beichen Group	Village pipe network road maintenance fund	199,319,631.11	Public maintenance fund
Shouong Group	Demao cattle farm compensation	196,903,150.00	Not yet paid
Capital Development Holdings	Beijing Municipal Finance Bureau	177,380,000.00	Huilongguan municipal road special funding
Beijing Energy Group	China Resources Hospital Management Consulting Co., Ltd.	174,864,260.49	Hospital's renovation, expansion and maintenance project in the past two years has caused tight funding
Jingcheng Electromechanical	R&D funds	169,017,747.69	R&D funds Not yet paid
Shouong Group	Eastern Suburb French School	154,724,593.17	Unsettled
Beijing Energy Group	Civil air defense parking space subscription fee	137,381,900.00	Not yet settled
Xianglong Company	Xuanwu Branch of Beijing Land Consolidation and Reserve Center	130,000,000.00	Unsettled
Yiqing Holding	Beijing Economic and Technological Investment Corporation	126,002,939.74	Counterparty not asked for payment
Capital Development Holdings	Huabao transferred to the land rent owed to the Land and Resources Bureau	123,609,516.37	Issues left over from history, controversial pending
Shouong Group	Beijing Yiben Real Estate Development Co., Ltd.	120,000,000.00	Loan, the agreement has not expired
Capital Development Holdings	Central Political and Legal Committee	120,000,000.00	Subscription fee received in advance
Shouong Group	Compensation for demolition in the	115,609,267.70	Not yet paid

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Debtor	Creditor	Closing balance	Reason for unpaid
	northern suburbs		
Capital Highway Development	Beijing Municipal Road & Bridge Co., Ltd.	114,655,857.00	Not reach settlement date
Beijing Automotive Group	Beijing Municipal Finance Bureau	109,282,620.99	Tight funding and not yet paid
Shounong Group	Compensation for the renovation of shanty towns in the southern suburbs	108,263,332.28	Not yet paid
Capital Development Holdings	Fujian Fusheng Group Co., Ltd.	107,569,003.16	Not yet paid
Capital Development Holdings	Yangzhou Yeheng City Construction Investment Management Co., Ltd.	106,760,119.54	Not yet settled
Capital Highway Development	Payable to be settled (Wukesong Parking Lot)	106,002,103.20	Unfinished project accounts
Yiqing Holding	Deposit, security deposit	105,394,918.52	Deposit, security deposit
Beijing Automotive Group	Daimler Greater China Investment Co., Ltd.	103,350,000.00	Payment approval has not been completed
Total		21,699,070,348.93	

43. Liabilities held-for-sale

Item	Carrying value at year end	Fair value at year end	Estimated disposal cost	Time schedule
Accounts payable	331,076.80	331,076.80	--	--
Advance from customers	2,099,275.53	2,099,275.53	--	--
Employee benefits payable	103,785.78	103,785.78	--	--
Taxes payable	30,916.48	30,916.48	--	--
Other payables	60,266.95	60,266.95	--	--
Total	2,625,321.54	2,625,321.54	--	--

Note: In December 2019, Beijing Capital Development, a subsidiary of Capital Development Holdings, signed an equity rights transfer contract with Beijing Tianhong Hongcheng Real Estate Development Co., Ltd. It was agreed to transfer the 51% equity of Beijing Tianhong Jiacheng Real Estate Development Co., Ltd. (hereinafter referred to as Tianhong Jiacheng) for a consideration of RMB 34,173,240.00. As of December 31, 2019, Beijing Capital Development has not received the consideration for the equity transfer, nor has it completed the industrial and commercial registration procedures for the equity transfer of Tianhong Jiacheng. When Beijing Capital Development prepares its annual financial statements, it has classified all assets of Tianhong Jiacheng into assets held-for-sale after excluding the receivables from Capital Development Holdings, and has classified all liabilities of Tianhong Jiacheng as liabilities held-for-sale. Since the net amount of assets and liabilities held-for-sale at the end of the year is less than the transfer price agreed in the contract, it was presented as the carrying value.

As of the date of approval of this report, Beijing Capital Development has received the aforementioned equity transfer payment.

44. Non-current liabilities due within one year

Item	Closing balance	Beginning balance
Long-term loans due within 1 year	100,254,012,637.61	90,544,785,339.55
Bonds payable due within 1 year	58,650,595,623.48	63,310,921,886.89
Long-term payables due within 1 year	6,342,556,226.78	6,188,834,028.71
Lease liabilities due within 1 year	206,173,078.51	227,896,517.14
Other long-term liabilities due within 1 year	2,209,818,720.97	2,732,679,728.83
Total	167,663,156,287.35	163,005,117,501.12

45. Other current liabilities

Item	Closing balance	Beginning balance
Short-term financing bills	27,297,464,240.01	33,498,020,319.00
Short-term bonds payable	10,792,992,842.36	8,788,753,479.45
Accrued expenses	9,840,401,927.79	7,697,943,561.27
Ultra-short-term financing bills	8,515,410,357.89	6,998,607,044.66
Accrual of land appreciation tax	7,342,153,098.45	6,947,111,746.07
Others	4,605,404,881.20	5,032,161,851.57
Total	68,393,827,347.70	68,962,598,002.02

46. Long-term loans

Category	Closing balance	Beginning balance
Pledge loans	39,970,105,437.02	36,985,386,764.07
Mortgage loans	149,335,596,922.43	121,134,920,290.22
Guaranteed loans	119,715,782,480.22	89,887,674,552.97
Unsecured loans	138,918,904,246.81	160,114,703,474.36
Total	447,940,389,086.48	408,122,685,081.62

47. Bonds payable

(1) Bonds payable

Item	Closing balance	Beginning balance
Bonds payable	328,589,264,556.53	294,055,545,000.87
Less: Bonds payable due within one year	58,650,595,623.48	63,310,921,886.89
Total	269,938,668,933.05	230,744,623,113.98

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(2) Changes in bonds payable (Excluding other financial instruments such as preferred stocks and perpetual bonds classified as financial liabilities)

Bond name	Face value	Issue date	Bond term	Issued amount	Beginning balance	Issued in the year	Interest accrued at face value	Premium and discount amortization	Repayment in the current period	Other decrease	Closing balance	
The Center												
10-year corporate bond	7,000,000,000.00	2009/6/2	10 years	7,000,000,000.00	6,998,250,000.00	--	130,656,944.63	1,750,000.00	7,000,000,000.00	--	--	
10-year corporate bond	6,000,000,000.00	2011/12/26	10 years	6,000,000,000.00	5,989,200,000.00	--	324,000,000.00	3,600,000.00	--	--	5,992,800,000.00	
5-year note	3,500,000,000.00	2014/11/16	5 years	3,500,000,000.00	3,499,712,328.80	--	8,699,178.18	287,671.20	3,500,000,000.00	--	--	
"5+5" year corporate bonds	4,500,000,000.00	2014/9/16	5+5 years	4,500,000,000.00	4,497,450,000.00	--	187,941,912.50	2,550,000.00	2,679,900,000.00	--	1,820,100,000.00	
5-year note	10,000,000,000.00	2014/10/16	5 years	10,000,000,000.00	9,988,164,383.56	--	401,013,698.68	11,835,616.44	10,000,000,000.00	--	--	
10-year note	2,000,000,000.00	2015/10/19	10 years	2,000,000,000.00	1,997,608,219.18	--	80,999,999.98	-8,219.18	--	--	1,997,600,000.00	
5-year note	3,000,000,000.00	2015/11/11	5 years	3,000,000,000.00	2,996,128,767.12	--	110,700,000.02	--	--	2,996,128,767.12	--	
5-year note	3,000,000,000.00	2016/4/22	5 years	3,000,000,000.00	2,998,631,506.83	--	105,000,000.02	--	--	--	2,998,631,506.83	
10-year note	4,000,000,000.00	2016/11/14	10 years	4,000,000,000.00	3,994,789,041.09	--	143,199,999.98	--	--	--	3,994,789,041.09	
5-year note	3,000,000,000.00	2016/11/21	5 years	3,000,000,000.00	2,996,005,479.45	--	104,400,000.04	--	--	--	2,996,005,479.45	
5-year note	3,000,000,000.00	2017/8/3	5 years	3,000,000,000.00	2,997,361,643.84	--	141,000,000.05	-0.01	--	--	2,997,361,643.83	
5-year note	1,000,000,000.00	2017/11/10	5 years	1,000,000,000.00	998,713,698.63	--	46,999,999.99	--	--	--	998,713,698.63	
5-year note	2,000,000,000.00	2018/4/19	5 years	2,000,000,000.00	1,998,520,547.91	--	89,599,999.97	591,780.85	--	--	1,999,112,328.76	
5-year note	2,000,000,000.00	2018/4/26	5 years	2,000,000,000.00	1,998,424,657.50	--	93,999,999.98	630,137.01	--	--	1,999,054,794.51	
5-year note	2,000,000,000.00	2018/6/6	5 years	2,000,000,000.00	1,997,027,397.24	--	83,000,000.02	1,189,041.11	--	--	1,998,216,438.35	
5-year note	3,000,000,000.00	2018/10/29	5 years	3,000,000,000.00	2,993,260,273.98	--	129,300,000.03	3,028,767.11	--	--	2,996,289,041.09	
5-year corporate bond	3,000,000,000.00	2019/1/14	5 years	3,000,000,000.00	--	3,000,000,000.00	111,386,301.34	-7,262,903.23	--	--	2,992,737,096.77	
3-year note	2,000,000,000.00	2019/4/29	3 years	2,000,000,000.00	--	2,000,000,000.00	26,558,904.11	-1,616,438.39	--	--	1,998,383,561.61	
5-year corporate bond	2,000,000,000.00	2019/8/23	5 years	2,000,000,000.00	--	2,000,000,000.00	52,783,561.61	-5,500,000.00	--	--	1,994,500,000.00	
5-year note	2,000,000,000.00	2019/9/25	5 years	2,000,000,000.00	--	2,000,000,000.00	19,600,000.00	-3,328,767.14	--	--	1,996,671,232.86	

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10-year note	1,000,000,000.00	2019/10/21	10 years	1,000,000,000.00	--	1,000,000,000.00	8,520,000.00	-2,013,698.63	--	--	997,986,301.37
10-year note	1,000,000,000.00	2019/10/25	10 years	1,000,000,000.00	--	1,000,000,000.00	8,160,000.00	-2,034,246.57	--	--	997,965,753.43
BBMG Group											
1) 2 billion medium-term note	2,000,000,000.00	2014/10/15	5 years	2,000,000,000.00	2,000,000,000.00	--	85,005,555.56	--	2,000,000,000.00	--	--
1) 1.5 billion medium-term note	1,500,000,000.00	2014/11/17	5 years	1,500,000,000.00	1,500,000,000.00	--	70,225,000.00	--	1,500,000,000.00	--	--
2) 3.2 billion corporate bond	3,200,000,000.00	2016/3/14	5 years	3,200,000,000.00	3,192,247,592.89	--	123,076,336.21	3,526,240.49	6,065,000.00	--	3,189,708,833.38
2) 1.8 billion corporate bond	1,800,000,000.00	2016/3/14	7 years	1,800,000,000.00	1,793,773,035.20	--	64,400,857.84	1,400,857.87	--	--	1,795,173,893.07
3) 800 million corporate bond	800,000,000.00	2012/9/13	7 years	800,000,000.00	38,964,000.00	--	--	36,000.00	39,000,000.00	--	--
4) 900 million corporate bond	418,695,000.00	2012/3/20	8 years	418,695,000.00	416,817,322.70	--	23,363,181.00	1,498,007.31	--	418,315,330.01	--
5) 450 million corporate bond	450,000,000.00	2012/10/15	7 years	450,000,000.00	449,599,258.96	--	21,018,750.00	400,741.04	450,000,000.00	--	--
5) 800 million corporate bond	800,000,000.00	2012/10/15	10 years	800,000,000.00	797,641,931.84	--	48,000,000.00	620,549.17	--	--	798,262,481.01
6) 3.5 billion corporate bond	3,500,000,000.00	2017/5/19	5 years	3,500,000,000.00	3,490,400,661.46	--	184,670,310.89	2,670,310.89	--	3,493,070,972.35	--
6) 500 million corporate bond	500,000,000.00	2017/5/19	7 years	500,000,000.00	498,439,876.79	--	27,157,493.36	257,493.36	--	--	498,697,370.15
7) 1.25 billion corporate bond	1,250,000,000.00	2017/7/13	2 years	1,250,000,000.00	1,247,423,819.22	--	44,731,123.19	2,232,166.51	781,000,000.00	468,655,975.73	--
8) 1.75 billion corporate bond	1,750,000,000.00	2017/7/13	3 years	1,750,000,000.00	1,745,003,295.30	--	94,073,913.81	1,323,913.81	--	1,746,327,209.11	--
9) 500 million short-term bond	500,000,000.00	2017/11/17	2+3 years	500,000,000.00	500,000,000.00	--	24,215,277.78	--	500,000,000.00	--	--
10) 500 million corporate bond	500,000,000.00	2017/6/30	3 years	500,000,000.00	498,439,832.33	--	22,431,250.00	1,029,782.06	185,000,000.00	314,469,614.39	--
11) 2 billion medium-term notes	2,000,000,000.00	2018/1/22	5 years	2,000,000,000.00	2,000,000,000.00	--	117,000,000.00	--	--	--	2,000,000,000.00
12) 500 million short-term bond	500,000,000.00	2018/1/27	3+2 years	500,000,000.00	500,000,000.00	--	29,000,000.00	--	--	500,000,000.00	--
13) 2.5 billion short-term bond	2,500,000,000.00	2018/6/25	3 years	2,500,000,000.00	2,500,000,000.00	--	157,500,000.00	--	--	--	2,500,000,000.00
14) 1.5 billion corporate bond	1,500,000,000.00	2018/7/12	3+2 years	1,500,000,000.00	1,495,357,176.10	--	71,443,287.39	943,287.39	--	--	1,496,300,463.49
14) 1.5 billion corporate bond	1,500,000,000.00	2018/7/12	5+2 years	1,500,000,000.00	1,495,216,157.98	--	75,637,012.07	637,012.07	--	--	1,495,853,170.05

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15) 2.5 billion medium-term note	2,500,000,000.00	2018/8/13	5 years	2,500,000,000.00	2,500,000,000.00	--	117,500,000.00	--	--	--	2,500,000,000.00
16) 500 million corporate bond	500,000,000.00	2019/1/19	3+2 years	500,000,000.00	--	498,250,000.00	18,499,979.88	316,229.88	--	--	498,566,229.88
16) 1.5 billion corporate bond	1,500,000,000.00	2019/1/19	5+2 years	1,500,000,000.00	--	1,494,750,000.00	60,169,307.95	645,557.93	--	--	1,495,395,557.93
19) 2.5 billion medium-term note	2,500,000,000.00	2019/3/11	5 years	2,500,000,000.00	--	2,500,000,000.00	87,302,083.33	--	--	--	2,500,000,000.00
20) 1.2 billion corporate bond	1,200,000,000.00	2019/3/20	3 years	1,200,000,000.00	--	1,196,603,773.58	49,700,000.00	542,497.60	--	--	1,197,146,271.18
20) 1.5 billion corporate bond	1,500,000,000.00	2019/10/29	3 years	1,500,000,000.00	--	1,495,754,716.98	11,008,064.82	137,731.02	--	--	1,495,892,448.00
21) 2 billion medium-term notes	2,000,000,000.00	2019/8/9	5 years	2,000,000,000.00	--	2,000,000,000.00	30,863,333.33	--	--	--	2,000,000,000.00
21) 2 billion medium-term notes	2,000,000,000.00	2019/11/14	5 years	2,000,000,000.00	--	2,000,000,000.00	10,880,107.53	--	--	--	2,000,000,000.00
Beijing Energy Group											
17 Jingheng Clean Energy MTN001 (clean energy)	2,000,000,000.00	2017/12/1	5 years	2,000,000,000.00	1,908,875,342.46	--	110,000,000.00	--	110,000,000.00	--	1,908,875,342.46
18 Beijing Energy MTN001 (Beijing Energy Headquarters)	2,000,000,000.00	2018/6/1	5 years	2,000,000,000.00	1,890,000,000.00	--	100,077,222.23	--	100,077,222.23	--	1,890,000,000.00
18 Jingheng Clean Energy MTN001 (clean energy)	1,500,000,000.00	2018/4/3	5 years	1,500,000,000.00	1,558,227,534.25	--	77,850,000.00	--	77,850,000.00	--	1,558,227,534.25
18 Beijing Energy MTN002 (Beijing Energy Headquarters)	1,500,000,000.00	2018/9/10	3 years	1,500,000,000.00	1,500,000,000.00	--	64,222,659.82	--	64,222,659.82	--	1,500,000,000.00
18 Beijing Energy MTN003 (Beijing Energy Headquarters)	1,500,000,000.00	2018/9/13	3 years	1,500,000,000.00	1,500,000,000.00	--	64,976,883.56	--	64,976,883.56	--	1,500,000,000.00
19 Jingheng Corporate Bond 01 (Jingheng Headquarters)	1,500,000,000.00	2019/4/18	3 years	1,500,000,000.00	--	1,500,000,000.00	41,350,684.93	--	41,350,684.93	--	1,500,000,000.00
14 Haohua 01 (Haohua Energy)	1,500,000,000.00	2015/3/26	7 years	1,500,000,000.00	1,496,494,184.65	--	82,500,000.00	1,022,028.38	82,500,000.00	--	1,497,516,213.03

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19 Jingdian 01 (Jingneng International)	1,100,000,000.00	2019/6/10	3 years	1,100,000,000.00	--	1,100,000,000.00	23,414,931.50	--	--	--	1,123,414,931.50
14 Haohua 02 (Haohua Energy)	1,500,000,000.00	2016/1/22	7 years	1,500,000,000.00	1,096,067,510.99	--	87,750,000.00	976,042.75	87,750,000.00	--	1,097,043,563.74
19 Jingneng Clean Energy MTN001 (Clean Energy)	1,000,000,000.00	2019/11/13	3 years	1,000,000,000.00	--	1,000,000,000.00	5,231,714.61	-358,490.57	--	--	1,004,873,224.04
17 Beijing Coal MTN001 (Beijing Coal Group)	1,000,000,000.00	2017/8/23	5 years	1,000,000,000.00	1,000,000,000.00	--	19,589,041.11	--	19,589,041.11	--	1,000,000,000.00
18 Beijing Thermal MTN001 (Thermal Group)	1,000,000,000.00	2018/12/17	3 years	1,000,000,000.00	1,000,000,000.00	--	39,400,000.00	--	39,400,000.00	--	1,000,000,000.00
18 Beijing Thermal MTN002 (Thermal Group)	1,000,000,000.00	2018/12/17	5 years	1,000,000,000.00	1,000,000,000.00	--	41,500,000.00	--	41,500,000.00	--	1,000,000,000.00
19 Jingneng Power MTN001 (Jingneng International)	800,000,000.00	2019/7/17	3 years	800,000,000.00	--	800,000,000.00	13,280,000.00	--	--	--	813,280,000.00
18 Jingneng Electric Power MTN001 (Jingneng Electric Power)	700,000,000.00	2018/7/6	3 years	700,000,000.00	715,447,945.21	--	31,500,000.00	--	31,500,000.00	--	715,447,945.21
18 Jingneng 01 (Jingneng International)	600,000,000.00	2018/12/17	3 years	600,000,000.00	601,363,561.64	--	23,700,000.00	--	23,700,000.00	--	601,363,561.64
16 Jintai 01 (Jintai Real Estate)	500,000,000.00	2016/6/16	5 years	500,000,000.00	500,000,000.00	--	22,500,000.00	--	22,500,000.00	--	500,000,000.00
19 Jingneng Real Estate ZR001 (Jingneng Real Estate)	400,000,000.00	2019/4/3	3 years	400,000,000.00	--	400,000,000.00	19,716,666.68	--	--	--	419,716,666.68
13 Beijing Coal Bond (Beijing Coal Group)	1,400,000,000.00	2013/9/9	7 years	1,400,000,000.00	560,000,000.00	--	--	--	280,000,000.00	280,000,000.00	--
16 Jintai Bond (Jintai Group)	1,000,000,000.00	2016/3/23	3 years	993,000,000.00	999,397,093.53	--	--	--	999,397,093.53	--	--
16 Jingneng Real Estate MTN001 (Jingneng Real Estate)	800,000,000.00	2016/4/7	3 years	800,000,000.00	821,311,111.11	--	--	--	821,311,111.11	--	--

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17 Jingheng Electric Power MTN001 (Jingheng Electric Power)	1,500,000,000.00	2017/8/25	3 years	1,500,000,000.00	1,525,393,561.64	--	71,850,000.01	--	71,850,000.00	1,525,393,561.65	--
15 Beijing Thermal MTN001 (Thermal Group)	1,000,000,000.00	2015/7/10	5 years	1,000,000,000.00	1,000,000,000.00	--	--	--	--	1,000,000,000.00	--
1997 Electricity Bonds (Beijing Energy Headquarters)	83,000.00	1997/1/1	Long term	83,000.00	110,390.00	--	--	--	110,390.00	--	--
Shouong Group											
Shouong 2016 first tranche of medium-term notes (16 Shouong MTN001)	500,000,000.00	2016/9/12	3 years	500,000,000.00	500,000,000.00	--	11,033,611.11	--	500,000,000.00	--	--
Shouong 2017 first tranche of medium-term notes (17 Shouong MTN001)	500,000,000.00	2017/12/18	3 years	500,000,000.00	500,000,000.00	--	28,155,555.56	--	--	500,000,000.00	--
Shouong's first tranche of 2017 corporate bonds (Shouong 2017 Phase 2 Corporate Bond)	1,000,000,000.00	2017/4/11	5 years	1,000,000,000.00	1,000,000,000.00	--	46,557,222.22	--	--	--	1,000,000,000.00
Shouong 2017 Phase 2 Corporate Bond	1,000,000,000.00	2017/8/10	5 years	1,000,000,000.00	1,000,000,000.00	--	50,277,777.78	--	--	--	1,000,000,000.00
Shouong 2018 Phase 1 Corporate Bond	1,000,000,000.00	2018/3/29	3 years	1,000,000,000.00	1,000,000,000.00	--	51,484,444.44	--	--	--	1,000,000,000.00
Shouong 2019 Phase 1 Medium-term Note	1,100,000,000.00	2019/3/14	3 years	1,100,000,000.00	--	1,100,000,000.00	33,672,222.22	--	--	--	1,100,000,000.00
Shouong 2019 Phase 3 Medium-term Note	500,000,000.00	2019/10/28	3 years	500,000,000.00	--	500,000,000.00	3,351,111.11	--	--	--	500,000,000.00
13 Jingliang debt	700,000,000.00	2013/3/20	6 years	700,000,000.00	700,000,000.00	--	--	--	700,000,000.00	--	--
14 Jingliang MTN001	500,000,000.00	2014/6/12	5 years	500,000,000.00	500,000,000.00	--	--	--	500,000,000.00	--	--

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Tongrentang Group											
Beijing Tongrentang Technology Development Co., Ltd. publicly issued 2016 corporate bonds (Phase 1)	800,000,000.00	2016/7/31	5 years	800,000,000.00	798,907,576.08	--	29,200,000.00	17,418,264.79	--	--	816,325,840.87
14 Tongrentang MT N001	500,000,000.00	2014/4/16	5 years	500,000,000.00	499,657,885.06	--	34,000,000.00	-342,114.94	499,315,770.12	--	--
Urban and Rural Capital Development Holdings											
15 Urban and Rural 01	300,000,000.00	2015/6/30	5 years	300,000,000.00	69,544,183.88	--	1,743,000.00	279,999.96	--	--	71,567,183.84
12 Shoukai debt	320,000,000.00	2012/5/29	7 years	320,000,000.00	331,476,888.89	--	7,563,111.11	--	339,040,000.00	--	--
14 Shoukai 01 debt	390,000,000.00	2014/1/15	7 years	390,000,000.00	415,384,171.41	--	18,927,675.00	938,785.71	158,041,000.00	148,226,650.00	128,982,982.12
14 Shoukai 02 debt	600,000,000.00	2014/2/27	7 years	600,000,000.00	629,718,083.33	--	27,877,777.78	938,785.71	239,000,000.00	222,244,444.44	197,290,202.38
Public issuance of corporate bonds in 2014	4,000,000,000.00	2015/6/3	5 years	4,000,000,000.00	3,986,502,645.50	--	192,000,000.00	9,475,262.42	--	--	3,995,977,907.92
15 Shoukai 01 debt	1,900,000,000.00	2015/10/13	5 years	1,900,000,000.00	1,918,002,800.60	--	106,400,000.00	3,168,000.00	106,400,000.00	1,921,170,800.60	--
2015 corporate bonds (Phase 1)	3,000,000,000.00	2015/10/27	5 years	3,000,000,000.00	2,114,249,823.00	--	116,820,000.00	5,796,982.48	--	2,120,046,805.48	--
2016 public bonds	750,000,000.00	2016/3/15	5 years	750,000,000.00	767,435,000.00	--	24,750,000.00	1,200,000.00	24,750,000.00	20,075,000.00	748,560,000.00
2016 non-public bonds	1,500,000,000.00	2016/8/11	5 years	1,500,000,000.00	1,515,380,078.92	--	59,633,333.33	2,235,847.65	53,400,000.00	27,445,000.00	1,496,404,259.90
2016 corporate bonds (Phase 1)	2,000,000,000.00	2016/1/11	5 years	2,000,000,000.00	1,993,465,250.00	--	87,800,000.00	3,482,232.44	--	--	1,996,947,482.44
2016 Corporate Bonds (Phase 2)	3,000,000,000.00	2016/9/5	5 years	3,000,000,000.00	2,996,366,086.21	--	119,188,000.00	3,633,913.79	2,680,000,000.00	--	320,000,000.00
2016 Corporate Bonds (Phase 3)	1,000,000,000.00	2016/10/27	5 years	1,000,000,000.00	998,177,224.41	--	35,700,000.00	1,822,775.59	900,000,000.00	--	100,000,000.00
16 Shoukai ABN001	1,200,000,000.00	2016/10/21	3 years	1,200,000,000.00	1,034,120,000.00	--	39,600,000.00	2,880,000.00	1,037,000,000.00	--	--
U.S. dollar bonds	3,264,565,655.00	2016/11/4	5 years	3,264,565,655.00	3,390,974,014.76	--	--	69,873,444.35	--	--	3,460,847,459.11

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2017 Shoukai MTN003 Medium Term Notes	4,000,000,000.00	2017/6/15	3 years	4,000,000,000.00	3,986,031,270.50	--	195,600,000.00	9,034,887.95	--	3,995,066,158.45	--
2017 Shoukai Property-backed Securities	2,910,000,000.00	2017/9/28	3 years	2,910,000,000.00	2,901,084,296.89	--	155,394,000.00	4,837,542.30	--	2,905,921,839.19	--
2017 Phase 1 Debt Financing Plan	800,000,000.00	2017/10/20	2 years	800,000,000.00	798,189,530.00	--	46,400,000.00	1,810,470.00	800,000,000.00	--	--
2018 medium-term notes	1,500,000,000.00	2018/5/4	3 years	1,500,000,000.00	1,543,393,387.82	--	74,700,000.00	2,830,188.68	74,700,000.00	50,007,500.00	1,496,216,076.50
2018 Liting Baochen Income Rights Asset Backed Plan	1,469,000,000.00	2018/1/17	3 years	1,469,000,000.00	1,387,398,376.50	--	86,112,000.00	1,230,283.02	77,040,000.00	--	1,311,588,659.52
2018 Phase 1 Medium Term Notes (18 Shoukai MINT001)	2,500,000,000.00	2018/3/22	3+2 years	2,500,000,000.00	2,488,228,556.00	--	136,500,000.00	4,347,087.55	--	--	2,492,575,643.55
2018 Phase 1 Debt Financing Plan (18 Beijing Shoukai ZR001)	500,000,000.00	2018/7/2	2 years	500,000,000.00	497,721,050.00	--	33,000,000.00	1,502,134.11	--	499,223,184.11	--
Non-public issuance of 2018 corporate bonds (Phase 1)	3,000,000,000.00	2018/8/29	3 years	3,000,000,000.00	2,987,188,731.58	--	28,035,616.44	4,002,821.92	--	--	2,991,191,553.50
2018 Phase 2 Debt Financing Plan (18 Beijing Shoukai ZR002)	500,000,000.00	2018/9/25	2 years	500,000,000.00	497,384,231.00	--	33,000,000.00	1,476,154.48	--	498,860,385.48	--
2018 Phase 3 Debt Financing Plan (18 Beijing Shoukai ZR003)	3,000,000,000.00	2018/8/31	3 years	3,000,000,000.00	2,977,438,849.00	--	198,600,000.00	8,041,603.94	--	--	2,985,480,452.94
2019 Phase 1 Targeted Debt Financing Instruments 3 billion (19 Shoukai PPN001)	3,000,000,000.00	2019/3/8	5 years	3,000,000,000.00	--	2,986,500,000.00	132,000,000.00	3,684,698.63	--	--	2,990,184,698.63
2019 Phase 1 Debt Financing Plan (19 Beijing Shoukai ZR001)	1,000,000,000.00	2019/1/11	2 years	1,000,000,000.00	--	994,000,000.00	62,000,000.00	2,248,463.01	--	996,248,463.01	--

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2019 Shoukai MTN001 Medium Term Note	2,500,000,000.00	2019/4/3	5 years	2,500,000,000.00	--	2,485,000,000.00	99,500,000.00	3,642,493.15	--	--	2,488,642,493.15
Real Estate Group Non-public Issuance of Corporate Bonds in 2019 (Phase 1)	1,500,000,000.00	2019/1/14	3 years	1,500,000,000.00	--	1,500,000,000.00	71,165,000.00	--	--	--	1,500,000,000.00
2019 Phase 2 Debt Financing Plan (19 Beijing Shoukai ZR002)	1,200,000,000.00	2019/5/31	2 years	1,200,000,000.00	--	1,193,520,000.00	68,400,000.00	1,856,377.15	--	--	1,195,376,377.15
Non-public issuance of 2019 corporate bonds (Phase 1) (19 first states 01)	2,000,000,000.00	2019/5/22	5 years	2,000,000,000.00	--	1,990,000,000.00	87,800,000.00	2,050,980.82	--	--	1,992,050,980.82
2019 Phase 3 Debt Financing Plan (19 Beijing Shoukai ZR003)	1,100,000,000.00	2019/7/5	2 years	1,100,000,000.00	--	1,091,640,000.00	61,600,000.00	2,003,250.09	--	--	1,093,643,250.09
Non-public issuance of 2019 corporate bonds (Phase 2) (19 first states 02)	1,680,000,000.00	2019/8/28	5 years	1,680,000,000.00	--	1,673,280,000.00	69,552,000.00	764,622.89	--	--	1,674,044,622.89
2019 Fourth Phase of Debt Financing Plan (19 Beijing Shoukai ZR004)	800,000,000.00	2019/10/11	2 years	800,000,000.00	--	795,200,000.00	44,960,000.00	528,933.70	--	--	795,728,933.70
2019 Phase 2 Targeted Debt Financing Instrument (19 Shoukai PPN002)	1,000,000,000.00	2019/10/15	5 years	1,000,000,000.00	--	995,500,000.00	40,000,000.00	312,550.27	--	--	995,812,550.27
Jingcheng Electromechanical											
14 Jing Electromechanical MTN001	1,250,000,000.00	2014/10/30	5 years	1,250,000,000.00	1,250,000,000.00	--	63,750,000.00	--	1,313,750,000.00	--	--
17 Jing Electromechanical MTN001	600,000,000.00	2017/3/24	5 years	600,000,000.00	600,000,000.00	--	39,360,000.00	--	39,360,000.00	--	600,000,000.00

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18 Electromechanical 01	1,200,000,000.00	2018/1/15	3 years	1,200,000,000.00	1,197,358,490.57	--	82,800,000.00	1,320,754.72	413,500,000.00	--	867,979,245.29
19 Jing Electromechanical MTN001	650,000,000.00	2019/10/24	3 years	650,000,000.00	--	650,000,000.00	--	--	--	--	650,000,000.00
Shougang Group											
08 Shougang Bond 2	5,000,000,000.00	2008/10/22	15 years	5,000,000,000.00	5,000,000,000.00	--	218,000,000.00	--	--	--	5,000,000,000.00
14 Shougang PPN1	4,500,000,000.00	2014/9/19	5 years	4,500,000,000.00	4,400,000,000.00	--	197,457,534.25	--	4,400,000,000.00	--	--
14 Shougang PPN2	3,000,000,000.00	2014/11/28	5 years	3,000,000,000.00	2,860,000,000.00	--	150,946,882.19	--	2,860,000,000.00	--	--
15 Shougang PPN1	4,500,000,000.00	2015/2/12	5 years	4,500,000,000.00	3,500,000,000.00	--	220,500,000.00	--	--	3,500,000,000.00	--
17 Shougang MTN1	5,000,000,000.00	2017/3/10	5 years	5,000,000,000.00	5,000,000,000.00	--	250,000,000.00	--	--	--	5,000,000,000.00
17 Shougang MTN2	5,000,000,000.00	2017/3/20	5 years	5,000,000,000.00	5,000,000,000.00	--	265,000,000.00	--	--	--	5,000,000,000.00
17 Shougang E1	3,600,000,000.00	2017/4/28	3 years	3,600,000,000.00	3,600,000,000.00	--	36,000,000.00	--	--	3,600,000,000.00	--
17 Shougang E2	2,400,000,000.00	2017/9/6	3 years	2,400,000,000.00	2,400,000,000.00	--	21,600,000.00	--	--	2,400,000,000.00	--
China Municipal Association Note [2015] No. MTN688	2,500,000,000.00	2015/12/25	5 years	2,500,000,000.00	4,500,000,000.00	--	218,633,333.38	--	205,200,000.00	2,500,000,000.00	2,013,433,333.38
China Municipal Association Note [2015] No. MTN688	2,000,000,000.00	2016/11/3	5 years	2,000,000,000.00	--	--	--	--	--	--	--
China Municipal Association Note [2015] No. MTN692	500,000,000.00	2015/12/25	5 years	500,000,000.00	2,500,000,000.00	--	119,833,333.34	--	106,400,000.00	500,000,000.00	2,013,433,333.34
China Municipal Association Note [2015] No. MTN692	2,000,000,000.00	2016/11/3	5 years	2,000,000,000.00	2,500,000,000.00	--	--	--	--	--	--
Parking debt	1,180,000,000.00	2017/3/17	10 years	1,180,000,000.00	1,180,000,000.00	--	64,782,000.00	--	64,782,000.00	--	1,180,000,000.00
US dollar debt 1 1	2,700,000,000.00	2016/12/9	3 years	2,700,000,000.00	2,745,280,000.00	--	--	65,200,000.00	2,810,480,000.00	--	--
US dollar debt 1 2	3,150,000,000.00	2018/4/9	1 year	3,150,000,000.00	3,431,600,000.00	--	--	-71,950,000.00	3,359,650,000.00	--	--

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US dollar debt 1 3	3,488,100,000.00	2019/5/23	5 years	3,449,600,000.00	--	3,449,600,000.00	64,154,762.01	38,500,000.00	--	--	3,488,100,000.00
US dollar debt 2	2,699,455,200.00	2017/9/30	5 years	2,686,794,755.11	2,708,644,553.76	--	93,294,747.00	67,051,390.24	93,294,747.00	--	2,775,695,944.00
Euro debt	3,126,200,000.00	2017/8/7	3 years	3,000,000,000.00	3,138,920,000.00	--	22,965,067.70	-12,720,000.00	--	3,126,200,000.00	--
18 Shougang MTN001	3,000,000,000.00	2018/4/27	3 years	3,000,000,000.00	3,000,000,000.00	--	153,600,000.00	--	--	--	3,000,000,000.00
18 Shougang MTN002	3,500,000,000.00	2018/7/20	3 years	3,500,000,000.00	3,500,000,000.00	--	162,750,000.00	--	--	--	3,500,000,000.00
18 Shougang MTN003	3,500,000,000.00	2018/8/10	3 years	3,500,000,000.00	3,500,000,000.00	--	157,150,000.00	--	--	--	3,500,000,000.00
18 Shougang MTN004	1,500,000,000.00	2018/10/29	5 years	1,500,000,000.00	1,500,000,000.00	--	64,200,000.00	--	--	--	1,500,000,000.00
18 Shougang MTN005	3,000,000,000.00	2018/11/21	5 years	3,000,000,000.00	3,000,000,000.00	--	131,400,000.00	--	--	--	3,000,000,000.00
19 Shougang MTN001	2,000,000,000.00	2019/1/25	5 years	2,000,000,000.00	--	2,000,000,000.00	80,158,356.16	--	--	--	2,000,000,000.00
19 Shougang MTN002	1,000,000,000.00	2019/3/1	5 years	1,000,000,000.00	--	1,000,000,000.00	36,552,328.77	--	--	--	1,000,000,000.00
19 Shougang MTN003	2,000,000,000.00	2019/4/10	5 years	2,000,000,000.00	--	2,000,000,000.00	67,046,575.34	--	--	--	2,000,000,000.00
19 Shougang MTN004	2,000,000,000.00	2019/6/5	5 years	2,000,000,000.00	--	2,000,000,000.00	50,975,342.47	--	--	--	2,000,000,000.00
19 Shougang 01	2,000,000,000.00	2019/6/24	6 years	2,000,000,000.00	--	2,000,000,000.00	47,828,493.15	--	--	--	2,000,000,000.00
19 Shougang 02	3,000,000,000.00	2019/7/22	5 years	3,000,000,000.00	--	3,000,000,000.00	56,134,520.55	--	--	--	3,000,000,000.00
19 Shougang 03	3,000,000,000.00	2019/8/21	5 years	3,000,000,000.00	--	3,000,000,000.00	44,272,602.74	--	--	--	3,000,000,000.00
19 Shougang 04	3,000,000,000.00	2019/9/23	5 years	3,000,000,000.00	--	3,000,000,000.00	34,109,589.04	--	--	--	3,000,000,000.00
19 Shougang 05	3,000,000,000.00	2019/11/14	4 years	3,000,000,000.00	--	3,000,000,000.00	16,175,342.47	--	--	--	3,000,000,000.00
Beijing Automotive Group											
Issuance of corporate bonds	920,000,000.00	2012/7/25	7 years	920,000,000.00	919,365,584.44	--	23,313,556.16	634,415.56	920,000,000.00	--	--
Beijing Automotive Group Co., Ltd.											
2012 Phase 1 Medium Term Notes	1,500,000,000.00	2012/10/19	7 years	1,500,000,000.00	1,497,508,788.00	--	61,200,000.00	2,491,212.00	1,500,000,000.00	--	--

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Beijing Automotive Group Co., Ltd. 2012 Phase 2 Medium Term Notes	1,000,000,000.00	2012/11/16	7 years	1,000,000,000.00	997,963,758.48	--	45,184,383.56	2,036,241.52	1,000,000,000.00	--	--
14 BAIC Group MTN001	800,000,000.00	2014/9/11	7 years	800,000,000.00	796,368,127.77	--	45,760,000.00	1,285,237.34	--	--	797,653,365.11
16Jingqi Group MTN002A	1,000,000,000.00	2016/4/8	5+2 years	1,000,000,000.00	995,720,075.38	--	35,000,000.00	1,846,285.87	--	--	997,566,361.25
16Jingqi Group MTN002B	1,000,000,000.00	2016/4/8	7 years	1,000,000,000.00	991,925,355.91	--	37,000,000.00	1,776,588.44	--	--	993,701,944.35
16Jingqi Group MTN003	2,000,000,000.00	2016/6/22	5+2 years	2,000,000,000.00	1,989,659,149.74	--	73,000,000.00	4,076,043.86	--	--	1,993,735,193.60
16Jingqi Group MTN004A	1,900,000,000.00	2016/3/3	5+2 years	1,900,000,000.00	1,892,205,013.34	--	66,500,000.00	3,520,408.91	--	--	1,895,725,422.25
16Jingqi Group MTN004B	1,100,000,000.00	2016/3/3	7 years	1,100,000,000.00	1,091,306,377.04	--	40,590,000.00	1,961,633.16	--	--	1,093,268,010.20
16 BAIC Group	1,000,000,000.00	2016/3/28	7 years	1,000,000,000.00	996,894,327.72	--	36,000,000.00	692,470.27	--	--	997,586,797.99
18 BAIC Group	1,000,000,000.00	2018/8/31	5 years	1,000,000,000.00	996,479,722.92	--	46,900,000.00	692,669.87	--	--	997,172,392.79
18Jingqi Group MTN001	1,000,000,000.00	2018/9/5	5 years	1,000,000,000.00	994,352,250.30	--	46,900,000.00	1,106,594.18	--	--	995,458,844.48
18Jingqi Group MTN002	1,000,000,000.00	2018/10/17	5 years	1,000,000,000.00	995,069,488.29	--	45,300,000.00	943,093.90	--	--	996,012,582.19
18 BAIC 02	1,000,000,000.00	2018/10/19	5 years	1,000,000,000.00	996,388,789.76	--	44,800,000.00	690,907.65	--	--	997,079,697.41
18Jingqi Group MTN003	1,000,000,000.00	2018/11/30	5 years	1,000,000,000.00	994,096,488.27	--	41,900,000.00	1,104,743.39	--	--	995,201,231.66
18Jingqi Group MTN004	1,000,000,000.00	2018/12/17	5 years	1,000,000,000.00	994,045,102.06	--	43,300,000.00	1,099,497.61	--	--	995,144,599.67
19 BAIC 01	1,000,000,000.00	2019/3/13	5 years	1,000,000,000.00	--	1,000,000,000.00	33,830,136.99	-3,204,014.87	--	--	996,795,985.13
19 BAIC 02	1,000,000,000.00	2019/7/4	3 years	1,000,000,000.00	--	1,000,000,000.00	17,653,698.63	-1,659,269.13	--	--	998,340,730.87
19 BAIC 03	2,000,000,000.00	2019/7/4	5 years	2,000,000,000.00	--	2,000,000,000.00	39,572,054.79	-5,978,339.75	--	--	1,994,021,660.25
19 BAIC 05	1,000,000,000.00	2019/8/1	3 years	1,000,000,000.00	--	1,000,000,000.00	14,671,232.88	-1,707,798.80	--	--	998,292,201.20
19 BAIC 06	2,000,000,000.00	2019/8/1	5 years	2,000,000,000.00	--	2,000,000,000.00	33,031,232.88	-6,070,904.77	--	--	1,993,929,095.23
19 BAIC 08	1,000,000,000.00	2019/9/6	3 years	1,000,000,000.00	--	1,000,000,000.00	10,962,739.73	-1,770,273.16	--	--	998,229,726.84
19 BAIC 09	2,000,000,000.00	2019/9/6	5 years	2,000,000,000.00	--	2,000,000,000.00	24,361,643.84	-6,189,598.84	--	--	1,993,810,401.16

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19 Jingqi Group MTN001A	400,000,000.00	2019/11/1	3 years	400,000,000.00	--	400,000,000.00	2,573,698.63	-533,775.14	--	--	399,466,224.86
19 Jingqi Group MTN001B	600,000,000.00	2019/11/1	5 years	600,000,000.00	--	600,000,000.00	4,211,506.85	-820,016.93	--	--	599,179,983.07
19 Jingqi Group MTN002A	400,000,000.00	2019/11/1	3 years	400,000,000.00	--	400,000,000.00	2,573,698.63	-533,775.14	--	--	399,466,224.86
19 Jingqi Group MTN002B	600,000,000.00	2019/11/1	5 years	600,000,000.00	--	600,000,000.00	4,211,506.85	-820,016.93	--	--	599,179,983.07
19 BAIC 11	2,000,000,000.00	2019/11/15	3 years	2,000,000,000.00	--	2,000,000,000.00	9,219,726.03	-3,784,580.94	--	--	1,996,215,419.06
19 BAIC 12	1,000,000,000.00	2019/11/15	5 years	1,000,000,000.00	--	1,000,000,000.00	5,086,301.37	-3,211,821.29	--	--	996,788,178.71
19 BAIC Ximeng MTN001	1,000,000,000.00	2019/7/23	3 years	996,739,622.64	--	996,739,622.64	17,923,497.28	455,612.70	--	--	1,015,118,732.62
19 BAIC Ximeng MTN002	1,500,000,000.00	2019/8/7	3 years	1,496,269,811.33	--	1,496,269,811.33	24,661,885.25	472,293.95	--	--	1,521,403,990.53
19 BAIC Ximeng MTN003	1,000,000,000.00	2019/8/21	3 years	996,739,622.64	--	996,739,622.64	15,032,786.89	372,664.52	--	--	1,012,145,074.05
19 Beixin Bond	1,500,000,000.00	2019/9/24	3 years	1,493,721,698.11	--	1,493,721,698.11	16,868,852.45	536,664.91	--	--	1,511,127,215.47
19 Beixin 02	500,000,000.00	2019/12/29	3 years	498,811,320.76	--	498,811,320.76	680,327.87	12,455.96	--	--	499,504,104.59
17 Jingqi Green Bond 01	2,300,000,000.00	2017/7/4	7 years	2,297,745,188.68	2,298,168,540.14	--	108,413,725.63	298,802.25	--	--	2,298,467,342.39
17 BAIC 01	800,000,000.00	2017/1/20	7 years	799,420,000.00	799,564,497.40	--	34,320,000.04	78,979.36	--	--	799,643,476.76
16 Beijing Auto Green Bond 01	2,500,000,000.00	2016/4/22	7 years	2,497,625,000.00	2,498,428,711.94	--	86,086,655.07	344,207.51	--	--	2,498,772,919.45
16 BAIC 01	1,500,000,000.00	2016/3/17	5 years	1,497,000,000.00	1,498,618,332.11	--	47,147,782.40	613,227.52	--	--	1,499,231,559.63
14 Jingqi MTN001	400,000,000.00	2014/9/10	7 years	399,400,000.00	399,400,000.00	--	23,540,247.63	--	--	--	399,400,000.00
14 Jingqi MTN002	300,000,000.00	2014/9/22	7 years	299,550,000.00	299,550,000.00	--	17,057,222.09	--	--	--	299,550,000.00
14 Jingqi MTN003	300,000,000.00	2014/9/22	7 years	299,550,000.00	299,550,000.00	--	17,057,222.09	--	--	--	299,550,000.00
Medium-term notes	1,000,000,000.00	2016/3/22	3 years	1,000,000,000.00	1,028,327,787.71	--	--	--	1,028,327,787.71	--	--
500 million euro corporate bonds	500,000,000.00	2015/11/2	5 years	EUR 492,145,024.79	3,900,275,183.11	--	--	--	3,900,275,183.11	--	--
Bohai Auto MTN001	400,000,000.00	2018/12/3	3 years	400,000,000.00	398,246,433.00	--	--	656,422.80	--	--	398,902,855.80
Bohai Auto MTN001	600,000,000.00	2019/4/19	3 years	600,000,000.00	--	597,300,000.00	--	717,530.18	--	--	598,017,530.18

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Bond name	Face value	Issue date	Bond term	Issued amount	Beginning balance	Issued in the year	Interest accrued at face value	Premium and discount amortization	Repayment in the current period	Other decrease	Closing balance
BAIC Industry											
Investment											
Non-public Issuance of Private Bonds	680,000,000.00	2018/12/27	3 years	680,000,000.00	680,000,000.00	--	41,366,666.67	--	--	--	680,000,000.00
BAIC Industry											
Investment											
Non-public Issuance of Private Bonds	600,000,000.00	2019/3/1	3 years	600,000,000.00	--	600,000,000.00	28,975,000.00	--	--	--	600,000,000.00
BAIC Industry											
Investment											
Non-public Issuance of Private Bonds	520,000,000.00	2019/4/1	3 years	520,000,000.00	--	520,000,000.00	20,976,222.22	--	--	--	520,000,000.00
Private Bonds											
Medium-term notes	1,000,000,000.00	2019/8/27	3 years	1,000,000,000.00	--	1,000,000,000.00	13,833,333.33	-2,950,238.12	--	--	997,049,761.88
Corporate debt	1,000,000,000.00	2017/4/17	3 years	1,000,000,000.00	998,799,355.17	--	43,500,000.00	927,821.19	--	999,727,176.36	--
2015 Phase 1 Medium Term Notes	500,000,000.00	2015/2/12	5 years	499,500,000.00	499,500,000.00	--	23,458,904.13	441,095.87	--	499,941,095.87	--
2015 BAIC Investment Corporation Bonds	1,500,000,000.00	2015/12/10	5 years	1,497,000,000.00	1,498,769,254.99	--	53,991,915.56	622,214.65	--	1,499,391,469.64	--
Corporate bonds	1,000,000,000.00	2015/3/31	5 years	1,000,000,000.00	999,020,424.08	--	999,020,424.08	781,710.64	--	999,802,134.72	--
Capital Highway Development											
2013 Medium Term Notes Phase 2	1,500,000,000.00	2013/8/16	7 years	1,500,000,000.00	1,491,464,353.74	--	--	5,127,930.37	--	1,496,592,284.11	--
2014 corporate bonds	1,400,000,000.00	2014/4/21	15 years	1,400,000,000.00	1,384,080,244.06	--	--	1,101,882.56	890,000,000.00	--	495,182,126.62
2016 corporate bonds	1,200,000,000.00	2016/1/27	12 years	1,200,000,000.00	1,187,013,405.96	750,000,000.00	--	1,243,181.83	750,000,000.00	--	1,188,256,587.79
2016 Non-public Targeted Financing Instrument Phase 2											
2016 Non-public Targeted Financing Instrument Phase 2	3,000,000,000.00	2016/8/19	3 years	3,000,000,000.00	2,991,724,667.19	--	--	8,275,332.81	3,000,000,000.00	--	--
2017 corporate bonds	1,500,000,000.00	2017/12/14	12 years	1,500,000,000.00	1,478,852,412.30	--	--	1,430,437.78	--	--	1,480,282,850.08
2018 corporate bonds	1,500,000,000.00	2018/6/14	12 years	1,500,000,000.00	1,478,184,979.47	--	--	1,424,424.75	--	--	1,479,609,404.22

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Bond name	Face value	Issue date	Bond term	Issued amount	Beginning balance	Issued in the year	Interest accrued at face value	Premium and discount amortization	Repayment in the current period	Other decrease	Closing balance
2019 corporate bonds	6,000,000,000.00	2019/3/4	12 years	6,000,000,000.00	--	6,000,000,000.00	--	-85,614,320.32	--	--	5,914,385,679.68
2019 corporate bonds	4,000,000,000.00	2019/5/16	12 years	4,000,000,000.00	--	4,000,000,000.00	--	-57,732,272.63	--	--	3,942,267,727.37
2019 non-public targeted debt financing instrument	3,000,000,000.00	2019/11/12	5 years	3,000,000,000.00	--	3,000,000,000.00	--	-7,774,727.05	--	--	2,992,225,272.95
Beichen Group											
5-year corporate bond 2014	1,000,000,000.00	2015/1/20	5 years	1,000,000,000.00	597,802,134.00	--	33,854,913.00	2,220,242.00	--	600,022,376.00	--
7-year corporate bond 2014	1,500,000,000.00	2015/1/20	7 years	1,500,000,000.00	1,492,715,050.00	--	78,000,000.00	2,255,549.00	--	1,494,970,599.00	--
5-year corporate bond 2016	1,500,000,000.00	2016/4/21	5 years	1,500,000,000.00	1,494,322,183.00	--	31,913,556.00	--	1,137,654,396.00	--	356,667,787.00
medium-term notes 5-year term	1,320,000,000.00	2017/9/18	5 years	1,320,000,000.00	1,312,543,822.00	--	67,848,000.00	2,094,190.00	--	1,314,638,012.00	--
2019 corporate bonds 5-year term	1,200,000,000.00	2019/4/16	5 years	1,200,000,000.00	--	1,190,400,000.00	40,793,425.00	1,230,806.00	--	--	1,191,630,806.00
Beijing Electronics											
16 Jingdian Urban Investment MTN001	550,000,000.00	2016/2/26	5 years	550,000,000.00	547,426,402.56	--	23,320,364.74	-22,165,000.00	--	--	548,581,767.30
Euro PP	235,419,000.00	2017/3/29	6 years	235,419,000.00	233,662,337.00	--	8,114,400.00	-516,856.00	8,114,400.00	--	233,145,481.00
Euro PP	78,473,000.00	2016/12/29	7 years	78,473,000.00	78,470,471.00	--	2,704,800.00	-796,121.00	2,704,800.00	--	77,674,350.00
16BOE01	10,000,000,000.00	2016/3/21	5 years	10,000,000,000.00	9,976,533,425.00	--	68,547,672.00	23,466,575.00	10,068,547,672.00	--	--
17 Diankong 01	1,380,000,000.00	2017/7/25	3 years	1,380,000,000.00	1,375,861,696.54	--	62,100,000.00	2,565,499.74	62,100,000.00	1,378,427,196.28	--
19 Diankong 01	620,000,000.00	2019/6/12	3 years	620,000,000.00	--	616,783,018.87	13,779,500.00	635,035.84	13,779,500.00	--	617,418,054.71
Euro PP	75,977,975.00	2019/7/22	6 years	75,977,975.00	--	75,977,975.00	1,560,633.00	1,080,578.00	1,560,633.00	--	77,058,553.00
17 Jingdian Urban Investment MTN001	650,000,000.00	2017/7/7	5 years	650,000,000.00	645,296,830.42	--	37,039,885.41	-35,749,999.96	--	--	646,586,715.87
Guangdong Yuecai Trust Co., Ltd.	1,800,000,000.00	2018/5/16	3 years	1,700,000,000.00	1,650,054,531.29	--	119,201,314.08	-100,494,073.09	9,727,900.00	--	1,659,033,872.28
Total				108,222,341,559.91	292,158,059,041.65	108,222,341,559.91	14,255,585,051.71	27,330,177.46	80,268,445,875.23	52,556,610,005.10	269,938,668,933.05

48. Financial instruments such as preferred shares and perpetual bonds

(1) Financial instruments such as preferred shares and perpetual bonds outstanding at year end

Financial instruments outstanding	Issuance date	Classification	Dividend rate or interest rate	Issuance price	Quantity	Amount (RMB ten thousand)	Maturity date or renewal	Conversion condition	Conversion
15 Shoufa MTN001	2015-5-19 to 2015-5-20	Financial liabilities	5.28%	100.00	RMB 10 million	100,000.00	Perpetual term	None	
15 Shoufa MTN002	2015-5-19 to 2015-5-20	Financial liabilities	5.28%	100.00	RMB 10 million	100,000.00	Perpetual term	None	
Total						200,000.00			

The above-mentioned perpetual bond interest has been adjusted from the current coupon rate (5.28%) to the current basic interest rate plus the initial spread plus 300 basis points starting from the sixth interest-bearing year. Capital Highway Development plans to repay the above-mentioned perpetual bonds after the end of the fifth interest-bearing year, so the two perpetual bonds are classified as financial liabilities.

(2) Note to major terms of financial instruments

① Major terms of 15 Shoufa MTN001:

The medium-term note is perpetual term before being redeemed in accordance with the terms of issuance.

On the fifth and subsequent interest payment dates of the medium-term note, Capital Highway Development has the right to redeem the medium-term note at the face value plus the interest payable (including all deferred interest payments and their coupon).

Unless a mandatory interest payment event occurs, Capital Highway Development can choose to defer the current interest and all interest and its coupon that have been deferred in accordance with this clause to the next interest payment date of the medium-term note and is not subject to any restrictions on the number of deferred interest payments. The aforementioned deferred interest does not constitute the issuer's failure to pay the interest in full as agreed. Each deferred interest shall accumulate interest at the current coupon rate during the deferred period.

② Major terms of 15 Shoufa MTN002:

The medium-term note is perpetual term before being redeemed in accordance with the terms of issuance.

On the fifth and subsequent interest payment dates of the medium-term note, Capital Highway Development has the right to redeem the medium-term note at the face value plus the interest payable (including all deferred interest payments and their coupon).

Unless a mandatory interest payment event occurs, Capital Highway Development can choose to defer the current interest and all interest and its coupon that have been deferred in accordance with this clause to the next interest payment date of the medium-term note and is not subject to any restrictions on the number of deferred interest payments. The aforementioned deferred interest does not constitute

the issuer's failure to pay the interest in full as agreed. Each deferred interest shall accumulate interest at the current coupon rate during the deferred period.

(3) Changes in financial instruments such as preferred shares and perpetual bonds outstanding

Financial instruments outstanding	Beginning balance		Increase		Decrease		Closing balance	
	Quantity	Carrying value	Quantity	Carrying value	Quantity	Carrying value	Quantity	Carrying value
15 Shoufa MTN001	RMB 10 million	998,742,979.61	--	--	--	-268,964.44	RMB 10 million	999,011,944.05
15 Shoufa MTN002	RMB 10 million	998,742,979.61	--	--	--	-268,964.44	RMB 10 million	999,011,944.05
Total	RMB 20 million	1,997,485,959.22	--	--	--	-537,928.88	RMB 20 million	1,998,023,888.10

(4) Dividend (or interest) setting mechanism

The medium-term notes adopt a fixed interest rate for interest calculation; the coupon interest for the first 5 interest-bearing years of this period will be determined through bookkeeping and centralized allotment, and will remain unchanged during the first 5 interest-bearing years. Starting from the 6th interest bearing year, the coupon rate will be reset every 5 years.

Unless a mandatory interest payment event occurs, Capital Highway Development can choose to defer the current interest and all interest and its coupon that have been deferred in accordance with this clause to the next interest payment date of the medium-term note and is not subject to any restrictions on the number of deferred interest payments. The aforementioned deferred interest does not constitute the issuer's failure to pay the interest in full as agreed. Each deferred interest shall accumulate interest at the current coupon rate during the deferred period.

(5) Information attributable to holders of equity instruments

None.

49. Lease liabilities

Item	Closing balance	Beginning balance
Lease payment	1,682,138,408.55	1,834,846,485.32
Unrecognized financing costs	426,407,373.09	184,877,326.31
Reclassification to non-current liabilities due within one year	206,173,078.51	227,896,517.14
Reclassification to other current assets	9,316,061.35	4,320,209.41
Lease liabilities net amount	1,058,874,018.30	1,426,392,851.28

50. Long-term payables

Item	Closing balance	Beginning balance
Long-term payables	30,560,315,321.62	23,872,401,597.79
Specific payables	71,928,263,599.13	75,315,092,027.26
Total	102,488,578,920.75	99,187,493,625.05

(1) Long-term payables

Top 5 closing balances of long-term payables:

Item	Closing balance	Beginning balance
1. Capital subscription	11,636,590,000.00	11,636,590,000.00
2. Lease payments	5,623,976,021.82	5,428,946,255.53
3. Daxing Old Palace project preliminary expenses, deposit, etc.	2,214,239,882.62	--
4. Pit closing fee	942,785,360.77	548,489,905.60
5. Maintenance funds	922,079,784.42	929,912,318.26
Others	9,220,644,271.99	5,328,463,118.40
Total	30,560,315,321.62	23,872,401,597.79

(2) Specific payables

Top 5 closing balances of specific payables:

Item	Beginning balance	Increase	Decrease	Closing balance
1. Special funding	48,252,278,489.77	5,921,623,291.13	798,754,466.45	53,375,147,314.45
2. Special subsidy	1,345,588,619.61	380,466,273.10	1,038,907,614.17	687,147,278.54
3. Demolition fee	2,012,398,599.34	807,851,977.56	1,399,551,492.41	1,420,699,084.49
4. Land transfer fee	18,790,282,688.81	11,069,912,577.55	17,438,225,463.08	12,421,969,803.28
5. Industry adjustment funds	594,381,180.76	--	36,000,000.00	558,381,180.76
Total	70,994,929,578.29	18,179,854,119.34	20,711,439,036.11	68,463,344,661.52

51. Long-term employee benefits payable

Item	Beginning balance	Increase	Decrease	Closing balance
Post-employment benefits – net liabilities of defined benefits plan	3,107,025,158.98	169,163,943.87	167,069,355.63	3,109,119,747.22
Termination benefits	757,466,246.35	47,125,367.99	80,131,072.98	724,460,541.36
Other long-term benefits	78,579,628.25	127,467.37	61,094,293.01	17,612,802.61
Total	3,943,071,033.58	216,416,779.23	308,294,721.62	3,851,193,091.19

52. Provisions

Item	Closing balance	Beginning balance
Product quality warranties	3,178,383,829.58	3,408,623,744.36
Abandonment costs	745,618,987.59	334,457,694.21

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Pending litigations	422,524,204.61	294,180,205.52
External guarantee	197,582,146.70	190,358,898.20
Pending loss contract	243,067.13	118,491.25
Others	465,059,820.34	592,876,871.18
Total	5,009,412,055.95	4,820,615,904.72

53. Deferred income

Item	Beginning balance	Increase	Decrease	Closing balance
Government grants	23,538,123,277.58	9,164,880,226.52	7,400,615,437.18	25,302,388,066.92
Pipe network, heat access fee	1,012,923,599.52	141,479,526.04	108,725,396.75	1,045,677,728.81
Demolition compensation for purchased assets	1,055,118,810.54	--	74,972,105.87	980,146,704.67
Mould subsidy	618,658,357.42	993,960,651.12	441,053,706.42	1,171,565,302.12
Project funds for heat network, Qinghe non-coalition and other projects	326,083,699.44	376,297,021.38	44,540,185.78	657,840,535.04
Others	1,543,969,570.01	455,991,991.02	1,671,617,609.57	328,343,951.46
Total	28,094,877,314.51	11,132,609,416.08	9,741,524,441.57	29,485,962,289.02

Including: Deferred income – government grants

Company name	Item/Category	Beginning balance	Increase	Decrease	Closing balance
Shougang Group	Environmental protection subsidies	1,783,921,401.58	95,237,380.19	334,052,496.27	1,545,106,285.50
	Research subsidies	273,183,695.82	19,098,352.00	21,741,861.41	270,540,186.41
	Compensation for removal of ground objects	251,014,783.06	35,000,000.00	179,771,537.22	106,243,245.84
	Employee placement subsidies	205,621,725.08	653,666.20	50,048,384.05	156,227,007.23
	Vocational training subsidies	37,927,608.34	13,663,002.50	7,118,358.07	44,472,252.77
	Other deferred income	80,814,817.06	87,392,405.35	64,540,003.15	103,667,219.26
Subtotal		2,632,484,030.94	251,044,806.24	657,272,640.17	2,226,256,197.01
Beijing Electronics	Government grants	2,591,732,865.76	1,747,639,396.41	1,399,366,595.42	2,940,005,666.75
	Beijing Municipal Committee Office Project	1,054,482,113.44	464,680,749.72	164,191,672.86	1,354,971,190.30
	Department of Resource Allocation and Management of the Ministry of Science and Technology-02 Special Fund	--	328,500,000.00	--	328,500,000.00
	Enterprise Support Fund of the Management Committee of Mafang Industrial Park	272,286,892.05	16,909,107.48	55,834,630.77	233,361,368.76

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Company name	Item/Category	Beginning balance	Increase	Decrease	Closing balance
	Foreign exchange swap	74,349,771.60	--	3,232,598.76	71,117,172.84
	National Defense Science and Industry Commission Project	68,570,759.81	13,838,590.15	12,091,390.22	70,317,959.74
	798 Art District Cultural District Creative Industry Development Special Fund	55,614,995.73	--	1,323,560.16	54,291,435.57
	Beijing Municipal Committee Office Project	51,768,462.85	2,541,627.68	26,288,208.18	28,021,882.35
	Non-commercial asset transfer funds	1,263,332.00	15,327,820.90	--	16,591,152.90
	Expansion fee	19,402,015.09	22,706.42	2,855,252.05	16,569,469.46
	Existing commercial building support funds	--	15,740,000.00	--	15,740,000.00
	Metal magnetic powder core technological transformation project	14,650,000.00	--	--	14,650,000.00
	Zhongguancun Science Park Management Committee-Solder Chip Flip Chip Welding Process Research and Development Project	--	12,640,000.00	--	12,640,000.00
	Beijing Municipal Science and Technology Commission-SiC Device Line Process Research	--	12,000,000.00	--	12,000,000.00
	Non-commercial asset transfer subsidies	--	26,012,220.50	15,607,332.30	10,404,888.20
	Other deferred income	226,754,322.60	42,086,774.26	97,911,746.09	170,929,350.77
Subtotal		4,430,875,530.93	2,697,938,993.52	1,778,702,986.81	5,350,111,537.64
Jingcheng Electromechanical	Job stabilization subsidy	91,888,101.85	--	3,896,315.28	87,991,786.57
	Special allocation for resource utilization and harmless treatment of kitchen waste	18,866,666.63	--	800,000.04	18,066,666.59
	Donated equipment assets imported from Japan	11,128,121.08	--	585,690.60	10,542,430.48
	Other deferred income	32,729,140.78	51,770,140.00	42,513,449.38	41,985,831.40
Subtotal		154,612,030.34	51,770,140.00	47,795,455.30	158,586,715.04
Beijing Energy Group	Government grants	4,576,402,099.81	1,216,947,378.47	1,118,630,591.82	4,674,718,886.46
Capital Highway Development	Financial interest discount	227,215,331.00	--	10,952,000.00	216,263,331.00
	Beijing-Hong Kong-Macao Nangang depression water treatment project	175,000,000.00	--	--	175,000,000.00
	Special funds for commercial circulation development	35,878,142.11	--	2,070,291.48	33,807,850.63
	Fifth Ring Road (Dayangfang Shangqing Bridge) Greening Channel Construction Project in the Protective Net	--	83,410,000.00	51,333,605.00	32,076,395.00
	Landscape improvement project along the Beijing-Xinjiang Expressway	54,809,492.00	--	23,826,030.00	30,983,462.00

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Company name	Item/Category	Beginning balance	Increase	Decrease	Closing balance
	(within the protective net)				
	Sixth Ring Road (Daxing Section) Greening Channel Construction Project in the Protective Net)	--	47,230,000.00	26,943,999.00	20,286,001.00
	Other deferred income	147,325,301.78	70,955,763.63	191,988,792.96	26,292,272.45
Subtotal		640,228,266.89	201,595,763.63	307,114,718.44	534,709,312.08
Yiqing Holding	Beijing Times Stationery Co., Ltd. Pollution Disturbing Residents Relocation Project	76,442,480.07	--	2,452,483.08	73,989,996.99
	Beijing Paper Infrastructure Construction Plant Project of No.1 Paper Mill	58,461,981.35	7,220,800.00	3,428,254.02	62,254,527.33
	Juxinda Project	60,926,393.51	--	2,256,365.52	58,670,027.99
	LG project	49,321,321.96	--	1,826,715.63	47,494,606.33
	Xinghai Piano Environmental Relocation	45,922,141.85	--	1,918,418.46	44,003,723.39
	Environmental Relocation of Instrument Factory	9,603,650.12	--	2,159,199.96	7,444,450.16
	Other deferred income	6,424,454.72	--	494,188.83	5,930,265.89
Subtotal		324,682,314.21	15,226,800.00	19,642,338.86	320,266,775.35
Capital Development Holdings	Non-commercial comprehensive subsidy	1,061,250,273.53	3,225,699,962.58	2,104,639,414.16	2,182,310,821.95
	Pre-allocation of ultra-low energy consumption fund rewards	16,600,000.00	--	--	16,600,000.00
	Senior Care Center in Guanzhuang District, Chaoyang District, Beijing Green Building Award Fund	--	3,633,812.00	254,947.00	3,378,865.00
	Special guidance fund subsidy for construction industry modernization	1,844,000.00	--	--	1,844,000.00
	Other deferred income	600,000.00	1,060,000.00	--	1,660,000.00
Subtotal		1,081,465,073.53	3,230,691,929.92	2,105,933,413.58	2,206,223,589.87
Beijing Automotive Group	Project development subsidy	2,136,028,576.77	154,522,300.59	262,349,025.84	2,028,201,851.52
	Base construction subsidy	1,204,938,025.29	--	62,666,978.58	1,142,271,046.71
	Beijing Automotive Group Yunnan Automobile Industry Base Construction Subsidy Fund	371,883,747.12	--	2,791,217.15	369,092,529.97
	Shunyi Auto City allocates subsidies to the production base of BAIC Research Institute	238,000,000.00	--	7,000,000.00	231,000,000.00
	Government grants construction funds for multi-purpose vehicle plant	213,408,237.14	--	31,262,016.00	182,146,221.14
	Annual production of 250,000 sets of engine block and cylinder head crankshaft construction	188,120,471.48	--	6,486,912.84	181,633,558.64

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	project				
	Pure electric vehicle technology research and development subsidy	132,531,902.12	3,438,884.00	18,546,091.98	117,424,694.14
	Enterprise support subsidies	114,593,802.50	--	3,221,000.00	111,372,802.50
	Industry Development Fund	108,906,154.01	44,200.00	1,211,907.89	107,738,446.12
	Car networking application project subsidy	99,540,000.00	--	--	99,540,000.00
	Industrial Development Special Fund	79,712,489.90	--	--	79,712,489.90
	New energy vehicle project supports R&D funds	92,043,469.37	--	25,000,000.00	67,043,469.37
	Special subsidy funds	45,670,000.00	--	--	45,670,000.00
	Jingdezhen Industrial Base Parts Project	46,076,079.00	--	1,535,869.32	44,540,209.68
	Deferred income from land repayment	44,290,333.20	--	975,200.00	43,315,133.20
	Cangzhou Economic and Technological Development Zone Finance Bureau Industrial Development Special Fund	35,863,333.28	--	1,236,666.72	34,626,666.56
	Xiangyun base land subsidy	31,303,391.14	--	660,907.56	30,642,483.58
	Subsidies for the research and development and application of key technologies for Foton hydrogen fuel cell buses	--	30,000,000.00	--	30,000,000.00
	Subsidies for pure electric vehicle projects	16,566,791.11	13,310,100.00	1,999,693.31	27,877,197.80
	Industrial Internet Innovation and Development Project	--	24,900,000.00	--	24,900,000.00
	Industrial Internet Project Subsidy	--	22,000,000.00	--	22,000,000.00
	Open source platform project	--	22,000,000.00	--	22,000,000.00
	Home purchase subsidy	21,613,226.07	--	600,367.32	21,012,858.75
	Chongqing Liangjiang New District Finance Bureau Construction Support Fund	21,344,000.04	--	735,999.96	20,608,000.08
	Three-year action plan for cultivating and developing emerging industries, 2016 central budget investment plan subsidy funds	20,300,000.00	--	--	20,300,000.00
	Beijing Engineering Laboratory Equipment Subsidy	17,260,000.00	--	--	17,260,000.00
	10KV special line subsidy for Nanhai factory	17,775,203.75	--	639,300.00	17,135,903.75
	Zhenjiang City Dantu District Development Reform and Economic Informationization Committee Automobile Industry Innovation Support Fund	15,000,000.00	--	--	15,000,000.00
	Land resettlement compensation	14,969,707.68	--	393,939.72	14,575,767.96

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Company name	Item/Category	Beginning balance	Increase	Decrease	Closing balance
	Infrastructure construction and energy saving and emission reduction supporting projects	10,917,744.17	--	241,884.36	10,675,859.81
	Other deferred income	322,101,714.55	136,014,100.54	167,954,759.27	290,161,055.82
Subtotal		5,660,758,399.69	384,229,585.13	597,509,737.82	5,447,478,247.00
Tongrentang Group	Longshan Deer Farm Project	78,111,067.75	--	2,603,702.28	75,507,365.47
	Project construction funds (Baoding Finance Bureau)	50,559,200.00	--	--	50,559,200.00
	Tongzhou Luhe Famous Garden Project	43,279,999.84	--	1,803,333.36	41,476,666.48
	Construction of Northwest Characteristic Biological Resources Deep Processing Project	32,098,149.52	--	1,559,245.76	30,538,903.76
	Compensation fees for infrastructure construction	16,276,823.65	--	386,775.96	15,890,047.69
	Cleaner Production Energy Saving and Emission Reduction Project	10,731,993.88	--	697,390.56	10,034,603.32
	Chinese medicine extraction liquid preparation project	10,000,000.00	--	--	10,000,000.00
	Other deferred income	144,479,192.73	51,207,782.49	50,623,972.69	145,063,002.53
Subtotal		385,536,427.37	51,207,782.49	57,674,420.61	379,069,789.25
Suburb Tourism Company	Compensation for the renovation of old elevators	149,729.92	--	62,390.00	87,339.92
Urban and Rural Group	Customer reward points	11,486,739.86	20,506,397.11	4,866,781.52	27,126,355.45
	Boiler retrofit subsidy	3,922,000.00	549,000.00	460,806.20	4,010,193.80
	Subsidy for the basic transformation of cultural science and technology park	--	10,000,000.00	1,142,857.14	8,857,142.86
Subtotal		15,408,739.86	31,055,397.11	6,470,444.86	39,993,692.11
Xianglong Company	Compensation for demolition of Mentougou Station	--	46,773,740.43	479,183.40	46,294,557.03
	Financial Subsidy for Creative Park Project	16,952,649.31	--	700,000.00	16,252,649.31
	Government refund of land transfer fund for the construction of Gongzhufen project	8,254,857.62	--	307,634.52	7,947,223.10
	Government grants for vegetable market engineering	--	4,000,000.00	100,000.00	3,900,000.00
	Energy saving and emission reduction subsidies	3,096,000.00	--	774,000.00	2,322,000.00
	Rebate for exhibition hall decoration OEM	--	1,472,633.00	--	1,472,633.00
	Other deferred income	2,626,102.53	1,713,180.00	2,448,474.79	1,890,807.74
Subtotal		30,929,609.46	53,959,553.43	4,809,292.71	80,079,870.18
Beichen Group	Government grants		1,943,396.00		1,943,396.00
BBMG Group	Tiantan demolition compensation asset subsidy	168,506,737.22	--	10,749,495.47	157,757,241.75

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	Eco-island environmental protection equipment subsidy	141,539,203.10	--	15,375,917.64	126,163,285.46
	Funding for Beijing Cement Plant's sludge project	24,923,055.56	--	2,976,666.68	21,946,388.88
	Tangshan Qixin Cement Industry Museum Project	49,207,539.50	--	1,480,873.20	47,726,666.30
	Liushui construction waste project subsidy	41,000,000.00	--	2,449,333.36	38,550,666.64
	Compensation for demolition of construction machinery	47,903,030.56	--	1,842,424.20	46,060,606.36
	Zanhuang Co-processing of Domestic Waste and Sludge Project	15,487,500.00	--	1,062,000.00	14,425,500.00
	Heilongjiang Industrial Project Subsidy	--	14,230,000.00	1,897,333.37	12,332,666.63
	Other deferred income	399,837,800.78	23,677,716.82	51,062,157.67	372,453,359.93
Subtotal		888,404,866.72	37,907,716.82	88,896,201.59	837,416,381.95
Shounong Group	Project funds for warehouse maintenance and renovation	308,022,965.68	21,868,686.78	9,936,247.97	319,955,404.49
	Xinle Industrial Park Project Construction Subsidy Fund	172,899,227.27	--	4,620,914.76	168,278,312.51
	Jingliang (Tianjin) Trade Development Company uses land compensation funds to build a logistics base	165,476,822.47	--	9,878,346.38	155,598,476.09
	Agricultural machinery subsidy project of Sanyuan Seed Industry and Shounong Shares Ershang Group Pig Breeding Phase II Breeding Farm and Fattening Farm Project	120,574,647.24	164,782,080.00	137,688,747.90	147,667,979.34
	Ershang Group Ershang Meat Workshop Equipment Renewal and Transformation Subsidy	80,422,731.88	2,939,774.00	7,852,502.65	75,510,003.23
	Sanyuan Seed Industry Chengde Yudaokou Ranch scenic road and municipal infrastructure construction subsidy	66,272,437.93	15,054,650.13	8,449,355.80	72,877,732.26
	In-kind compensation for the construction of the office building of the General Staff of Fisheries	61,250,000.00	--	3,750,000.00	57,500,000.00
	Shounong Co., Ltd. Hebei Luanping Broiler Processing Equipment Renewal Project	54,305,038.18	7,378,606.00	4,502,094.25	57,181,549.93
	Sanyuan Seed Industry Manure and Wastewater Treatment Project Subsidies	10,091,581.92	45,336,800.00	1,080,390.71	54,347,991.21
	The basic supporting facilities of Zhujiang Holdings "Tianjin Lingang Industrial Zone Management Committee" in the construction stage	52,484,131.93	--	1,277,504.16	51,206,627.77

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	Sanyuan Seed Industry Chengde Sanyuan Yudaokou Scenic Area Construction Project Bond Fund	117,943,517.38	3,619,349.33	71,719,838.32	49,843,028.39
	Upgrading and Reconstruction Project of Hei Six Breeding Base of Beijiao Farm	29,254,966.28	18,453,950.00	546,991.21	47,161,925.07
	Beijing Yunong Fresh-cut Fruit and Vegetable Production Line Construction Project	18,679,993.59	24,467,200.00	964,626.02	42,182,567.57
	Subsidies for Beijing Fisheries Shipbuilding and Equipment Renewal and Transformation of Ershang Group	42,539,999.97	3,690,000.00	5,261,666.68	40,968,333.29
	Ershang Group Ershang Meat Sewage Treatment Equipment Renewal and Transformation Subsidy	44,996,530.29	1,333,344.00	6,942,284.40	39,387,589.89
	Shounong Jinxing Duck Industry Duck Breeding Base Equipment and Facilities Upgrade Project	19,618,868.01	21,888,200.00	5,210,057.41	36,297,010.60
	Beijing Grain Group Daxing District Grain and Oil Policy-based Demolition Subsidy	40,634,267.74	91,552,524.33	96,533,426.52	35,653,365.55
	Jingliang Group Smooth Grain and Oil Reconstruction and Expansion Project	34,910,000.00	--	581,833.32	34,328,166.68
	Sanyuan Seed Industry Feed Branch Feed Production Line Upgrading Project	27,562,400.00	7,818,400.00	1,255,097.50	34,125,702.50
	Ershang Group Ershang Meat Pig House Expansion and Farming Equipment Subsidies	38,990,259.62	--	6,854,750.00	32,135,509.62
	Reconstruction Project of Tongzhou Aquatic Products Processing Plant of Ershang Group	24,573,683.62	7,900,000.00	1,336,482.01	31,137,201.61
	400,000 sets of Beijing Youji Breeding Chicken Breeding Base Construction Project in Luanping County (One Hundred Years Chestnut Garden)	--	28,196,700.00	--	28,196,700.00
	Jingliang Group Tongzhou District Grain and Oil Company Hugezhuang Demolition Compensation Fund	28,131,068.26	--	101,239.56	28,029,828.70
	Shounong share feed processing production line modernization upgrade project	26,995,300.00	--	--	26,995,300.00
	Jushan Farm Beijing Jushan Farm Fresh Agricultural	25,095,724.23	--	--	25,095,724.23

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Company name	Item/Category	Beginning balance	Increase	Decrease	Closing balance
	Products Supply Guarantee System Construction Project				
	Upgrading and Transformation Project of Energy Saving and Emission Reduction System of Breeding Base	2,005,844.24	20,963,700.00	181,613.88	22,787,930.36
	Shounong Headquarters Milk Project Office	22,667,812.60	--	--	22,667,812.60
	Beijing Bureau of Finance on Digital Agriculture Project	22,550,000.00	--	--	22,550,000.00
	Boiler subsidies for each unit	16,659,622.36	8,813,490.73	3,069,938.26	22,403,174.83
	Construction and equipment subsidies for smart farms in Shounong, Hebei	22,335,550.00	--	349,950.00	21,985,600.00
	Demolition and resettlement houses of Dongbeiwang Farm Sino-Japanese Chicken Farm	22,508,807.83	--	579,274.92	21,929,532.91
	Sanyuan Seed Industry Chengde Sanyuan Yudaokou Ranch Scenic Area Tourism Development Fund	23,500,000.00	--	2,000,000.00	21,500,000.00
	Jingliang Group Yuanyisheng Grain and Oil Finance allocates infrastructure funds	20,160,000.00	--	473,616.06	19,686,383.94
	Shounong Co., Ltd. Huadu Yukou 2017 Agricultural Comprehensive Development and Chengwu Project	19,760,000.00	--	208,577.78	19,551,422.22
	Shounong Animal Husbandry Agency Milk Quality Improvement Project	19,153,400.00	--	--	19,153,400.00
	Funds for agricultural production and infrastructure improvement and upgrading project of Jushan Farm	--	18,800,000.00	--	18,800,000.00
	Jingliang Group Corn Industry Project	--	20,540,000.00	1,867,272.73	18,672,727.27
	Infrastructure Construction Subsidy	--	24,953,247.00	6,853,262.96	18,099,984.04
	Jingliang Group Yuanyisheng Grain and Oil Policy Retirement Project	--	17,530,000.00	--	17,530,000.00
	Jingliang Group Guchuan Food Production and Marketing Cooperation Fund	--	17,530,000.00	--	17,530,000.00
	Government subsidies for the comprehensive market transformation project of Ershang Group Aquatic Products Company	12,262,433.22	5,830,000.00	592,188.80	17,500,244.42
	Reconstruction and Upgrade Project of Jushan Farm's Production Facilities	17,004,594.02	--	894,978.60	16,109,615.42
	Shounong shares Chengde duck industry land bidding	15,674,880.00	--	399,360.00	15,275,520.00

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	Shounong milking equipment for animal husbandry institutions	15,787,960.51	--	538,306.44	15,249,654.07
	Jushan Farm Supply Base Expansion Project of Jushan Farm	16,053,547.48	--	918,607.68	15,134,939.80
	Jushan Farm Beijing Jushan Farm High-quality Vegetable Production Facilities and Supporting Facilities Renovation Project	14,572,311.68	--	227,828.88	14,344,482.80
	Nankou Agricultural Infrastructure Construction Project	14,595,290.00	763,772.37	1,038,245.08	14,320,817.29
	Reconstruction and Upgrade Project of Beijing Youji Free-range House	14,439,991.81	--	1,678,053.48	12,761,938.33
	Sanyuan Seed Industry Dairy Cattle Breeding Center Milk Cow Production Performance Test Project	7,372,180.00	6,520,000.00	1,145,523.80	12,746,656.20
	Yukou Poultry Industry's 50 million Chicks Production Base Reconstruction Project	13,447,868.75	--	1,449,705.00	11,998,163.75
	North Suburb Farm 2018 Landscape Ecological Forest Project	11,760,000.00	--	--	11,760,000.00
	Chengde Sanyuan Yudaokou Land Occupation Subsidy	--	12,167,383.01	695,282.28	11,472,100.73
	Xijiao Field Department Changping Municipal Subsidy	11,457,973.36	--	--	11,457,973.36
	Sanyuan Seed Industry Chengde Sanyuan Xiaoya Dairy Cattle Standardization Demonstration Farm Construction	4,339,784.00	7,496,792.00	445,839.12	11,390,736.88
	Jingliang Group Huinan Shed Project Construction and Equipment Fund	11,892,368.38	--	649,168.20	11,243,200.18
	Jingliang Group Hainan Zhuziang Holdings Infrastructure Investment Special Subsidy	12,113,871.01	--	908,692.06	11,205,178.95
	Sanyuan shares infant formula milk powder quality and safety traceability system construction project funds	12,600,000.00	--	1,400,000.04	11,199,999.96
	Sanyuan Seed Industry Chengde Zhongyu Animal Husbandry Pig Farm Construction and Equipment Subsidies	7,067,955.46	4,455,600.00	511,726.12	11,011,829.34
	Funds for upgrading and reconstruction of Ershang Group's characteristic agricultural product sales center	7,075,418.00	3,970,000.00	138,829.20	10,906,588.80
	Beijing Yunong Zhangbei Root Vegetable Processing Project	11,363,300.00	--	719,675.68	10,643,624.32

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Company name	Item/Category	Beginning balance	Increase	Decrease	Closing balance
	Compensation for the demolition of the gate of the warehouse directly under the Tongzhou District Grain and Oil Company of Beijing Grain Group Ershang Group Meat Food Comprehensive Research Center Demonstration Center Project	--	14,495,263.75	4,106,937.38	10,388,326.37
	Other deferred income	10,080,000.00	--	--	10,080,000.00
Subtotal		2,716,186,157.91	937,232,983.76	609,204,658.88	3,044,214,482.79
International Cooperation Center	International Technology Cooperation Collaboration Platform	--	1,928,000.00	896,145.73	1,031,854.27
	Property Service	--	200,000.00	--	200,000.00
Subtotal		--	2,128,000.00	896,145.73	1,231,854.27
Total		23,538,123,277.58	9,164,880,226.52	7,400,615,437.18	25,302,388,066.92

54. Other non-current liabilities

Item	Closing balance	Beginning balance
Deferred value-added tax on imported equipment	4,409,269,015.00	3,187,164,914.00
Financial liabilities	3,699,127,228.00	7,875,868,662.00
In-vehicle software service	495,524,284.05	--
Pending sales tax	309,906,329.42	26,786,262.89
24-hour roadside assistance service	279,874,094.71	--
Others	489,703,469.74	1,325,904,927.13
Total	9,683,404,420.92	12,415,724,766.02

55. Paid-in capital

Investor	Beginning balance		Increase	Decrease	Closing balance	
	Investment amount	Ratio (%)			Investment amount	Ratio (%)
Beijing State-owned Assets Supervision and Administration Commission	38,702,277,526.58	100.00	101,300,000.00	--	38,803,577,526.58	100.00

Note:

(1) According to "Notice on the Appropriation of State-owned Capital Operation Budget Funds for the BBMG Group Tiantan Home Furnishing Innovation Industry in 2019" issued by Beijing State-owned Assets Supervision and Administration Commission, the state-owned capital operation budget arrangements for 2019 will increase the state capital of the Center by RMB 50 million for the purpose of supporting the BBMG Group Tiantan Home Furnishing Innovation Industry Project. The Center received the above payment on May 21, 2019 and included it in the paid-in capital.

(2) According to "Notice on Appropriating BBMG Group Cement Kiln Co-processing Hazardous Waste Project 2019 State-owned Capital Operating Budget Funds" issued by Beijing State-owned Assets Supervision and Administration Commission on August 16, 2019, and "Letter of the Beijing Municipal Bureau of Finance on Issuing the State-owned Capital Operation Budget of the Municipal State-owned Assets Supervision and Administration Commission for 2019" (Jingcai Assets Index [2019] No. 1691), the state-owned capital operation budget arrangement for 2019 is RMB 51.30 million to increase the national capital of the Center to support the BBMG Group cement kiln co-processing hazardous waste project. The Center received the above payment on August 27, 2019 and included it in the paid-in capital.

56. Capital reserve

Item	Beginning balance	Increase	Decrease	Closing balance
Capital premium	254,743,135,063.37	7,140,005,245.93	2,949,333,298.72	258,933,807,010.58
Other capital reserve	73,766,964,836.50	10,832,212,652.04	6,656,819,807.10	77,942,357,681.44
Total	328,510,099,899.87	17,972,217,897.97	9,606,153,105.82	336,876,164,692.02

Note:

(1) According to "Notice on the State-owned Capital Operation Budget Indicators and Fund Appropriation of the State-owned Assets Management Center for Increasing Capital to Build a Venture Capital Platform Item" issued by the Beijing State-owned Assets Supervision and Administration Commission, RMB 200 million was allocated the Center to support equity investment. On March 18, 2019, the Center received RMB 200 million, which was included in Capital reserve-Capital premium

(2) According to the "Notice on Budget Funds for State-owned Capital Operation in 2019" issued by Beijing State-owned Assets Supervision and Administration Commission, based on the "Letter of the Beijing Municipal Bureau of Finance on Issuing the State-owned Capital Operation Budget of the State-owned Assets Supervision and Administration Commission for 2019" (Jingcai Assets Index [2019] No. 261), RMB 200 million was allocated to the Center for the purpose of investment in Jinguorui Fund. On June 28, 2019, the Center received the fund of RMB 200 million, which was included in Capital reserve-Capital premium.

(3) According to the "Notice on Budget Funds for State-owned Capital Operation in 2019" issued by Beijing State-owned Assets Supervision and Administration Commission, based on the "Letter from the Beijing Municipal Bureau of Finance on Issuing the State-owned Capital Operation Budget of the Municipal State-owned Assets Supervision and Administration Commission for 2019" (Jingcai Assets Index [2019] No. 2072), RMB 266.14 million was allocated to the Center for the purpose of investment in Jinguorui Fund. On October 31, 2019, the Center received the fund of RMB 266.14 million, which was included in Capital reserve-Capital premium.

(4) According to the "Approval of the State-owned Assets Supervision and Administration Commission of the Beijing Municipal People's Government on the Approval of the Asset Evaluation of All Shareholder Equity Value Projects Involved in the Proposed Capital Increase of Zhongguancun Equity Exchange Service Group Co., Ltd." on September 18, 2019, "Equity Exchange Group Capital Increase and Share Expansion Agreement" signed in November 2019 and the revised "Articles of Association" of Equity Exchange Group, the Center invested RMB 200 million to increase the capital of Equity Exchange Group on November 30, 2019. After the capital increase, all shareholders confirmed that the Center's shareholding ratio was 67.31%. The difference between the capital increase of newly acquired

long-term equity investment and the share of net asset calculated on the basis of the newly added shareholding ratio continuously calculated since the Equity Exchange Group combination date reduced the Capital reserve-Capital premium by RMB 4.65 million.

(5) According to the state capital allocated by the Beijing Municipal Finance Bureau received by each subsidiary companies, the capital premium of the Center was increase by RMB 3,130.81 million.

(6) The net change in capital premium of the subsidiaries of the Center was RMB 398.37 million.

(7) The change in other capital reserve was due to the change in other equity in the subsidiaries of the Center.

57. Special reserves

Item	Beginning balance	Increase	Decrease	Closing balance
Safety production fee	612,275,633.38	555,226,809.72	472,695,983.30	694,806,459.80
Simple reproduction maintenance fee	916,698,522.49	309,400,511.24	112,165,256.91	1,113,933,776.82
Others	44,371,336.99	10,506,084.68	322,056.36	54,555,365.31
Total	1,573,345,492.86	875,133,405.64	585,183,296.57	1,863,295,601.93

58. Surplus reserve

Item	Beginning balance	Increase	Decrease	Closing balance
Statutory surplus reserve	3,296,048,398.64	1,105,428,497.44	--	4,401,476,896.08

59. Undistributed profit

Item	Current year	Prior year
Closing balance of prior year	115,364,583,383.53	104,689,585,584.41
Add: Changes in accounting policies	-1,816,304,547.31	2,339,204,152.14
Correction of previous errors	--	-1,597,654,240.08
Others	-8,834,178.80	579,773,219.57
Beginning balance of the current period	113,539,444,657.42	106,010,908,716.04
Increase	16,260,712,015.20	14,543,235,532.71
Including: Net profit for the year	16,422,489,100.00	16,111,060,237.07
Other adjustments	-161,777,084.80	-1,567,824,704.36
Decrease	13,106,402,578.08	5,189,560,865.22
Including: Appropriation to surplus reserve	1,105,428,497.44	465,491,642.62
Appropriation of general risk	13,179,525.13	473,223,568.89
Appropriation of cash dividends	11,543,298,882.35	4,178,987,828.34
Other decrease	444,495,673.16	71,857,825.37
Closing balance of the current period	116,693,754,094.54	115,364,583,383.53

60. Operating revenue and operating costs

Item	Current year		Prior year	
	Revenue	Cost	Revenue	Cost
1. Primary operations				
Manufacturing	251,429,910,934.24	192,582,068,228.01	238,846,014,343.25	183,768,454,542.96
Steel	171,795,172,410.26	151,198,457,552.54	181,106,372,089.93	160,687,154,580.01
Commerce	148,220,703,881.27	125,244,789,241.06	136,139,407,018.91	115,736,519,438.19
Real estate	121,876,720,102.92	83,467,479,305.66	113,231,219,135.59	80,940,592,933.12
Electronic	125,794,971,945.05	104,851,227,611.33	106,984,705,869.88	83,112,885,759.30
Food processing	84,380,001,705.95	77,615,878,892.73	70,456,016,036.07	64,290,669,448.71
Electricity	32,830,600,892.73	25,152,987,035.31	29,357,087,335.44	23,136,328,614.12
Medicine	17,563,609,905.49	8,684,792,022.47	18,917,656,694.35	9,099,694,593.67
Agriculture	4,846,803,984.09	2,985,557,663.24	4,045,452,720.58	3,026,926,683.94
Coal	5,967,489,001.55	3,461,290,466.30	13,778,599,724.08	10,880,049,656.38
Heat	11,453,857,996.87	14,520,403,010.10	9,689,187,867.10	12,903,291,382.27
Others	55,742,861,531.55	46,923,856,344.81	47,634,715,974.09	35,808,253,857.11
Subtotal of primary operations	1,031,902,704,291.97	836,688,787,373.56	970,186,434,809.27	783,390,821,489.78
2. Other operations				
Manufacturing	18,536,818,391.64	14,472,774,792.27	8,263,525,670.25	5,574,803,015.72
Electromechanical	3,269,845,839.79	1,869,912,373.87	2,496,500,290.29	1,491,388,523.24
Commerce	169,661,244.02	102,685,991.10	219,250,018.65	113,199,926.13
Steel	1,919,728,181.72	2,034,205,082.79	2,580,445,599.68	2,531,491,348.92
Real estate	1,981,928,904.30	473,082,794.71	1,362,067,153.00	469,799,038.80
Highway	465,834,861.41	466,931,395.73	434,567,814.49	425,558,912.76
Medicine	122,792,380.54	73,160,205.49	125,388,709.69	82,931,963.33
Others	10,600,179,427.27	6,584,619,296.21	10,327,260,051.35	8,790,231,172.08
Subtotal of other operations	37,066,789,230.69	26,077,371,932.17	25,809,005,307.40	19,479,403,900.98
Total	1,068,969,493,522.66	862,766,159,305.73	995,995,440,116.67	802,870,225,390.76

61. Selling expenses

Item	Current year	Prior year
Sales service fee	11,102,605,277.32	10,000,098,544.21
Employee's salary	10,055,722,241.34	9,396,912,363.48
Transportation fee	6,670,863,753.18	5,833,833,710.38
Advertising fee	3,657,763,309.77	4,630,396,931.13
Business expenses	1,881,085,720.65	1,190,683,891.57
Depreciation and amortization	761,595,180.36	687,499,438.75

Item	Current year	Prior year
expense		
Exhibition fee	631,093,058.50	344,722,492.61
Warehousing fee	510,020,106.37	246,757,942.48
Consignment sale fee	432,817,528.68	331,362,954.65
Loading and unloading fee	256,496,653.61	240,892,585.06
Others	7,620,720,400.97	8,328,849,359.95
Total	43,580,783,230.75	41,232,010,214.27

62. Administrative expenses

Item	Current year	Prior year
Employee's salary	27,792,283,145.16	26,866,619,327.51
Depreciation	5,222,252,095.91	4,803,633,539.83
Office expenses	2,161,186,753.80	2,172,352,693.55
Repair fee	1,895,269,933.59	1,893,298,904.06
Hiring intermediary agency fee	1,321,874,209.26	1,423,545,143.70
Intangible assets amortization	1,030,729,397.53	2,069,750,023.15
Rental fees	495,318,378.17	494,397,796.31
Travel expenses	462,274,715.76	543,963,984.24
Utility bill	302,727,031.50	400,467,466.55
Insurance	291,286,460.04	290,899,569.36
Consultation fee	241,641,326.10	610,089,685.74
Business entertainment	207,701,708.90	221,928,278.84
Service charge	196,903,083.70	302,509,464.09
Labor fee	123,994,065.33	230,301,112.84
Property fee	121,745,367.73	113,821,258.54
Long-term prepaid expenses amortization	120,880,294.62	159,832,266.15
Sewage charges	84,336,897.27	94,382,137.35
Machine material consumption	69,337,505.85	79,073,618.18
Conference fee	67,913,286.25	64,548,837.87
Litigation fee	58,806,820.11	55,765,106.74
Others	10,746,940,768.26	10,108,633,250.22
Total	53,015,403,244.84	52,999,813,464.82

63. Research and development expenses

Item	Current year	Prior year
Labor cost	5,400,301,446.36	4,679,242,586.75
Depreciation and amortization	2,713,343,950.26	889,321,056.38
Material fee	2,221,190,629.11	1,231,086,345.80
Research processing fee	409,495,836.14	300,494,519.64

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Item	Current year	Prior year
External development fee	86,408,369.07	37,621,992.47
Travel expenses	68,456,043.70	65,530,028.66
Labor fee	39,707,435.52	37,522,731.45
Outsourcing costs	58,703,320.10	51,091,409.24
Technical service fee	23,953,220.66	5,558,428.58
Others	2,639,538,480.38	2,609,364,243.43
Total	13,661,098,731.30	9,906,833,342.40

64. Financial expenses

Item	Current year	Prior year
Total interest expenses	37,487,157,545.02	36,202,408,739.10
Less: Capitalized interest	6,311,663,257.55	5,702,539,263.05
Discount on acceptance bills	105,955,510.53	293,865,277.85
Exchange gain or loss	-122,136,560.70	1,235,377,143.89
Bank charges and other	1,890,872,386.67	1,538,877,030.39
Total	33,050,185,623.97	33,567,988,928.18

65. Other income

Company name	Item	Current year	Prior year
The Center	Beijing AVIC Development Project financial interest discount	75,000,000.00	--
	Beiyi Machine Tool Restructuring Project financial interest discount	25,000,000.00	--
	2017 Comprehensive Contribution Award for the Economic and Social Development of Key Enterprises	800,000.00	--
	2018 Comprehensive Contribution Award for the Economic and Social Development of Key Enterprises	500,000.00	--
	Tax refund	--	139,231.86
	Subtotal		101,300,000.00
Shougang Group	Staff placement fee	881,688,551.92	116,800,817.84
	Environmental protection subsidies	181,442,409.39	107,095,909.90
	Cultural and Sports Development Fund	104,000,000.00	22,000,000.00
	Special subsidies for structural adjustment	67,012,783.71	--
	Stable growth incentive funds	46,981,723.00	178,568,219.00
	Others	273,384,367.54	272,093,474.26
Subtotal		1,554,509,835.56	696,558,421.00
Beijing Electronics	Government grants	2,894,098,213.42	2,180,924,660.93
	Supporting subsidies for corporate public	113,970,991.84	--

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Company name	Item	Current year	Prior year
	services		
	Science and Technology Support Fund	35,573,080.00	--
	Subsidies from the Development and Reform Commission of Chaoyang District, Beijing	--	34,192,008.16
	Others	88,188,472.48	88,487,776.90
	Subtotal	3,131,830,757.74	2,303,604,445.99
Jingcheng Electromechanical	Land compensation	1,211,061,337.13	438,166,433.38
	Deferred income amortization	76,431,217.17	81,385,960.26
	Reform and restructuring funds	30,957,041.94	48,298,710.40
	Research project funding	18,974,930.70	6,637,266.54
	Industry adjustment funds carryover	--	102,171,164.75
	Others	52,797,505.86	68,854,685.84
	Subtotal	1,390,222,032.80	745,514,221.17
Beijing Energy Group	Subsidy funds for loss of urban heat supply operation	3,453,808,300.00	3,495,910,500.00
	Electricity price subsidy	701,964,844.50	686,653,641.87
	Subsidies for heating fuel, etc.	568,898,576.51	593,009,284.78
	Replenishment funds for various awards	352,134,761.70	308,101,205.90
	Compensation for land occupation and demolition	197,643,477.14	376,299,117.36
	Others	621,767,425.52	538,419,581.02
	Subtotal	5,896,217,385.37	5,998,393,330.93
Capital Highway Development	Highway greening promotion project subsidy	181,340,801.00	145,257,341.00
	Hub subsidy	100,000,000.00	80,050,000.00
	Financial interest discount	10,952,000.00	10,952,000.00
	Land occupation fee for outdoor advertising facilities	6,900,000.00	--
	Others	26,384,754.02	26,192,748.74
	Subtotal	325,577,555.02	262,452,089.74
Yiqing Holding	Value-added tax rebates and tax rebates of software	52,360,113.35	48,211,546.42
	Industry Support Fund	18,524,272.82	14,095,570.00
	Retirement allowance	19,380,065.74	22,731,023.18
	Receiving rewards from the Finance Bureau of Huairou District	--	13,182,218.00
	Others	41,066,941.92	31,081,678.67
	Subtotal	131,331,393.83	129,302,036.27
Capital Development	District-level heating subsidy funds for boilers in the heating season	30,966,782.14	5,806,815.78

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Company name	Item	Current year	Prior year
Holdings			
	Incentives for taxation, energy saving, etc.	16,394,580.65	63,577,155.82
	Input tax super-deduction	5,001,800.57	--
	Industry support funds	4,427,000.00	4,720,000.00
	Environmental Protection Agency	3,520,000.00	3,520,000.00
	Financial subsidies		
	Others	7,562,296.03	7,934,009.11
	Subtotal	67,872,459.39	85,557,980.71
Beijing Automotive Group	Enterprise support subsidies	2,004,006,100.00	2,053,318,246.49
	New energy vehicle industry support funds	974,149,400.00	--
	Project development subsidy	262,649,025.84	--
	Fund subsidy for the construction of parking lot of R&D base	--	527,350,286.00
	Others	675,965,890.72	1,201,550,562.88
	Subtotal	3,916,770,416.56	3,782,219,095.37
Tongrentang Group	Job stabilization subsidy	6,329,944.28	2,041,403.13
	Haixi Prefecture's special fund for increasing and stabilizing production	5,000,000.00	2,600,000.00
	Beijing Municipal Commission of Commerce Logistics Construction Project Fund	5,000,000.00	--
	Shibali Planting Subsidy in 2019	3,063,513.00	--
	Demolition Compensation-Longshan Deer Farm	2,603,702.28	--
	Others	47,614,450.94	81,278,731.22
	Subtotal	69,611,610.50	85,920,134.35
Suburb Tourism Company	Government grants	62,390.00	62,390.00
	Input tax super-deduction	62,582.96	--
	Subtotal	124,972.96	62,390.00
Urban and Rural Group	Subsidies for convenient commercial development projects	2,746,500.00	23,000,000.00
	Daxing District Science and Technology Committee Double Innovation Award Fund	2,300,000.00	--
	Industrial policies support high-quality enterprise development funds	1,294,000.00	--
	Subsidy for the basic transformation of cultural science and technology park	1,142,857.14	--
	Others	1,521,503.76	833,848.85
	Subtotal	9,004,860.90	23,833,848.85

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Company name	Item	Current year	Prior year
Xianglong Company	Job stabilization subsidy	3,331,152.07	3,571,162.99
	Comprehensive testing subsidy	3,189,522.00	3,312,885.00
	Input tax super-deduction	1,862,133.08	3,655.97
	Boiler retrofit subsidy	1,155,860.22	2,761,956.67
	Heating subsidy	1,047,410.24	2,018,066.97
	Others	4,398,750.48	13,881,032.02
Subtotal		14,984,828.09	25,548,759.62
International Cooperation Center	Job stabilization subsidy	9,940.82	--
	Input tax super-deduction	7,963.52	--
	International Technology Cooperation Collaboration Platform	896,145.73	--
	Tax handling fee refund	--	4,818.29
	Development and Reform Commission rental subsidy	--	200,000.00
	Subtotal		914,050.07
Ducheng Company	Subsidies for retired personnel of Beijing Municipal Finance Bureau	1,600,000.00	--
	Tax refund	--	2,337.72
	Input tax super-deduction	35,049.07	--
	Value-added tax exemption	231.41	--
Subtotal		1,635,280.48	2,337.72
Beichen Group	Investment promotion	16,355,693.00	3,283,019.00
	Financial incentives	5,375,893.89	2,007,998.00
	Input tax super-deduction	3,828,225.80	--
	Tax refund	1,027,201.00	400,532.92
	Others	920,000.00	23,584.91
Subtotal		27,507,013.69	5,715,134.83
Jinyu Asset	Job stabilization subsidy	7,173,942.45	2,647,993.88
	Sports funding	--	1,336,419.36
	Boiler retrofit subsidy	--	1,039,090.00
	Others	187,976.99	--
Subtotal		7,361,919.44	5,023,503.24
BBMG Group	Value-added tax refund	577,918,676.86	595,274,443.74
	Other subsidy income	158,559,863.87	170,914,224.69
	Heating subsidy	1,600,000.00	3,187,959.04
Subtotal		738,078,540.73	769,376,627.47
Shouong Group	Agricultural support funds	119,553,997.66	108,449,658.99
	Land purchase and storage	105,520,000.00	75,000,000.00
	Energy subsidies	24,193,586.75	44,187,870.24

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Company name	Item	Current year	Prior year
	Tax reliefs such as various taxes and fees, value-added tax deductions, etc.	31,077,016.38	43,643,215.88
	Others	487,989,036.11	438,047,984.31
Subtotal		768,333,636.90	709,328,729.42
Equity Development Company	Tax handling fee refund	87,290.07	9.08
Real Estate Investment	Input tax super-deduction	801,621.80	--
	Tax handling fee refund	--	6,259.84
Subtotal		801,621.80	6,259.84
Equity Exchange Group	Zhongguancun Demonstration Zone Science and Technology Small and Micro Enterprises R&D Support Fund (Second Batch)	37,600.00	--
	Receive venture capital risk subsidy funds	397,088.00	--
Subtotal		434,688.00	--
Jingguorui Fund Management	Tax handling fee refund	--	312.60
Guidance Fund Management Company	Tax handling fee refund	--	189.22
Total		18,154,512,149.90	15,628,763,907.57

66. Investment income

Source	Current year	Prior year
Income from long-term equity investment by equity method	11,189,962,978.17	14,437,449,815.07
Gain from disposal of long-term equity investment	3,029,195,279.14	2,807,995,911.35
Income from holding of financial assets at fair value through profit or loss	431,347,367.52	355,264,116.90
Gain from disposal of financial assets at fair value through profit or loss	1,331,996,463.73	143,781,156.19
Income from holding of held to maturity investments	84,429,826.58	118,448,121.82
Gain from disposal of held to maturity investments	7,114,622.42	4,236,857.02
Income from holding of available for sale financial assets	5,155,660,514.12	3,964,593,511.31
Gain from disposal of available for sale financial assets	1,154,810,965.90	826,943,779.36
Income from holding of trading financial assets	99,833,883.21	156,807,626.42
Dividend income from holding of other equity instrument investments	211,310,061.77	--
Interest income from holding of debts investment	3,612,848.25	--
Interest income from holding of other debts investment	11,802,409.48	--

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Source	Current year	Prior year
Gain from disposal of debts investment	-443,184,451.58	--
Gain from remeasurement at fair value of shareholdings when acquired the control over investees	7,627,168.39	111,208,185.71
Gain from remeasurement at fair value of remaining shareholdings when the loss of control over investees	695,624,353.46	--
Others	622,523,883.79	504,548,424.93
Total	23,593,668,174.35	23,431,277,506.08

67. Gains from change in fair value

Source	Current year	Prior year
Trading financial assets	253,378,846.02	534,915,056.90
Financial assets at fair value through profit or loss	1,582,351,779.57	-457,546,580.23
Trading financial liabilities	-28,582,858.30	-849,355,727.24
Financial liabilities at fair value through profit or loss	-658,947,704.04	196,536,326.85
Investment properties measured at fair value	973,351,282.94	783,192,161.43
Others	296,368,772.62	13,414,239.39
Total	2,417,920,118.81	221,155,477.10

68. Credit impairment loss

Item	Current year	Prior year
Bad debts	-1,602,240,026.69	-456,671,632.57
Impairment loss of contract assets	548,767.01	--
Impairment loss of debts investment	-718,562.59	--
Others	-29,437,937.18	--
Total	-1,631,847,759.45	-456,671,632.57

69. Assets impairment loss

Item	Current year	Prior year
Bad debts	-7,366,870,362.46	-1,917,657,979.20
Decline in value of inventories	-5,351,178,532.41	-3,691,634,908.23
Impairment loss of available-for-sale financial assets	-23,708,928.50	-199,840,756.14
Impairment loss of long-term equity investment	-353,586,063.67	-55,803,432.92
Impairment loss of investment properties	--	-20,309,781.72
Impairment loss of fixed assets	-699,257,167.73	-980,118,955.77
Impairment loss of construction in	-513,538,236.85	-552,282,219.85

Item	Current year	Prior year
progress		
Impairment loss of productive biological assets	-32,153.00	--
Impairment loss of intangible assets	-211,613,988.50	-77,573,840.09
Impairment loss of goodwill	-973,662,407.39	-429,050,758.89
Other	-331,489,103.56	-110,276,345.09
Total	-15,824,936,944.07	-8,034,548,977.90

70. Gains from disposal of assets

Item	Current year	Prior year	Amount included in non-recurring gain or loss
Gain from disposal of fixed assets ("-" for loss)	1,453,110,482.74	688,249,341.84	1,453,110,482.74
Income from transfer of coal production replacement index	115,283,019.30	--	115,283,019.30
Gain from disposal of intangible assets ("-" for loss)	7,157,929.68	-29,901,778.85	7,157,929.68
Gain from disposal of non-current assets held for sale	38,440.72	140,242.22	38,440.72
Gains from the exchange of non-monetary assets ("-" for loss)	--	108,733,401.79	--
Gain from disposal of productive biological assets ("-" for loss)	-76,553,240.21	-129,679,584.13	-76,553,240.21
Others	56,740,815.29	35,180,557.17	56,740,815.29
Total	1,555,777,447.52	672,722,180.04	1,555,777,447.52

71. Non-operating income

Item	Current year	Prior year	Amount included in non-recurring gain or loss
Demolition compensation income	1,441,672,663.79	1,249,060,380.95	1,441,672,663.79
Amount unable to pay	651,915,920.43	341,324,911.37	651,915,920.43
Government grants	406,670,041.73	843,289,392.06	406,673,227.39
Compensation, liquidated damages, fine income, etc.	594,532,276.89	504,426,805.81	594,532,276.89
Gain from the acquisition cost less than the share of net assets acquired in investee	250,988,553.83	124,476,085.32	250,988,553.83
Non-current asset scrapping gains	58,390,747.72	376,451,057.20	58,390,747.72
Gain from debt restructuring	--	213,796,360.37	29,412,434.78
Sale of scrap	8,989,998.81	61,383,092.47	8,989,998.81
Tax reduction, exemption and	894,189.77	14,050,148.98	894,189.77

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Item	Current year	Prior year	Amount included in non-recurring gain or loss
refund			
Others	1,193,473,642.74	1,900,016,560.10	1,164,058,022.30
Total	4,607,528,035.71	5,628,274,794.63	4,607,528,035.71

Including, details of government grants:

Company name	Item	Current year	Prior year
Shougang Group	Government grants	1,184,582.76	3,265,900.59
Beijing Electronics	Government grant for transfer of non-commercial assets	69,550,209.05	333,595.50
	Government grant for other scientific research projects	49,264,168.34	73,136,030.00
	Project Subsidies of contract Office	12,119,944.70	1,107,352.23
	Others	3,935,298.68	10,212,680.82
Subtotal		134,869,620.77	84,789,658.55
Beijing Energy Group	Financial support funds for smart parking industry projects	16,000,000.00	--
	Reward funds from investment promotion bureaus and other units	15,221,970.76	22,279,353.81
	Tax refund, exemption and tax rebate, etc.	6,390,793.41	10,757,190.55
	Forest farm handover subsidy	--	71,966,594.00
	Others	6,168,462.85	35,010,164.86
Subtotal		43,781,227.02	140,013,303.22
Capital Highway Development	Government grants for disposal of vehicle assets	277,600.00	65,000.00
	National defense traffic support team building	490,566.04	--
	Subsidies for obsolete motor vehicles	--	440,907.50
	Yellow label car reward	8,000.00	--
	Disability insurance subsidy	--	10,000.00
Subtotal		776,166.04	515,907.50
Yiqing Holding	Housing subsidy	21,209,999.30	--
	Financial assistance for non-operating assets	20,755,674.09	2,088,797.36
	Heating fee and property fee subsidy	11,594,445.70	--
	M&A and restructuring subsidies	9,123,443.00	4,876,483.00
	Others	13,753,458.02	18,427,731.09
Subtotal		76,437,020.11	25,393,011.45
Capital Development Holdings	Government subsidies for old cars	--	10,000.00

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Company name	Item	Current year	Prior year
Beijing Automotive Group	GTL project subsidy	6,948,000.00	--
	Skills Upgrading Training Subsidies	699,000.00	--
	Relocation compensation for pollution	--	376,072,600.00
	Others	1,404,466.31	12,023,361.47
Subtotal		9,051,466.31	388,095,961.47
Tongrentang Group	Subsidies for renewal and elimination of old cars	509,000.00	175,800.00
	Other financial subsidies	--	64,000.00
Subtotal		509,000.00	239,800.00
Xianglong Company	Subsidies from Transport Commission	7,076,800.00	1,906,000.00
	Beijing Municipal Commission of Commerce Fund Subsidy	2,104,360.00	1,318,748.76
	Energy saving and emission reduction projects	774,000.00	774,000.00
	Subsidies for transfer of non-commercial assets	--	15,713,181.75
	Others	1,975,936.83	2,720,296.40
Subtotal		11,931,096.83	22,432,226.91
International Cooperation Center	Government grants	--	124,071.63
Beichen Group	Investment subsidy	1,390,000.00	300,000.00
	Financial incentives	--	975,115.00
	Fixed assets upgrading	--	6,633.34
	Others	--	780,152.00
Subtotal		1,390,000.00	2,061,900.34
Jinyu Asset	Demolition compensation	4,454,231.18	--
	Xicheng District Development and Reform Commission Award	200,000.00	--
	Disability allowance	36,000.00	48,000.00
	Old pipe network renovation subsidy	--	452,779.09
	Others	--	21,124.11
Subtotal		4,690,231.18	521,903.20
BBMG Group	Government grants	111,663,451.47	162,768,716.76
Shounong Group	Government grants	10,386,179.24	12,098,404.05
Equity Exchange Group	Government grants	--	958,626.39
Total		406,670,041.73	843,289,392.06

72. Non-operating expenses

Item	Current year	Prior year	Amount included in non-recurring gain or loss
Loss on disposal of non-current assets	659,877,883.83	1,260,874,326.28	659,877,883.83
Compensation, liquidated damages, fines and late fees	644,452,641.07	786,816,690.52	644,452,641.07
Compensation for demolition	441,693,392.10	245,773,081.90	441,693,392.10
Non-commercial asset transfer fee	373,962,262.53	23,138,797.81	373,962,262.53
Donations	207,880,754.25	226,580,429.50	207,880,754.25
Evacuation compensation expenditure	130,831,295.82	48,158,266.84	130,831,295.82
Abnormal loss	126,892,663.25	54,619,505.63	126,892,663.25
Leaving staff costs	38,513,074.59	11,627,727.40	38,513,074.59
Pending Litigation	34,800,000.00	--	34,800,000.00
Others	1,342,661,672.96	2,124,088,851.30	1,342,661,672.96
Total	4,001,565,640.40	4,781,677,677.18	4,001,565,640.40

73. Income tax expense

Item	Current year	Prior year
Current income tax	25,178,019,620.02	22,621,221,298.77
Deferred income tax	-3,513,259,342.78	-3,154,875,015.67
Others	-588,076.41	1,025,938.82
Total	21,664,172,200.83	19,467,372,221.92

74. Share-based payments

(1) Information about share-based payments

Information about share-based payments of Beijing Electronics

Total amount of equity instruments granted during the year	--
Total amount of equity instruments exercised during the year	--
Total amount of equity instruments forfeited during the year	--
Range of exercise price and residual life of outstanding share options at the end of the year	RMB 35.31 per share; 0.5 year, 1.5 years, 2.5 years
Range of exercise price and residual life of outstanding other equity instruments at the end of the year	None

Information about share-based payments of Beijing Energy Group

Total amount of equity instruments granted during the year	59,624,570.00 shares
Total amount of equity instruments exercised during the year	--

Total amount of equity instruments forfeited during the year	--
Range of exercise price and residual life of outstanding share options at the end of the year	Exercise price RMB 3.17 per share, residual life 47 months
Range of exercise price and residual life of outstanding other equity instruments at the end of the year	59,624,570.00 shares

Note: Beijing Jingneng Electric Power Co., Ltd., a subsidiary of Beijing Energy Group, issued 60,172,570 stock options granted to 172 incentive participants according to the reviewed and approved "Proposal on the Company's Stock Option Incentive Plan (Draft) and its summary" based on the Fourth Extraordinary General Meeting of Shareholders of 2019 held on December 9, 2019 and "Proposal on Granting Stock Options to Incentive Objects of the Company's First-Phase Stock Option Incentive Plan" at the 29th meeting of the 6th Board of Directors and the 15th meeting of the 6th Board of Supervisors. In the process of share registration after the grant date, the two incentive participants gave up all the stock options granted, in total of 548,000 stock options, due to personal reasons. Therefore, the Company finally granted 59,624,570 stock options to 170 incentive participants. The stock option grant date is December 9, 2019, and the exercise price is RMB 3.17 per share.

(2) Equity-settled share-based payments

Equity-settled share-based payments of Beijing Electronics

Method in determining the fair value of equity instruments at the date of grant	B-S model
Basis in best estimate of quantity of exercisable equity instruments	Number of stock options granted - number of options forfeited by the resigned employee
Reason for significant difference of estimation between current year and prior year	--
Accumulated amount recorded in capital reserve for equity-settled share-based payments	63,089,831.16
Total expenses recognized for equity-settled share-based payments in the year	42,134,903.69

Equity-settled share-based payments of Beijing Energy Group

Method in determining the fair value of equity instruments at the date of grant	The company uses the internationally accepted Black-Scholes model to evaluate the fair value of stock options, and predicts the stock options granted this time using the closing price of the stock option grant date as the benchmark price. Make the best estimate based on the latest obtained subsequent information such as the change in the number of vested employees, and revise the Quantity of the equity instrument that is expected to be vested.
Basis in best estimate of quantity of exercisable equity instruments	
Reason for significant difference of estimation	None

between current year and prior year	
Accumulated amount recorded in capital reserve for equity-settled share-based payments	575,784.42
Total expenses recognized for equity-settled share-based payments in the year	The equity-settled share-based payment in the current period is included in Administrative expenses of RMB 754,690.71, and included in Construction in progress of RMB 114,811.59

75. Debt restructuring

(1) During the year, Beijing Electronics, as a debtor, obtained gain on debt restructuring of amount RMB 14,305,289.60 in hybrid restructuring, and as a creditor, incurred loss on debt restructuring of amount RMB 879,440.26 by modifying other conditions of the claims.

(2) During the year, Jingcheng Electromechanical, as a debtor, obtained gain on debt restructuring of RMB 15,696,514.43 by payment of cash less than the carrying value of debts; as a creditor, incurred loss on debt restructuring of RMB 471,288.01 by receiving cash less than the carrying value of debts.

(3) During the year, Beijing Energy Group, as a debtor, obtained gain on debt restructuring of RMB 37,466.02 by payment of cash less than the carrying value of debts.

(4) During the year, Yiqing Holding, as a creditor, incurred loss on debt restructuring of RMB 479,800.00 by receiving cash less than the carrying value of debts, and incurred loss on debt restructuring of amount RMB 162,430.00 by modifying other conditions of the claims.

(5) During the year, Beijing Automotive Group, as a debtor, obtained gain on debt restructuring of RMB 148,745.18 by payment of cash less than the carrying value of debts.

(6) During the year, Xianglong Company, as a debtor, obtained gain on debt restructuring of RMB 14,958,400.00 by payment of cash less than the carrying value of debts.

(7) During the year, Shounong Group, as a debtor, obtained gain on debt restructuring of amount RMB 7,430,305.34 by payment of cash less than the carrying value of debts; and as a creditor, incurred loss on debt restructuring of amount RMB 41,500.00 by modifying other conditions of the claims.

76. Borrowing costs

Name of Company	Capitalized borrowing costs for the year	Capitalization rate (%)
Shougang Group	1,542,017,600.44	3.73-5.15
Beijing Electronics	1,187,054,586.04	4.01
Jingcheng Electromechanical	36,092,682.56	0.08-7.35
Beijing Energy Group	957,798,163.24	0.15-12.50
Capital Highway Development	13,426,680.65	4.35
Capital Development Holdings	4,589,642,258.21	3.85-8.80
Beijing Automotive Group	469,112,326.51	1.20-4.63
Tongrentang Group	22,873,529.06	0.04-4.94
Beichen Group	453,276,608.52	6.00

Name of Company	Capitalized borrowing costs for the year	Capitalization rate (%)
BBMG Group	2,966,468,446.68	3.48-6.60
Shouong Group	978,896,596.82	3.25-10.50
Total	13,216,659,478.73	--

77. Leases

“Companies that have not yet implemented the new lease standard”:

(1) As lessor in financing leases

Remaining lease term	Minimum lease receivables
Within 1 year (inclusive of 1 year)	9,704,524,619.34
Over 1 year and within 2 years (inclusive of 2 years)	4,381,647,972.64
Over 2 year and within 3 years (inclusive of 3 years)	2,126,644,244.23
Over 3 years	355,197,346.37
Total	16,568,014,182.58

(2) As lessor in operating leases

Category of assets under operating leases	Carrying value at year end	Carrying value at beginning of year
1. Housing and buildings	36,338,424,797.15	36,003,312,985.75
2. Land use rights	463,877,474.40	1,052,232,770.68
3. Machinery and equipment	368,126,763.81	609,957,244.29
4. Transportation tools	1,019,152,446.18	1,351,217,711.32
5. Electronic equipment	75,623.16	8,948,752.01
6. Others	4,684,292.94	5,689,337.64
Total	38,194,341,397.64	39,031,358,801.69

(3) As lessee under financing leases

Category of fixed assets under financing leases	Closing balance	Beginning balance
I. Cost		
Housing and buildings	98,060,405.31	--
Machinery and equipment	1,761,244,770.64	2,966,168,644.32
Transportation tools	350,965,369.98	144,387,465.16
Subtotal	2,210,270,545.93	3,110,556,109.48
II. Accumulated depreciation		
Housing and buildings	34,901,149.77	--
Machinery and equipment	206,046,659.83	933,834,725.65
Transportation tools	84,753,590.54	6,213,031.68

Category of fixed assets under financing leases	Closing balance	Beginning balance
Subtotal	325,701,400.14	940,047,757.33

Minimum lease payments to be paid in subsequent years:

Remaining lease term	Minimum lease payments
Within 1 year (inclusive of 1 year)	282,087,705.73
Over 1 year and within 2 years (inclusive of 2 years)	317,589,527.50
Over 2 year and within 3 years (inclusive of 3 years)	1,035,802,040.05
Over 3 years	1,097,466,087.69
Total	2,732,945,360.97

(4) As lessee in operating leases

Remaining lease term	Operating lease payment
Within 1 year (inclusive of 1 year)	328,880,254.92
Over 1 year and within 2 years (inclusive of 2 years)	240,236,104.46
Over 2 year and within 3 years (inclusive of 3 years)	180,680,419.55
Over 3 years	1,641,965,706.28
Total	2,391,762,485.21

"Companies that have implemented the new lease standard":

(1) As lessee

① Information of lessee

Item	Amount
Interest expense on lease liabilities	61,668,243.02
Short-term lease expenses included in current profit or loss	87,637,174.09
Low-value asset lease expenses included in current profit or loss	1,567,372.83
Variable lease payments not included in the measurement of lease liabilities	299,190.46
Income from sublease of right-of-use assets	186,413.98
Total cash outflow related to lease	325,432,543.60

② Supplementary information of lessee

On December 31, 2019, Beijing Jingneng Clean Energy Power Co., Ltd., a subsidiary of Beijing Energy Group and its subsidiaries, identified a total of 261 lease contracts in accordance with the Accounting Standards for Business Enterprises No. 21-Lease (Revision). The lease objects are mainly land, houses and roofs, wasteland and barren hills, ponds and water surfaces and surrounding land, etc. The lease term is up to August 30, 2047, and the tax-exclusive lease payments to be paid in the future is total RMB

922,815,709.31.

(2) As lessor

① Operating lease as landlord

Item	Amount
1. Information of revenue	1,976,602,651.71
Rental income	1,976,602,651.71
Income related to variable lease payments not included in lease receipts	--
II. Undiscounted lease receipts that will be received each year for five consecutive years after the balance sheet date	1,655,207,452.11
First year	473,682,439.35
Second year	346,714,675.07
Third year	308,103,367.60
Fourth year	297,978,941.97
Fifth year	228,728,028.12
III. Total amount of undiscounted lease payments that will be received in the remaining years	999,506,395.46
Within 1 year (inclusive of 1 year)	216,944,716.56
Over 1 year and within 2 years (inclusive of 2 years)	217,455,344.23
Over 2 year and within 3 years (inclusive of 3 years)	165,278,496.97
Over 3 years	399,827,837.70

78. Discontinued operations

Item	Current year	Prior year
I. Revenue from discontinued operation	410,831,206.71	4,434,047.09
Less: Operating expenses of discontinued operations	485,144,962.62	44,800,838.79
II. Profit from discontinued operations	-74,313,755.91	-40,366,791.70
Less: Income tax of discontinued operations	80.77	--
III. Net profit of discontinued operation	-74,313,836.68	-40,366,791.70
Including: profit of discontinued operation attributable to shareholders of parent company	-74,313,836.68	-40,366,791.70
Add: Net gain from disposal (after tax)	--	--
Including: Total gain or loss on disposal	--	--
Less: Income tax expense (or income)	--	--
IV. Total net profit from discontinued operations	-6,421,437.00	-40,366,791.70
Including: Total net profit from discontinued operations attributable to owners of the parent company	-6,421,437.00	-40,366,791.70
V. Net cash flow from discontinued operations	--	-49,491,998.85
Including: Net cash flow of operating activities	--	-1,373,551.61

Item	Current year	Prior year
Net cash flow of investing activities	--	-1,148,119.00
Net cash flow of financing activities	--	-46,970,328.24

79. Supplement to consolidated cash flows statement

(1) Supplement to cash flows statement

Item	Current year	Prior year
I. Reconciliation of net profit to cash flow from operating activities:		
Net profit	44,366,304,579.11	42,683,541,442.09
Add: Impairment for assets	15,824,936,944.07	8,034,548,977.90
Credit impairment loss	1,631,847,759.45	456,671,632.57
Depreciation of fixed assets, amortization of investment properties, depreciation of right-of-use assets, depreciation of productive biological assets	54,496,492,026.06	49,006,910,381.99
Amortization of intangible assets	7,517,557,074.82	7,446,800,349.01
Amortization of long-term prepaid expenses	2,517,163,083.91	2,185,480,219.89
Losses on disposal of fixed assets, intangible assets, and other long-term assets (Gain as in "-")	-1,649,897,885.30	-662,641,162.74
Loss on retirement of fixed assets (Gain as in "-")	595,630,479.93	887,674,589.02
Losses on changes in fair value (Gain as in "-")	-2,417,920,118.81	-221,155,477.10
Financial expenses (Gain as in "-")	32,865,464,092.42	35,033,688,384.71
Investment losses (Gain as in "-")	-23,593,668,174.35	-23,431,277,506.08
Decrease in deferred tax assets (Increase as in "-")	-4,252,215,963.36	-3,367,084,917.46
Increase in deferred tax liabilities (Decrease as in "-")	429,764,714.35	458,578,600.10
Decrease in inventories (Increase as in "-")	-52,488,506,170.06	-62,964,460,534.18
Decrease in operating receivables (Increase as in "-")	-15,372,120,080.30	6,949,785,560.62
Increase in operating payables (Decrease as in "-")	27,980,616,556.34	18,778,452,731.67
Others	695,770,976.88	-3,911,915,139.69
Net cash flows from operating activities	89,147,219,895.16	77,363,598,132.32
II. Significant investment or finance activities not involving cash:		
Debts converted to capital	--	--
Convertible debts mature within one year	--	--
Fixed assets acquired under finance leases	--	--
III. Net increase / (decrease) in cash and cash equivalents:		
Cash as at end of year	294,532,442,034.54	303,672,564,757.01
Less: cash as at beginning of year	303,672,564,757.01	274,397,914,751.22
Add: cash equivalents as at end of year	--	--
Less: cash equivalents as at beginning of year	--	--
Net increase in cash and cash equivalents	-9,140,122,722.47	29,274,650,005.79

(2) Cash and cash equivalents

Item	Closing balance	Beginning balance
1. Cash	294,532,442,034.54	303,672,564,757.01
Including: Cash on hand	26,812,092.30	84,906,467.56
Cash at bank readily available for payment	285,491,114,840.11	295,354,246,664.05
Other monetary fund readily available for payment	3,640,329,674.61	5,616,765,047.65
Cash at central bank available on demand	488,532,332.66	224,303,208.83
Amounts due from banks	4,885,653,094.86	2,392,343,368.92
2. Cash equivalents	--	--
3. Cash and cash equivalents as at closing balance	294,532,442,034.54	303,672,564,757.01

80. Items in foreign currencies

Item	Closing balance in foreign currency	Conversion rate	Closing balance translated into RMB
Cash and bank balances			
Including: USD	5,424,333,720.92	6.9762	37,841,236,903.88
EUR	421,874,615.46	7.8155	3,297,161,057.13
HKD	3,849,580,724.55	0.8958	3,448,454,413.05
GBP	16,752,842.43	9.1501	153,290,183.52
JPY	347,583,034.44	0.0641	22,280,072.51
Others	6,172,056,223.98	--	1,193,014,647.78
Other monetary fund			
Including: USD	47.64	6.9762	332.35
Accounts receivable			
Including: USD	2,467,702,355.85	6.9762	17,215,185,174.88
EUR	225,352,090.58	7.8155	1,761,239,263.93
HKD	142,161,463.67	0.8958	127,348,239.16
GBP	498,070.21	9.1501	4,557,392.23
JPY	198,107,214.80	0.0641	12,698,672.47
Others	1,714,273,759.88	--	162,038,766.97
Other receivables			
Including: USD	5,227,433.11	6.9762	36,467,618.86
EUR	6,198,449.26	7.8155	48,443,980.19
HKD	21,973,340.00	0.8958	19,683,717.97
Others	313,791,890.00	--	6,927,744.65
Long-term receivables			
Including: USD	45,483,261.37	6.9762	317,300,327.97
Short-term loans			
Including: USD	575,079,897.22	6.9762	4,011,872,378.99

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Item	Closing balance in foreign currency	Conversion rate	Closing balance translated into RMB
EUR	561,842,367.47	7.8155	4,391,079,022.96
HKD	1,502,728,085.12	0.8958	1,346,143,818.65
JPY	161,235,793.86	0.0641	10,335,214.39
Others	66,509,847.49	--	237,579,773.00
Accounts payable			
Including: USD	108,884,585.65	6.9762	759,600,646.418
EUR	1,910,514,219.49	7.8155	14,931,623,882.42
HKD	16,065,300.00	0.8958	14,391,295.74
JPY	2,516,500.00	0.0641	161,307.65
Others	504,973,140.42	--	43,142,333.36
Other payables			
Including: USD	2,690,357.75	6.9762	18,768,473.74
EUR	386,939,449.15	7.8155	3,024,125,264.83
HKD	24,555,500.00	0.8958	21,996,816.90
GBP	3,100.00	9.1501	28,365.31
Others	18,515,341.23	--	41,769,852.16
Long-term payables			
Including: USD	8,286,088.00	6.9762	57,805,407.11
Long-term loans			
Including: USD	5,104,085,798.76	6.9762	35,607,123,349.31
EUR	465,420,237.13	7.8155	3,637,491,863.29
HKD	3,634,904,098.69	0.8958	3,256,147,091.61
GBP	51,200,000.00	9.1501	468,485,120.00
JPY	1,517,932,254.78	0.0641	97,299,457.53
Others	199,431,508.29	--	998,647,932.57
Bonds payable			
Including: USD	1,393,166,636.11	6.9762	9,719,009,086.83
EUR	449,902,995.00	7.8155	3,516,216,857.42

81. Ownership or using rights of assets subject to restriction

Item	Carrying value at year end	Reason of restriction
Cash and bank balances	35,507,495,508.81	Security deposits, Pledge for loans
Notes receivable	2,043,567,742.35	Security deposits, Pledge
Accounts receivable	2,023,691,044.10	Loan mortgage
Inventories	120,304,656,855.91	Loan mortgage
Fixed assets	165,882,849,163.30	Loan mortgage, external guarantee, etc.
Intangible assets	2,757,258,680.90	Loan mortgage, court freeze

Item	Carrying value at year end	Reason of restriction
Construction in progress	58,235,235,378.51	Loan mortgage or sale and leaseback of construction projects
Investment properties	14,335,311,076.07	Loan mortgage, Security deposits
Equity	5,132,897,971.91	Pledge of equity
Others	29,541,998,309.39	Loan mortgage, guarantee, etc.

VIII. Contingencies

(I) Pending Litigation and arbitration

1. Pending litigation and arbitration of Shougang Group

As of December 31, 2019, Shougang Group, as the defendant, had a total of 9 outstanding litigation or arbitration cases involving larger amount of litigation with total of RMB 912.10 million, all of which are in trial.

2. Pending litigation and arbitration of Jingcheng Electromechanical

As of December 31, 2019, Jingcheng Electromechanical, as the plaintiff, had 29 outstanding litigation cases, involving amount in total of RMB 768.30 million, of which 21 cases have been won and are being enforced, 5 cases are under trial, 1 case is awaiting the result of arbitration, 1 case is in court for mediation and compulsory execution is applied, and 1 case is in the stage of enforcement. Jingcheng Electromechanical, as the defendant, had 13 remaining outstanding litigation cases, involving amount in total of RMB 222.72 million, of which 4 cases were in the compulsory execution stage, 4 cases were in the payment obligation fulfillment stage stated in the effective mediation document, 3 cases were under legal preservation, 1 case did not enter the enforcement stage, and 1 case was in the jurisdictional objection process.

3. Pending litigation and arbitration of Beijing Energy Group

As of December 31, 2019, Beijing Energy Group was the defendant in 7 pending litigation cases, involving amount in total of RMB 504.65 million, of which 5 cases were in trial, 1 case was in execution, and 1 case is not executed. Beijing Energy Group, as the plaintiff, had two outstanding litigation cases involving amount in total of RMB 56.65 million, of which 1 case had not been executed and 1 case was under trial.

4. Pending litigation and arbitration of Beijing Automotive Group

As of December 31, 2019, Beijing Automotive Group, as the defendant, had a total of 21 outstanding litigation cases, involving an amount in total of RMB 370.68 million, all of which were under trial.

5. Pending litigation and arbitration of Xianglong Company

As of December 31, 2019, Xianglong Company, as the plaintiff, had a total of 9 outstanding litigation or arbitration cases involving large amount of litigation with total of RMB 734.00 million, of which 1 case was in the criminal investigation stage, and the rest were under trial.

6. Pending litigation and arbitration of Shounong Group

As of December 31, 2019, Shounong Group had a total of 152 Litigation cases, which involved RMB 671.45 million, including 64 cases obtained effective judgement and under the execution stage with involved amount of RMB 351.20 million, and 88 cases had not yet obtained litigation judgement with involved amount of RMB 320.26 million.

7. Pending litigation and arbitration of Yiqing Holding

As of December 31, 2019, Yiqing Holding, as the defendant, had 1 pending litigation, with a litigation amount of RMB 12.07 million. The plaintiff is currently suspected of contract fraud and is in the criminal investigation stage; as the plaintiff, there is 1 pending litigation with a litigation amount of RMB 13.80 million.

(II) Guarantee provided to other entities

1. As of December 31, 2019, the subsidiaries of the Center provided guarantees to internal entities of RMB 358.49 billion, Euro 5.4 million, US dollar 900.00 million, Australian dollar 115.00 million and Canadian dollar 50.00 million. Including:

(1) Shougang Group and its subsidiaries provided guarantees to the group companies in total amount of RMB 51.11 billion and USD 400.00 million.

(2) Beijing Electronics and its subsidiaries provided guarantees to the group companies in a total amount of RMB 101.44 billion.

(3) Jingcheng Electromechanical and its subsidiaries provided guarantees to the group companies in a total amount of RMB 9.18 billion.

(4) Beijing Energy Group and its subsidiaries provided guarantees to the group companies in a total amount of RMB 38.95 million.

(5) Capital Development Holdings and its subsidiaries provided guarantees to the group companies in a total amount of RMB 54.22 million, US dollar 500.00 million, Australian dollar 115.00 million, Canadian dollar 50.00 million.

(6) Beichen Group and its subsidiaries provided guarantees to the group companies in a total amount of RMB 4.28 billion.

(7) Tongrentang Group provided guarantees to the group companies in a total amount of RMB 31.16 million.

(8) Beijing Automotive Group and its subsidiaries provided guarantees to the group companies in a total amount of RMB 43.32 billion and Euro 5.40 million.

(9) Jinyu Asset provided guarantees for the total amount of RMB 800.00 million to the subsidiaries of the Center.

(10) Xianglong Company and its subsidiaries provided guarantees to the group companies in a total amount of RMB 818.12 million.

(11) Shounong Group and its subsidiaries provided guarantees to the group companies in a total amount of RMB 26.74 billion.

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(12) BBMG Group and its subsidiaries provided guarantees to the group companies in a total amount of RMB 27.59 billion.

2. As of December 31, 2019, the Center's subsidiaries provided guaranteed to external entities in a total amount of RMB 61.78 billion. The details are as follows:

Company name	Entity being guaranteed	Guarantee amount (RMB ten thousand)	Mode of guarantee	Category of guarantee	Whether overdue	Status of entity being guaranteed
Shougang Group	Beijing Infrastructure Investment Co., Ltd.	170,000.00	Joint and several liability guarantee	Other guarantee	No	Normal operation
	Qian'an Sinochem Coal Chemical Co., Ltd.	35,000.00	Joint and several liability guarantee	Loan guarantee	No	Normal operation
	Tangshan Zhonghong Carbon Chemical Co., Ltd.	424.00	Joint and several liability guarantee	Loan guarantee	No	Normal operation
	Shanxi Changqin Coal and Coke Co., Ltd.	72,495.50	Joint and several liability guarantee	Loan guarantee	No	Normal operation
	Shanxi Qinxin Energy Group Co., Ltd.	20,000.00	Joint and several liability guarantee	Loan guarantee	No	Normal operation
	Shuicheng Iron and Steel Group (Industry and Trade) Co., Ltd.	7,326.00	Trade finance guarantee	Loan guarantee	No	Normal operation
	China Niobium Investment Holdings Co., Ltd.	103,596.57	Joint and several liability guarantee	Loan guarantee	No	Normal operation
	Anhui Shouwen High-tech Materials Co., Ltd.	1,000.00	Joint and several liability guarantee	Loan guarantee	No	Insolvent position and not going concern
	Beijing Jinan Xingye Real Estate Development Co., Ltd.	17,502.64	Joint and several liability guarantee	Loan guarantee	No	Normal operation
	Inner Mongolia Zhunxing Heavy Haul Expressway Co., Ltd.	342,331.25	Joint and several liability guarantee	Loan guarantee	Yes	Normal operation
Beijing Electronics	Commercial Housing Purchaser	289,000.00	Guarantee by stage	Loan guarantee	No	Normal operation
	Beijing Electronic Zone Beiguang Digital New Media Technology Development Co., Ltd.	3,658.40	Joint and several liability guarantee	Contract guarantee	No	Normal operation
	1,587 commercial housing buyers	40,221.70	Joint and several liability guarantee	Loan guarantee	No	Normal operation
	Beijing Yuewu Technology Co., Ltd.	32,300.00	Joint and several liability guarantee	Loan guarantee	No	Normal operation
	Beijing Yilong Information Technology Co., Ltd.	19,692.00	Joint and several liability guarantee	Loan guarantee	No	Normal operation
	State-owned Capital Operation and Management Center of Chaoyang District, Beijing	28,646.00	Joint and several liability guarantee	Loan guarantee	No	Normal operation
	Beijing Shibaolai Amusement Equipment Co., Ltd.	2,937.00	Joint and several liability guarantee	Loan guarantee	No	Normal operation
	Ronglian Digital (Beijing) Information Technology Co., Ltd.	19,000.00	Joint and several liability guarantee	Loan guarantee	No	Normal operation
	Zhongnanhong (Beijing) Culture Co., Ltd.	18,400.00	Joint and several liability guarantee	Loan guarantee	No	Normal operation

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Company name	Entity being guaranteed	Guarantee amount (RMB ten thousand)	Mode of guarantee	Category of guarantee	Whether overdue	Status of entity being guaranteed
	Beijing Jinghan Jiaxin Trading Co., Ltd.	2,829.00	Joint and several liability guarantee	Loan guarantee	No	Normal operation
	Beijing MCC Jindu Technology Co., Ltd.	3,947.00	Joint and several liability guarantee	Loan guarantee	No	Normal operation
	Beijing China Television Sound Technology Joint Development Company	535.02	Joint and several liability guarantee	Loan guarantee	Yes	Shut down
	Beijing Fourth Radio Components Factory	857.00	Joint and several liability guarantee	Loan guarantee	Yes	Insolvent position and not going concern
Jingcheng Electromechanical	Beijing Beizhong Steam Turbine Motor Co., Ltd.	10,000.00	Joint and several liability guarantee	Loan guarantee	No	Normal operation
	Yanji Jingcheng Environmental Protection Industry Co., Ltd.	7,250.00	Joint and several liability guarantee	Loan guarantee	No	Normal operation
	Dongfeng (Shiyan) Environmental Engineering Co., Ltd.	550.00	Joint and several liability guarantee	Loan guarantee	No	Normal operation
Beijing Energy Group	Beijing Infrastructure Investment Co., Ltd.	170,000.00	Joint and several liability guarantee	Loan guarantee	No	Normal operation
	Shanxi International Energy Yuguang Coal and Electricity Co., Ltd.	60,192.00	Joint and several liability guarantee	Loan guarantee	No	Normal operation
	Hanjiang Hydropower Development Company	56,452.00	Joint and several liability guarantee	Loan guarantee	No	Normal operation
	Inner Mongolia Jingke Power Generation Co., Ltd.	54,500.00	Joint and several liability guarantee	Loan guarantee	No	Normal operation
	Tianjin Hechuang Real Estate Development Co., Ltd.	12,039.92	Joint and several liability guarantee	Loan guarantee	No	Normal operation
	Beijing Petrochemical Products Development Supply Co., Ltd.	4,500.00	Joint and several liability guarantee	Loan guarantee	No	Normal operation
	Beijing Beiran Thermal Power Co., Ltd.	1,500.00	Joint and several liability guarantee	Loan guarantee	No	Normal operation
	Qingdao Eastern Scientific Instruments Import and Export Company	926.23	Joint and several liability guarantee	Other guarantee	Yes	Normal operation
	Beijing Gas Group Co., Ltd.	844.10	Joint and several liability guarantee	Loan guarantee	No	Normal operation
	Beijing Sundade Economic and Technological Development Co., Ltd.	70.00	Joint and several liability guarantee	Loan guarantee	Yes	Shut down
	Beijing Taihe Automobile Service Center	13.00	Joint and several liability guarantee	Loan guarantee	Yes	Shut down
Capital Development Holdings	CITIC Guoan Group Co., Ltd.	50,000.00	Joint and several liability guarantee	Loan guarantee	No	Normal operation
	Beijing Urban and Rural Construction Group Co., Ltd.	12,000.00	Joint and several liability guarantee	Loan guarantee	No	Normal operation
	Beijing Juntai Real Estate Development Co., Ltd.	85,000.00	General guarantee	Loan guarantee	No	Normal operation

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Company name	Entity being guaranteed	Guarantee amount (RMB ten thousand)	Mode of guarantee	Category of guarantee	Whether overdue	Status of entity being guaranteed
Beijing Automotive Group	Beijing Shoukai Longhu Yingtai Real Estate Co., Ltd.	5,194.59	Joint and several liability guarantee	Loan guarantee	No	Normal operation
	Beijing Houtai Real Estate Development Co., Ltd.	157,494.77	Joint and several liability guarantee	Loan guarantee	No	Normal operation
	Guangzhou Junting Real Estate Co., Ltd.	2,916.00	Joint and several liability guarantee	Loan guarantee	No	Normal operation
	Beijing Hexin Jintai Real Estate Development Co., Ltd.	162,850.00	Joint and several liability guarantee	Loan guarantee	No	Normal operation
	Tianjin Seaview Industrial Co., Ltd.	150,000.00	Joint and several liability guarantee	Loan guarantee	No	Normal operation
	Ningbo Longxi	7,000.00	Joint and several liability guarantee	Loan guarantee	No	Normal operation
	Fuzhou Hongteng	15,675.00	Joint and several liability guarantee	Loan guarantee	No	Normal operation
	Beijing Chengzhi Real Estate Co., Ltd.	52,871.00	Joint and several liability guarantee	Loan guarantee	No	Normal operation
	Xiamen Yuetai Real Estate Co., Ltd.	21,658.00	Joint and several liability guarantee	Loan guarantee	No	Normal operation
	Beijing Shoukai Cuncao Pension Service Co., Ltd.	889.39	General guarantee	Loan guarantee	No	Normal operation
	Beijing CRRC Xinrong Financial Leasing Co., Ltd.	744,851.90	Joint and several liability guarantee	Loan guarantee	No	Normal operation
	Beijing Futian Commercial Factoring Co., Ltd.	13,659.74	Joint and several liability guarantee	Loan guarantee	No	Normal operation
	Beijing Baowo Automobile Co., Ltd.	81,510.26	Joint and several liability guarantee	Loan guarantee	No	Normal operation
	Anpeng International Financial Leasing (Shenzhen) Co., Ltd.	12,763.40	Joint and several liability guarantee	Loan guarantee	No	Normal operation
	Futian China-Africa Investment Co., Ltd.	8,371.44	Joint and several liability guarantee	Loan guarantee	No	Normal operation
	ZF Foton Automatic Transmission (Jiaxing) Co., Ltd. (Heavy)	5,544.86	Joint and several liability guarantee	Loan guarantee	No	Normal operation
	Beijing Dalin Wanda Auto Parts Co., Ltd.	24,000.00	General guarantee	Loan guarantee	No	Normal operation
	BAIC Hanyi (Chongqing) Automotive Trim Co., Ltd.	1,970.00	General guarantee	Loan guarantee	No	Normal operation
	BAIC Hanyi (Cangzhou) Automotive Trim Co., Ltd.	2,440.00	General guarantee	Loan guarantee	No	Normal operation
	Hexin Hainachuan (Chongqing) Auto Parts Co., Ltd.	1,914.80	General guarantee	Loan guarantee	No	Normal operation
	Hexin Hainachuan (Cangzhou) Auto Parts Co., Ltd.	7,433.72	General guarantee	Loan guarantee	No	Normal operation
	Beijing Hainachuan Ruiyan Automotive Trim Co., Ltd.	7,500.00	General guarantee	Loan guarantee	No	Normal operation
	Chongqing Dier E Shiwen Auto Parts Co., Ltd.	5,324.00	General guarantee	Loan guarantee	No	Normal operation
	Beijing Hainachuan Hella Automotive Lighting Co., Ltd.	5,500.00	General guarantee	Loan guarantee	No	Normal operation
	Shandong Huaxing	10,000.00	Joint and several	Loan	Yes	Normal

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Company name	Entity being guaranteed	Guarantee amount (RMB ten thousand)	Mode of guarantee	Category of guarantee	Whether overdue	Status of entity being guaranteed
	Machinery Co., Ltd.		liability guarantee	guarantee		operation
Beichen Group	Commercial Housing Purchaser	1,829,703.55	Joint and several liability guarantee by stage	Loan guarantee	No	Normal operation
	Wuxi Beichen Shengyang Real Estate Co., Ltd.	22,600.00	Joint and several liability guarantee	Loan guarantee	No	Normal operation
Shouong Group	Beijing Zhongke E-commerce Valley Commercial Management Co., Ltd.	36,644.93	Joint and several liability guarantee	Loan guarantee	No	Normal operation
	Beijing (Gannan) Shuanghe Farm	12,000.00	Joint and several liability guarantee	Loan guarantee	No	Normal operation
	Beijing Agricultural Products Central Logistics Park Co., Ltd.	34,699.73	Joint and several liability guarantee	Loan guarantee	No	Normal operation
	Beijing Jingci Technology Company	127.00	Joint and several liability guarantee	Loan guarantee	Yes	Shut down
	Beijing Food Bureau	1,182.00	General guarantee	Loan guarantee	Yes	Normal operation
Jinyu Asset	Beijing Anyuan Housing Co., Ltd.	9,541.54	Joint and several liability guarantee	Loan guarantee	Yes	Normal operation
BBMG Group	Commercial Housing Purchaser	858,389.33	Joint and several liability guarantee by stage	Loan guarantee	No	Normal operation
	Anshan Jidong Cement Co., Ltd.	5,800.00	Joint and several liability guarantee	Loan guarantee	No	Normal operation
	Tangshan Cultural Tourism Investment Group Co., Ltd.	100,000.00	Joint and several liability guarantee	Loan guarantee	No	Normal operation
Total		6,177,557.28				

(III) Other contingencies

1. Asset mortgage or pledge of Jingcheng Electromechanical

(1) In December 2018, the subsidiary Beijing Jingcheng New Energy (Tongwei) Wind Power Co., Ltd. (the "lessee") and Ruiyuan Financial Leasing (Tianjin) Co., Ltd. (the "lessor") entered into a financial lease contract of "Weilongyang 200MW Wind Farm Project Equipment Direct Lease Project", the transfer price (lease principal) of the leased property is in total of RMB 1.00 billion.

On December 13, 2018, the subsidiary Beijing Jingcheng New Energy (Tongwei) Wind Power Co., Ltd. completed the equity pledge registration, and pledged 100% equity of the subsidiary Beijing Jingcheng New Energy (Tongwei) Wind Power Co., Ltd. with RMB 143.7 million to Ruiyuan Financial Leasing (Tianjin) Co., Ltd. "Notice of Establishment Registration of Equity Pledge" ((Tong) Equity Registration Designation [2018] No. 621121206) was obtained.

On November 20, 2019, the subsidiary Beijing Jingcheng New Energy (Tongwei) Wind Power Co., Ltd. changed the original secured creditor's rights of RMB 1.00 billion with Chattel Mortgage Registration Form (Tongdi Zhi No. 2018-013) into RMB 840 million (Registration number: 62112019002636, period: 2018-12-12 to 2030-12-11) and RMB 160 million (registration number: 62112019002634, period: 2019-11-20 to 2031-11-19).

(2) In February 2019, Beijing Jingcheng New Energy Co., Ltd. (the pledger/debtor) pledged all the equity

of its subsidiary Shangdu County Kezhi Huayuan Wind Power Co., Ltd. to its ultimate controller Jingcheng Electromechanical (the pledgee/creditor). Guaranteed principal creditor's rights and maximum amount: The pledger voluntarily provides guarantee for the pledgee's and debtor's loan claims formed from July 1, 2018 to December 31, 2025, and the maximum balance of the secured creditor's rights is RMB 300 million.

2. Shangdaitong business of Beijing Automotive Group

Foton Motor, a subsidiary of Beijing Automotive Group, signed a "Financial Service Cooperation Agreement" with partner banks, stipulating that the partner banks grant a certain comprehensive credit line to the subsidiary, which will be used exclusively for the subsidiary dealer to open bank acceptance bills. The dealer uses the bank acceptance bills under the above agreement to purchase all types of vehicles of the company. When the dealer fails to deposit the full amount after the bank acceptance bills expire, the subsidiary shall pay for the inventory vehicles that have not yet been sold. The agreement stipulates that the corresponding repurchase responsibility shall be assumed, and the purchase payment shall be credited to the designated account in a timely manner. As of December 31, 2019, the balance of unexpired bank acceptance bills issued by distributors in accordance with the agreement was RMB 4.62 billion. Among them, China Everbright Bank was RMB 2,732.50 million, BAIC Finance Company was RMB 687.57 million, Hua Xia Bank was RMB 496.08 million, Bank of Communications was RMB 423.56 million, Ping An Bank was RMB 255.27 million, Shanghai Pudong Development Bank was RMB 23.55 million, and Postal Savings Bank was RMB 0.35 million. As of December 31, 2019, there was no repurchase event.

3. Project expenditure commitment of Beichen Group

① Project expenditure commitment for investment properties

Item	Amount at year end	Amount in beginning of year
Contract signed, but not presented in financial statements	294,844,756.00	--
Contract approved, but not yet signed	695,638,011.00	--
Total	990,482,767.00	--

② Project expenditure commitment for real estate development

Item	Amount at year end	Amount in beginning of year
Contract signed, but not presented in financial statements	10,390,505,198.00	8,526,082,640.00
Contract approved, but not yet signed	12,023,029,279.00	14,099,936,693.00
Total	22,413,534,477.00	22,626,019,333.00

(IV) Commitments

1. Commitment of Beijing Electronics

As of December 31, 2019, the subsidiary BOE Technology Group Co., Ltd. has signed an unfulfilled or incomplete foreign investment contract of RMB 59,347,872,614; authorized but not yet signed foreign

investment contracts of RMB 102,974,551,619.

According to the irrevocable property operating lease agreement, the minimum lease payment payable by the subsidiary BOE Technology Group Co., Ltd. after December 31, 2019 is RMB 183,640,897.00, of which RMB 56,919,248.00 for within 1 year (inclusive of 1 year), RMB 34,440,482.00 for more than 1 year and within 2 years (including 2 years), RMB 31,151,809.00 for over 2 years and within 3 years (including 3 years), and RMB 61,129,358.00 for over 3 years.

2. Commitment of BBMG Group

Item	Closing balance	Beginning balance
Capital commitments signed but not provided	149,181,143.13	128,498,574.97
Real estate development contract	2,638,777,513.45	16,240,929,685.55
Total	2,787,958,656.58	16,369,428,260.52

As of December 31, 2019, The Center has no other contingencies that should disclose.

IX. Event after balance sheet date

(I) Beijing Energy Group

1. On February 18, 2020, Beijing Energy Investment Group (Hong Kong) Co., Ltd., a subsidiary of Beijing Energy Group, subscribed for 7.177 billion ordinary shares of Panda Green Energy Group Co., Ltd. at HKD 0.25 per share for a total amount of HKD 1.794 billion, and it held 32.00% shares of Panda Green Energy Group Co., Ltd.

2. In October 2019, Beijing Energy Group paid RMB 404 million as security deposits to Beijing Registration and Settlement Co., Ltd. for the transfer of 51% equity of Shenhua Guoneng Xilin Gol Coal Power and 49% equity of Xilin Gol Fengfeng Energy. In March 2020, Beijing Energy Group signed an equity transfer agreement with a total purchase price of RMB 1.346 billion.

3. According to the 2019 profit distribution plan approved by the board of directors of Beijing Jingneng Electric Power Co., Ltd., a subsidiary of Beijing Energy Group, it is planned to use the total number of shares of 6,746,734,457 shares as the base and distribute cash dividends of RMB 1.00 (tax included) for every 10 shares to all shareholders. A cash dividend of RMB 674,673,445.70 was distributed. The dividend distribution plan still needs to be reviewed and approved by 2019 Annual General Meeting of Shareholders of Beijing Jingneng Electric Power Co., Ltd.

(II) BBMG Group

After review and approval at the sixteenth meeting of the fifth session board of directors held on March 31, 2020, BBMG Group intends to distribute a cash dividend of RMB 1.2 (tax included) for every 10 shares to all shareholders based on the total share capital of 10,677,771,134 shares at the end of 2019. A total of RMB 1,281,332,536.08 of dividends were distributed.

(III) Shounong Group

On February 24, 2020, the Ninth Meeting of the Seventh session Board of Directors of Shounong Group's Sanyuan Co., Ltd. reviewed and approved the "Proposal on Related Party Transactions to Increase Capital in HCoFrance", and agreed that the wholly-owned subsidiary Hong Kong Sanyuan jointly with HCol (HK) Limited and HColl(HK) Limited to increase capital in cash to HCoLuxS.à.rl in

accordance with their shareholding ratio, with a total capital increase of Euro 8 million. After the capital increase to HCoLux S.à.r.l is completed, some senior executives of HCoLux S.à.r.l and France StHubert of France increased the capital of HCoFrance in cash according to their original shareholding ratios in HCoFrance S.A.S., with a total capital increase of approximately Euro 8.15 million, of which, HCoLuxS.à.r.l increased its capital contribution by approximately Euro 8 million, and some of the France StHubert executives increased their capital contribution by approximately Euro 150,000. After the capital increase is completed, the proportion of all parties holding HCoFrance's equity remains unchanged, and the management is authorized to implement it. Meanwhile, the board of directors of Sanyuan Co., Ltd. reviewed and approved the "Proposal on the Signing of the Commitment Letter" ("Commitment Letter") between the Company and Fosun Hi-Tech and Fosun Health Control (collectively referred to as "Fosun"), the signed <Commitment Letter> agreeing that: If HCoLuxS.à.r.l fails to complete the listing within 5 years after the capital increase (ie January 15, 2018), Fosun will have the right (but not the obligation) to request Sanyuan Company to acquire Fosun's 2020 subscription shares based on the fair market value determined by a designated third-party appraisal agent appointed jointly by Fosun and Sanyuan. The prerequisites for Sanyuan's acquisition of Fosun's subscription shares in 2020 are only: (1) the company obtains the Chinese government approval required for the acquisition of this part of the equity; (2) the company obtains the approval of the shareholders' meeting of the above transaction.

(IV) Tongrentang Group

On April 2, 2020, according to the resolution of the 13th meeting of the eighth session of the board of directors of Tongrentang, a subsidiary of Tongrentang Group, Tongrentang intends to distribute a cash dividend of RMB 2.6 (tax included) for every 10 shares to all shareholders based on the total share capital of 1,371,470,262 shares at the end of 2019, the distribution of dividends was RMB 356,582,268.12. The plan still needs to be implemented after the approval of the Tongrentang Shareholders' Meeting.

(V) Urban and Rural Group

On April 23, 2020, the eleventh meeting of the 9th session of Board of Directors of Urban and Rural Group passed the profit distribution plan for 2019: Based on the total share capital of 316,804,949.00 shares at the end of 2019, a cash dividend of RMB 0.2 (tax included) for every 10 shares will be distributed. The dividend was RMB 6,336,098.98.

(VI) Jingcheng Electromechanical

Beijing Jingcheng Industrial Logistics Co., Ltd., a subsidiary of Jingcheng Electromechanical, received the Civil Judgment (2019) Zhe Min Zhong No. 167 issued by the Zhejiang Higher People's Court on March 12, 2020, ruling that: Shenyang Dongfang and Liaoning Donggang shall refund RMB 432 million and interest to Zheshang Holding Group Co., Ltd. within ten days after the judgment becomes effective; Jingcheng Logistics shall be liable for compensation for one-half of the non-refundable losses due to Shenyang Dongfang and Liaoning Donggang; and responsible for damage of (2015) Zheshang Zhongzi No. 5 and (2015) Zheshang Zhongzi No. 6 civil judgments, one-half of the unpaid loss (approximately RMB 100 million) of Zheshang Holding Group Co., Ltd. Jingcheng Logistics has accrued a bad debt loss of RMB 357,049,551.39 for the above matters, and a provision for liability of RMB 232,526,200.00.

(VII) Beijing Automotive Group

1. On 9 January 2020, the board of directors of BAIC Foton Motor Co., Ltd., a subsidiary of the Company, passed the "Proposal on the Establishment of Beijing Foton AUV New Energy Automotive Co., Ltd." and

resolved that: BAIC Foton Motor Co., Ltd. used the AUV business-related assets amounted to RMB 2.037 billion based on the appraisal value and Beijing Bus Group uses cash amounted to RMB 200 million to jointly establish Beijing Foton AUV New Energy Automotive Co., Ltd. with registered capital of RMB 2.237 billion, of which Foton Motor held 91.06% and Beijing Bus Group held 8.94%. The Manager office is approved to apply for business registration.

2. In 2018, BAIC Foton Motor Co., Ltd., a subsidiary of the Company, and Changsheng Industrial (Xiamen) Enterprise Management Consulting Co., Ltd. ("Changsheng Industrial") signed a "Property Transaction Contract" and transferred 67% equity of Beijing Borgward Automotive Co., Ltd., the transaction price is RMB 3,972.54 million. On 18 January 2019, the Company received a 30% equity transfer payment of RMB 1,191.76 million. On 10 January 2020, the subsidiary received an equity transfer payment of RMB 1,300.00 million. On 5 April 2020, the subsidiary and Changsheng Industrial signed a payment agreement for the remaining equity transfer. The agreement stipulated that before 31 December 2020, Changsheng Industrial should pay the remaining equity transfer and interest to the Company in a lump sum. Changsheng Industrial appointed Mission Excellence Limited (Pledgor) which held 49,872,537.00 shares of China Ucar (838006) unrestricted tradable shares, and Golden Ares Limited (Pledgor) which held 120,000,000.00 shares of China Ucar (838006) unrestricted tradable shares to pledge to the Company as a guarantee for the remaining payment of transfer price. On 21 April 2020, the aforesaid equity has completed the securities pledge registration certificate with China Securities Depository and Clearing Corporation Limited.
3. On 5 April 2020, BAIC Foton Motor Co., Ltd., a subsidiary of the Company, and Beijing Borgward Automotive Co., Ltd. ("Beijing Borgward Company", formerly known as Beijing Borgward Automotive Co., Ltd.) signed an asset settlement contract, on the basis of appraisal result of the valuation agency on the benchmark date 29 February 2020, Beijing Borgward Company temporarily used the estimated discounted value of RMB 4 billion to offset the debts owed to the subsidiary. Beijing Borgward intends to continue to use under lease arrangement of the designated assets as transferred to the subsidiary in the asset settlement contract. Both parties agreed that the remaining principal and interest of the loan after the paid-off by transfer of assets shall be paid by Beijing Borgward in cash under the payment schedule of the original loan agreement. Both parties can negotiate separately on the repayment time of the aforementioned principal and interest of the remaining loan, but the repayment time should be no later than 17 January 2023, and the repayment amount before 17 January 2022 shall be not less than the 50% of the remaining loan principal and interest.
4. On 20 April 2020, the Board of Directors of BAIC Foton Motor Co., Ltd., a subsidiary of the company, passed the "Proposal on Publicly Listed Transfer of 51% Equity Interest of Hebei Resa Heavy Construction Machinery Co., Ltd.". The Company intends to sell the 51% equity of Hebei Resa through the public listing in Beijing Equity Exchange with a listing price of RMB 247 million (the final listing price is not less than the valuation result filed by BAIC Group). After the equity transfer, Foton Auto will hold 49% equity of Hebei Reza. The Company's Manager Office is authorized to handle related matters.

(VIII) Beichen Group

1. Profit distribution

According to the resolution of the board of directors of Beijing Beichen Industrial Co., Ltd., a subsidiary of Beichen Group, on April 2020, it is proposed to distribute a dividend of RMB 505,053,000 to all shareholders, of which RMB 330,902,995.35 will be distributed to minority shareholders, which has not been recognized as a liability in the financial statements of Beichen Group.

2. Operating lease receipts

Beichen Group, as the lessor, summarizes the undiscounted amounts of lease payments receivable after the balance sheet date as follows:

Period	Amount at year end
Within 1 year	844,817,523.00
1 to 2 years	484,793,636.00
2 to 3 years	274,266,360.00
3 to 4 years	109,039,357.00
4 to 5 years	83,537,891.00
Over 5 years	690,766,250.00
Total	2,487,221,017.00

As of May 29, 2020, with the exception of the above matters, the Center has no other matters after the balance sheet date that should disclose.

X. Related parties and their transactions

1. Parent company of the Center

The ultimate controlling party of The Center is Beijing State-owned Assets Supervision and Administration Commission.

2. Subsidiaries of the Center

Details of secondary-level subsidiaries refer to Note VI. 1.

3. Joint ventures and associates of the Center

Details of financial information of joint ventures or associates refer to Note VII.19.

4. Related parties

As of December 31, 2019, the details of the Center's guarantee provided to internal entities refer to Note VIII. 2.

XI. Notes to significant items of financial statements of parent company

1. Accounts receivable

Category	Closing balance			
	Book balance	Ratio (%)	Provision for bad debts	Ratio (%)
Individually significant and assessed for impairment individually	114,667,660.75	100.00	--	--
Individually insignificant but assessed for impairment individually	--	--	--	--

Category	Book balance	Closing balance		
		Ratio (%)	Provision for bad debts	Ratio (%)
Total	114,667,660.75	100.00	--	--

Accounts receivable by category (Continued) :

Category	Book balance	Beginning balance		
		Ratio (%)	Provision for bad debts	Ratio (%)
Individually significant and assessed for impairment individually	--	--	--	--
Individually insignificant but assessed for impairment individually	3,694,829.56	100.00	--	--
Total	3,694,829.56	100.00	--	--

Provision for bad debts for accounts receivable which are individually significant and assessed for impairment individually

Name of debtor	Book balance	Provision for bad debts	Ageing	Provision ratio (%)	Reason of provision
Real Estate Investment	96,667,660.75	--	Within 1 year	--	Expected to be recovered
Jingguorui Fund Management	18,000,000.00	--	Within 1 year	--	Expected to be recovered
Total	114,667,660.75	--		--	

2. Other receivables

Item	Closing balance	Beginning balance
Interest receivable	99,073,066.93	247,863,421.83
Dividends receivable	--	3,897,467.07
Other receivables	582,075.85	303,602,412.45
Total	99,655,142.78	555,363,301.35

(1) Interest receivable

Item	Closing balance	Beginning balance
Interest on fixed deposits	97,293,326.41	244,205,855.86
Interest on entrusted loans	1,779,740.52	3,657,565.97
Total	99,073,066.93	247,863,421.83

(2) Dividends receivable

Item	Closing balance	Beginning balance
------	-----------------	-------------------

Dividends receivable aged more than one year			
AVIC Composite Materials Co., Ltd.	--		3,897,467.07

(3) Other receivables

Category	Book balance	Closing balance		Ratio (%)
		Ratio (%)	Provision for bad debts	
Individually significant and subject to separate provision of other receivables	--	--	--	--
Individually insignificant and subject to separate provision of other receivables	582,075.85	100.00	--	--
Total	582,075.85	100.00	--	--

Other receivables by category (Continued)

Category	Book balance	Beginning balance		Ratio (%)
		Ratio (%)	Provision for bad debts	
Individually significant and subject to separate provision of other receivables	301,589,971.00	99.34	--	--
Individually insignificant and subject to separate provision of other receivables	2,012,441.45	0.66	--	--
Total	303,602,412.45	100.00	--	--

At year end, individually insignificant and subject to separate provision of other receivables

Name of debtor	Book balance	Provision for bad debts	Ageing	Provision ratio (%)	Reason of provision
Rental of public housing rental	477,075.85	--	Within 1 year	--	Expected to be recovered
Others	105,000.00	--	1-5 years	--	Expected to be recovered
Total	582,075.85	--		--	

Beijing State-owned Capital Operation and Management Center
Notes to the financial statements
For the year ended December 31, 2019 (all amounts in RMB unless otherwise stated)
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3. Long-term equity investments

(1) Long-term equity investments by category

Item	Beginning balance	Increase	Decrease	Closing balance
Investment in subsidiaries	234,649,656,987.33	1,226,690,513.11	4,016,318.58	235,872,331,181.86
Investment in joint-ventures	22,054,497,087.75	2,398,216,046.02	1,105,482,530.37	23,347,230,603.40
Investment in associates	17,301,390,772.74	737,400,099.97	6,480,786,665.35	11,558,004,207.36
Subtotal	274,005,544,847.82	4,362,306,659.10	7,590,285,514.30	270,777,565,992.62
Less: Provision for impairment of long-term equity investments	--	579,838,000.00	--	579,838,000.00
Total	274,005,544,847.82	3,782,468,659.10	7,590,285,514.30	270,197,727,992.62

(2) Details of long-term equity investments

Investee	Accounting method	Investment cost	Beginning balance	Changes in the year	Closing balance	Provision for impairment at year end	Shareholding in investee (%)
(1) Subsidiaries							
Shougang Group	Cost method	79,768,608,989.42	79,768,608,989.42	--	79,768,608,989.42	--	100.00
Electronic Holdings	Cost method	7,366,543,137.74	7,366,543,137.74	--	7,366,543,137.74	--	100.00
Jingcheng Electromechanical	Cost method	6,054,826,862.34	6,054,826,862.34	--	6,054,826,862.34	--	100.00
Beijing Energy Group	Cost method	43,185,345,084.71	43,185,345,084.71	--	43,185,345,084.71	--	100.00
Capital Highway Development	Cost method	31,125,397,909.77	31,125,397,909.77	--	31,125,397,909.77	--	100.00
Yiqing Holding	Cost	4,267,760,924.13	4,267,760,924.13	--	4,267,760,924.13	--	100.00

Beijing State-owned Capital Operation and Management Center
Notes to the financial statements
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[English Translation for Reference Only]

Investee	Accounting method	Investment cost	Beginning balance	Changes in the year	Closing balance	Provision for impairment at year end	Shareholding in investee (%)
Capital Development Holdings	Cost method	3,158,702,639.70	3,158,702,639.70	--	3,158,702,639.70	--	100.00
Beijing Automotive Group	Cost method	15,064,416,629.75	15,064,416,629.75	--	15,064,416,629.75	--	100.00
Tongrentang	Cost method	2,292,559,299.57	2,292,559,299.57	--	2,292,559,299.57	--	100.00
Suburb tourism	Cost method	369,835,114.93	369,835,114.93	--	369,835,114.93	--	100.00
Urban and Rural Group	Cost method	778,971,520.39	778,971,520.39	--	778,971,520.39	--	34.23
Xianglong Company	Cost method	3,527,486,720.61	3,527,486,720.61	--	3,527,486,720.61	--	100.00
Beichen Group	Cost method	4,875,646,951.71	4,875,646,951.71	--	4,875,646,951.71	--	100.00
Jinyu Asset	Cost method	1,278,592,511.73	1,278,592,511.73	--	1,278,592,511.73	--	100.00
BBMG Group	Cost method	16,593,339,304.62	16,593,339,304.62	--	16,593,339,304.62	--	44.93
Shounong Group	Cost method	9,446,058,327.14	9,446,058,327.14	--	9,446,058,327.14	--	100.00
Equity Development Company	Cost method	62,802,100.00	62,802,100.00	--	62,802,100.00	--	58.33
Real Estate Investment	Cost method	55,000,000.00	55,000,000.00	--	55,000,000.00	--	100.00
Real Estate Management	Cost method	30,000,000.00	30,000,000.00	--	30,000,000.00	--	100.00
Guoguan Center Investment Holdings	Cost method	1,985,051,595.22	1,985,051,595.22	--	1,985,051,595.22	--	100.00

Beijing State-owned Capital Operation and Management Center
Notes to the financial statements
For the year ended December 31, 2019 (all amounts in RMB unless otherwise stated)
[English Translation for Reference Only]

Investee	Accounting method	Investment cost	Beginning balance	Changes in the year	Closing balance	Provision for impairment at year end	Shareholding in investee (%)
Dairy Investment Fund Management	Cost method	1,000,000.00	1,000,000.00	--	1,000,000.00	--	100.00
Jingguorui Fund Management	Cost method	18,000,000.00	18,000,000.00	--	18,000,000.00	--	60.00
Jingguorui Fund	Cost method	189,555,339.76	167,331,571.41	22,223,768.35	189,555,339.76	--	3.45
Equity Exchange Group	Cost method	451,021,605.19	--	451,021,605.19	451,021,605.19	--	67.31
International Cooperation Center	Cost method	738,627,963.23	--	738,627,963.23	738,627,963.23	--	100.00
Ducheng Company	Cost method	10,800,857.76	--	10,800,857.76	10,800,857.76	--	100.00
Beijing Automotive Co., Ltd.	Cost method	732,898,238.44	732,898,238.44	--	732,898,238.44	--	3.42
Foton Motor	Cost method	1,262,998,254.00	1,262,998,254.00	--	1,262,998,254.00	579,838,000.00	4.51
Beijing Jingneng Clean Energy Power Co., Ltd.	Cost method	420,000,000.00	420,000,000.00	--	420,000,000.00	--	2.72
Hainan Jingliang Holding Co., Ltd.	Cost method	255,000,000.00	255,000,000.00	--	255,000,000.00	--	7.07
Beijing Beiyi Machine Tool Co., Ltd.	Cost method	471,108,300.00	471,108,300.00	--	471,108,300.00	--	11.79
Beijing Ershang Food Co., Ltd.	Cost method	34,375,000.00	34,375,000.00	--	34,375,000.00	--	4.20
Subtotal		235,872,331,181.86	234,649,656,987.33	1,222,674,194.53	235,872,331,181.86	579,838,000.00	--
(2) Joint ventures							
China Securities Co., Ltd.	Equity method	8,153,503,019.88	18,268,239,365.38	1,412,640,397.66	19,680,879,763.04	--	35.11
Beijing Equity	Equity	2,019,990,153.91	3,194,613,584.77	-488,313,120.41	2,706,300,464.36	--	99.99

Beijing State-owned Capital Operation and Management Center

Notes to the financial statements

For the year ended December 31, 2019 (all amounts in RMB unless otherwise stated)

[English Translation for Reference Only]

Investee	Accounting method	Investment cost	Beginning balance	Changes in the year	Closing balance	Provision for impairment at year end	Shareholding in investee (%)
Investment Development Center (Limited Partnership)	method						
Beijing Equity Investment Development Center Phase II (Limited Partnership)	Equity method	11,834.21	12,668.51	2,366.16	15,034.67	--	0.002
Beijing Equity Investment Development Management Center (Limited Partnership)	Equity method	958,799,098.81	582,050,934.02	368,229,441.66	950,280,375.68	--	99.95
Beijing City Sub-center Construction Development Fund Management Co., Ltd.	Equity method	5,000,000.00	9,580,535.07	174,430.58	9,754,965.65	--	50.00
Subtotal		11,137,304,106.81	22,054,497,087.75	1,292,733,515.65	23,347,230,603.40	--	--
(3) Associates							
Beijing Rural Commercial Bank Co., Ltd.	Equity method	2,985,624,667.25	6,329,706,811.74	-6,329,706,811.74	--	--	--
ChinaBond Credit Promotion Investment Co., Ltd.	Equity method	990,000,000.00	1,329,587,872.40	101,560,071.40	1,431,147,943.80	--	16.50
China Aviation Development Beijing Limited	Equity method	923,776,957.74	931,670,221.46	-49,620,282.38	882,049,939.08	--	18.18
Beijing Jingyi	Equity	524,550,000.00	379,028,599.41	4,038,634.98	383,067,234.39	--	31.81

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Investee	Accounting method	Investment cost	Beginning balance	Changes in the year	Closing balance	Provision for impairment at year end	Shareholding in investee (%)
Technology Co., Ltd.	method						
AVIC System Limited	Equity method	200,000,000.00	181,429,742.29	-4,210,364.93	177,219,377.36	--	23.71
Carlyle (Beijing) Investment Management Co., Ltd.	Equity method	3,337,700.00	17,232,276.93	1,536,214.83	18,768,491.76	--	20.00
Beijing Shouhuan Cultural Tourism Investment Co., Ltd.	Equity method	4,150,000,000.00	3,934,638,248.69	102,964,490.48	4,037,602,739.17	--	25.00
AVIC Aviation High-Tech Co., Ltd.	Equity method	49,185,856.78	150,028,665.48	-91,378,273.94	58,650,391.54	--	1.13
Beijing Innovation Industry Investment Co., Ltd.	Equity method	400,000,000.00	--	400,638,548.23	400,638,548.23	--	40.00
China Aviation Engine Group Co., Ltd.	Equity method	4,000,000,000.00	4,000,177,298.42	126,146,618.84	4,126,323,917.26	--	8.00
Beijing Science and Technology Innovation Investment Management Co., Ltd.	Equity method	50,000,000.00	47,891,035.92	-5,355,411.15	42,535,624.77	--	25.00
Subtotal		14,276,475,181.77	17,301,390,772.74	-5,743,386,565.38	11,558,004,207.36	--	--
Total		261,286,110,470.44	274,005,544,847.82	-3,227,978,855.20	270,777,565,992.62	579,838,000.00	--

Note: The Center's own funds subscription to Jingguorui Fund accounted for 3.45% of the capital, and subscription on behalf of the municipal finance bureau accounted for 80.41% of the capital.

(3) Main financial information of significant joint ventures

Item	China Securities Co., Ltd.		Beijing Equity Investment Development Center (Limited Partnership)	
	Closing balance	Beginning balance	Closing balance	Beginning balance
Total assets	285,669,623,807.02	195,082,313,000.00	2,706,994,405.12	3,195,455,370.51
Total liabilities	228,774,889,954.85	147,218,916,000.00	323,384.35	395,314.97
Net assets attributable to the parent company	56,581,919,227.39	42,577,246,000.00	2,706,633,547.50	3,195,006,767.98
Share of net assets calculated based on shareholding ratio	16,359,635,847.06	14,946,995,914.65	2,706,300,464.36	3,194,613,584.77
Carrying value of equity investment in joint ventures	19,680,879,763.04	18,268,239,365.38	2,706,300,464.36	3,194,613,584.77
Difference between the share of net assets and carrying value	3,321,243,915.98	3,321,243,450.73	--	--

Continued:

Item	China Securities Co., Ltd.		Beijing Equity Investment Development Center (Limited Partnership)	
	Current year	Prior year	Current year	Prior year
Operating revenue	13,693,187,802.20	10,907,167,000.00	148,725,039.83	102,265,283.39
Income tax expense	1,624,091,521.47	948,015,000.00	10,531.52	59,635.14
Net profit attributable to the parent company	5,501,688,251.46	3,087,460,000.00	132,367,274.37	84,632,100.91
Other comprehensive income attributable to the parent company	270,053,676.26	328,860,000.00	-848,389.59	-2,448,213.69
Total comprehensive income attributable to the parent company	5,771,741,927.72	3,416,320,000.00	131,518,884.78	82,183,887.22
Dividends received from joint ventures in the current period	483,175,623.06	483,175,623.06	271,930,048.54	496,599,872.36

(4) Main financial information of significant associates

Item	China Aviation Engine Group Co., Ltd.		ChinaBond Credit Promotion Investment Co., Ltd.	
	Closing balance	Beginning balance	Closing balance	Beginning balance
Total assets	159,341,584,470.33	141,947,931,383.72	15,046,914,981.75	13,479,832,361.15

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Total liabilities	65,454,200,992.39	59,032,568,488.42	4,873,291,079.92	5,421,724,043.54
Net assets attributable to the parent company	68,442,572,858.99	63,711,697,245.35	10,173,623,901.83	8,058,108,317.61
Share of net assets calculated based on shareholding ratio	4,126,323,917.26	4,000,177,298.42	1,431,147,943.80	1,329,587,872.40
Carrying value of equity investment in associates	4,126,323,917.26	4,000,177,298.42	1,431,147,943.80	1,329,587,872.40
Difference between the share of net assets and carrying value	--	--	--	--

Continued:

Item	China Aviation Engine Group Co., Ltd.		ChinaBond Credit Promotion Investment Co., Ltd.	
	Current year	Prior year	Current year	Prior year
Operating revenue	49,439,569,337.96	44,907,402,415.21	1,350,871,063.58	1,344,836,174.84
Income tax expense	508,550,413.88	519,575,072.09	189,957,297.27	204,555,854.06
Net profit attributable to the parent company	1,496,719,762.11	1,509,130,164.36	661,316,657.13	633,419,184.02
Other comprehensive income attributable to the parent company	328,597,534.89	-284,714,285.30	254,198,927.09	-32,501,143.48
Total comprehensive income attributable to the parent company	1,825,317,297.00	1,224,415,879.06	915,515,584.22	600,918,040.54
Dividends received by the company from associates in the current period	--	--	49,500,000.00	49,500,000.00

(5) Summary information of insignificant joint ventures and associates

Item	Current year	Prior year
Joint ventures:	--	--
Total carrying amount of investments	960,050,375.96	591,644,137.60
Total amount of the following items calculated according to the shareholding ratio	--	--
Net profit	12,127,408.93	-15,478,361.20
Other comprehensive income	-19,998.91	46,559.59
Total comprehensive income	12,107,410.02	-15,431,801.61
Associates:	--	--
Total carrying amount of investments	6,000,532,346.32	11,971,625,601.92
Total amount of the following items calculated	--	--

Item	Current year	Prior year
according to the shareholding ratio		
Net profit	-70,455,052.80	-70,910,781.10
Other comprehensive income	646,793.15	-22,825,873.52
Total comprehensive income	-69,808,259.65	-93,736,654.62

4. Operating revenue and operating costs

Item	Current year		Prior year	
	Revenue	Cost	Revenue	Cost
1. Primary operations				
Consulting income	16,981,132.08	--	--	--
Management fee income	17,820,052.33	--	38,951,294.39	--
Subtotal of primary operations	34,801,184.41	--	38,951,294.39	--
2. Other operations				
Rental income	350,390,999.23	66,704,024.64	276,321,482.80	66,704,024.64
Others	6,569,714.29	--	3,809,523.81	--
Subtotal of other operations	356,960,713.52	66,704,024.64	280,131,006.61	66,704,024.64
Total	391,761,897.93	66,704,024.64	319,082,301.00	66,704,024.64

5. Investment income

Item	Current year	Prior year
Income from long-term equity investment by equity method	2,110,336,274.77	2,172,214,776.11
Gain from disposal of long-term equity investment	197,383,597.95	290,991,992.48
Income from long-term equity investment by cost method	8,894,595,325.73	2,195,322,818.50
Income from holding of held to maturity investments	84,429,826.58	95,738,057.12
Income from holding of available for sale financial assets	2,415,107,989.52	2,288,815,957.70
Others	7,900.76	--
Total	13,701,860,915.31	7,043,083,601.91

6. Supplement to cash flow statement

Item	Current year	Prior year
1. Reconciliation of net profit to cash flow from operating activities:		
Net profit	11,054,284,974.38	4,654,916,426.20
Add: Impairment for assets	579,838,000.00	--
Depreciation of fixed assets	76,540,047.09	76,569,136.19
Amortization of intangible assets	1,105,192.35	555,587.73

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Item	Current year	Prior year
Losses on disposal of fixed assets, intangible assets, and other long-term assets (Gain as in "-")	-33,237.55	--
Loss on scrapping of fixed assets (Gain as in "-")	--	84,800.36
Financial expenses (Gain as in "-")	2,674,317,747.33	2,765,477,287.18
Investment losses (Gain as in "-")	-13,701,860,915.31	-7,043,083,601.91
Decrease in operating receivables (Increase as in "-")	295,609,065.89	-231,057,500.53
Increase in operating payables (Decrease as in "-")	540,847,001.00	2,392,961.35
Others	--	-31,367,138.51
Net cash flows from operating activities	1,520,647,875.18	194,487,958.06
2. Significant investment or finance activities not involving cash:		
3. Net increase / (decrease) in cash and cash equivalents:		
Cash as at end of year	7,956,590,654.22	15,878,231,457.57
Less: cash at beginning of year	15,878,231,457.57	326,798,845.65
Net increase in cash and cash equivalents	-7,921,640,803.35	15,551,432,611.92

XII. Approval of financial statements

The financial statements and notes to the financial statements have been approved by the Center.





姓名 莫大伟
 Full name 莫大伟
 性别 男
 Sex 男
 出生日期 1967/11/04
 Date of birth 1967/11/04
 工作单位 北京京都会计师事务所有限公司
 Working unit 北京京都会计师事务所有限公司
 身份证号码 110102671104307
 Identity card No. 110102671104307



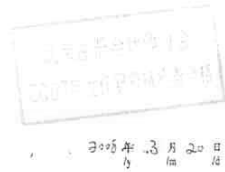
年度检验登记
Annual Renewal Registration

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.



证书编号: 110000152560
No. of Certificate

批准注册协会: 北京市注册会计师协会
Authorized Institute of CPAs

发证日期: 2002年 09月 05日
Date of issuance 2002年 09月 05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.



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 the holder to be transferred from



同意调入
Agree the holder to be transferred to



注册会计师工作单位变更事项登记
Registration of a Change of Working Unit by a CPA

同意调出
Agree the holder to be transferred from

转出协会盖章
Stamp of the transfer-out Institute of CPAs
年 月 日

同意调入
Agree the holder to be transferred to

转入协会盖章
Stamp of the transfer-in Institute of CPAs
年 月 日



姓名 Full name 康向红
 性别 Sex 女
 出生日期 Date of birth 1991-04-27
 工作单位 Working unit 致同会计师事务所(特殊普通合伙)
 身份证号码 Identity card No. 130634199104273123



此证书检验合格，继续有效一年。
 This certificate is valid for another year after this renewal.

证书编号: No. of Certificate 110101560269

批准注册协会: Authorized Institute of CPAs 北京注册会计师协会

发证日期: Date of Issuance 2015 年 11 月 17 日

年 月 日



记
 stration

姓名: 康向红
 证书编号: 110101560269

格, 继续有效一年。
 lid for another year after

this renewal.



证书编号: No. of Certificate 110101560269

批准注册协会: Authorized Institute of CPAs 北京注册会计师协会

发证日期: Date of Issuance 2015 年 11 月 17 日

年 月 日

证书序号: 0014469

此件仅用于业务报告使用, 复印无效



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》。

会计师事务所 执业证书



名称: 北京火奇会计师事务所 (特殊普通合伙)
 首席合伙人: 王惠琦
 主任会计师: 王惠琦
 经营场所: 北京市朝阳区建国门外大街22号赛特广场5层



发证机关: 北京市财政局
 二〇一〇年十一月十一日

组织形式: 特殊普通合伙
 执业证书编号: 11010156
 批准执业文号: 京财会许可[2011]0130号
 批准执业日期: 2011年12月13日

中华人民共和国财政部制

**BEIJING STATE-OWNED CAPITAL OPERATION AND
MANAGEMENT CENTER INVESTMENT HOLDINGS
LIMITED
FOR THE YEAR ENDED DECEMBER 31, 2020**

AUDIT REPORT

(ENGLISH TRANSLATION FOR REFERENCE ONLY)

Grant Thornton

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Auditor's Report

[English Translation for Reference Only]
GTCSZ (2021) No. 110C014801

To Beijing State-owned Capital Operation and Management Center Investment Holdings Limited:

I. Opinion

We have audited the financial statements of Beijing State-owned Capital Operation and Management Center Investment Holdings Limited (hereinafter "the Company"), which comprise the consolidated and company balance sheets as at December 31, 2020, and the consolidated and company income statements, consolidated and company cash flow statements and consolidated and company statements of changes in owners' equity for the year then ended, and the consolidated and company statements of assets impairment provision as at December 31, 2020, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and company financial positions as at December 31, 2020, and their financial performance and their cash flows for the year then ended in accordance with the requirements of Accounting Standards for Business Enterprises.

II. Basis for Opinion

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

III. Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management of the Company is responsible for the preparation of the financial statements to achieve fair presentation in accordance with Accounting Standards for Business Enterprises, and for the design, implementation and maintenance of such internal control as management determine

is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

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

IV. Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

(3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(4) Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, the auditing standards require us

to draw attention to users of the financial statements in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

(5) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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



Auditor's signature and stamp



Auditor's signature and stamp



Beijing, China

April 30, 2021

This report, the accompanying financial statements and notes to the financial statements are English translation of the Chinese version of the Company. This translation is not required by law or any regulation. This material was prepared solely for the information of management of the Company. The accuracy or completeness of this translation is not guaranteed. In the event of any inconsistency between this English translation and the Chinese version, the Chinese version shall prevail.

For and on behalf of
 Beijing State-owned Capital Operation and Management Center Investment Holdings Limited
 北京国管中心投资控股有限公司

Consolidated and Company Balance Sheets

As at December 31, 2020

Prepared by: Beijing State-owned Capital Operation and Management Center Investment Holdings Limited

Expressed in RMB

Item	Notes Authorised Signature(s)	Closing balance		Beginning balance	
		Consolidated	Company	Consolidated	Company
Current assets:					
Cash and bank	VIII.1	791,600,267.25	2,924,725.22	724,243,580.75	3,156,339.76
Financial assets at fair value through profit or loss					
Derivative financial assets					
Notes receivable					
Accounts receivable					
Prepayments					
Other receivables	VIII.2	421,861.21	150,726.30	4,567,586.80	161,151.41
Including: Dividends receivable					
Inventories					
Including: Raw materials					
Merchandise inventories (finished goods)					
Assets held-for-sale					
Non-current asset due within one year					
Other current assets					
Total current assets		792,022,128.46	3,075,451.52	728,811,167.55	3,317,491.17
Non-current assets:					
Available-for-sale financial assets					
Held-to-maturity investments					
Long-term receivables					
Long-term equity investments	VIII.3	6,712,195,732.89	1,982,051,596.59	6,217,147,285.20	1,982,051,596.59
Investment properties					
Fixed assets					
Including: Cost of fixed assets					
Accumulated depreciation					
Provision for impairment of fixed assets					
Construction in progress					
Productive biological assets					
Oil and gas assets					
Intangible assets					
Development costs					
Goodwill					
Long-term deferred expenses					
Deferred tax assets					
Other non-current assets					
Including: authorised reserve materials					
Total non-current assets		6,712,195,732.89	1,982,051,596.59	6,217,147,285.20	1,982,051,596.59
Total assets		7,504,217,861.35	1,985,127,048.11	6,945,958,452.75	1,985,369,087.76

For and on behalf of
 Beijing State-owned Capital Operation and Management Center Investment Holdings Limited
 北京国管中心投资控股有限公司

Consolidated and Company Balance Sheets (Continued)

As at December 31, 2020

Prepared by: Beijing State-owned Capital Operation and Management Center Investment Holdings Limited

Expressed in RMB

Authorised Signature(s)	Note	Closing balance		Beginning balance	
		Consolidated	Company	Consolidated	Company
Current liabilities:					
Short-term loans					
Financial liabilities at fair value through profit or loss					
Derivative financial liability					
Notes payable					
Accounts payable					
Advances from customers					
Employee benefits payable					
Including: Salary payable					
Welfare benefits payable					
Taxes and surcharges payable					
Including: Taxes payable					
Other payables					
Including: Dividends payable					
Liabilities held-for-sale					
Non-current liabilities due within one year					
Other current liabilities					
Total current liabilities					
Non-current liabilities:					
Long-term loans					
Bonds payable					
Including: Preferred shares					
Perpetual bonds					
Long-term payables					
Long-term employee benefits payable					
Provisions					
Deferred income					
Deferred tax liabilities					
Other non-current liabilities					
Including: authorized reserve fund					
Total non-current liabilities					
Total liabilities					
Equity:					
Paid-in capital	VIII.4	2,999,998.63	2,999,998.63	2,999,998.63	2,999,998.63
State-owned capital					
State-owned legal person's capital	VIII.4	2,999,998.63	2,999,998.63	2,999,998.63	2,999,998.63
Collectively owned capital					
Private capital					
Foreign capital					
Paid-in capital-net value	VIII.4	2,999,998.63	2,999,998.63	2,999,998.63	2,999,998.63
Other equity instruments					
Including: Preferred shares					
Perpetual bonds					
Capital reserve	VIII.5	2,588,875,721.36	1,982,051,596.59	2,588,630,446.91	1,982,051,596.59
Less: Treasury shares					
Other comprehensive income	VIII.10	41,344,899.15	34,708.27	-8,216,777.10	248,372.86
Including: Currency translation reserve	VIII.10	129,500,195.33	34,708.27	560,359,376.55	248,372.86
Special reserve					
Surplus reserve					
Including: Statutory surplus reserve					
Discretionary surplus reserves					
Undistributed profits	VIII.6	4,870,997,242.21	40,744.62	4,362,544,784.31	69,119.68
Equity attributable to parent company		7,504,217,861.35	1,985,127,048.11	6,945,958,452.75	1,985,369,087.76
* Minority interests					
Total owner's equity		7,504,217,861.35	1,985,127,048.11	6,945,958,452.75	1,985,369,087.76
Total liabilities and owner's equity		7,504,217,861.35	1,985,127,048.11	6,945,958,452.75	1,985,369,087.76

Legal representative:

Person in charge of accounting affairs:

Head of the accounting department:

For and on behalf of

Beijing State-owned Capital Operation and Management Center Investment Holdings Limited

北京国管中心投资控股有限公司 Consolidated and Company Income Statements

For the year ended December 31, 2020

Prepared by: Beijing State-owned Capital Operation and Management Center Investment Holdings Limited

Expressed in RMB

Authorized Signature(s)	Note	2020		2019	
		Consolidated	Company	Consolidated	Company
I.Total operation revenue					
Including: Operating revenue					
II.Total operation cost		-9,451,476.25	28,375.06	-19,454,895.98	19,158.02
Including: operating cost					
Taxes and surcharges					
Selling expenses					
Administrative expenses	VIII.7	378,354.49	28,323.49	341,412.53	18,661.95
Research and development costs					
Finance expenses	VIII.8	-9,829,830.74	51.57	-19,796,308.51	496.07
Including: Interest expenses					
Interest income	VIII.8	9,833,062.22	4.32	19,562,838.32	99.99
Net loss on foreign exchange("-" for losses)	VIII.8	-1,921.82	-1,971.03	-235,539.11	-350.55
Other					
Add: Other income					
Investment income("-" for loss)	VIII.9	499,000,981.65		487,274,586.11	178,008,705.40
Including: Investment income from associates and joint ventures	VIII.9	499,000,981.65		487,274,586.11	
Gains from changes of fair value ("-" for loss)					
Assets impairment loss ("-" for loss)					
Gain from disposal of assets ("-" for loss)					
III.Operating profits("-" for loss)		508,452,457.90	-28,375.06	506,729,482.09	177,989,547.38
Add: Non-operating income					
Including: Government grants					
Less: Non-operating expenses					
IV.Profit before tax("-" for loss)		508,452,457.90	-28,375.06	506,729,482.09	177,989,547.38
Less: Income tax expenses					
V.Net profit("-" for net loss)		508,452,457.90	-28,375.06	506,729,482.09	177,989,547.38
(I) Classified by attribution to ownership					
1. Net profit attributable to owners of the parent		508,452,457.90	-28,375.06	506,729,482.09	177,989,547.38
2. Net profit attributable to minority interests					
(II) Classified by continuity of operations					
Net profit from continuing operations ("-" for loss)		508,452,457.90	-28,375.06	506,729,482.09	177,989,547.38
Net profit from discontinued operations ("-" for loss)					
VI. Other comprehensive income - after tax	VIII.10	49,561,676.25	-213,664.59	454,920,432.76	50,268.33
Other comprehensive income - after tax attributable to owners of the parent	VIII.10	49,561,676.25	-213,664.59	454,920,432.76	50,268.33
(I) Other comprehensive income that will not be reclassified to profit or loss					
Including: a. Changes in remeasurement of defined benefit plan					
b. Other comprehensive income not to be reclassified as profit or loss under equity method					
c. Others					
(II) Other comprehensive income that may be reclassified to profit or loss	VIII.10	49,561,676.25	-213,664.59	454,920,432.76	50,268.33
Including: a. Share of other comprehensive income of associates and joint ventures under equity method	VIII.10	480,420,857.47		-130,972,039.32	
b. Gain or loss from fair value changes of available-for-sale financial assets					
c. Gain or loss in reclassification of held-to-maturity investments to available-for-sale financial assets					
d. Cash flow hedging reserve (effective part of cash flow hedging profit or loss)					
h. Translation differences arising on translation of foreign currency financial statements	VIII.10	-430,859,181.22	-213,664.59	585,892,472.08	50,268.33
e. Other					
Other comprehensive income - after tax attributable to minority interests					
VII. Total comprehensive income		558,014,134.15	-242,039.65	961,649,914.85	178,039,815.71
Total comprehensive income attributable to owners of the parent		558,014,134.15	-242,039.65	961,649,914.85	178,039,815.71
Total comprehensive income attributable to minority interests					

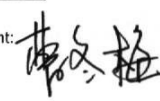
Legal representative:



Person in charge of accounting affairs:



Head of the accounting department:



For and on behalf of
 Beijing State-owned Capital Operation and Management Center Investment Holdings Limited
 北京国管中心投资控股有限公司

Consolidated and Company Cash Flow Statements

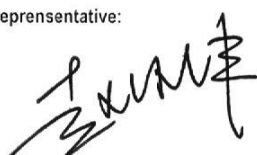
For the year ended December 31, 2020

Prepared by: Beijing State-owned Capital Operation and Management Center Investment Holdings Limited

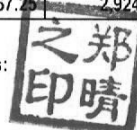
Expressed in RMB

Item	Note	2020		2019	
		Consolidated	Company	Consolidated	Company
I. Cash flows from operating activities:					
Cash received from sales and services					
Refund of taxes and surcharge					
Other cash receipts related to operating activities		13,816,962.96	4.32	21,223,293.54	450.54
Total cash inflows from operating activities		13,816,962.96	4.32	21,223,293.54	450.54
Cash paid for goods and services					
Cash paid to and on behalf of employees					
Cash payments for taxes and surcharges					
Other cash payments related to operating activities		384,013.88	30,350.41	343,481.45	19,608.56
Total cash outflows from operating activities		384,013.88	30,350.41	343,481.45	19,608.56
Net cash flows from operating activities		13,432,949.08	-30,346.09	20,879,812.09	-19,158.02
II. Cash flows from investing activities					
Cash received from withdraw of investments					
Cash received from investment income		104,723,810.91		126,118,201.98	178,008,705.40
Net cash received from disposal of fixed assets, intangible assets and other long-term assets					
Net cash received from disposal of subsidiaries and other business units					
Other cash receipts related to investing activities					
Total cash inflows from investing activities		104,723,810.91		126,118,201.98	178,008,705.40
Cash paid for fixed assets, intangible assets and other long-term assets					
Cash payments for investments					
Net cash paid for acquiring subsidiaries and other business units					
Other cash payments related to investing activities					
Total cash outflows from investing activities					
Net cash flows from investing activities		104,723,810.91		126,118,201.98	178,008,705.40
III. Cash flows from financing activities					
Cash received from investments by others					
Including: Cash received by subsidiaries from minority shareholders' investments					
Cash received from borrowings					
Other cash receipts related to other financing activities					
Total cash inflows from financing activities					
Cash repayments for debts					
Cash payments for distribution of dividends, profit or interest expenses				177,564,793.43	177,564,793.43
Including: Dividends or profit paid by subsidiaries to minority shareholders					
Other cash payments related to financing activities					
Total cash outflows from financing activities				177,564,793.43	177,564,793.43
Net cash flows from financing activities				-177,564,793.43	-177,564,793.43
IV. Effect of foreign exchange rate changes on cash and cash equivalents					
		-50,800,073.49	-201,268.45	11,980,827.52	47,658.01
V. Net increase in cash and cash equivalents					
		67,356,686.50	-231,614.54	-18,585,951.84	472,411.96
Add: Cash and cash equivalents at beginning of year		724,243,580.75	3,156,339.76	742,829,532.59	2,683,927.80
VI. Cash and cash equivalent at yeat end					
		791,600,267.25	2,924,725.22	724,243,580.75	3,156,339.76

Legal representative:



Person in charge of accounting affairs:



Head of the accounting department:



Consolidated Statement of Changes in Owners' Equity (Continued)

Prepared by Beijing State-owned Capital Operation and Management Center Investment Holdings Limited
Management Center Investment Holdings Limited
For the year ended December 31, 2020
Expressed in RMB

Authorized Signature(s)

Item	Row	2019					Owner's equity attributable to the parent company					Minority interests	Total owner's equity		
		Paid-in capital	Preferred shares	Perpetual bonds	Other equity instruments	Other	Capital reserve	Treasury shares	Less: comprehensive income	Special reserve	Surplus reserve			Δ General risk provision	Undistributed profits
Column		15	16	17	18	19	20	21	22	23	24	25	26	27	28
I. Balance at end of previous year	1	2,999,998.63				2,614,040,867.88		-463,137,209.86				4,033,380,095.65	6,187,283,752.30	27	6,187,283,752.30
Add: Changes in accounting policies	2														
Correction of errors	3														
Others	4														
II. Balance in beginning of year	5	2,999,998.63				2,614,040,867.88		-463,137,209.86				4,033,380,095.65	6,187,283,752.30		6,187,283,752.30
III. Movement over the year ("+" for increase)	6					-25,410,420.97		454,920,432.76				329,154,686.66	758,674,700.45		758,674,700.45
(i) Total comprehensive income for the year	7							454,920,432.76				506,729,482.09	961,649,914.85		961,649,914.85
(ii) Owner's contributions and decrease of capital	8					-25,410,420.97							-25,410,420.97		-25,410,420.97
1. Capital contribution from owner	9														
2. Increase in owner's equity resulted from other equity instruments	10														
3. Increase in owner's equity resulted from share-based payments	11														
4. Others	12														
(iii) Special reserve appropriation and usage	13					-25,410,420.97							-25,410,420.97		-25,410,420.97
1. Appropriation to special reserves	14														
2. Usage of special reserves	15														
(iv) Profit distribution	16														
1. Appropriation for surplus reserve	17														
Include: Statutory surplus reserve	18														
Discretionary surplus reserve	19														
2. Appropriation for general risks	20														
3. Distribution to owners (or owners)	21														
4. Others	22														
(v) Inter-account movements in owners' equity	23														
1. Capital surplus transfer to capital	24														
2. Surplus reserve transfer to capital	25														
3. Surplus reserve offsetting losses	26														
4. Changes in defined benefits plan transfer to retained earnings	27														
5. Others	28														
IV. Closing balance of current year	29	2,999,998.63				2,588,630,446.91		8,316,777.10				4,362,544,784.31	6,945,958,452.75		6,945,958,452.75

之印

李军

Head of the accounting department:

Person in charge of accounting affairs:

For and on behalf of
Beijing State-owned Capital Operation and Management Center Investment Holdings Limited
北京國管中心投資控股有限公司
Prepared by: Beijing State-owned Capital Operation and Management Center Investment Holdings Limited
Management Center Investment Holdings Limited

Company Statement of Changes in Owners' Equity

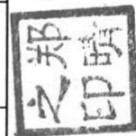
For the year ended December 31, 2020

Expressed in RMB

Item	2020						Total owner's equity					
	Paid-in capital	Preferred shares	Perpetual bonds	Other equity instruments	Capital reserve	Less: Treasury shares		Other comprehensive income	Special reserve	Surplus reserve	△ General risk provision	Undistributed profits
Row	1	2	3	4	5	6	7	8	9	10	11	12
I. Balance at end of previous year	2,999,998.63				1,982,051,596.59		248,372.86				69,119.88	1,985,369,087.76
Add: Changes in accounting policies												
Correction of errors												
Others												
II. Balance in beginning of year	2,999,998.63				1,982,051,596.59		248,372.86				69,119.88	1,985,369,087.76
III. Movement over the year (" - "for decrease)							-213,664.59				-28,375.06	-242,039.65
(I) Total comprehensive income for the year							-213,664.59				-28,375.06	-242,039.65
(II) Owner's contributions and decrease of capital												
1. Capital contribution from owner												
2. Increase in owner's equity resulted from other equity instruments												
3. Increase in owner's equity resulted from share-based payments												
4. Others												
(III) Special reserve appropriation and usage												
1. Appropriation to special reserves												
2. Usage of special reserves												
(IV) Profit distribution												
1. Appropriation for surplus reserve												
Include: Statutory surplus reserve												
Discretionary surplus reserve												
2. Appropriation for general risks												
3. Distribution to owners (or owners)												
4. Others												
(V) Inter-account movements in owners' equity												
1. Capital surplus transfer to capital												
2. Surplus reserve transfer to capital												
3. Surplus reserve offsetting losses												
4. Changes in defined benefits plan transfer to retained earnings												
5. Others												
IV. Closing balance of current year	2,999,998.63				1,982,051,596.59		34,708.27				40,744.62	1,985,127,048.11

Legal representative: 

Person in charge of accounting affairs:



Head of the accounting department: 

Company Statement of Changes in Owners' Equity (Continued)

For and on behalf of
Beijing State-owned Capital Operation and Management Center Investment Holdings Limited
北京国管中心投资控股有限公司
Prepared by: Beijing State-owned Capital Operation and Management Center Investment Holdings Limited

For the year ended December 31, 2020

Expressed in RMB

Row	Item	2019					Less: Treasury shares	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	△ General risk provision	Undistributed profits	Total owner's equity
		13	14	15	16	17								
1	I. Balance at end of previous year	2,999,998.63					1,982,051,596.59	198,104.53				-355,634.27	1,984,894,065.48	
2	Add: Changes in accounting policies													
3	Correction of errors													
4	Others													
5	II. Balance in beginning of year	2,999,998.63					1,982,051,596.59	198,104.53				-355,634.27	1,984,894,065.48	
6	III. Movement over the year ("-" for decrease)													
7	(I) Total comprehensive income for the year							50,268.33				424,753.95	475,022.28	
8	(II) Owner's contributions and decrease of capital							50,268.33				177,989,547.38	178,039,815.71	
9	1. Capital contribution from owner													
10	2. Increase in owner's equity resulted from other equity instruments													
11	3. Increase in owner's equity resulted from share-based payments													
12	4. Others													
13	(III) Special reserve appropriation and usage													
14	1. Appropriation to special reserves													
15	2. Usage of special reserves													
16	(IV) Profit distribution													
17	1. Appropriation for surplus reserve													
18	include: Statutory surplus reserve													
19	Discretionary surplus reserve													
20	2. Appropriation for general risks													
21	3. Distribution to owners (or owners)													
22	4. Others													
23	(V) Inter-account movements in owners' equity													
24	1. Capital surplus transfer to capital													
25	2. Surplus reserve transfer to capital													
26	3. Surplus reserve offsetting losses													
27	4. Changes in defined benefits plan transfer to retained earnings													
28	5. Others													
29	IV. Closing balance of current year	2,999,998.63					1,982,051,596.59	248,372.86				69,119.68	1,985,369,087.76	

Legal representative:



Person in charge of accounting affairs:

Head of the accounting department:

For and on behalf of
Beijing State-owned Capital Operation and Management Center Investment Holdings Limited
北京国管中心投资控股有限公司

Consolidated Statement of Assets Impairment Provision

As at 31 December 2020

Prepared by Beijing State-owned Capital Operation and Management Center Investment Holdings Limited

Expressed in RMB

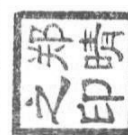
Item	Row	Beginning balance	Additions			Reductions			Closing balance	Item	Row	Amount
			Provision for current period	Additions by business combination	Others	Total	Assets value increase and reversal	Assets disposed				
Column	1	2	3	4	5	6	7	8	9	10	11	12
1. Provision for bad debts	1											
2. Provision for decline in value of inventories	2											
3. Impairment for assets held for sale	3											
4. Impairment for available-for-sale financial assets	4											
5. Impairment for held-to-maturity investments	5											
6. Impairment for long term equity investment	6											
7. Impairment for investment properties	7											
8. Impairment for fixed assets	8											
9. Impairment for construction in progress	9											
10. Impairment for productive biological assets	10											
11. Impairment for oil and gas assets	11											
12. Impairment for intangible assets	12											
13. Goodwill impairment	13											
14. Other impairment	14											
Total	15											

Supplementary information:
1. Policy-related receivables
2. Dispose of prior year loss and receivables in current year
include: Recognize of prior year loss of receivables in profit or loss for the current year

Legal representative:



Principal in charge of accounting:



Head of accounting department:



For and on behalf of
Beijing State-owned Capital Operation and Management Center Investment Holdings Limited
北京国管中心投资控股有限公司

Company Statement of Assets Impairment Provision

As at 31 December 2020

Prepared by Beijing State-owned Capital Operation and Management Center Investment Holdings Limited
Authorised Signatures

Expressed in RMB

Item	Row	Additions					Reductions				Closing balance	Item	Row	Amount
		Beginning balance	Provision for current period	Additions by business combination	Others	Total	Assets value increase and reversal	Assets disposed	Decrease by business combination	Others				
Column	1	2	3	4	5	6	7	8	9	10				12
1. Provision for bad debts	1													16
2. Provision for decline in value of inventories	2													17
3. Impairment for assets held for sale	3													
4. Impairment for available-for-sale financial assets	4													
5. Impairment for held-to-maturity investments	5													
6. Impairment for long term equity investment	6													
7. Impairment for investment properties	7													
8. Impairment for fixed assets	8													
9. Impairment for construction in progress	9													
10. Impairment for productive biological assets	10													
11. Impairment for oil and gas assets	11													
12. Impairment for intangible assets	12													
13. Goodwill impairment	13													
14. Other impairment	14													
Total	15													

Legal representative:



Principal in charge of accounting:



Head of accounting department:



Notes to the Financial Statements

I. Company information

Beijing State-owned Capital Operation and Management Center Investment Holdings Limited (hereinafter referred to as “the Company”), is a limited company incorporated in the British Virgin Islands, and obtained the “Company Registration Certificate” with registration number 1619712 issued by the British Virgin Islands Registry on December 10, 2010. The registered address is Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands. The registered capital is USD 1 million.

On October 25, 2011, Beijing State-owned Capital Operation and Management Center (hereinafter referred to as the “State Management Center”) contributed US\$469,748.00, equivalent to RMB 2,999,998.63.

The company included one accounting entity within the scope of the consolidated financial statements, namely: Beijing State-owned Capital Operation and Management Center Investment Management Limited (hereinafter referred to as “Investment Management Company”).

The Company has 1 subsidiary, namely the Investment Management Company.

The parent company of the Company is the State Management Center, and the ultimate controlling party is the State Management Center.

II. Basis of preparation of financial statements

The financial statements are prepared in accordance with the Accounting Standards for Business Enterprises and guidelines, interpretations and other related provisions promulgated by the Ministry of Finance (collectively, “Accounting Standards for Business Enterprises”).

The financial statements have been prepared on going concern basis.

III. Statement of compliance with the Accounting Standards for Business Enterprises

The financial statements have been prepared in compliance with the Accounting Standards for Business Enterprises to truly and completely reflect the consolidated financial position of the Company as of 31 December 2020 and its consolidated operating result and its consolidated cash flows and other relevant information for the year ended 31 December 2020.

IV. Significant accounting policies and accounting estimates

1. Financial year

The financial year of the Company is from 1 January to 31 December of each calendar year.

2. Functional currency

The Company uses US dollar (“US\$”) as its functional currency. The financial statements have been converted into Renminbi (“RMB”) for presentation.

3. Basis of accounting and principal of measurement

The Company adopts the accrual basis of accounting. Except for certain financial instruments and investment properties, the financial statements are prepared under the historical cost convention.

4. Business combinations

(1) Business combinations involving enterprises under common control

For the business combinations involving enterprises under common control, assets and liabilities obtained by combining party in the business combination are recognized at their carrying amounts at the date of merger as recorded by the party being combined, except for the items that are adjusted being the accounting policies applied by the absorbing party are inconsistent with those adopted by the party being absorbed. The difference between the carrying amount of the net assets obtained and the carrying amount of the consideration paid for the combination is adjusted to capital reserves. If the capital reserve is not sufficient to absorb the difference, any excess is adjusted to retained earnings.

Costs that are directly attributable to the combination are charged to profit or loss when incurred by the combining party.

(2) Business combinations involving enterprises not under common control

For business combinations involving enterprises not under common control, the consideration costs are the fair values of the assets paid, the liabilities incurred or assumed and the equity instruments issued by the acquirer in exchange for control over the acquire on the acquisition date. At the acquisition date, the acquired assets, liabilities and contingent liabilities of the acquiree are measured at their fair value.

The overhead for the business combination, including the expenses for audit, legal services, valuation advisory, and other administrative expenses, are recorded in profit or loss for the current period when incurred. The transaction costs of equity or debt instruments issued as the considerations of business combination are included in the initial recognition amount of the equity or debt instruments.

Where the cost of combination exceeds the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is recognized as goodwill, and measured on the basis of its costs less accumulated impairment provisions. Where the cost of combination is less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is credited in profit or loss for the current period after reassessment.

Business combinations involving entities not under common control achieved in stages that involves multiple transactions. In the consolidated financial statements, the cost of business combination is the sum of the consideration paid at the acquisition date plus the fair value of equity investment of the acquiree held prior to the acquisition date. The cost of equity investment of the acquiree held prior to the acquisition date is re-measured at the fair value at the acquisition date, the difference between the fair value and carrying value is recognized as profit or loss for the current period. Other comprehensive income and changes of other equity from the equity interest held in the acquire prior to the acquisition date are transferred to profit or loss for the current period except for other comprehensive income due to the movement of net liabilities or assets in the investee's re-measurement defined benefit plan.

5. Basis of preparation of consolidated financial statements

The consolidation financial statements include the Company and its all subsidiaries.

The scope of consolidated financial statements is determined on the basis of control.

The consolidated financial statements are prepared by the Company based on the financial statements of the Company and its subsidiaries and other relevant information. In preparation of consolidated financial statements, the accounting policies and accounting periods of the subsidiaries should be in accordance with those established by the Company, all significant intercompany accounts and transactions are eliminated on consolidation.

Where a subsidiary or business has been acquired through a business combination involving enterprises under common control in the reporting period, the subsidiary or business is deemed to be included in the consolidated financial statements from the date they are controlled by the ultimate controlling party. Their operating results and cash flows are included in the consolidated income statement and consolidated cash flow statement respectively from the date they are controlled by the ultimate controlling party.

The portion of a subsidiary's equity that is not attributable to the parent is treated as minority interests and presented in the consolidated balance sheet within shareholders' equity. The portion of net profit or loss of subsidiaries for the period attributable to minority interests is presented in the consolidated income statement below the "net profit" line item as "minority interests". When the loss of the subsidiary attributable to minority interests is more than minority interests in that subsidiary at beginning of the period, the minority interest is reversed by the balance of the loss of the subsidiary attributable to minority interests.

Where the Company acquires minority interests of subsidiary or disposes of a portion of an interest in a subsidiary without a change in control, the difference between the amount by which the minority interests are adjusted and the amount of the consideration paid or received is adjusted to the capital reserve in the consolidated balance sheet, with any excess adjusted to retained earnings.

When the Company loses control over subsidiary because of disposing part of equity investment or other reasons, the remaining part of the equity investment is re-measured at fair value at the date when losing control over the subsidiary. A gain or loss is recognized in profit or loss and is calculated by the aggregate of the fair value of consideration received in disposal of the equity investment and the fair value of remaining part of the equity investment, and deduct the share of net assets in proportion to previous shareholding percentage in former subsidiary since acquisition date and the relating goodwill is derecognized.

Other comprehensive income and other owners' equity related to the former subsidiary is transferred to profit or loss for the current period of disposal, except for those comprehensive incomes arising on the movement of net liabilities or assets in the former subsidiary's re-measurement of defined benefit plan.

Disposing equity investment by stages until losing control that qualified as a single transaction, the difference between the consideration received and the carrying amount of disposed long-term equity investments is recognized as other comprehensive income, and finally recognized in profit or loss in the current period on the date of losing control.

6. Foreign currency transactions and translation of foreign currency financial statements

(1) Foreign currency transactions

Foreign currency transactions are translated into the functional currency of the Company, using the exchange rates prevailing at the dates of the transactions

As at the balance sheet date, monetary items denominated in foreign currency are exchanged to Renminbi by adopting the prevailing exchange rate on that date. Foreign exchange difference arising from the difference between the prevailing exchange rate on that date and the prevailing exchange rate on initial

recognition or on the previous balance sheet date are recognized in profit or loss for the current period. Non-monetary items denominated in foreign currency that are measured at historical cost are still measured at amount denominated in reporting currency exchanged at the prevailing exchange rate at the transaction date. Non-monetary items denominated in foreign currency that are measured at fair value are translated using the exchange rate at the date when fair value was determined and the difference between the translated functional currency amount and the prevailing exchange rate on initial recognition or on the previous balance sheet date are recognized in profit or loss for the current period.

(2) Translation of foreign currency financial statements

At the balance sheet date, when translating the foreign currency financial statements of overseas subsidiaries, the assets and liabilities of the balance sheet are translated to RMB using the spot exchange rate at the balance sheet date. Items of the shareholders' equity, except for "undistributed profits", are translated at the spot exchange rate at the dates on which such items arose.

The revenue and expenditure in the statement of income are translated using the average exchange rate for the accounting period.

Items of the cash flow statement are translated using the average exchange rate for the accounting period. Effects arising from changes of exchange rates on cash and cash equivalents are presented separately as "Effect of changes in exchange rates on cash and cash equivalents" in the cash flow statement.

Differences arising from the translation of financial statements are separately presented as "currency translation reserve" in the owners' equity of the balance sheet.

(3) The foreign exchange rates used in the translation of this report:

December 31, 2019: 1 USD = 6.9762 RMB

December 31, 2020: 1 USD = 6.5249 RMB

7. Receivables

Receivables include notes receivables, accounts receivables and other receivables.

(1) Receivables that are individually significant and assessed individually for impairment:

Criteria of individually significant receivables: the carrying amount of receivables of over RMB 1 million (million inclusive) are recognized as individually significant receivable.

Method of provisioning for bad debts for receivables that are individually significant and assessed individually: Receivables that are individually significant are subject to separate impairment assessment, if there is objective evidence of impairment, provision for bad debts is recognized on the shortfall between the present value of future cash flows and the carrying amount.

(2) Receivables that are individually insignificant but assessed individually for impairment:

Reasons for provision individually	Litigation receivables, receivables from customer with deteriorating creditability
Method of provision	By analysis of each items, recognize the provision for bad debts on the shortfall between the present value of future cash flows and the carrying amount.

8. Long-term equity investments

Long-term equity investments include equity investments where the Company has control of, or significant influence over and equity investments in associates. Where the Company can exercise significant influence over the investee, the investee is a joint venture.

(1) Determination of investment cost

Long-term equity investment acquired through a business combination: For a business combination involving enterprises under common control, the initial investment cost of a long-term equity investment is the combining party's share of the carrying amount of the owners' equity of the combined party in the consolidated financial statements of the ultimate controlling party at the date of combination. For a business combination not involving enterprises under common control, the initial investment cost of a long-term equity investment is the cost of acquisition. Business combinations involving entities under common control achieved in stage that involves multiple transactions, the initial investment cost of a long-term equity investment is sum of the book value of long-term equity investment which prior to the purchase date and the new investment amount of purchasing date.

Long-term equity investment acquired other than through a business combination: For a long-term equity investment acquired by cash, the initial investment cost is the amount of cash paid. For a long-term equity investment acquired by issuing equity securities, the initial investment cost is the fair value of the equity securities issued.

(2) Subsequent measurement and recognition of profit or loss

The Company has the control of the investee is accounted for using the cost method. The investment in associates and joint ventures are accounted for using the equity method.

For long-term equity investment which is accounted for using the cost method, investment income is recognized in profit or loss for the current period as the cash dividend or profit announced and distributed, except for those cash dividend or profit which have already included in the actual payment or consideration of offer when the investment was made.

For long-term equity investment which is accounted for using the equity method, where the initial investment cost of a long-term equity investment exceeds the Company's interest in the fair values of the investee's identifiable net assets, no adjustment is made to the initial investment cost. Where the initial investment cost is less than the Company's interest in the fair values of the investee's identifiable net assets, the difference is charged to profit or loss for the current period, and the carrying amount of the long-term equity investment is adjusted accordingly.

Under the equity method, the Company recognizes its share of the investee's net profit or losses, as well as its share of the investee's other comprehensive income, as investment income or losses and other comprehensive income, and adjust the carrying amount of the investment accordingly. The carrying amount of the investment is reduced by the portion of any profit distributions or cash dividends declared by the investee that is attributable to the Company. The Company's share of the investee's owners' equity changes, other than those arising from the investee's net profit or loss, other comprehensive income or profit distribution, is recognized in the capital reserve, and the carrying amount of the long-term equity investment is adjusted accordingly. The Company recognizes its share of the investee's net profits or losses based on the fair values of the investee's individual separately identifiable assets at the time of acquisition, after making appropriate adjustments thereto in conformity with the accounting policies and accounting periods of the Company.

When the Company becomes capable of exercising significant influence or joint control (but not sole control) over an investee due to additional investment or other reasons, the accounting is changed to the equity method and the initial investment cost on the date of change is the sum of the fair value of the previously-held equity investment and additional investment cost. The differences between the fair value and carrying amount of previously-held equity investment and the accumulated changes in fair value included in other comprehensive income are transferred to profit or loss for the current period upon commencement of the equity method

The unrealized profit or loss from internal transactions entered into between the Company and its associate or joint venture is offset according to the shareholding percentage held by the Company and the remaining portion is recognized as investment income or loss. However, the unrealized loss from internal transactions entered into between the Company and its investee is not offset if it belongs to impairment loss from assets transferred.

For long-term equity investments in associates and joint ventures that have been held before January 1, 2007, if there is a debit balance of equity investment related to the investment, the debit balance of equity investment amortized by the original remaining period under straight-line method is deducted, the remaining is recognized as the investment income or loss.

(3) Basis for recognition of joint control or significant influence over an investee

Control is the Company held the rights in investee and enjoys the changeable return through the participation relevant activities in the investee and has the ability to use the investee's rights to influence the return amount. Subsidiary refers to controlled by the Company (including enterprise, separable parts in investee and structuring bodies controlled by the enterprise, etc.).

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. In assessing whether joint control of an arrangement exists, the Company firstly assesses whether all the parties or a group of the parties control the arrangement collectively. When all the parties or a group of the parties must act together unanimously in directing the relevant activities, then all the parties or a group of the parties are regarded as having joint control of an arrangement. Then assess whether decisions about the relevant activities require the unanimous consent of those parties that control the arrangement collectively. When more than one combination of the parties can control an arrangement collectively, joint control does not exist. Protective rights of any party are not considered when determining joint 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 of those policies. When determining whether an investor can exercise significant influence over an investee, the effect of potential voting rights (for example, warrants, share options and convertible bonds) held by the investors or other parties that are currently exercisable or convertible be considered.

When the Company, directly or indirectly through subsidiaries, owns more than 20% (20% inclusive) but less than 50% of the voting shares of the investee, the Company has significant influence on the investee unless there is clear evidence to show that the Company cannot participate in the business and operation decisions of the investee, and accordingly cannot exercise any significant influence. When the Company owns less than 20% (not including 20%) of the voting shares of the investee, the Company has no significant influence on the investee unless there is clear evidence to show that the Company can participate in the business and operation decisions of the investee, and accordingly can exercise a significant influence.

(4) Disposal of long-term equity investments

On disposal of a long-term investment, the difference between the carrying amount of the investment and the actual consideration paid is recognized in profit or loss for the current period. For a long-term equity investments accounted for using the equity method, when dispose of the investment, same basis shall be adopted as if the investee is dispose relevant assets or liabilities, other comprehensive income shall be accounted for on a pro-rata basis according to the proportion of disposed investment.

When the joint control or significant influence over the invested unit are lost due to disposal of partial equity investment etc., the residual equity after disposal shall be recognized in current profit or loss as the variance between the fair value on the date of joint control or significant influence is lost and book value. Other comprehensive income for the original equity investment confirmed by equity method should, when equity method is terminated for accounting, adopt the same accounting treatment as the investee directly dispose relevant assets or liabilities; the change of other owners' equity related to the original equity investment shall be transferred into profit or loss for the current period.

When the control over the investee are lost due to disposal of partial equity investment etc., if the residual equity after disposal could exert common control or important influence over the investee, equity method shall be adopted for the accounting, and adjustment shall be made on this partial equity deemed that equity method has been used for accounting since the acquisition; when the residual equity after disposal could not exert common control or important influence over the investee, accounting treatment shall be made according to relevant regulations in Accounting Standard for Business Enterprises No. 22-The recognition and measurement of financial instruments, and the difference between the fair value and book value on the date when the control right is lost shall be recorded in the profit or loss for the current period.

(5) Method of impairment testing and impairment provision

Provision for impairment of investment in subsidiaries, associated and joint ventures refer to Note IV.9.

9. Impairment of assets

The impairment of investment in associates is determined as follows:

At each balance sheet date, the Company determines whether there may be indication of impairment of the assets, if there is any, the Company will estimate the recoverable amount of the asset, and perform test for impairment. For goodwill arising from a business combination, intangible assets with indefinite useful life and intangible assets that have not reached the usable condition are tested for impairment annually regardless of whether such indication exists.

The recoverable amount of an asset is determined by the higher of the net amount after deducting the disposal costs from the asset's fair value and the present value of the asset's estimated future cash flow. The recoverable amount is estimated of the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the Company determines the recoverable amount of the asset group to which the asset belongs. The identification of the asset group is based on whether the cash flow generated from the asset group is independent of the major cash inflows from other assets or asset groups.

When the asset or asset group's recoverable amount is lower than its carrying amount, the Company reduces its carrying amount to its recoverable amount, the reduced amount is recorded in profit or loss for the current period and the provision for impairment of assets is recognized.

For tests of goodwill impairment, the carrying amount of goodwill arising from a business combination is allocated reasonably to the relevant asset group since the acquisition date. If the carrying value of goodwill is unable to be allocated to asset group, the carrying value of goodwill will be allocated to asset portfolio. Asset group or portfolio of asset group is asset group or portfolio of asset group which can benefit from synergies of a business combination and is not greater than the reportable segment of the Company.

In impairment testing, if indication of impairment exists in asset group or portfolio of asset group containing allocated goodwill, impairment test is first conducted on asset group or portfolio of asset group that does not contain goodwill, and corresponding recoverable amount is estimated and any impairment loss is recognized. Then asset group or portfolio of asset group containing goodwill is conducted impairment test by comparing its carrying amount and its recoverable amount. If the recoverable amount is less than the carrying amount, impairment loss of goodwill is recognized.

An impairment loss once recognized not be reversed in subsequent period.

V. Changes in accounting policies, accounting estimates and correction of errors in prior periods

(1) Changes in accounting policies

In December 2019, the Ministry of Finance issued the Accounting Standards for Business Enterprises Interpretation No. 13 (Cai Kuai [2019] No. 21) (hereinafter referred to as the "Interpretation No. 13").

The Interpretation No. 13 modified the three factors constituting a business, specified the determining conditions for businesses, and introduced "concentration test" for purchasers in business combinations under common control when determining whether the operating activities or asset portfolio acquired constitutes a business.

The Interpretation No. 13 clarified that the related parties of an enterprise include the associates and joint ventures of other common member units, including parent companies and subsidiaries, of the group, as well as the associates and joint ventures of investors in joint control of the enterprise.

The Interpretation No. 13 came into effect on January 1, 2020. The Group has applied the prospective application method for the accounting treatment of the above change in accounting policies.

The adoption of Interpretation No. 13 did not have a significant impact on the Company's financial status, operating results and related party disclosures.

2. Changes in accounting estimates

None

3. Correction of errors in prior periods

None.

VI. Taxation

The company is a BVI company and exempted for tax.

VII. Business combination and consolidated financial statements

Basic information of subsidiaries in the consolidation for this period

No.	Entity	Level	Type	Registration place	Place of operation	Business nature	Paid-in capital	Shareholding ratio (%)	Voting right (%)	Investment amount	Acquisition method
1	Investment Management Company	2	3	BVI	BVI	Investment	1,982,051,596.59	100.00	100.00	1,982,051,596.59	1

(Note: Type of enterprise: 1. Domestic non-financial subsidiary, 2. Domestic financial subsidiary, 3. Overseas subsidiary, 4. Public institution, 5. Infrastructure unit;

Acquisition method: 1. Investment establishment, 2. Business combination under common control, 3. Business combination not under common control, 4. Others)

VIII. Notes to significant items of consolidated financial statements

1. Cash and bank balances

Item	Closing balance	Beginning balance
Cash at bank	791,600,267.25	724,243,580.75
Including: Total amount of money deposited abroad	791,600,267.25	724,243,580.75

2. Other receivables

Item	Closing balance	Beginning balance
Interest receivable	401,632.91	4,545,959.39
Other receivables	20,228.30	21,627.41
Total	421,861.21	4,567,586.80

(1) Interest receivable

Item	Closing balance	Beginning balance
Time deposit	401,632.91	4,545,959.39

(2) Other receivables

Category	Book balance	Closing balance		
		Ratio %	Provision for bad debts	Ratio %
Individually insignificant and subject to separate provision of other receivables	20,228.30	100.00	--	--

Other receivables by category (Continued)

Category	Book balance	Beginning balance		Ratio %
		Ratio %	Provision for bad debts	
Individually insignificant and subject to separate provision of other receivables	21,627.41	100.00	--	--

At year end, individually insignificant and subject to separate provision of other receivables

Debtor	Book balance	Provision for bad debts	Ageing	Provision ratio	Reason of provision
State Management Center	20,228.30	--	Over 3 years	--	--

3. Long-term equity investment

(1) Long-term equity investment by category

Item	Beginning balance	Increase	Decrease	Closing balance
Investment in associates	6,217,147,285.20	495,048,447.69	--	6,712,195,732.89
Less: Provision for impairment of long-term equity investments	--	--	--	--
Total	6,217,147,285.20	495,048,447.69	--	6,712,195,732.89

(2) Details of long-term equity investments

Investee	Investment cost	Beginning balance	Movement in the year				Declared distribution of cash dividend or profit	Closing balance	Provision for impairment at year end
			Investment income recognised under equity method	Other comprehensive income adjustment	Other changes in equity	Other			
Associate									
China Resources Pharmaceutical Group Limited	1,982,051,596.59	6,217,147,285.20	499,000,981.65	480,420,857.47	245,274.45	-379,894,854.97	104,723,810.91	6,712,195,732.89	--

(3) Principle financial information of significant associates

Item	China Resources Pharmaceutical Group Limited	
	Closing balance	Beginning balance
Current assets	123,812,698,405.48	119,089,995,412.80
Non-current assets	52,402,949,680.92	51,134,411,232.60
Total assets	176,215,648,086.40	170,224,406,645.40
Current liabilities	103,201,606,434.20	95,556,481,090.20

Item	China Resources Pharmaceutical Group Limited	
	Closing balance	Beginning balance
Non-current liabilities	5,658,060,404.04	12,336,530,303.40
Total liabilities	108,859,666,838.24	107,893,011,393.60
Net assets	67,355,981,248.16	62,331,395,251.80
Share of net assets calculated based on shareholding ratio	6,817,023,657.01	6,352,939,088.79
Adjustment matters	-104,827,924.12	-135,791,803.59
Carrying amount for equity investment in associates	6,712,195,732.89	6,217,147,285.20

Continued:

Item	China Resources Pharmaceutical Group Limited	
	Current year	Prior year
Operating revenue	174,111,488,540.56	181,146,127,934.00
Net profit	4,624,753,409.52	4,516,653,458.00
Other comprehensive income	4,535,220,063.64	-1,603,163,991.00
Total comprehensive income	9,159,973,473.16	2,913,489,467.00
Dividends received from associates in the current period	104,723,810.91	126,118,201.98

4. Share capital

Investor	Beginning balance	Increase	Decrease	Closing balance
State Management Center	2,999,998.63	--	--	2,999,998.63

5. Capital reserve

Item	Beginning balance	Increase	Decrease	Closing balance
Other capital reserve	2,588,630,446.91	245,274.45	--	2,588,875,721.36

6. Undistributed profits

Item	Current year	Prior year
Beginning balance of the current period	4,362,544,784.31	4,033,380,095.65
Increase	508,452,457.90	506,729,482.09
Including: Net profit for the year	508,452,457.90	506,729,482.09

Item	Current year	Prior year
Decrease	--	177,564,793.43
Including: Appropriation of cash dividends	--	177,564,793.43
Closing balance of the current period	4,870,997,242.21	4,362,544,784.31

7. Administrative expenses

Item	Current year	Prior year
Intermediary agency fee	378,354.49	341,412.53

8. Financial expenses

Item	Current year	Prior year
Total interest expenses	--	--
Less: Interest capitalized	--	--
Net interest expense	--	--
Less: Interest income	9,833,062.22	19,562,838.32
Exchange gains or losses	-1,921.82	-235,539.11
Less: Capitalized exchange gains or losses	--	--
Bank charges and other	5,153.30	2,068.92
Total	-9,829,830.74	-19,796,308.51

9. Investment income

Source of investment income	Current year	Prior year
Income from long-term equity investments accounted for using the equity method	499,000,981.65	487,274,586.11

10. Other comprehensive income attributable to owners of the parent company

(1) Details of other comprehensive income, income tax effect and transfer

Item	Current year			Prior year		
	Amount before tax	Income tax	Net amount after tax	Amount before tax	Income tax	Net amount after tax
Other comprehensive income that will be reclassified into profit or loss subsequently						
1. Other comprehensive income that can be converted to profit or loss under the equity method	480,420,857.47	--	480,420,857.47	-130,972,039.32	--	-130,972,039.32
Less: Other comprehensive income	--	--	--	--	--	--

Beijing State-owned Capital Operation and Management Center Investment Holdings Limited
Notes to the financial statements
For the year ended December 31, 2020 (all amounts in RMB unless otherwise stated)
[English Translation for Reference Only]

Item	Current year			Prior year		
	Amount before tax	Income tax	Net amount after tax	Amount before tax	Income tax	Net amount after tax
Other comprehensive income that will be reclassified into profit or loss subsequently recorded in prior year and transferred to profit or loss for the current year						
Sub-total	480,420,857.47	--	480,420,857.47	-130,972,039.32	--	-130,972,039.32
2. Translation differences arising on translation of foreign currency financial statements	-430,859,181.22	--	-430,859,181.22	585,892,472.08	--	585,892,472.08
Less: Other comprehensive income recorded in prior year and transferred to profit or loss for the current year	--	--	--	--	--	--
Sub-total	-430,859,181.22	--	-430,859,181.22	585,892,472.08	--	585,892,472.08
Total other comprehensive income	49,561,676.25	--	49,561,676.25	454,920,432.76	--	454,920,432.76

(2) Reconciliation of other comprehensive income items

Item	Other comprehensive income that can be converted to profit or loss under the equity method	Translation differences arising on translation of foreign currency financial statements	Total other comprehensive income
1. Beginning balance on the prior year	-437,604,114.33	-25,533,095.53	-463,137,209.86
2. Restated beginning balance	-437,604,114.33	-25,533,095.53	-463,137,209.86
3. Movement amount of prior period ("-" for decrease)	-130,972,039.32	585,892,472.08	454,920,432.76
4. Closing balance of prior period/ Beginning balance of current period	-568,576,153.65	560,359,376.55	-8,216,777.10
5. Movement amount of current period ("-" for decrease)	480,420,857.47	-430,859,181.22	49,561,676.25
6. Closing balance of current period	-88,155,296.18	129,500,195.33	41,344,899.15

11. Supplement to consolidated cash flows statement

(1) Supplement to cash flows statement

Item	Current year	Prior year
1. Reconciliation of net profit to cash flow from operating activities:	—	—
Net profit	508,452,457.90	506,729,482.09

Item	Current year	Prior year
Add: Impairment for assets	--	--
Depreciation of fixed assets	--	--
Amortization of intangible assets	--	--
Amortization of long-term deferred expenses	--	--
Losses on disposal of fixed assets, intangible assets, and other long-term assets (Gain as in "-")	--	--
Loss on retirement of fixed assets (Gain as in "-")	--	--
Losses on changes in fair value (Gain as in "-")	--	--
Financial charges (Gain as in "-")	-1,921.82	--
Investment losses (Gain as in "-")	-499,000,981.65	-487,274,586.11
Decrease in deferred tax assets (Increase as in "-")	--	--
Increase in deferred tax liabilities (Decrease as in "-")	--	--
Decrease in inventories (Increase as in "-")	--	--
Decrease in operating receivables (Increase as in "-")	3,983,394.65	1,424,916.11
Increase in operating payables (Decrease as in "-")	--	--
Others	--	--
Net cash flows from operating activities	13,432,949.08	20,879,812.09
2. Significant investment or finance activities not involving cash:		
Debts converted to capital		
Convertible debts mature within one year		
Fixed assets acquired under finance leases		
3. Net increase / (decrease) in cash and cash equivalents:		
Cash as at end of year	791,600,267.25	724,243,580.75
Less: cash at beginning of year	724,243,580.75	742,829,532.59
Add: cash equivalents at end of year	--	--
Less: cash equivalents at beginning of year	--	--
Net increase in cash and cash equivalents	67,356,686.50	-18,585,951.84

(2) Details of cash and cash equivalents

Item	Closing balance	Beginning balance
1. Cash	791,600,267.25	724,243,580.75
Including: Cash at bank readily available for payment	791,600,267.25	724,243,580.75
2. Cash equivalents	--	--

Item	Closing balance	Beginning balance
3. Cash and cash equivalents as at closing balance	791,600,267.25	724,243,580.75

IX. Contingencies

As of December 31, 2020, the Company has no contingencies that should be disclosed.

X. Event after balance sheet date

As of April 30, 2021, the Company has no matters after the balance sheet date that should be disclosed.

XI. Related parties and their transactions

1. Parent company of the Company

Name of parent company	Place of registration	Business nature	Registered capital (Unit: '0000)	Shareholding % in the Company	Voting right % in the Company
State Management Center	Beijing	Investment	3,500,000	100.00	100.00

2. Joint ventures and associates

Name	Principal place of business	Registration place	Business nature	Shareholding (%)		Voting ratio (%)
				Direct	Indirect	
Associate China Resources Pharmaceutical Group Limited	Hong Kong	Hong Kong	Pharmaceutical	17.43	--	17.43

3. Receivables from and payables to related party

Receivables from related party

Item	Related party	Closing balance		Beginning balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Other receivables	State Management Center	20,228.30	--	21,627.41	--

XII. Notes to the parent company's financial statements

1. Other receivables

Item	Closing balance	Beginning balance
Other receivables	150,726.30	161,151.41

Other receivables

Category	Closing balance			
	Book balance	Ratio %	Provision for bad debts	Ratio %
Individually insignificant and subject to separate provision of other receivables	150,726.30	100.00	--	--

Other receivables by category (Continued)

Category	Beginning balance			
	Book balance	Ratio %	Provision for bad debts	Ratio %
Individually insignificant and subject to separate provision of other receivables	161,151.41	100.00	--	--

At year end, individually insignificant and subject to separate provision of other receivables

Debtor	Book balance	Provision for bad debts	Ageing	Provision ratio	Reason of provision
Investment Management Company	130,498.00	--	2-3 years	--	--
State Management Center	20,228.30	--	Over 3 years	--	--
Total	150,726.30	--	—	--	--

2. Long-term equity investment

Item	Beginning balance	Increase	Decrease	Closing balance
Investment in subsidiaries	1,982,051,596.59	--	--	1,982,051,596.59
Less: Provision for impairment of long-term equity investments	--	--	--	--
Total	1,982,051,596.59	--	--	1,982,051,596.59

3. Investment income

Source of investment income	Current year	Prior year
Investment income from disposal of long-term equity investments	--	178,008,705.40

4. Supplement to cash flows statement

(1) Supplement to cash flows statement

Item	Current year	Prior year
1. Reconciliation of net profit to cash flow from operating activities:		
Net profit	-28,375.06	177,989,547.38
Add: Impairment for assets	--	--
Depreciation of fixed assets, oil and gas assets, productive biological assets	--	--
Amortization of intangible assets	--	--
Amortization of long-term deferred expenses	--	--
Losses on disposal of fixed assets, intangible assets, and other long-term assets (Gain as in "-")	--	--
Loss on retirement of fixed assets (Gain as in "-")	--	--
Losses on changes in fair value (Gain as in "-")	--	--
Financial charges (Gain as in "-")	-1,971.03	--
Investment losses (Gain as in "-")	--	-178,008,705.40
Decrease in deferred tax assets (Increase as in "-")	--	--
Increase in deferred tax liabilities (Decrease as in "-")	--	--
Decrease in inventories (Increase as in "-")	--	--
Decrease in operating receivables (Increase as in "-")	--	--
Increase in operating payables (Decrease as in "-")	--	--
Others	--	--
Net cash flows from operating activities	-30,346.09	-19,158.02
2. Significant investment or finance activities not involving cash:		
Debts converted to capital		
Convertible debts mature within one year		
Fixed assets acquired under finance leases		
3. Net increase / (decrease) in cash and cash equivalents:		
Cash as at end of year	2,924,725.22	3,156,339.76
Less: cash at beginning of year	3,156,339.76	2,683,927.80
Add: cash equivalents at end of year	--	--
Less: cash equivalents at beginning of year	--	--
Net increase in cash and cash equivalents	-231,614.54	472,411.96

(2) Details of cash and cash equivalents

Beijing State-owned Capital Operation and Management Center Investment Holdings Limited
Notes to the financial statements
For the year ended December 31, 2020 (all amounts in RMB unless otherwise stated)
[English Translation for Reference Only]

Item	Closing balance	Beginning balance
1. Cash	2,924,725.22	3,156,339.76
Including: Cash at bank readily available for payment	2,924,725.22	3,156,339.76
2. Cash equivalents	--	--
3. Cash and cash equivalents as at closing balance	2,924,725.22	3,156,339.76

XIII. Approval of financial statements

The financial statements and notes to the financial statements have been approved by the Company.

Beijing State-owned Capital Operation and Management Center

Investment Holdings Limited

For and on behalf of

Beijing State-owned Capital Operation and Management Center Investment Holdings Limited
April 30, 2021
北京国管中心投资控股有限公司

.....
Authorised Signature(s)



姓名 莫大伟
 Full name 莫大伟
 性别 男
 Sex 男
 出生日期 1967/11/04
 Date of birth 1967/11/04
 工作单位 北京京都会计师事务所有限公司
 Working unit 北京京都会计师事务所有限公司
 身份证号码 1101026671104307
 Identity card No. 1101026671104307



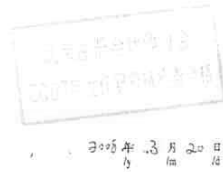
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No. of Certificate

批准注册协会: 北京市注册会计师协会
Authorized Institute of CPAs

发证日期: 2002年 09月 05日
Date of issuance 2002年 09月 05日

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This certificate is valid for another year after this renewal.



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Registration of the Change of Working Unit by a CPA

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Agree the holder to be transferred from

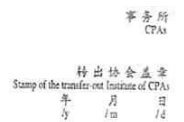


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Agree the holder to be transferred to

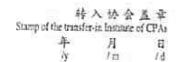


注册会计师工作单位变更事项登记
Registration of a Change of Working Unit by a CPA

同意调出
Agree the holder to be transferred from



同意调入
Agree the holder to be transferred to





姓名 Full name 康向红
 性别 Sex 女
 出生日期 Date of birth 1991-04-27
 工作单位 Working unit 致同会计师事务所(特殊普通合伙)
 身份证号码 Identity card No. 130634199104273123



证书编号: No. of Certificate 110101560269

批准注册协会: Authorized Institute of CPAs 北京注册会计师协会

发证日期: Date of Issuance 2015 年 11 月 17 日

年 月 日



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姓名: 康向红
证书编号: 110101560269

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this renewal.



证书编号: No. of Certificate 110101560269

批准注册协会: Authorized Institute of CPAs 北京注册会计师协会

发证日期: Date of Issuance 2015 年 11 月 17 日

年 月 日

证书序号: 0014469

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会计师事务所 执业证书



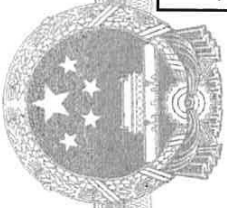
名称: 北京华远会计师事务所 (特殊普通合伙)
 首席合伙人: 惠琦
 主任会计师:
 经营场所: 北京市朝阳区建国门外大街22号赛特广场5层



发证机关: 北京市财政局
 二〇一〇年十一月十一日

组织形式: 特殊普通合伙
 执业证书编号: 11010156
 批准执业文号: 京财会许可[2011]0130号
 批准执业日期: 2011年12月13日

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(副本) (20-1)

名称 致同会计师事务所 (特殊普通合伙)

类型 特殊普通合伙企业

负责人 李惠琦

经营范围

审计企业会计报表、出具审计报告；验资、评估、清算、合并、分立、收购、兼并、重组、改制、清算、破产清算、财务顾问、法律、法规、规章、规范性文件规定的其他经营活动；(依法须经批准的项目，经相关部门批准后方可开展经营活动。)

成立日期 2011年12月22日
合伙期限 2011年12月22日至 长期
主要经营场所 北京市朝阳区建国门外大街22号赛特广场五层



登记机关

2021年03月18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

**BEIJING STATE-OWNED CAPITAL OPERATION AND
MANAGEMENT CENTER INVESTMENT HOLDINGS
LIMITED
FOR THE YEAR ENDED DECEMBER 31, 2019**

AUDIT REPORT

(ENGLISH TRANSLATION FOR REFERENCE ONLY)

Grant Thornton

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Auditor's Report

[English Translation for Reference Only]
GTCSZ (2020) No. 110ZC7083

To Beijing State-owned Capital Operation and Management Center Investment Holdings Limited:

I. Opinion

We have audited the financial statements of Beijing State-owned Capital Operation and Management Center Investment Holdings Limited (hereinafter "the Company"), which comprise the consolidated and company balance sheets as at December 31, 2019, and the consolidated and company income statements, consolidated and company cash flow statements and consolidated and company statements of changes in owners' equity for the year then ended, and the consolidated and Company statements of assets impairment provision as at December 31, 2019, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and company financial positions as at December 31, 2019, and their financial performance and their cash flows for the year then ended in accordance with the requirements of Accounting Standards for Business Enterprises.

II. Basis for Opinion

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

III. Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management of the Company is responsible for the preparation of the financial statements to achieve fair presentation in accordance with Accounting Standards for Business Enterprises, and for the design, implementation and maintenance of such internal control as management determine

is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

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

IV. Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

(3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(4) Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, the auditing standards require us

to draw attention to users of the financial statements in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

(5) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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



Beijing, China

Auditor's signature and stamp



Auditor's signature and stamp



April 20, 2020

This report, the accompanying financial statements and notes to the financial statements are English translation of the Chinese version of the Company. This translation is not required by law or any regulation. This material was prepared solely for the information of management of the Company. The accuracy or completeness of this translation is not guaranteed. In the event of any inconsistency between this English translation and the Chinese version, the Chinese version shall prevail.

Consolidated and Company Balance Sheets

As at December 31, 2019

Prepared by: Beijing State-owned Capital Operation and Management Center Investment Holdings Limited
 Authorised Signature(s)

Expressed in RMB

Item	Note	Closing balance		Beginning balance	
		Consolidated	Company	Consolidated	Company
Current assets:					
Cash and bank	VIII.1	724,243,580.75	3,156,339.76	742,829,532.59	2,683,927.80
Financial assets at fair value through profit or loss					
Derivative financial assets					
Notes and accounts receivable					
Prepayments					
Other receivables	VIII.2	4,567,586.80	161,151.41	5,906,882.88	158,541.09
Inventories					
Including: Raw materials					
Merchandise inventories (finished goods)					
Assets held-for-sale					
Non-current asset due within one year					
Other current assets					
Total current assets		728,811,167.55	3,317,491.17	748,736,415.47	2,842,468.89
Non-current assets:					
Available-for-sale financial assets					
Held-to-maturity investments					
Long-term receivables					
Long-term equity investments	VIII.3	6,217,147,285.20	1,982,051,596.59	5,438,547,336.83	1,982,051,596.59
Investment properties					
Fixed assets					
Construction in progress					
Productive biological assets					
Oil and gas assets					
Intangible assets					
Development costs					
Goodwill					
Long-term deferred expenses					
Deferred tax assets					
Other non-current assets					
Including: authorised reserve materials					
Total non-current assets		6,217,147,285.20	1,982,051,596.59	5,438,547,336.83	1,982,051,596.59
Total assets		6,945,958,452.75	1,985,369,087.76	6,187,283,752.30	1,984,894,065.48

For and on behalf of
 Beijing State-owned Capital Operation and Management Center
 北京国管中心投资控股有限公司

Consolidated and Company Balance Sheets (Continued)

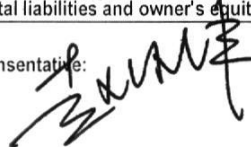
As at December 31, 2019

Prepared by: Beijing State-owned Capital Operation and Management Center Investment Holdings Limited

Expressed in RMB

Authorised Signature(s) Item	Note	Closing balance		Beginning balance	
		Consolidated	Company	Consolidated	Company
Current liabilities:					
Short-term loans					
Financial liabilities at fair value through profit or loss					
Derivative financial liability					
Notes and accounts payable					
Advances from customers					
Employee benefits payable					
Including: Salary payable					
Welfare benefits payable					
Taxes and surcharges payable					
Including: Taxes payable					
Other payables					
Liabilities held-for-sale					
Non-current liabilities due within one year					
Other current liabilities					
Total current liabilities					
Non-current liabilities:					
Long-term loans					
Bonds payable					
Including: Preferred shares					
Perpetual bonds					
Long-term payables					
Long-term employee benefits payable					
Provisions					
Deferred income					
Deferred tax liabilities					
Other non-current liabilities					
Including: authorized reserve fund					
Total non-current liabilities					
Total liabilities					
Equity:					
Paid-in capital	VIII.4	2,999,998.63	2,999,998.63	2,999,998.63	2,999,998.63
State-owned capital	VIII.4	2,999,998.63	2,999,998.63	2,999,998.63	2,999,998.63
State-owned legal person's capital	VIII.4	2,999,998.63	2,999,998.63	2,999,998.63	2,999,998.63
Collectively owned capital					
Private capital					
Foreign capital					
Paid-in capital-net value	VIII.4	2,999,998.63	2,999,998.63	2,999,998.63	2,999,998.63
Other equity instruments					
Including: Preferred shares					
Perpetual bonds					
Capital reserve	VIII.5	2,588,630,446.91	1,982,051,596.59	2,614,040,867.88	1,982,051,596.59
Less: Treasury shares					
Other comprehensive income	VIII.10	-8,216,777.10	248,372.86	-463,137,209.86	198,104.53
Including: Currency translation reserve	VIII.10	560,359,376.55	248,372.86	-25,533,095.53	198,104.53
Special reserve					
Surplus reserve					
Including: Statutory surplus reserve					
Discretionary surplus reserves					
Undistributed profits	VIII.6	4,362,544,784.31	69,119.68	4,033,380,095.65	-355,634.27
Equity attributable to parent company		6,945,958,452.75	1,985,369,087.76	6,187,283,752.30	1,984,894,065.48
* Minority interests					
Total owner's equity		6,945,958,452.75	1,985,369,087.76	6,187,283,752.30	1,984,894,065.48
Total liabilities and owner's equity		6,945,958,452.75	1,985,369,087.76	6,187,283,752.30	1,984,894,065.48

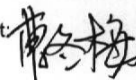
Legal representative:



Person in charge of accounting affairs:



Head of the accounting department:



For and on behalf of
 Beijing State-owned Capital Operation and Management Center Investment Holdings Limited
 北京国管中心投资控股有限公司 Consolidated and Company Income Statements

For the year ended December 31, 2019

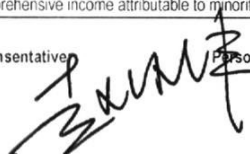
Prepared by Beijing State-owned Capital Operation and Management Center Investment Holdings Limited Expressed in RMB

Item	Note	2019		2018	
		Consolidated	Company	Consolidated	Company
I. Total operation revenue					
Including: Operating revenue					
II. Total operation cost		-19,454,895.98	19,158.02	-6,913,281.07	32,238.10
Including: operating cost					
Taxes and surcharges					
Selling expenses					
Administrative expenses	VIII.7	341,412.53	18,661.95	213,668.63	30,687.95
Research and development costs					
Finance expenses	VIII.8	-19,796,308.51	496.07	-7,126,949.70	1,550.15
Including: Interest expenses					
Interest income	VIII.8	19,562,838.32	99.99	8,020,231.26	
Net loss on foreign exchange ("-" for losses)	VIII.8	-235,539.11	-350.55	889,881.70	
Other					
Add: Other income					
Investment income ("-" for loss)	VIII.9	487,274,586.11	178,008,705.40	580,848,459.40	
Including: Investment income from associates and joint ventures	VIII.9	487,274,586.11		580,848,459.40	
Gains from changes of fair value ("-" for loss)					
Assets impairment loss ("-" for loss)					
Gain from disposal of assets ("-" for loss)					
III. Operating profits ("-" for loss)		506,729,482.09	177,989,547.38	587,761,740.47	-32,238.10
Add: Non-operating income					
Including: Government grants					
Less: Non-operating expenses					
IV. Profit before tax ("-" for loss)		506,729,482.09	177,989,547.38	587,761,740.47	-32,238.10
Less: Income tax expenses					
V. Net profit ("-" for net loss)		506,729,482.09	177,989,547.38	587,761,740.47	-32,238.10
(I) Classified by attribution to ownership					
1. Net profit attributable to owners of the parent		506,729,482.09	177,989,547.38	587,761,740.47	-32,238.10
2. Net profit attributable to minority interests					
(II) Classified by continuity of operations					
Net profit from continuing operations ("-" for loss)		506,729,482.09	177,989,547.38	587,761,740.47	-32,238.10
Net profit from discontinued operations ("-" for loss)					
VI. Other comprehensive income - after tax	VIII.10	454,920,432.76	50,268.33	-360,290,951.52	137,050.61
Other comprehensive income - after tax attributable to owners of the parent	VIII.10	454,920,432.76	50,268.33	-360,290,951.52	137,050.61
(I) Other comprehensive income that will not be reclassified to profit or loss					
Including: a. Changes in remeasurement of defined benefit plan					
b. Other comprehensive income not to be reclassified as profit or loss under equity method					
c. Others					
(II) Other comprehensive income that may be reclassified to profit or loss	VIII.10	454,920,432.76	50,268.33	-360,290,951.52	137,050.61
Including: a. Share of other comprehensive income of associates and joint ventures under equity method	VIII.10	-130,972,039.32		-368,779,304.82	
b. Gain or loss from fair value changes of available-for-sale financial assets					
c. Gain or loss in reclassification of held-to-maturity investments to available-for-sale financial assets					
d. Cash flow hedging reserve (effective part of cash flow hedging profit or loss)					
h. Translation differences arising on translation of foreign currency financial statements	VIII.10	585,892,472.08	50,268.33	8,488,353.30	137,050.61
e. Other					
Other comprehensive income - after tax attributable to minority interests					
VII. Total comprehensive income		961,649,914.85	178,039,815.71	227,470,788.95	104,812.51
Total comprehensive income attributable to owners of the parent		961,649,914.85	178,039,815.71	227,470,788.95	104,812.51
Total comprehensive income attributable to minority interests					

Legal representative

Person in charge of accounting affairs

Head of the accounting department:





Consolidated and Company Cash Flow Statements

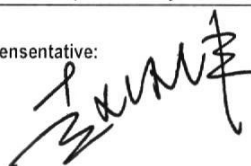
For the year ended December 31, 2019

Prepared by: Beijing State-owned Capital Operation and Management Center Investment Holdings Limited

Expressed in RMB

Authorised Signatory(s) Item	Note	2019		2018	
		Consolidated	Company	Consolidated	Company
I. Cash flows from operating activities:					
Cash received from sales and services					
Refund of taxes and surcharge					
Other cash receipts related to operating activities		21,223,293.54	450.54	2,275,694.09	
Total cash inflows from operating activities		21,223,293.54	450.54	2,275,694.09	
Cash paid for goods and services					
Cash paid to and on behalf of employees					
Cash payments for taxes and surcharges					
Other cash payments related to operating activities		343,481.45	19,608.56	1,106,882.21	166,212.10
Total cash outflows from operating activities		343,481.45	19,608.56	1,106,882.21	166,212.10
Net cash flows from operating activities		20,879,812.09	-19,158.02	1,168,811.88	-166,212.10
II. Cash flows from investing activities					
Cash received from withdraw of investments					
Cash received from investment income		126,118,201.98	178,008,705.40	475,724,622.59	
Net cash received from disposal of fixed assets, intangible assets and other long-term assets					
Net cash received from disposal of subsidiaries and other business units					
Other cash receipts related to investing activities					
Total cash inflows from investing activities		126,118,201.98	178,008,705.40	475,724,622.59	
Cash paid for fixed assets, intangible assets and other long-term assets					
Cash payments for investments					
Net cash paid for acquiring subsidiaries and other business units					
Other cash payments related to investing activities					
Total cash outflows from investing activities					
Net cash flows from investing activities		126,118,201.98	178,008,705.40	475,724,622.59	
III. Cash flows from financing activities					
Cash received from investments by others					
Including: Cash received by subsidiaries from minority shareholders' investments					
Cash received from borrowings					
Other cash receipts related to other financing activities					
Total cash inflows from financing activities					
Cash repayments for debts					
Cash payments for distribution of dividends, profit or interest expenses		177,564,793.43	177,564,793.43		
Including: Dividends or profit paid by subsidiaries to minority shareholders					
Other cash payments related to financing activities					
Total cash outflows from financing activities		177,564,793.43	177,564,793.43		
Net cash flows from financing activities		-177,564,793.43	-177,564,793.43		
IV. Effect of foreign exchange rate changes on cash and cash equivalents					
		11,980,827.52	47,658.01	23,897,747.34	132,740.65
V. Net increase in cash and cash equivalents					
		-18,585,951.84	472,411.96	500,791,181.81	-33,471.45
Add: Cash and cash equivalents at beginning of year		742,829,532.59	2,683,927.80	242,038,350.78	2,717,399.25
VI. Cash and cash equivalent at year end					
		724,243,580.75	3,156,339.76	742,829,532.59	2,683,927.80

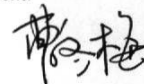
Legal representative:



Person in charge of accounting affairs:



Head of the accounting department:



For and on behalf of
Beijing State-owned Capital Operation and Management Center Investment Holdings Limited
北京国管中心投资控股有限公司

Consolidated Statement of Changes in Owners' Equity (Continued)

Prepared by: Beijing State-owned Capital Operation and Management Center Investment Holdings Limited

For the year ended December 31, 2019

Expressed in RMB

Authorised Signature(s)

2018

Item	Row	Owner's equity attributable to the parent company										Minority interests	Total owner's equity		
		Paid-in capital	Other equity instruments		Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	△ General risk provision	Undistributed profits			Other	Subtotal
Column	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
I. Balance at end of previous year	1	2,999,998.63			2,868,642,071.81		-102,846,256.34				3,445,618,355.18		6,214,414,167.28		6,214,414,167.28
Add: Changes in accounting policies	2														
Correction of errors	3														
Others	4														
II. Balance in beginning of year	5	2,999,998.63			2,868,642,071.81		-102,846,256.34				3,445,618,355.18		6,214,414,167.28		6,214,414,167.28
III. Movement over the year ("-" for decrease)	6				-254,601,203.93		-360,290,951.52				587,761,740.47		-27,130,414.98		-27,130,414.98
(I) Total comprehensive income for the year	7						-360,290,951.52				587,761,740.47		227,470,788.95		227,470,788.95
(II) Owner's contributions and decrease of capital	8				-254,601,203.93								-254,601,203.93		-254,601,203.93
1. Capital contribution from owner	9														
2. Increase in owner's equity resulted from other equity instruments	10														
3. Increase in owner's equity resulted from share-based payments	11														
4. Others	12														
(III) Special reserve appropriation and usage	13				-254,601,203.93								-254,601,203.93		-254,601,203.93
1. Appropriation to special reserves	14														
2. Usage of special reserves	15														
(IV) Profit distribution	16														
1. Appropriation for surplus reserve include: Statutory surplus reserve	17														
Discretionary surplus reserve	18														
2. Appropriation for general risks	19														
3. Distribution to owners (or owners)	20														
4. Others	21														
(V) Inter-account movements in owners' equity	22														
1. Capital surplus transfer to capital	23														
2. Surplus reserve transfer to capital	24														
3. Surplus reserve offsetting losses	25														
4. Changes in defined benefits plan transfer to retained earnings	26														
5. Others	27														
IV. Closing balance of current year	28	2,999,998.63			2,614,040,867.88		-463,137,209.86				4,033,380,095.65		6,187,283,752.30		6,187,283,752.30
	29														

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Person in charge of accounting affairs:

Head of the accounting department:

For and on behalf of
Beijing State-owned Capital Operation and Management Center Investment Holdings Limited
北京国管中心投资控股有限公司

Company Statement of Changes in Owners' Equity

For the year ended December 31, 2019

Prepared by: Beijing State-owned Capital Operation and Management Center Investment Holdings Limited

Expressed in RMB

Item	Row	2019											Total owner's equity	
		Column	1	2	3	4	5	6	7	8	9	10		11
		Paid-in capital	Preferred shares	Perpetual bonds	Other	Capital reserve	Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Δ General risk provision	Undistributed profits	Other	
I. Balance at end of previous year	1	2,999,998.63				1,982,051,596.59		198,104.53				-355,634.27		1,984,894,065.48
Add: Changes in accounting policies	2													
Correction of errors	3													
Others	4													
II. Balance in beginning of year	5	2,999,998.63				1,982,051,596.59		198,104.53				-355,634.27		1,984,894,065.48
III. Movement over the year ("+" for increase)	6							50,268.33				424,753.95		475,022.28
(I) Total comprehensive income for the year	7							50,268.33				424,753.95		475,022.28
(II) Owner's contributions and decrease of capital	8													
1. Capital contribution from owner	9													
2. Increase in owner's equity resulted from other equity instruments	10													
3. Increase in owner's equity resulted from share-based payments	11													
4. Others	12													
(III) Special reserve appropriation and usage	13													
1. Appropriation to special reserves	14													
2. Usage of special reserves	15													
(IV) Profit distribution	16													
1. Appropriation for surplus reserve	17													
Include: Statutory surplus reserve	18													
Discretionary surplus reserve	19													
2. Appropriation for general risks	20													
3. Distribution to owners (or owners)	21													
4. Others	22													
(V) Inter-account movements in owners' equity	23													
1. Capital surplus transfer to capital	24													
2. Surplus reserve transfer to capital	25													
3. Surplus reserve offsetting losses	26													
4. Changes in defined benefits plan transfer to retained earnings	27													
5. Others	28													
IV. Closing balance of current year	29	2,999,998.63				1,982,051,596.59		248,372.86				69,119.58		1,985,369,087.76

Person in charge of accounting affairs:

Head of the accounting department:



Legal representative:

Company Statement of Changes in Owners' Equity (Continued)

For the year ended December 31, 2019

Expressed in RMB

Item	Row	Paid-in capital					Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Δ General risk provision	Unistributed profits	Other	Total owner's equity
		14	15	16	17	18	Preferred shares	Perpetual bonds	Other									
I. Balance at end of previous year	1	2,999,998.63							1,982,051,596.59		61,053.92				-323,396.17		1,984,789,252.97	
Add: Changes in accounting policies	2																	
Correction of errors	3																	
Others	4																	
II. Balance in beginning of year	5	2,999,998.63							1,982,051,596.59		61,053.92				-323,396.17		1,984,789,252.97	
III. Movement over the year ("-" for decrease)	6																	
(i) Total comprehensive income for the year	7																	
(ii) Owner's contributions and decrease of capital	8																	
1. Capital contribution from owner	9																	
2. Increase in owner's equity resulted from other equity instruments	10																	
3. Increase in owner's equity resulted from share-based payments	11																	
4. Others	12																	
(iii) Special reserve appropriation and usage	13																	
1. Appropriation to special reserves	14																	
2. Usage of special reserves	15																	
(iv) Profit distribution	16																	
1. Appropriation for surplus reserve include: Statutory surplus reserve	17																	
Discretionary surplus reserve	18																	
2. Appropriation for general risks	19																	
3. Distribution to owners (or owners)	20																	
4. Others	21																	
(v) Inter-account movements in owners' equity	22																	
1. Capital surplus transfer to capital	23																	
2. Surplus reserve transfer to capital	24																	
3. Surplus reserve offsetting losses	25																	
4. Changes in defined benefits plan transfer to retained earnings	26																	
5. Others	27																	
IV. Closing balance of current year	28	2,999,998.63							1,982,051,596.59		198,104.53				-355,634.27		1,984,894,055.48	



Head of the accounting department:

Person in charge of accounting:

For and on behalf of
Beijing State-owned Capital Operation and Management Center Investment Holdings Limited
北京国管中心投资控股有限公司

Consolidated Statement of Assets Impairment Provision

As at 31 December 2019

Prepared by: Beijing State-owned Capital Operation and Management Center Investment Holdings Limited

Expressed in RMB

Item	Row	Beginning balance	Additions			Reductions			Closing balance	Item	Row	Amount
			Provision for current period	Additions by business combination	Others	Total	Assets value increase and reversal	Assets disposed				
Column	1	2	3	4	5	6	7	8	9	10	11	12
1. Provision for bad debts	1											
2. Provision for decline in value of inventories	2											
3. Impairment for assets held for sale	3											
4. Impairment for available-for-sale financial assets	4											
5. Impairment for held-to-maturity investments	5											
6. Impairment for long term equity investment	6											
7. Impairment for investment properties	7											
8. Impairment for fixed assets	8											
9. Impairment for construction in progress	9											
10. Impairment for productive biological assets	10											
11. Impairment for oil and gas assets	11											
12. Impairment for intangible assets	12											
13. Goodwill impairment	13											
14. Other impairment	14											
Total	15											

Supplementary information:
1. Policy-related receivables
2. Dispose of prior year loss and receivables in current year.
Include: Recognize of prior year loss of receivables in profit or loss for the current year



Principal in charge of accounting:

Head of accounting department:

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Notes to the Financial Statements

I. Company information

Beijing State-owned Capital Operation and Management Center Investment Holdings Limited (hereinafter referred to as “the Company”), is a limited company incorporated in the British Virgin Islands, and obtained the “Company Registration Certificate” with registration number 1619712 issued by the British Virgin Islands Registry on December 10, 2010. The registered address is P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands. The registered capital is USD 1 million.

On October 25, 2011, Beijing State-owned Capital Operation and Management Center (hereinafter referred to as the “State Management Center”) contributed US\$469,748.00, equivalent to RMB 2,999,998.63.

The company included one accounting entity within the scope of the consolidated financial statements, namely: Beijing State-owned Capital Operation and Management Center Investment Management Limited (hereinafter referred to as “Investment Management Company”).

The Company has 1 subsidiary, namely the Investment Management Company.

The parent company of the Company is the State Management Center, and the ultimate controlling party is the State Management Center.

II. Basis of preparation of financial statements

The financial statements are prepared in accordance with the Accounting Standards for Business Enterprises and guidelines, interpretations and other related provisions promulgated by the Ministry of Finance (collectively, “Accounting Standards for Business Enterprises”).

The financial statements have been prepared on going concern basis.

III. Statement of compliance with the Accounting Standards for Business Enterprises

The financial statements have been prepared in compliance with the Accounting Standards for Business Enterprises to truly and completely reflect the consolidated financial position of the Company as of 31 December 2019 and its consolidated operating result and its consolidated cash flows and other relevant information for the year ended 31 December 2019.

IV. Significant accounting policies and accounting estimates

1. Financial year

The financial year of the Company is from 1 January to 31 December of each calendar year.

2. Functional currency

The Company uses US dollar (“US\$”) as its functional currency. The financial statements have been converted into Renminbi (“RMB”) for presentation.

3. Basis of accounting and principal of measurement

The Company adopts the accrual basis of accounting. Except for certain financial instruments and

investment properties, the financial statements are prepared under the historical cost convention.

4. Business combinations

(1) Business combinations involving enterprises under common control

For the business combinations involving enterprises under common control, assets and liabilities obtained by combining party in the business combination are recognized at their carrying amounts at the date of merger as recorded by the party being combined, except for the items that are adjusted being the accounting policies applied by the absorbing party are inconsistent with those adopted by the party being absorbed. The difference between the carrying amount of the net assets obtained and the carrying amount of the consideration paid for the combination is adjusted to capital reserves. If the capital reserve is not sufficient to absorb the difference, any excess is adjusted to retained earnings.

Costs that are directly attributable to the combination are charged to profit or loss when incurred by the combining party.

(2) Business combinations involving enterprises not under common control

For business combinations involving enterprises not under common control, the consideration costs are the fair values of the assets paid, the liabilities incurred or assumed and the equity instruments issued by the acquirer in exchange for control over the acquiree on the acquisition date. At the acquisition date, the acquired assets, liabilities and contingent liabilities of the acquiree are measured at their fair value.

The overhead for the business combination, including the expenses for audit, legal services, valuation advisory, and other administrative expenses, are recorded in profit or loss for the current period when incurred. The transaction costs of equity or debt instruments issued as the considerations of business combination are included in the initial recognition amount of the equity or debt instruments.

Where the cost of combination exceeds the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is recognized as goodwill, and measured on the basis of its costs less accumulated impairment provisions. Where the cost of combination is less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is credited in profit or loss for the current period after reassessment.

Business combinations involving entities not under common control achieved in stages that involves multiple transactions. In the consolidated financial statements, the cost of business combination is the sum of the consideration paid at the acquisition date plus the fair value of equity investment of the acquiree held prior to the acquisition date. The cost of equity investment of the acquiree held prior to the acquisition date is re-measured at the fair value at the acquisition date, the difference between the fair value and carrying value is recognized as profit or loss for the current period. Other comprehensive income and changes of other equity from the equity interest held in the acquiree prior to the acquisition date are transferred to profit or loss for the current period except for other comprehensive income due to the movement of net liabilities or assets in the investee's re-measurement defined benefit plan.

5. Basis of preparation of consolidated financial statements

The consolidation financial statements include the Company and its all subsidiaries.

The scope of consolidated financial statements is determined on the basis of control.

The consolidated financial statements are prepared by the Company based on the financial statements of

the Company and its subsidiaries and other relevant information. In preparation of consolidated financial statements, the accounting policies and accounting periods of the subsidiaries should be in accordance with those established by the Company, all significant intercompany accounts and transactions are eliminated on consolidation.

Where a subsidiary or business has been acquired through a business combination involving enterprises under common control in the reporting period, the subsidiary or business is deemed to be included in the consolidated financial statements from the date they are controlled by the ultimate controlling party. Their operating results and cash flows are included in the consolidated income statement and consolidated cash flow statement respectively from the date they are controlled by the ultimate controlling party.

The portion of a subsidiary's equity that is not attributable to the parent is treated as minority interests and presented in the consolidated balance sheet within shareholders' equity. The portion of net profit or loss of subsidiaries for the period attributable to minority interests is presented in the consolidated income statement below the "net profit" line item as "minority interests". When the loss of the subsidiary attributable to minority interests is more than minority interests in that subsidiary at beginning of the period, the minority interest is reversed by the balance of the loss of the subsidiary attributable to minority interests.

Where the Company acquires minority interests of subsidiary or disposes of a portion of an interest in a subsidiary without a change in control, the difference between the amount by which the minority interests are adjusted and the amount of the consideration paid or received is adjusted to the capital reserve in the consolidated balance sheet, with any excess adjusted to retained earnings.

When the Company loses control over subsidiary because of disposing part of equity investment or other reasons, the remaining part of the equity investment is re-measured at fair value at the date when losing control over the subsidiary. A gain or loss is recognized in profit or loss and is calculated by the aggregate of the fair value of consideration received in disposal of the equity investment and the fair value of remaining part of the equity investment, and deduct the share of net assets in proportion to previous shareholding percentage in former subsidiary since acquisition date and the relating goodwill is derecognized.

Other comprehensive income and other owners' equity related to the former subsidiary is transferred to profit or loss for the current period of disposal, except for those comprehensive incomes arising on the movement of net liabilities or assets in the former subsidiary's re-measurement of defined benefit plan.

Disposing equity investment by stages until losing control that qualified as a single transaction, the difference between the consideration received and the carrying amount of disposed long-term equity investments is recognized as other comprehensive income, and finally recognized in profit or loss in the current period on the date of losing control.

6. Foreign currency transactions and translation of foreign currency financial statements

(1) Foreign currency transactions

Foreign currency transactions are translated into the functional currency of the Company, using the exchange rates prevailing at the dates of the transactions

As at the balance sheet date, monetary items denominated in foreign currency are exchanged to Renminbi by adopting the prevailing exchange rate on that date. Foreign exchange difference arising from the difference between the prevailing exchange rate on that date and the prevailing exchange rate on initial recognition or on the previous balance sheet date are recognized in profit or loss for the current period.

Non-monetary items denominated in foreign currency that are measured at historical cost are still measured at amount denominated in reporting currency exchanged at the prevailing exchange rate at the transaction date. Non-monetary items denominated in foreign currency that are measured at fair value are translated using the exchange rate at the date when fair value was determined and the difference between the translated functional currency amount and the prevailing exchange rate on initial recognition or on the previous balance sheet date are recognized in profit or loss for the current period.

(2) Translation of foreign currency financial statements

At the balance sheet date, when translating the foreign currency financial statements of overseas subsidiaries, the assets and liabilities of the balance sheet are translated to RMB using the spot exchange rate at the balance sheet date. Items of the shareholders' equity, except for "undistributed profits", are translated at the spot exchange rate at the dates on which such items arose.

The revenue and expenditure in the statement of income are translated using the average exchange rate for the accounting period.

Items of the cash flow statement are translated using the average exchange rate for the accounting period. Effects arising from changes of exchange rates on cash and cash equivalents are presented separately as "Effect of changes in exchange rates on cash and cash equivalents" in the cash flow statement.

Differences arising from the translation of financial statements are separately presented as "currency translation reserve" in the owners' equity of the balance sheet.

(3) The foreign exchange rates used in the translation of this report:

December 31, 2018: 1 USD = 6.8632 RMB

December 31, 2019: 1 USD = 6.9762 RMB

7. Receivables

Receivables include notes receivables, accounts receivables and other receivables.

(1) Receivables that are individually significant and assessed individually for impairment:

Criteria of individually significant receivables: the carrying amount of receivables of over RMB 1 million (million inclusive) are recognized as individually significant receivable.

Method of provisioning for bad debts for receivables that are individually significant and assessed individually: Receivables that are individually significant are subject to separate impairment assessment, if there is objective evidence of impairment, provision for bad debts is recognized on the shortfall between the present value of future cash flows and the carrying amount.

(2) Receivables that are individually insignificant but assessed individually for impairment:

Reasons for provision individually	Litigation receivables, receivables from customer with deteriorating creditability
Method of provision	By analysis of each items, recognize the provision for bad debts on the shortfall between the present value of future cash flows and the carrying amount.

8. Long-term equity investments

Long-term equity investments include equity investments where the Company has control of, or significant influence over and equity investments in associates. Where the Company can exercise significant influence over the investee, the investee is a joint venture.

(1) Determination of investment cost

Long-term equity investment acquired through a business combination: For a business combination involving enterprises under common control, the initial investment cost of a long-term equity investment is the combining party's share of the carrying amount of the owners' equity of the combined party in the consolidated financial statements of the ultimate controlling party at the date of combination. For a business combination not involving enterprises under common control, the initial investment cost of a long-term equity investment is the cost of acquisition. Business combinations involving entities under common control achieved in stage that involves multiple transactions, the initial investment cost of a long-term equity investment is sum of the book value of long-term equity investment which prior to the purchase date and the new investment amount of purchasing date.

Long-term equity investment acquired other than through a business combination: For a long-term equity investment acquired by cash, the initial investment cost is the amount of cash paid. For a long-term equity investment acquired by issuing equity securities, the initial investment cost is the fair value of the equity securities issued.

(2) Subsequent measurement and recognition of profit or loss

The Company has the control of the investee is accounted for using the cost method. The investment in associates and joint ventures are accounted for using the equity method.

For long-term equity investment which is accounted for using the cost method, investment income is recognized in profit or loss for the current period as the cash dividend or profit announced and distributed, except for those cash dividend or profit which have already included in the actual payment or consideration of offer when the investment was made.

For long-term equity investment which is accounted for using the equity method, where the initial investment cost of a long-term equity investment exceeds the Company's interest in the fair values of the investee's identifiable net assets, no adjustment is made to the initial investment cost. Where the initial investment cost is less than the Company's interest in the fair values of the investee's identifiable net assets, the difference is charged to profit or loss for the current period, and the carrying amount of the long-term equity investment is adjusted accordingly.

Under the equity method, the Company recognizes its share of the investee's net profit or losses, as well as its share of the investee's other comprehensive income, as investment income or losses and other comprehensive income, and adjust the carrying amount of the investment accordingly. The carrying amount of the investment is reduced by the portion of any profit distributions or cash dividends declared by the investee that is attributable to the Company. The Company's share of the investee's owners' equity changes, other than those arising from the investee's net profit or loss, other comprehensive income or profit distribution, is recognized in the capital reserve, and the carrying amount of the long-term equity investment is adjusted accordingly. The Company recognizes its share of the investee's net profits or losses based on the fair values of the investee's individual separately identifiable assets at the time of acquisition, after making appropriate adjustments thereto in conformity with the accounting policies and accounting periods of the Company.

When the Company becomes capable of exercising significant influence or joint control (but not sole control) over an investee due to additional investment or other reasons, the accounting is changed to the equity method and the initial investment cost on the date of change is the sum of the fair value of the previously-held equity investment and additional investment cost. The differences between the fair value and carrying amount of previously-held equity investment and the accumulated changes in fair value included in other comprehensive income are transferred to profit or loss for the current period upon commencement of the equity method

The unrealized profit or loss from internal transactions entered into between the Company and its associate or joint venture is offset according to the shareholding percentage held by the Company and the remaining portion is recognized as investment income or loss. However, the unrealized loss from internal transactions entered into between the Company and its investee is not offset if it belongs to impairment loss from assets transferred.

For long-term equity investments in associates and joint ventures that have been held before January 1, 2007, if there is a debit balance of equity investment related to the investment, the debit balance of equity investment amortized by the original remaining period under straight-line method is deducted, the remaining is recognized as the investment income or loss.

(3) Basis for recognition of joint control or significant influence over an investee

Control is the Company held the rights in investee and enjoys the changeable return through the participation relevant activities in the investee and has the ability to use the investee's rights to influence the return amount. Subsidiary refers to controlled by the Company (including enterprise, separable parts in investee and structuring bodies controlled by the enterprise, etc.).

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. In assessing whether joint control of an arrangement exists, the Company firstly assesses whether all the parties or a group of the parties control the arrangement collectively. When all the parties or a group of the parties must act together unanimously in directing the relevant activities, then all the parties or a group of the parties are regarded as having joint control of an arrangement. Then assess whether decisions about the relevant activities require the unanimous consent of those parties that control the arrangement collectively. When more than one combination of the parties can control an arrangement collectively, joint control does not exist. Protective rights of any party are not considered when determining joint 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 of those policies. When determining whether an investor can exercise significant influence over an investee, the effect of potential voting rights (for example, warrants, share options and convertible bonds) held by the investors or other parties that are currently exercisable or convertible be considered.

When the Company, directly or indirectly through subsidiaries, owns more than 20% (20% inclusive) but less than 50% of the voting shares of the investee, the Company has significant influence on the investee unless there is clear evidence to show that the Company cannot participate in the business and operation decisions of the investee, and accordingly cannot exercise any significant influence. When the Company owns less than 20% (not including 20%) of the voting shares of the investee, the Company has no significant influence on the investee unless there is clear evidence to show that the Company can participate in the business and operation decisions of the investee, and accordingly can exercise a significant influence.

(4) Disposal of long-term equity investments

On disposal of a long-term investment, the difference between the carrying amount of the investment and the actual consideration paid is recognized in profit or loss for the current period. For a long-term equity investments accounted for using the equity method, when dispose of the investment, same basis shall be adopted as if the investee is dispose relevant assets or liabilities, other comprehensive income shall be accounted for on a pro-rata basis according to the proportion of disposed investment.

When the joint control or significant influence over the invested unit are lost due to disposal of partial equity investment etc., the residual equity after disposal shall be recognized in current profit or loss as the variance between the fair value on the date of joint control or significant influence is lost and book value. Other comprehensive income for the original equity investment confirmed by equity method should, when equity method is terminated for accounting, adopt the same accounting treatment as the investee directly dispose relevant assets or liabilities; the change of other owners' equity related to the original equity investment shall be transferred into profit or loss for the current period.

When the control over the investee are lost due to disposal of partial equity investment etc., if the residual equity after disposal could exert common control or important influence over the investee, equity method shall be adopted for the accounting, and adjustment shall be made on this partial equity deemed that equity method has been used for accounting since the acquisition; when the residual equity after disposal could not exert common control or important influence over the investee, accounting treatment shall be made according to relevant regulations in Accounting Standard for Business Enterprises No. 22-The recognition and measurement of financial instruments, and the difference between the fair value and book value on the date when the control right is lost shall be recorded in the profit or loss for the current period.

(5) Method of impairment testing and impairment provision

Provision for impairment of investment in subsidiaries, associated and joint ventures refer to Note IV.9.

9. Impairment of assets

The impairment of long-term equity investments in subsidiaries, associates and joint ventures, investment properties measured at cost model, fixed assets, construction in progress, productive biological assets, intangible assets, goodwill, proven oil and gas mining rights and wells and ancillary facilities (excluding inventories, investment properties measured at fair value model, deferred tax assets and financial assets) is determined as follows:

At each balance sheet date, the Company determines whether there may be indication of impairment of the assets, if there is any, the Company will estimate the recoverable amount of the asset, and perform test for impairment. For goodwill arising from a business combination, intangible assets with indefinite useful life and intangible assets that have not reached the usable condition are tested for impairment annually regardless of whether such indication exists.

The recoverable amount of an asset is determined by the higher of the net amount after deducting the disposal costs from the asset's fair value and the present value of the asset's estimated future cash flow. The recoverable amount is estimated of the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the Company determines the recoverable amount of the asset group to which the asset belongs. The identification of the asset group is based on whether the cash flow generated from the asset group is independent of the major cash inflows from other assets or asset groups.

When the asset or asset group's recoverable amount is lower than its carrying amount, the Company reduces its carrying amount to its recoverable amount, the reduced amount is recorded in profit or loss for the current period and the provision for impairment of assets is recognized.

For tests of goodwill impairment, the carrying amount of goodwill arising from a business combination is allocated reasonably to the relevant asset group since the acquisition date. If the carrying value of goodwill is unable to be allocated to asset group, the carrying value of goodwill will be allocated to asset portfolio. Asset group or portfolio of asset group is asset group or portfolio of asset group which can be benefit from synergies of a business combination and is not greater than the reportable segment of the Company.

In impairment testing, if indication of impairment exists in asset group or portfolio of asset group containing allocated goodwill, impairment test is first conducted on asset group or portfolio of asset group that does not contain goodwill, and corresponding recoverable amount is estimated and any impairment loss is recognized. Then asset group or portfolio of asset group containing goodwill is conducted impairment test by comparing its carrying amount and its recoverable amount. If the recoverable amount is less than the carrying amount, impairment loss of goodwill is recognized.

An impairment loss once recognized not be reversed in subsequent period.

V. Changes in accounting policies, accounting estimates and correction of errors in prior periods

(1) Changes in accounting policies

1. The Ministry of Finance issued the "Notice of the Ministry of Finance on Revising and Issuing the Format of General Financial Statements for 2019" (Caihui [2019] No. 6) on 30 April 2019, and at the same time, the "Notice on the Format of General Enterprise Financial Statements for 2018 (Caihui [2018] No. 15) is abolished. The Ministry of Finance issued the "Notice of the Ministry of Finance on Revising and Printing the Format of Consolidated Financial Statements (2019 Version)" (Caihui [2019] No. 16) on 19 September 2019, and at the same time, the "Notice of the Ministry of Finance on Revising the Format of the 2018 Consolidated Financial Statements" (Caihui [2019] No. 1) is also abolished. According to Caihui [2019] No. 6 and Caihui [2019] No. 16, the Company made the following amendments to the financial statement format:

In balance sheet, "Bills receivable and accounts receivable" is split into "Bills receivable" and "Accounts receivable", and "Notes payable and accounts payable" is split into "Notes payable" and "accounts payable".

The Company adjusts the comparative data for the comparable period in accordance with notice No.6 of Caihui [2019].

The revision of the financial statement format has no effect on the Company's total assets, total liabilities, net profit and other comprehensive income, etc.

2. On 16 May 2019, the Ministry of Finance issued the "Accounting Standards for Business Enterprises No.12 - Debt Restructuring" (hereinafter referred to as the "new debt restructuring standard"), which has modified the definition of debt restructuring, and has been clear about the debt restructuring involved in financial instruments for accounting standards such as "Accounting Standards for Business Enterprises No.22 - Recognition and Measurement of Financial Instruments", etc. The new debt restructuring standard has also been clear about the initial measurement at cost of assets other than financial assets accepted by creditors, and has clarified that the obligors paying off the debts with assets shall no longer distinguish between gains and losses from assets disposal and gains and losses from debt restructuring.

In accordance with the provisions of No.6 of Caihui [2019], “non-operating income” and “non-operating expenditure” line items no longer include gains or losses arising from the disposal of non-current assets in debt restructuring.

The Group adopts the prospective method to deal with the debt restructuring newly occurred on 1 January 2019, and does not make retroactive adjustments to the debt restructuring occurred before 1 January 2019.

The changes in accounting policies have no impact on the items in the company's current statements.

3. On 9 May 2019, the Ministry of Finance issued the “Accounting Standards for Business Enterprises No.7 - Exchange of Non-monetary Assets”(hereinafter referred to as the “new non-monetary exchange standard”), has clarified the concept of monetary and non-monetary assets, the scope of the standard, when to recognize exchange of non-monetary assets, the measurement basis and accounting methods of exchange of non-monetary assets under different conditions, and meanwhile has perfected the disclosure requirements. The Company adopts the prospective method to deal with exchange of non-monetary assets that occur after 1 January 2019, and does not make retroactive adjustments to exchange of non-monetary assets that occurred before 1 January 2019.

The above changes in accounting policy have no impact on the company's current report items.

2. Changes in accounting estimates

None

3. Correction of errors in prior periods

None.

VI. Taxation

The company is a BVI company and exempted for tax.

VII. Business combination and consolidated financial statements

Basic information of subsidiaries in the consolidation for this period

No	Entity	Level	Type	Registration place	Place of operation	Business nature	Paid-in capital	Shareholding ratio (%)	Voting right (%)	Investment amount	Acquisition method
1	Investment Management Company	2	3	BVI	BVI	Investment	1,982,051,596.59	100.00	100.00	1,982,051,596.59	1

(Note: Type of enterprise: 1. Domestic non-financial subsidiary, 2. Domestic financial subsidiary, 3. Overseas subsidiary, 4. Public institution, 5. Infrastructure unit;

Acquisition method: 1. Investment establishment, 2. Business combination under common control, 3. Business combination not under common control, 4. Others)

VIII. Notes to significant items of consolidated financial statements

1. Cash and bank balances

Item	Closing balance	Beginning balance
Cash at bank	724,243,580.75	742,829,532.59
Including: Total amount of money deposited abroad	724,243,580.75	742,829,532.59

2. Other receivables

Item	Closing balance	Beginning balance
Interest receivable	4,545,959.39	5,885,605.79
Other receivables	21,627.41	21,277.09
Total	4,567,586.80	5,906,882.88

(1) Interest receivable

Item	Closing balance	Beginning balance
Time deposit	4,545,959.39	5,885,605.79

(2) Other receivables

Category	Book balance	Closing balance		
		Ratio %	Provision for bad debts	Ratio %
Individually insignificant and subject to separate provision of other receivables	21,627.41	100.00	--	--

Other receivables by category (Continued)

Category	Book balance	Beginning balance		
		Ratio %	Provision for bad debts	Ratio %
Individually insignificant and subject to separate provision of other receivables	21,277.09	100.00	--	--

At year end, individually insignificant and subject to separate provision of other receivables

Debtor	Book balance	Provision for bad debts	Ageing	Provision ratio	Reason of provision
State Management Center	21,627.41	--	Over 3 years	--	--

3. Long-term equity investment

(1) Long-term equity investment by category

Item	Beginning balance	Increase	Decrease	Closing balance
Investment in associates	5,438,547,336.83	778,599,948.37	--	6,217,147,285.20
Less: Provision for impairment of long-term equity investments	--	--	--	--
Total	5,438,547,336.83	778,599,948.37	--	6,217,147,285.20

(2) Details of long-term equity investments

Investee	Investment cost	Beginning balance	Movement in the year				Declared distribution of cash dividend or profit	Closing balance	Provision for impairment at year end
			Investment income recognised under equity method	Other comprehensive income adjustment	Other changes in equity	Other			
Associate									
China Resources Pharmaceutical Group Limited	5,438,547,336.83	5,438,547,336.83	487,274,586.11	-130,972,039.32	-25,410,421.39	573,826,024.95	126,118,201.98	6,217,147,285.20	--

(3) Principle financial information of significant associates

Item	China Resources Pharmaceutical Group Limited	
	Closing balance	Beginning balance
Current assets	119,089,995,412.80	112,469,088,953.00
Non-current assets	51,134,411,232.60	41,956,330,556.40
Total assets	170,224,406,645.40	154,425,419,509.40
Current liabilities	95,556,481,090.20	90,562,602,917.80
Non-current liabilities	12,336,530,303.40	10,827,255,095.80
Total liabilities	107,893,011,393.60	101,389,858,013.60
Net assets	62,331,395,251.80	53,035,561,495.80
Share of net assets calculated based on shareholding ratio	6,352,939,088.79	6,009,707,220.84
Adjustment matters	-135,791,803.59	-571,159,884.01
Carrying amount for equity investment in associates	6,217,147,285.20	5,438,547,336.83

Continued:

Item	China Resources Pharmaceutical Group Limited	
	Current year	Prior year
Operating revenue	181,146,127,934.00	162,384,308,492.89

Item	China Resources Pharmaceutical Group Limited	
	Current year	Prior year
Net profit	4,516,653,458.00	6,533,934,809.61
Other comprehensive income	-1,603,163,991.00	3,342,411,225.40
Total comprehensive income	2,913,489,467.00	9,876,346,035.01
Dividends received from associates in the current period	126,118,201.98	475,724,622.59

4. Share capital

Investor	Beginning balance	Increase	Decrease	Closing balance
State Management Center	2,999,998.63	--	--	2,999,998.63

5. Capital reserve

Item	Beginning balance	Increase	Decrease	Closing balance
Other capital reserve	2,614,040,867.88	--	25,410,420.97	2,588,630,446.91

6. Undistributed profits

Item	Current year	Prior year
Beginning balance of the current period	4,033,380,095.65	3,445,618,355.18
Increase	506,729,482.09	587,761,740.47
Including: Net profit for the year	506,729,482.09	587,761,740.47
Decrease	177,564,793.43	--
Including: Appropriation of cash dividends	177,564,793.43	--
Closing balance of the current period	4,362,544,784.31	4,033,380,095.65

7. Administrative expenses

Item	Current year	Prior year
Intermediary agency fee	341,412.53	213,668.63

8. Financial expenses

Item	Current year	Prior year
Total interest expenses	--	--
Less: Interest capitalized	--	--
Net interest expense	--	--
Less: Interest income	19,562,838.32	8,020,231.26
Exchange gains or losses	-235,539.11	889,881.70
Less: Capitalized exchange gains or losses	--	--
Bank charges and other	2,068.92	3,399.86
Total	-19,796,308.51	-7,126,949.70

9. Investment income

Source of investment income	Current year	Prior year
Income from long-term equity investments accounted for using the equity method	487,274,586.11	580,848,459.40

10. Other comprehensive income attributable to owners of the parent company

(1) Details of other comprehensive income, income tax effect and transfer

Item	Current year			Prior year		
	Amount before tax	Income tax	Net amount after tax	Amount before tax	Income tax	Net amount after tax
Other comprehensive income that will be reclassified into profit or loss subsequently						
1. Other comprehensive income that can be converted to profit or loss under the equity method	-130,972,039.32	--	-130,972,039.32	-368,779,304.82	--	-368,779,304.82
Less: Other comprehensive income recorded in prior year and transferred to profit or loss for the current year	--	--	--	--	--	--
Sub-total	-130,972,039.32	--	-130,972,039.32	-368,779,304.82	--	-368,779,304.82
2. Translation differences arising on translation of foreign currency financial statements	585,892,472.08	--	585,892,472.08	8,488,353.30	--	8,488,353.30
Less: Other comprehensive income recorded in prior year and transferred to profit or loss for the current year	--	--	--	--	--	--
Sub-total	585,892,472.08	--	585,892,472.08	8,488,353.30	--	8,488,353.30

Beijing State-owned Capital Operation and Management Center Investment Holdings Limited
Notes to the financial statements
For the year ended December 31, 2019 (all amounts in RMB unless otherwise stated)
[English Translation for Reference Only]

Item	Current year			Prior year		
	Amount before tax	Income tax	Net amount after tax	Amount before tax	Income tax	Net amount after tax
Other comprehensive income that will be reclassified into profit or loss subsequently						
Total other comprehensive income	454,920,432.76	--	454,920,432.76	-360,290,951.52	--	-360,290,951.52

(2) Reconciliation of other comprehensive income items

Item	Other comprehensive income that can be converted to profit or loss under the equity method	Translation differences arising on translation of foreign currency financial statements	Total other comprehensive income
1. Beginning balance on the prior year	-68,824,809.51	-34,021,448.83	-102,846,258.34
2. Restated beginning balance	-68,824,809.51	-34,021,448.83	-102,846,258.34
3. Movement amount of prior period ("-" for decrease)	-368,779,304.82	8,488,353.30	-360,290,951.52
4. Closing balance of prior period/ Beginning balance of current period	-437,604,114.33	-25,533,095.53	-463,137,209.86
5. Movement amount of current period ("-" for decrease)	-130,972,039.32	585,892,472.08	454,920,432.76
6. Closing balance of current period	-568,576,153.65	560,359,376.55	-8,216,777.10

11. Supplement to consolidated cash flows statement

(1) Supplement to cash flows statement

Item	Current year	Prior year
1. Reconciliation of net profit to cash flow from operating activities:		
Net profit	506,729,482.09	587,761,740.47
Add: Impairment for assets	--	--
Depreciation of fixed assets	--	--
Amortization of intangible assets	--	--
Amortization of long-term deferred expenses	--	--
Losses on disposal of fixed assets, intangible assets, and other long-term assets (Gain as in "-")	--	--
Loss on retirement of fixed assets (Gain as in "-")	--	--
Losses on changes in fair value (Gain as in "-")	--	--
Financial charges (Gain as in "-")	--	67.99

Item	Current year	Prior year
Investment losses (Gain as in "-")	-487,274,586.11	-580,848,459.40
Decrease in deferred tax assets (Increase as in "-")	--	--
Increase in deferred tax liabilities (Decrease as in "-")	--	--
Decrease in inventories (Increase as in "-")	--	--
Decrease in operating receivables (Increase as in "-")	1,424,916.11	-5,744,537.18
Increase in operating payables (Decrease as in "-")	--	--
Others	--	--
Net cash flows from operating activities	20,879,812.09	1,168,811.88
2. Significant investment or finance activities not involving cash:	—	—
Debts converted to capital	--	--
Convertible debts mature within one year	--	--
Fixed assets acquired under finance leases	--	--
3. Net increase / (decrease) in cash and cash equivalents:	—	—
Cash as at end of year	724,243,580.75	742,829,532.59
Less: cash at beginning of year	742,829,532.59	242,038,350.78
Add: cash equivalents at end of year	--	--
Less: cash equivalents at beginning of year	--	--
Net increase in cash and cash equivalents	-18,585,951.84	500,791,181.81

(2) Details of cash and cash equivalents

Item	Closing balance	Beginning balance
1. Cash	724,243,580.75	742,829,532.59
Including: Cash at bank readily available for payment	724,243,580.75	742,829,532.59
2. Cash equivalents	--	--
3. Cash and cash equivalents as at closing balance	724,243,580.75	742,829,532.59

IX. Contingencies

As of December 31, 2019, the Company has no contingencies that should be disclosed.

X. Event after balance sheet date

As of April 20, 2020, the Company has no matters after the balance sheet date that should be disclosed.

XI. Related parties and their transactions

1. Parent company of the Company

Name of parent company	Place of registration	Business nature	Registered capital (Unit: '0000)	Shareholding % in the Company	Voting right % in the Company
State Management Center	Beijing	Investment	3,500,000	100.00	100.00

2. Joint ventures and associates

Name	Principal place of business	Registration place	Business nature	Shareholding (%)		Voting ratio (%)
				Direct	Indirect	
Associate						
China Resources Pharmaceutical Group Limited	Hong Kong	Hong Kong	Pharmaceutical	17.42	--	17.42

3. Receivables from and payables to related party

Receivables from related party

Item	Related party	Closing balance		Beginning balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Other receivables	State Management Center	21,627.41	--	21,277.09	--

XII. Notes to the parent company's financial statements

1. Other receivables

Item	Closing balance	Beginning balance
Other receivables	161,151.41	158,541.09

Other receivables

Category	Book balance	Closing balance		Ratio %
		Ratio %	Provision for bad debts	
Individually insignificant and subject to separate provision of other receivables	161,151.41	100.00	--	--

Other receivables by category (Continued)

Category	Book balance	Beginning balance		Ratio %	
		Provision for bad debts	Ratio %		
Individually insignificant and subject to separate provision of other receivables	158,541.09		--	100.00	
At year end, individually insignificant and subject to separate provision of other receivables					
Debtor	Book balance	Provision for bad debts	Ageing	Provision ratio	Reason of provision
Investment Management Company	139,524.00	--	2-3 years	--	--
State Management Center	21,627.41	--	Over 3 years	--	--
Total	161,151.41	--	—	--	--

2. Long-term equity investment

Item	Beginning balance	Increase	Decrease	Closing balance
Investment in subsidiaries	1,982,051,596.59	--	--	1,982,051,596.59
Less: Provision for impairment of long-term equity investments	--	--	--	--
Total	1,982,051,596.59	--	--	1,982,051,596.59

3. Investment income

Source of investment income	Current year	Prior year
Investment income from disposal of long-term equity investments	178,008,705.40	--

4. Supplement to cash flows statement

(1) Supplement to cash flows statement

Item	Current year	Prior year
1. Reconciliation of net profit to cash flow from operating activities:		
Net profit	177,989,547.38	-32,238.10
Add: Impairment for assets	--	--
Depreciation of fixed assets, oil and gas assets, productive biological assets	--	--
Amortization of intangible assets	--	--
Amortization of long-term deferred expenses	--	--
Losses on disposal of fixed assets, intangible assets, and other long-term assets (Gain as in "-")	--	--
Loss on retirement of fixed assets (Gain as in "-")	--	--
Losses on changes in fair value (Gain as in "-")	--	--
Financial charges (Gain as in "-")	--	--
Investment losses (Gain as in "-")	-178,008,705.40	--
Decrease in deferred tax assets (Increase as in "-")	--	--
Increase in deferred tax liabilities (Decrease as in "-")	--	--
Decrease in inventories (Increase as in "-")	--	--
Decrease in operating receivables (Increase as in "-")	--	-133,974.00
Increase in operating payables (Decrease as in "-")	--	--
Others	--	--
Net cash flows from operating activities	-19,158.02	-166,212.10
2. Significant investment or finance activities not involving cash:		
Debts converted to capital	--	--
Convertible debts mature within one year	--	--
Fixed assets acquired under finance leases	--	--
3. Net increase / (decrease) in cash and cash equivalents:		
Cash as at end of year	3,156,339.76	2,683,927.80
Less: cash at beginning of year	2,683,927.80	2,717,399.25
Add: cash equivalents at end of year	--	--
Less: cash equivalents at beginning of year	--	--
Net increase in cash and cash equivalents	472,411.96	-33,471.45

Beijing State-owned Capital Operation and Management Center Investment Holdings Limited
Notes to the financial statements
For the year ended December 31, 2019 (all amounts in RMB unless otherwise stated)
[English Translation for Reference Only]

(2) Details of cash and cash equivalents

Item	Closing balance	Beginning balance
1. Cash	3,156,339.76	2,683,927.80
Including: Cash at bank readily available for payment	3,156,339.76	2,683,927.80
2. Cash equivalents	--	--
3. Cash and cash equivalents as at closing balance	3,156,339.76	2,683,927.80

XIII. Approval of financial statements

The financial statements and notes to the financial statements have been approved by the Company.

For and on behalf of
Beijing State-owned Capital Operation and Management Center
北京国管中心投资控股有限公司
Investment Holdings Limited

April 20, 2020 *Authorised Signature(s)*



姓名 莫大伟
 Full name 莫大伟
 性别 男
 Sex 男
 出生日期 1967/11/04
 Date of birth 1967/11/04
 工作单位 北京京都会计师事务所有限公司
 Working unit 北京京都会计师事务所有限公司
 身份证号码 110102671104307
 Identity card No. 110102671104307



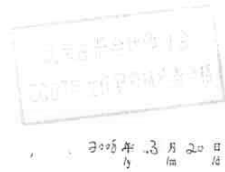
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证书编号: 110000152560
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Authorized Institute of CPAs

发证日期: 2002年 09月 05日
Date of issuance 2002年 09月 05日



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Registration of a Change of Working Unit by a CPA

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Stamp of the transfer-out Institute of CPAs
年 月 日

同意调入
Agree the holder to be transferred to

转入协会盖章
Stamp of the transfer-in Institute of CPAs
年 月 日



姓名 Full name 康向红
 性别 Sex 女
 出生日期 Date of birth 1991-04-27
 工作单位 Working unit 致同会计师事务所(特殊普通合伙)
 身份证号码 Identity card No. 130634199104273123



此证书检验合格，继续有效一年。
 This certificate is valid for another year after this renewal.

证书编号: No. of Certificate 110101560269

批准注册协会: Authorized Institute of CPAs 北京注册会计师协会

发证日期: Date of Issuance 2015 年 11 月 17 日

年 月 日



记
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姓名: 康向红
 证书编号: 110101560269

格, 继续有效一年。
 lid for another year after

this renewal.



证书编号: No. of Certificate 110101560269

批准注册协会: Authorized Institute of CPAs 北京注册会计师协会

发证日期: Date of Issuance 2015 年 11 月 17 日

年 月 日

证书序号: 0014469

此件仅用于业务报告使用, 复印无效



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》。

会计师事务所 执业证书



名称: 北京华远会计师事务所 (特殊普通合伙)
 首席合伙人: 曹惠琦
 主任会计师: 曹惠琦
 经营场所: 北京市朝阳区建国门外大街22号赛特广场5层



发证机关: 北京市财政局
 二〇一〇年十一月十一日

组织形式: 特殊普通合伙
 执业证书编号: 11010156
 批准执业文号: 京财会许可[2011]0130号
 批准执业日期: 2011年12月13日

中华人民共和国财政部制

ISSUER

**Beijing State-owned Capital Operation
and Management Center Investment
Holdings Limited**
北京国管中心投资控股有限公司
Vistra Corporate Services Centre
Wickhams Cay II
Road Town, Tortola
British Virgin Islands

GUARANTOR

**Beijing State-owned Capital Operation and
Management Company Limited**
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Central, Hong Kong

REGISTRAR AND TRANSFER AGENT

**Bank of Communications Co., Ltd.
Hong Kong Branch**
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Central, Hong Kong

TRUSTEE

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